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FE Circular No. 01 of 2022

January 05, 2022

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

Dear Sir/Madam,

Method and Period of Payment

Attention of Authorized Dealers is invited to Para 6, Chapter 12 of Foreign Exchange (FE) Manual which, inter alia, includes instructions relating to the above subject. The instructions given in the above referred paragraphs have been modified as under:

“Para 6, Chapter 12 – Method and Period of Payment

- i. Full export value of goods exported from Pakistan and declared to the Customs authorities should be received in an approved manner, as embodied in State Bank of Pakistan's (SBP) Notification No. F.E. 1/2022-SB dated the January 5, 2022 on the due date for payment or within one hundred and twenty (120) days from the date of shipment, whichever is earlier, or within such period as may be prescribed by SBP through specific or general instruction, through an Authorized Dealer either in convertible foreign currency in which the Authorized Dealer maintains accounts or in Pakistan rupee from a repatriable rupee account of a nonresident. In case of shipment on DP/CAD/ sight basis the payment should be received within 45 days from date of shipment. Prior approval of the Exchange Policy Department, SBP should be obtained before arranging for payment in any manner other than that mentioned above.
 - ii. Where the terms of sale provide for payment earlier than 120 days, including DP/CAD/ sight bills, Authorized Dealers may allow extension in the realization period if they are satisfied with the written explanation given for delay in realization by exporter. Such explanation must be supported by documents/ communication from the foreign buyer and the extension must not exceed the period beyond 120 days from the date of shipment. Authorized Dealers shall not allow extension in the realization period, once they have reported the case as overdue to FEOD, SBP-BSC.”
3. The above changes shall be applicable on all transactions authorized by the AD including approval of electronic / manual Form-E or issuance of financial instrument in Pakistan Single Window with effect from January 6, 2022. Realization of export proceeds for earlier transactions may be undertaken as per the instructions applicable at the time of execution of such transactions.
 4. All other instructions on the subject shall remain unchanged. Authorized Dealers are advised to bring the above amendments to the notice of all their constituents for meticulous compliance.

Yours truly,

Sd/-

(Athar Ghafoor)
Additional Director

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