

February 28, 2012

## **Banks asked to submit compliance report of every order of Banking Mohtasib/SBP Governor**

The State Bank of Pakistan (SBP) has advised all banks/ DFIs to submit a compliance report of every order of Banking Mohtasib of Pakistan (BMP) and the Governor, State Bank of Pakistan along with documentary evidence, within one week of its compliance to the Head, Consumer Protection Department, SBP through their duly authorized officers at or above the rank of Executive Vice President/Group Head.

It may be pointed out that in terms of Section 82 E (5) of the Banking Companies Ordinance 1962 (BCO), banks are required to comply with the decision of Banking Mohtasib of Pakistan (BMP) within forty days of the date of Order. However, if an Appeal against the decision of the Banking Mohtasib is referred to the Governor, State Bank of Pakistan, the aforesaid period of forty days reckons from the date of decision of Appeal.

Instances have been noted where banks have not adhered to the aforementioned provisions of BCO and have complied with the Orders of BMP and the Governor, State Bank of Pakistan with a significant delay, says CPD Circular No. 1 of February 28, 2012.

The State Bank has taken serious notice of such non-compliance and it has been decided that such a violation of Section 82 E (5) of BCO 1962, shall be subject to penal action, it added.

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