



External Relations Department

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State Bank Delegates FCY Loan Registration Function

In order to facilitate the corporate entities for raising foreign currency (FCY) loans from abroad and further improve the business environment in the country, State Bank of Pakistan has delegated the registration of FCY loans from abroad to banks.

Previously, it was required to register the loans above USD 1 million, with Exchange Policy Department, State Bank of Pakistan whereas the loans up to USD 1 million were handled by the respective banks. According to new instructions, the respective banks will register the FCY loans irrespective of the amount. However, the banks will have to ensure that the FCY loans are in compliance with the relevant laws and regulations in force.

Further, the minimum tenor of FCY loans, raised by corporate entities for working capital needs and by the banks for liquidity management purposes, has been reduced to one month.

In order to implement these changes, Chapter 19 of Foreign Exchange Manual has been revised and circulated vide FE Circular No 6 of 2019 dated December 17, 2019. It is expected that these initiatives will help the corporate entities to meet their business needs and will reduce their turnaround time in raising financing from abroad thus promoting the ease of doing business.
