
BenchMatrix>

Regulatory Bulletin

April 2022



Latest Circulars/Notifications issued by SBP

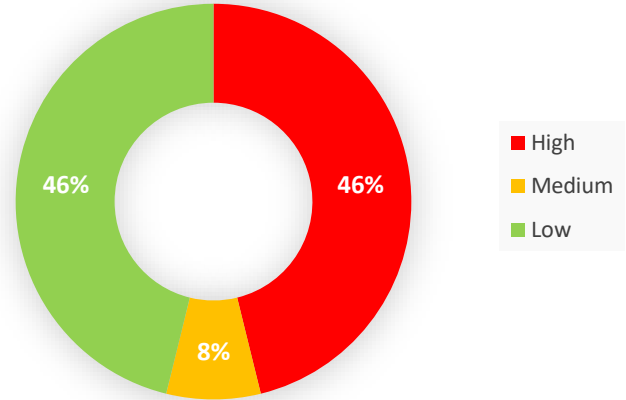
This document provides a summary of all the circulars/notifications issued by the State Bank of Pakistan during the month. The Regulatory Bulletin is a risk wise dissemination of significant matters issued by BenchMatrix.

Summary

During the month of April 2022, the State Bank of Pakistan (SBP) issued a total of 13 circulars/notifications/ actions on significant matters.

Circulars / Notifications by Risk Level

Risk Level	Total
High	6
Medium	1
Low	6



Circulars / Notifications by Regulator Department & Risk Level



Key (High Risk) Circulars/Notifications

Enhancement in Monthly Statement of Rate of Return on Loans and Deposits

via DS.BS.003877/22 dated 12-Apr-2022

SDWD has decided to add:

- Economic classification of sector of borrowers/depositors
- Maturity of loans/deposits
- Currency
- Classification of public sector entities in subject reporting.

Revised ROR reporting format, considering aforementioned additions and some minor changes, has been placed in Data Warehouse Knowledge Center (under Rate of Returns on Loans & Deposits).

Reporting institutions are advised to submit subject data by email at Coms.Branch@sbp.org.pk from April 2022 within 20 days of close of the reporting period until June 2022 parallel with submission of ROR data as required in Para 1 above. Effective July 2022 RoR data only the Enhanced RoR statement as per Para 2 above will be required to submit within 15 days of the close of reporting period through DAP.

SBP advise the reporting Institutions must develop a mechanism/layer to check and verify, before submissions on due dates to SDWD, that ALL data are prepared according to the relevant guidelines issued from time to time. Any erroneous reporting shall attract punitive action under relevant provisions of law.

Effective Date: **12-Apr-2022**

Regulator Department: **Statistics and Data Warehouse Department**

Related FI Department: **Operation Department / Risk Management Department**

Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary, Clients, products and business practices - Improper business or market practices**

[Read more on the website](#)

Government of Pakistan Ijara Sukuk

via DMMD Circular No. 07 dated 19-Apr-2022

SBP In accordance with the provisions of GOP Ijara Sukuk Rules, 2008 ('Annexure-A'), GIS will be issued as per the Structure and Assets described in 'Annexure- B'. The GIS auction details such as target amount, tenor, rental rate (variable or fixed) and auction schedule etc. will be announced by SBP on Refinitiv/Bloomberg SBPK pages. The details covering specimen documentation, sample tender forms and NCB format are also enclosed for information (Annexures C to H). (All annexures are attached with circular.).

Effective Date: **19-Apr-2022**

Regulator Department: **Domestic Market & Monetary Management Department**

Related FI Department: **Treasury Department**

Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary**

[Read more on the website](#)



Mobile Applications (Apps) Security Guidelines

via PSPOD Circular No 01 dated 26-Apr-2022

SBP regulated entities have been offering innovative products and services through mobile applications. Consequently, opportunities for the fraudsters to exploit vulnerabilities in mobile apps and defraud the customers have also increased manifold.

SBP has developed comprehensive Mobile App Security Guidelines (the “Guidelines”) providing baseline security requirements for app owners in order to ensure confidentiality and integrity of customer data and availability of app services in a secure manner, when developing payment applications for mobile or other smart devices.(attached with circular.

App owners must use these Guidelines for the architecture, design, development and deployment of mobile payment apps and associated environment that consumers use for digital financial services.

App owners must ensure that their mobile apps and associated infrastructure are compliant with the requirements of these Guidelines latest by December 31, 2022.

Effective Date: **31-Dec-2022**

Regulator Department: **Payment System Department**

Related FI Department: **Operations Department / Information Technology Department**

Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary, Clients, products and business practices - Improper business or market practices**

[Read more on the website](#)

Details of Significant Enforcement Actions by SBP during the Quarter ended March 31, 2022

via NIL dated 01-Apr-2022

For the month of January to March, 2022, the SBP imposed total regulatory penalty of Rs.108.935 million on four banks (Askari Bank Rs.38.501 m, Albarka Bank Rs. 40.901 million, National Bank Rs, 19.268 million, U- Microfinance Bank Rs. 10.265 m). Monetary penalty was imposed mainly on violations of regulatory requirement especially in the areas of KYC/CDD, General Banking, Assets Quality and FX Operations. SBP advised the banks to meet the timelines to bring improvements in its systems/controls to avoid recurrence of such lapses/violations in future. Detail of Penalty is available on SBP website.

Effective Date: **01-Apr-2022**

Regulator Department: **Banking Supervision Department-1**

Related FI Department: **Compliance Department / Finance Department**


Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary**

[Read more on the website](#)

Promotion of Home Remittances

via EPD Circular Letter No. 07 dated 30-Apr-2022

SBP decided to allow the Exchange Companies (ECs) to maintain separate foreign currency account for each Money Transfer Operator (MTO). Further, the ECs can use such accounts to receive home remittances related commission/ fee or exchange gains subject to the condition that all such funds are surrendered to interbank market on the same day. However, incentive under this scheme will be provided only on the foreign exchange generated through home remittances.



The related procedures and minimum documentary requirements along with Standard Operating Procedures (SOPs), for submission of claims under this incentive scheme, are attached with circular as Annexure-A. The ECs should adhere to the SOPs for filing their claims under the incentive Scheme.

Effective Date: **30-Apr-2022**

Regulator Department: **Exchange Policy Department**

Related FI Department: **Operation Department / Risk Management Department**

Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary**


[Read more on the website](#)

Customers' Digital Onboarding Framework

via BPRD Circular Letter No. 15 dated 30-Apr-2022

The framework on Customers' Digital Onboarding invariably requires all the banks and Microfinance Banks (MFBs) to implement the same by December 31, 2021. The aforementioned framework predominantly covered the opening of digital accounts by banks/MFBs as well as introducing three types of Asaan digital accounts which allow limited transactional activity and can be opened with simplified CDD/KYC requirements. This includes Asaan Digital Account (ADA), Asaan Digital Remittances Account (ADRA) and Freelancer Digital Account (FDA).

SBP observed with serious concern that many of the banks/MFBs are collecting unnecessary information and documents from customers, especially for opening of ADA, ADRA or FDA, which is not only causing unnecessary delays in account opening process, but also hampering the



customer's seamless digital onboarding experience. Most of the banks/MFBS needs significant improvement in account opening process.

In order to provide clarity regarding regulatory expectations in respect of digital onboarding, especially for ADA, ADRA and FDA, the subject framework has been revised and is enclosed herewith. Banks/MFBs should ensure compliance with the above instructions.

Effective Date: **30-Apr-2022**

Regulator Department: **Banking Policy & Regulations Department**

Related FI Department: **Operation Department / Compliance Department**

Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary, Clients, products and business practices - Product flaws**

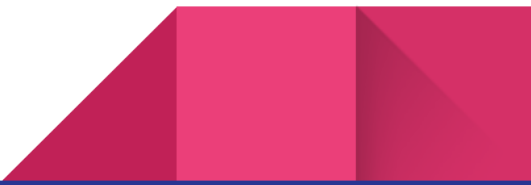
[Read more on the website](#)

Other (Medium/Low Risk) Circulars & Notifications

Rate of Remuneration on Special Cash Reserve Account Maintained with SBP against Deposits Raised under Fe-Circular 25 of 1998

via DMMD Circular No. 05 dated 01-Apr-2022

SBP notified that the rate of remuneration for the month of April 2022 on Special Cash Reserve Account (US\$) maintained with the State Bank of Pakistan will be 0.00%.



Effective Date: **01-Apr-2022**

Regulator Department: **Domestic Market & Monetary Management Department**

Related FI Department: **Treasury Department**

Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary**

[Read more on the website](#)

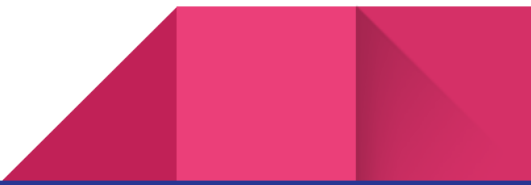
Office and Business Hours during the Month of Ramadan-ul-Mubarak 1443 A.H

via BPRD Circular Letter No. 08 dated 01-Apr-2022

SBP During the ensuing month of Ramadan-ul-Mubarak 1443 A.H., the following office hours will be observed in the State Bank of Pakistan, which will also be followed by all banks / DFIs / MFBs:

- Monday to Thursday: 10:00 a.m. to 4:00 p.m. (with prayer break from 2:00 p.m. to 2:15 p.m.)
- Friday: 10:00 a.m. to 1:00 p.m. (without break)

Banks / MFBs are further advised to observe the following minimum business (banking) hours for public dealing:

- Monday to Thursday: 10:00 a.m. to 1:30 p.m. (without break)
 - Friday: 10:00 a.m. to 1:00 p.m. (without break)
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- However, except Friday, banks / MFBs may observe extended business (banking) hours for public dealing from 10:00 a.m. to 3:00 p.m. (with 15 minutes prayer break) as per their business requirements.

After the month of Ramadan-ul-Mubarak, the above timings will automatically be reverted to pre Ramadan timings.

Effective Date: **04-Apr-2022**

Regulator Department: **Banking Policy & Regulations Department**

Related FI Department: **Human Resources**


Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary**

[Read more on the website](#)

Six Days Working Week and Revised Timings

via BPRD Circular Letter No. 11 dated 13-Apr-2022

As per decision of the Federal Government communicated vide Notification No.6/2/1996-D-2 dated April 12, 2022, the State Bank of Pakistan (SBP) will observe six days working week with the following office hours during the month of Ramadan-ul-Mubarak, which sha also be followed by all banks / DFIs / MFBs:

- Monday to Thursday & Saturday: 08:00 a.m. to 3:00 p.m. (Prayer break 1:00 p.m. to 1:30 p.m.)
 - Friday: 08:00 a.m. to 1:00 p.m. (without break)
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Banks / MFBs are further advised to observe the following minimum business (banking) hours for public dealing:

- Monday to Thursday & Saturday: 08:00 a.m. to 1:00 p.m. (without break) & Friday: 08:00 a.m. to 1:00 p.m. (without break)
- However, except Friday, banks / MFBs may observe extended business (banking) hours for public dealing from 8:00 a.m. to 2:00 p.m. (without break) as per their business requirements.

The above timings shall come into force with immediate effect and remain continue unless modified or withdrawn.

Effective Date: **14-Apr-2022**

Regulator Department: **Banking Policy & Regulations Department**

Related FI Department: **Human Resources Department**

Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary**

[Read more on the website](#)

Panel of Auditors Maintained under Section 35(1) of Banking Companies Ordinance, 1962

via BPRD Circular Letter No. 12 dated 21-Apr-2022

SBP decided to enlist the following Chartered Accountant firms in the Category C of the SBP's Panel of Auditors with immediate effect:

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- Malik Haroon Shahid Safder & Co., Chartered Accountants, 25 G, Gulberg II, Lahore.
 - Aamir Salman Rizwan, Chartered Accountants, 359, Block G 3, Johar Town, Lahore.
 - Iqbal Yasir & Co., Chartered Accountants, 415, Block B, Faisal Town, Lahore.

Effective Date: **21-Apr-2022**

Regulator Department: **Banking Policy & Regulations Department**

Related FI Department: **Compliance Department / Audit Department**

Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary**

[Read more on the website](#)

Public Holiday

via BPRD Circular Letter No. 13 dated 26-Apr-2022

SBP The State Bank of Pakistan announcement of closure on May 1, 2022 (Sunday) on the occasion of "Labour Day" as declared by the Government of Pakistan.

Effective Date: **21-Apr-2022**

Regulator Department: **Banking Policy & Regulations Department**

Related FI Department: **Human Resources Department**

Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary**



[Read more on the website](#)

Public Holiday

via BPRD Circular Letter No. 14 dated 27-Apr-2022

The State Bank of Pakistan announce to closed from 2nd to 5th May, 2022 (Monday to Thursday) on the occasion of Eid-ul-Fitr.

Effective Date: **02-May-2022**

Regulator Department: **Banking Policy & Regulations Department**

Related FI Department: **Human Resources Department**

Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary**

[Read more on the website](#)

Rate of Remuneration on Special Cash Reserve Account Maintained with SBP against Deposits Raised under Fe-Circular 25 of 1998

via DMMD Circular No. 08 dated 30-Apr-2022

SBP notified that the rate of remuneration for the month of May 2022 on Special Cash Reserve Account (US\$) maintained with the State Bank of Pakistan will be 0.00%.

Effective Date: **01-May-2022**

Regulator Department: **Domestic Market & Monetary Management Department**

Related FI Department: **Treasury Department**

Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary**

[Read more on the website](#)

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