

25<sup>th</sup> February 2012

Mr. Yaseen Anwar,  
Acting Governor,  
State Bank of Pakistan,  
I.I. Chundrigar Road, Karachi.

Sub: Complaint on the misuse of Pakistan Remittance Initiative (PRI) and estimated loss to exchequer of 6.67 % due to the alleged collusive practice of Banks and SBP, causing Loss to Exchequer of Rs 400 Billion

Dear Sir,

Transparency International Pakistan has received a very serious complain on the misuse of Pakistan Remittance Initiative (PRI) and estimated loss to exchequer of 6.67 % by alleged collusive practice of Banks and SBP.

The complainant has made following allegations;

1. According to F.E. Circular Letter No. 40 dated November 29, 2000 , following scheme was announced;

*Keeping in view the difficulties experienced by the banks and to provide more incentive to the banks to accelerate Home Remittance, it has been decided that henceforth:*

*i) The minimum amount of remittance of US\$ 200/- to qualify for reimbursement of charges is reduced to US\$ 100/- or equivalent to other currency (per telex/swift charges).*

*ii) The reimbursement rate of SR 20/- is increased to SR 25/- for each remittance.*

2. From July 2001 to Jan 2012 the home remittance received is estimated to be about US \$ 69 Billion. The complaint has alleged that 6.67% is dished out to Banks with connivance of SBP, by each remittance received is broken into packages of above \$ 100 each without the knowledge of the remitter, and SR 25 on each remittance is being shared between the colluding officers of Banks and SBP.
3. Total amount dished out of the exchequer is about US \$ 4.8 Billion in last 11 years. **This is about Rs 400 Billion.**
4. The complainant has also stated that the incentive scheme from beginning is reported to be wrong, and the scheme should have been made for the 6.67% benefit should have been passed on to the accounts of the remitters persons.

**A NON-PARTISAN, NON-PROFIT COALITION AGAINST CORRUPTION**

Donations exempted from tax U/S 2 (36) (c) of I. Tax Ordinance 2001



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**Advisory Committee**

Transparency International Pakistan request the Governor to kindly examine the allegations made by the complaint, and if the allegations are found to be correct, take immediate remedial measure to stop such illegal acts, and recover the illegal benefits availed by them and deposit it in the national exchequer account.

Transparency International Pakistan also request the Governor to get the F.E. Circular Letter No. 40 immediately amended, for the benefit to be passed on to the remitter.

This incentive to the remitters if approved, will surely increase the current level of home remittance by many fold within couple of years.

TI Pakistan is striving to have Rule of Law in Pakistan.

With Regards,

Syed Adil Gilani  
Advisor

Copies forwarded for the information of:

1. Chairman, Public Accounts Committee, Islamabad.
2. Minister, Finance, Islamabad
3. Minister, Minister for Overseas Pakistanis, Islamabad
4. Chairman, NAB, Islamabad.
5. Registrar, Supreme Court.

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# TRANSPARENCY INTERNATIONAL - PAKISTAN

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Advisory Committee

F.E. Circular Letter No. 40	November 29, 2000
<p>All Heads / Principal Offices of authorized Dealers</p> <p>Dear Sirs,</p> <p style="text-align: center;"><b>Reimbursement of T.T Charges against home remittances</b></p> <p>Please refer to our Circular letter No. 21/EPP-1(96)poly-2000 dated the 28th July, 2000 on the above noted subject.</p> <p>2. Keeping in view the difficulties experienced by the banks and to provide more incentive to the banks to accelerate Home Remittance, it has been decided that henceforth:</p> <p>i) The minimum amount of remittance of US\$ 200/- to qualify for reimbursement of charges is reduced to US\$ 100/- or equivalent to other currency (per telex/swift charges)</p> <p>ii) The reimbursement rate of SR 20/- is increased to SR 25/- for each remittance.</p> <p>iii) Authorized Dealers may share the reimbursement charges at their option instead of fixed SR 6/- and remit in foreign exchange to the concerned remitting agency accordingly.</p> <p>iv) The already conveyed benchmark will continue for the future remittances.</p> <p style="text-align: right;">Yours faithfully, -Sd-(M. R. MEHKARI) Director</p> <p style="text-align: center;"><a href="#">Back to Circular Page</a> / <a href="#">Home Page</a></p>	