



External Relations Department

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SBP instructs Banks to Digitize Corporate Payments

Towards digitization of payments and receipts in the corporate sector, SBP has now made it mandatory for its regulated entities (REs) including banks, microfinance banks, payment system operators and payment system providers to provide digital means of payments to their corporate clients to enable businesses for sending and receiving their payments.

SBP, in its recent Circular, has asked its regulated entities to facilitate their institutional clients including corporations, companies, and partnerships for making large value payments through digital channels. Regulated entities are now required to extend online portals/platforms for digital payments & receipts of corporates including online interbank fund transfer services, online bill/invoice sharing and payment services like over the Counter (OTC) digital payments services/facilities, card payments using Point of Sale (POS) terminals, QR codes, mobile devices, ATMs, Kiosk or any other digital payments enabled device.

In order to monitor the progress of implementation of these instructions, SBP has advised banks to submit roadmap of implementing these measures within 30 days. Banks are also required to submit quarterly progress reports to SBP on the number of businesses facilitated for digitization of their payments and receipts.

SBP expects that these measures would increase documentation of value chains and help businesses manage their large value transactions more effectively. The initiative will also facilitate implementation of Federal Board of Revenue's recently introduced measures on integration of businesses with FBR system and conducting of corporate payments through digital means.

Regulated entities are also required to make all efforts to onboard non-corporate players including Sole Proprietors, SMEs and MSMEs for the provision of digital payments. This initiative follows other recent initiatives of the SBP to promote digitization in Pakistan including:

- 1) Issuance of Customers' Digital Onboarding Framework for opening of bank accounts digitally by Resident Pakistanis
<https://www.sbp.org.pk/bprd/2021/C2.htm>
- 2) Issuance of instructions for Enhancing Digitization Initiatives in Banks/MFBs with the vision to promote digitization in the banking sector and encourage use of digital channels
<https://www.sbp.org.pk/psd/2021/C1.htm>
- 3) Provision of Repayment Facility to Bank Borrowers on Alternate Delivery Channels (ADCs)
<https://www.sbp.org.pk/psd/2021/CL1.htm>
- 4) Streamlining Payment Card Security Regulations in order to bring convenience to the consumers with risk coverage that commensurate with the ever evolving payment card markets and in line with international standards (<https://www.sbp.org.pk/psd/2021/CL2.htm>)
- 5) Launch of RAAST, Pakistan's first Instant Payment System – an initiative by SBP
<https://www.sbp.org.pk/press/2021/Pr-11-Jan-21.pdf>



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SBP has taken various interventions to promote digitization in the country and these ongoing steps are expected to result in increased convenience for the customers to fulfil their financial needs through safe, rapid and secure digital infrastructure in Pakistan.

The circular issued is available at weblink <https://www.sbp.org.pk/psd/2021/CL5.htm>.
