

**12. Export of Software, Information Technology (IT) & IT Enabled Services and Freelance Services.**

**i. Definitions:**

- a) **IT Companies** mean all such entities (sole proprietorships, partnership firms, companies etc.) that are registered with Pakistan Software Export Board (PSEB) or Pakistan Software Houses Association (P@SHA) and engaged in export of software, IT & IT enabled services.
- b) **Freelancers** mean individuals, resident in Pakistan, who provide online services, including IT and IT enabled services to international clients, on a contract or project basis, without being employed by a single organization, and who receive payment for such services from abroad.

**ii. Opening of Accounts of IT Companies and Freelancers:**

- a) Authorized Dealers shall open Exporters' Special Foreign Currency Accounts (ESFCAs) of all exporters (IT companies & freelancers) concurrently while opening the primary PKR account.
- b) For opening these accounts, Authorized Dealers shall follow the instructions contained in SBP's consolidated Customer Onboarding Framework issued vide BPRD Circular No. 1, dated July 25, 2025.

**iii. Processing the Inward Export Receipts:**

- a) Authorized Dealers shall obtain a one-time declaration from IT Companies and Freelancers about the nature of service being provided by them to their overseas customers. Such declaration shall be obtained at the time of opening of account and in case of existing customers as and when required. Authorized Dealer, based on this declaration, shall tag the offered service and the relevant purpose code with the account of respective IT Company or Freelancer, as the case may be. Such tagging shall be used by the Authorized Dealers for reporting inward foreign exchange receipts to SBP, unless the exporter declares otherwise as per (b) below or the SWIFT message contains details to the contrary.
- b) IT Companies and Freelancers engaged in more than one services shall inform the Authorized Dealers about the purpose of the incoming remittance, if it is different from the one which has been tagged with the account.
- c) Authorized Dealers shall process the inward export receipts of IT Companies and Freelancers within one working day from the receipt of funds where the exporters do not avail three-days shop around facility permitted under Para 7 of this Chapter, or receipt of intimation from the exporter about the change of purpose code, as per (b) above.
- d) In case where the beneficiary maintains account with a bank other than the one receiving the inward export remittance, the Authorized Dealer receiving the funds shall pass on the funds to the beneficiary's bank within one working day of receipt of funds. Thereafter, the beneficiary bank, upon receipt of funds from the intermediary bank, shall credit the funds in exporters' account within one working day.

iv. **Retention of Exports Proceeds in Exporters Special Foreign Currency Accounts:**

- a) IT Companies and Freelancers shall be allowed to retain USD 5,000/- (or equivalent) per month or 50% of the export proceeds, whichever is higher, in their ESFCAs.
- b) Authorized Dealers shall **mandatorily** credit the permissible amounts in these ESFCAs, unless the exporter specifically requests, in writing, preferably at the time of account opening, that a lesser amount or no export proceeds is to be credited in the ESFCA.

v. **Utilization of Funds from ESFCAs:**

- a) Balances held in the ESFCAs of IT Companies may be utilized for making all types of payments of current account nature (for example, imports, acquisition of services from abroad, profit/dividend repatriation against registered shares, etc.), for their own business purposes, without SBP's prior approval.
- b) Balances held in the ESFCAs of Freelancers may be utilized for making their personal and work-related payments of current account nature (for example, digital services, digital marketing, membership/ subscription fees, certification fee, education, etc.) without requiring prior approval from SBP.
- c) The funds available in ESFCAs can also be used for making payments with regard to capital and financial account transactions, such as equity investment abroad and foreign currency loan repayments, in line with regulations contained in Chapters 20 and 19, respectively.
- d) The funds available in the ESFCAs may be converted into PKR at any time upon the request of the customer. However, these funds cannot be credited/transferred to any other FCY account(s).
- e) Authorized Dealers shall ensure that outward remittance transactions from ESFCAs, are effected within one working day from the receipt of the customers' requests. Where additional information or documentation is required to process the transaction, the Authorized Dealer shall, within one working day duly inform the exporter of the specific information or documents needed and process the remittance within one working day upon receipt of required information/documents.
- f) Authorized Dealers shall process outward remittance transactions through ESFCAs of IT Companies and Freelancers, for acquisition of services, including IT and digital services from abroad, based on customer's request and underlying agreement/invoice, evidencing the purpose of remittance. In case the said transactions are executed through digital payment channels, the Authorized Dealer shall obtain the requisite documents, *on post-facto basis*, within three working days of the transactions, preferably through digital means.
- g) Authorized Dealers shall issue debit cards to IT exporters, upon their specific request, against ESFCAs, enabling them to utilize the balances held in such accounts for making digital payments. However, no cash withdrawal from these ESFCAs shall be allowed within Pakistan.
- h) The funds available in an ESFCA of the exporter may be transferred to another ESFCA of the same exporter, maintained with another Authorized Dealer, upon specific request of the exporter. The Authorized Dealer transferring funds shall ensure that the proceeds are being credited into the ESFCA of the same exporter.

vi. **Regulatory Reporting:**

- a) Authorized Dealers shall submit monthly statement of export of software, on prescribed format i.e. Appendix V-13, to Foreign Exchange Operations Department (FEOD) SBP-BSC.
- b) IT Companies and Freelancers, henceforth, shall not be required to submit Form "R" to the Authorized Dealers in respect of their export receipts.
- c) Authorized Dealers shall ensure to report the transactions under the relevant purpose codes.

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