

Regulatory Bulletin

June 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.

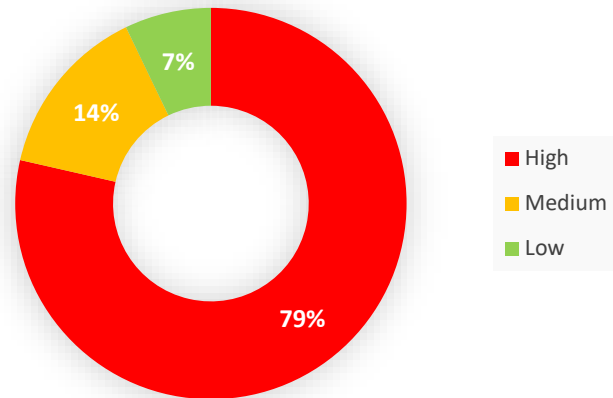


Summary

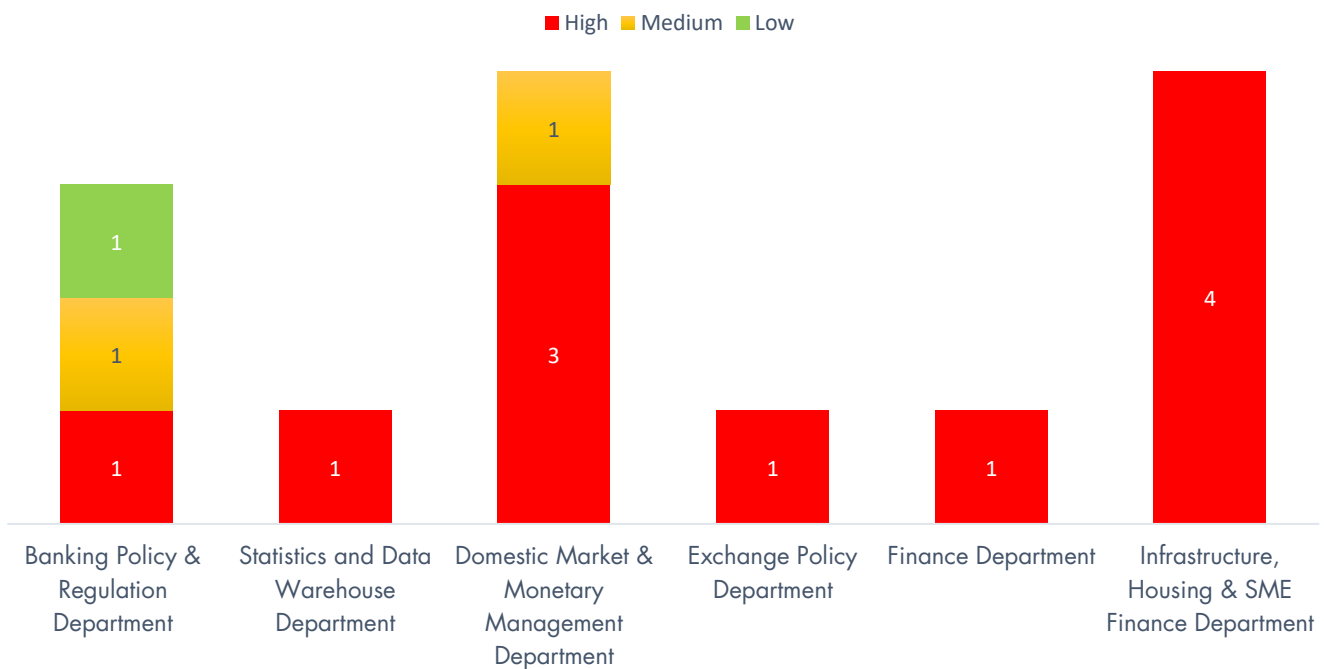
During the month of June 2022, the State Bank of Pakistan (SBP) issued a total of 14 circulars/notifications/ actions on significant matters.

Circulars / Notifications by Risk Level

Risk Level	Total
High	11
Medium	2
Low	1



Circulars / Notifications by Regulator Department & Risk Level



Key (High Risk) Circulars/Notifications

Remittances by Authorized Dealers on behalf of Hajj Group Organizers for Hajj

via EPD Circular Letter No. 10 dated 03-June-2022

To facilitate the Hajj Group Organizers (HGOs) to effect Hajj related remittances, Para 45(A) (v), Chapter 17 of Foreign Exchange Manual stands amended as per following:

45A. Remittances by Authorized Dealers on behalf of Hajj Group Organizers for Hajj. (v)(a)
Authorized Dealers may also effect Hajj related remittances, on behalf of HGOs, to Tawafa/Hajj service providers duly designated by the Saudi Arabian Hajj Authorities. The remittances will be made on receipt of following information/ documents by Authorized Dealers:

- Details of Hajj Package bifurcating local and foreign expenses per pilgrim in terms of related Hajj Package(s).
- Undertaking from concerned HGO for repatriation of funds in case of non-utilization.
- SBP fix the responsibility of Authorized Dealers to satisfy themselves about the bona fides of the transaction.

Effective Date: **03-May-2022**

Regulator Department: **Exchange Policy Department**

Related FI Department: **Foreign Exchange 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](#)

Open Market Operations

via DMMD Circular No. 11 dated 07-June-2022

According to instructions given in DMMD Circular No. 12 of 2017, all Schedule Banks and Primary Dealers are allowed to participate in Open Market Operations (OMOs).

Now SBP decided to allow Development Finance Institutions (DFIs) to participate in OMOs with a view to facilitate them in their liquidity management. Accordingly, DFIs would also be eligible to participate in OMOs as per instructions and procedure for OMOs stipulated in above referred master circular.

Effective Date: **07-June-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](#)

COVID-19 - Uninterrupted Supply of Disinfected Cash at Banks and ATMs

via FD Circular Letter No.02 dated 08-June-2022



As per last instruction issued by SBP banks were advised to disinfect, seal and quarantine cash collected from its counters for fourteen (14) days or process such banknotes through Pakistan Council of Scientific and Industrial Research (PCSIR) certified machines in lieu of the fourteen (14) days quarantine. The banks were given credit for all such cash collected from hospitals and clinics and kept under quarantine on behalf of SBP.

Keeping in view the current situation, whereby all COVID-related restrictions have been lifted at the national level by the NCOC, the instructions issued to banks by SBP on above subject are hereby rescinded and revoked.

The banks are however encouraged to continue taking necessary measures for disinfecting the cash and keeping a neat and healthy working environment for their cash processing staff.

Effective Date: **08-June-2022**

Regulator Department: **Finance Department**

Related FI Department: **Operation Department**

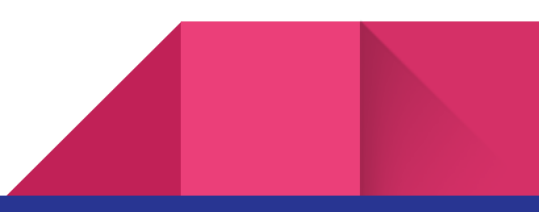
Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary**

[Read more on the website](#)

Mandatory Targets for Housing and Construction Finance

via DMMD Circular Letter No. 04 dated 14-June-2022

State Bank has decided that the lower/additional Cash Reserve Requirement for banks that meet/do not meet quarterly targets will not be applicable on surplus/shortfall in targets of housing and construction finance for the quarter ending September 30, 2022 and onwards till further instructions on the matter.



Accordingly, banks must maintain lower/additional Cash Reserve Requirement in respect of surplus/shortfall in targets for the quarter ending June 30, 2022 in the next quarter as per defined procedure. This means banks will maintain CRR (without lower/additional requirement) from the first reserve maintenance period starting after October 21, 2022.

Effective Date: **14-June-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](#)

Government of Pakistan Ijara Sukuk

via DMMD Circular Letter No. 05 dated 15-June-2022

Government of Pakistan has decided to make addition of new asset in the Transaction Structure of this GIS. To affect the inclusion of the additional underlying assets in the GOP Ijara Sukuk (GIS), an Addendum Note to the Assets is being issued as enclosed at 'Annexure- A'. (Attached with circular)

Effective Date: **15-June-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](#)

1. SBP Financing Scheme for Renewable Energy 2. Islamic Financing Facility for Renewable Energy

via IH&SMEFD Circular Letter No. 09 dated 16-June-2022

This circular is connected with IH&SMEFD Circular No. 10 dated July 26, 2019 and IH&SMEFD Circular No. 12 dated August 21, 2019 wherein SBP has introduced the Renewable Energy refinancing schemes.

Wherein SBP advised that validity period of the SBP Financing Scheme for Renewable Energy and Islamic Financing Facility for Renewable Energy has been extended for two (02) years i.e. up-to June 30, 2024.

Effective Date: **16-June-2022**

Regulator Department: **Infrastructure, Housing & SME Finance Department**

Related FI Department: **Risk Management Department / Islamic Banking 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](#)

Measures to Conserve Energy and Fuel in the Banking Sector

via BPRD Circular No. 02 dated 22-June-2022

- The Federal and Provincial Governments are taking a number of actions to address the prevailing energy situation in the country. The SBP has taken a number of measures to conserve energy. The banking industry must play its role for energy and fuel conservation. Such measures may include the following:
 - Reporting institutions are advised to submit subject data every year, on calendar year basis, within 4 months of the close of reporting period through email (coms.branches@sbp.org.pk with CC to data.csnf@sbp.org.pk). For once, the deadline for December 2021 data has been set as June 15, 2022.
 - The banks must close all of its premises including branches at 7:00 pm or earlier and switch-off their electric supply except for any emergency use, call centers, monitoring of Alternative Delivery Channels (ADCs), back-ups and maintaining necessary electrical/ IT equipment. The air-conditioners at ATMs vestibules must be used economically.
 - The electrically illuminated sign-boards of branches and other offices must remain switched-off, at all times.
 - The banks must hold their meetings (intra/inter-city etc.) virtually and also curtail their local as well as international travelling expenses.
 - The banks should encourage their staff to pool their transportation for commuting to and from their respective offices.
 - The banks must adopt the use of alternate and cost effective sources of energy i.e. solar technologies, use of energy efficient equipment etc.

- The banks should enhance awareness of their employees as well as customers about energy conservation initiatives.
- The banks are advised to ensure adequate oversight and monitoring mechanism of energy conservation drive.
- Banks are advised to take appropriate measures and share their energy conservation plan with SBP latest by June 24, 2022 (Friday). Such measures should be effective latest from July 01, 2022.

Effective Date: **01-July-2022**

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

Related FI Department: **Operation 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](#)

Statement of Foreign Currency Deposits

via DS. BP/006984/2022 dated 27-June-2022

This circular is pertained to reporting of FE-25 Deposits and its Utilization data to Statistics and Data Warehouse Department (SDWD) of State Bank of Pakistan on monthly basis. In order to expand the coverage of currency-wise reporting of FE-25 Deposits from 'US Dollar, UK Pound, Euro, Japanese Yen' to 'US Dollar, UK Pound, Euro, Japanese Yen, Chinese Yuan and Others (in

equivalent US Dollar),’ SDWD has revised the format (as enclosed with circular) for subject reporting.

The banks are also instructed to submit the month end stock position of Old FCA, Foreign Currency Value Account (FCVA), Retention Account, Special Foreign Currency Accounts of Private Power Projects, and Special Permission Foreign Currency Accounts as per attached format. Banks are advised to report aforementioned data, starting from the data for June 2022, by the 7th of the following month.

Reporting Institutions should 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: **07-July-2022**

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

Related FI Department: **Foreign Exchange Department**

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

[Read more on the website](#)

Reporting of Small & Medium Enterprise (SME) Financing Data on Data Acquisition Portal (DAP)



via IH&SMEFD Circular No. 08 dated 28-June-2022

SBP has launched a data reporting portal with the name of 'SME financing' on DAP. Banks and DFIs are advised to submit SME financing data as per attached format with circular (Annexure-A) on monthly basis with effect from reporting period June 2022 and onwards. The guidelines for feeding the SME financing data is also attached at Annexure-B. Additionally, SME financing data since January 2022 shall also be submitted on this portal.

Following instructions are given in this regards must also be noted:

- Monthly data shall be submitted by 20th of month for each preceding month. If 20th falls on a holiday, submission shall be made on a working day prior to the 20th of month.
- Monthly data of January 2022 to May 2022 should be submitted latest by August 31, 2022 whereas, the data for June 2022 shall be submitted by July 20, 2022.
- Monthly and Quarterly SME Financing Data (Annexure A, B & C) currently being submitted by email in MS Excel format will continue till further instructions.

Effective Date: **29-June-2022**

Regulator Department: **Infrastructure, Housing & SME Finance Department**

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

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

[Read more on the website](#)

Government's Mark-up Subsidy Scheme for Housing Finance

via IH&SMEFD Circular No. 09 dated 30-June-2022

This circular pertains to Mera Pakistan Mera Ghar (MPMG)' scheme. In this regard, SBP inform that the Government of Pakistan is considering to review/revise features of subject Scheme in light of recent developments in macroeconomic scenario. Accordingly, banks/DFIs/MFBs are advised to put further disbursements under MPMG on hold from July 01, 2022 till August 31, 2022.

However, in those cases where partial disbursements have already been made till June 30, 2022, banks/DFIs/MFBs may release remaining disbursement under MPMG.

Effective Date: **01-July-2022**

Regulator Department: **Infrastructure, Housing & SME Finance 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](#)

Prime Minister's Kamyab Jawan Youth Entrepreneurship Scheme

via IH&SMEFD Circular No. 10 dated 30-June-2022

This circular is regarding Prime Minister's Kamyab Jawan Youth Entrepreneurship Scheme (PMKJ-YES).

In this regard, SBP informed that the Government of Pakistan is considering to review/revise features of subject Scheme in light of recent developments in macroeconomic scenario. Accordingly, banks participating as executing agencies under PMKJ-YES are advised to put on hold fresh disbursement from July 1, 2022 to July 15, 2022.

Effective Date: **15-Jun-2022**

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

Related FI Department: **Finance Department**

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


[Read more on the website](#)

Other (Medium/Low Risk) Circulars & Notifications

Delisting of Firm from Panel of Auditors Maintained Under Section 35(1) of Banking Companies Ordinance, 1962

via BPRD Circular Letter No. 20 dated 15-June-2022

SBP informed that the Qavi & Co Chartered Accountant firm (Shara-e-Faisal Karachi) listed in Category 'C' of SBP's Panel of Auditors has been delisted from the panel with immediate effect. A copy of the SBP's updated Panel of Auditors is attached at the Annexure with circular.



Effective Date: **15-Jun-2022**

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

Related FI Department: **Finance 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. 12 dated 30-June-2022

SBP notified that the rate of remuneration for the month of July 2022 on Special Cash Reserve Account (US\$) maintained with the State Bank of Pakistan will be 0.79%.

Effective Date: **30-June-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](#)



Bank Holiday

via BPRD Circular Letter No. 21 dated 29-June-2022

The State Bank of Pakistan will remain closed for public dealing on Friday, July 1, 2022 which shall be observed as Bank Holiday enabling the Bank to close its accounts. All banks / DFIs / MFBs must, therefore, remain closed for public dealing on the aforementioned date. However, employees of the banks / DFIs / MFBs will attend the office as usual.

Effective Date: **01-July-2022**

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

Related FI Department: **Human Resources Department**

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

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