



External Relations Department

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Guidelines on Standardization of Payment Orders (PO) and Demand Drafts (DD)

State Bank of Pakistan has issued guidelines on Standardization of layout and Security features of POs and DDs. The move is aimed at addressing the risk of fraud, forging in Payment Orders (POs) and Demand Drafts (DDs) and to safeguard the interests of general public by reducing the risk of counterfeiting.

The said guidelines mandate the use of “Minimum Security Features” in the paper used in printing of POs and DDs comprising of Watermark, Anti-Forgery Ink, Ultraviolet Fibers etc. In the area of layout, Magnetic Ink Character Recognition (MICR) line, name of Drawee Bank Branch (in case of DD), maintenance of purchaser’s record by the respective bank branch etc. have been introduced.

Moreover, to facilitate customers, Banks/MFBs have been advised to devise a centralized mechanism for the verification of genuineness of POs and DDs.

In this regard, Banks are required to Set up 24/7 helpdesks / call centers, so that the person in possession of instruments is easily able to verify the genuineness of the instrument. Bank branch shall validate the genuineness of PO / DD if the holder of an instrument approaches in person to any branch offering online banking services. Banks are also required to arrange proper training of staff to examine / verify the security features / genuineness of PO / DD.

It may be recalled here that last year SBP had issued instructions for standardization of security features and layout of cheques. Now by standardizing POs and DDs, almost 96% of total financial instruments in clearing process will be standardized resulting in uniformity and increased efficiency in the process as well as facilitation of general public using them.

All the Banks and MFBs have been advised to issue POs and DDs as per the new standard with effect from April 1st, 2016.
