

Regulatory Bulletin

June 2023

Latest Circulars/ Notifications issued by SBP.

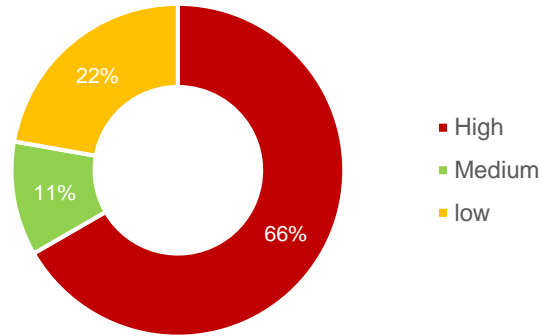
This document provides a summary of all the circulars/ notifications issued by the State Bank of Pakistan during the month. The Regulatory Bulletin is a risk-wise dissemination of significant matters issued by BenchMatrix.



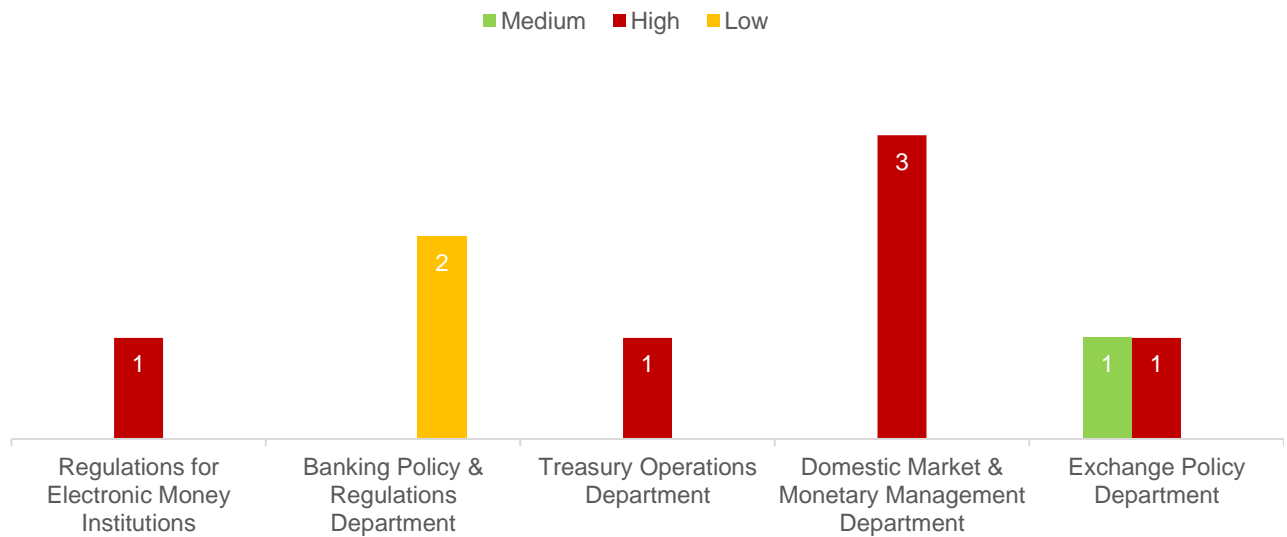
Summary

During the month of June 2023, the State Bank of Pakistan (SBP) issued total 09 circulars/ notifications/ actions on significant matters.

Risk Level	Total
High	6
Medium	1
Low	2



Circulars / Notifications by Regulator Department & Risk Level



High Risk Circulars & Notifications

Domestic Market & Monetary Management Department

via DMMD Circular No. 09 of 2023 dated 19-June-2023

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' and Information Note in 'Annexure- C'. 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 D to I).

Effective Date: **19-June-2023**

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](#)

Treasury Operations Department

via TOD Circular No. 01 of 2023 dated 20-June-2023

Submission of FCY Cross Border Payments / Transfer Cases through SBP Nostros using DAP

Effective Date: **01-July-2023**

Regulator Department: **Treasury Operations Department**

Related FI Department: **Treasury Department**

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

[Read more on the website](#)

Domestic Market & Monetary Management Department

via PSPOD Circular No 02 of 2023 dated 21-June-2023

It has been observed that a number of un-authorized/un-licensed digital lending mobile application(s) and platforms are using banking channels, for loan disbursement and collection, and to perform credit worthiness checks through integration with bank accounts of customers. Such usage of digital banking channels and integrations with mobile banking platforms by these un-authorized/un-licensed digital lending apps pose serious concerns on consumer protection and may also be a cause of reputational risk for banks.

Foregoing, REs are advised to ensure that the licensing status of digital lending platforms/mobile applications and their authorization to conduct business are duly verified from the relevant regulatory bodies (SECP, SBP etc.) as part of the KYC/CDD process. REs are also advised to review the licensing status of their existing customers offering digital lending services and their authorization to conduct business as per the above-mentioned process.

Effective Date: **21-June-2023**

Regulator Department: **Domestic Market & Monetary Management 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](#)

Regulations for Electronic Money Institutions

via PSPOD Circular No 03 of 2023 dated 21-June-2023

Regulations for Electronic Money Institutions

1. In order to foster innovation in the payments industry and promote financial inclusion through digital financial services in the country, SBP, vide its PSD Circular No. 01 of 2019, issued Regulations for Electronic Money Institutions (EMIs) (Regulations).

2. Since issuance of these Regulations, SBP has received an encouraging response from the market participants and a number of entities have been licensed to provide electronic money (e-money) services in the market. SBP's Regulations for EMIs have also received positive response and acceptance from the foreign investors and the institutions alike.

3. Further, in order to increase the uptake of e-money services, encourage the new as well as already established EMIs to come up with new business models, use cases and technological solutions, SBP has revised the Regulations for EMIs in light of the indigenous experiences and international best practices.

4. These Regulations shall come into force with immediate effect. However, the existing EMIs providing e-money services are advised to streamline their existing operations/processes, where applicable as per the revised Regulations, and submit compliance report of the same to SBP latest by September 30, 2023.

Effective Date: **21-June-2023**

Regulator Department: **Regulations for Electronic Money Institutions**

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

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

[Read more on the website](#)

Exchange Policy Department

via EPD Circular Letter No. 10 of 2023 dated 23-June-2023

Import of Goods

Attention of the Authorized Dealers is hereby invited to EPD Circular Letter No. 20 dated December 27, 2022, wherein an advisory was issued to the Authorized Dealers to prioritize certain types of imports/sectors.

In view of the representations received from various stakeholders, it has been decided to withdraw the above instructions with immediate effect. Furthermore, the instructions contained in EPD Circular Letter No. 09 dated May 20, 2022 and EPD Circular Letter No. 11 dated July 05, 2022 shall remain withdrawn.

Effective Date: **23-June-2023**

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

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

Domestic Market & Monetary Management Department

via DMMD Circular No. 10 of 2023 dated 26-June-2023

SBP has decided to increase 'Policy Rate' (Target Rate) from 21.00% to 22.00%.

SBP Overnight Reverse Repo (Ceiling) rate will be at 23.00% i.e. 100 bps above the SBP Policy Rate.

The SBP Overnight Repo (Floor) rate will be at 21.00% i.e. 100 bps below the SBP Policy Rate.

Accordingly, the Floor and Ceiling levels for the Interest Rate Corridor are 21.00% and 23.00% p.a. respectively (i.e. width of 200bps).

SBP will continue to ensure that the money market overnight rate remains close to the SBP Policy Rate (Target Rate).

Effective Date: **27-June-2023**

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

Related FI Department: **Treasury Department**

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

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Medium Risk Circulars & Notifications

Exchange Policy Department

via EPD Circular Letter No. 09 of 2023 dated 06-June-2023



Exports of Software, Information Technology (IT) and IT enabled Services (ITeS)
Attention of the Authorized Dealers is invited towards EPD Circular Letter No. 02 of January 13, 2023, and subsequent correspondence / discussions on the captioned subject.
In this regard, it has been decided that the validity of the instructions given in Para 2 of the aforesaid Circular Letter is hereby extended up to (June 30, 2024) - previously it was March 31, 2023.

Effective Date: **06-June-2023**

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

Related FI Department: **Treasury, Finance, Foreign Exchange.**

Risk Category: **Clients, products and business practices - Suitability, disclosure and fiduciary, Clients, products and business practices - Advisory activities, Execution, delivery and process management - Monitoring and reporting, Execution, delivery and process management - Customer / client account management, Execution, delivery and process management - Vendors and suppliers**

[Read more on the website](#)

Low Risk Circulars & Notifications

Banking Policy & Regulations Department

via BPRD Circular Letter No. 12 of 2023 dated 23-June-2023

In supersession of BPRD Circular Letter No. 11 of 2023, the State Bank of Pakistan will remain closed from 28th to 30th June 2023 (Wednesday to Friday) being public holidays on the occasion of Eid-ul-Adha.

Effective Date: **23-June-2023**

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

Related FI Department: **Human Resource Department**

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

[Read more on the website](#)

Banking Policy & Regulations Department

via BPRD Circular Letter No. 11 of 2023 dated 20-June-2023

The State Bank of Pakistan will remain closed on 29th & 30th June, 2023 (Thursday & Friday) being public holidays on the occasion of Eid-ul-Adha.

Effective Date: **20-June-2023**

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

Related FI Department: **Human Resource Department**

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

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