

CHAPTER 7

NON-RESIDENT RUPEE ACCOUNTS OF AUTHORIZED DEALERS' OVERSEAS BRANCHES, FOREIGN CORRESPONDENTS AND NON-RESIDENT EXCHANGE COMPANIES

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1. General.

Rupee accounts of Authorized Dealers' overseas branches or their foreign correspondents are treated as non-resident accounts. The accounts of different branches of the same bank situated in different countries must be identified separately and the accounts of each branch in one country should be designated as accounts of that country.

2. Opening of Non-Resident Rupee Accounts of Banks.

Authorized Dealers may open non-resident rupee accounts of their overseas branches or foreign correspondents without the prior approval of the State Bank. Opening of these accounts shall, however, be subject to fulfillment of AML/KYC regulations/guidelines issued by the State Bank and compliance of international obligations.

3. (Omitted).

4. Transfer to the Credit to the Non-Resident Rupee Accounts.

Any payment for credit to non-resident rupee account of Authorized Dealer's overseas branch and foreign correspondent constitutes an outward remittance and is equivalent to a sale of the appropriate foreign currency. Such credits may be made by the Authorized Dealers against approved transactions covered by Forms 'T-1', 'T'/EIF' or 'M' approved by the State Bank or by the Authorized Dealers on behalf of the State Bank, as permissible.

5. Transfer to the Debit to the Non-Resident Rupee Accounts.

Payment in rupees to the debit of non-resident rupee account of Authorized Dealer's overseas branch and foreign correspondent constitutes an inward remittance and is equivalent to purchase of the appropriate foreign currency. Such payments may be made freely by the Authorized Dealers in Pakistan by using Form 'E'/ 'EFE', 'R/ IRV'.

6. Transfer between the Non-Resident Rupee Accounts of Overseas Branches and Foreign Correspondents of Authorized Dealers.

Transfers between non-resident rupee accounts with the same or different Authorized Dealers may be freely allowed irrespective of their monetary area. In respect of such transfers, credits should be covered by Form 'M' in which the name and address of the bank/branch whose account is debited and the name of the Authorized Dealer with whom that account is maintained should be given. The form may be approved by the Authorized Dealer on behalf of the State Bank. No form needs to be completed covering

debits, details of which should be reported to the SBP-Banking Services Corporation in the manner prescribed in Chapter 22.

7. Credits to Non-Resident Rupee Accounts against Foreign Currencies purchased by Authorized Dealers.

Authorized Dealers may freely purchase foreign currencies from their overseas branches and foreign correspondents and credit the rupee equivalent to their non-resident rupee accounts.

8. Debits to Non-Resident Rupee Accounts for remittance abroad in equivalent foreign currencies.

Prior approval of the State Bank would be required for the sale of foreign currencies to Authorized Dealers' overseas branches and foreign correspondents against credit balance available in their non-resident rupee account.

9. Non-Resident Rupee Accounts of Non-Resident Exchange Companies.

Non-resident Exchange Companies may, in addition to opening a foreign currency account under Para 1, Chapter 6 of Foreign Exchange Manual, open non-resident rupee accounts for the purpose of effecting payment of remittances made by overseas Pakistanis. Such accounts will be fed by sale of foreign currency by the account holder. Authorized Dealers are permitted to enter into overdraft arrangements with the exchange companies subject to the condition that they will obtain guarantee of a reputable bank equivalent to one month's aggregate rupee overdraft, and the replenishment from the exchange companies should be called within 5 working days of the overdraft.
