



## External Relations Department

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### **Enhanced Monitoring of the Foreign Exchange Operations of Exchange Companies and Banks**

In view of recent volatility in the exchange rate and the difference between the interbank rate and the rate offered by Exchange Companies (ECs) and banks to their customers, State Bank of Pakistan (SBP) has increased the monitoring of the foreign exchange operations of ECs and banks.

In this respect, SBP started inspections of a number of exchange companies and banks since Monday (August 1, 2022)

On Tuesday (August 2, 2022) SBP suspended the operations of four branches of two ECs (Galaxy Exchange Co and Al-Hameed International Money Exchange Co) for violation of SBP regulations. SBP has also imposed monetary penalties on some ECs in the recent past. Besides, due to violations of SBP instructions, arrangements of 13 franchises have been terminated by six different ECs in the recent past.

SBP has also started conducting mystery shopping exercise throughout Pakistan to investigate the apprehensions that some ECs are not selling foreign currency to their customers. A meeting of the Exchange Companies Association of Pakistan has also been called on August 4, 2022.

If needed, SBP would augment its enforcement actions on the ECs and the banks in light of findings of the on-going inspections and mystery shopping.

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