



External Relations Department

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SBP maintains free IBFT pricing for transactions up to Rs25,000 per month and allows capped charges for higher amounts in new instructions

To cope with the extraordinary situation of lockdowns amid Covid-19 Pandemic in 2020, SBP advised banks and other service providers in March 2020 to offer free of cost Inter Bank Fund Transfer (IBFT) services to all their customers regardless of the size of transaction (<https://www.sbp.org.pk/press/2020/Pr-18-Mar-20.pdf>). The objective was to facilitate bank customers to meet their banking services needs through online services during exceptionally difficult times and to avoid in person interaction to curb the spread of COVID. This step resulted in an overwhelming response by customers, with internet and mobile banking transactions more than doubling in Q2FY21 over the last year. SBP appreciates the support of all service providers for this initiative by allowing free of cost interbank fund transfer services to the public without recovering their operational cost and incurring substantial revenue losses.

It is encouraging that the Covid-19 situation has improved significantly and despite fluctuating number of cases the overall conditions now allow relaxations in mobility restrictions while following proper SOPs. In this backdrop, SBP reviewed the current IBFT pricing mechanism and has made some changes to ensure that free of charge IBFT services are provided by banks and other financial institutions on a sustainable basis.

The new instructions allow banks and other service providers to charge a minimal fee on high-value transactions while protecting and encouraging the low-income segments of population to continue using digital transactions free of cost. SBP has directed banks to provide free of cost digital fund transfer services to individual customers up to, at least, a minimum aggregate sending limit of Rs25,000 per month per account/wallet. However, banks may choose to set this aggregate limit at a higher amount as well. This would allow individual customers to make as many free fund transfer transactions remaining within their aggregate monthly limit of free transfers.

For transactions above the aggregate limit of Rs25,000 per account in a month, banks may charge individual customers, a transaction fee of no more than 0.1% of the transaction amount or Rs200, whichever is lower. This will enable service providers to recover part of costs they incur on providing inter-bank fund transfer service and build sustainable and innovative business models. Nevertheless, the new instructions encourage banks to provide free of cost digital fund transfer services to their customers to promote adoption of digital payments in the country.

SBP has also advised banks that all digital fund transfer transactions between different accounts within the same bank (intra-bank fund transfers) shall remain free. Further, incoming interbank fund transfer transactions shall also remain free. SBP has further directed banks to ensure proper disclosure of charged and free IBFT amounts along with applicable fees to their customers by sending regular notifications through SMS, apps and email. After every digital transaction, banks are required to send free of charge SMS to their customers on their registered mobile numbers intimating them about the transaction amount and the charges being recovered.



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In order to provide seamless digital banking services to the public, SBP has further advised banks to remove any limits on the number of fund transfer transactions on their customer accounts/wallets unless there are genuine concerns related to AML/CFT or frauds.

Any complaints in this regard, may please be sent to cpd.helpdesk@sbp.org.pk or helpline 021-111 727 273.

See the circular at: <https://www.sbp.org.pk/psd/2021/C2.htm>
