



STATE BANK OF PAKISTAN
SBP Banking Services Corporation (Bank)
DEVELOPMENT FINANCE SUPPORT DEPARTMENT

**ALLOCATION OF EXPORTERS' REFINANCE LIMIT AND PERFORMANCE MATCHING
UNDER EXPORT FINANCE SCHEME AND ISLAMIC EXPORT REFINANCE SCHEME**

1. In continuation to IH&SMEFD Circular No. 01 of 2022 wherein EFS operations were automated and digitized, it is informed that the function of verification of EE-1 & EF-1 Statements under Export Finance Scheme (EFS) and Islamic Export Refinance Scheme (IERS) has also been automated by SBP BSC. Under the new process, banks will be required to generate EE-1 & EF-1 Statements for the purpose of performance matching and allocation of refinance limits of exporters through modules developed on DWH Portal. Circular Letter No. FEOD/M&VD/44752/2022 maybe referred for details on gaining access to DWH Portal and initiating verification process of EE-1/EF-1 statement.
2. The new automated process will run in parallel with the manual (MS Excel-based) verification process for the monitoring period 2021-22. Accordingly, dealing officials of banks are advised to ensure that entries reported through DWH Portal and MS Excel are same in all respects.
3. **Allocation of Refinance Limits to Exporters**
 - 3.1 In order to initiate the process for allocation of refinance limit, an exporter will request his/her banker(s) to generate a Provisional Statement for the monitoring period FY 2021-22 from DWH Portal. The banker/exporter will verify the entries and ensure correctness of all entries in the Provisional Statement. The bank will upload the statement on the DWH Portal for automated verification and intimate to SBP BSC through KM-RAS for allocation of refinance limit for the concerned exporter as per process specified in IH&SMEFD Circular No. 1 of 2022.
 - 3.2 An exporter may obtain finance limit from more than one bank to the extent of 50% of the export proceeds realized through each bank during the preceding year. The limits may also be switched between any two banks, if the exporter so desires, with the consent of both the banks. The NOC issuing bank (from which surplus limit is intended to be transferred) will lodge a request with SBP BSC via KM-RAS. The refinance limits of the exporters will be transferred between banks subject to the condition that no duplicate financing is involved.
 - 3.3 The borrowings of a bank under Part-II of the EFS from SBP BSC shall not exceed at any time the total amount lent to the concerned exporter. For any default on this account the bank shall be liable to pay fine as prescribed under the Scheme.
4. **Monitoring of Export Performance of Exporter**
 - 4.1 Export performance of an exporter is matched annually against total loan availed during the financial year on daily product basis. The exporter is liable to realize export receipts from the export of eligible commodities, excluding any exports or export bills for which finance is obtained under Part-I of the Scheme or the Rupee based Discounting Facility during the relevant period. In order to initiate the process for performance matching, an exporter shall request his/her banker(s) to generate a Provisional Statement for the monitoring period FY 2021-22 from DWH Portal. The banker/exporter will verify the entries and ensure correctness of all entries in the Provisional Statement. The bank will upload the statement on the DWH Portal for

automated verification and intimate to SBP BSC through KM-RAS for performance matching, latest by 31st August 2022.

- 4.2 In case of failure to comply with the above timeline, fine on account of non-performance or late submission of EF-1 statement, as the case maybe, will be liable to be charged.
 - 4.3 As banks are aware that some of the entries reported in EF-1 statement are marked for post facto verification pending submission of report of realization of export proceeds. These entries are based on exports against confirmed & irrevocable L.C without reserve made up to 30th June but export proceeds are not realized up to said date. Henceforth, the requirement on banks/exporters for submitting Supplement to EF-1 Statement to FEOD is discontinued. Rather, banks will report such entries after actual realization in ITRS as per existing procedure latest by the 30th November. SBP BSC will verify post-facto entries in December and make appropriate adjustment in refinance limit and/or performance of the exporter, if required.
 - 4.4 If the total performance of exporter is less than the prescribed amount, SBP BSC shall serve upon the banker of the exporter 15-days notice prior to levying of shortfall/non-performance fine to enable the concerned exporter to arrange/transfer the required amount out of his excess/surplus performance, if any, with some other bank. The NOC issuing bank will lodge request for transfer of exporter's surplus performance with it via KM-RAS.
5. Other instructions on the subject schemes shall remain unchanged.