



External Relations Department

ERD/M&PRD/PR/01/2020-124

December 2, 2020

SBP ISSUES REGULATORY FRAMEWORK TO FACILITATE BUSINESS TO CONSUMER (B2C) E-COMMERCE EXPORTS

State Bank of Pakistan (SBP) has issued regulatory framework to facilitate Business-to-Consumer (B2C) e-Commerce exports from Pakistan. Under the new regulatory framework, the mandatory requirement of 'Export' (E) form has been done away with and now an exporter can export goods up to USD 5,000/- per consignment without the requirement of 'E' Form. This step will facilitate exports in small quantities directly to the consumers. This will also help small entrepreneurs and exporters who typically export varied goods in small quantities and find it cumbersome to fulfill the detailed requirements of E Form that is mainly designed for bulk exports.

Lately, the global emerging trends especially in the consumer market place have seen a major shift from traditional market place to e-commerce due to the advent of new technologies. A surge in this trend was particularly witnessed during the global lockdown owing to COVID-19 pandemic. In line with these trends, SBP focused on facilitating cross border trade for B2C (Business to Consumer) exports from Pakistan, including by small entrepreneurs and exporters. This was aimed at improving competitiveness and digital connectivity of Pakistani businesses with the global market during the development phase of e-Commerce Policy.

It merits mentioning here that up till now, goods from Pakistan could only be exported after certification of Electronic/ Manual Export ('E') Form-E by the Authorized Dealers (ADs) and subsequent filing of Goods Declaration by the customers with Pakistan Customs. The 'E' Form was required for each shipment with complete description of the goods being exported and had been designed keeping in view the export of large quantities of homogenous goods. However, for exports of small value different items to individuals destined for different jurisdiction, (as is the case in B2C e-commerce exports) the existing process was not conducive.

Earlier, in 2000, SBP had issued regulatory instructions to promote B2C e-Commerce, in Foreign Exchange Manual, with primary focus on opening of Internet Merchant Account to facilitate e-commerce. However, with advancement in technology, these instructions needed to cater to the current business dynamics of e-commerce and therefore required to be replaced. Accordingly, SBP collaborated with the relevant stakeholders including business community, Pakistan Customs, Ministry of Commerce, courier companies and banking industry in a bid to develop a regulatory framework, which not only addresses the market needs but also takes into account regulatory objectives.

The new regulatory framework would address the pressing demand of e-commerce exporters, including the small entrepreneurs, besides providing the much needed impetus for the recognition and growth of e-commerce exports from Pakistan. It would also pave the way for the big corporate brands, SMEs, and startups, to enter the global consumer markets and contribute to the exports earning of the country. The new regulatory framework is expected to be beneficial in improving country's rating in the Ease of Doing Business index. Moreover, this framework would also help in documenting the exports of small shipments, which earlier could not be included in the formal exports of the country due to absence of any such framework.

The instructions are available at: <https://www.sbp.org.pk/epd/2020/FEC7.htm>
