



External Relations Department

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SBP reaches out to Supreme Court for guidance in FSC decision

SBP welcomes the Federal Shariat Court's Judgement of April 28, 2022 on Riba case, as has already been done by the Honorable Finance Minister. In particular, we appreciate the substantive part of the decision.

As the prime custodian and regulator of the financial and monetary framework of the Islamic Republic of Pakistan, SBP is deeply committed to ensuring compliance with the injunctions of Islam, in particular those pertaining to riba, while protecting the stability and security of the financial sector of the country that functions as part of the global financial system.

In this context, SBP has always remained at the forefront in promoting Islamic banking in the country. SBP is among the few regulators across the globe where comprehensive legal, regulatory and Shariah Governance frameworks have been successfully developed and implemented.

Currently, 22 Islamic Banking Institutions (5 full- fledged Islamic banks and 17 conventional banks having standalone Islamic banking branches) with a branch network of 3,983 branches along with 1,418 Islamic banking windows (Islamic banking counters at conventional branches) are operational across the country. The industry now accounts for 19.4 percent of the country's overall banking system in terms of assets while in terms of deposits the share is 20 percent (as of March 31, 2022).

In addition, SBP has also been taking measures to bring the legal and regulatory infrastructure in compliance with Shariah principles.

After detailed review of the judgment and based upon the advice of our Chief Legal Adviser and external counsel, we have sought guidance from the honorable Shariat Appellate Bench of the Supreme Court in terms of its implementation and practicalities involved.
