
NON-RESIDENT RUPEE ACCOUNTS

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CHAPTER 8

NON-RESIDENT RUPEE ACCOUNTS

1. Introduction.

Accounts of individuals, firms or companies resident outside Pakistan are designated as non-resident accounts. For the purpose of this chapter, a person shall be treated as non-resident if his/her period of stay in Pakistan during a calendar year is less than 183 days, in aggregate. This chapter sets out the regulations governing non-resident rupee accounts opened and maintained by the following individuals and entities other than banks:

- a) Overseas Pakistanis.
- b) Foreign nationals except those who have obtained work visa/permit to work in Pakistan.
- c) Firms, companies, etc. which are incorporated/registered outside Pakistan.

2. Opening and Maintaining of Non-resident Rupee Accounts of Persons other than Banks.

- (i) Authorized Dealers may open and maintain the following two categories of non-resident rupee accounts of the individuals and entities mentioned in Para 1 above:
 - a) Non-resident Rupee Account-Repatriable (NRAR).
 - b) Non-resident Rupee Account-Non-repatriable (NRAN).
- (ii) These accounts may be opened by the Authorized Dealers without prior approval of the State Bank. In this respect, Authorized Dealers must follow their standard operating procedures for opening and maintaining of such accounts and ensure compliance of all applicable AML/CFT regulations/guidelines including identification of ultimate beneficial ownership and purpose of the account. Further, Authorized Dealers may also collect all documents related to account opening through their overseas branches, representative offices or banking subsidiaries abroad. In this respect, the Authorized Dealers should ensure that the account opening forms etc. and trained staff are available at aforesaid branches, representative offices or subsidiaries abroad. The overseas branch, representative office or banking subsidiary, after fulfilling account opening formalities, shall forward related documents to the head office/designated branch of the Authorized Dealer in Pakistan for further processing.
- (iii) Authorized Dealers shall distinctively mark these accounts in their books and maintain them in a separate ledger. Existing resident PKR accounts of Pakistanis and foreign nationals can be converted into non-resident rupee account – non-repatriable upon confirmation of their status as non-resident.

3. Status of existing Non-resident Rupee Accounts.

Existing accounts of individuals and entities, as mentioned in Para 1 above, shall be treated as Non-resident Rupee Accounts- Non-repatriable. In this context, Authorized Dealers shall develop their systems to allow operations on such accounts as per the instructions contained in para 7 of this chapter.

4. Accounts of United Nations and its Organizations.

In terms of Section 5 of Article-II of the Schedule appended to the United Nations (Privileges and Immunities) Act, 1948, the accounts of United Nations and its organizations are free from financial controls. Authorized Dealers should, therefore, treat such accounts maintained with them as "Resident Accounts".

5. Joint Accounts of Residents and Non-residents.

There is no bar on non-resident foreign nationals/ non-resident Pakistanis on opening and maintaining non-resident rupee accounts-repatriable/non-repatriable jointly with residents. These accounts should, however, be treated as non-resident accounts irrespective of the fact whether the accounts are to be operated individually or jointly.

6. Operations on Non-resident Rupee Accounts –Repatriable.

All operations of non-resident rupee accounts-repatriable shall be governed by the regulations set out below:

i) General Instructions.

- a) An initial deposit up to Rs. 5,000/- may be made in the account from domestic sources, if required.
- b) Authorized Dealer may issue cheque book, ATM/Debit card to the account holder. Further, supplementary ATM/Debit cards may also be issued in the name of family members of the account holder resident in Pakistan.
- c) In case debit cards are used outside Pakistan, settlement thereagainst shall be made by the Authorized Dealer through interbank.
- d) The account holder may give power of attorney to a person resident in Pakistan to operate the account.
- e) Authorized Dealers may allow operations of these accounts through digital banking which may include internet/mobile banking, etc.
- f) In case above account becomes dormant due to non-operation as per the existing regulations, it can be made operative by fulfilling usual formalities at domestic as well as overseas branch, representative office or banking subsidiary of the Authorized Dealer.
- g) Authorized Dealers will ensure ongoing monitoring of these accounts to mitigate ML/FT risk, as in case of resident account.

ii) Credits to the Non-resident Rupee Accounts - Repatriable

Non-resident rupee accounts - repatriable shall be fed with:

- a) Remittances received from abroad through banking channel.
- b) Funds approved/allowed for remittance abroad either by State Bank or by the Authorized Dealers under general authority delegated, subject to applicable terms and conditions.
- c) Transfer of funds from other non-resident rupee account-repatriable with the same Authorized Dealer in Pakistan.
- d) Profit/interest accrued on the amount lying in the non-resident rupee account-repatriable.
- e) Proceeds of Government of Pakistan's debt securities, term deposits and profit/interest on such securities/certificates received on account of investments made through non-resident rupee account-repatriable as mentioned at sub-para (iii) (f) below.
- f) Refund of amounts debited incorrectly or over-charged.

iii) Debits to the Non-resident Rupee Accounts - Repatriable

Non-resident rupee accounts- repatriable can be debited for the following purposes:

- a) Any payment in PKR to the persons resident in Pakistan including utility bill payments, education fee, hospital, insurance premium, hotel bills, travel agent's payments etc. through any permissible mode.
- b) Settlement of import bills by non-resident importer against goods/services exported from Pakistan.
- c) Transfer of funds to other resident, non-resident rupee accounts- non-repatriable with any Authorized Dealer in Pakistan.
- d) Transfer of funds to other non-resident rupee accounts- repatriable with the same Authorized Dealer in Pakistan.
- e) Remittances and payments outside Pakistan to the extent of balances available in the account.
- f) Investments in Governments of Pakistan's debt securities (T-bills, PIBs, Sukuk and any other registered debt security), term deposit/remunerative account with the same bank provided such investment shall be made by the Authorized Dealers through the special instructions received from the account holder in this behalf.
- g) Debits in lieu of applicable government taxes/duties etc. bank charges and reversal of any incorrect/wrong credit entry.

7. Operations on Non-resident Rupee Accounts –Non-repatriable.

All operations of non-resident rupee accounts- non-repatriable shall be governed by the regulations set out below:

- a) Authorized Dealer may issue cheque book, ATM/Debit card to the account holder. Further, supplementary ATM/Debit cards may also be issued in the name of family members of the account holder resident in Pakistan.
- b) Funds available in these accounts shall be treated as non-repatriable and can only be used for making payments/withdrawals etc. in Pakistan only.
- c) Authorized Dealers may allow all legitimate debit and credit transactions in these accounts as are permissible to a resident PKR accounts. However, the funds

available in these accounts cannot be used abroad through ATM/Debit cards or other Alternative Delivery Channels.

- d) Authorized Dealers may extend loan facilities for local consumption to these account holders, subject to compliance with applicable prudential regulations.
- e) The account holder may give power of attorney to a person resident in Pakistan to operate the account.
- f) Authorized Dealers may allow operations of these accounts through digital banking which may include internet/mobile banking, etc.
- g) In case above account becomes dormant due to non-operation as per the existing regulations, it can be made operative by fulfilling usual formalities at domestic as well as overseas branch, representative office or banking subsidiary of the Authorized Dealer.
- h) Authorized Dealers will ensure ongoing monitoring of these accounts to mitigate ML/FT risk, as in case of resident account.

8. Submission of Statements>Returns to State Bank.

i) Authorized Dealers shall submit a consolidated monthly statement showing debit and credit transactions executed from these accounts through their head/principle office by 7th of the ensuing month for each reference month to Statistics & Data Warehouse Department of the State Bank on the Annexure-I & Annexure-II.

ii) Authorized Dealers shall ensure proper reporting of the transactions conducted from these accounts in their monthly foreign exchange returns through ITRS and maintain complete record including underlying documents for SBP inspection.

Annexure- I

i). Non-Resident Rupee Account – Repatriable (NRAR).

NAME OF AUTHORIZED DEALER												
Statement in respect of Transactions conducted through Non-Resident Rupee Accounts - Repatriable for the Month of _____												
			Credits				Debits					
	Total Number of Accounts	Opening Balance	Inward Remittances	Remittable Funds (Approved by SBP or ADs.	Transfer from other NRAR with the same bank.	Proceeds/ interest received from investment made through NRAR	Payments/ Withdrawal through any mode in Pakistan	Settlement of import bills by non- resident importer	Transfer to other resident and NRAN & NRAN.	Remittance / Payments Abroad	Investment made from the NRAR.	Closing Balance
	1	2	3	4	5	6	7	8	9	10	11	12
Overseas Pakistani												
Foreign nationals												
Firms and Companies etc.												
Total												

Annexure- II

ii). Non-Resident Rupee Accounts Non-repatriable (NRAN).

NAME OF AUTHORIZED DEALER						
Statement in respect of Transactions conducted through Non-resident Rupee Accounts- Non-repatriable for the Month of _____						
			Credits		Debits	
	Total Number of Accounts	Opening Balance	inward Remittances	Local credits in NRAN through any permissible mode	Disbursements/ Payments/ Withdrawals from NRAN through any permissible mode in Pakistan	Closing Balance
	1	2	3	4	5	6
Overseas Pakistani						
Foreign nationals						
Firms and Companies etc.						
Total						
