



STATE BANK OF PAKISTAN
EXCHANGE POLICY DEPARTMENT
I. I. CHUNDRIGAR ROAD
KARACHI

EPD ICM Letter No. 415458

January 27, 2023

The Presidents/Chief Executives of all
Authorized Dealers in Foreign Exchange

Dear Sir,

Exports of Software, Information Technology (IT) and IT Enabled Services (ITeS)

Attention of Authorized Dealers (ADs) is invited to SBP, EPD Circular Letter No. 2 dated January 13, 2023, through which banks were advised to mandatorily credit 35% of the exports proceeds of the exporters of IT & ITeS into the exporters' special foreign currency accounts.

2. In this regard, it may be noted that in terms of Para 12 (iii) and Para 36 of Chapter 12 (Exports) of the Foreign Exchange (FE) Manual, Authorized Dealers can allow the exporters of all types of legitimate services, including freelancers, IT and ITeS to convert the funds available in 'exporters' special foreign currency accounts', into PKR any time upon the request of the customer.

3. It has come to the knowledge of SBP that certain ADs are not facilitating credit/ conversion of remittances received by entities / freelancers engaged in IT / ITeS into PKR, citing the excuse of non-availability of exporters' special FCY accounts with the AD, where 35% retention has to be kept. In this regard, ADs are advised to:

- a) facilitate such customers in opening of their FCY retention accounts, swiftly;
- b) ensure timely credit of remittances into PKR accounts of the exporters, as per past practice, until the exporters' special FCY accounts are opened by the AD or the exporters decline to avail the facility of FCY retention.

4. The above instructions should be followed in letter and spirit and disseminated to all the constituents and concerned officials in the bank. If, any AD is found to have caused any undue delay in opening of account or credit/ conversion of remittances received by IT exporters into PKR, SBP may proceed against the delinquent ones under relevant provisions of the Foreign Exchange Regulation Act, 1947 and may take any enforcement action as deemed appropriate.

Yours truly,


(Dr. Asif Ali)
Director

