

### **Digitalisation of forex regulatory approvals launched**

KARACHI: State Bank of Pakistan Governor Dr Reza Baqir on Friday launched a Regulatory Approval System (RAS) for end-to-end digitalisation of foreign exchange-related case submission process.

The objective of this initiative was to provide a fully digitalised platform to the business community and individuals in approaching banks for their foreign exchange related requests.

The SBP governor believes the initiative will transform FX operations by replacing the paper-based requests with electronic submissions, which is not only efficient but also cost-effective.

He highlighted that in order to further liberalise the foreign exchange regime, the central bank has taken several steps. It expanded the delegation of FX related requests to banks. It includes providing ease in payments for acquisition of services from abroad by one-time registration of contract with SBP and remittance of all subsequent payments by the banks, payments directly through the banks for acquisition of services from digital service providers up to \$200,000 per year without any approval from the SBP.

It also includes registration of foreign currency loans from abroad acquired by the private sector by the banks, and facilitating exporters by allowing them to make shipments on 'Open Account Basis' with direct dispatch of documents to the importer while complying with certain conditions related to historical performance on export proceeds realisations.

Addressing the launching ceremony, Adviser to the Prime Minister on Institutional Reforms and Austerity Dr Ishrat Husain noted that the system was expected to enhance efficiency, transparency and ease of doing business in the FX regime.

He mentioned the government's vision about digital Pakistan, highlighting core pillars of the strategy, which include strengthening connectivity, improving digital/technological infrastructure, increasing investment in digital skills, and promoting innovation and tech entrepreneurship.

He gave a brief of various initiatives of the government in these four areas, the key being establishment of five National Incubation Centres. He emphasised the role of banking industry in promoting digitalisation laying out the challenges faced in implementation of the digital Pakistan. He emphasized that the relevant public and private sector entities need to work together to ensure affordability of data.

SBP Deputy Governor Jameel Ahmad gave a brief overview of Knowledge Management Programme to digitalise the decision-making processes at the central bank.

He informed that all FX related transactions create cross border monetary and reputational exposures for both the businesses and country and need to be well managed to avoid any unwarranted risks.