



External Relations Department

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SBP launches cheaper liquidity facilities for the development of SME, Agriculture and Renewable energy through Islamic Banking Institutions

State Bank of Pakistan has issued three Shariah Compliant Refinance Schemes that are expected to provide level playing field to the Islamic banking industry. Currently, SBP offers various subsidized refinance facilities to the banks / DFIs to channelise the funds into priority sectors.

It is worth mentioning here that Shariah compliant Islamic Export Refinance facility and Islamic long term financing facility for the exporters are available to the Islamic banking industry. However, addition of Shariah compliant financing facility for Renewable Energy, financing facility for storage of agricultural produce and Refinance facility for modernization of SMEs will meet the long awaited demand of the industry, especially for the Agriculture and SME sectors.

Mudarabah based facilities would provide long term cheaper liquidity to the end users. The financing under Islamic financing facility for Renewable Energy will be available in two categories. These are (i) prospective sponsors desirous of setting up renewable energy power projects with capacity ranging between 1 – 50 MW and (ii) consumers willing to install facility using renewable energy source for generation of electricity ranging between 4 KW – 1 MW for own use and/or for supplying to the distribution company.

Islamic Financing facility for storage of agricultural produce will be available for setting up silos, warehouses and cold storages. Refinance facility for modernization of SMEs will be available for purchase of new imported/ local plant & machinery for SMEs.
