



STATE BANK OF PAKISTAN
SME, Housing & Sustainable Finance Department
I.I. Chundrigar Road
Karachi

SH&SFD Circular No. 4 of 2024

October 07, 2024

The Presidents / CEOs
All Banks/DFIs

Dear Sir,

Amendments in Prudential Regulations for Small and Medium Enterprises' Financing

Please refer to SH&SFD Circular No. 03 of 2024 dated August 16, 2024 on the above subject.

2. With a view to further facilitate promotion of SME financing, per party exposure limits for Small enterprises (SE) and Medium Enterprises (ME) have been revised as under:

i. SE R-2: Per Party Exposure Limit (SE):

Small Enterprise can avail exposure of up to Rs 100 million from a single bank/ DFI or from all banks & DFIs. Banks & DFIs are allowed to deduct the liquid assets (encashment value of bank deposits, certificates of deposit/ investment, Pakistan Investment Bonds, Treasury Bills and National Saving Scheme Securities) held under their perfected lien for the purpose of calculation of per party exposure limit.

ii. ME R-3: Per Party Exposure Limit (ME):

Medium Enterprise can avail financing (including leased assets) of up to Rs 500 million from a single bank/ DFI or from all banks & DFIs. Banks & DFIs are allowed to deduct the liquid assets (encashment value of bank deposits, certificates of deposit/ investment, Pakistan Investment Bonds, Treasury Bills and National Saving Scheme Securities) held under their perfected lien for the purpose of calculation of per party exposure limit.

3. These changes are applicable with immediate effect. Banks and DFIs are advised to ensure meticulous compliance.

Encl: [Annexure-1 : Updated Prudential Regulations for SME Financing](#)

Yours sincerely,

Sd/-
(Dr. Mian Farooq Haq)
Director