



Facilitation to Business Community in Foreign Exchange Domain

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- Digitalization of FX Regulatory Approval System
- Trade Facilitation
- Facilitation for acquisition of services from abroad
- Facilitation for FDI & Portfolio Investment

Digitalization of FX Regulatory Approval System

- A technology based regulatory approval system, all banks submit FX related cases requiring SBP's approval through an online portal.
- Visibility to customers through a system generated email and also about any change in status of a case i.e. approval, disapproval or discrepant etc.
- Customers can also see the status on SBP's main page through a given link.
- In second phase, 11 banks have already developed portals, whereby customers can submit their foreign exchange related cases to the bank through online portal establishing an end-to-end digitization of the FX cases.

<https://www.sbp.org.pk/epd/2020/FECL18.htm>

Trade Facilitation **ADVANCE PAYMENT AGAINST IMPORTS**

- **100% against LC** - plant, machinery, spare parts & raw material etc. on behalf of manufacturing concerns
- **USD 25,000/ invoice, without LC** - raw material, spare parts & machinery, on behalf of manufacturing & industrial concerns/ commercial importers
- **USD 50,000/ invoice, without LC**, for import of life saving medicines & devices for the health sector

- **Up to USD 10,000/ invoice for:**
 - i. Essential medicines and devices.
 - ii. Aircraft related spare parts/components.
 - iii. Lab equipment/instruments by educational institutions for their own use.
 - iv. Newspapers, magazines, periodicals, books etc.

Trade Facilitation **IMPORT ON OPEN ACCOUNT**

- Allowed earlier to manufacturing & industrial concerns; **now** to commercial importers for import of raw material, spare parts etc. For **facilitating SME sector** who may not be able to import directly due low volume/ value requirement.
- USD 50,000/ invoice for import of life saving medicines & devices for health sector
- **Up to USD 10,000 per invoice for import of:**
 - i. Essential medicines and devices;
 - ii. Aircraft related spare parts/components;
 - iii. Lab equipments/instruments imported by educational institutions for their own use;
 - iv. Newspapers, magazines, periodicals, books etc.

Trade Facilitation - Open Account Export Direct Dispatch

- To facilitate exporters to compete with regional players & to comply with requirement of international buyers.
- **Exporters allowed to make & dispatch shipping document directly** in the name of foreign buyers, subject to criteria given below.

Export overdues as % of previous financial year's exports proceeds	Up to 1%	>1% to 3%	>3% to 5%
Minimum export proceeds realized during the last three years in USD	5 million	2.5 million	250,000
Value of consignment in USD	No Limit	Up to 1 Mn.	Up to 500,000/-

Trade Facilitation - B2C E-Commerce Exports

- A regulatory framework to facilitate B2C e-Commerce exports, under National E-commerce Policy,
- Separate module developed in WeBOC to implement e-commerce exports in collaboration with Pakistan Customs and other relevant stakeholders
- E-Commerce exporters to export goods without the requirement of E-Form through WeBOC
- Per consignment limit for exports is USD 5,000/-

<https://www.sbp.org.pk/epd/2020/FEC7.htm>

Trade Facilitation - B2C E-Commerce Exports

Salient features:

- **One time registration** of e-commerce exporters in **WeBOC** by ADs/Banks
- Exporter to approach any branch of **AD of their choice** to get registered in WeBOC as e-commerce exporter. One Exporter one AD (branch).
- **Exporter will handover the shipment to courier registered in WeBOC** who will export on behalf of exporter.
- Payment against such exports may be realized through any permissible mode – SWIFT, Credit/Debit Cards, e-commerce platform
- Exporter will provide statement to its bank showing realization of export shipment, the bank will in turn settle shipments in WeBOC.

Trade Facilitation - B2C E-Commerce Exports

Salient features:

- Remittances of foreign expenses (commission/discounts/charges etc.) allowed up to 10%.
- Facility of FCY retention account from the unutilized amount of commission/discounts etc. up to 10% limit.
- In case outstanding exports, aggregating to USD 20,000/-, are not realized within 60 days, exporters account may be suspended.
- Any export not realized within 90 days shall be reported as 'Overdue'.
- All the e-commerce export transaction shall be separately reported by AD and would be recognized as 'exports', which was not the case in the past.

<https://www.sbp.org.pk/epd/2020/FEC7.htm>

Acquisition of Services - Digital Service Providers

- To facilitate local entities to acquire digital services from abroad with much ease.
- Local entity's limit USD 200,000/- per annum for acquisition of digital services from globally recognized 62 companies.
- Remittances through a designated bank acknowledged by FEOD.
- Payment can be made digitally on Payment vs Receipt mechanism.
- A sub-limit of up to USD 25,000/- for any other digital service provider globally not included in the list of 62 companies.

<https://www.sbp.org.pk/epd/2020/FEC4.htm>

Acquisition of Services - General

- Local entities can acquire services of any type from abroad, not specifically covered elsewhere in FE Manual, remittance by **AD** without SBP approval:
 - If value of service does not exceed USD 10,000/ yr OR
 - In case of recurring payments, if value of service does not exceed USD 10,000/ yr and the total contract period does not exceed 5 years.
- If value exceeds USD 10,000/ yr, the underlying agreement at DRAFT STAGE would have to be acknowledged by FEOD SBP-SBC.
- Once acknowledged by FEOD, remittances under the contract can be made through the designated AD without prior approval of SBP/FEOD.

<https://www.sbp.org.pk/epd/2019/FEC5.htm>

Facilitation of FDI & Portfolio Investment

■ Foreign Director Investment:

- All Private Sector Loans (other than securitized instruments, issuance of bonds and financing under Islamic arrangements) to be registered by ADs,
- Investment in local companies by Non-residents to be registered. a bank to be designated once, thereafter payment of dividends & disinvestment proceeds can be made by the bank directly
- Disinvestment proceeds exceeding market/break-up value of shares, AD may allow remittance after getting justification for valuation of shares along with supporting documents evidencing valuation of shares at the agreed price.
- An independent review of buyer's valuation required from a QCR rated practicing CA Firm where disinvestment proceeds exceeds USD 50 M during 6 months period

<https://www.sbp.org.pk/epd/2019/FEC6.htm>

<https://www.sbp.org.pk/epd/2020/FEC5.htm>

Facilitation of FDI & Portfolio Investment

- **Portfolio Investment:**
- A new Initiative of Roshan Digital Account introduced for Non-resident Pakistanis,
- NRP's (NICOP, POC & CNIC holders) can open FCY and PKR accounts digitally
- Investment Opportunities – Naya Pakistan Certificates (USD, PKR), Qouted Shares, residential & commercial real estate,
- All sort of banking in Pakistan
- Only remittance from abroad, no deposit other than profit of investment & disinvestment proceeds, allowed in RDA from within Pakistan
- Fully Repatriable

<https://www.sbp.org.pk/epd/2020/FEC1.htm>

<https://www.sbp.org.pk/epd/2020/FEC2.htm>

Thank You!