

- **TOP STORIES**

- **Imports on open account basis: SBP allows advance payment against select items**

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The State Bank of Pakistan (SBP) Wednesday allowed advance payments up to USD 10,000 on open account basis for the import of some necessary and selected items including life-saving medicines and aircraft related spare parts.

The SBP has announced amendment to its previous instructions regarding advance payment against imports and imports on open account basis. According to SBP EPD Circular Letter No. 13, issued on Wednesday, it has been decided to allow import advance payments up to USD 10,000 or equivalent per invoice and imports on open account basis up to the said limit against the import some selected items.

Previously, in term of Para 30, Chapter 13 of Foreign Exchange Manual 2018, Authorized Dealers were allowed to make import advance payments against irrevocable Letters of Credit (L/C) up to 100 percent of the value of the goods and up to US\$10,000 per invoice for the import of all eligible items without the requirement of L/C or Bank Guarantee from the supplier abroad.

However, as on 14th July advance payment facility was withdrawn by the SBP and Authorized Dealers were asked to approach State Bank along with appropriate recommendations on a case to case basis, if they considered request on merit.

In order to facilitate the some sectors, now SBP has made some amendment in its previous instructions and decided to allow advance payment up to USD 10,000 on open account basis for the import of some limited items.

According to circular, Authorized dealers can make advance payments for life saving/essential medicines and devices subject to submission of a certificate to the Authorized Dealer issued by respective provincial health department confirming that the medicines/devices/instruments to be imported fall under life saving/essential category.

In addition, aircraft related spare parts/ components, lab equipments/instruments imported by educational institutions for their own use can also be availed the advance payment facility. SBP said that importers can also make advance payment for newspapers, magazines, periodicals, books, etc.

All other terms, conditions and instructions in the matter will remain unchanged. The SBP has advised Authorized Dealers to ensure strict compliance of the above instructions.

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