

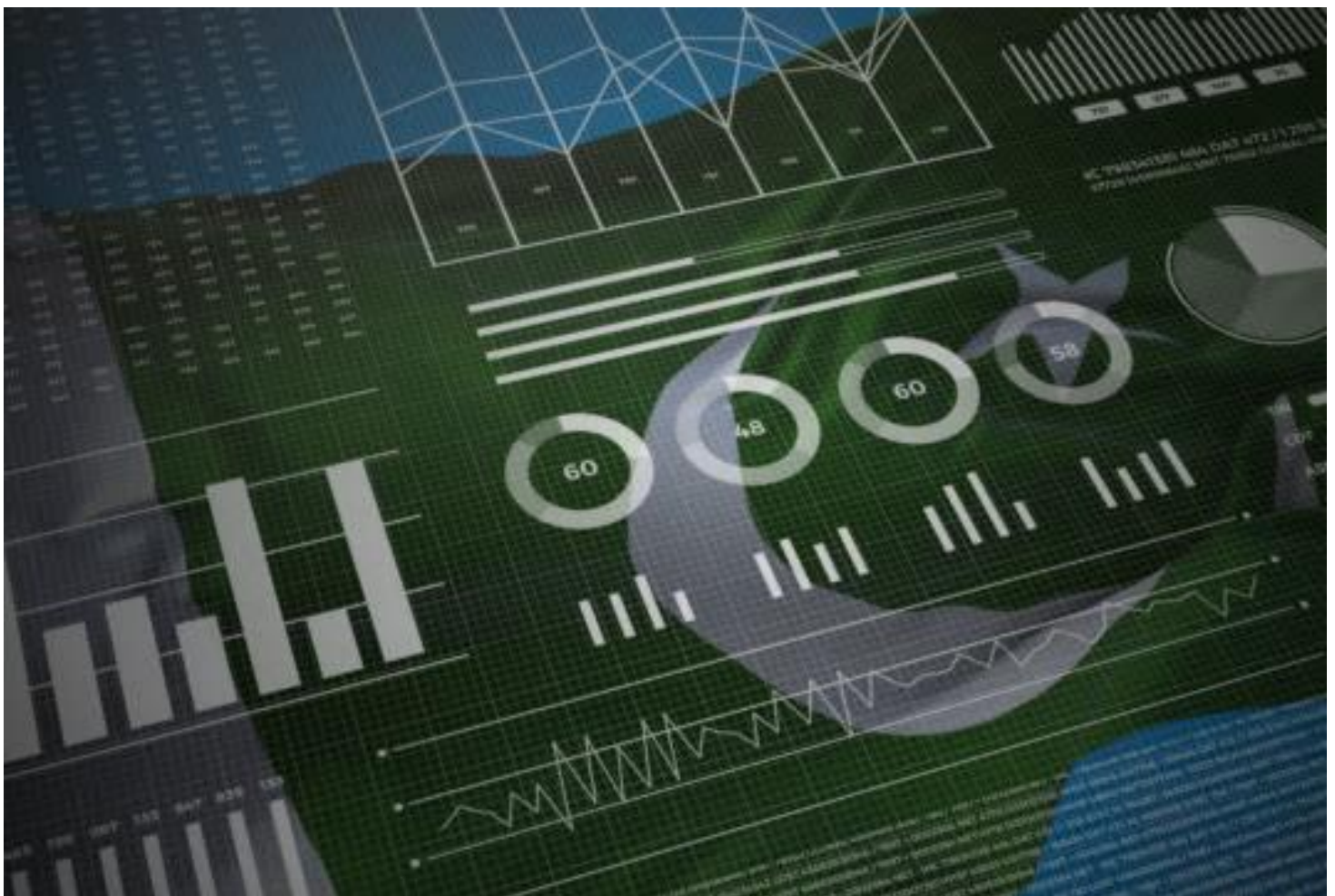
# Regulatory Bulletin

December 2023

---

## Latest Circulars/ Notifications issued by SBP

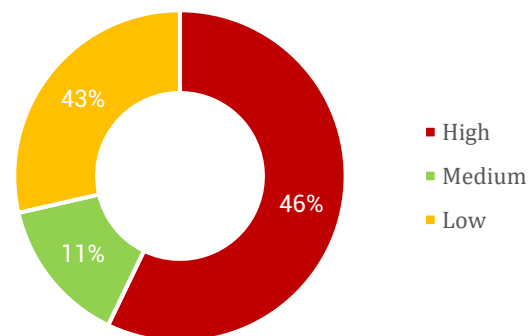
This document summarizes all the circulars/ notifications issued by the State Bank of Pakistan during the month of November. The Regulatory Bulletin is a risk-wise dissemination of significant matters issued by BenchMatrix.



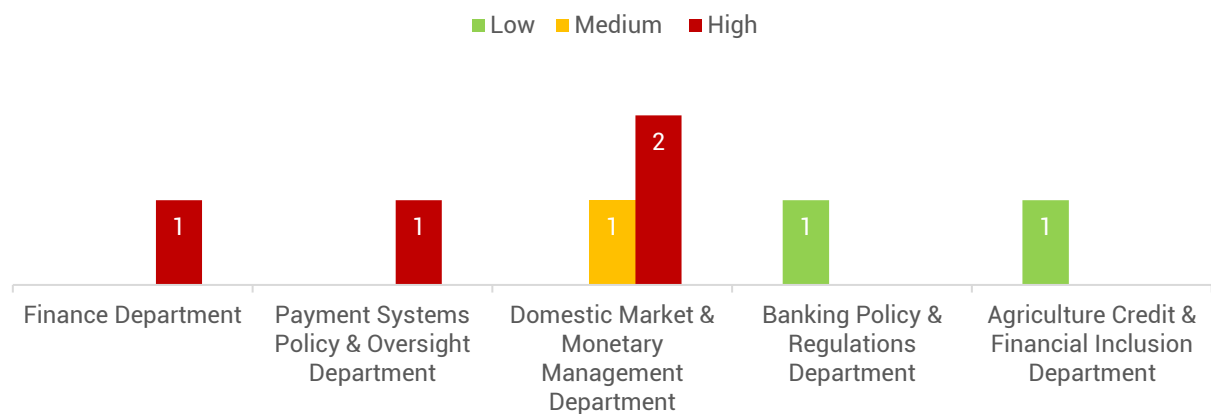
## Summary

During November 2023, the State Bank of Pakistan (SBP) issued a total of 7 circulars/ notifications/actions on significant matters.

Risk Level	Total
High	4
Medium	1
Low	2



### Circulars / Notifications by Regulator Department & Risk Level



## High-Risk Circulars & Notifications

### Finance Department

*via FD Circular Letter No. 06 of 14-November-2023*

SBP Currency Management Strategy (CMS) - Standardization of Sorting Parameters for Banknote Sorting Machines

1. Kindly refer to the State Bank of Pakistan FD Circular No.1/2014 dated 9th September, 2014, wherein SBP issued machine fitness sorting parameters to banks to provide minimum standards for machine sorting of Pakistan Rupee banknotes. Pursuant to implementation of SBP's CMS, banks have procured banknote processing machine of various make and models, deployed at Cash Processing Centers (CPCs) and branches.

2. With a view to standardize banknote processing parameters and to ensure that different machines gives uniform results while sorting banknotes under similar conditions, SBP has decided to fix banknote sorting parameters of banknote processing machines. In the first phase, SBP has fixed sorting parameters of High-end Banknote Processing & Authentication Systems (BPAS), Desktop Note Sorting (DNS) and Countertop Note Sorting (CNS) installed at its premises and implemented the same across all its field offices in the country. In the second phase, SBP in collaboration with banks have calibrated banknote processing machines deployed at Karachi and compiled the desired readings against each make and model as approved calibrations available at web link <https://www.sbp.org.pk/finance/currency-appr.asp>. Banks are advised to calibrate all their machines deployed at their CPCs and branches as per approved calibrations by 31st December 2023.

3. It is further informed that certain banknote processing machine, list enclosed as Annexure-A couldn't be tested due to incompatibility of their firmware. Banks using such machine shall address the issue and make available these machine for the desired calibration within 06 months, failing which such machine will be delisted from SBP's list of approved banknote processing machines and shall no longer be eligible for banknote processing and authentication.

Effective Date: **14-November-2023**

Regulator Department: **Finance Department**



Related FI Department: **Operation Department | Finance 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](#)

---

## Payment Systems Policy & Oversight Department

*via PSP&OD Circular Letter No 03 of 2023 dated 22-November-2023*

Standardization of Purpose List for Domestic Electronic Fund Transfers

1. Refer to PSD Circular No. 03 of 2018 on the subject of "Electronic Funds Transfer (EFT) Regulations".
2. At present, all Regulated Entities (REs) providing EFT facility have in place their own list of purposes for the customers to choose from while conducting transactions through internet and/or mobile banking channels. In order to streamline the list of purposes and provide convenience to the customers, a standardized list has been prepared after consultation with the banking industry.
3. All REs are advised to implement the standardized list of purposes (as enclosed in Annexure-A) and make necessary changes in their digital applications (internet and/or mobile banking), if any, by December 31, 2023.
4. All other instructions on the subject shall remain same.

Effective Date: **22-November-2023**

Regulator Department: **Payment Systems Policy & Oversight Department**

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](#)

---

## Domestic Market & Monetary Management Department

*via DMMD Circular No. 13 of 2023 dated 28-November-2023*

Government of Pakistan Ijara Sukuk:

Please refer to FSCD Circular No. 13 dated September 06, 2008, DMMD Circular No 02 dated February 03, 2016, DMMD Circular No. 19 dated August 18, 2020 as well as all relevant instructions regarding Government of Pakistan (GOP) Ijara Sukuk (GIS).

In accordance with the provisions of GOP Ijara Sukuk Rules, 2008 and all the amendments made in the rules thereafter; GIS will be issued as per the Structure and Assets described in 'Annexure-A'. 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.

Effective Date: **28-November-2023**

Regulator Department: **Finance Department**

Related FI Department: **Treasury Department / Finance Department**

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

[Read more on the website](#)


---

## Domestic Market & Monetary Management Department

*Via DMMD Circular Letter No. 09 of 2023 dated 28-November-2023*

Government of Pakistan Ijara Sukuk:

Please refer to DMMD Circular No. 06 of 2020 on the captioned subject, whereby Non-Competitive Bids were introduced in the Government of Pakistan Ijara Sukuk (GIS) Auction as per the rules and procedures stipulated in Para A of the aforementioned Circular.



In terms of Government of Pakistan, Ministry of Finance (Finance Division) notification S.R.O. 1586(I)/2023, amendments in Government of Pakistan Ijara Sukuk Rules have been notified. Accordingly, Para A of the aforementioned circular is revised as follows:

A: Introduction of Non-Competitive Bids in GIS Auction:

Ref. No. A-1 Current Instructions: All investors, except banks (scheduled, specialized and microfinance), DFIs, Investment Banks and Individuals, shall be eligible to submit NCBs in the GIS auction.

Amended Instructions: All investors, except banks (scheduled, specialized and microfinance), DFIs, and Investment Banks, shall be eligible to submit NCBs in the GIS auction.

Ref. No. A-4 Current Instructions: PDs will submit NCBs with the name/account title of investor (in Block Letters) and amount of investment without quoting the margin/rate on the format given at 'Annexure-G' (in excel form) as per para-3 above.

Amended Instructions: PDs will submit NCBs with the name/account title of investor (in Block Letters) and amount of investment without quoting the margin/rate.

All other instructions on the subject will remain same.

Effective Date: **28-November-2023**

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

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

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](#)



---

## Medium Risk Circulars & Notifications

### Domestic Market & Monetary Management Department

*Via DMMD Circular Letter No. 10 of 2023 dated 24-October-2023*

Rate of remuneration on special cash reserve account maintained with SBP against deposits raised under FE-circular 25 of 1998:

Please refer to Para 03 of BSD Circular No. 18 dated March 31, 2001 and DMMD Circular Letter No. 03 dated August 09, 2023 on the captioned subject.

It is notified that the rate of remuneration for the month of December 2023 on Special Cash Reserve Account (US\$) maintained with the State Bank of Pakistan will be 4.34%.

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

---

## Low Risk Circulars & Notifications

### Banking Policy & Regulations Department

*Via BPRD Circular Letter No. 21 of 2023 dated 03-November-2023*

Public Holiday:



The State Bank of Pakistan will remain closed on Thursday, November 09, 2023 being public holiday on the occasion of Allama Iqbal Day, as declared by the Government of Pakistan.

Effective Date: **09-November-2023**

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

Related FI Department: **Human Resources**

Risk Category: **Execution, delivery and process management - Transaction capture, execution and maintenance**

[Read more on the website](#)

---

## Agriculture Credit & Financial Inclusion Department

*Via ACFID Circular Letter No. 01 of 2023 dated 10-November-2023*

Assuming Charge as Director, Agriculture Credit & Financial Inclusion Department:

It is advised that Mr. Abid Qamar has assumed the charge of Director, Agriculture Credit & Financial Inclusion Department (ACFID), State Bank of Pakistan, and Karachi with effect from November 10, 2023.

Effective Date: **10-November-2023**

Regulator Department: **Agriculture Credit & Financial Inclusion Department**

Related FI Department: **Company Secretary Department**

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

[Read more on the website](#)

---



## Canada

31 Durward Place, Unit C, Waterloo,  
ON, N2L 4E5  
explore@benchmatrix.com  
D: +1 647 540 8188

## Pakistan

A 301-4, 3rd Floor, Lakson Square  
Building # 3, Sarwar Shaheed Road,  
Karachi, Pakistan  
taimur.kaleem@benchmatrix.com  
M: +92 332 5432689

## Bahrain

Office 63, Building 2317,  
Road 2830, Block 428, Al Seef,  
Manama, Kingdom of Bahrain  
waqas.alam@benchmatrix.com  
M: +973 3513 9689

## Saudi Arabia

2839 Sufayyah bint Abdulmutalib Street,  
Alnaeem district, Zipcode 23621, Jeddah  
sultan.malki@benchmatrix.ca  
M: +966 55 031 3461

## UAE

Office # 45A 27th Floor Prime Tower  
Business Bay, Dubai, United Arab Emirates  
asad.ali@benchmatrix.com  
M: +971 501 292279

## Kuwait

sanju.francis@benchmatrix.com  
M: +965 555 09074

## Algeria

imed.ouitis@benchmatrix.com  
M: +213 7714 78444

---

This document contains copyrighted material, the use of which may not have been specifically authorized by the copyright owner.

©2023 BenchMatrix Private Limited. All rights reserved.

