

Sent by WhatsApp to EC of EX-Prudents on 17-2-22



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State Bank of Pakistan



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Circulars/Notifications / Infrastructure, Housing & SME Finance Department

IH&SMEFD Circular No. 03 of 2022

The Presidents/CEOs
All Banks

Dear Sir/Madam,

file
Notification
February 16, 2022

Enhancing scope of Export Finance Scheme (EFS)/Islamic Export Refinance Scheme (IERS)

- This refers to the instructions issued from time to time on the subject schemes.
- In order to incentivize exporters, Rupee-based discounting of export bills/export receivables is being introduced under EFS/IERS.
 - This incentive will, however, be available only if foreign exchange associated with the export bill/export receivables being discounted is sold via FX conversion and rupees are given to the exporter at the time of discounting.
 - This will be applicable for both post-shipment & pre-shipment export receivables.
 - Export bills/export receivables pertaining to exports proceeds realization of upto 180 days from the date of shipment, against prevalent requirement of 120 days, will also be allowed only if exporters opt for this facility:
 - within first fourteen working days of shipment or
 - before shipment, i.e., get pre-shipment export receivables discounted, provided the maximum period of EFS/IERS will not exceed 180 days.
 - Banks will be required to discount export bills/export receivables at the end user rate and refinance will be available equal to discounted amount for the tenor of discount as per the following tier based rates:

Tenor (remaining days to be discounted)	Rate (applicable from Feb 17, 2022 to May 17, 2022)		Rate (applicable post May 17, 2022)	
	SBP Refinance Rate	End User Rate	SBP Refinance Rate	End User Rate
(up to) 90	1.0%	2.0%	2.0%	3.0%
(up to) 120	0.5%	1.5%	1.5%	2.5%
(up to) 180	0.0%	1.0%	1.0%	2.0%

*In case of Islamic banking industry, the rate will be treated as expected rate.

- While discounting rates applicable even post May 17, 2022 are much below the market rates, further incentivized rates will be applicable within three months of launch of this circular.
 - Banks should ensure that E Form used under the new category of discounting would not be utilized for reporting shipment/performance under EFS/IERS Part-I or II.
 - Banks are required to claim refinance under EFS/IERS against the discounting category as per prescribed format attached.
 - This new facility under EFS/IERS will be available for exporters from Feb 17, 2022.
3. All other terms & conditions of EFS/IERS shall remain unchanged.

Encl: (As Above)

Yours sincerely,

Sd/-

(Dr. Mian Farooq Haq)
Director

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