



## External Communications Department

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### **State Bank of Pakistan Introduces Structural Reforms in the Exchange Companies' Sector**

State Bank of Pakistan has decided to introduce structural reforms in the Exchange Companies' sector. As part of these reforms, leading banks actively engaged in foreign exchange business will establish wholly owned Exchange Companies to cater to the legitimate foreign exchange needs of general public. Furthermore, various types of existing Exchange Companies and their franchisees will be consolidated and transformed into a single category of Exchange Companies with a well-defined mandate. In addition, the minimum capital requirement for Exchange Companies has been increased from PKR 200 million to PKR 500 million. The Exchange Companies of category 'B' (ECs-B) and franchisees of Exchange Companies have been offered the following options to transform into mainstream Exchange Companies:

- ECs-B may graduate to Exchange Companies after meeting all regulatory requirements, within three months; otherwise, their license would be cancelled.
- Franchisees of Exchange Companies may either merge or sell operations to the concerned franchiser company, within three months after meeting all regulatory requirements

For the above purpose, the ECs-B and Franchises of Exchange Companies will submit their conversion plan and seek NOC from SBP within one month.

The above reforms have been introduced to provide better services to the general public and bring transparency and competitiveness in the Exchange Companies' sector. This is expected to strengthen governance, internal controls, and compliance culture in the sector.

For details: <https://www.sbp.org.pk/epd/2023/FECL13.htm>  
<https://www.sbp.org.pk/epd/2023/FEC3.htm>

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