

22nd October 2005

**STATE BANK'S INSTRUCTIONS ON OPENING OF GOVERNMENT
ACCOUNTS IN PERSONAL NAMES OF OFFICIALS**

The State Bank of Pakistan has asked the Banks/DFIs to ensure that the government accounts are not opened in the personal names of the officials. However, it allowed the Banks/DFIs to open any such account, which is to be operated by an officer of the Federal or Provincial Government in his/her official capacity after complying with certain conditions.

The State Bank vide BPD Circular No. 29 dated the 22nd October, 2005 has amended Regulation No. M-1 (Know Your Customer) of Prudential Regulation for Corporate and Commercial Banking by adding a new paragraph 5(a) which reads as under:-

“5(a) Banks/DFIs shall ensure that government accounts are not opened in the personal names of the government official(s). Any such account, which is to be operated by an officer of the Federal/Provincial/Local Government in his/her official capacity, shall be opened only on production of a special resolution/authority from the concerned administrative department duly endorsed by the Ministry of Finance or Finance Department of the concerned Provincial or Local Government.”

With the condition of the above paragraph in Regulation M-1 of Prudential Regulation for Corporate and Commercial Banking, the instructions contained in BCD Circular No. 29 of 1968 and 5 of 1989 stand cancelled with immediate effect.
