



External Relations Department

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SBP Allows Local Businesses to Make Instant Payments for Acquiring Services from Globally Recognized Digital Service Providers

In an effort to further enhance ease of doing business in Pakistan, the State Bank of Pakistan (SBP) has introduced a new mechanism to enable the companies in Pakistan to make instant payments for acquiring digital services from globally recognized digital service provider companies, without any hassle. Now local companies can access various services including advertising, hosting, database access, accounting management, skill development and customer support etc., from these global companies instantaneously without any regulatory approval process. This facilitation will increase their outreach to wider customer base locally and abroad, which would help them increase their footprint, productivity and achieve greater efficiency.

In November 2019, State Bank introduced a framework for acquisition of services from abroad allowing companies to acquire services after registration of its contract with SBP. However, some businesses reported facing difficulty under this mechanism for making payments to Digital Service provider companies. After an extensive consultative process with all the relevant stakeholders, a much simplified process on 'payment vs receipt basis' has been introduced with annual limits, in addition to the existing framework mentioned above.

Now, banks have general permission to release foreign exchange up to a maximum of USD 200,000 per year for each local company on account of digital services, primarily in favor of 62 digital service provider companies (including their affiliates or associated entities), listed in the Circular on SBP's website mentioned below. However, within this limit, authorized dealers can release foreign exchange up to a maximum of USD 25,000 per annum to digital service providers not included in the list.

The banks may offer the digital channels to their clients, for making these payments. The circular issued to banks announcing these measures can be accessed at the following link:
<http://www.sbp.org.pk/epd/2020/FEC4.htm>
