

Our Correspondent

### **State Bank simplifies digital services' payments for firms**

KARACHI: The State Bank of Pakistan (SBP) has introduced a new mechanism to enable the companies to make instant payments for acquiring digital services from globally recognised providers without any hassle, a statement said on Thursday.

This move may help add to the ease of doing business in Pakistan.

"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," the central bank said in a statement.

"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."

Now, banks have general permission to release foreign exchange up to a maximum of \$200,000/year for each local company on account of digital services, primarily in favour of 62 digital service providing companies (including their affiliates or associated entities), listed in the circular on SBP's website.

However, within this limit, authorised dealers were allowed to release foreign exchange up to a maximum of \$25,000 per annum to digital service providers not included in the list, the central bank said.

The banks may offer the digital channels to their clients, for making these payments.

The circular issued to banks announcing these measures also said that the authorised dealer (bank) would ensure it had satisfied itself with the genuineness and bona fides of the applicant, through appropriate customer

due diligence and customer risk profiling, specifically in light of anti-money laundering and combating the financing of terrorism regulations.

In November 2019, the SBP had introduced a framework for acquisition of services from abroad allowing companies to acquire services after registration of its contract with the SBP.