

Revised Paras of Chapter 6 of FE Manual:**8A. Foreign Currency Value Account (FCVA)**

- (i) Authorized Dealers may open 'Foreign Currency Value Account (FCVA)' of the following:
- a. All non-resident individuals as defined under the Income Tax Ordinance, 2001 (XLIX of 2001) including non-resident Pakistanis and non-residents holding Pakistan Origin Card (POC);
 - b. A resident individual Pakistani who holds assets abroad, as per the wealth statement declared in latest tax return with Federal Board of Revenue (FBR).

Operations of FCVA shall be governed by the regulations set out below:

(ii) General Operations

- a. Authorized dealer shall clearly mark the account as resident, non-resident Pakistani or other non-resident individual, as the case may be, at the time of account opening.
- b. Authorized dealer shall allow operations in the account through the digital channels e.g. internet/mobile banking, ATM/ Debit cards. The ADs may also issue cheque book to the account holder, if required.
- c. Authorized dealers may issue supplementary ATM/Debit Cards, as per applicable laws/regulations.
- d. The resident individual desirous to open FCVA shall have to provide the details of his/her assets held abroad, including latest wealth tax statement filed with FBR.
- e. Authorized dealers are encouraged to provide online real time convertibility from FCY to PKR based on the request made by the account holder digitally for eligible debits from the account. For the sake of transparency, ADs shall indicate the exchange rate applicable to the transaction.
- f. Authorized dealer may allow non-resident individuals to open the account jointly with other residents/non-residents, as per applicable laws/banking practices. These accounts should, however, be treated as non-resident accounts. However, a resident Pakistani, having foreign assets declared with FBR, may be allowed to open the account jointly with a resident only.
- g. In case the account becomes dormant due to non-operation, ADs shall devise a mechanism, aligned with applicable regulations, to reactivate the account digitally, in case of non-resident account. However, for resident FCVA, the ADs may reactivate the account digitally or otherwise in compliance with the applicable regulations and their own policy.

(iii) Credits to the FCVA.

- a. Remittances received from abroad through banking channels.
- b. Transfer of funds from his/her own NRVA with the same AD.
- c. Profit/interest on the permissible investments made from the account.
- d. Dis-investment proceeds from the permissible investments made from the account.
- e. Profit and premature/ maturity proceeds of Pakistan Banao Certificates (PBCs) into the PBC holder's own FCVA.
- f. Reversal of any incorrect debit in the account.

(iv) Debits to the FCVA.

- a. Investment in permissible securities provided that the relevant laws, rules and regulations permit such investment, as under:
 - (i) Government of Pakistan's registered debt securities denominated in FCY only.
 - (ii) Term deposit/remunerative product scheme, denominated in FCY, of the same AD.
- b. Transfer of funds to account holder's own NRVA with the same AD.
- c. Transfer to other FCY, PKR account and non-resident Rupee account – non-repatriable with any bank in Pakistan.

- d. Remittances and payments outside Pakistan to the extent of balances available in the account, without any prior approval from the bank or the State Bank.
 - e. Cash withdrawal in foreign currency or in equivalent local currency.
 - f. Any payment in PKR to any person resident in Pakistan. However, any amount so paid shall not be allowed to be credited back into the account.
 - g. Reversal of any incorrect /wrong credit entry.
- (v) Authorized dealers are encouraged to make necessary arrangements in their systems to facilitate their customers, in opening and operating FCVA remotely through digital channels.

8B. Foreign Currency Business Value Account (FCBVA)

- (i) Authorized Dealers may open 'Foreign Currency Business Value Account (FCBVA)' of juridical persons who fall within the definition of non-resident persons under the Income Tax Ordinance, 2001 (XLIX of 2001). These entities could be Companies, Associations, Foundations, Limited liability partnerships (LLPs), Societies, Trusts, Waqfs and /or other similar legal arrangement. However, this will not include sole proprietorships or unregistered partnerships. Operations of the FCBVA shall be governed by the regulations mentioned below:

(ii) General Operations

- a. Authorized dealer may allow operations in FCBVA through electronic channels besides conventional modes in practice. Authorized dealer may also issue cheque book, if required by the authorized account operators.
- b. Authorized dealers are required to provide online real time convertibility from FCY to PKR based on the request made by the authorized account operator electronically for the eligible debits from the account. For the sake of transparency, the Authorized dealer shall indicate the exchange rate applicable to the transaction.
- c. In case FCBVA becomes dormant due to non-operation, ADs shall devise a mechanism, aligned with applicable regulations, to reactivate the account digitally.

(iii) Credits to the FCBVA

- a. Remittances received from abroad through banking channels.
- b. Transfer of funds from its own Non-resident Rupee Business Value Account (NRBVA) maintained in PKR with same authorized dealer.
- c. Profit, mark-up, return or proceeds of sale or maturity of permissible investments made from FCBVA.
- d. Reversal of any erroneous debit from FCBVA.

(iv) Debits from the FCBVA

- a. Investment in following securities/ products, provided that the relevant laws, rules and regulations permit such investment:
 - (i) Only FCY denominated Government of Pakistan's registered debt securities.
 - (ii) FCY denominated term deposit/remunerative product scheme of same authorized dealer.
- b. Transfer of funds to its own NRBVA maintained in PKR with the same AD.
- c. Transfer to any other FCY or PKR account. However, any amount so transferred shall not be allowed to be credited back into the account.
- d. Remittance or payments to the extent of balance available therein, without any prior approval from the bank or State Bank of Pakistan.
- e. Any payment in PKR in Pakistan. However, any amount so paid shall not be allowed to be credited back into the account, except as otherwise permissible under the regulations.
- f. Reversal of any erroneous credit entry.
