



# **Exchange Companies Manual**

Exchange Policy Department

**State Bank of Pakistan**



# **Exchange Companies Manual**

## **Disclaimer**

State Bank of Pakistan has issued Exchange Companies Manual containing regulations made through FE Circulars/Circular Letters. State Bank will continue to update/compile the Manual from time to time for convenience of users. Due care has been exercised while incorporating the related instructions. However, in view of the voluminous work involved in the process, errors and omissions may be expected. In case of any ambiguity, users are advised to refer to the original FE Circulars/Circular Letters on the relevant subjects(s), which are available on SBP's website ([www.sbp.org.pk](http://www.sbp.org.pk)). Further, they should also immediately bring such errors/ omissions to the notice of the Director, Exchange Policy Department, SBP, Karachi for rectification.

**Exchange Policy Department**  
**State Bank of Pakistan**

## **EXCHANGE COMPANIES MANUAL**

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## **CHAPTER 1**

### **INTRODUCTORY**

#### **1. Foreign Exchange Regulation Act, 1947**

Foreign Exchange Policy and its operations in Pakistan are formulated and regulated in accordance with the provisions of the Foreign Exchange Regulation Act, 1947 (Act). The object of this Act is to regulate, in the economic and financial interest of Pakistan, certain payments, dealings in foreign exchange, securities, import/export of currency and bullion. Under the Act, the basic regulations are issued by the Government of Pakistan and the State Bank of Pakistan in the form of Notifications which are published in the official Gazette. However, directions having general application are issued in the form of FE Circulars and Circular Letters issued by State Bank of Pakistan.

#### **2. Exchange Companies Manual**

After the promulgation of Foreign Exchange Regulation (Amendment) Ordinance 2002 (**Annexure - 1**), State Bank has issued various FE Circulars and Circular Letters to Exchange Companies and Exchange Companies of 'B' category over the period. In order to update/compile related regulations for the convenience of users, Exchange Companies Manual has been prepared. For the purpose of securing compliance with the provisions of the Act and any rules, orders or directions issued there under, the State Bank may, under subsection (4) of Section 3AA of the Act, give directions to Exchange Companies and Exchange Companies of 'B' category who are authorized by the State Bank to do anything in pursuance of the Act.

#### **3. Amendments**

The Exchange Companies Manual has been issued in electronic form and is available at the website of State Bank i.e. [www.sbp.org.pk](http://www.sbp.org.pk). Changes in the regulations are generally advised by issuance of FE Circulars and Circular Letters. Instructions issued by the State Bank to the Exchange Companies and Exchange Companies of 'B' category up to December 31, 2018 setting out the terms and conditions subject to which they may engage in transactions covered by the Act, have been incorporated in this Manual. Contents of this Manual and all instructions, directions, orders etc., issued under the Act are without prejudice to the provisions of any other law of Pakistan or any rules, orders, directions or regulations made thereunder.

Amendments in the provisions of the Manual will be periodically updated and placed at State Bank's website. It will be in the interest of Exchange Companies and Exchange Companies of 'B' category to ensure that updated Manual and related Circulars and Circular Letters issued by State Bank from time to time are available with them.

**4. Exchange Companies and Exchange Companies of 'B' category to notify the Regulations to their Customers and to report Cases of Evasion**

Exchange Companies and Exchange Companies of 'B' category are required to bring related regulations to the notice of their customers and to ensure compliance in their day to day operations. They should also report to the State Bank every case of evasion or attempt, direct or indirect, at evasion of the provisions of the Act and/or any rules, orders or directions issued thereunder, immediately as it comes to their notice.

## CHAPTER 2

### LICENSING

#### 1. Authorization to deal in Foreign Exchange

In terms of the powers vested in it by section 3AA of the Foreign Exchange Regulation Act, 1947, State Bank may, on application made to it in this behalf, and on payment of such fee as it may, from time to time prescribe, authorize any company to deal in foreign currency notes, coins, postal notes, money orders, bank drafts, travelers cheques and transfers.

#### 2. Application for Exchange Company's License

- (i) Proposed Exchange Company should obtain name availability certificate from Securities & Exchange Commission of Pakistan (SECP).
- (ii) The applicants interested in formation of Exchange Company would, in the first instance apply on the prescribed form (**Annexure - 2**) to State Bank for obtaining a No Objection Certificate (NOC).
- (iii) A non-refundable application processing fee of Rs 1,000,000/- shall be charged by State Bank. A pay order / bank draft for this amount drawn in favor of State Bank of Pakistan shall accompany the application.
- (iv) If an application is submitted, complete in all respects, the decision as to the issuance of license or otherwise shall be intimated within one month from the date of submission of such application.
- (v) On receipt of this NOC from the State Bank, the applicant will submit an application to the Securities and Exchange Commission of Pakistan (SECP) for incorporation under the Companies Act, 2017. After the Exchange Company is registered by SECP, the applicant would apply to the State Bank for issuance of license for commencement of operations.
- (vi) The State Bank may, after scrutinizing the application duly made in accordance with the regulations and after having been provided with all information, documents and reports as may be required, grant or refuse to grant the license. In case of refusal, State Bank would assign reasons for such rejection. However, issuance of the license will be restricted once the limit has been reached, which will be at the sole discretion of State Bank.
- (vii) The license of the Exchange Company will not be transferable to any other entity of whatsoever nature, through any means.

### **3. Duration of the License**

The license shall be issued initially for a period of three years. Later on, License of Exchange Companies shall be renewed up to five years from the date of expiry of the license<sup>1</sup>. However, license shall be renewed after giving due consideration, inter alia, to State Bank inspection report, compliance status, corporate governance and financial health of the Exchange Company. The request for renewal of the license must reach State Bank at least 60 days before expiry of the license along with relevant deposit/payment receipt of Rs. 500,000/- issued by the bank, as evidence of having paid the applicable fee, in the RTGS clearing account number/ title 020139999990037 (427516)/ RTGS CLR PROCESSING FEE- REFUND-EXC.

### **4. Revocation of Exchange Company License**

- (i) State Bank shall have the right to revoke a license of an Exchange Company at any time. Before a license is revoked, the Exchange Company shall be served with a notice mentioning therein the reasons for such revocation and instructions for the company to explain its position in writing within 30 days from the date of issuance of notice.
- (ii) License of an Exchange Company can be revoked by State Bank if:
  - (a) The State Bank is provided with false, misleading or inaccurate information by or on behalf of the Exchange Company.
  - (b) It appears to the State Bank that the Exchange Company has violated these or any other regulation, instruction or circular issued by the State Bank or if any of the conditions of license has not been fulfilled or is incapable of fulfillment.
  - (c) The interests of the customers of Exchange Company are in any way threatened, whether by the manner in which the company is conducting or intends to conduct its affairs or for any other reason.
  - (d) The Exchange Company did not commence its exchange business within three months from the date of issuance of license by the State Bank.
  - (e) Deliberate obstruction of the State Bank inspection team in the performance of their duties, by Exchange Companies or officials of its network.
  - (f) Any other reason that in the opinion of the State Bank disqualifies the Exchange Company to hold the license.

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<sup>1</sup> EPD Circular Letter No. 17 dated December 09, 2019



## **CHAPTER 3**

### **BASIC RULES AND REGULATIONS**

#### **1. Name**

The trade name of the Exchange Company shall not include the word "Bank", "Financial Institution", "Investment/Commercial/Finance/Real Estate" or any other description that indicates activities other than exchange business.

#### **2. Capital**

- (i) Minimum authorized and paid-up capital of an Exchange Company shall be Rs. 200 million. The Minimum Capital Requirement is calculated as under:

Minimum Capital Requirement = Paid-up Capital less Accumulated Losses

- (ii) Exchange Companies shall ensure to meet their respective minimum capital requirements at all times<sup>2</sup>.
- (iii) Exchange Companies are allowed to have foreign participation in their equity up to a maximum of 50%. State Bank would permit repatriation of profits in proportion up to the extent of foreign equity.
- (iv) The affairs of the company shall be run only with the declared capital of the company. Neither the shareholders and Directors of the company shall withdraw funds from the company as loan nor shall they extend loan (subordinated loan) to the company unless specific approval, in writing, from State Bank has been obtained.

#### **3. Statutory Liquidity Reserve (SLR)**

Fifteen (15) percent of the paid-up Capital shall be maintained as Statutory Liquidity Reserve (SLR) with the State Bank in the form of cash and/or unencumbered approved government securities. State Bank would extend current account and SGLA facilities to Exchange Companies<sup>3</sup>.

#### **4. Enhancement of Capital**

- (i) Prior approval of State Bank regarding enhancement of authorized and paid-up capital by the existing Directors/shareholders will not be required. The Exchange Company may directly approach Securities & Exchange Commission of Pakistan (SECP) for fulfillment of applicable formalities to increase its authorized or paid-up capital.

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<sup>2</sup> EPD Circular Letter No. 07 dated May 08, 2018

<sup>3</sup> EPD Circular Letter No. 05 dated May 20, 2021

- (ii) Once SECP's formalities have been fulfilled, the company will accordingly maintain the required Statutory Liquidity Reserve (SLR) with respective area office of SBP, Banking Services Corporation (BSC) and immediately intimate Exchange Policy Department (EPD) and Banking Supervision Department - 3 (BSD-3) of the State Bank of Pakistan by submitting evidence of completion of formalities with SECP, enhancement/injection of capital, and maintenance of SLR with SBP, BSC.
- (iii) It must be ensured that the funds utilized for enhancement of capital of the company are legitimate under related laws.

#### **5. Shareholders, Directors, CEO and Key Executives<sup>4</sup>**

Exchange Companies shall:

- (i) Ensure fitness and propriety of Shareholders, Directors, CEO and Key Executives in accordance with criteria given at **Annexure-2A**.
- (ii) Conduct prior self-assessment of fitness and propriety for all fresh inductions/appointments of Shareholders, Directors and CEO before seeking approval of SBP.
- (iii) Forward all requests for seeking approval of SBP for Shareholders, Directors and CEO along with information/affidavit as per **Annexure-2AI and 2AII**. Every shareholder, Director and CEO of the Exchange Company shall require prior written clearance/approval from State Bank.
- (iv) Appointment of Key Executives will not require prior approval/clearance of SBP, however, the Exchange Company must ensure that they qualify relevant FPT criteria in letter and spirit and submit information to SBP as per **Annexure-2AI and 2AII**, within seven working days of assumption of the charge of the post by the incumbent.
- (v) Obtain annually a declaration from all Shareholders, Directors, CEO and Key Executives as per **Annexure-2AIII** that the information provided has not undergone change and where there is any change, requisite details have been furnished to State Bank within 15 days of the change.
- (vi) Screen, on an ongoing basis, the Shareholders, Directors, CEO and Key Executives for designated/proscribed entities/persons and maintain proper record of screening. Accordingly, any shareholders, Directors, CEO and key Executives shall become disqualified if they are designated/proscribed or associated directly or indirectly with designated/proscribed entities/persons under related United Nations Security Council Resolution(s) or Anti-Terrorism Act 1997.
- (vii) Not provide any loan/credit or deferred payment to any of its Shareholder and Director.

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<sup>4</sup> EPD Circular Letter No. 19 dated December 31, 2019

- (viii) Preferably appoint professionals from diversified field/industry as Directors.
- (ix) Ensure that the functions of Audit and Compliance are headed by different individuals and shall be independent of other operational functions.

**6. Prior Approval from State Bank for Changes in Significant Parameters**

State Bank's prior approval will be required for any change in any significant parameter including but not limited to:

- (i) Memorandum and/or Articles of Association of the company
- (ii) Directorship
- (iii) Shareholding
- (iv) Statutory Auditors
- (v) Chief Executive Officer
- (vi) Locations of head office/outlets

**7. Policies**

The company should follow the prudent practices and would develop/follow the standard policies related to Internal Controls, Audit, Human Resources, Information Technology, (AML/ CFT/ CPF) Policy etc.

**8. Observance of Rules and Regulations**

The Exchange Company shall fully abide by all the rules, regulations, instructions, directives, circulars and other communications issued by the State Bank from time to time and subject its records and documents to the examination, inspection and supervision of the State Bank. It shall also ensure compliance with all other laws of the land, in particular the provisions relating to counterfeit coins and banknotes.

**8A. Prohibition to Deal with Legal Persons and Legal Arrangements<sup>5</sup>**

- (i) The Exchange Companies are authorized to deal with individuals (natural persons that are walk-in customers without establishing permanent/on-going relationship) only.

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<sup>5</sup> EPD Circular Letter No. 19 dated December 31, 2019

- (ii) Exchange Companies shall not carry out any transactions with legal persons or legal arrangements except with regulated/supervised banks and exchange companies for permissible businesses as given in Para 9 below, within and outside Pakistan.
- (iii) For entering into any type of relationship with banks and exchange companies outside Pakistan, Exchange Companies are required to ensure the following:
  - (a) Determine the identity of the natural person(s) (if any) who ultimately has a controlling ownership interest in a Bank/Exchange Company;
  - (b) To the extent that there is doubt under (a) as to whether the person(s) with the controlling ownership interest is the beneficial owner(s) or where no natural person exerts control through ownership interests, determine the identity of the natural person(s) (if any) exercising control of the Bank/Exchange Company through other means; and
  - (c) Where no natural person is identified under (a) or (b) above, the identity of the relevant natural person who holds the position of senior managing official shall be determined.
  - (d) Gather sufficient information about banks and exchange companies to understand fully the nature of their business, and to determine from publicly available information about their reputation and the quality of supervision, including whether it has been subject to a ML/TF investigation or regulatory action.
  - (e) Assess banks/exchange companies AML/CFT controls, obtain approval from Board of Director before establishing relationship and ensure clarity in respective AML/CFT responsibilities of each entity.
  - (f) Exchange Companies shall not establish any type of relationship with shell banks.

## **9. Scope of Business**

The Exchange Companies are authorized to deal in foreign currency notes, coins, postal notes, money orders, bank drafts, travelers' cheques, transfers and other businesses as allowed by State Bank subject to adherence to following conditions.

### **(i) Buy and Sale of Foreign Currencies<sup>6</sup>**

- (a) Buy and sell foreign exchange from/to individuals in "Ready" value only.
- (b) Buy and sell foreign exchange in "Ready", "Tom" and "Spot" value dates from/to other Exchange Companies.
- (c) For all foreign currency 'Buy' transactions equivalent to USD 500/- or above Exchange Company will retain copies of identification documents i.e., Computerized

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<sup>6</sup> EPD Circular letter No. 08 Dated May 22, 2018

National Identity Card (CNIC) /National Identity Card for Overseas Pakistanis (NICOP)/ Pakistan Origin Card (POC) / Passport (having valid visa on it or any other proof of legal stay of a foreigner in Pakistan) after having seen the document in original<sup>7</sup>.

- (d) Buy foreign currency notes from banks and shall provide credit thereagainst in bank's Nostro account<sup>8</sup>.
- (e) (i) "Exchange Companies may sell forward the export proceeds received from abroad in US Dollars to banks against the export of permissible foreign currencies made on consignment basis through cargo/security companies subject to adherence of following terms and conditions<sup>9</sup>:
  - a) Forward sale facility may be availed up to maximum five working days (including both transaction and settlement days).
  - b) In case Exchange Companies sell forward the export proceeds for less than five working days, forward sale period may be extended provided that the total period of forward sale, including the extended period, does not exceed five working days (including both transaction and settlement days). However, such extensions will be made by closing out the original contract and booking of a fresh contract at the new rate.
  - c) Forward sale may be booked before or after the export shipment.
  - d) Exchange Companies are required to bring export proceeds within 5 working days from the date of shipment. In case forward sale is booked on or after the shipment date, maximum maturity date of forward sale facility may be up to 5<sup>th</sup> working day of shipment date.
  - e) Forward sale may be booked for full or partial value of export proceeds against export shipment.
  - f) Forward sale will be booked based on specific export shipment. For this, Exchange Company shall provide copy of export documents including deal ticket confirmed with foreign buyer to the bank. In case of advance booking, Exchange Companies will submit copy of deal ticket confirmed with foreign buyer to the bank, while copy of other export documents will be submitted subsequent to the shipment.
  - g) No substitution is allowed for settlement of export proceeds.

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<sup>7</sup> EPD Circular Letter No. 19 dated December 31, 2019

<sup>8</sup> EPD Circular Letter No. 06 dated March 20, 2020

<sup>9</sup> FE Circular No. 02 dated February 24, 2021

- h) Forward contracts, which are not taken up, may be closed out on the date of maturity at prevailing spot rate. Exchange gain, if any, will not be passed on to the Exchange Company, rather the same will be deposited in favor of State Bank of Pakistan by the bank. To this effect, the Exchange Companies are required to provide their consent/agreement in writing as prescribed by the bank before entering into forward contract.
- (ii) “Sell” foreign exchange in Ready, Tom and Spot value dates, with banks as counterparty (Interbank Market).
- (f) For all foreign currency sale transactions equivalent to USD 500/- or above Exchange Companies will retain copies of identification documents i.e., Computerized National Identity Card (CNIC) /National Identity Card for Overseas Pakistanis (NICOP)/ Pakistan Origin Card (POC) / Passport (having valid visa on it or any other proof of legal stay of a foreigner in Pakistan) after having seen the document in original<sup>10</sup>. In addition, Exchange Companies shall also carry out biometric verification of Pakistani Nationals for all such transactions and maintain the record thereof<sup>11</sup>. Exchange Companies will also obtain supporting documents related to the purpose (as stated by the customer) of FCY sale transactions, exceeding USD 1,000 or equivalent in other currencies.<sup>12</sup>
- (g) All sale transactions of USD 10,000/- or above (or equivalent in other currencies) shall be conducted by the Exchange Companies through Cheque/ Bank Transfer issued from the personal account of the customer. Instrument/ transaction reference number and issuing bank’s name shall be mentioned on the transaction receipt along with identification document number of the customer.<sup>13</sup>
- (h) Exchange Companies may sell foreign currency to individuals while ensuring the following limits:
- i. Maximum limit per person per day for buying foreign currency (in the form of cash or outward remittance) from all ECs/ECs-B, is USD 10,000 or equivalent in other foreign currencies.
  - ii. Maximum limit per person per calendar year for buying foreign currency (in the form of cash or outward remittance) from all ECs/ECs-B, is USD 100,000 or equivalent in other foreign currencies.

For this purpose, the Exchange Companies shall obtain an undertaking from individual customer at the time of each sale transaction exceeding USD 1,000/- (or equivalent in other currencies) that they have not already reached the limit of USD 100,000/- per

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<sup>10</sup> EPD Circular Letter No. 19 dated December 31, 2019

<sup>11</sup> EPD Circular Letter No. 16 dated October 06, 2021

<sup>12</sup> FE Circular No. 08 dated December 19, 2021

<sup>13</sup> EPD Circular Letter No. 16 dated October 06, 2021

calendar year or USD 10,000/- per day from all ECs/ ECs-B and these limits will not be breached after the current transaction.<sup>14</sup>

**(ii) Inward Home Remittances**

- (a) Exchange Companies shall take prior approval of State Bank before commencing inward home remittances operations.
- (b) All inward home remittance transactions of Exchange Companies shall be routed through foreign currency accounts of the Exchange Companies maintained with banks in Pakistan.
- (c) Funds against all individual inward remittances must first be received in Exchange Company's accounts maintained with commercial banks in Pakistan. Further, Funds/Cover Payments accompanying message needs to contain accurate and meaningful originator(s) (including beneficial owner(s)) information which should remain with the wire transfer or related message throughout the payment chain. In case of any suspicion, Exchange Companies shall file an STR with Financial Monitoring Unit<sup>15</sup>.
- (d) Exchange Companies shall surrender 100% of foreign currencies received on account of inward home remittances, in equivalent US Dollars, in the interbank market on the same day<sup>16</sup>.

**(iii) Outward Remittances Business**

- (a) Exchange Companies are authorized to effect outward remittances only on personal account of individuals i.e. personal financial transactions and not those related to an individual's trade or business requirements.
- (b) Exchange Companies are not allowed to effect outward remittances on account of trade related activities/payments against services/commission etc., whether on account of individual or on behalf of corporate clients.
- (c) Total outward remittances on behalf of bonafide customers for permissible transactions should not exceed 75% of the inward home remittances mobilized by the Exchange Company during the preceding month.
- (d) For transactions involving transfers/remittances, the names, addresses and other particulars of both the remitter and beneficiary shall be mentioned on the receipts regardless of the amount.
- (e) All outward transactions of Exchange Companies shall be routed through foreign currency accounts of the Exchange Companies maintained with banks in Pakistan.

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<sup>14</sup> FE Circular No. 08 dated December 19, 2021

<sup>15</sup> EPD Circular Letter No. 19 dated December 31, 2019

<sup>16</sup> EPD Circular Letter No. 03 dated February 03, 2022

- (f) Exchange Companies shall retain copies of identification documents i.e., Computerized National Identity Card (CNIC)/National Identity Card for Overseas Pakistanis (NICOP)/Pakistan Origin Card (POC)/Passport (having valid visa on it or any other proof of legal stay of a foreigner in Pakistan) for conducting transfers/ remittances transaction regardless of the amount. The name, address and identification document number of the customer shall also be mentioned on the receipt after due verification and with stamp of “original Seen”. In addition, Exchange Companies shall also carry out biometric verification of Pakistani Nationals for all transactions and maintain record thereof.<sup>17</sup> Exchange Companies will also obtain supporting documents related to the purpose (as stated by the customer) of outward remittance transactions, exceeding USD 1,000 or equivalent in other currencies.
- (g) All outward transactions of USD 10,000/- or above (or equivalent in other currencies) shall be conducted by the Exchange Companies through Cheque/ Bank Transfer issued from the personal account of the customer. Instrument/ transaction reference number and issuing bank’s name shall be mentioned on the transaction receipt along with identification document number of the customer.<sup>18</sup>
- (h) For all outward remittance transactions, Exchange Companies shall ensure the limits mentioned in the para 9(i)(h) above as per manner defined therein.<sup>19</sup>
- (i) All outward remittances must be separately accounted for and under no circumstances, should an Exchange Company resort to netting off inflows and outflows.

**(iv) Export of Foreign Currencies other than US Dollars**

Exchange Companies can export foreign currencies other than United States Dollar (USD) and bring in equivalent USD in their foreign currency accounts maintained with banks in Pakistan<sup>20</sup>. Prior authorization from State Bank is mandatory before starting the foreign currency exports business. Detailed procedure for undertaking foreign currency export business is given in Chapter 5.

**(v) Branchless Banking as Agents of Authorized Financial Institutions**

- (a) Exchange Companies are allowed to conduct branchless banking activities as agents of authorized financial institutions (Commercial/Islamic/Microfinance Banks) offering these services under Branchless Banking Regulations issued vide BPRD Circular No. 09 dated June 20, 2011.

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<sup>17</sup> EPD Circular Letter No. 16 dated October 06, 2021

<sup>18</sup> EPD Circular Letter No. 16 dated October 06, 2021

<sup>19</sup> FE Circular No. 08 dated December 19, 2021

<sup>20</sup> EPD Circular Letter No. 06 dated May 24, 2021



- (b) An Exchange Company that intend to offer branchless banking agent services may approach any financial institution authorized to provide branchless banking services under Branchless Banking Regulations. An Exchange Company shall start providing these services on behalf of the authorized financial institution as and when the financial institution has been approved by the Banking Policy & Regulations Department, State Bank of Pakistan, Karachi for appointing that Exchange Company as the agent.
- (c) An Exchange Company shall not portray itself as banking company or Authorized Financial Institution as defined in Branchless Banking Regulations.
- (d) Exchange Companies shall intimate such arrangement and submit related agreement to the Director, Exchange Policy Department, State Bank of Pakistan, Karachi for information.

**(vi) Collection of Utility Bills**

- (a) Exchange Companies are allowed to enter into agreements with utility companies like WAPDA, KE, PTCL, SSGC etc. for collection of utility bills in PKR on their behalf.
- (b) A copy of the final agreement between a utility company and an Exchange Company shall be submitted by the Exchange Company to the Director, Exchange Policy Department, State Bank of Pakistan, Karachi for information.

**(vii) Installation of ATMs**

Exchange Companies are allowed to install banks' ATMs for PKR at their branches as per the terms and conditions agreed upon between the respective bank and the Exchange Company without getting prior approval of the State Bank.

**(viii) Limitation**

- (a) The Exchange Companies are prohibited to engage in any other activity such as deposit taking, lending etc., directly or indirectly. Exchange Companies are not allowed to enter into business related agreements with each other or with outside parties without obtaining prior approval/clearance in writing from State Bank.
- (b) Exchange Companies are not allowed to open/maintain any Nostro account(s) with banks and exchange companies abroad<sup>21</sup>.
- (c) Virtual Currencies (VCs) like Bitcoin, Litecoin, Pakcoin, OneCoin, DasCoin, Pay Diamond etc. or Initial Coin Offerings (ICO) tokens are not legal tender, issued or guaranteed by the Government of Pakistan. State Bank of Pakistan has not authorized or licensed any individual or entity for the issuance, sale, purchase, exchange or

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<sup>21</sup> FE Circular No. 04 dated May 09, 2008

investment in any such Virtual Currencies/Coins/Tokens in Pakistan. Exchange Companies are advised to refrain from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies/Tokens. Exchange Companies shall also not facilitate their customers to transact in VCs/ICO tokens. Any transaction in this regard shall immediately be reported to Financial Monitoring Unit (FMU) as a suspicious transaction<sup>22</sup>.

- (d) Exchange Companies will not conduct any transaction with their customers on an authority letter<sup>23</sup>.
- (e) Exchange Companies shall perform transactions only from authorized outlets of the company and shall not provide delivery services to the customers<sup>22</sup>.

**9A. Handling of Currency Notes<sup>24</sup>**

- (i) Exchange Companies shall follow the following instructions for Pak Rupees notes as well as foreign currency notes:
  - (a) Currency notes of any denominations shall not be stapled.
  - (b) Only authentic currency notes shall be exchanged.
  - (c) Demonetized currency notes shall not be sold.
- (ii) Exchange Companies shall also develop detailed Standard Operating Procedures taking into consideration the above instructions, get the same approved by their Chief Executive Officer and implement them throughout their network.

**10. Exposure Limit for Conducting Business**

The Exchange Companies shall limit their exposure at the close of business each day at a level not higher than 50% of their capital base. The method to determine exposure shall be the same as has been prescribed for banks i.e. higher of the overbought or oversold positions at the close of day.

**11. Spread Between Buying/Selling Rates**

Spread between buying/selling rates of US Dollar, Pound Sterling, Euro, Saudi Riyal and UAE Dirham shall not exceed one percent of their buying rate. For all other foreign currencies, Exchange Companies shall ensure to maintain a competitive spread. Further, it must be ensured that prevailing exchange rates applicable for sale/purchase of major foreign currencies are

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<sup>22</sup> FE Circular No. 03 Dated April 18, 2018

<sup>23</sup> FE Circular No. 08 dated December 19, 2021

<sup>24</sup> FE Circular No. 12 Dated November 20, 2018

displayed through notice/display board at a prominent place in each outlet of the exchange company.

**11A. Display of Schedule of Charges<sup>25</sup>**

Exchange Companies must ensure the following instructions pertaining to display of schedule of charges:

- (i) The company shall display updated and detailed Schedule of Charges through a notice/display board, both in English and Urdu, at a prominent place in each outlet for outward remittances and branchless banking etc., as per their authorized scope of business.
- (ii) The company shall display prominently through a notice/display board, both in English and Urdu, that no charges are levied/deducted for payment of inward remittances and collection of utility bills.
- (iii) Admissible charges recovered against any service from customer must be reflected on system generated receipt issued for the purpose.
- (iv) The company does not recover charges which are prohibited under any law, rule or regulation.
- (v) The company does not charge from the customer for the services not rendered or rendered without his/her consent.

**12. Record of Transactions**

- (i) All dealings between an Exchange Company and its customers shall be supported by official receipts. Such receipts shall be prepared for every transaction in duplicate, one of which shall be provided to the customer.
- (ii) Every receipt provided to the customer shall be sequentially numbered and also bear the name of the Exchange Company, date, nature of transaction i.e. sale/purchase/transfer, currency dealt in, exchange rate and initials of dealer/authorized employee.
- (iii) Exchange Companies must maintain all record of their business transactions including those related to remittances transactions (both Inward and Outward) for 10 years from the date of transaction or longer if so prescribed under other laws, rules & regulations. Further all information/record should be maintained in such a manner that the same may be made readily available to State Bank or any other relevant Law Enforcement Agency as and when required as per related laws.

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<sup>25</sup> FE Circular No. 13 Dated November 26, 2018

- (iv) Any information/record requisitioned by any law enforcement agency during their investigation/prosecution process should also be provided in timely manner as per the governing laws.

**12A. <sup>26</sup>Documentation of Inland Currency Transportation<sup>27</sup>**

- (i) For carrying out transactions requiring movement of Pakistani Rupee (PKR) and Foreign Currency (FCY) within company's authorized network, with other ECs/ECs – B and Banks, Exchange Companies shall ensure as under:
- (a) Each outlet of ECs shall be allocated working capital keeping in view the business needs by the head office of the respective exchange company.
  - (b) ECs shall conduct the exchange business only from such premises as approved by the State Bank. ECs shall not provide delivery services to the customers.
  - (c) The purpose for the movement of cash PKR and FCY shall be properly documented and recorded, after necessary authorization in system on real time basis by the head office.
  - (d) Only bank accounts shall be used for movement of PKR between the cities.
  - (e) The movement of cash PKR (within a city) and FCY (across Pakistan) shall be undertaken only by the authorized employee(s) in company's owned vehicles, through air transit or by Cash-in-Transit Company.
  - (f) The movement of cash PKR and FCY by the franchises of ECs shall be processed under the permission from the head office of respective EC and such movement of cash PKR and FCY shall be documented in their system.
  - (g) The movement of cash PKR and FCY by the franchises shall only be carried out by the authorized individuals, who have been registered with and authorized by the respective Franchiser.
  - (h) During the movement of cash PKR and FCY, the system generated vouchers or receipts along with the authority letter shall be available with authorized employee (s) / registered individuals (for franchises) or Cash-in-Transit Company.
  - (i) The documentary evidences of travel(s) of authorized employee(s) / registered individuals (for franchises), including tickets issued in their names or receipts issued by Cash-in-Transit Company shall be maintained by ECs.
  - (j) In case of cash PKR or FCY withdrawals from banks, the copy of cheque, duly authenticated by the authorized staff of the relevant EC's branch / franchise / head

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<sup>26</sup> EPD Circular Letter No. 20 Dated October 15, 2020

<sup>27</sup> FE Circular No. 05 Dated July 06, 2018

office, shall be carried by the authorized employee(s) / registered individuals (for franchises) or Cash-in-Transit Company.

- (ii) Exchange Company shall develop and implement Standard Operating Procedures (SOPs), duly approved by their Board of Directors, in light of para 2A (i) above. The SOPs shall, at the minimum, cover all the guidelines attached at **Annexure – 2AA**<sup>28</sup>.

### **13. Accounts and Audit**

- (i) Financial year of Exchange Company will be from 1st July to 30th June.
- (ii) The Exchange Companies shall maintain proper accounting records and submit the same in such form as may be required by the State Bank.
- (iii) The company shall adopt proper techniques of internal control such as internal audit.
- (iv) For the purpose of annual statutory audit, the Exchange Companies shall appoint only those auditing firms that are on the approved list of the State Bank for audit of banks.
- (v) The company shall invariably submit to the State Bank, within a period not exceeding three months from the date of closing of its financial year, a signed copy of its year end audited accounts to Off-Site Supervision & Enforcement Department, Exchange Policy Department and Statistics & Data Warehouse Department.

### **14. Reporting to Departments of State Bank**

Exchange Company shall submit all returns/reports to different departments of State Bank as provided in Chapter 7 of the Exchange Companies Manual according to the permissible scope of their business.

### **15. Inspection**

- (i) The State Bank reserves the right to inspect the activities of an Exchange Company at any time it finds appropriate to ensure adherence to the regulations issued by the State Bank.
- (ii) Exchange Companies are required to fully cooperate with the State Bank's inspection team and provide full disclosure of information required during the course of inspection, including but not limited to their activities, accounts, operations, IT systems and records.
- (iii) No Exchange Company or any official of its entire network shall:
  - (a) Obstruct or hinder the State Bank inspection team that is carrying out duties or functions under State Bank directives.

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<sup>28</sup> EPD Circular Letter No. 20 Dated October 15, 2020

- (b) Provide false, misleading or inaccurate information to the State Bank's inspection team.
- (iv) Deliberate obstruction of the State Bank's inspection team in the performance of their duties, by Exchange Company or officials of its network will result in punitive action against the Exchange Company and/or its officials. This may include, inter alia, suspension/revocation of the license of the Exchange Company, permanent disqualification of its Directors and Sponsors to conduct foreign exchange business in any capacity.

## CHAPTER 4

### NETWORK

#### 1. General

- (i) The Exchange Company shall conduct the exchange business only from such premises as approved by the State Bank.
- (ii) The premises should preferably be located at an easily accessible location and shall be relocated only after obtaining prior approval from the State Bank.
- (iii) The proposed location of outlet including head office, branches, franchises, currency exchange booths and payment booths, shall in no way violate the Town Planning Regulations of the respective authority.
- (iv) The Exchange Company shall ensure that facilities such as telephone, fax, Telex/SWIFT, IT hardware/software and electronic cash registers etc. are available at its outlets and complete address, phone and fax numbers are printed on invoices of all outlets.
- (v) A notice-board declaring the exchange rates applicable for currency sale/ purchase/ transfer shall also be displayed at a prominent place in each outlet.
- (vi) A notice advising customers to obtain receipts shall be prominently displayed at each outlet.
- (vii) Standardization of Monitoring through Close Circuit Television (CCTV) Cameras<sup>29</sup>**

The following instructions shall be applicable for compliance by all outlets of Exchange Companies (Head Offices, Branches, Franchises, Currency Exchange Booths and Payment Booths):

- (a) Each outlet shall be equipped with high resolution CCTV cameras having zoom function in order to monitor and clearly capture all activities taking place in the respective outlet.
- (b) The CCTV cameras shall be installed at appropriate locations of each outlet for proper monitoring in such a manner that each area and activity taking place in the outlet must be captured in the recording in particular cash counters, customer area, vault, printers, computer systems, manager cabin etc. Besides, entrance/exit of the outlet shall also be adequately covered.
- (c) The arrangement for recording of CCTV shall be functional on 24 hours 7 days basis with necessary lighting facility for clarity in video recording. Further, proper electricity back-up shall also be arranged for the purpose.

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<sup>29</sup> FE Circular No. 15 Dated December 12, 2018

- (d) The video recording through CCTV cameras shall be preserved for at least two months. However, in case of any dispute/incident within the business premises, the related recording shall be preserved till the resolution of the matter. However, in case the matter is under investigation or is sub-judice before a court of law, the related recordings shall be preserved for a period as may be required in terms of applicable laws/regulations and/or Court's orders.
- (e) The backup of recording shall be maintained at an appropriate place in case a company keeps the original recording in the same outlet to avoid loss of recording in case of any untoward incident taking place at the outlet e.g. earthquake, fire breakout etc.
- (f) In case of any technical issue in installed CCTV cameras/Digital Video Recording (DVR) system, the same shall immediately be communicated to the Head Office of the company by respective outlet. All correspondence among outlets, Head Office and vendor shall be preserved and made available to the State Bank's inspection team for their review during the course of inspection.
- (g) The time of CCTV camera and DVR system installed at outlets shall be synchronized with the time of the core business application.
- (h) The staff of the outlets shall be provided training to operate CCTV camera/DVR system.

**(viii) Display of Name and Scope of Business Activities at Outlets<sup>30</sup>**

- (a) The Exchange Companies shall display signboards prominently at the entrance of their outlets, in line with the following guidelines:
  - i. The signboards shall clearly state the name of the Exchange Company, as applicable.
  - ii. The signboards shall mention type of outlet i.e. Head Office, Branch, Franchise, Payment Booth, Currency Exchange Booth etc. as the case may be.
  - iii. In case of Franchise, the name of the Exchange Company and the Franchise shall be clearly mentioned on the signboard. The name of Exchange Company shall precede the name of Franchise. The font size used for inscribing the name of Exchange Company shall be greater than that of Franchise.
  - iv. The contents of the signboard must be in clear and bold words in English and Urdu.
  - v. The name(s) of individuals, owners, money changers etc. shall not be displayed on signboards.

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<sup>30</sup> FE Circular No. 08 Dated August 13, 2018



- (b) Exchange Companies shall ensure that their respective outlets must display following permissible scope of business at prominent place i.e. cash counter, waiting area etc.

|                                                  |                                                                                                                                                                                                                                              |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Branch                                           | Buy and sale of foreign currency notes and coins.<br>Inward home remittances.<br>Outward remittances.<br>Branchless banking as agent of M/s ... (name of financial Institution). <sup>31</sup><br>Collection of utility bills. <sup>32</sup> |
| Franchise                                        | The franchise shall clearly display all business activities as allowed to them in terms of the franchise arrangement with the franchiser (Exchange Company).                                                                                 |
| Payment Booth                                    | Inward home remittances to the beneficiaries in Pak Rupees only.                                                                                                                                                                             |
| Currency Exchange Booths                         | Buy and sale of foreign currency notes and coins.                                                                                                                                                                                            |
| Temporary Currency Exchange Booths at Haji Camps | Sale of Saudi Riyals to Hajj pilgrims during Hajj season.                                                                                                                                                                                    |

## **2. Types of Network**

The network of an Exchange Company is divided into following categories:

### **(i) Branch**

A Branch is an outlet of the company that is allowed to offer all services that are authorized to Exchange Company.

### **(ii) Franchise Arrangements**

- (a) The below instructions are applicable to existing Franchise arrangements between Franchiser (Exchange Companies) and their Franchises. Exchange Companies are not allowed to enter into new franchise arrangements (agents)<sup>33</sup>.
- (b) The range of foreign exchange business operations by a Franchise includes all activities as are allowed to a branch. However, a Franchise will perform only such foreign exchange business activities as are mutually agreed between the Franchisee and the Franchiser (Exchange Company).
- (c) For all Franchise arrangements between Exchange Companies and their Franchises, responsibility in terms of adherence to State Bank regulations shall continue to reside

<sup>31</sup> Subject to approval by BPRD to financial institution for appointing the Exchange Company as the agent

<sup>32</sup> Subject to agreement of Exchange Company with utility companies

<sup>33</sup> EPD Circular Letter No. 19 dated December 31, 2019

with the licensee/Franchiser (Exchange Company) who shall be held responsible for any violation of State Bank regulations committed by its Franchise(s).

- (d) The Franchise agreement shall be duly registered as per existing laws of the land.
- (e) Any amount agreed between the Franchiser and Franchise as 'Franchise Deposit' and received by the Franchiser is to be maintained by the Franchiser in his books during the currency of the Agreement.
- (f) 'Franchise Deposit' is treated as "Second Tier Capital" in the books of the Franchiser. For the purpose of calculation of 15% SLR requirement and 50% of the Exposure Limit, this "Second Tier Capital" is added to the paid up capital of the Franchiser. At any point of time, combined exposure of Franchiser and Franchisee should not exceed 50% of the sum of paid up capital and Second Tier Capital (Franchise Deposit) of the Exchange Company<sup>34</sup>.
- (g) Franchiser and Franchisee are required to make and maintain arrangement for a completely integrated/compatible computerized system so that the Franchiser may provide a consolidated reporting of exchange business transactions carried out by Franchiser & Franchisee as per requirement of the State Bank.
- (h) In addition to the clauses of the Franchise Agreement, all the rules & regulations specified by the State Bank for the Franchiser shall be equally applicable to the Franchisee.
- (i) Franchiser is required to immediately notify to State Bank all Franchise agreements forwarding a copy to the State Bank. In the absence of any objection from State Bank, Franchiser may deposit requisite enhanced SLR amount with State Bank after 15 days from the date of notifying of the Agreement. Only thereafter Franchisee is allowed to commence its operations.
- (j) The title of bank accounts maintained by the Franchisees must reflect their status of a Franchise holder. For Franchisees who are running their business as proprietorships/partnership, the bank account may be maintained with the addition of words "Franchisee M/s..... Exchange Company" e.g. (i) for proprietorship: Mr. Abdul Rasheed, Franchisee M/s XYZ Exchange Co. (Pvt.) Ltd. (ii) for partnership: M/s AR Enterprises, Franchisee M/s XYZ Exchange Co. (Pvt.) Ltd.
- (k) Franchiser is fully responsible for the activities of the Franchisee and shall also have the right to inspect/visit Franchisee's operations as per their agreement.
- (l) State Bank reserves the right to inspect Franchisee's books of accounts and premises as and when it may deem fit and necessary.

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<sup>34</sup> EPD Circular Letter No. 05 dated May 20, 2021

- (m) All Franchisees, who have been allowed by their respective Franchisers (Exchange Companies), to deal in foreign currency inward home/outward remittances must route their remittance transactions only through their respective Franchisers and not directly from their foreign currency accounts. Franchisees are only allowed to deposit/withdraw cash from their respective foreign currency accounts.
- (n) In case of any violations of related rules, State Bank shall hold the Franchiser directly responsible for the same reserving, however, the right to take such direct action against Franchisee as it may deem fit.
- (o) In case of change in any significant parameters including but not limited to transfer of ownership of franchise from actual owner to some blood relations/spouse due to death of actual owner, prior approval from State Bank shall be obtained by the franchiser.

**(iii) Payment Booths**

- (a) The below instructions are applicable to existing payment booth arrangements of Exchange Companies. Exchange Companies are not allowed to enter into new payment booth arrangements (agents)<sup>35</sup>.
- (b) Scope of Payment Booths is restricted to payments of inward home remittances to the beneficiaries in PKR only. Payment Booths shall not be allowed to undertake any other foreign exchange business activity.
- (c) For all Payment Booth arrangements of Exchange Companies, responsibility in terms of adherence to State Bank regulations shall continue to reside with the licensee (Exchange Company) who shall be held responsible for any violation of State Bank regulations committed by its Payment Booth(s).
- (d) Payment Booths shall have a separate and identifiable set up which may consist of a glass or wooden cabin of an appropriate size within the premises of a well-known business entity.
- (e) Record of all transactions at Payment Booths is required to be maintained, also for the purposes of submission of the same to State Bank in such form, as may be required.
- (f) Appropriate Signboards must be displayed at such Booths mentioning the words “Payment Booth” and name of the Exchange Company. Prominent signboards both in Urdu and English should be placed clearly indicating that the facility is “Restricted for payment of Home Remittances only”.
- (g) For the purpose of a Payment Booth, a separate settlement account shall be opened / maintained for the purposes of receiving credits from the Exchange Company for onward payment of Home Remittances to the beneficiaries.

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<sup>35</sup> EPD Circular Letter No. 19 dated December 31, 2019

- (h) State Bank shall hold the Exchange Company fully responsible for violation of related rules and shall have the right to take direct action against any or both the parties involved as it may deem fit. Operations and record of such Payment Booths will be subjected to State Bank's inspection as and when considered appropriate by the State Bank.
- (iv) Company Owned Currency Exchange Booths**
  - (a) Exchange Companies are also allowed to open company owned Currency Exchange Booths (CEBs) all over the country at public places such as airports, hotels etc.
  - (b) The scope of activities for CEB's would be limited to sale/buy of foreign currency notes/coins and encashment of travellers' cheques only.
  - (c) CEBs can be opened by an Exchange Company after obtaining prior approval from the Exchange Policy Department of State Bank under Annual Network Expansion Plan.
- (v) Temporary Currency Exchange Booths at Hajj Camps during Hajj Season**
  - (a) In order to facilitate Hajj Pilgrims, Exchange Companies may establish their own Currency Exchange Booths (CEB) at Haji Camps during Hajj Season.
  - (b) For establishing the said booths at Hajj Camps an NOC will have to be obtained from Ministry of Religious Affairs prior to approaching State Bank for approval.
  - (c) The booths will be setup temporarily during Hajj Season only. Fresh applications for the same will be submitted for every Hajj Season and the Hajj Camp.
  - (d) The booth will be authorized to deal only in sale of Saudi Riyals to Hujjaj during Hajj Season for which related details/documents and record of transactions will be maintained by the Exchange Company and will be produced for State Bank inspection as and when required.
  - (e) No business other than specified above will be undertaken at the said Booths.
  - (f) The purpose of transactions carried out through such booths will be recorded as 'Religious Travel' and the transactions will become an integral part of the overall transaction record of the Exchange Company and will be reported to State Bank in related returns accordingly.

### **3. Network Expansion**

- (i) An Exchange Company desirous of opening new branches, company owned payment booths and currency exchange booths is required to submit an Annual Network Expansion Plan (ANEP) duly approved by its Board of Directors by 30th September of each year for the next calendar year (January-December) as per **Annexure - 3** to Exchange Policy Department, State Bank of Pakistan, Karachi. In-principle approval to ANEP for the next

calendar year shall be granted by the Exchange Policy Department keeping in view the compliance status and inspection rating of the Exchange Company.

- (ii) In-principle approval granted under ANEP shall be valid only for one year.
- (iii) Financial health, corporate governance, anti-money laundering issues, future earnings prospects etc. shall form the eligibility criteria for approval of ANEP.
- (iv) In case of non-compliant or marginally compliant Exchange Company, approval for network expansion may not be considered. However, EPD will hold discussion with the management of the company on specific issues.
- (v) The performance in terms of opening of branches as per ANEP of previous year shall also be counted towards the in-principle approval of ANEP of next year, beside other requirements as per applicable rules and regulations.
- (vi) Before commencement of operations of each outlet, as approved in ANEP, Exchange Companies are required to apply for formal approval/license for each outlet. Application for the same must be accompanied by documents as mentioned at **Annexure - 4**. The requests for formal approval must reach Exchange Policy Department latest by 30th September each year.
- (vii) Exchange Companies having capital of Rs. 200 million or above are eligible for their network expansion.
- (viii) The following criteria related to capital adequacy shall be observed for network expansion:

|                                       |                               |
|---------------------------------------|-------------------------------|
| Branch                                | Rs. 5,000,000/- per branch    |
| Franchise                             | Rs. 3,000,000/- per Franchise |
| Payment Booth/Currency Exchange Booth | Rs. 2,000,000/- per PB/CEB    |

The above criteria are only for calculation of capital adequacy of the company in relation to their entire network. Exchange Companies shall be free to assign any amount of capital to any of their outlets.

- (ix) It will be the discretion of the State Bank to grant or refuse, fully or partially, 'In-Principle' or 'Formal Approval' without assigning any reason.

### **3A. Outlets at Airports<sup>36</sup>**

- (i) Exchange Companies desirous of participating in CAA tender(s) for award / renewal of license of currency exchange booth(s) / branch(es) at any Pakistani airport(s) shall obtain in-principle approval from SBP before participating in each CAA tender.
- (ii) Application(s) complete in all respects by Exchange Companies for obtaining in principle approval to participate in CAA tender(s) must reach Exchange Policy Department at least 7 working days prior to the last date of application submission in CAA tender(s).
- (iii) In principle approval for participation in CAA tender(s) shall be given by SBP to those Exchange Companies which have better compliance ratings, financial health, corporate governance etc. as mentioned in Para 3(iii) and (iv) of Chapter 4 of Exchange Companies Manual.
- (iv) Application(s) of Exchange Companies for in-principle approval for participation in CAA tender(s) for opening of currency exchange booth(s) / branch(es) at airports shall be treated independent of their Annual Network Expansion Plan and may be submitted to the Director, Exchange Policy Department any time during the year as per CAA tender timelines.

### **4. Transfer of License**

License/permission of Franchise/Payment Booth (agents) shall be non-transferable other than to the company itself<sup>37</sup>.

### **5. Network Relocation**

Exchange Companies may relocate any of their outlets during the year within city/town under intimation to the State Bank. However, before commencement of operations at the new location, prior approval of the State Bank shall be required for which the company shall submit the related documents as mentioned in **Annexure – 4A**<sup>38</sup>. Further, the company shall surrender original license/permission letter for issuance of revised license/permission. Inter-city relocation is not permissible. In this case, the company will close the operations of its outlet from one city and apply for establishment of fresh outlet in another city.

### **6. Closure**

Exchange Companies shall be free to close any of their existing outlets without obtaining prior permission of the State Bank. Information regarding closure of the outlet should be published

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<sup>36</sup> FE Circular No. 01 Dated February 27, 2019

<sup>37</sup> EPD Circular Letter No. 19 dated December 31, 2019

<sup>38</sup> EPD Circular Letter No. 17 dated December 09, 2019

in a leading newspaper at the time of closure and original license/permission letter of the outlet must be surrendered to State Bank within 15 days from the date of closure.

**7. Processing Fee**

- (i) A non-refundable processing fee of:
  - (a) Rs 50,000/- per new outlet shall be charged at the time of submission of Annual Network Expansion Plan (ANEP) for in-principle approval.
  - (b) Rs. 25,000/- shall be charged on account of substitution of location of an outlet under in-principle approved ANEP.
  - (c) Rs. 25,000/- shall be charged for relocation of each outlet.
- (ii) Exchange Companies shall submit the above fees related to them and their Franchises/ Payment Booths (where applicable) in the RTGS Clearing Account Number/Title 020139999990047 (427517)/ RTGS CLR PROCESS FEE-NON REFUND-EXC through bank(s). Further, while submitting requests for ANEP/substitution in ANEP/relocation, Exchange Companies shall, inter alia, provide relevant payment receipt(s) issued by the bank(s) as evidence of having paid the applicable fees.
- (iii) While submitting the application for participation in CAA tender, Exchange Companies shall deposit non-refundable fee of Rs. 50,000/- per outlet in RTGS Clearing account number 427516 of the State Bank and submit the payment receipt as evidence of having paid the applicable fee<sup>39</sup>.

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<sup>39</sup> FE Circular No. 01 Dated February 27, 2019

## **CHAPTER 5**

### **EXPORT OF FOREIGN CURRENCIES<sup>40</sup>**

#### **1. General**

- (i) Exchange Companies are allowed to export all foreign currencies other than US Dollars on consignment basis through cargo/security companies. Prior approval from State Bank is mandatory before starting the foreign currency export business.
- (ii) All Exchange Companies shall ensure that a minimum of 10% of US Dollars received against export of foreign currencies are sold in interbank on an ongoing basis.

#### **2. Designated Airports**

- (i) All foreign currencies other than US Dollars can be exported by Exchange Companies through SBP-Customs Joint Booths located at Jinnah International Airport (JIAP) - Karachi, Allama Iqbal International Airport (AIIAP) - Lahore, Islamabad International Airport (BIIAP) - Islamabad and Bacha Khan International Airport (BKIIAP) - Peshawar.
- (ii) The timings of SBP-Customs Joint Booths at designated locations shall be followed as per the schedule issued by Foreign Exchange Operations Department, SBP-BSC (Bank), Head Office, Karachi from time to time.

#### **3. Terms and Conditions**

- (i) Export of permissible foreign currencies may be made only on consignment basis through a reputable cargo/security company having satisfactory track record and registered in Pakistan.
- (ii) Exchange Companies intending to export permissible foreign currencies must ensure that such currency notes are exported in round figures.
- (iii) It would be compulsory for Exchange Companies to finalize the deal with overseas entity before the shipment of each export consignment. The system generated deal ticket (specifying consignee name, address, contract details, amount, exchange rate etc.) must be accompanied with each request for exporting permissible foreign currencies.
- (iv) Each Exchange Company desirous of export of permissible foreign currencies will be required to report to the SBP-Customs Joint Booth at least 4-hours prior to the scheduled departure time of the flight through which export of currency is intended to be made or 02 hours prior to the closure time of the SBP-Customs Joint booth, whichever is earlier.
- (v) All currencies presented at SBP-Customs Joint Booths should be in packets of 100 notes each of the same currency and denomination. Loose notes below hundred (100) pieces would not ordinarily be entertained for export on daily basis, however, for the sake of

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<sup>40</sup> EPD Circular Letter No. 06 dated May 24, 2021 (Revision of Chapter)



convenience of Exchange companies, export of such loose pieces is allowed twice in a week i.e. on Wednesday and Saturday.

- (vi) Exchange Company shall approach the SBP-Customs Joint Booth with the permissible foreign currencies consignment (other than US Dollars) intended to be exported along with the covering letter/export declaration in triplicate jointly addressed to Customs and State Bank containing particulars of the export transaction placed at **Annexure - 5**. One copy of the covering letter each shall be retained by State Bank and Customs whereas the third copy shall be retained by the concerned Exchange Company.
- (vii) For each export consignment a Unique Transaction Number (UTN) will be mentioned on the covering letter (**Annexure - 5**). UTN shall be combination of alpha initials of name of Exchange Company (**Annexure - 6**), transaction number, and financial year. UTN for export of currencies will be centrally maintained by Exchange Company and issued by its Head Office for export of foreign currency allowed from designated airports. UTN will be the reference number for future reconciliation of export settlement. A specimen of UTN to be used by an Exchange Company for the purpose of record keeping and related instructions is explained in **Annexure - 7**.
- (viii) All Exchange Companies shall provide the above information on prescribed form (hard copy). However, they should ensure that a soft copy of each of the above documents for each transaction is maintained at their end.
- (ix) The foreign currency brought to SBP-Customs Joint Booth along with the documents as indicated above shall be opened and counted in the presence of Exchange Company's representative and Customs Official and verified by SBP-BSC officials as to details from the accompanying documents filed by the Exchange Company as above.
- (x) Customs Officer during or after the process may at his/her discretion verify the actual count made by SBP-BSC Officers against declared foreign currencies as per **Annexure - 5**.
- (xi) Once the foreign currencies are counted and verified on the declaration given at **Annexure - 5**, same shall be packed by SBP-BSC staff with suitably sized transparent white tap. It may be noted that packed bundles shall be signed and stamped by the verifying officer(s) of SBP-BSC and Customs and handed over to the authorized representative of Exchange Company. Thereafter, packed bundle(s) shall be put in bag by Exchange Company official provided by cargo/security company. Each bag shall be sealed before handing over to cargo/security company and seal number imposed thereon shall be recorded by the SBP-BSC staff. Subsequently, AWB number would also be stamped on sealed bag.
- (xii) Concurrently all verifying officers shall also sign and stamp the Exchange Company's declaration (**Annexure - 5**). The consignment duly packed, sealed and signed shall be handed over to the Cargo/Security Company in the presence of SBP-BSC and Customs officials. Thereafter, the consignment shall be treated as cleared for export for the purposes of State Bank & Customs.

- (xiii) It will be the Custom's prerogative to check or verify the foreign currencies being carried by the Cargo/Security Company at any stage during and after clearance of the foreign currency consignment. It is the responsibility of the Customs to check and verify the seal number at the time of cargo loading.
- (xiv) Exchange Companies exporting permissible foreign currencies shall repatriate equivalent US Dollars in their foreign currency accounts maintained with banks in Pakistan within five<sup>41</sup> working days from the date of export of foreign currencies.
- (xv) Exchange Companies shall also open and/or maintain separate foreign currency accounts for receiving proceeds against export of permissible foreign currencies for reconciliation purpose. No other remittances and foreign currency cash shall be deposited in these accounts.
- (xvi) Exchange Companies shall satisfy themselves before entering into contract/agreement with cargo/security companies registered in Pakistan.
- (xvii) Exchange Companies shall ensure that the contract/agreement with cargo/security companies is at "Arm's Length Basis".
- (xviii) The cost and risk of transactions for export of permissible foreign currencies shall rest upon the Exchange and Security/Cargo Companies as per the underlying contract/agreement.
- (xix) Exchange companies shall ensure carrying out due diligence of the cargo/security company prior to execution of the contract/agreement and ensure its periodical updation/review.
- (xx) The Cargo/Security Company is required to undertake in its agreement with Exchange Companies that the Company shall only act as a transportation carrier for export of foreign currencies on behalf the Exchange Companies licensed by State Bank.
- (xxi) Exchange Companies must ensure due diligence and compliance to all relevant Anti-Money Laundering laws in respect of cross-border transfers, which may be enforced from time to time in Pakistan and also in the respective jurisdiction.
- (xxii) List of authorized signatory, duly approved by CEO or President of the company shall be communicated to the Director, Foreign Exchange Operations Department (FEOD), SBP-BSC, Head office, Karachi. Any subsequent change in the authorized signatory's list shall be brought into the knowledge of the Director, FEOD.
- (xxiii) Any unauthorized attempt (direct or indirect), during or after the clearance, by Exchange Company to temper/change the documents, consignment, bundles or value of the overall shipment may result in immediate cease of Export and Import business for Exchange Company. Further, regulatory action including cancellation of the License may also be considered under the provisions of FERA, 1947.
- (xxiv) In case of cancellation of export shipment, due to any reason, cleared consignment shall be brought back to the designated location, during booth timing, by cargo/security Company.

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<sup>41</sup> FE Circular Letter No. 02 dated February 24, 2021

SBP-BSC officials in presence of Customs and Exchange Companies' representatives will verify the currency as per Annexure-5 of that shipment before handing it over to Exchange Company.

- (xxv) There must be no conflict of interest between officials of the Exchange Company (including President, CEO, Directors, Members or Executives) and the Cargo/ Security Company. If any of the aforementioned official is having a share, employment, relation or any kind of benefit in/from Cargo/ Security Company same must be brought into the knowledge of EPD, SBP.
- (xxvi) Copy of the document declaring currency at foreign airport (i.e. Import Declaration) shall also be kept in record with export documents by Exchange Company. The Onsite inspection teams of SBP will verify the values and other details of such import declarations. Further, in view of the prevailing AML/CFT regulations, Exchange Companies are not allowed to export FCY to the countries where declaration of importing currencies is not mandatory/ required.

## CHAPTER 6

**Anti-Money Laundering, Combating the Financing of Terrorism & Countering  
Proliferation Financing (AML/CFT/CPF) Regulations<sup>42</sup>**

1. Exchange Companies (ECs) and Exchange Companies of 'B' Category (ECs – B) shall comply with the Anti-Money Laundering, Combating the Financing of Terrorism & Countering Proliferation Financing (AML/CFT/CPF) Regulations issued by SBP vide SBP, BPRD Circular No. 05 of 2020 dated September 30, 2020 under the powers conferred by Section 6A (2) of the Anti-Money Laundering Act, 2010 (Act).
2. The (AML/CFT/CPF) Regulations are available at <https://www.sbp.org.pk/bprd/2020/C5-Annex.pdf>. Any violation of AML/ CFT/ CPF Regulations shall attract penal as well as administrative action under the applicable laws/rules/regulations.
3. The Government of Pakistan has issued AML-CFT Sanctions Rules 2020 vide S.R.O 950 (I)/ 2020 under the Anti-Money Laundering Act, 2010. These Rules are available at <http://www.fmu.gov.pk/docs/AML-CFT-Sanction-Rules-2020-SRO-NO-950I-2020.pdf>.
4. In order to further enhance the understanding and ensure effectiveness on implementation of Targeted Financial Sanctions (TFS) regime and obligations under UNSC Resolutions, SBP, under the Regulation - 4 of AML/ CFT/ CPF Regulations, has issued guidelines that can be accessed at <https://www.sbp.org.pk/bprd/2020/CL44-Annex.pdf>.
5. The Government of Pakistan has also issued Counter-measures for High Risk Jurisdiction Rules, 2020 under Anti-Money Laundering Act, 2010 vide S.R.O 951 (I)/ 2020. These Rules can be accessed at <http://www.fmu.gov.pk/docs/Counter-measures-for-High-Risk-Jurisdictions-Rules-2020.pdf>.
6. Any amendments in AML/ CFT/ CPF related Rules, Regulations, and guidelines issued by State Bank of Pakistan and respective authorities under AML Act, 2010 shall be complied with by all the ECs/ ECs – B. Such amendments can be accessed at SBP's website or respective authorities' websites.

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<sup>42</sup> EPD Circular Letter No. 20 Dated October 15, 2020

## CHAPTER 7

### **REPORTING TO STATE BANK**

1. The Exchange Companies shall equip themselves with necessary qualified staff to properly manage computerized reporting to the State Bank.
2. Various reports/returns shall be submitted by Exchange Companies as per the permissible scope of their business to State Bank. Where applicable, all the reports / returns and information shall include data / information of all outlets including agents i.e. Franchises and Payment Booths of Exchange Companies<sup>43</sup>.
3. The following reports/returns shall be submitted as per details given in table below:

| S. No. | Description                                              | Frequency | Due Date                                                                                  | Department                                     | Annexure      |
|--------|----------------------------------------------------------|-----------|-------------------------------------------------------------------------------------------|------------------------------------------------|---------------|
| 1.     | Statements A to E*                                       | Bimonthly | Within two working days of end of each reporting period                                   | Banking Supervision Department – 3 (BSD-3)     | Annexure – 10 |
| 2.     | Statements F to J*                                       | Monthly   | Within two working days of end of each reporting period                                   | BSD-3                                          | Annexure – 11 |
| 3.     | Statements K to M*                                       | Quarterly | Within two working days of end of each reporting period                                   | BSD-3                                          | Annexure – 12 |
| 4.     | Outward Remittances made against Inward Home Remittances | Monthly   | 5th of following month                                                                    | BSD-3                                          | Annexure – 13 |
| 5.     | Inward Remittances                                       | Monthly   | 5th of following month                                                                    | Statistics & Data Warehouse Department (S&DWD) | Annexure – 14 |
| 6.     | Outward Remittances                                      | Monthly   | 5th of following month                                                                    | S&DWD                                          | Annexure – 15 |
| 7.     | Statement Section – 1                                    | Monthly   | 5th of following month                                                                    | S&DWD                                          | Annexure – 16 |
| 8.     | Statement Section – 6                                    | Monthly   | 5th of following month                                                                    | S&DWD                                          | Annexure – 17 |
| 9.     | Details of Exchange Company's Bank accounts**            | Annually  | Within thirty days of close of each financial year                                        | Exchange Policy Department (EPD)               | Annexure – 18 |
| 10.    | Details of Directors/ Shareholders**                     | Annually  | Within thirty days of close of each financial year                                        | EPD                                            | Annexure – 19 |
| 11.    | Details of Employees**                                   | Annually  | Within thirty days of close of each financial year                                        | EPD                                            | Annexure – 20 |
| 12.    | A signed copy of year end audited accounts.              | Annually  | Within a period not exceeding three months from the date of closing of the financial year | BSD-3, EPD and S&DWD                           | -             |

\* These returns shall be submitted through emails to BSD-3's email: [ec.epd@sbp.org.pk](mailto:ec.epd@sbp.org.pk).

\*\*Further, any change in the subject details/information may be communicated to EPD within 15 days.

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<sup>43</sup> EPD Circular Letter No. 19 dated December 31, 2019

4. Exchange Companies shall also submit data according to their scope of business in CVS format at email [ecdata.stats@sbp.org.pk](mailto:ecdata.stats@sbp.org.pk). The data will be submitted by Exchange Companies on weekly basis (Monday to Sunday) by next working day i.e. Monday. In case Monday is public holiday, the data will be submitted on first working day of the reporting week. While submitting the data under this reporting system, Exchange Companies will ensure daily matching of opening/closing balances of Summary Statements of head office and each branch/outlet. The Summary Statements and Descriptions are given at **Annexure - 21**.

5. Besides above periodic return/reports/data, Exchange Companies shall report on the occurrence of following events by 10:00 a.m. of next working day to BSD-3:

- (i) Breach of Exposure Limit along with reasons.
- (ii) Event of fraud, dacoity, loss, F.I.R. lodgment by / against the company or its associates i.e. the Franchises, payment booths etc.
- (iii) Bankruptcy or default of foreign associates and the stake of the company at risk.
- (iv) Any investigation, raid or law enforcement action by FIA or any other agency against the Exchange Company or its associates, Franchises etc.
- (v) Closure of business location / outlet including Franchises / payment booths due to any reason whether temporary or permanent.
- (vi) Reporting of non receipt of funds against export of FCYs or payment of Home Remittances within the stipulated time.
- (vii) Any other important information / data / event.

## CHAPTER 8

### EXCHANGE COMPANIES OF 'B' CATEGORY

#### **1. Establishment**

- (i) In order to bring the Authorized Money Changers within the realm of Exchange Companies as to enhance smooth transition of their existing business, Authorized Money Changers were allowed to establish Exchange Companies of 'B' Category as per FE Circular No. 6 of 2004.
- (ii) No new Exchange Company of 'B' Category can be established.

#### **2. Name**

The trade name of the Exchange Company of 'B' Category shall not include the word "Bank", "Financial Institution", "Investment/Commercial/Finance/Real Estate" or any other description that indicates activities other than permissible business. The name should clearly mention the words "Exchange Company - B".

#### **3. Capital**

- (i) The minimum paid-up capital of the Exchange Company of 'B' Category is Rs. 25 million. The Minimum Capital Requirement is calculated as under:  
  
$$\text{Minimum Capital Requirement} = \text{Paid-up Capital less Accumulated Losses}$$
  
Exchange Company of 'B' Category shall ensure to meet their respective minimum capital requirements at all times<sup>44</sup>.
- (ii) The affairs of the Exchange Company of 'B' Category shall be run only with the declared capital of the company. Neither the shareholders and Directors of the Exchange Company of 'B' Category shall withdraw funds from the company as loan nor shall they extend loan (subordinated loan) to the Company unless specific approval, in writing, from State Bank has been obtained.

#### **4. Statutory Liquidity Reserve (SLR)**

10 percent of the Capital shall be maintained as Reserve with the State Bank in the form of cash or unencumbered approved government securities.

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<sup>44</sup> EPD Circular Letter No. 07 Dated May 08, 2018

**5. Enhancement of Capital**

- (i) Prior approval of State Bank regarding enhancement of authorized and paid-up capital by the existing Directors/shareholders will not be required. The Exchange Company of 'B' Category may directly approach Securities & Exchange Commission of Pakistan (SECP) for fulfillment of applicable formalities to increase its authorized or paid-up capital.
- (ii) Once SECP's formalities have been fulfilled, the company will accordingly maintain the required Statutory Liquidity Reserve (SLR) with respective area office of State Bank of Pakistan, Banking Services Corporations (SBP-BSC) and immediately intimate Exchange Policy Department (EPD) and Banking Supervision Department (BSD-3) of the State Bank by submitting evidence of completion of formalities with SECP, enhancement/injection of capital, and maintenance of SLR with SBP – BSC.
- (iii) It must be ensured that the funds utilized for enhancement of capital of the company are legitimate under related laws.

**6. License**

- (i) The license of Exchange Company of 'B' category is not transferable to any other entity of whatsoever nature, through any means.
- (ii) Licenses of Exchange Company of 'B' Category shall be renewed up to three years from the date of expiry of the license.<sup>45</sup> However, license shall be renewed after giving due consideration, inter alia, to State Bank's inspection report, compliance status, corporate governance and financial health of the Exchange Company of 'B' Category. The request for renewal of the license must reach State Bank at least 90 days before expiry of the license along with relevant deposit/payment receipt of Rs. 250,000/- issued by the bank, as evidence of having paid the applicable fee, in the RTGS clearing account number/ title 020139999990037 (427516)/ RTGS CLR PROCESSING FEE-REFUND-EXC.

**7. Suspension & Revocation of License**

- (i) State Bank has the right to suspend or revoke a License of Exchange Company of 'B' category at any time. Before a license is suspended / revoked, the Exchange Company of 'B' Category shall be served with a notice mentioning therein the reasons for such suspension/revocation and instructions for the company to explain its position in writing within 7 days from the date of issuance of notice.
- (ii) The License of the Exchange Company of 'B' category may be suspended/revoked if:
  - (a) The State Bank is provided with false, misleading or inaccurate information by or on behalf of the Exchange Company of 'B' Category.

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<sup>45</sup> EPD Circular Letter No. 17 dated December 09, 2019



- (b) It appears to the State Bank that Exchange Company of 'B' Category has violated these or any other regulation/requirement, instruction or circular issued by the State Bank or if any of the conditions of license has not been fulfilled or is incapable of fulfillment.
- (c) The interests of the customers of an Exchange Company of 'B' Category are in any way threatened, whether by the manner in which the company is conducting or intends to conduct its affairs or for any other reason.
- (d) Deliberate obstruction of the State Bank inspection team in the performance of their duties, by Exchange Company of 'B' Category or officials of its network.
- (e) Any other reason that in the opinion of the State Bank disqualifies an Exchange Company of 'B' Category to hold the License.

**8. Shareholders, Directors, CEO and Key Executives<sup>46</sup>**

Exchange Companies of 'B' Category shall:

- (i) Ensure fitness and propriety of Shareholders, Directors, CEO and Key Executives in accordance with criteria given at **Annexure-2A**.
- (ii) Conduct prior self-assessment of fitness and propriety for all fresh inductions/appointments of Shareholders, Directors and CEO before seeking approval of SBP.
- (iii) Forward all requests for seeking approval of SBP for Shareholders, Directors and CEO along with information/affidavit as per **Annexure-2AI and 2AII**. Every shareholder, Director and CEO of the Exchange Company of 'B' Category shall require prior written clearance/approval from State Bank
- (iv) Appointment of Key Executives will not require prior approval/clearance of SBP, however, the Exchange Company of 'B' Category must ensure that they qualify relevant FPT criteria in letter and spirit and submit information to SBP as per **Annexure-2AI and 2AII**, within seven working days of assumption of the charge of the post by the incumbent.
- (v) Obtain annually a declaration from all Shareholders, Directors, CEO and Key Executives as per **Annexure-2AIII** that the information provided has not undergone change and where there is any change, requisite details have been furnished to State Bank within 15 days of the change.
- (vi) Screen, on an ongoing basis, the Shareholders, Directors, CEO and Key Executives for designated/proscribed entities/persons and maintain proper record of screening. Accordingly, any Shareholders, Directors, CEO and key Executives shall become disqualified if they are designated/proscribed or associated directly or indirectly with

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<sup>46</sup> EPD Circular Letter No. 19 dated December 31, 2019

designated/proscribed entities/persons under related United Nations Security Council Resolution(s) or Anti-Terrorism Act 1997.

- (vii) Not provide any loan/credit or deferred payment to any of its Shareholder and Director.
- (viii) Ensure that the functions of Audit and Compliance are headed by different individuals and shall be independent of other operational functions.

#### **9. Prior Approval from State Bank for Changes in Substantial Parameters**

State Bank's prior approval will be required for any change in any significant parameter including but not restricted to:

- (i) Memorandum and/or Articles of Association of the company
- (ii) Directorship
- (iii) Shareholding
- (iv) Statutory Auditors
- (v) Chief Executive Officer
- (vi) Locations of Head Office/Outlets

#### **10. Policies**

The company should follow the prudent practices and would develop/ follow the standard policies related to Internal Controls, Audit, Human Resources, Information Technology etc.

#### **11. Observance of Rules & Regulations**

The Exchange Company of 'B' Category shall fully abide by all the regulations, instructions, directives, circulars and other communications issued by the State Bank and subject its records and documents to the examination, inspection and supervision of the State Bank. It shall also ensure compliance with all other laws of the land; in particular the provisions relating to counterfeit coins and banknotes.

##### **11A. Prohibition to Deal with Legal Persons and Legal Arrangements<sup>47</sup>**

- (i) The Exchange Companies of 'B' Category are authorized to deal with individuals (natural persons that are walk-in customers without establishing permanent/on-going relationship) only.

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<sup>47</sup> EPD Circular Letter No. 19 dated December 31, 2019

- (ii) Exchange Companies of 'B' Category shall not carry out any transactions with legal persons or legal arrangements except with regulated/supervised banks and exchange companies for permissible businesses as given in Para 12 below, within Pakistan.

## **12. Scope of Business**

### **(i) Buy and Sale of Foreign Currencies<sup>48</sup>**

- (a) Exchange Companies of 'B' Category are authorized to deal in buy and sale of foreign currency notes and coins from individuals, Exchange Companies and Exchange Companies of 'B' category in 'Ready' value only.
- (b) Exchange Companies of 'B' Category are allowed to "sell" foreign exchange in 'Ready' value only to the banks as counter party (Interbank Market).
- (c) For all foreign currency buy and sale transactions equivalent to USD 500/- or above Exchange Company of 'B' Category will obtain and retain Computerized National Identity Card (CNIC) /National Identity Card for Overseas Pakistanis (NICOP)/ Pakistan Origin Card (POC) / Passport (having valid visa on it or any other proof of legal stay of a foreigner in Pakistan) after having seen the document in original. In addition, Exchange Companies of 'B' Category shall also carry out biometric verification of Pakistani Nationals for all such sale transactions and maintain the record thereof<sup>49</sup>. Exchange Companies of 'B' Category will also obtain supporting documents related to the purpose (as stated by the customer) of FCY sale transactions, exceeding USD 1,000 or equivalent in other currencies.<sup>50</sup>
- (d) All sale transactions of USD 10,000/- or above (or equivalent in other currencies) shall be conducted by the Exchange Companies of 'B' Category through Cheque/ Bank Transfer issued from the personal account of the customer. Instrument/ transaction reference number and issuing bank's name shall be mentioned on the transaction receipt along with CNIC/identification document number of the customer.<sup>51</sup>
- (e) Exchange Companies of 'B' Category may sell foreign currency to individuals while ensuring the following limits:
  - i. Maximum limit per person per day for buying foreign currency (in the form of cash or outward remittance) from all ECs/ECs-B, is USD 10,000 or equivalent in other foreign currencies.
  - ii. Maximum limit per person per calendar year for buying foreign currency (in the form of cash or outward remittance) from all ECs/ECs-B, is USD 100,000 or equivalent in other foreign currencies.

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<sup>48</sup> EPD Letter No. 08 Dated May 22, 2018

<sup>49</sup> EPD Circular Letter No. 16 dated October 06, 2021

<sup>50</sup> FE Circular No. 08 dated December 19, 2021

<sup>51</sup> EPD Circular Letter No. 16 dated October 06, 2021

For this purpose, the Exchange Companies of 'B' Category shall obtain an undertaking from individual customer at the time of each sale transaction exceeding USD 1,000/- (or equivalent in other currencies) that they have not already reached the limit of USD 100,000/- per calendar year or USD 10,000/- per day from all ECs (including ECs-B) and these limits will not be breached after the current transaction.<sup>52</sup>

**(ii) Branchless Banking as Agents of Authorized Financial Institutions**

- (a) The Exchange Companies of 'B' Category are allowed to conduct branchless banking activities as agents of authorized financial institutions (Commercial/Islamic/Microfinance Banks) offering these services under Branchless Banking Regulations issued vide BPRD Circular No. 09 dated June 20, 2011.
- (b) Exchange Company of 'B' Category that intend to offer branchless banking agent services may approach any financial institution authorized to provide branchless banking services under Branchless Banking Regulations. An Exchange Company of 'B' Category shall start providing these services on behalf of the Authorized Financial Institution as and when the financial institution has been approved by the Banking Policy & Regulations Department, State Bank for appointing that Exchange Company of 'B' Category as the agent.
- (c) Further, an Exchange Company of 'B' Category shall not portray itself as banking company or authorized financial institution as defined in Branchless Banking Regulations.
- (d) Exchange Companies of 'B' Category shall intimate such arrangement and submit related agreement to Exchange Policy Department, State Bank, Karachi for information.

**(iii) Limitation**

- (a) Exchange Companies of 'B' Category are prohibited from engaging in any other activity such as remittances, transfers, deposit taking, lending etc., directly or indirectly.
- (b) Virtual Currencies (VCs) like Bitcoin, Litecoin, Pakcoin, OneCoin, DasCoin, Pay Diamond etc. or Initial Coin Offerings (ICO) tokens are not legal tender, issued or guaranteed by the Government of Pakistan. State Bank of Pakistan has not authorized or licensed any individual or entity for the issuance, sale, purchase, exchange or investment in any such Virtual Currencies/Coins/Tokens in Pakistan. Exchange Company of 'B' Category are advised to refrain from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies/Tokens.

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<sup>52</sup> FE Circular No. 08 dated December 19, 2021

Exchange Company of 'B' Category shall also not facilitate their customers to transact in VCs/ICO tokens. Any transaction in this regard shall immediately be reported to Financial Monitoring Unit (FMU) as a suspicious transaction<sup>53</sup>.

- (c) Exchange Company of 'B' Category shall not conduct any transaction with their customers on an authority letter<sup>54</sup>.
- (d) Exchange Company of 'B' Category shall perform transactions only from authorized outlets of the company and shall not provide delivery services to the customers<sup>53</sup>.

#### **12A. Handling of Currency Notes<sup>55</sup>**

- (i) Exchange Company of 'B' Category are advised to follow the following instructions for Pak Rupees notes as well as foreign currency notes:
  - (a) Currency notes of any denominations shall not be stapled.
  - (b) Only authentic currency notes shall be exchanged.
  - (c) Demonetized currency notes shall not be sold.
- (ii) Exchange Company of 'B' Category shall also develop detailed Standard Operating Procedures taking into consideration the above instructions, get the same approved by their Chief Executive Officer and implement them throughout their network.

#### **13. Exposure Limit for Conducting Business**

Exchange Company of 'B' Category can carry a foreign currency exposure at the close of business each day at a level not higher than 25% of the capital base. The method to determine exposure shall be that the "Pak Rupee equivalent of all the Foreign Currencies held by the Exchange Company of 'B' Category including at all of their branches, shall not exceed 25% of the capital base at the close of business each day". Therefore, an Exchange Company of 'B' Category having a capital base of Rs. 25 million, may carry over to the next day total Foreign Currencies holding (Exposure) equivalent to Pak Rupees not exceeding 25% of its capital base i.e., Rs. 6.250 million at the close of business each day.

#### **14. Spread Between Buying/Selling Rates**

Spread between buying/selling rates of US Dollar, Pound Sterling, Euro, Saudi Riyal and UAE Dirham shall not exceed one percent of their buying rate. For all other foreign currencies, Exchange Companies shall ensure to maintain a competitive spread. Further, it must be ensured that prevailing exchange rates applicable for sale/purchase of major foreign currencies are

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<sup>53</sup> FE Circular No. 03 Dated April 18, 2018

<sup>54</sup> FE Circular No. 08 dated December 19, 2021

<sup>55</sup> FE Circular No. 12 Dated November 20, 2018

displayed through notice/display board at a prominent place in each outlet of the exchange company.

**14A. Display of Schedule of Charges<sup>56</sup>**

Exchange Company of 'B' Category must ensure the following instructions pertaining to display of schedule of charges:

- (i) The company shall display updated and detailed Schedule of Charges through a notice/display board, both in English and Urdu, at a prominent place in each outlet for branchless banking etc., as per their authorized scope of business.
- (ii) The company shall display prominently through a notice/display board, both in English and Urdu, that no charges are levied/deducted for collection of utility bills.
- (iii) Admissible charges recovered against any service from customer must be reflected on system generated receipt issued for the purpose.
- (iv) The company does not recover charges which are prohibited under any law, rule or regulation.
- (v) The company does not charge from the customer for the services not rendered or rendered without his/her consent.

**15. Business Premises**

- (i) Exchange Company of 'B' Category is allowed to conduct the foreign exchange business only from such premises (branch) as may be approved by the State Bank. The premises should preferably be located at an easily accessible location and shall be relocated only after obtaining prior approval from the State Bank and submitting the related documents as mentioned in **Annexure – 4A<sup>57</sup>**.
- (ii) Exchange Company of 'B' Category will ensure that all requisite support facilities are available which are necessary to carry out their business.
- (iii) A non-refundable processing fee of Rs. 25,000/- shall be charged for relocation of each outlet. Exchange Companies of 'B' category shall submit the fee in the RTGS Clearing Account Number/ Title 020139999990047 (427517)/ RTGS CLR PROCESS FEE-NON REFUND-EXC through banks. Further, while submitting request for relocation, Exchange Companies of 'B' Category shall, inter alia, provide relevant payment receipt(s) issued by bank(s) as evidence of having paid the applicable fee.

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<sup>56</sup> FE Circular No. 13 Dated November 26, 2018

<sup>57</sup> EPD Circular Letter No. 17 dated December 09, 2019

**15A. Outlets at Airports<sup>58</sup>**

- (i) Exchange Companies of 'B' Category are not allowed to participate in CAA tender(s) for award of new license of currency exchange booth(s) / branch(es) as at present they are not allowed expansion of their branch network
- (ii) <sup>59</sup>Exchange Companies of 'B' category holding valid CAA license of currency exchange booth(s) / branch(es) shall apply for permission to participate in fresh tenders at airports/locations where they already operate after expiry of CAA license subject to compliance as applicable to Exchange Companies with requirement of Para 3 (iii) and (iv) of Chapter 4 of Exchange Companies Manual.
- (iii) Exchange Companies of 'B' category desirous of participating in CAA tender(s) for renewal of license of currency exchange booth(s) / branch (es) at any Pakistani airport(s) shall obtain in-principle approval from SBP before participating in each CAA tender.
- (iv) Application(s) complete in all respects by Exchange Companies of 'B' category for obtaining in principle approval to participate in CAA tender(s) must reach Exchange Policy Department at least 7 working days prior to the last date of application submission in CAA tender(s).
- (v) While submitting the application for participation in CAA tender, Exchange Companies shall deposit non-refundable fee of Rs. 50,000/- per outlet in RTGS Clearing account number 427516 of the State Bank and submit the payment receipt as evidence of having paid the applicable fee<sup>60</sup>.

**16. Display of Instructions and Guidance to Customers**

- (i) Each outlet will prominently display name of the Exchange Company of 'B' Category.
- (ii) A notice advising customers to obtain receipts of all transactions shall be prominently displayed at each branch.
- (iii) Another notice declaring the exchange rates applicable for currency sale/purchase shall also be displayed at a prominent place in each branch.

**16A. Display of Name and Scope of Business Activities at Outlets<sup>61</sup>**

- (i) The Exchange Company of 'B' Category are advised to display signboards prominently at the entrance of their outlets, in line with the following guidelines:

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<sup>58</sup> FE Circular No. 01 Dated February 27, 2019

<sup>59</sup> FE Circular No. 01 Dated February 27, 2019

<sup>60</sup> FE Circular No. 01 Dated February 27, 2019

<sup>61</sup> FE Circular No. 08 Dated August 13, 2018

**CHAPTER 8**  
**EXCHANGE COMPANIES OF 'B' CATEGORY**

- (a) The signboards shall clearly state the name of the Exchange Company of 'B' Category, as applicable.
- (b) The signboards shall mention type of outlet i.e. Head Office, Branch etc. as the case may be.
- (c) The contents of the signboard must be in clear and bold words in English and Urdu.
- (d) The name(s) of individuals, owners, money changers etc. shall not be displayed on signboards.

|                                                                                                                                                                                                   |                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Exchange Companies of 'B' Category shall ensure that their respective outlets must display following permissible scope of business at prominent place i.e. cash counter, waiting area etc. Branch | Buy and sale of foreign currency notes and coins only.<br>Branchless banking as agent of M/s (name of financial institution) <sup>62</sup> .<br>Description of any other business as and when allowed by SBP. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**16B. Standardization of Monitoring through Close Circuit Television (CCTV) Cameras<sup>63</sup>**

The following instructions shall be applicable for compliance by all outlets of Exchange Companies of 'B' Category (Head Offices and Branches):

- (i) Each outlet shall be equipped with high resolution CCTV cameras having zoom function in order to monitor and clearly capture all activities taking place in the respective outlet.
- (ii) The CCTV cameras shall be installed at appropriate locations of each outlet for proper monitoring in such a manner that each area and activity taking place in the outlet must be captured in the recording in particular cash counters, customer area, vault, printers, computer systems, manager cabin etc. Besides, entrance/exit of the outlet shall also be adequately covered.
- (iii) The arrangement for recording of CCTV shall be functional on 24 hours 7 days basis with necessary lighting facility for clarity in video recording. Further, proper electricity back-up shall also be arranged for the purpose.
- (iv) The video recording through CCTV cameras shall be preserved for at least two months. However, in case of any dispute/incident within the business premises, the related recording shall be preserved till the resolution of the matter. However, in case the matter is under investigation or is sub-judice before a court of law, the related recordings shall be

<sup>62</sup> Subject to approval by BPRD to financial institution for appointing the Exchange Company of 'B' Category as the agent

<sup>63</sup> FE Circular No. 15 Dated December 12, 2018



preserved for a period as may be required in terms of applicable laws/regulations and/or Court's orders.

- (v) The backup of recording shall be maintained at an appropriate place in case a company keeps the original recording in the same outlet to avoid loss of recording in case of any untoward incident taking place at the outlet e.g. earthquake, fire breakout etc.
- (vi) In case of any technical issue in installed CCTV cameras/Digital Video Recording (DVR) system, the same shall immediately be communicated to the Head Office of the company by respective outlet. All correspondence among outlets, Head Office and vendor shall be preserved and made available to the State Bank's inspection team for their review during the course of inspection.
- (vii) The time of CCTV camera and DVR system installed at outlets shall be synchronized with the time of the core business application.
- (viii) The staff of the outlets shall be provided training to operate CCTV camera/DVR system.

#### **17. Business Agreements with Other Entities**

- (i) Exchange Companies of 'B' Categories are not allowed to enter into franchise arrangements with other entities.
- (ii) Exchange Companies of 'B' Category are not allowed to enter into business related agreements with each other or with outside parties without obtaining prior approval/clearance in writing from State Bank.
- (iii) Exchange Companies of 'B' Category are not allowed to enter into any type of relationship with Banks and Exchange Companies outside Pakistan<sup>64</sup> including opening/maintaining any Nostro account(s) with Banks/Exchange Companies outside Pakistan<sup>65</sup>.

#### **18. Record of Transactions**

- (i) All dealings between an Exchange Company of 'B' Category and its customers shall be supported by official receipts. Such receipts shall be prepared for every transaction in duplicate, one of which shall be provided to the customer.
- (ii) Every receipt provided to the customer shall be sequentially numbered and also bear the name of the Exchange Company of 'B' Category, date, nature of transaction i.e. sale/purchase, currency dealt, exchange rate and initials of dealer/authorized employee.
- (iii) All record of the business transactions must be maintained for 10 years from the date of transaction or longer if so prescribed under other laws, rules & regulations. Further, all information/record should be maintained in such a manner that the same may be made

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<sup>64</sup> EPD Circular Letter No. 19 dated December 31, 2019

<sup>65</sup> FE Circular No. 04 dated May 09, 2008

readily available to State Bank or any other relevant Law Enforcement Agency as and when required as per related laws.

- (iv) Any information/record requisitioned by any Law Enforcement Agency during their investigation/prosecution process should also be provided in timely manner as per the governing laws.

**18A. <sup>66</sup>Documentation of Inland Currency Transportation<sup>67</sup>**

- (i) For carrying out transactions requiring movement of Pakistani Rupee (PKR) and Foreign Currency (FCY) within company's authorized network, with other ECs/ECs – B and Banks, Exchange Companies of 'B' category shall ensure as under:
  - (a) Each outlet of ECs – B shall be allocated working capital keeping in view the business needs by the head office of the respective exchange company.
  - (b) ECs – B shall conduct the exchange business only from such premises as approved by the State Bank. ECs – B shall not provide delivery services to the customers.
  - (c) The purpose for the movement of cash PKR and FCY shall be properly documented and recorded, after necessary authorization in system on real time basis by the head office.
  - (d) Only bank accounts shall be used for movement of PKR between the cities.
  - (e) The movement of cash PKR (within a city) and FCY (across Pakistan) shall be undertaken only by the authorized employee(s) in company's owned vehicles, through air transit or by Cash-in-Transit Company.
  - (f) During the movement of cash PKR and FCY, the system generated vouchers or receipts along with the authority letter shall be available with authorized employee (s) or Cash-in-Transit Company.
  - (g) The documentary evidences of travel(s) of authorized employee(s), including tickets issued in their names or receipts issued by Cash-in-Transit Company shall be maintained by ECs – B.
  - (h) In case of cash PKR or FCY withdrawals from banks, the copy of cheque, duly authenticated by the authorized staff of the relevant EC's branch / head office, shall be carried by the authorized employee(s) / or Cash-in-Transit Company.
- (ii) ECs – B shall develop and implement Standard Operating Procedures (SOPs), duly approved by their Board of Directors, in light of para 2A (i) above. The SOPs shall, at the minimum, cover all the guidelines attached at **Annexure – 2AA<sup>68</sup>**.

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<sup>66</sup> EPD Circular Letter No. 20 Dated October 15, 2020

<sup>67</sup> FE Circular No. 05 Dated July 06, 2018

<sup>68</sup> EPD Circular Letter No. 20 Dated October 15, 2020

**19. Accounts and Audit**

- (i) Financial year of Exchange Company of 'B' Category will be from 1st July to 30th June.
- (ii) The company shall ensure that proper internal controls are in place supported by Internal Audit.
- (iii) For the purpose of annual statutory audit, the Exchange Company of 'B' Category shall appoint only those auditing firms that are on the approved list of the State Bank for audit of banks.
- (iv) The company shall invariably submit to the State Bank, within a period not exceeding three months from the date of closing of its financial year, a signed copy of its year end audited accounts to Off-Site Supervision & Enforcement Department, Exchange Policy Department and Statistics & Data Warehouse Department.

**20. Anti-Money Laundering, Combating the Financing of Terrorism & Countering Proliferation Financing (AML/CFT/CPF) Regulations<sup>69</sup>**

Exchange Companies of 'B' Category are required to implement AML/ CFT/ CPF Regulations as given in Chapter 6 of this manual according to the permissible scope of their business.

**20. Reporting to Departments of State Bank**

Exchange Company of 'B' Category shall submit various reports to State Bank as per Chapter 7 of this manual according to the permissible scope of their business.

**21. Inspection**

- (i) The State Bank reserves the right to inspect the activities of Exchange Company of 'B' Category at any time it finds appropriate to ensure adherence to the regulations issued by the State Bank.
- (ii) Exchange Companies of 'B' category are required to fully cooperate with the State Bank inspection team and provide full disclosure of information required during the course of inspection, including but not limited to their activities, accounts, operations, IT systems and records.
- (iii) No Exchange Company of 'B' Category or any official of its entire network shall:
  - (a) Obstruct or hinder the State Bank's inspection team that is carrying out duties or functions under State Bank's directives.

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<sup>69</sup> EPD Circular Letter No. 20 Dated October 15, 2020

**CHAPTER 8**  
**EXCHANGE COMPANIES OF 'B' CATEGORY**

- (b) Provide false, misleading or inaccurate information to the State Bank's inspection team.
- (iv) Deliberate obstruction of the State Bank's inspection team in the performance of their duties, by Exchange Company of 'B' Category or officials of its network will result in punitive action against the Exchange Company of 'B' Category and/or its officials. This may include, inter alia, suspension / revocation of the license of the Exchange Company of 'B' Category, permanent disqualification of its Directors and Sponsors to conduct foreign exchange business in any capacity.

# ANNEXURES

REGISTERED No. M - 302  
L.-7646

**The Gazette**  **of Pakistan**

EXTRAORDINARY  
PUBLISHED BY AUTHORITY

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ISLAMABAD, SATURDAY, JULY 20, 2002

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PART I

Acts, Ordinances, President's Orders and Regulations

GOVERNMENT OF PAKISTAN

MINISTRY OF LAW, JUSTICE, HUMAN RIGHTS AND  
PARLIAMENTARY AFFAIRS

(Law, Justice and Human Rights Division)

*Islamabad, the 20th July, 2002*

**F. No. 2(1)/2002-Pub.**—The following Ordinance promulgated by the President is hereby published for general information :—

ORDINANCE NO. XXX OF 2002

AN

ORDINANCE

*further to amend the Foreign Exchange Regulation Act, 1947*

WHEREAS it is expedient further to amend the Foreign Exchange Regulation Act, 1947 (VII of 1947), for the purposes hereinafter appearing :

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(837)

[553(2002) Ex. Gaz.]

Price : Rs. 3.00

AND WHEREAS the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in pursuance of the Proclamation of Emergency of the fourteenth day of October, 1999, and the Provisional Constitution Order No.1 of 1999, read with the Provisional Constitution (Amendment) Order No.9 of 1999, and in exercise of all powers enabling him in that behalf, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance:—

1. **Short title and commencement.**—(1) This Ordinance may be called the Foreign Exchange Regulation (Amendment) Ordinance, 2002.  
(2) It shall come into force at once.

(2) It shall come into force at once.

2. **Amendment of section 2, Act VII of 1947.**—In the Foreign Exchange Regulation Act, 1947 (VII of 1947), hereinafter referred to as the said Act, in section 2,—

(a) in clause (ab), for the commas and words “bank notes, coins and travellers cheques” the words “and coins” shall be substituted; and

(b) after clause (b), the following new clause shall be inserted, namely:—

“(ba) “exchange company” means a company authorized under section 3AA to deal in foreign currency notes, coins, postal notes, money orders, bank drafts, travellers cheques and transfers;”.

3. **Amendment of section 3A, Act VII of 1947.**—In the said Act, in section 3A, in sub-section (1), for the commas and words “bank notes, coins and travellers cheques” the words “and coins” shall be substituted.

4. **Insertion of section 3AA, Act VII of 1947.**—In the said Act, after section 3A the following new section shall be inserted, namely:—

“3AA. **Exchange companies.**—(1) The State Bank may, on application made to it in this behalf, and on payment of such fee as it may, from time to time prescribe, authorize any company to deal in foreign currency notes, coins, postal notes, money orders, bank drafts, travellers cheques and transfers.

(2) For the purposes of sub-section (1), the expression “company” means a company having been formed and registered under the Companies Ordinance, 1984 (XLVII of 1984), pursuant to no objection certificate issued by the State Bank

in respect thereof to the Securities and Exchange Commission of Pakistan upon receiving an intimation from the said Commission that it has received an application for the formation of the company.

(3) The power conferred under sub-section (1) shall be exercised on the basis of the eligibility criteria prescribed for exchange companies by the State Bank.

(4) Exchange companies shall, in all their dealings, comply with—

- (i) the terms and conditions of the authorizations issued to them under sub-section (1); and
- (ii) such general or special directions or instructions as the State Bank may, from time to time, issue including those set out in the circulars and foreign exchange manual of the State Bank.

(5) Failure to comply with any such terms and conditions, directions or instructions imposed, given or issued may lead to suspension of authorization or any other action as deemed necessary by the State Bank.”.

5. **Amendment of section 3B, Act VII of 1947.**—In the said Act, in section 3B, after the word “dealer”, occurring twice, the comma and words “exchange company” shall be inserted.

6. **Amendment of section 4, Act VII of 1947.**—In the said Act, in section 4, for sub-section (2) the following shall be substituted, namely:—

“(2) Except as may otherwise be directed by the State Bank, authorized dealers, authorized money changers and exchange companies shall be free to determine exchange rates for the conversion of Pakistan currency into any foreign currency or any foreign currency into Pakistan currency.”.

7. **Amendment of section 23B, Act VII of 1947.**—In the said Act, in section 23B,—

(a) in sub-section (3),—

- (i) for the words “Additional Director”, wherever occurring, the words “Senior Joint Director” shall be substituted;
- (ii) for the words “Senior Deputy Director”, wherever occurring, the words “Joint Director” shall be substituted; and



- (iii) for the words "Deputy Director", wherever occurring, the words "Junior Joint Director" shall be substituted; and

(b) in sub-section (8),—

- (i) for the words "Additional Director", wherever occurring, the words "Senior Joint Director" shall be substituted;
- (ii) for the words "Senior Deputy Director", wherever occurring, the words "Joint Director" shall be substituted; and
- (iii) for the words "Deputy Director", wherever occurring, the words "Junior Joint Director" shall be substituted.

GENERAL  
PERVEZ MUSHARRAF,  
*President.*

MR. JUSTICE  
MANSOOR AHMED,  
*Secretary.*

**APPLICATION FORM FOR ISSUANCE OF LICENCE  
TO EXCHANGE COMPANY**

The Director,  
Exchange Policy Department,  
State Bank of Pakistan,  
**Karachi**

Dear Sir,

We, M/s. -----, hereby apply for issuance of NOC to our proposed Exchange Company. As desired, we give necessary information on the enclosed format. Duly attested copies of Memorandum of Association and Articles of Association are enclosed herewith.

Yours faithfully,

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Proposed Designation: \_\_\_\_\_

Name of the proposed Exchange  
Company: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

## BASIC INFORMATION

- 1 Name of proposed Exchange Company : \_\_\_\_\_
- 2 Expected date of Incorporation : \_\_\_\_\_
- 3 Proposed place/location of Registered Office & Head Office : \_\_\_\_\_
- 4 State whether the company is private or Joint Venture : \_\_\_\_\_
- 5 Previous Application (give particulars of any Application previously made to SBP in this regard) : \_\_\_\_\_
- 6 Particulars of the Directors
  - i. Give names, business and addresses of the Directors of Exchange Company
  - ii. Give shareholding pattern of Directors in the proposed Exchange Company
  - iii. Give complete resume of each Director with his/her educational and professional/back-ground, working experience etc  
(on separate sheet)
- 7 Give a brief description of the system of supervision and internal controls of the proposed Exchange Company : \_\_\_\_\_
- 8 Give details of proposed Authorized & Paid-up capital of the proposed Exchange Company : \_\_\_\_\_
- 9 Number of branches/booths/Franchise arrangement along with their location, address etc. for which license is required : \_\_\_\_\_
- 10 Detailed feasibility report of the proposed Exchange Company encompassing all factors including Technical, Market, Management & Financial viability of such company : \_\_\_\_\_
- 11 Details of technology to be used i.e., computer/swift/fax for the transactions : \_\_\_\_\_

Note

(Use additional pages, if necessary)

## **Fit and Proper Test**

### **Definitions**

**“Financial Institution”** as defined under Companies Act, 2017.

**“Director”** includes any person occupying the position of a director, by whatever name called.

**“Chief Executive Officer”** means an individual who, subject to control and directions of the board, is entrusted with whole, or substantially whole, of the powers of management of affairs of the Exchange Company/ Exchange Company of ‘B’ Category and includes a shareholder/director or any other person occupying the position of a chief executive, by whatever name called.

**“Key Executives”** shall mean employees of Exchange Companies/ Exchange Companies of ‘B’ Category having functional responsibilities as a) Company Compliance Officer (CCO) b) Head of Operations c) Head of Audit d) Head of Finance e) Head of Human Resources and any other similar position(s).

**“Franchisee”** Owner of franchise of Exchange Company in accordance with relevant provisions of Chapter 4 of Exchange Companies Manual, 2018, as amended from time to time.

**“Payment Booth”** owner of payment booth of Exchange Company in accordance with relevant provisions of Chapter 4 of Exchange Companies Manual, 2018, as amended from time to time.

### **Assessment of Fitness and Propriety**

#### **1. Reputation, Integrity & Honesty**

- (i) Has not been linked to money laundering, terrorism financing, proliferation financing or any other criminal activity.
- (ii) Has not been convicted/involved in any fraud/forgery, financial crime etc., in Pakistan or elsewhere.
- (iii) Has not been convicted of any offence involving moral turpitude and has not failed to honor his/her liabilities towards banks, tax authorities or other government

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<sup>70</sup> EPD Circular Letter No. 19 dated December 31, 2019

agencies and has not been declared bankrupt nor has been subjected to attachment of his/her assets by any court.

- (iv) Has not been involved with management or conduct of the affairs of an Exchange Company/ Exchange Company of 'B' category/ franchise of an Exchange Company/ any other financial institution or any other organization that has been refused authorization/license to carry foreign exchange business etc.
- (v) Has not been involved with management or conduct of the affairs of an Exchange Company/ Exchange Company of 'B' category/ franchise of an exchange company/ any other financial institution whose license has been revoked or cancelled or gone into liquidation or other similar proceedings due to mismanagement of affairs, financial misconduct or malpractices.
- (vi) Has not been debarred for being Shareholder, Director, CEO and Key Executive or in similar capacity of an Exchange Company/ Exchange Company of 'B' category/ franchise of an exchange company/ any other financial institution.

## **2. Track Record**

- (i) Must have an impeccable track record in the companies served either in the capacity of an employee or Director/Chief Executive.
- (ii) Has not been demoted, dismissed or forced to resign from employment by the Exchange Company/ Exchange Company of 'B' category/ franchise of an exchange company/ any other financial institution, or has not been removed by any regulator or government body, in the capacity of employee, director, chairman of the Board of the Exchange Company/ Exchange Company of 'B' category/ franchise of an exchange company/ any financial institution or any other position of trust.

## **3. Financial Conduct**

- (i) Has not been associated with any illegal activity concerning foreign exchange business, financial dealing and other business within and outside Pakistan.
- (ii) Has not been in default of payment of dues owed to any financial institution and/ or default in payment of any taxes in individual capacity or as proprietary concern or any partnership firm or in any private unlisted/listed company.

- (iii) Has not been associated as director and/or chief executive with the corporate bodies who have defaulted in payment of Government duties/taxes etc.

#### **4. Qualification and Experience**

This section shall apply separately for Directors, CEO and Key Executives as under:

- (i) The Directors on the board must have appropriate knowledge and management/business experience of at least 5 years at senior level in an active capacity.
- (ii) CEO should have appropriate qualification and at least 5 years of management experience at senior level in the Exchange Company/Exchange Company of 'B' Category/ any other financial institution.
- (iii) Key Executive must be a qualified professional possessing relevant experience & degree relating to the job/assignment.

#### **5. Conflict of Interest**

- (i) The CEO is not a Chairman of the Board of Directors of the same Exchange Company/Exchange Company of 'B' Category.
- (ii) The Directors on the Board should avoid conflict of interest in their activities with, and commitments to, other organizations.
- (iii) No person can become a Shareholder/Director/employee and Franchise/Payment Booth owner/employee of the Exchange Company/ Exchange Company of 'B' Category, if he/she is Shareholder/Director/employee and Franchise/Payment Booth owner/employee of any other Exchange Company/Exchange Company of 'B' Category.

#### **6. Others**

- (i) The shareholder should be the beneficial owner having no controlling interest of others and is able to exercise his/her control.
- (ii) No member of Senate, National/ Provincial Assembly, Local bodies shall be appointed/ recommended for appointment as Member of Board of Directors and/or Chief Executive Officer/Key Executive of any Exchange Company/ Exchange Company of 'B' Category.

**PROFORMA – FIT & PROPER TEST**

|                                                                          |                                                                     |                           |
|--------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------|
| Full Name:                                                               |                                                                     |                           |
| Father's Name                                                            |                                                                     |                           |
| Date of Birth                                                            | Place of Birth (City and Country)                                   |                           |
| Nationality (ies)-Current                                                | NTN Number                                                          |                           |
| Nationality (ies)-Previous                                               |                                                                     |                           |
| C.N.I.C. No                                                              | Passport Number                                                     |                           |
| Present Residential Address in Full                                      |                                                                     |                           |
| Permanent Residential Address in Full                                    |                                                                     |                           |
| Residential<br>Number(s)                                                 | Telephone                                                           | Mobile Number             |
| If you have changed your name, state previous name and reason for change |                                                                     |                           |
| Academic                                                                 |                                                                     |                           |
| <b>Qualification</b>                                                     | <b>Name &amp; Address of<br/>Degree<br/>Awarding Institution</b>    | <b>Date of Completion</b> |
|                                                                          |                                                                     |                           |
| Professional                                                             |                                                                     |                           |
| <b>Qualification</b>                                                     | <b>Name &amp; Address of<br/>Institution/<br/>Professional Body</b> | <b>Date of Completion</b> |
|                                                                          |                                                                     |                           |
|                                                                          |                                                                     |                           |

<sup>71</sup> EPD Circular Letter No. 19 dated December 31, 2019

|                                                                                                                                                                                                                                                                                                                  |                           |                                                                 |                       |                     |                             |                                   |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------|-----------------------|---------------------|-----------------------------|-----------------------------------|--|
| Please provide complete employment details with current & previous employer(s)                                                                                                                                                                                                                                   |                           |                                                                 |                       |                     |                             |                                   |  |
| <b>Name &amp; Address of Organization/ Employer</b>                                                                                                                                                                                                                                                              | <b>Nature of Business</b> | <b>Position Held</b>                                            | <b>From (mm/yyyy)</b> | <b>To (mm/yyyy)</b> | <b>Department/ Division</b> | <b>Contact Number &amp; Email</b> |  |
|                                                                                                                                                                                                                                                                                                                  |                           |                                                                 |                       |                     |                             |                                   |  |
| Please provide complete and true particulars of all business(es) (both within and outside Pakistan), including proprietary concern/partnership firms, companies, in which you have been associated as a proprietor, partner or a director thereof during the last ten years and the accounts maintained by them: |                           |                                                                 |                       |                     |                             |                                   |  |
| <b>Name of the Proprietary Concern/Partnership Firm/ Company</b>                                                                                                                                                                                                                                                 |                           | <b>Name of Bank and/or NBFIs Together with Name of Branches</b> |                       |                     | <b>Account Number(s)</b>    |                                   |  |
|                                                                                                                                                                                                                                                                                                                  |                           |                                                                 |                       |                     |                             |                                   |  |
| Please provide complete and true particular of bank accounts (if any) maintained outside Pakistan:                                                                                                                                                                                                               |                           |                                                                 |                       |                     |                             |                                   |  |
| <b>Country and Bank Name</b>                                                                                                                                                                                                                                                                                     |                           | <b>Account Number</b>                                           |                       |                     | <b>Purpose of Account</b>   |                                   |  |
|                                                                                                                                                                                                                                                                                                                  |                           |                                                                 |                       |                     |                             |                                   |  |
| Please provide list of relatives, if any, who are connected with Exchange Companies/ Exchange Companies of 'B' Category in Pakistan and MSB/Exchange Company outside Pakistan.                                                                                                                                   |                           |                                                                 |                       |                     |                             |                                   |  |
| <b>Name</b>                                                                                                                                                                                                                                                                                                      |                           | <b>Relationship</b>                                             |                       |                     | <b>Entity</b>               |                                   |  |
|                                                                                                                                                                                                                                                                                                                  |                           |                                                                 |                       |                     |                             |                                   |  |
| Please provide details of any current/previous criminal/civil proceedings against yourself in the court (s).                                                                                                                                                                                                     |                           |                                                                 |                       |                     |                             |                                   |  |

(Signature of the Company Secretary)

(Signature of concerned official)



**(On Stamp Paper)**

I, \_\_\_\_\_ son/daughter/wife of \_\_\_\_\_ adult, resident of \_\_\_\_\_ and holding CNIC No. \_\_\_\_\_ do hereby state on oath and solemnly affirm as under:-

- (i) that the deponent hereby confirms that the statement made and the information supplied through **M/s Exchange Company/ Exchange Company of 'B' Category Name** are correct and true.
- (ii) that the deponent undertakes that the State Bank of Pakistan may seek additional information from any third party it deems necessary for assessing the information supplied or any additional information required.
- (iii) that the deponent has not been linked to money laundering, terrorism financing, proliferation financing or any other criminal activity.
- (iv) that the deponent has not been convicted/involved in any fraud/forgery, financial crime etc., in Pakistan or elsewhere.
- (v) that the deponent has not been convicted of any offence involving moral turpitude and has not failed to honor his/her liabilities towards banks, tax authorities or other government agencies and has not been declared bankrupt nor has been subjected to attachment of his/her assets by any court.
- (vi) that the deponent undertakes to bring to the attention of the State Bank of Pakistan promptly any matter which may potentially affect his/her eligibility as Shareholder/Director/ CEO of Exchange Company/ Exchange Company of 'B' Category; and
- (vii) that the deponent will perform in true letter and spirit deeds of covenants required as Shareholder/Director/CEO of **M/s Exchange Company/ Exchange Company of 'B' Category Name**.
- (viii) that whatever is stated above is true and correct to the best of my knowledge and belief and nothing has been concealed there from.

**DEPONENT**

Verified on oath and solemnly affirmed on \_\_\_\_\_ day of \_\_\_\_\_, 2019 at \_\_\_\_\_ that the contents of this Affidavit are true and correct to the best of my knowledge and belief.

**DEPONENT**

Sworn/ solemnly affirmed before me on this day \_\_\_\_\_.

Signature \_\_\_\_\_  
**OATH COMMISSIONER FOR  
TAKING AFFIDAVIT  
(Name and Seal)**

<sup>72</sup> EPD Circular Letter No. 19 dated December 31, 2019

**(On Stamp Paper)**

I, \_\_\_\_\_ son/daughter/wife of \_\_\_\_\_ adult, resident of \_\_\_\_\_ and holding CNIC No. \_\_\_\_\_ do hereby state on oath and solemnly affirm as under:-

- (i) that the deponent hereby confirms that the statement made and the information supplied to **M/s Exchange Company/ Exchange Company of 'B' Category Name** are correct and true.
- (ii) that the deponent undertakes that **M/s Exchange Company/ Exchange Company of 'B' Category Name** may seek additional information from any third party it deems necessary for assessing the information supplied or any additional information required.
- (iii) that the deponent has not been linked to money laundering, terrorism financing, proliferation financing or any other criminal activity.
- (iv) that the deponent has not been convicted/involved in any fraud/forgery, financial crime etc., in Pakistan or elsewhere.
- (v) that the deponent has not been convicted of any offence involving moral turpitude and has not failed to honor his/her liabilities towards banks, tax authorities or other government agencies and has not been declared bankrupt nor has been subjected to attachment of his/her assets by any court.
- (vi) that the deponent undertakes to bring to the attention of the **M/s Exchange Company/ Exchange Company of 'B' Category Name** promptly any matter which may potentially affect his/her eligibility as Shareholder/Director/ CEO/ Key Executive of Exchange Company/ Exchange Company of 'B' Category; and
- (vii) that the deponent will perform in true letter and spirit deeds of covenants required as Shareholder/Director/CEO/Key Executive of **M/s Exchange Company/ Exchange Company of 'B' Category Name**.
- (viii) that whatever is stated above is true and correct to the best of my knowledge and belief and nothing has been concealed there from.

**DEPONENT**

Verified on oath and solemnly affirmed on \_\_\_\_\_ day of \_\_\_\_\_, 2019 at \_\_\_\_\_ that the contents of this Affidavit are true and correct to the best of my knowledge and belief.

**DEPONENT**

Sworn/ solemnly affirmed before me on this day\_\_\_\_\_.

**Signature\_\_\_\_\_**  
**OATH COMMISSIONER FOR**  
**TAKING AFFIDAVIT**  
**(Name and Seal)**

<sup>73</sup> EPD Circular Letter No. 19 dated December 31, 2019

**Documentation of Inland Currency Transportation**  
**Guidelines for the Standard Operating Procedure (SOPs)**

Exchange Companies (ECs) and Exchange Companies of ‘B’ Category shall develop the SOPs for movement of Pakistan Rupee (PKR) and Foreign Currencies (FCY) which should, inter alia, include the following:

1. Each outlet (including franchises) shall restrict their business activities within the declared working capital.
2. Reasons for the movement of cash PKR/FCY should be documented and approved.
3. Mode of the transportation, for each scenario, including the means of such transport should be documented and approved e.g. through company’s owned vehicles, Cash-in-Transit Company, through airline etc.
4. The purpose for the movement of cash PKR and FCY shall be properly documented and recorded, after necessary authorization in system on real time basis by the head office.
5. Authorized employees and individuals associated with franchises should be registered and approved at appropriate level for such movement of cash PKR and FCY.
6. Authority Letter should be issued to the persons authorized to carry the cash PKR / FCY. The letter should be available with such cash carriers during movement of cash PKR and FCY. The letter should contain, inter alia, name of the bearer, his/her designation, date and time along with the details of currency(ies), amount, origin/destination, purpose etc. supported by the system generated vouchers / receipts.
7. ECs and ECs – B should develop mechanism and system to record the following information pertaining to the movement of cash PKR and FCY:
  - i. Date and Time of Cash Movement;
  - ii. Currency and Amount of Cash Movement;
  - iii. Value in PKR for FCY Cash Movement;
  - iv. Invoice (s) No./Voucher (s) No./Bill (s) No./Cheque No.;
  - v. Place of Origination (EC outlet / Head Office/Bank etc.);
  - vi. Destination (EC outlet/Head Office/Banks/Other EC etc.);
  - vii. Purpose of Movement;
  - viii. Mode of Currency Movement;
  - ix. Name of Authorized Employee / Cash-in-Transit Company;
  - x. Ticket No. / Vehicle details/Vehicle Logs;
  - xi. Date and Time of Cash Delivery.

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<sup>74</sup> EPD Circular Letter No. 20 Dated October 15, 2020

**Annexure - 3**

| <b>Name of Exchange Company</b>                          |
|----------------------------------------------------------|
| Annual Network Expansion Plan January – December (20...) |

Details of Proposed Network

| Sr. No. | Nature of Business<br>(Branch/Franchise/Payment Booth/Currency Exchange Booth) | Name of Business (Company/<br>Franchise/Payment Booth name<br>Business Name | Proposed Location |
|---------|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------|
| 1       |                                                                                |                                                                             |                   |
| 2       |                                                                                |                                                                             |                   |
| 3       |                                                                                |                                                                             |                   |
| 4       |                                                                                |                                                                             |                   |
| 5       |                                                                                |                                                                             |                   |
| 6       |                                                                                |                                                                             |                   |
| 7       |                                                                                |                                                                             |                   |
| 8       |                                                                                |                                                                             |                   |
| 9       |                                                                                |                                                                             |                   |
| 10      |                                                                                |                                                                             |                   |

**DOCUMENTS REQUIRED FOR FORMAL APPROVAL**

**For Branches, Company Owned PBs/CEBs.**

- Complete address of the proposed location including building/property number.
- Copy of Property purchase documents or lease/tenancy agreement.
- Confirmation regarding establishment/renovation, hiring of staff, installation of appropriate IT systems, particulars of the manager/staff hired etc.

**For Franchises/Payment Booths (Agents)**

- Request letter from the entity/proprietor.
- Complete address of the proposed location including building/property number.
- Copy of Property purchase documents or lease/tenancy agreement.
- Copy of CNIC of the Partner(s)/proprietor.
- Copy of NTN of the Partnership Firm/Entity/Individual.
- Copy of Franchise/PB Agreement.
- Confirmation regarding establishment/renovation, hiring of staff, installation of appropriate IT systems, particulars of the manager/staff hired etc.

**DOCUMENTS REQUIRED FOR RELOCATION OF OUTLETS**

**For Branches, Company Owned Payment Booths/Currency Exchange Booths.**

- i. Complete address of the proposed location including building/property number.
- ii. Copy of Property purchase documents or lease/tenancy agreement.
- iii. Confirmation regarding establishment/renovation, hiring of staff, installation of appropriate IT systems, particulars of the manager/staff hired etc.
- iv. Board Resolution for relocation of outlet.

**For Franchises/Payment Booths (Agents)**

- i. Request letter from the entity/proprietor.
- ii. Complete address of the proposed location including building/property number.
- iii. Copy of Property purchase documents or lease/tenancy agreement.
- iv. Confirmation regarding establishment/renovation, hiring of staff, installation of appropriate IT systems, particulars of the manager/staff hired etc.
- v. Copy of revised Franchise/Payment Booth agreement
- vi. Board Resolution for relocation of outlet.

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<sup>75</sup> EPD Circular Letter No. 19 dated December 31, 2019

## (EXCHANGE COMPANIES LETTER HEAD)

(i) The Collector of Customs

(ii) The Director, Foreign Exchange Operations Department, SBP-BSC, Karachi

**Sub: Export of Permissible Foreign Currency Notes**

1. It is hereby declared that we are exporting Foreign Currency(ies) equivalent to USD \_\_\_\_\_ under export consignment No. \_\_\_\_ (UTN) \_\_\_\_/2021-22 \_\_\_\_\_ as per the following details:

i) Cargo/Security Company Name: \_\_\_\_\_

ii) Airport Name: \_\_\_\_\_

iii) Contract/Agreement No. \_\_\_\_\_ dated \_\_\_\_\_

iv) Foreign Supplier Name &amp; Address: \_\_\_\_\_

v) Foreign Agent Name &amp; Address: \_\_\_\_\_

vi) Airline Name: \_\_\_\_\_, Flight No. \_\_\_\_\_,

Flight Departure Time: \_\_\_\_\_, Flight Arrival Time at Destination \_\_\_\_\_

and Airway bill number: \_\_\_\_\_.

2. Details of export consignment packets are given below.

**Packet # 1:** FCYs equivalent to U.S. Dollars (in figures / in words) \_\_\_\_\_**Packet # 2:** FCYs equivalent to U.S. Dollars (in figures / in words) \_\_\_\_\_**Packet # 3:** FCYs equivalent to U.S. Dollars (in figures / in words) \_\_\_\_\_

Total FCYs being exported equivalent to U.S. Dollars (in figures / in words) \_\_\_\_\_

In terms of the procedure laid down by State Bank of Pakistan for export of FCYs other than U.S. Dollars, we request you to kindly grant us permission for export of the above mentioned FCYs as per details enclosed at Annexure - 5.

3. Deal Ticket Number for the export consignment is \_\_\_\_\_.
4. Proceeds of the export will be brought to Pakistan through credit of USD \_\_\_\_\_ to our Foreign Currency Account No. \_\_\_\_\_ maintained in \_\_\_\_\_ (Bank) \_\_\_\_\_.

|                                                                             |                                              |
|-----------------------------------------------------------------------------|----------------------------------------------|
| Signature of Declarant<br>SBP Stamp & Signature<br>Custom Stamp & Signature | Company Name<br>Authorized Signature<br>Date |
|-----------------------------------------------------------------------------|----------------------------------------------|

|                                 |                        |                                      |                                                                                                  |
|---------------------------------|------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------|
| Abbreviation of Company<br>Name | Company License<br>No. | City Abbreviation<br>Khi/Lhr/Isb/Pew | Centralized Sequence<br>Number of all<br>transactions by the<br>company during<br>financial year |
|---------------------------------|------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------|

<sup>76</sup> EPD Circular Letter No. 06 dated May 24, 2021

**Abbreviation for Exchange Companies**

| <b>Sr. No</b> | <b>Category – A Exchange Companies</b>                  | <b>Abbreviation</b> |
|---------------|---------------------------------------------------------|---------------------|
| 1             | AA Exchange Company (Pvt.) Ltd.                         | AAEC                |
| 2             | Al-Hameed Int'l. Money Ex (Pvt.) Ltd.                   | AHME                |
| 3             | Al-Rahim Exchange Company (Pvt.) Ltd.                   | AREC                |
| 4             | Al-Sahara Exchange Company (Pvt.) Ltd.                  | ASEC                |
| 5             | D.D Exchange Company (Pvt.) Ltd.                        | DDEC                |
| 6             | Dollar East Exchange Company (Pvt.) Ltd.                | DEEC                |
| 7             | Fairdeal Exchange Company (Pvt.) Ltd.                   | FDEC                |
| 8             | Glaxy Exchange Company (Pvt.) Ltd.                      | GLEC                |
| 9             | H & H Exchange Company (Pvt.) Ltd.                      | HHEC                |
| 10            | HBL Currency Exchange (Pvt.) Ltd.                       | HBCE                |
| 11            | Habib Qatar International Exchange Pakistan (Pvt.) Ltd. | HQIE                |
| 12            | Link International Exchange Company (Pvt.) Ltd.         | LIEC                |
| 13            | Money Link Exchange Company (Pvt.) Ltd.                 | MLEC                |
| 14            | Muhammadi Exchange Company (Pvt.) Ltd.                  | MUEC                |
| 15            | NBP Exchange Company Ltd.                               | NBEC                |
| 16            | Noble Exchange International (Pvt.) Ltd.                | NIEC                |
| 17            | P B S Exchange Company (Pvt.) Ltd.                      | PBEC                |
| 18            | Pakistan Currency Exchange Company (Pvt.) Ltd.          | PCEC                |
| 19            | Paracha International Exchange (Pvt.) Ltd.              | PIEC                |
| 20            | Paragon Exchange (Pvt.) Ltd.                            | PREC                |
| 21            | Ravi Exchange Company (Pvt.) Ltd.                       | RVEC                |
| 22            | Riaz Exchange Co. (Pvt.) Ltd.                           | RZEC                |
| 23            | Royal International Exchange Company (Pvt.) Ltd.        | RIEC                |
| 24            | Sadiq Exchange Company (Pvt.) Ltd.                      | SDEC                |
| 25            | Sky Exchange Company (Pvt.) Ltd.                        | SKEC                |
| 26            | Wallstreet Exchange Company (Pvt.) Ltd.                 | WSEC                |
| 27            | ZeeQue Exchange Company (Pvt.) Ltd.                     | ZQEC                |



**Specimen of Unique Transaction Number for Export and Import of Foreign Currency through Airport Booth.**

**Example for transaction No. 1:**

- |                                                 |                      |
|-------------------------------------------------|----------------------|
| 1. Name of the Exchange Company                 | NBP Exchange Company |
| 2. SBP License No.                              | 02                   |
| 3. Airport City from where currency is exported | Lahore *             |
| 4. Transaction Number                           | 1                    |
| 5. Financial Year of Transaction                | 2015-16              |

UTN for transaction number 1 will be on the following format

|                              |                     |                                      |                                                                                         |
|------------------------------|---------------------|--------------------------------------|-----------------------------------------------------------------------------------------|
| Abbreviation of Company Name | Company License No. | City Abbreviation<br>Khi/Lhr/Isb/Pew | Centralized Sequence Number<br>of all transactions by the<br>company during fiscal year |
|------------------------------|---------------------|--------------------------------------|-----------------------------------------------------------------------------------------|

**UTN for transaction 1 mentioned in above example no 1 : NBEC/02/LHE/1/2015-16**

**Example for transaction no. 2:**

- |                                                 |                      |
|-------------------------------------------------|----------------------|
| 1. Name of the Exchange Company                 | NBP Exchange Company |
| 2. SBP License No.                              | 02                   |
| 3. Airport City from where currency is exported | Karachi *            |
| 4. Transaction Number                           | 2                    |
| 5. Financial Year of Transaction                | 2015-16              |

**UTN for Transaction Number 2 in example No. 2 will be: NBEC/02/KHI/2/2015-16**

Note:

- \* Airport code for Karachi is KHI, Lahore is LHE, Islamabad is ISB and Peshawar is PEW.
- Alpha abbreviations for the name of each Exchange Company will be provided by EPD, SBP for the sake of standardization.
- The numeric transaction number will be sequentially maintained and will be issued by the Head Office of each Exchange Company for future reconciliation of export and import of foreign currency transactions.

**DECLARATION SUBMITTED TO SBP BOOTH AT AIRPORT ARRIVAL LOUNGE**

The Director,  
Foreign Exchange Operations Department,  
SBP-BSC, Karachi.

Made at:

▪ SBP Booth, Arrival Lounge, \_\_\_\_\_ Airport, \_\_\_\_\_ (City)

5. It is hereby declared that we have imported cash USD \_\_\_\_\_ through flight  
No. \_\_\_\_\_ at \_\_\_\_\_ a.m./ p.m. on (date) in corresponding export consignment No.  
(UTN) /2015-16 exported from \_\_\_\_\_ Airport.

6. The imported cash USD declared as above is submitted for counting and inspection for the clearance  
as per following;

No. of USD 100 Notes:      xxxxxx      Amount USD = \_\_\_\_\_

No. of USD 50 Notes:      xxxxxx      Amount USD = \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Exchange Company \_\_\_\_\_

Signature:

Authorized Person Name \_\_\_\_\_

Dated: \_\_\_\_\_

For State Bank of Pakistan (Banking Services Corporation):

Signature:

Name of Officer: \_\_\_\_\_

Name of Officer: \_\_\_\_\_

Designation: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

(Note prescribed stamp giving time, date and details of flight will be fixed on this declaration letter by  
SBP officials with their initials)

**Annexure – 9****Reconciliation of Export of Permissible Foreign Currencies and Import of US Dollars**

| Export of Foreign Currency |                           |                                         |                |                                      |      |         | Import of Foreign Currency |                                           |                |                                                                             |              |                                      |      |         |
|----------------------------|---------------------------|-----------------------------------------|----------------|--------------------------------------|------|---------|----------------------------|-------------------------------------------|----------------|-----------------------------------------------------------------------------|--------------|--------------------------------------|------|---------|
| 1                          | 2                         | 3                                       | 4              | 5                                    |      |         | 1                          | 2                                         | 3              | 4                                                                           |              | 5                                    |      |         |
| S. No                      | Unique Transaction Number | USD Equivalent of the currency exported | Deal Ticket No | Flight Details of Export Consignment |      |         | Unique Transaction Number  | Denomination wise details of USD Imported | Deal Ticket No | Total Amount of USD imported (Please mention the amount in relevant column) |              | Flight Details of Import Consignment |      |         |
|                            |                           |                                         |                | No.                                  | Date | Airport |                            |                                           |                | Cash                                                                        | Bank Account | No.                                  | Date | Airport |
|                            |                           |                                         |                |                                      |      |         |                            |                                           |                |                                                                             |              |                                      |      |         |
|                            |                           |                                         |                |                                      |      |         |                            |                                           |                |                                                                             |              |                                      |      |         |
|                            |                           |                                         |                |                                      |      |         |                            |                                           |                |                                                                             |              |                                      |      |         |
|                            |                           |                                         |                |                                      |      |         |                            |                                           |                |                                                                             |              |                                      |      |         |
|                            |                           |                                         |                |                                      |      |         |                            |                                           |                |                                                                             |              |                                      |      |         |
|                            |                           |                                         |                |                                      |      |         |                            |                                           |                |                                                                             |              |                                      |      |         |
|                            |                           |                                         |                |                                      |      |         |                            |                                           |                |                                                                             |              |                                      |      |         |
|                            |                           |                                         |                |                                      |      |         |                            |                                           |                |                                                                             |              |                                      |      |         |
|                            |                           |                                         |                |                                      |      |         |                            |                                           |                |                                                                             |              |                                      |      |         |
|                            |                           |                                         |                |                                      |      |         |                            |                                           |                |                                                                             |              |                                      |      |         |

**Bimonthly Statements**

**Statement-A**

| Name Of Exchange Company:                                                                                          |          |                                                                    |                         |                     |               |                               |               |
|--------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------|-------------------------|---------------------|---------------|-------------------------------|---------------|
| Date wise Bimonthly Position of Export of FCYs and Receipt of Funds there against for the Period from ---- to----- |          |                                                                    |                         |                     |               |                               |               |
| Export of FCYs                                                                                                     |          | Details of Receipt of Funds in FCY Accounts Against Exported FCYs* |                         |                     |               | Details of Import of Cash USD |               |
| Date                                                                                                               | Equ. USD | Date*                                                              | Name and Branch of Bank | Account Title & No. | Amount in USD | Date                          | Amount in USD |
|                                                                                                                    |          |                                                                    |                         |                     |               |                               |               |
|                                                                                                                    |          |                                                                    |                         |                     |               |                               |               |
| Total                                                                                                              |          |                                                                    |                         |                     |               |                               |               |

\* The date shows the date at which the funds against the exported FCYs were received / are expected to be received as per the deal tickets.

**Statement-B**

| Name Of Exchange Company:                                                           |          |                               |               |          |
|-------------------------------------------------------------------------------------|----------|-------------------------------|---------------|----------|
| Date wise Bimonthly Position of Inward Remittances for the Period from ---- to----- |          |                               |               |          |
| Date                                                                                | Currency | Amount in Respective Currency | Amount in PKR | Equ. USD |
|                                                                                     |          |                               |               |          |
| Total                                                                               |          |                               |               |          |

**Statement-C**

| Name Of Exchange Company:                                                            |          |                               |               |          |
|--------------------------------------------------------------------------------------|----------|-------------------------------|---------------|----------|
| Date wise Bimonthly Position of Outward Remittances for the Period from ---- to----- |          |                               |               |          |
| Date                                                                                 | Currency | Amount in Respective Currency | Amount in PKR | Equ. USD |
|                                                                                      |          |                               |               |          |
| Total                                                                                |          |                               |               |          |

**Statement-D**

In equ. USD

| Name Of Exchange Company:                                                                                                        |             |          |                                    |          |                    |          |                    |
|----------------------------------------------------------------------------------------------------------------------------------|-------------|----------|------------------------------------|----------|--------------------|----------|--------------------|
| Date wise Bimonthly Consolidated Position of Sale / Purchase with Different Set of Customers during the Period from ---- to ---- |             |          |                                    |          |                    |          |                    |
| Date                                                                                                                             | Individuals |          | Exchange Companies of 'B' Category |          | Exchange Companies |          | Authorized Dealers |
|                                                                                                                                  | Sale        | Purchase | Sale                               | Purchase | Sale               | Purchase | Sale               |
|                                                                                                                                  |             |          |                                    |          |                    |          |                    |
| Total                                                                                                                            |             |          |                                    |          |                    |          |                    |

**Annexure-A of Statement D**

| Name Of Exchange Company:                                                                             |                           |          |                               |      |               |          |          |                               |      |               |          |
|-------------------------------------------------------------------------------------------------------|---------------------------|----------|-------------------------------|------|---------------|----------|----------|-------------------------------|------|---------------|----------|
| Bimonthly Foreign Currency Sale and Purchase Statement with Exchange Companies and Authorized Dealers |                           |          |                               |      |               |          |          |                               |      |               |          |
| Date                                                                                                  | Name of EC / EC(B) / Bank | Sale     |                               |      |               |          | Purchase |                               |      |               |          |
|                                                                                                       |                           | Currency | Amount in Respective Currency | Rate | Amount in PKR | Equ. USD | Currency | Amount in Respective Currency | Rate | Amount in PKR | Equ. USD |
|                                                                                                       |                           |          |                               |      |               |          |          |                               |      |               |          |
|                                                                                                       |                           |          |                               |      |               |          |          |                               |      |               |          |
| Total                                                                                                 |                           |          |                               |      |               |          |          |                               |      |               |          |

**Statement-E**

| Name Of Exchange Company:                                                                                                 |                                         |                           |             |           |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------|-------------|-----------|
| Date wise Bimonthly Foreign Exchange Exposure Position at the close of Business each day for the Period from ---- to ---- |                                         |                           |             |           |
| Date                                                                                                                      | Paid-up Capital + Franchise Deposit (A) | Exposure Limit (50% of A) | Over Bought | Over Sold |
|                                                                                                                           |                                         |                           |             |           |
|                                                                                                                           |                                         |                           |             |           |

**Statement-E for Exchange Companies of 'B' category**

| Name Of Exchange Company:                                                                                                 |                     |                           |             |           |
|---------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|-------------|-----------|
| Date wise Bimonthly Foreign Exchange Exposure Position at the close of Business each day for the Period from ---- to ---- |                     |                           |             |           |
| Date                                                                                                                      | Paid-up Capital (A) | Exposure Limit (25% of A) | Over Bought | Over Sold |
|                                                                                                                           |                     |                           |             |           |
|                                                                                                                           |                     |                           |             |           |

**Monthly Statements**

Statement-F

Name Of Exchange Company:

| Monthly Report of Foreign Currency Sale and Purchase of Transactions equ. USD 2,000/- or above for the Month of ----- |      |                     |         |                          |                               |                        |               |          |                                 |                               |                     |               |                |
|-----------------------------------------------------------------------------------------------------------------------|------|---------------------|---------|--------------------------|-------------------------------|------------------------|---------------|----------|---------------------------------|-------------------------------|---------------------|---------------|----------------|
| Name of Customer                                                                                                      | Date | CNIC # / Passport # | Address | FCY Sold to the customer |                               |                        |               |          | FCY purchased from the customer |                               |                     |               |                |
|                                                                                                                       |      |                     |         | Currency                 | Amount in Respective Currency | Conversion Rate in PKR | Amount in PKR | Equ. USD | Currency                        | Amount in Respective Currency | Rate in term of PKR | Amount in PKR | Equivalent USD |
|                                                                                                                       |      |                     |         |                          |                               |                        |               |          |                                 |                               |                     |               |                |
|                                                                                                                       |      |                     |         |                          |                               |                        |               |          |                                 |                               |                     |               |                |

Statement-G

Name Of Exchange Company:

| Monthly Report of Remittances of Size equ. USD 2,000/- or above of the Customers during the Period from ---- to----- |      |                                              |                                       |                               |                                      |                                                            |          |                                                   |                   |                                                   |                                                           |                                                                                             |
|----------------------------------------------------------------------------------------------------------------------|------|----------------------------------------------|---------------------------------------|-------------------------------|--------------------------------------|------------------------------------------------------------|----------|---------------------------------------------------|-------------------|---------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Name of the Customer                                                                                                 | Date | Type of Transaction<br>i.e. Inward / Outward | CNIC / Passport No<br>of the Remitter | Name & Address<br>of Remitter | Name & address<br>of the Beneficiary | Account No. of<br>the Beneficiary<br>(in case of<br>banks) | Currency | Remittance<br>Amount in<br>Respective<br>Currency | Equivalent<br>USD | Commission<br>Amount<br>received (in<br>equ. USD) | Channel<br>used for<br>Remittance<br>(Bank /<br>MTO etc.) | A/c details of<br>Exchange<br>Company used for<br>Remittances or<br>settlement with<br>MTOs |
|                                                                                                                      |      |                                              |                                       |                               |                                      |                                                            |          |                                                   |                   |                                                   |                                                           |                                                                                             |
|                                                                                                                      |      |                                              |                                       |                               |                                      |                                                            |          |                                                   |                   |                                                   |                                                           |                                                                                             |

Statement-H

Name Of Exchange Company:

Reporting Date:

For The Month Ended On:

| Monthly Consolidated Statement of Sale OF FCY in the Interbank Market as per FE Circular No 2 of 2008 |                            |                                |                          |                                                        |             |
|-------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------|--------------------------|--------------------------------------------------------|-------------|
| Total Amount of Home Remittances in Equivalent USD                                                    | 15% of Home Remittance (A) | Total Amount of Export of FCYs | 10% of Export of FCY (B) | Minimum amount required be sold in the Interbank (A+B) | Actual Sale |
|                                                                                                       |                            |                                |                          |                                                        |             |

Statement-I

Name Of Exchange Company:

Reporting Date:

For The Month Ended On:

| Monthly Consolidated Statement of Outward Remittances against Home Remittances of the Preceding Month as per F E Circular No 4 of 2008 |                                                               |                            |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------|
| Total Inward Home Remittance in Last Month (A)                                                                                         | Total Permissible Outward Remittances in the Month (75% of A) | Actual Outward Remittances |
|                                                                                                                                        |                                                               |                            |

Statement-J

Name Of Exchange Company:

Reporting Date:

For The Month Ended On:

| Monthly Report in compliance of instructions of remitting outward remittances through respective Global Money Transfer Operator (MTO) not exceeding 20% of Inward Remittances mobilized through the respective MTO |                                                   |                                            |                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------|----------------------------------------------------|
| Name of MTO (Western Union / Money Gram etc.)                                                                                                                                                                      | Total Home Remittances Mobilized in the Month (A) | Permissible Outward Remittances (20% of A) | Actual Outward Remittances from the Respective MTO |
|                                                                                                                                                                                                                    |                                                   |                                            |                                                    |
|                                                                                                                                                                                                                    |                                                   |                                            |                                                    |

Quarterly Statements

## Statement-K

Name Of Exchange Company:

| Quarterly Report of Frequent Customers of Remittances for the Period from ---- to----- |      |                                                 |                                       |                               |                                      |                                                            |          |                                                   |                |                                                   |                                                     |                                                                                             |
|----------------------------------------------------------------------------------------|------|-------------------------------------------------|---------------------------------------|-------------------------------|--------------------------------------|------------------------------------------------------------|----------|---------------------------------------------------|----------------|---------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------------------------|
| Name of the Customer                                                                   | Date | Type of Transaction<br>i.e. Inward /<br>Outward | CNIC / Passport No<br>of the Remitter | Name & Address<br>of Remitter | Name & address<br>of the Beneficiary | Account No. of<br>the Beneficiary<br>(in case of<br>banks) | Currency | Remittance<br>Amount in<br>Respective<br>Currency | Equivalent USD | Commission<br>Amount<br>received (in equ.<br>USD) | Channel used for<br>Remittance (Bank /<br>MTO etc.) | A/c details of<br>Exchange<br>Company used<br>for Remittances<br>or settlement<br>with MTOs |
|                                                                                        |      |                                                 |                                       |                               |                                      |                                                            |          |                                                   |                |                                                   |                                                     |                                                                                             |
|                                                                                        |      |                                                 |                                       |                               |                                      |                                                            | Total    |                                                   |                |                                                   |                                                     |                                                                                             |

Frequent Customer: A customer receiving and / or effecting atleast five remittances in the reporting period.

## Statement-E

Name Of Exchange Company:

| Quarterly Report of Frequent Customers of Outward Remittances for the Period from ---- to----- |                      |                                       |                     |                                      |                                          |          |                                                   |                |                                                                 |                                                        |                                                                                       |
|------------------------------------------------------------------------------------------------|----------------------|---------------------------------------|---------------------|--------------------------------------|------------------------------------------|----------|---------------------------------------------------|----------------|-----------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------|
| Date                                                                                           | Name of the Remitter | CNIC / Passport No<br>of the Remitter | Address of Remitter | Name & address<br>of the Beneficiary | Account No. of the<br>Beneficiary abroad | Currency | Remittance<br>Amount in<br>Respective<br>Currency | Equivalent USD | Commission<br>Amount received<br>from Customer (in<br>equ. USD) | Channel used<br>for Remittance<br>(Bank / MTO<br>etc.) | A/c details of Exchange<br>Company used for<br>Remittances or<br>settlement with MTOs |
|                                                                                                |                      |                                       |                     |                                      |                                          |          |                                                   |                |                                                                 |                                                        |                                                                                       |
|                                                                                                |                      |                                       |                     |                                      |                                          |          |                                                   |                |                                                                 |                                                        |                                                                                       |

## Statement-L

Name Of Exchange Company:

| Name Of Exchange Company:                                                                                       |      |                     |         |                          |                               |                        |               |          |                                 |                               |                     |               |                |  |
|-----------------------------------------------------------------------------------------------------------------|------|---------------------|---------|--------------------------|-------------------------------|------------------------|---------------|----------|---------------------------------|-------------------------------|---------------------|---------------|----------------|--|
| Quarterly Report of Frequent Customers of Foreign Currency Sale and Purchase for the Period From ----- to ----- |      |                     |         |                          |                               |                        |               |          |                                 |                               |                     |               |                |  |
| Name of Customer                                                                                                | Date | CNIC # / Passport # | Address | FCY Sold to the customer |                               |                        |               |          | FCY purchased from the customer |                               |                     |               | Equivalent USD |  |
|                                                                                                                 |      |                     |         | Currency                 | Amount in Respective Currency | Conversion Rate in PKR | Amount in PKR | Equ. USD | Currency                        | Amount in Respective Currency | Rate in term of PKR | Amount in PKR |                |  |
|                                                                                                                 |      |                     |         |                          |                               |                        |               |          |                                 |                               |                     |               |                |  |
|                                                                                                                 |      |                     |         |                          |                               |                        |               |          |                                 |                               |                     |               |                |  |
|                                                                                                                 |      |                     |         |                          |                               |                        |               |          |                                 |                               |                     |               |                |  |
|                                                                                                                 |      |                     |         | Total                    |                               |                        |               |          |                                 | Total                         |                     |               |                |  |

Frequent Customer: A customer who bought / sold total of equ. USD 10,000/- or more in atleast 3 transactions during the reporting period.

## Statement-M

Name Of Exchange Company:

| Quarterly Report of Late / Non Payment of Remittances during the Period from ---- to----- and Beyond |                           |                                                 |                             |                            |                                               |                                 |
|------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------------|-----------------------------|----------------------------|-----------------------------------------------|---------------------------------|
| Date of Remittance Booked                                                                            | Name of the<br>Customer** | Type of Transaction<br>i.e. Inward /<br>Outward | Amount in<br>Equivalent USD | Number of Days<br>Delayed* | Status of<br>Remittance i.e.<br>Paid / Unpaid | Reason of Late /<br>Non Payment |
|                                                                                                      |                           |                                                 |                             |                            |                                               |                                 |
|                                                                                                      |                           |                                                 |                             |                            |                                               |                                 |

Remittances other than those of MTOs not paid / transferred within 3 days of receipt of funds / Payment Instructions.

\*\*Customer: Sender in case of Outward Remittances and Beneficiary in case of Inward Remittances.

**Reporting format (sample) for Outward remittances made against inward home remittances mobilized by the Exchange Companies**

Name of the Company: \_\_\_\_\_

Reporting date: 5th June 2008

For the month ended on May 31, 2008

Total Inward Home Remittances in equivalent USD (during the last month i.e., April 2008): \_\_\_\_\_

Total Permissible Outward Remittances in equivalent USD (75% of the above): \_\_\_\_\_

Total Outward Remittances in equivalent USD made during the month (May): \_\_\_\_\_

**INWARD REMITTANCE****(By Exchange Companies)****(For SBP use only)**

PERIOD: \_\_\_\_\_

EXCHANGE COMPANY: \_\_\_\_\_

CURRENCY: \_\_\_\_\_

|  |  |  |
|--|--|--|
|  |  |  |
|  |  |  |
|  |  |  |

| COUNTRY                          | AMOUNT<br>(to be consolidated for each country) |                      |        |
|----------------------------------|-------------------------------------------------|----------------------|--------|
|                                  | Home<br>remittances                             | Other<br>Remittances | Total* |
| Canada                           |                                                 |                      |        |
| Germany                          |                                                 |                      |        |
| Japan                            |                                                 |                      |        |
| U.K.                             |                                                 |                      |        |
| U.S.A.                           |                                                 |                      |        |
| Norway                           |                                                 |                      |        |
| Bahrain                          |                                                 |                      |        |
| Kuwait                           |                                                 |                      |        |
| Qatar                            |                                                 |                      |        |
| Saudi Arabia                     |                                                 |                      |        |
| Sultant-e-Oman                   |                                                 |                      |        |
| U.A.E.                           |                                                 |                      |        |
| Abu Dhabi                        |                                                 |                      |        |
| Dubai                            |                                                 |                      |        |
| Sharjah                          |                                                 |                      |        |
| Others                           |                                                 |                      |        |
| Other Countries (Please specify) |                                                 |                      |        |
| <b>Total</b>                     |                                                 |                      |        |

\* This total will be listed against item No. 1 of Purchases side of the summary statement (SEC -1)

**Stamp and Signature of Exchange  
Company**



**OUTWARD REMITTANCE****(By Exchange Companies)****(For SBP use  
only)**

PERIOD: \_\_\_\_\_

EXCHANGE COMPANY: \_\_\_\_\_

CURRENCY: \_\_\_\_\_

|  |  |  |
|--|--|--|
|  |  |  |
|  |  |  |
|  |  |  |

| COUNTRY                             | AMOUNT<br>(to be consolidated for each country) |        |        |        |
|-------------------------------------|-------------------------------------------------|--------|--------|--------|
|                                     | Transfer<br>(Workers<br>Remittances)            | Travel | Others | Total* |
| Canada                              |                                                 |        |        |        |
| Germany                             |                                                 |        |        |        |
| Japan                               |                                                 |        |        |        |
| U.K.                                |                                                 |        |        |        |
| U.S.A.                              |                                                 |        |        |        |
| Norway                              |                                                 |        |        |        |
| Bahrain                             |                                                 |        |        |        |
| Kuwait                              |                                                 |        |        |        |
| Qatar                               |                                                 |        |        |        |
| Saudi Arabia                        |                                                 |        |        |        |
| Sultan-e-Oman                       |                                                 |        |        |        |
| U.A.E.                              |                                                 |        |        |        |
| Abu Dhabi                           |                                                 |        |        |        |
| Dubai                               |                                                 |        |        |        |
| Sharjah                             |                                                 |        |        |        |
| Others                              |                                                 |        |        |        |
| Other Countries (Please<br>specify) |                                                 |        |        |        |
| <b>Total</b>                        |                                                 |        |        |        |

\* This total will be listed against item No. 1 of Sales side of the summary statement (SEC -1)

**Stamp and Signature of Exchange Company**

**STATEMENT SEC - 1**  
**(Foreign Currency - Exchange Companies)**

(For SBP use only)

|                                                       |  |  |  |
|-------------------------------------------------------|--|--|--|
| Statement of transactions for the period ended: _____ |  |  |  |
| Exchange Company: _____                               |  |  |  |
| Currency: _____                                       |  |  |  |
| Country: <u>Pakistan</u>                              |  |  |  |

| COUNTRY                                                 | For State Bank's Use | AMOUNT  |     |       |
|---------------------------------------------------------|----------------------|---------|-----|-------|
|                                                         |                      | Million | Th. | Units |
| 1. Inward remittances                                   | 9991                 |         |     |       |
| <b>Sub-Total</b>                                        |                      |         |     |       |
| Exchange Transfers and Adjustments:-                    |                      |         |     |       |
| 2. From Exchange Companies in Pakistan                  | 6017                 |         |     |       |
| 3. Against sales of other foreign currencies            | 6011                 |         |     |       |
| 4. Branch transactions adjusted                         | 6014                 |         |     |       |
| 5. Contra entry (For State Bank of Pakistan's use only) | 6015                 |         |     |       |
| <b>TOTAL Opening Balance (Cr.)</b>                      | 6211                 |         |     |       |
| <b>Closing Balance (Dr.)</b>                            | 6411                 |         |     |       |
| <b>GRAND TOTAL</b>                                      |                      |         |     |       |
|                                                         |                      |         |     |       |
| 1. Outward remittances                                  | 1001                 |         |     |       |
| <b>Sub-Total</b>                                        |                      |         |     |       |
| Exchange Transfers and Adjustments:-                    |                      |         |     |       |
| 2. To Exchange Companies in Pakistan                    | 2017                 |         |     |       |
| 3. Against purchase of foreign currencies               | 2011                 |         |     |       |
| 4. To other Authorised Dealers in Pakistan              | 2012                 |         |     |       |
| 5. Branch transactions adjusted                         | 2015                 |         |     |       |
| 6. Contra entry (For State Bank of Pakistan's use only) | 2014                 |         |     |       |
| <b>TOTAL Opening Balance (Dr.)</b>                      | 2211                 |         |     |       |
| <b>Closing Balance (Cr.)</b>                            | 2411                 |         |     |       |
| <b>GRAND TOTAL</b>                                      |                      |         |     |       |

Stamp and Signature of Exchange Company

**STATEMENT SEC - 6****(Foreign Currency Notes - Exchange Companies)****For SBP use only)**

Statement for the Period ended:

Exchange Company:

Currency:

Country:

Pakistan

| TOTAL PURCHASES DURING THE MONTH                         | For State Bank's Use | AMOUNT  |     |       |
|----------------------------------------------------------|----------------------|---------|-----|-------|
|                                                          |                      | Million | Th. | Units |
| 1. From resident against payment in Pak Rs.              | 9610                 |         |     |       |
| 2. From non-resident against payment in Pak Rs.          | 9140                 |         |     |       |
| 3. From Exchange Companies in Pakistan                   | 6017                 |         |     |       |
| 4. Contra to imports of foreign currency notes and coins | 6016                 |         |     |       |
| <b>TOTAL</b>                                             |                      |         |     |       |
| 5. Opening Balance (Cr.)                                 | 6226                 |         |     |       |
| <b>GRAND TOTAL</b>                                       |                      |         |     |       |
| <b>TOTAL SALES DURING THE MONTH</b>                      |                      |         |     |       |
| 1. Credit to FCA                                         | 1718                 |         |     |       |
| 2. For travel                                            | 1114                 |         |     |       |
| 3. To Exchange Companies in Pakistan                     | 2017                 |         |     |       |
| 4. To Banks (Authorised Dealers) in Pakistan             | 2012                 |         |     |       |
| 5. Contra to exports of foreign currency notes and coins | 2016                 |         |     |       |
| <b>TOTAL</b>                                             |                      |         |     |       |
| 6. Closing Balance (Cr.)                                 | 2426                 |         |     |       |
| <b>GRAND TOTAL</b>                                       |                      |         |     |       |

**Stamp and Signature of Exchange Company**

**Details of Exchange Company's Bank Accounts**

| <b>Sr<br/>No.</b> | <b>Account No.</b> | <b>Name of Bank</b> | <b>Branch</b> | <b>Currency (e.g. PKR,<br/>USD, etc.)</b> |
|-------------------|--------------------|---------------------|---------------|-------------------------------------------|
| <b>1</b>          |                    |                     |               |                                           |
| <b>2</b>          |                    |                     |               |                                           |
| <b>3</b>          |                    |                     |               |                                           |
| <b>4</b>          |                    |                     |               |                                           |

**Details of Directors/Shareholders/CEO**

| <b>Sr. No.</b> | <b>Name</b> | <b>Designation</b> | <b>CNIC No.</b> | <b>No. of Shares</b> | <b>Account No. and Bank/Branch</b> | <b>SBP Approval Letter No. and Date</b> |
|----------------|-------------|--------------------|-----------------|----------------------|------------------------------------|-----------------------------------------|
| 1              |             |                    |                 |                      |                                    |                                         |
| 2              |             |                    |                 |                      |                                    |                                         |
| 3              |             |                    |                 |                      |                                    |                                         |
| 4              |             |                    |                 |                      |                                    |                                         |
| 5              |             |                    |                 |                      |                                    |                                         |

**Details of Employees of Exchange Company**

| <b>Sr.<br/>No.</b> | <b>Name</b> | <b>Designation</b> | <b>Date of<br/>appointment</b> | <b>Date of leaving</b> | <b>CNIC No.</b> |
|--------------------|-------------|--------------------|--------------------------------|------------------------|-----------------|
| <b>1</b>           |             |                    |                                |                        |                 |
| <b>2</b>           |             |                    |                                |                        |                 |
| <b>3</b>           |             |                    |                                |                        |                 |
| <b>4</b>           |             |                    |                                |                        |                 |

**Summary-1**

| <b>Exchange Companies (Full Fledge &amp; B)</b><br><b>Summary-1</b><br><b>Book Transactions</b> |                                                               |
|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| <b>INWARD REMITTANCES</b>                                                                       | <b>OUTWARD REMITTANCES</b>                                    |
| 2100 Transfers                                                                                  | 3100 Transfers                                                |
| 2110 Workers' remittances                                                                       | 3110 Workers' remittances                                     |
| 2200 Services                                                                                   | 3200 Services                                                 |
|                                                                                                 | 3210 Travel                                                   |
|                                                                                                 | 3211 Business travel                                          |
|                                                                                                 | 3212 Religious travel                                         |
|                                                                                                 | 3213 Student and trainees                                     |
|                                                                                                 | 3214 Health                                                   |
|                                                                                                 | 3215 Holidays\ tourists                                       |
| 2270 Financial services                                                                         | 3270 Financial services – resident banks                      |
|                                                                                                 | 3271 Financial services – non-resident financial institutions |
|                                                                                                 | 3272 Financial charges related to export of currency          |
| 2500 Advance receipts from agency arrangement                                                   | 3500 Remittances against advance receipts                     |
| 2600 Exchange Transfer & Adjustments                                                            | 3600 Exchange transfer & adjustments                          |
| 2610 Contra for cash deposit in FCA                                                             | 3610 Contra FCA withdrawal                                    |
| 2620 From exchange companies in Pakistan against PKR                                            | 3620 To exchange companies in Pakistan against PKR            |
| 2630 Receipt on account of export of foreign currency                                           | 3630 Sale to other authorized dealer in Pakistan              |
| 2640 Purchase against sales of FCY                                                              | 3640 Sale against purchase of foreign currency                |
| 2650 Branch transaction adjustment                                                              | 3650 Branch transaction adjustment                            |
| 2800 Realization of accounts receivable                                                         | 3800 Repayment of accounts payable                            |
| 1320 Opening Balance (Cr)                                                                       | 1330 Opening Balance (Dr)                                     |
| 8330 Closing Balance (Dr)                                                                       | 8320 Closing Balance (Cr)                                     |
| <b>Total</b>                                                                                    | <b>Total</b>                                                  |

**Memorandum items:**

8510 Outstanding security deposit received as agency arrangement  
8520 Stock of unpaid advance receipts from agency arrangement  
8530 Stock of remittances disbursed not received from agency arrangement  
8540 Stock of accounts payable to MTO, banks etc. for outward payments already made  
8550 Stock of unpaid inward remittances  
8560 Stock of unpaid outward remittances  
8570 Paid-up capital  
8580 Franchisee deposits  
3010 Tom sale  
2010 Tom purchase  
3020 Spot sale  
2020 Spot purchase

**Note: The reporting variables do not imply permission for transaction**



## Summary–2

| <b>Exchange Companies</b><br><b>Summary–2</b><br><b>Accounts Receivable from/ Payable to Non-residents</b> |                                                               |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| <b>Accounts Receivable from Non-residents</b>                                                              | <b>Accounts Payable to Non-residents</b>                      |
| <b>Disbursements to Residents (Funds not received)</b>                                                     | <b>Disbursements to Non-residents (Funds not remitted)</b>    |
| 2100 Transfers                                                                                             | 3100 Transfers                                                |
| 2110 Workers' remittances                                                                                  | 3110 Workers' remittances                                     |
| 2200 Services                                                                                              | 3200 Services                                                 |
|                                                                                                            | 3210 Travel                                                   |
|                                                                                                            | 3211 Business travel                                          |
|                                                                                                            | 3212 Religious travel                                         |
|                                                                                                            | 3213 Student and trainees                                     |
|                                                                                                            | 3214 Health                                                   |
|                                                                                                            | 3215 Holidays\ tourists                                       |
| 2270 Financial services                                                                                    | 3270 Financial services – resident banks                      |
|                                                                                                            | 3271 Financial services – non-resident financial institutions |
|                                                                                                            | 3272 Financial charges related to export of currency          |
| 2600 Exchange Transfer & Adjustments                                                                       | 3600 Exchange transfer & adjustments                          |
| 2650 Branch transaction adjustment                                                                         | 3650 Branch transaction adjustment                            |
| 2800 Less: Realization/ sale of accounts receivable                                                        | 3800 Less: Repayment/ purchase of accounts payable            |
| 1320 Opening Balance                                                                                       | 1330 Opening Balance                                          |
| 8330 Closing Balance                                                                                       | 8320 Closing Balance                                          |
| <b>Total</b>                                                                                               | <b>Total</b>                                                  |

**Note: The reporting variables do not imply permission for transaction**

## Summary–3

| <b>Exchange Companies</b><br><b>Summary–3</b><br><b>Unpaid Inward and Outward Remittances</b>                |                                                                  |
|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| <b>Accounts Payable to Residents (Unpaid Outward Remittances)</b>                                            | <b>Accounts Payable to Residents (Unpaid Inward Remittances)</b> |
| <b>Funds received from residents for payment abroad (neither transmitted nor advised abroad for payment)</b> | <b>Amount received for residents and yet to be distributed</b>   |
| 2100 Transfers                                                                                               | 3100 Transfers                                                   |
| 2110 Workers' remittances                                                                                    | 3110 Workers' remittances                                        |
| 2200 Services                                                                                                | 3200 Services                                                    |
|                                                                                                              | 3210 Travel                                                      |
|                                                                                                              | 3211 Business travel                                             |
|                                                                                                              | 3212 Religious travel                                            |
|                                                                                                              | 3213 Student and trainees                                        |
|                                                                                                              | 3214 Health                                                      |
|                                                                                                              | 3215 Holidays\ tourists                                          |
| 2270 Financial services                                                                                      | 3270 Financial services – resident banks                         |
|                                                                                                              | 3271 Financial services – non-resident financial institutions    |
|                                                                                                              | 3272 Financial charges related to export of currency             |
| 2600 Exchange Transfer & Adjustments                                                                         | 3600 Exchange transfer & adjustments                             |
| 2620 From exchange companies in Pakistan against PKR                                                         | 3620 To exchange companies in Pakistan against PKR               |
| 2630 Receipt on account of export of foreign currency                                                        | 3630 Sale to other authorized dealer in Pakistan                 |
| 2640 Purchase against sales of FCY                                                                           | 3640 Sale against purchase of foreign currency                   |
| 2650 Branch transaction adjustment                                                                           | 3650 Branch transaction adjustment                               |
| 2800 Less: Funds remitted abroad                                                                             | 3800 Less: Funds distributed                                     |
| 1320 Opening Balance                                                                                         | 1330 Opening Balance                                             |
| 8330 Closing Balance                                                                                         | 8320 Closing Balance                                             |
| <b>Total</b>                                                                                                 | <b>Total</b>                                                     |

**Note: The reporting variables do not imply permission for transaction**

## Summary–6

| Exchange Companies (Full Fledge & B)<br>Summary–6<br>Cash Transactions |                                                       |
|------------------------------------------------------------------------|-------------------------------------------------------|
| Purchases                                                              | Sales                                                 |
| 2110 Foreign currency withdrawal from FCA with banks                   | 3110 Deposits in FCA with banks in Pakistan           |
| 2200 Travel Non-resident                                               | 3200 Travel Resident (for travel abroad)              |
| 2210 Religious                                                         | 3210 Religious                                        |
| 2220 Business                                                          | 3220 Business                                         |
| 2230 Student trainees                                                  | 3230 Student trainees                                 |
| 2240 Health                                                            | 3240 Health                                           |
| 2250 Holiday\ tourist                                                  | 3250 Holiday\ tourist                                 |
| 2300 Un-spent foreign currency balance from resident travel:           | 3300 Un-spent rupee balance from non-resident travel: |
| 2310 Religious                                                         | 3310 Religious                                        |
| 2320 Business                                                          | 3320 Business                                         |
| 2330 Student trainees                                                  | 3330 Student trainees                                 |
| 2340 Health                                                            | 3340 Health                                           |
| 2350 Holiday\ tourist                                                  | 3350 Holiday\ tourist                                 |
| 2400 From residents                                                    | 3400 To residents                                     |
| 2410 Withdrawal from FCA with ADs                                      | 3410 For deposit to FCA with banks                    |
| 2411 Holdings                                                          | 3420 For holdings                                     |
| 2420 Earned from services provided abroad                              |                                                       |
| 2430 Purchase from other residents                                     |                                                       |
| 2440 Purchase from non-residents                                       |                                                       |
| 2450 Workers' remittances                                              |                                                       |
| 2460 Private donation                                                  |                                                       |
| 2470 Gifts and other transfer                                          |                                                       |
| 2510 From exchange companies in Pakistan against PKR                   | 3510 To exchange companies in Pakistan against PKR    |
| 2520 From authorized hotels in Pakistan against PKR                    | 3520 To banks (authorized dealers) against PKR        |
| 2530 Import of foreign currency                                        | 3530 Export of foreign currency                       |
| 2540 From banks (authorized dealers) against PKR                       |                                                       |
| 2550 Branch transaction adjustment                                     | 3550 Branch transaction adjustment                    |
| 1420 Opening Balance                                                   | 8420 Closing Balance                                  |
| <b>Total</b>                                                           | <b>Total</b>                                          |

**Note: The reporting variables do not imply permission for transaction**

## **Description of Summary–1, 2, 3 and 6 Transactions**

### **Inward Remittances**

#### **Transfers**

##### **Workers' remittances**

###### **2110**

Remittances made by migrant residing abroad to their family members in Pakistan for domestic use or family maintenance. (A resident of an economy is a person who stays or intends to stay for a year or more in that economy.)

#### **Services**

##### **Financial services**

###### **2270**

Remittances received for commission earned or financial services provided by exchange companies as agency under arrangement with foreign company for disbursement of remittances.

##### **Advance receipts from agency arrangement**

###### **2500**

Remittances received in advance from non-resident company under agency arrangements for disbursement of remittances.

##### **Exchange, transfers and adjustments**

All transactions of exchange companies with other exchange companies, adjustments with their own branches or transactions with authorized dealers those change the consolidated position of receipts and payments.

##### **Contra for cash deposit**

###### **2610**

Cash deposits made by exchange companies with authorized dealers in Pakistan would reflect an increase in balance of exchange companies and hence reported as contra.

##### **From exchange companies in Pakistan against PKR**

###### **2620**

Purchase of foreign currency from other exchange companies against Pak. rupee.

##### **Receipt on account of export of foreign currency**

###### **2630**

Remittances received in equivalent US \$ by exchange companies for export proceeds of permissible foreign currency cash/coins.

##### **Purchase against sales of other currencies**

###### **2640**

Purchase of one foreign currency against sale of another foreign currency.

##### **Branch transactions adjustments**

###### **2650**

Intracompany transactions are adjusted to consolidate the position. These adjustments are to be reflected here.

**Realization/sale of accounts receivable****2800**

The amount realized/ sold against accounts receivable generated through payments to residents for different purposes on advice of the non-resident entity for which funds were not received.

**Outward Remittances****Transfers****Workers' remittances****3110**

Remittances made by foreign national (resident) working in Pakistan for maintenance of their families abroad. (A resident is a person who stays or expected to stay for a year or more in an economy.)

**Services****Travel**

In BOP, travelers are individuals staying less than one year in an economy excluding military/diplomatic mission and their dependents. Travel includes the goods and service acquired from that economy by the traveler. One year rule does not apply to students, medical patient and all expenditures, including those for educational and health-related purposes (such as tuition, room and boarding paid for or provided by educational institutions, hospital charges, treatments, physicians' fees, etc.), made by students and medical patients are recorded under travel.

**Business travels****3211**

Payment made to residents of Pakistan for travels regarding sales campaigns, market exploration or commercial negotiations

**Religious travels****3212**

The remittances made for residents for their Hajj and other religious travel.

**Student trainee****3213**

Remittances made on account of education and training abroad for students resident of Pakistan.

**Health****3214**

Payments made to residents of Pakistan patients for their medical treatment abroad including all related charges.

**Holidays\ Tourists****3215**

Remittances made abroad in favor of resident tourists or in favor of hotels, tour operators and travel agents abroad related to tourists' expenses who intend to visit overseas.

**Financial services – resident banks****3270**

Payments made on account of financial services from resident banks.

**Financial services – non-resident financial institutions**

**3271**

Payments made on account of financial services from non-residents financial institutions/ exchange companies etc. such as Western Union, Money Gram etc. for disbursement of remittances.

**Financial charges related to export of currency**

**3272**

Financial charges related to export of currency

**Remittances against advance receipts**

**3500**

Contra on account of remittances disbursed out of advance receipts from non-resident companies under agency arrangement.

**Exchange, transfers and adjustments**

All transactions of exchange companies with other exchange companies, adjustments with their own branches or transactions with authorized dealers those change the consolidated position of receipts and payments.

**Contra FCA withdrawal**

**3610**

Cash withdrawal made by Exchange Company from foreign currency account maintained with authorized dealers in Pakistan.

**To exchange companies in Pakistan against PKR**

**3620**

Sale of foreign currency made to other exchange companies against Pak. Rupees.

**Sale to other authorized dealer in Pakistan**

**3630**

Foreign Currency sale made to authorized dealers against Pak rupees.

**Sale against purchase of foreign currency**

**3640**

Sale of a foreign currency made against purchase of other foreign currency.

**Branch transaction adjustments**

**3650**

Intracompany transactions are adjusted to consolidate the position. These adjustments are to be reflected here.

**Repayment/ purchase of accounts payable**

**3800**

The amount paid/ purchased against accounts payable generated through disbursement by non-residents for different purposes on advice of the exchange company for which funds were yet to be transmitted. **In Summary-3**, the accounts payable represent to the amount i) that has been received from non-resident MTO, bank etc. and yet to be disbursed to the resident beneficiary, ii) for which PKR or FX has been received from the resident remitter

for payment abroad and held with exchange company for which neither advice for disbursement has been sent nor amount has been remitted.

## **Description Summary-6 Transactions**

### **Purchases (Receipts)**

#### **Foreign currency withdrawal from FCA with banks**

##### **2110**

Foreign currency withdrawn by exchange company from foreign currency account maintained with authorized dealers in Pakistan.

#### **Travel non-resident**

Purchase of foreign currency cash from non-resident travelers against Pak rupees.

##### **Religious**

##### **2210**

Purchase of foreign currency cash from non-resident pilgrims against sale of Pak rupee (e.g. Sikh Yatri)

##### **Business**

##### **2220**

Purchase of foreign currency cash from non-residents on business trip in Pakistan.

##### **Student / Trainee**

##### **2230**

Purchase of foreign currency cash from non-resident students and trainees in Pakistan.

##### **Health**

##### **2240**

Purchase of foreign currency cash from non-resident patients for medical treatment in Pakistan.

##### **Holiday / Tourist**

##### **2250**

Purchase of foreign currency cash from non-resident tourists visiting Pakistan.

#### **Un-spent foreign currency balance from resident travel**

Purchase of unspent foreign currency cash against Pak rupees from residents of Pakistan travelers returned to Pakistan after travelling abroad.

##### **Religious**

##### **2310**

Purchase of unspent foreign currency cash from resident Hajjis returned to Pakistan.

##### **Business**

##### **2320**

Purchase of unspent foreign currency cash from residents of Pakistan who visited abroad for business trip.

**Student / Trainee****2330**

Purchase of unspent foreign currency cash from residents of Pakistan students and trainees returned from abroad.

**Health****2340**

Purchase of unspent foreign currency cash from residents of Pakistan patients who visited abroad for medical treatment.

**Holiday / Tourist****2350**

Purchase of foreign currency cash from residents of Pakistan tourists, who visited abroad for spending holidays or as tourists.

**From residents**

Purchase of foreign currency cash from residents of Pakistan against payment in Pak. Rupees that they may have withdrawn from their FCA, holding as asset or earned from services provided abroad or purchase from other residents or non-residents.

**Withdrawal from FCA with authorized dealers****2410**

Purchase of foreign currency cash from residents of Pakistan withdrawn from their foreign currency accounts with authorized dealer in Pakistan.

**Holdings****2411**

Purchase of foreign currency cash from residents of Pakistan out of foreign currency holdings.

**Earned from services provided abroad****2420**

Purchase of foreign currency cash from residents of Pakistan earned from any services rendered abroad.

**Purchase from other resident****2430**

Purchase of foreign currency cash from residents of Pakistan who obtained from any other resident of Pakistan.

**Purchase from non-resident****2440**

Purchase of foreign currency cash from residents of Pakistan who obtained from any non-resident.

**Workers' remittances****2450**



Purchase of foreign currency cash sent by the worker abroad through a person visiting Pakistan

**Private donation**

**2460**

Purchase of cash received for food, clothing, consumer goods, medicine supply etc. for relieve of hardships due to natural disaster, war , regular contribution to charitable, religious, scientific, social & cultural research organization and other support remittances. Cash for Zakat by overseas residents of Pakistan to their origin can be included. These remittances are received through a person visiting Pakistan.

**Gifts and other transfer**

**2470**

Purchase of cash received for gifts, dowries, inheritances and lottery draws. These remittances are received through a person visiting Pakistan.

**From other exchange companies in Pakistan against PKR**

**2510**

Purchase of foreign currency against Pak rupees from other exchange companies.

**From authorized hotels in Pakistan against PKR**

**2520**

Purchase of foreign currency against Pak rupees from authorized hotels.

**Import of foreign currency**

**2530**

Import of permissible foreign currencies by Exchange Company

**From banks (authorized dealers) against PKR**

**2540**

Purchase of foreign currency against Pak rupees from banks (authorized dealers).

**Branch transaction adjustments**

**2550**

Intracompany transactions are adjusted to consolidate the position. These adjustments are to be reflected here.

**Sale (Payments)**

**Deposits in FCA with banks in Pakistan**

**3110**

Foreign currency deposited by exchange companies with authorized dealers in Pakistan

**Travel residents (for travel abroad)**

Sale of foreign currency cash to residents of Pakistan against Pak rupees for travel abroad under various categories given below:

**Religious****3210**

Sale of foreign currency cash made to residents of Pakistan for Hajj and other religious travel.

**Business****3220**

Sale of foreign currency cash made to residents of Pakistan for business travel abroad.

**Student/Trainee****3230**

Sale of foreign currency cash to residents of Pakistan students visited abroad.

**Health****3240**

Sale of foreign currency cash made to residents of Pakistan patients visited abroad for medical treatment abroad.

**Holiday/Tourist****3250**

Sale of foreign currency cash made to residents of Pakistan for holiday / excursion visits abroad.

**Un-spent rupee balance from non-resident travel**

Purchase of unspent Pak. rupees from non-resident traveler against sale of foreign currency cash to foreign travelers under various categories leaving Pakistan.

**Religious****3310**

Sale of foreign currency cash against unspent Pak. rupees to non-residents on religious travel in Pakistan

**Business****3320**

Sale of foreign currency cash against unspent Pak. rupees to non-residents on business travel in Pakistan

**Student/ Trainee****3330**

Sale of foreign currency cash against unspent Pak. rupees to non-resident students on study visit to Pakistan

**Health****3340**

Sale of foreign currency cash against unspent Pak. rupees to non-resident patients on medical treatment visit in Pakistan

**Holiday/Tourist**

**3350**

Sale of foreign currency cash against unspent Pak. rupees to non-resident tourists visited Pakistan

**To residents**

Sale of foreign currency cash to residents of Pakistan against payment in Pak. rupees (sale for travel abroad is covered above).

**For deposit to FCA with banks****3410**

Sale of foreign currency cash to residents of Pakistan against payment in Pak. rupees for deposits in their FCA with authorized dealers in Pakistan

**For holding****3420**

Sale of foreign currency cash to residents of Pakistan against payment in Pak. rupees for foreign currency holding

**To exchange companies in Pakistan against PKR****3510**

Sale made against Pak. rupees to other exchange companies.

**To banks (authorized dealers) against PKR****3520**

Sale made against Pak. rupees to banks (authorized dealers).

**Export of foreign currency****3530**

Export of permissible foreign currencies by Exchange Company.

**Branch transaction adjustments****3550**

Intracompany transactions are adjusted to consolidate the position. These adjustments are to be reflected here.

## **Memorandum items**

### **Outstanding security deposit received as Agency Arrangement**

**8510**

The outstanding amount of security deposits received as agency arrangements from non-residents exchange companies/ exchange houses etc.

### **Stock of unpaid advance receipts from agency arrangement**

**8520**

The stock of unpaid advance received from agency arrangement of non-residents exchange companies/ exchange houses etc.

### **Stock of remittances disbursed not received from agency arrangement**

**8530**

The stock of remittances disbursed not received from agency arrangement of non-residents exchange companies/ exchange houses etc generated through accounts receivable

### **Stock of accounts payable to MTO, banks etc.**

**8540**

The stock of accounts payable to MTO, banks etc. for already amount disbursed abroad on behalf of the exchange company for which remittance are yet to be made.

### **Stock of unpaid inward remittances**

**8550**

The stock of amount received from abroad for residents and yet to be distributed and is held with the exchange company

### **Stock of unpaid outward remittances**

**8560**

The stock of funds received from residents in PKR or FX for payments abroad (neither transmitted nor advised abroad for payment). The amount would be shown in foreign currency intended to be remitted.

### **Paid-up capital**

**8570**

The stock of paid-up capital required for formation of an exchange company.

### **Franchisee deposits**

**8580**

The stock of franchisee deposits paid to the franchiser (Exchange Company).

### **Tom sale**

**3010**

The foreign currency sale with one business day settlement from trade date (T+1)

### **Tom purchase**

**2010**

The foreign currency purchase with one business day settlement from trade date (T+1)

**Spot sale****3020**

The foreign currency sale with two business day settlement from trade date (T+2)

**Spot purchase****2020**

The foreign currency purchase with two business day settlement from trade date (T+2)

**List of Exchange Companies**

|     |                                                         |
|-----|---------------------------------------------------------|
| 1.  | AA Exchange Company (Pvt.) Ltd.                         |
| 2.  | Al-Hameed Int'l. Money Ex (Pvt.) Ltd.                   |
| 3.  | Al-Rahim Exchange Company(Pvt.) Ltd.                    |
| 4.  | Al-Sahara Exchange Company (Pvt.) Ltd.                  |
| 5.  | D.D Exchange Company (Pvt.) Ltd.                        |
| 6.  | Dollar East Exchange Company (Pvt.) Ltd.                |
| 7.  | Fairdeal Exchange Company (Pvt.) Ltd.                   |
| 8.  | Glaxy Exchange Company (Pvt.) Ltd.                      |
| 9.  | H & H Exchange Company (Pvt.) Ltd.                      |
| 10. | HBL Currency Exchange (Pvt.) Ltd.                       |
| 11. | Habib Qatar International Exchange Pakistan (Pvt.) Ltd. |
| 12. | Link International Exchange Company (Pvt.) Ltd.         |
| 13. | Money Link Exchange Company (Pvt.) Ltd.                 |
| 14. | Muhammadi Exchange Company (Pvt.) Ltd.                  |
| 15. | NBP Exchange Company Ltd.                               |
| 16. | Noble Exchange International (Pvt.) Ltd.                |
| 17. | P B S Exchange Company (Pvt.) Ltd.                      |
| 18. | Pakistan Currency Exchange Company (Pvt.) Ltd.          |
| 19. | Paracha International Exchange (Pvt.) Ltd.              |
| 20. | Paragon Exchange (Pvt.) Ltd.                            |
| 21. | Ravi Exchange Company (Pvt) Ltd.                        |
| 22. | Riaz Exchange Co. (Pvt.) Ltd.                           |
| 23. | Royal International Exchange Company (Pvt.) Ltd.        |
| 24. | Sadiq Exchange Company (Pvt.) Ltd                       |
| 25. | Sky Exchange Company (Pvt.) Ltd.                        |
| 26. | Wallstreet Exchange Company (Pvt.) Ltd.                 |
| 27. | ZeeQue Exchange Company (Pvt.) Ltd.                     |

**List of Exchange Companies of ‘B’ Category**

|     |                                                                                        |
|-----|----------------------------------------------------------------------------------------|
| 1.  | Al-Khaleej Exchange Company-B (Pvt.) Ltd.                                              |
| 2.  | Al-Pine International Exchange Company-B (Pvt.) Ltd.                                   |
| 3.  | Best Way Exchange Company-B (Pvt.) Ltd.                                                |
| 4.  | Capital Exchange Company-B (Pvt.) Ltd.                                                 |
| 5.  | Chanda Exchange Company-B (Pvt.) Ltd.                                                  |
| 6.  | Easy Exchange Company-B (Pvt.) Ltd.<br>(Formerly Aftab Exchange Company-B (Pvt.) Ltd.) |
| 7.  | Gohar Exchange Company-B (Pvt.) Ltd.                                                   |
| 8.  | Great Union Exchange Company-B (Pvt.) Ltd.                                             |
| 9.  | International Exchange Company-B (Pvt.) Ltd.                                           |
| 10. | Islamabad Exchange Company-B (Pvt.) Ltd.                                               |
| 11. | Madina Exchange Company-B (Pvt.) Ltd.                                                  |
| 12. | Mega Currency Exchange Company-B (Pvt.) Ltd.                                           |
| 13. | Money Masters Currency Exchange Company-B (Pvt.) Ltd.                                  |
| 14. | Orient Exchange Company-B (Pvt.) Ltd.                                                  |
| 15. | Premier Exchange Company-B (Pvt.) Ltd.                                                 |
| 16. | Rajgan Exchange Company-B (Pvt.) Ltd.                                                  |
| 17. | Swiss International Exchange Company-B (Pvt.) Ltd.                                     |
| 18. | Time Exchange Company-B (Pvt.) Ltd.                                                    |
| 19. | Union Exchange Company-B (Pvt.) Ltd.                                                   |
| 20. | United Exchange Co.-B (Pvt.) Ltd.                                                      |
| 21. | Universal Exchange Company-B (Pvt.) Ltd.                                               |
| 22. | Usman International Exchange Company-B (Pvt.) Ltd.                                     |
| 23. | World Exchange Company-B (Pvt.) Ltd.                                                   |
| 24. | World Wide Exchange Company-B (Pvt.) Ltd.                                              |