

### **Forex firms seek SBP nod on currency exchange with banks**

KARACHI: Foreign exchange companies on Thursday sought the central bank's support for acquiring US dollars or rupees from banks in exchange of other foreign currencies in case of the government's decision to suspend flight operation with Dubai amid virus pandemic.

A delegation of foreign exchange firms, in a meeting, urged the State Bank of Pakistan (SBP) to bound commercial banks to provide them with dollars or rupees in return of other foreign currencies, including Saudi riyal, dirham, pound and euro.

Malik Bostan, chairman of Exchange Companies Association of Pakistan (ECAP) said exchange companies are already dealing with increasing trade of foreign currencies worth \$10 to 12 million on daily basis as the government suspended Saudi flights and closed borders with Iran and Afghanistan to check coronavirus intrusion in the country.

"Exchange companies repatriate the foreign currencies to Dubai on the SBP's permission to bring back US dollars," Bostan said.

"Currently, we provide \$10 to 12 million to the SBP through commercial banks on daily basis."

Bostan anticipated a mess in the open market if the government decides to annul flight operations with Dubai.

"People hold a large amount of foreign currencies at their houses and lockers," he said. "They might exchange them with rupees to make local investments."

Bostan asked for prudent management to include foreign inflows into the country's foreign exchange reserves.

ECAP chairman said the SBP's officials asked the delegation to share the proposal and assured them of its approval.

"The SBP would ask the commercial banks to exchange foreign currencies on demand of forex firms," he said, citing a central bank's official.

Bostan termed the dollar climb against rupee as a temporary phenomenon. Foreign investors who are offloading investments in six-month treasury bills are currently purchasing dollars, he said. "As soon their dollar buying ends, the rupee would appreciate," he added.