

TMA voices its concern over SBP FE Circular No.02 of 2023

KARACHI: Syed Usman Ali, Senior Vice Chairman of the Towel Manufacturers Association of Pakistan has expressed their deep distress about the issuance of SBP FE Circular No. 02 of 2023. This SBP circular has become operational from the 1st of May 2023.

He said that the exporter's amount realized late even a single day from the due date the bank marked lien on the export proceeds and the interesting thing is that most banks do not know the further procedure to return back these amounts to the exporters. Due to this situation, **TMA prominent members Tahir Jahangir Central Chairman, Farrukh Maqbool, Aamir Hassan Lari, Haroon Shamsi, Omer Shahid and Junaid-ur- Rehman along with the TMA secretariat** conducted a zoom meeting on 23rd May 2023 to resolve the matter but unfortunately the matter still unresolved and the exporters amounts stuck up with SBP under the head of the marked lien.

Syed Usman Ali further said, unfortunately, no government official is ready to listen to the voice of exporters who are the backbone of Pakistan's Economy. After the marked lien the amounts of exporters, the refund process is too long, as it may take four (4) to five (5) months i.e. once the delayed remittance is received, the bank puts the lien as per the SBP directions. Then on a weekly basis, the bank sends the details of these liens to the SBP. Upon receipt of this list in the Foreign Exchange operation department (FEOD), the FEOD will send this list to SBP Foreign Exchange Adjudication Department (FEAD) and this department will issue the exporter a show cause notice. Then the exporter will present its case/explanation to the adjudication court in response to that show cause notice.

He further added that our valuable members are continuously approaching this Association and are informing us that their amounts are marked lien 2nd or 3rd May 2023 but they did not receive any notice from the SBP Foreign Exchange Adjudication Department (FEAD) yet. This is not a favourable environment for the growth of exports of this country. Unfortunately, exporters are not receiving any response from the Foreign Exchange Adjudication Department (FEAD) after the passing of twenty-five (25) days. The exporters are already facing a financial crunch due to being stuck up their refundable billion of rupees of Sales Tax with the FBR.

On the other hand, the AD (Banks) has started marking liens on the late realization of amounts which is creating another huge hurdle for the exporters. Most of our members belong to SMEs, and the mark lien on their late realized amount creates a huge financial crunch for them and they are facing difficulties to complete their orders timely.

Our slogan is, we should rely on our own resources rather than the loan and our survival is impossible without the growth of our exports. The growth of export is only possible when all the institutions would provide their real support for the growth of the export sector.

Therefore, we request to the Ministry of Finance and the Ministry of Commerce, please come forward and resolve the matter of the marked lien between the exporters and SBP. In the presence of SBP FE circular # 02, it is next to impossible to continue the export business in the country.