

December 7, 2006

State Bank Invites Feedback on Draft Guidelines for Provision of Islamic Microfinance Services and Products

The State Bank of Pakistan has formulated draft guidelines for provision of Islamic microfinance services and products by financial institutions. These guidelines are aimed at broadening the coverage of microfinance products and services to low income segments of the society in a Shariah compliant manner.

Islamic banking system provides financial service according to Islamic rulings & teachings. Microfinance is compatible with the Islamic banking system therefore, Islamic microfinance services have a great potential in Pakistan. These draft guidelines will allow:

1. Establishment of full fledged Islamic microfinance banks
2. Islamic microfinance services by full fledged Islamic banks
3. Islamic microfinance services by conventional banks
4. Islamic microfinance services by conventional microfinance banks

The draft guidelines have been sent to the key stakeholders including Pakistan Banks' Association, banks (including Islamic & microfinance banks) and members of Microfinance Consultative Group for comments and feed back by 6th January, 2007. A copy of the draft guidelines has also been placed on SBP website www.sbp.org.pk for comments and feedback from the general public and all concerned. The comments/views on these draft guidelines may be sent through mail, fax or email till 6th January, 2007 on the following address.

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