



Ministry of Commerce



**TRADE DEVELOPMENT AUTHORITY OF PAKISTAN (TDAP)**  
**(MINISTRY OF COMMERCE)**



**GUIDE TO AVAIL EXPORT FINANCE SCHEME OF  
STATE BANK OF PAKISTAN**

November 2023

## DISCLAIMER

The analyses, interpretations, and conclusions expressed in this study do not necessarily reflect the view of the Board of Directors, Chief Executive, and Secretary of the Trade Development Authority of Pakistan.

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**List of Acronyms:**

|                |  |
|----------------|--|
| <b>BID</b>     | Banking Inspection Department            |
| <b>BSC</b>     | Banking Services Corporations            |
| <b>CIB</b>     | Credit Information Bureau                |
| <b>DP Note</b> | Demand Promissory Note                   |
| <b>EFS</b>     | Export Finance Scheme                    |
| <b>EGM</b>     | Export General Manifest                  |
| <b>EPD</b>     | Exchange Policy Department               |
| <b>EPRC</b>    | Export Proceeds Realization Certificate. |
| <b>EVU</b>     | Exchange Verification Unit               |
| <b>F.E</b>     | Foreign Exchange                         |
| <b>FEOD</b>    | Foreign Exchange Operations Department   |
| <b>FCR</b>     | Forwarder's Cargo Receipt                |
| <b>GRN</b>     | Goods Received Note                      |
| <b>HS Code</b> | Harmonized System Code                   |
| <b>IEFS</b>    | Islamic Export Finance Scheme            |
| <b>ILC</b>     | Inland Letter of Credit                  |
| <b>LC</b>      | Letter of Credit                         |
| <b>M.R</b>     | Mate's Receipt                           |
| <b>ROE</b>     | Return on Equity                         |
| <b>SME</b>     | Small & Medium Enterprises               |
| <b>SPO</b>     | Standardized Purchase Order              |

## Table of Contents

|  |           |
|--|-----------|
| <b>INTRODUCTION TO THE STUDY</b> .....   | <b>1</b>  |
| <b>SECTION ONE</b> .....   | <b>2</b>  |
| 1.1. Export Finance Scheme (EFS Part-I) - Transaction Based Facility: An Overview.....                           | 3         |
| 1.2. Basic Information and Scope of the Scheme .....   | 4         |
| 1.3. Procedures to Avail the Facility.....   | 7         |
| <b>SECTION TWO</b> .....   | <b>9</b>  |
| 2.1. Export Finance Scheme (EFS Part-II) - Performance Based Facility: An Overview .....                         | 10        |
| 2.2. Basic Information and Scope of the Scheme .....   | 11        |
| 2.3. Procedures to Avail the Facility.....   | 13        |
| <b>SECTION THREE</b> .....   | <b>15</b> |
| 3.1. Islamic Export Refinance Scheme: An Overview .....  | 16        |
| 3.2. Basic Information and Scope of IEFS Part-I .....  | 17        |
| 3.3. Procedures to Avail the Facility under IEFS Part-I .....  | 19        |
| 3.4. Basic Information and Scope of IEFS Part-II.....  | 21        |
| 3.5. Procedures to Avail the Facility under IEFS Part-II.....  | 23        |
| <b>ANNEXURE</b> .....  | <b>24</b> |
| I. Negative List- List of Commodities not Eligible for Export Refinance under the Export Finance Scheme .....    | 24        |
| II. Form-B Application Form for Direct Exporters Under EFS Part-I.....   | 29        |
| III. Form C- Application form for Indirect Exporter Under ESF Part-I.....  | 32        |
| IV. Standardized Purchase Order (SPO) for purchase of Inputs by the Direct Exporter from Indirect Exporter ..... | 34        |
| V. Refinance Claim Form for Commercial Banks from SBP BSC.....   | 35        |
| VI. Form A- Demand Promissory Note .....   | 38        |
| VII. Form to Claim refund of fine by Commercial Banks from SBP BSC.....  | 41        |
| VIII. Application Form to be submitted by Exporter for Extension of the Facility .....                           | 42        |
| IX. Form EE-1 – EFS Part-I.....  | 44        |
| X. Fine under EFS Par-II.....  | 45        |
| XI. Form-E .....   | 46        |

|  |    |
|--|----|
| XII. UT-DE-II - Undertaking to be submitted by the direct exporter under part-II .....                                 | 47 |
| XIII.UT-IDE-II - Under taking to be submitted by the indirect exporter under part-II .....                             | 48 |
| XIV. Form DE-3 - Application form for direct exporter .....  | 50 |
| XV. IDE- 2 - Application form for indirect exporter .....  | 52 |
| XVI. Form-EB - For Banks to Avail Refinancing from SBP BSC Office.....   | 53 |
| XVII. Form EE-1- EFS Part-II .....   | 54 |
| XVIII. Form EF-1 -EFPS Part-II.....  | 55 |
| XIX. Form - EP for Roll Over.....  | 56 |
| XX. Claim Form for Mark-up Rate Benefit/Rebate under EFS (P-II)/IERS (P-II).....                                       | 57 |
| XXI. Form 1 – Agreement Form To be submitted by Head office of Islamic Bank to SBP ..                                  | 58 |
| XXII. Form 2 - Application Form to be submitted by the Islamic Bank for claiming financing<br>from SBP.....            | 63 |
| XXIII. Form 3 - Application / Undertaking for Direct Exporters Under IEFS .....  | 66 |
| XXIV. Form 4 - Application / Undertaking for Indirect Direct Exporters Under IEFS.....                                 | 69 |
| XXV. Demand Promissory Note Under IEFS .....   | 71 |
| XXVI. Form to be Submit by Islamic Banks to SBP for Refunding of Fines .....   | 72 |
| XXVII. Application to be submitted by the Islamic Bank for claiming refinance from SBP<br>BSC under IEFS Part-II ..... | 73 |
| XXVIII. Undertaking Part II – Islamic Export Refinance Scheme.....   | 74 |
| XXIX. Form EE 1- For IEFS Part-II .....  | 75 |
| XXX. Form EF 1 - of Eligible Commodities Under IEFS Part II .....  | 76 |

## INTRODUCTION TO THE STUDY

Initiated in 1973 the Export Finance Scheme (EFS) is aimed to boost exports of the country. Under the scheme, short term financing facilities are provided to exporters through commercial banks for exports of all manufacturing goods especially value-added products except basic and primary commodities/raw materials. The EFS operates in two parts: i.e. Part-I - Transaction-Based and Part-II - Performance-Based.

In addition to these two parts, the recent developments relating to the introduction of specialized Islamic banking institutions have made it imperative for State Bank of Pakistan (SBP) to formulate a scheme to enable the exporter to avail SBP's refinance through the newly established Islamic Commercial Banks against eligible commodities. Accordingly, SBP has designed a new Scheme styled as **Islamic Export Refinance Scheme**. Thus, three different modes of financing under EFS are available i.e.

1. **Part-I - Transaction-Based Facility**<sup>1</sup>
2. **Part-II - Performance-Based Facility**<sup>2</sup>
3. **Islamic Export Refinance Scheme**<sup>3</sup> (both transaction-based and performance-based)

This study analyzes the facility, with the purpose to provide basic information and make the procedures simple enough to understand by exporters easily.

The above schemes are analyzed and simplified by reflecting on, the scope of the schemes, their intended beneficiaries, documents required along with the procedures to avail them.

The study is divided into three sections. Section one discusses EFS under Part-I - Transaction-Based with respects to its scope, documents required in addition to, procedures to avail the scheme. The second section reflects on EFS under - **Performance-Based**, while **Islamic Export Refinance Scheme** is discussed in section three for the said aspects related to scope, documentation and procedures.

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<sup>1</sup> <https://www.sbp.org.pk/Incen/pdf/EFS.pdf>

<sup>2</sup> Ibid.

<sup>3</sup> <https://www.sbp.org.pk/Incentives/iers/Scheme.pdf>



**SECTION ONE**

**TRANSACTION BASED  
EXPORT REFINANCE  
SCHEME**

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## 1.1. Export Finance Scheme (EFS Part-I) - Transaction-Based Facility: An Overview

A transaction-based facility makes up Part I. On a case-by-case basis, the commercial banks offer export finance to exporters in relation to firm export orders, contracts, or letter of credit at the pre-shipment or post-shipment stages. The financing extended to the exporter is equal to firm export order/contract/LCs against which the loan is claimed. The tenure of the financing facility is up to 180 days with a rollover option for further 90 days.

- Exporters will receive financing up to 85% of the value of a firm export order, contract, or letter of credit and will be required to make shipments equivalent to 117% against refinance availed for 270 days from the export of eligible commodities under Part-I (pre-shipment)
- In case of post shipment, exporters will be eligible to avail 85% refinance against the respective shipment.



| Particulars   |   | EFS Part-I |
|---|---|------------|
| <b>1.2. Basic Information and Scope of the Scheme</b> |   |            |
| <b>What is the Scheme About</b>                       | <ul style="list-style-type: none"> <li>i. The facility provides short term financing to the exporters of eligible goods to the extent of 100% of the value of firm export order/contract / LC. A short-term financing facility for exports of value-added goods available through Banks</li> <li>ii. The total amount of financing extended by any bank against firm export order/contract or LC to both Direct and Indirect exporters shall not exceed the total amount of the firm export order/contract or LC.</li> <li>i. It is a transaction-based facility which can be availed by exporters at pre-shipment and/or post-shipment stage on case-to-case basis.</li> </ul> |            |
| <b>Mark Up Rate</b>                                   | <ul style="list-style-type: none"> <li>i. Markup rate has been linked with SBP Policy Rate and with any change in the Policy Rate, markup rate for EFS is revised automatically so that the gap between Policy Rate and EFS rate is maintained at 3%; wherein banks' spread is 2% for SMEs and 1% for non-SMEs.</li> </ul>  |            |
| <b>Products Covered under the Facility</b>            | <ul style="list-style-type: none"> <li>i. All major value-added commodities exported from Pakistan are eligible for financing with exception of basic and primary commodities/raw materials as mentioned in the negative list provided in <i>Annexure-I</i>.</li> </ul>   |            |
| <b>Who Can Apply?</b>                                 | <ul style="list-style-type: none"> <li>i. Both direct exporters<sup>4</sup> of the eligible goods and indirect exporters<sup>5</sup>, can avail the facility. The indirect exporters/manufactures can avail the facility at pre-shipment stage only.</li> <li>ii. Direct Exporters are those who are exporting the goods &amp; services directly. The indirect exporters are those who are contributing in the exports by supplying the inputs / finished goods to the direct exporter</li> </ul>   |            |
| <b>Loan Period</b>                                    | <ul style="list-style-type: none"> <li>I. Direct exporters can avail the finance for <b>180 days</b> with a rollover option for further <b>90 days</b>, making the maximum financing available for <b>270 days</b>.</li> <li>II. Under the rollover option, the loan amount equal to 85% of the value of firm export order/contract/LC is provided at the pre and post-shipment stage.</li> </ul>   |            |

<sup>4</sup> An entity which manufactures and exports, or trading company who procures exports.

<sup>5</sup> A manufacturer or supplier who supplies inputs i.e. materials and goods to a direct exporter to be used for further processing and / or to be exported.

|                           |  |
|---------------------------|--|
|                           | <p>III. However, to avail the rollover facility at the pre-shipment stage, exporters are required to reflect export performance amounting to 117% of the loaned amount for rollover.</p> <p>IV. Indirect Exporter can avail the facility <b>up to 120 days</b>.</p> <p>V. In case, both direct and indirect exporter avail the facility against a particular LC/contract/firm export order, the combined period shall not exceed <b>180 days from the date of the first disbursement of the facility</b>.</p>  |
| <b>Documents Required</b> | <p><b>For Direct Exporters:</b></p> <ol style="list-style-type: none"> <li>i. Application /Undertaking on Form “B” - (<i>See Annexure-II</i>)</li> <li>ii. Demand Promissory Note (D.P. Note)<sup>6</sup> from exporter - (<i>Annexure-VI</i>)</li> <li>iii. Export Order/Contract/LC</li> <li>iv. “EE-1 statement”<sup>7</sup> - (<i>Annexure-IX</i>)</li> <li>v. Original duplicate copy of ‘Form E’<sup>8</sup> (<i>Annexure-XI</i>) (in case facility availed at the post-shipment stage)</li> <li>vi. Bill of lading/Airway bill (in case facility availed at the post-shipment stage)</li> </ol> <p>OR</p> <p>Forwarder’s Cargo Receipts (FCRs) and Mate’s Receipts (MR)- where the shipment is by sea) or Export General Manifest (EGM) – where the shipment is by sea.</p> <ol style="list-style-type: none"> <li>vii. Export Proceed Realization Certificate (EPRC)</li> <li>viii. Invoice (in case facility availed at the post-shipment stage)</li> </ol> <p><b>For Indirect Exporters:</b></p> <ol style="list-style-type: none"> <li>i. Application/Undertaking on Form C - (<i>Annexure-III</i>)</li> <li>ii. Demand Promissory Note (D.P. Note) – (<i>Annexure-VI</i>)</li> <li>iii. “Inland Letters of Credit (ILC)<sup>9</sup>/Standardized Purchase Order (SPO)<sup>10</sup> - (<i>Annexure-IV</i>)</li> <li>iv. EE-1 statement</li> </ol> |

<sup>6</sup> A promissory note is a financial instrument that contains a written promise by one party (the note's issuer or maker) to pay another party (the note's payee) a definite sum of money, either on demand or at a specified future date.

<sup>7</sup> A statement containing details of exports proceeds realized from the exports of eligible goods by the exporter during the previous fiscal year.

<sup>8</sup> Stands for Export Form which is issued by the dealing Bank to make exports. It is a mandatory declaration to the Bank that an export is intended to be made against realization of the foreign exchange which either has arrived in the exporting country or is contracted to arrive after shipment maturity.

<sup>9</sup> It is issued to meet out the credit requirement for domestic trade. This is a form of non-fund-based credit extended by the banks.

<sup>10</sup> The direct exporter, who has a firm export order / contract / LC may request his bank to open an ILC in favor of the indirect exporter or he (the direct exporter) may issue SPO (as per specimen at Annexure-IV) in favor of the indirect exporter.

|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>v. Invoice</li> <li>vi. Truck/Railway receipt</li> <li>vii. Goods Received Note (GRN) / Delivery Challan signed by buyer.</li> </ul>  |
| <b>When Shipment is Delayed</b>           | <ul style="list-style-type: none"> <li>i. In case when the shipment is delayed, the direct exporter will submit delayed shipment shipping documents to bank within 30 days from the date of last delayed shipment and thereafter bank will report all delayed shipments to respective SBP BSC Office on submission of additional 'Form D' (<i>Annexure-V</i>) <b>in 7 days</b>.</li> <li>ii. In case of failure to submit shipping documents within the stipulated period as mentioned above, a <b>fine of paisa 28 per day per Rs.1000 or part thereof</b> will be recovered from exporter in this regard. However, no fine on account of late submission of 'Form D' will be charged from the bank.</li> </ul>   |
| <b>Substitution of Export LC/Contract</b> | <ul style="list-style-type: none"> <li>i. In case direct exporter fails to make shipment under the relevant firm export order /LC/contract for which he has availed the finance, he is liable to produce shipping documents evidencing shipment of the export of same or any other eligible commodity valuing the amount of loan, in respect of another firm export order /LC/contract. However, the direct exporter will have to undertake and confirm separately that he has neither availed any finance under EFS against any such new export order /LC/contract nor has reported or would report any entry of relevant "E" Forms already utilized by him under Part II of the EFS.</li> <li>ii. No facility of substitution is available to the indirect exporter in respect of the supply of inputs to the direct exporters.</li> </ul> |

### 1.3. Procedures to Avail the Facility

To avail, the facility a direct exporter can submit an application on the prescribed 'Form B' (*provided in Annexure-II*) to his bank against LC or on receipt of a firm export order. While an indirect exporter can process his application as per prescribed 'Form C' (*Annexure-III*) against an ILC or SPO to his bank. It is pertinent to mention that, the direct exporter who has a firm export order/contract / LC may request his bank to open an ILC in favour of the indirect exporter or the direct exporter may issue SPO as per specimen at *Annexure-IV* in favour of the indirect exporter<sup>11</sup>.

The bank concerned is responsible for scrutiny of documents submitted by the exporters. The on-site verification team of SBP BSC and inspectors of Banking Inspection Department or any other authorized officer of SBP shall examine the cases of finances of the bank under the scheme while making a regular or special inspection of the bank. In case of the indirect exporter, his financing bank is liable to certify that the facility availed by him is covered by an export order/contract or LC of the direct exporter and proof of shipping there-against may be collected from the bank of the direct exporter.

The commercial banks, after providing finance to the direct/indirect exporters may claim refinance from concerned office of the SBP BSC on the prescribed 'Form D' (*provided in Annexure-V*). In case of direct exporters, the bank will submit "Form D" **within 7 days of** receipt of the shipping documents. Each request for reimbursement for refinancing will be accompanied by a "Demand Promissory Note"<sup>12</sup> duly executed by the exporter concerned in favour of the bank and endorsed in favour of concerned SBP BSC office as per 'Form-A' (*Annexure-VI*). The concerned SBP BSC will release the amount accordingly **within 48 hours** on receipt of the refinance claim complete in all respects.

The direct exporter shall be liable to submit the proof of shipments to the bank concerned against the loan availed at a pre-shipment stage **within 30 days** from the expiry of the loan period and proof of realization of exports proceeds in **210 days (270 days for carpet exporters)** from the date of shipment.

In case shipping documents are not received by the bank from the exporter, on or **before 30 days** from the expiry of the loan period, the bank shall serve a notice to the exporter at least **7 days** before the due date, showing the intention of deducting "fine on account of non-shipment due to non-submission of

<sup>11</sup> The indirect exporter would be under obligation to supply the required inputs in accordance with the terms of the ILC/SPO, failing which he shall be liable for fines under the Scheme. Payment of such fines shall, however, not absolve him for his liabilities to the direct exporter.

<sup>12</sup> A promissory note or legal undertaking signed by borrowers to secure a loan, pledging collateral, and committing to perform as specified with regard to repayment of the loan.

shipping documents”<sup>13</sup> against the loan availed. Despite serving the notice as stated, if the shipping documents are not received by the bank concerned on or before the stipulated period, the bank shall recover the fine treating the case as that of non-shipment.

The exporter concerned shall be entitled to refund of fine so recovered, on submission of the relevant documents and after adjusting the fine that may be applicable for delayed shipment and delayed submission of shipping documents. The bank concerned shall submit the details of such exporters qualifying for a refund to the concerned office of SBP BSC for claiming refund of fine as per prescribed format (*Annexure-VII*). The SPB BSC shall refund the same to the bank concerned, if found justified and the bank would be liable to pass on the refund amount to the exporter concerned on the following working day, without any delay.

The exporter/bank desiring rollover of the facility shall be under obligation to submit the prescribed form provided at *Annexure-VIII*, as prescribed under the scheme within a maximum period of 180 days of availing of the finance. The concerned SBP BSC Office shall allow rollover of refinancing for 90 days against the already submitted loan documents.

The loan granted to the indirect exporter, along with mark-up thereon, shall be adjusted upon delivery of the inputs and payment under the ILC/SPO or at the expiry of the period of 120 days, whichever is earlier. The indirect exporter is liable to submit documents, evidencing utilization of the loan to the bank within **15 working days** of the supply of goods to the direct exporter.

<sup>13</sup> Paisa 37 per day per Rs.1000 or part thereof



**SECTION TWO**

**PERFORMANCE-BASED  
EXPORT REFINANCE  
SCHEME**

## 2.1. Export Finance Scheme (EFS Part-II) - Performance-Based Facility: An Overview

It is a performance-based facility, where exporters are entitled to avail a revolving export finance limit equal to 50% of the export proceeds realized through the export of eligible commodities in the preceding financial year. Such export proceeds meant to determine export performance exclude any exports for which finance is obtained under Part-I of the EFS during the said financial year. The export performance of an exporter is matched annually against total loan availed during the financial year. The maximum tenor of the loan under this part of the scheme is 180 days which could be rolled over for another 180 days subject to showing at least 70% shipment of the loan availed in initial 180 days.

| Particulars   |   | EFS Part-II |
|---|---|-------------|
| <b>2.2. Basic Information and Scope of the Scheme</b> |   |             |
| <b>What is the Scheme About</b>                       | <ul style="list-style-type: none"> <li>i. A performance-based facility where the exporters can avail the financing <b>equivalent to 50%</b> of export proceeds realized through the export of eligible commodities in the preceding financial year (July-June). Such proceeds exclude the exports for which finance is obtained under Part-I of the Scheme during the said period.</li> <li>ii. The export performance of an exporter is matched annually against total loan availed during the financial year against every application submitted by the exporter. In case of shortfall in performance /non-export, fine will be imposed as prescribed under this part of the scheme (see <i>Annexure. IX</i>).</li> <li>iii. The exporters are free to utilize the facility within entitlement of limit for the whole year, however, the refinance limits sanctioned based on financial year are <b>due to expire on 30<sup>th</sup> June each year</b>.</li> </ul> |             |
| <b>Mark Up Rate</b>                                   | <ul style="list-style-type: none"> <li>i. Mark up rate has been linked with SBP Policy Rate and with any change in the Policy Rate, markup rate for EFS is revised automatically so that the gap between Policy Rate and EFS rate is maintained at 3%; wherein banks' spread is 2% for SMEs and 1% for non-SMEs.</li> <li>ii. To further incentivize the financing under EFS (Part-II) the rates under EFS Part-II has been linked with export performance. Exporters giving higher performance under EFS Part-II can avail markup rate rebate ranging from 0.5-1.5 percentage points depending upon the level of performance achieved.</li> </ul>  |             |
| <b>Products Covered under the Facility</b>            | <ul style="list-style-type: none"> <li>i. All major value-added commodities exported from Pakistan are eligible for financing with exception of basic and primary commodities/raw materials as mentioned in the negative list provided in <i>Annexure-I</i>.</li> </ul>   |             |
| <b>Who Can Apply?</b>                                 | <ul style="list-style-type: none"> <li>i. Exporters of the eligible goods can avail the facility.</li> <li>iii. Indirect exporters/manufactures”<sup>14</sup></li> </ul>  |             |
| <b>Loan Tenor</b>                                     | <ul style="list-style-type: none"> <li>i. The maximum tenor of the loan is 180 days which could be <b>rolled over</b> for another 180 days. However, the exporters can only be eligible for the rollover option when they made at least 70% shipment of the loan availed in the initial 180 days.</li> </ul>  |             |

<sup>14</sup> A manufacturer or supplier who supplies inputs i.e. materials and goods to a direct exporter to be used for further processing and / or to be exported.



|   |  |
|---|--|
| <b>Extension in Period of Borrowing Limit</b> | <p>i. To fix fresh limits based on previous year's export performance for exporters having outstanding finance under the Scheme after <b>30<sup>th</sup> June</b>, total borrowing availed under the scheme is required to be adjusted on <b>31<sup>st</sup> August each year</b>. In this regard, the exporters are required to submit the EE-1 statement (<i>Annexure. XVII</i>) duly verified by SBP BSC Foreign Exchange Operations Department (FEOD) <b>latest by 31<sup>st</sup> August</b>.</p>   |
| <b>Documents Required</b>                     | <p>i. UT-DE-II - Undertaking to be submitted by the direct exporter - (<i>Annexure. XII</i>)</p> <p>ii. UT-IDE-II Undertaking to be submitted by the indirect exporter - (<i>Annexure. XIII</i>)</p> <p>iii. Form DE-3 - Application form for the direct exporter - (<i>Annexure. XIV</i>)</p> <p>iv. Form IDE-2 - Application for the indirect exporter - (<i>Annexure. XV</i>)</p> <p>v. Form EE-1<sup>15</sup> - (<i>Annexure. XVII</i>)</p> <p>vi. Form EF-1<sup>16</sup> - (<i>Annexure. XVIII</i>)</p> <p>vii. Form EP<sup>17</sup> - (<i>Annexure. XIX</i>)</p> <p>viii. D.P Note - (<i>Annexure. VI</i>)</p> <p>ix. SPO - (<i>Annexure. IV</i>)</p> <p>x. Claim Form - for a refund of performance-based markup benefits - (<i>Annexure. XX</i>)</p>   |
| <b>Other Information</b>                      | <p>i. An exporter may obtain finance limit from more than one bank to the extent of 50% of the export proceeds realized through each bank during the preceding year.</p> <p>ii. The limits may also be switched between any two banks, if the exporter so desires, with the consent of both the banks. In such case, the exporter shall submit all copies of the Form EE-1 duly authenticated by the bank through which the proceeds were realized. Further, a NOC to be submitted to the bank from which the finance is desired to be obtained and declare that he has not obtained any export finance from the former bank.</p> <p>iii. Similarly, by getting a NOC from sanctioning/verifying office, limits can be transferred from one SBP BSC Office to other SBP BSC Office subject to the condition that no duplicate financing is involved.</p> |

<sup>15</sup> A statement showing particulars of export receipts in respect of eligible commodities under part-II of the export finance scheme (used for the entitlement of limit)

<sup>16</sup> A statement showing particulars of export receipts in respect of eligible commodities under part-II of the export finance scheme (used for matching performance)

<sup>17</sup> A statement used for rollover of loan under EFS part-II showing detail of shipment made against already availed loan amount

### 2.3. Procedures to Avail the Facility

- iv. To obtain this facility, the direct exporter can apply on the prescribed form DE-3 (*Annexure. XIV*) and undertaking form UT-DE-II (*Annexure. XII*) to his bank along with form EE-1 (*Annexure. XVII*). The EE-1 form should be submitted in triplicate, the copies being marked as “original”, “duplicate” and “triplicate”.
- i. The indirect exporter can apply on the prescribed IDE-2 (*Annexure. XV*), undertaking form UT-IDE-II (*Annexure. XIII*) to his bank along with SPO (*Annexure. IV*) – issued by the bank of direct exporter on the request of the direct exporter.
- ii. The concerned bank will verify the entries in the application and authenticate the correctness of the entries on all the copies. No bank shall authenticate more than three copies of the Form EE-1 in respect of any exporter for any period.
- iii. The bank will allow finance limit to the exporter on the above basis and will send all copies of Form EE-1 in respect of each case to the FEOD of the respective office of SBP BSC for verification of realization of proceeds.
- iv. After verifying the forms, the concerned FEOD shall return the original and duplicate copies of the EE-1 to the concerned bank while retaining the third copy.
- v. The commercial banks can claim the refinancing from the concerned SBP BSC office on the prescribed Form EB provided in *Annexure. XVI*.
- vi. Exporters availing financing facilities under this part the scheme shall continue to submit EF-1 statement duly verified by the respective offices of FEOD, SBP-BSC within **two months** from the completion of the financial year.
- vii. To rollover the facility, after completion of the initial 180 days or at an earlier date, exporters have to submit a statement as per Form - EP (*Annexure. XIX*). SBP-BSC shall not allow the rollover facility unless shipments to the extent of 70% of refinancing availed are made. Banks will be required to forward duly authenticated copy of the said statement of shipments to the concerned office of the SBP-BSC along-with the loan application for rollover.
- viii. Compliance to the requirements of rollover of the facility shall invariably be checked by the verifying teams of the concerned office of the SBP-BSC, which shall not be substituted for the normal inspection by BID of the SBP.

- ix. The borrowings of a bank under this part of the facility from SBP BSC shall not exceed at any time the total amount lent to the concerned exporter. For any default on this account, the bank shall be liable to pay fine as prescribed under the scheme provided at *Annexure. IX*.
- x. To save an exporter from the unnecessary imposition of fine on account of shortfall in performance at the time of matching his export performance with his borrowing under this part of EFS, the SBP BSC office will serve a notice to the concerned bank of the exporter **15 days before levying of such fine**.
- xi. The exporter may arrange the required amount of fine in the said 15 days out of his excess/surplus performance, if any, with some other bank(s) falling in the jurisdiction of other offices of SBP BSC along-with NOC from such offices. No NOC will, however, be required to be submitted to the concerned SBP BSC office if the combined export performance of the exporter from all the banks falls within the jurisdiction of the same office of SBP BSC.

## SECTION THREE

# ISLAMIC EXPORT REFINANCE SCHEME

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### 3.1. Islamic Export Refinance Scheme: An Overview

With the introduction of specialized Islamic banking institutions in the country, the SBP has added a new mode of financing to the EFS as ‘Islamic Export Refinance Scheme’ against eligible commodities. The scheme operates in two forms i.e.

- **Islamic Export Refinance Scheme – Part I: Transaction-Based**
- **Islamic Export Refinance Scheme – Part II: Performance-Based**

IERS is a Shariah compliant mode of financing available for short-term working capital for exports of value-added goods available through Islamic banks/branches (IBIs). Under this scheme, refinancing from SBP can be availed by the dedicated branches of commercial banks that would work as standalone branches for providing the Islamic Banking Products and Services against financing facilities extended by them to the exporters.

SBP provides refinance facilities to these banks under Section 17 6-B of the SBP Act 1956 on Musharaka principle, which operates on profit and loss sharing basis. The financing limit provided to the Islamic Banks in the first year of their operations is equivalent to a maximum of 1.5 times of their Equity / assigned capital. Subsequently, the limit is fixed keeping in view their performance as a bank, appetite for credit and non-performing loans. Each Islamic bank is liable to create a Musharaka pool consisting of financing to Blue-Chip companies on Islamic modes. The Blue-Chip companies include companies involved in the export business or other business or both, or a manufacturing concern marketing their products in Pakistan or abroad who;

- Have a good track record on the stock exchange; or
- Have a rating of minimum B + or equivalent by the rating agencies approved by SBP for rating banks in Pakistan, such rating should be acceptable to the bank as per its lending policies, for advancing loans; or
- Return on Equity (ROE) during the last three years which should be at least higher than the rates of finance prescribed by the SBP during those years on its conventional EFS. In case of a company, which is in operation for less than three years, the ROE of the available number of years shall be considered as sufficient; and
- Does not have adverse Credit Information Bureau (CIB) report as also no export over dues that are not realized during a period of more than one year.

Such Musharaka Pool shall have a **minimum of 10 companies**, with diversified lines of business to avoid concentration in one or two sectors, and the exposure to one sector should not exceed 50% of the total Musharaka Pool. The Islamic Banks legally bound to achieve the minimum number of the companies within the first year of availing facilities under the Scheme. Further, they have to furnish details in respect of the pool to the Refinance Division of the Small & Medium Enterprises Department of SBP quarterly as per Form -1 attached at *Annexure. XXI*.

| Particulars  |      | Islamic Export Finance Scheme (IEFS) - Part-I: Transaction-Based  |
|--|------|---|
| <b>3.2. Basic Information and Scope of IEFS Part-I</b> |      |   |
| <b>What is the Scheme About</b>                        | iii. | The facility provides financing to the exporters of eligible goods to the extent of 100% of the value of firm export order/contract / LCs.  |
|  | iv.  | The total amount of financing extended by any bank against firm export order/contract or LC to both Direct and Indirect exporters shall not exceed the total amount of the firm export order/contract or LC.  |
|  | ii.  | It is a transaction-based facility which can be availed by exporters at pre-shipment and/or post-shipment stage on case-to-case basis.  |
| <b>Mark Up Rate</b>                                    | i.   | The refinance rate is not fixed under IERS. However, to provide a level playing field to the exporters, the Islamic Banks have to ensure that at the time of entering into an agreement the profit charged by them from the exporters should not exceed the rates prescribed by the SBP under the conventional EFS. |
| <b>Products Covered under the Facility</b>             | ii.  | All major value-added commodities exported from Pakistan are eligible for financing with exception of basic and primary commodities/raw materials as mentioned in the negative list provided in <i>Annexure-I</i> .   |
| <b>Who Can Apply?</b>                                  | iv.  | Both direct exporters <sup>18</sup> of the eligible goods and “indirect exporters/manufactures” <sup>19</sup> , can avail the facility. The indirect exporters/manufactures can avail the facility at pre-shipment stage only.  |
| <b>Loan Period</b>                                     | i.   | Direct exporters can avail the facility for <b>180 days</b> .   |
|  | ii.  | Indirect Exporter can avail the facility <b>up to 120 days</b> .  |

<sup>18</sup> An entity which manufactures and exports, or trading company who procures exports.

<sup>19</sup> A manufacturer or supplier who supplies inputs i.e. materials and goods to a direct exporter to be used for further processing and / or to be exported.

|   |  |
|---|--|
|   | <p>iii. In case, both direct and indirect exporter avail the facility against a particular LC/contract/firm export order, the combined period shall not exceed <b>180 days from the date of the first disbursement.</b></p>  |
| <b>Documents Required</b>                 | <p><b>For Direct Exporters:</b></p> <ol style="list-style-type: none"> <li>i. Application /Undertaking on Form 3 - (<i>Annexure. XXIII</i>)</li> <li>ii. Shariah Compliant Financing Agreement - (<i>Annexure. XXI</i>)</li> <li>iii. Demand Promissory Note (D.P. Note)<sup>20</sup> from exporter - (<i>Annexure. XXV</i>)</li> <li>iv. Export Order/Contract/Letter of Credit</li> <li>v. “EE-1 statement”<sup>21</sup> - (<i>Annexure. XXIX</i>)</li> <li>vi. Original duplicate copy of ‘Form E’<sup>22</sup> (in case facility availed at the post-shipment stage)</li> <li>vii. Bill of lading/Airway bill (in case facility availed at the post-shipment stage)</li> <li>viii. Export Proceed Realization Certificate (EPRC)</li> <li>ix. Invoice (in case facility availed at the post-shipment stage)</li> </ol> <p><b>For Indirect Exporters:</b></p> <ol style="list-style-type: none"> <li>i. Application/Undertaking on Form 4 - (<i>Annexure. XXIV</i>)</li> <li>ii. Shariah Compliant Financing Agreement - (<i>Annexure. XXI</i>)</li> <li>iii. Demand Promissory Note (D.P. Note) - (<i>Annexure. XXV</i>)</li> <li>iv. “Inland Letters of Credit (ILC)<sup>23</sup>/Standardized Purchase Order (SPO)”<sup>24</sup></li> <li>v. EE-1 statement - (<i>Annexure. XXIX</i>)</li> <li>vi. Invoice</li> <li>vii. Truck/Railway receipt</li> <li>viii. Goods Received Note (GRN) / Delivery Challan signed by buyer.</li> </ol> |
| <b>Substitution of Export LC/Contract</b> | <p>iii. In case direct exporter fails to make shipment under the relevant firm export order /LC/contract for which he has availed the finance, he is liable to produce shipping</p>  |

<sup>20</sup> A promissory note is a financial instrument that contains a written promise by one party (the note's issuer or maker) to pay another party (the note's payee) a definite sum of money, either on demand or at a specified future date.

<sup>21</sup> A statement containing details of exports proceeds realized from the exports of eligible goods by the exporter during the previous fiscal year.

<sup>22</sup> Stands for Export Form which is issued by the dealing Bank to make exports. It is a mandatory declaration to the Bank that an export is intended to be made against realization of the foreign exchange which either has arrived in the exporting country or is contracted to arrive after shipment maturity.

<sup>23</sup> It is issued to meet out the credit requirement for domestic trade. This is a form of non-fund-based credit extended by the banks.

<sup>24</sup> The direct exporter, who has a firm export order / contract / LC may request his bank to open an ILC in favor of the indirect exporter or he (the direct exporter) may issue SPO (as per specimen at Annexure-IV) in favor of the indirect exporter.

documents evidencing shipment of the export of same or any other eligible commodity valuing the amount of loan, in respect of another firm export order /LC/contract. However, the direct exporter will have to undertake and confirm separately that he has neither availed any finance under existing EFS (from any of the conventional banks) against any such new export order /LC/contract nor has reported or would report any entry of relevant “E” Forms already utilized by him under this scheme or existing EFS.

- iv. No facility of substitution is available to the indirect exporter in respect of the supply of inputs to the direct exporters.

### 3.3. Procedures to Avail the Facility under IEFS Part-I

- i. To avail the facility a direct exporter can submit an application on the prescribed ‘Form 3’ (*provided in Annexure-XXIII*) to the Islamic bank against LC or on receipt of a firm export order. While an indirect exporter can process his application as per prescribed ‘Form 4’ (*Annexure-XXIV*) against an ILC or SPO to his bank. The direct exporter who has a firm export order/contract / LC may request his bank to open an ILC in favour of the indirect exporter or the direct exporter may issue SPO as per specimen at *Annexure-IV* in favour of the indirect exporter<sup>25</sup>.
- ii. The bank concerned is responsible for scrutiny of documents submitted by the exporters. The on-site verification team of SBP BSC and inspectors of BID or any other authorized officer of SBP shall examine the cases of finances of the bank under the scheme while making a regular or special inspection of the bank. Further, to that in case of the indirect exporter, his financing bank is liable to certify that the facility availed by the indirect exporter is covered by an export order/contract or LC of the direct exporter and proof of shipping there-against may be collected from the banker of the direct exporter in this regard.

<sup>25</sup> The indirect exporter would be under obligation to supply the required inputs in accordance with the terms of the ILC/SPO, failing which he shall be liable for fines under the Scheme @ Paisa 37 per day per Rs.1,000/= or part thereof. Payment of such fines shall, however, not absolve him for his liabilities to the direct exporter.



- iii. The Islamic banks, after providing finance to the direct/indirect exporters can avail musharaka finance from SBP BSC via an application on Form 2 provided at *Annexure. XXII* giving full particulars of the respective exporters. The concerned office of the SBP BSC will make available the amount to the Islamic Bank and is obliged to release the facilities within 48 hours of receipt of the application complete in all respect including a demand promissory note on the prescribed format provided at *Annexure. XXV*.
- iv. The direct exporter shall be liable to submit the proof of shipments to the Islamic bank concerned against the loan availed under the facility **within 30 days from the expiry** of the loan period or from the date of the last shipment whichever is earlier. He is also liable to submit EPRC evidencing realization of export proceeds as per instructions of the Exchange Policy Department (EPD) of the SBP.
- v. In case shipping documents are not received by the bank from the exporter, on or **before 30 days from** the expiry of the loan period, the Islamic bank shall be required to impose and recover fine<sup>26</sup> from the concerned exporter treating the case as that of non-shipment and pass on the fine so recovered to SBP within **three working days** from such recovery.
- vi. The exporter concerned shall be entitled to refund of fine so recovered, on submission of the relevant documents and after adjusting the fine that may be applicable for delayed shipment and delayed submission of shipping documents. The Islamic bank concerned shall submit the details of such exporters qualifying for the refund to the concerned office of SBP BSC for claiming refund of fine as per prescribed format (*Annexure. XXVI*). The SPB BSC shall refund the same to the bank concerned, if found justified and the bank would be liable to pass on the refund amount to the exporter concerned on the following working day, without any delay.
- vii. The loan granted to the indirect exporter, along with profit thereon, shall be adjusted upon delivery of the inputs and payment under the ILC/SPO or at the expiry of the period of **120 days**, whichever is earlier. The indirect exporter is liable to submit documents, evidencing utilization of the loan to the bank within **15 working days** of the supply of goods to the direct exporter.

<sup>26</sup> Fine at the rate of Rs 2000 for the default and Rs. 100 per day for each day of default from will be charged from exporters and passed on to the concerned office of SBP within 3 working days.

| Islamic Export Finance Scheme (IEFS) - Part-II: Performance-Based |   |
|---|---|
| 3.4. Basic Information and Scope of IEFS Part-II                  |   |
| <b>What is the Scheme About</b>                                   | <ul style="list-style-type: none"> <li>i. A performance-based facility where the exporters can avail the financing equivalent to 50% of export proceeds realized through the export of eligible commodities in the preceding financial year (July-June).</li> <li>ii. The export performance of an exporter is matched annually against total loan availed during the financial year against every application submitted by the exporter. In case of shortfall in performance /non-export, fine will be imposed as prescribed under this part of the scheme<sup>27</sup>.</li> <li>iii. The exporters are free to utilize the facility within entitlement of limit for the whole year, however, the refinance limits sanctioned based on financial year are due to expire on 30<sup>th</sup> June each year.</li> </ul> |
| <b>Mark Up Rate</b>   | <ul style="list-style-type: none"> <li>i. The refinance rate is not fixed under IERS. However, to provide a level playing field to the exporters, the Islamic Banks have to ensure that at the time of entering into an agreement the profit charged by them from the exporters should not exceed the rates prescribed by the SBP under the conventional EFS.</li> </ul>  |
| <b>Products Covered under the Facility</b>                        | <ul style="list-style-type: none"> <li>i. All major value-added commodities exported from Pakistan are eligible for financing with exception of basic and primary commodities/raw materials as mentioned in the negative list provided in <i>Annexure-I</i>.</li> </ul>   |
| <b>Who Can Apply?</b>   | <ul style="list-style-type: none"> <li>i. Exporters of the eligible goods can avail the facility.</li> <li>ii. Indirect exporters/manufactures”</li> </ul>  |
| <b>Loan Tenor</b>   | <ul style="list-style-type: none"> <li>i. Direct exporters can avail the facility for <b>180 days</b>.</li> <li>ii. Indirect Exporter can avail the facility <b>up to 120 days</b>.</li> <li>iii. In case, both direct and indirect exporter avail the facility against a particular LC/contract/firm export order, the combined period shall not exceed <b>180 days from the date of the first disbursement</b>.</li> </ul>  |
|   |   |

<sup>27</sup>Fine at the rate of Paisa 37 per 1000 of the product of the shortfall as required under the scheme.

|                           |  |
|---------------------------|--|
| <b>Documents Required</b> | <p><b>For Direct Exporters:</b></p> <ul style="list-style-type: none"> <li>i. Application /Undertaking on Form 3 – (<i>Annexure-XXIII</i>)</li> <li>ii. Shariah Compliant Financing Agreement - (<i>Annexure. XXI</i>)</li> <li>iii. Demand Promissory Note (D.P. Note) from exporter – (<i>Annexure-XXV</i>)</li> <li>iv. Export Order/Contract/Letter of Credit</li> <li>v. EE-1 statement – (<i>Annexure-XXIX</i>)</li> <li>vi. EF-I Statement – (<i>Annexure-XXX</i>)</li> <li>vii. Export Proceed Realization Certificate (EPRC)</li> </ul> <p><b>For Indirect Exporters:</b></p> <ul style="list-style-type: none"> <li>i. Application/Undertaking on Form 4 – (<i>Annexure-XXIV</i>)</li> <li>ii. Shariah Compliant Financing Agreement - (<i>Annexure. XXI</i>)</li> <li>iii. Demand Promissory Note (D.P. Note) – (<i>Annexure-XXV</i>)</li> <li>iv. Inland Letters of Credit (ILC) /Standardized Purchase Order (SPO)</li> <li>v. EE-1 statement – (<i>Annexure-XXIX</i>)</li> <li>vi. Invoice</li> <li>vii. Truck/Railway receipt</li> <li>viii. Goods Received Note (GRN) / Delivery Challan signed by buyer.</li> </ul> |
|---------------------------|--|

### 3.5. Procedures to Avail the Facility under IEFS Part-II

- i. To obtain this facility, the direct exporter can submit to his bank an application on Form 3 (*Annexure. XXIII*), demand promissory note (*Annexure. XXV*), and Form EE-1 (*Annexure. XXIX*). The EE-1 form needs to be submitted in triplicate, the copies being marked as “original”, “duplicate” and “triplicate”.
- ii. The indirect exporter can submit the application on prescribed Form 4 (*Annexure. XXIV*) to his bank along with SPO (*Annexure. IV*) issued by the bank of direct exporter on the request of the direct exporter.
- iii. The concerned bank will verify the entries in the application and authenticate the correctness of the entries on all the copies and will forward the same to Exchange Verification Unit (EVU) of the concerned SBP BSC office on the prescribed form provided at *Annexure. XXVII*.
- iv. After verification, the concerned EVU shall return the original and duplicate EE-1 to the concerned bank and retains the third copy within a maximum period of 25 days from the receipt of the same. The Islamic Bank concerned will resubmit the verified copy of the Duplicate Form EE-I to the Refinance Division of the relevant office of SBP-BSC on or before 31st August each year to report entitlement of the limit and finalize the same by the office concerned.
- v. The bank will allow finance limit to the exporter on basis of verified Form EE-1 and such limit should have to be shariah-compliant as approved by shariah board of Islamic Bank.
- vi. The concerned office of the SBP BSC will make available the refinance to the Islamic Bank in an amount equivalent to the facilities extended by the Islamic Bank to its clients under the Scheme. The concerned office of the SBP BSC shall be under obligation to release the facilities **within 48 hours of receipt** of the application complete in all respect.
- vii. Exporters availing financing facilities under this part the scheme shall continue to submit EF-1 (*Annexure. XXX*) statement duly verified by the respective offices of EVU within **two months** from the completion of the financial year.

## ANNEXURE

## I. Negative List- List of Commodities not Eligible for Export Refinance under the Export Finance Scheme

| Sr. No | Commodity   | Harmonized Code |  |
|--------|---|-----------------|--|
|        |   | Main HC ITC     | Sub Heading No.  |
| 1      | Raw Cotton<br>(Excluding Surgical Bleached / Absorbent) | 52.01           | 1404.20  |
|        |   | 52.02           |  |
|        |   | 52.03           |  |
|        |   | 52.03           |  |
| 2      | All Types of Yarn                                       | 52.05           | 5207.1000  |
|        |   | 52.06           | 5207.9000  |
| 3      | Mutton and Beef other than frozen & preserved           | 02.01           | Excl. Only frozen & preserved Edible Offal of bovine animals covered under HS. Code No.02062900.<br>Excl. 0208.20. Frog Legs |
|        |   | 02.02           |  |
|        |   | 02.03           |  |
|        |   | 02.04           |  |
|        |   | 02.06           |  |
|        |   | 02.08           |  |
|        |   | 16.01           |  |
| 16.02  |   |                 |  |
| 4      | Petroleum Products                                      | 27.08           | Excl. 2710.0011 Motor Spirit.<br><br>Excl. 2712.1000 Petroleum Jelly Excl. 2712.2000 Paraffin wax.                           |
|        |   | 27.10           |  |
|        |   | 27.11           |  |
|        |   | 27.12           |  |
|        |   | 27.13           |  |
|        |   | 27.14           |  |
| 27.15  |   |                 |  |
| 5      | Crude Vegetable materials n.e.s.                        | 6.01            | (Excl. Rose Buds / Flower)   |
|        |   | 6.02            | (Excl. Sassafras Leaves)   |
|        |   | 12.11           |  |
|        |   | 12.13           |  |
|        |   | 12.14           |  |
|        |   | 13.01           | (Excl. Guar Gum Extract / Guar Protein / Liquor ice Extract/Asafetida Hing).   |
|        |   | 13.02           |  |

|       |                                  |       |   |
|-------|----------------------------------|-------|---|
|       |                                  | 14.01 | (Excl Lithospermum Viaticum Rattan Jot)   |
|       |                                  | 14.02 |   |
|       |                                  | 14.03 |   |
|       |                                  | 14.04 | (Excl. Henna Powder) (1404.1010)  |
| 6     | Wool & Animal Hair               | 5.02  |   |
|       |                                  | 5.03  |   |
|       |                                  | 51.01 |   |
|       |                                  | 51.02 | (Excl Wool Tops) (5105.29)  |
|       |                                  | 51.03 |   |
|       |                                  | 51.04 |   |
| 7     | Crude Animal Material            | 51.05 |   |
|       |                                  | 04.07 |   |
|       |                                  | 04.08 |   |
|       |                                  | 05.04 | (Excl. Animal Casings & Fatends)  |
|       |                                  | 05.05 |   |
|       |                                  | 05.06 |   |
|       |                                  | 05.07 | (Excl. Bones).  |
|       |                                  | 05.08 |   |
|       |                                  | 05.09 |   |
|       |                                  | 05.1  |   |
| 8     | All Grains including Grain Flour | 05.11 |   |
|       |                                  | 10.01 |   |
|       |                                  | 10.02 |   |
|       |                                  | 10.03 |   |
|       |                                  | 10.04 |   |
|       |                                  | 10.05 |   |
|       |                                  | 10.06 |   |
|       |                                  | 10.07 |   |
|       |                                  | 10.08 |   |
|       |                                  | 11.01 | (Excluding Packeted Irri /Basmati / Parboiled / White/Broken Rice in retail packets of 1-50 kgs). Moreover, the export of Brown Rice in bulk/lose packing is also eligible under EFS. |
|       |                                  | 11.02 |   |
|       |                                  | 11.03 |   |
|       |                                  | 11.04 |   |
| 11.06 |                                  |       |   |
| 9     | Stone, Sand and Gravel.          | 25.05 |   |
|       |                                  | 25.06 |   |
|       |                                  | 25.07 |   |
|       |                                  | 25.14 |   |

|       |  |       |   |
|-------|--|-------|---|
|       |  | 25.15 | (Excluding: Onyx, marble and Granite tiles/slabs polished or unpolished cut into regular size with a maximum thickness of one inch.   |
|       |  | 25.16 |   |
|       |  | 25.17 |   |
|       |  | 25.2  |   |
|       |  | 25.21 |   |
| 10    | Waste & Scrap of all kinds                       | 23.03 | 2303.10 (Excluding Rice Gluten)   |
|       |  | 23.04 |   |
|       |  | 23.05 |   |
|       |  | 23.06 |   |
|       |  | 23.07 |   |
|       |  | 23.08 |   |
|       |  | 26.18 |   |
|       |  | 26.19 |   |
|       |  | 26.2  |   |
|       |  | 26.21 |   |
|       |  | 39.15 |   |
|       |  | 41.1  |   |
|       |  | 47.07 |   |
|       |  | 55.05 | 5301.3  |
|       |  | 57.03 | 5303.9  |
|       |  | 71.12 |   |
|       |  | 72.14 |   |
| 74.04 |  |       |   |
| 76.02 |  |       |   |
| 78.02 |  |       |   |
| 79.02 |  |       |   |
| 80.02 |  |       |   |
| 11    | Fertilizer Crude                                 |       | 3101  |
|       |  | 25.1  | 3102.5  |
|       |  |       | 3104.1  |
| 12    | Jewellery exported under the Entrustment Scheme. |       | (Excluding Gold Jewelry embedded with or without precious/semi-precious stones to be financed as per BPD Circular No.12 of 2003 on case by case basis against Firm Export Order/LC. |
| 13    | Live Animals                                     | 01.01 |   |
|       |  | 01.02 |   |
|       |  | 01.03 |   |

|    |                  |       |  |
|----|------------------|-------|--|
|    |                  | 01.04 |  |
|    |                  | 01.05 | (Excl. Hatching Eggs & Day Old Chicks    |
|    |                  | 01.06 |  |
| 14 | Hides & Skins    | 41.01 |  |
|    |                  | 41.02 |  |
|    |                  | 41.03 |  |
| 15 | Leather Wet Blue | 41.04 | 4104.21 to 4104.29                       |
|    |                  | 41.05 | 4105.11 to 4105.19                       |
|    |                  | 41.06 | 4106.11 to 4106.19                       |
|    |                  | 41.07 | 4107.21                                  |
| 16 | Crude Minerals   | 25.01 | (Excl. Refined / Treated Salt)           |
|    |                  | 25.02 |  |
|    |                  | 25.03 |  |
|    |                  | 25.04 |  |
|    |                  | 25.07 |  |
|    |                  | 25.08 |  |
|    |                  | 25.09 |  |
|    |                  | 25.11 |  |
|    |                  | 25.12 |  |
|    |                  | 25.18 |  |
|    |                  | 25.19 |  |
|    |                  | 25.22 |  |
|    |                  | 25.25 |  |
|    |                  | 25.26 |  |
|    |                  | 25.27 |  |
|    |                  | 25.28 |  |
|    |                  | 25.29 |  |
|    |                  | 25.3  |  |
|    |                  | 27.01 |  |
|    |                  | 27.02 |  |
|    |                  | 27.03 |  |
| 17 | Antiques         | 97.06 |  |
| 18 | All Metal Ores   | 26.01 |  |
|    |                  | 26.02 | (Excl. Magnesite in the processed form)  |
|    |                  | 26.03 | (Excluding Blister Copper 26.03 & 74.01) |
|    |                  | 26.04 |  |
|    |                  | 26.05 |  |
|    |                  | 26.06 |  |
|    |                  | 26.07 |  |
|    |                  | 26.08 |  |



|    |                             |       |  |
|----|-----------------------------|-------|--|
|    |                             | 26.09 | (Excl. Chrome concentrates in the processed form 26.10).   |
|    |                             | 26.1  |  |
|    |                             | 26.11 |  |
|    |                             | 26.12 |  |
|    |                             | 26.13 |  |
|    |                             | 26.14 |  |
|    |                             | 26.15 |  |
|    |                             | 26.16 |  |
|    |                             | 26.17 |  |
|    |                             | 74.01 |  |
|    |                             | 75.01 |  |
| 19 | Fur Skins                   | 43.01 |  |
|    |                             | 43.02 |  |
|    |                             | 43.03 |  |
| 20 | Wood in rough or squared    | 44.01 |  |
|    |                             | 44.02 |  |
|    |                             | 44.03 |  |
|    |                             | 44.04 |  |
|    |                             | 44.05 |  |
|    |                             | 44.06 |  |
|    |                             | 44.07 |  |
|    |                             | 44.08 |  |
|    |                             | 44.09 |  |
| 21 | Bleached / Unbleached Cloth |       | (Excl. Bleached / unbleached cloth exported at a price of above US \$ 2.50 (or equivalent)/square meter. |

## II. Form-B Application Form for Direct Exporters Under EFS Part-I

**FORM “ B “****APPLICATION / UNDERTAKING FOR FINANCE**

(FOR PRE/POST SHIPMENT UNDER PART I TO BE SUBMITTED BY THE DIRECT EXPORTER)

(To be executed on non-judicial stamp paper)

The Manager,

\_\_\_\_\_ Bank Limited,  
 \_\_\_\_\_ Branch,  
 \_\_\_\_\_ (CITY)

Dear Sir,

I/We, the Direct exporters do hereby certify and confirm that a finance of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) has been allowed to me/us by you under Part-I of the Export Finance Scheme of the State Bank of Pakistan on the basis of the following non-interest based mode, it being understood that return / profit to be derived by the bank shall not exceed \_\_\_\_\_ % when converted into annual percentage terms:- MODE OF FINANCING MARK-UP BASIS

2. I/We, further confirm and undertake that the aforesaid finance will be obtained by Me/us for export of an eligible commodity hereunder against valid firm export order/contract/letter of credit\* in my/our possession.

3. I/We, further confirm and undertake that the aforesaid amount of finance that will be availed by me/us shall be utilized exclusively to meet the cost / expenses of export of eligible commodities against firm export order/contract/letter of credit, particulars of which are given as under :-

| Commodity of Exports with H.S. Code No. | Country of export | Amount of firm export order/contract/letter of credit |      |               |            |                                | Expected Shipment Date |
|---|-------------------|---|------|---------------|------------|--------------------------------|------------------------|
|   |                   | No.   | Date | Amount in FCY | Value Date | Amount in equivalent Pak Rupee |                        |
| 1.                                      | 2.                | 3.  | 4.   | 5.            | 6.         | 7.                             | 8.                     |

4. I/We, do certify that the finance is being obtained by Me/Us against bonafide transaction and I/We submit the following documents along-with this application for your consideration of extension of finance facility to us from your bank under the Export Finance Scheme;

|   | Pre-shipment                                    | Post-shipment  |
|---|---|--|
| 1 | Firm export order / contract / letter of credit | Firm export order / contract / letter of credit along-with acceptance from buyer in case of discrepant documents |
| 2 | DP Note duly executed in your favour            | DP Note duly executed in your favour.  |
|   |   | Original duplicate of Form ‘E’.  |
|   |   | Invoice  |
|   |   | Bill of Lading / Airway Bill   |

5. I/We, certify and confirm that I/We have not obtained any finance against the above

mentioned firm export order / contract / letter of credit / Inland letter of credit/standardized purchase order from any other Bank, except as under.

Amount of FEO/Contract/L/c \_\_\_\_\_  
 Less: Amount of loan already taken Balance Amount \_\_\_\_\_  
 Amount of Loan now being obtained \_\_\_\_\_

6. I/We, do, hereby further undertake to submit the following documents for negotiation / collection against the firm export order/contract/letter of credit under which pre-shipment/post-shipment\* finance has been allowed to Me/Us :-

|    | Pre-shipment                        | Post-shipment   |
|----|-------------------------------------|---|
| 1. | Bill of Lading / Airway Bill        | Export Proceeds Realization Certificate within a period of 120 days from the date of shipment or such extended time as prescribed under foreign exchange regulations. |
| 2. | Invoice                             |   |
| 3. | Original duplicate copy of Form 'E' |   |

7. I/We, further undertake that as the finance has been allowed to Me/Us as a post shipment facility the export proceeds against the documents involved will be appropriated immediately towards repayment of the finance allowed to Me/Us.

*(To be used in case of post shipment finance only)*

8. I/We, hereby confirm and agree that in the event of My/Our failure to effect shipment on or before 180 days and/or failure to submit the above mentioned documents to you within 30 days of the expiry date of finance, you have our Irrevocable Authority to recover from Me/Us and debit My/Our Account No.\_\_\_\_ maintained with you along-with fine for non shipment, at rates prescribed by the State Bank of Pakistan from time to time on the amount of finance availed less the amount repaid as a result of part shipment, if any, from the date of original finance. I/We, authorize the bank to reimburse itself with the fine amount even if we have made a representation to SBP against imposition of fine under the Scheme.

9. I/We, do hereby further confirm and undertake that the documents in respect of the aforesaid Firm Order or Contract / L/C will be realized / negotiated by Me/Us through your Branch / Bank and proceed thereof will be appropriated immediately on realization / negotiation towards the aforesaid finance allowed by you to Me/Us.

10. I/We, do hereby further undertake that I/We shall not claim refinance against any amount of advance payment received from the buyer and that in case any such advance payment is received under the said firm export order/contract or letter of credit, if any, the same shall be surrendered to the bank towards repayment to SBP within three working days failing which I/We shall be liable to pay the fine for late repayment at the rate prescribed by SBP from time to time on the amount and the period involved./We, do hereby confirm that where an Inland Letter of Credit (ILC/Standardized Purchase Order (SPO))\* has been established/opened or will be opened it is understood that I/We in my/our capacity as Direct Exporter shall remain liable for fulfilment of all

the obligations under the said Scheme. I/We further certify that where supplies of inputs/finished goods made under the SPO/ILC are required these shall be used for the manufacture and export of only such commodity which are duly eligible for financing under the Scheme. I/We further confirm and undertake that in case of establishment of ILC or opening of SPO by Me/Us during the currency of the finance, the amount shall be allowed by Me/Us to be utilized by the Indirect Exporter to the extent of the amount and the period involved.

11. I/We further confirm and undertake that in case if the finance is repaid by Me/Us earlier than the due date, I/We, shall continue to be liable to submit to you the relevant proof of shipment of the goods for which the finance was made to Me/Us.

12. I /We, M/s. .... certify that no export bills except those mentioned below are overdue for repatriation, the details of which are as under:-

| Sr.No. | EFormNo. | Shipmentdate | Amount(Fcy) | Banks |
|--------|----------|--------------|-------------|-------|
|--------|----------|--------------|-------------|-------|

I/ We further certify that the export proceeds on the above mentioned bills have not been repatriated for following reasons which are beyond my / our control.

SIGNATURE VERIFIED BY THE BRANCH / BANK

\* Strike out whichever, is inapplicable.

AUTHORIZED SIGNATURE OF THE EXPORTER

N.T.N. \_\_\_\_\_

STATUS: Manufacturing / Semi Manufacturing / Trading Co. { Write only applicable here }

MAILING ADDRESS:

## III. Form C- Application form for Indirect Exporter Under ESF Part-I

**FORM “ C “****APPLICATION / UNDERTAKING FOR FINANCE UNDER PART I****(TO BE SUBMITTED BY THE INDIRECT EXPORTER)**

(To be executed on non-judicial stamp paper)

The Manager,

\_\_\_\_\_ Bank Limited,

\_\_\_\_\_ Branch,

\_\_\_\_\_ (CITY)

Dear Sir,

I/We, \_\_\_\_\_ the Indirect\* exporters do hereby certify and confirm that a finance of Rs. \_\_\_\_\_ Rupees \_\_\_\_\_

only) has been allowed to me/us by you under Part-I of the Export Finance Scheme of the State Bank of Pakistan on the basis of the following non-interest based mode, it being understood that return / profit to be derived by the bank shall not exceed \_\_\_\_% when converted into annual percentage terms:-

**MODE OF FINANCING****MARK-UP BASIS**

2. I/We, further confirm and undertake that the aforesaid finance will be obtained by Me/Us for supply of commodities described by me/us hereunder against valid Inland letter of credit/Standardized purchase order\* established/issued in my favour by (name of the Direct exporter). I/We, further confirm and undertake that the aforesaid amount of finance that will be availed by me/us shall be utilized exclusively to meet the cost / expenses of supply of described commodities against Inland letter of credit / Standardized purchase order, particulars of which are given as under :-

| Commodity to be supplied | Inland letter of credit / Standardized purchase order |      |        | Expected Supply Date | Particulars of Direct Exporters |     |      |
|--------------------------|---|------|--------|----------------------|---------------------------------|-----|------|
|                          | No.   | Date | Amount |                      | FEO/Contract/L/ Cs.             | No. | Date |
| 1.                       | 2.  | 3.   | 4.     | 5.                   | 6.                              | 7.  | 8.   |

3. I/We, certify and confirm that I/We have not obtained any finance against the above mentioned Inland letter of credit/standardized purchase order from any other Bank.

4. I/We, do, hereby further undertake to submit the following documents for negotiation / collection against the Inland Letter of Credit / Standardized Purchase Order under which

pre-shipment finance has been allowed to Me/Us :-

- 6.3 Invoice
- 6.4 Truck / Railway receipt.
- 6.5 Goods Received Note GRN / Delivery challan signed by the buyer.

5. I/We, hereby confirm and agree that in the event of My/Our failure to effect supplies on or before 120 days and/or failure to submit the above documents to you within 15 days from the expiry date of finance, you have our Irrevocable Authority to recover from Me/Us and debit My/Our Account No.

maintained with you along with fine for non supply at the rate as prescribed by the State Bank of Pakistan from time to time on the amount of finance availed less the amount repaid as a result of part supply, if any, from the date of original finance. I/We, authorize the bank to reimburse itself with the fine amount even if we have made a representation to SBP against imposition of fine under EFS.

6. I/We further confirm and undertake that in case if the finance is repaid by Me/Us earlier than the due date, I/We, shall continue to be liable to submit to you the relevant proof of supply of the goods for which the finance was made to Me/Us.

SIGNATURE VERIFIED BY THE BRANCH / BANK

Strike out whichever, is inapplicable.

AUTHORIZED SIGNATURE OF THE EXPORTER

N.T.N. \_\_\_\_\_

STATUS: Manufacturing / Semi Manufacturing / Trading Co. { Write only applicable here }

MAILING ADDRESS:

#### IV. Standardized Purchase Order (SPO) for purchase of Inputs by the Direct Exporter from Indirect Exporter

|                |            |              |
|----------------|------------|--------------|
| SPO: No. _____ | Date _____ | Amount _____ |
|----------------|------------|--------------|

Name & Address of the Direct Exporter (DE)

Name & Address of the Banker of the Direct Exporter

Name & Address of the Indirect Exporter (IDE)

Name & Address of the banker of the IDE

Reference of the Firm Export Order/L.C.

No.

Date

Particular of the commodity to be purchased:-

| Commodity with its Harmonized Code | Quantity | Value Total | Due Date of Delivery | Payment Terms   |             |       |
|------------------------------------|----------|-------------|----------------------|-----------------|-------------|-------|
|                                    |          |             |                      | Advance, if any | On delivery | Total |
| I                                  | ii       | iii         | Iv                   | V               | vi          | Vii   |

Particulars in respect of exporter who intend to use inputs under Part-II:-

| Entitlement of the DE under Part II fixed by the bank. | Amount finance provided as on date. | Total amount of SPOs already issued | Amount of the present SPO | Total value of SPOs (c + d) | Total value of the outstanding ILC | Balance entitlement (a-b-e-f) |
|--|-------------------------------------|-------------------------------------|---------------------------|-----------------------------|------------------------------------|-------------------------------|
| A  | B                                   | C                                   | D                         | E                           | F                                  | G                             |

Certified that the above contents are correct to the best of our knowledge and belief, and the above items being purchased / to be supplied shall be used for execution of an export order / L.C.

Authorized Signature of the Direct Exporter

Authorized Signature of the IDE

Authorized Signature of the Bank of the DE

\* Instructions for filling of the table :-

- Entitlement means the amount of financing facility to which the Direct Exporter is eligible under Part II of the Scheme financed through the bank stated at Sr. No.2 above.
- Amount of finance means the finance provided by the stated bank to Direct Exporter for (i) his own value addition, and (ii) supplies already received by the DE against ILC or SPO.
- Total amount of SPO means the sum total of all SPOs already issued, however payment against them are yet to be made by the financing bank to the banker of the IDE.
- Total value of outstanding ILCs means sum total of the ILC already issued but yet to be negotiated.

## V. Refinance Claim Form for Commercial Banks from SBP BSC

To,

**FORM “D”**

The State Bank of Pakistan,

\_\_\_\_\_  
\_\_\_\_\_

Dear Sir,

In terms of the agreement executed by us with you on (Date) we hereby apply to you for refinance to the extent of Rs. \_\_\_\_\_ against finances provided by us to (name of the Direct/ Indirect Exporter) by way of export finance as per details given as under :-

|   |   |  |
|---|---|--|
| 1 | Name of Branch:   |  |
| 2 | Name of Exporter  |  |
| 3 | Address of Exporter   |  |
| 4 | Particulars of Exporter:-<br>Type of exporter<br>Status of exporter<br>NTN Number<br>Export Regn. No.<br>Whether first time exporter  | Direct / Indirect*<br>Corporate/Medium/Small *<br><br>Yes/No*                                      |
| 5 | Nature of business  | Manufacturing / Semi manufacturing<br>/ Trading *  |
| 6 | Finance provided against  | Export order/Contract/Letter of<br>credit/Inland letter of<br>credit/Standardized purchase order * |
| 7 | Particulars as to amount of Export order / Contract /<br>Letter of credit/Inland letter of credit/Standardized<br>purchase order :-<br>Name of buyer<br>No.<br>Date<br>Currency<br>Amount in Foreign Currency, (if applicable)<br>Exchange rate<br>Amount in PakRs. |  |



|    |  |  |
|----|--|--|
| 8  | Particulars as to inputs of Export order/Contract/Letter of credit/Inland letter of credit/Standardized purchase order:-<br>Domestic inputs<br>Foreign inputs (FC)<br>Value addition<br>Total amount |  |
| 9  | Amount of Finance granted  |  |
| 10 | Date of Finance<br>Rate of Finance/Refinance   |  |

|    |  |  |
|----|--|--|
| 11 | Commodity to be Exported / supplied (HS Code)  |  |
| 12 | In case of post shipment date of shipment.   |  |
| 13 | Destination.   |  |
| 14 | In case financing has been extended to an Indirect Exporter:<br>Direct exporters name<br>Firm export order /contract/Letter of credit<br>Date<br>Commodity |  |
| 15 | Due date of shipment/supply  |  |
| 16 | Due date of repayment of finance   |  |
| 17 | Amount of finance already availed by the exporter against the Export order/Contract/Letter of credit mentioned in column 7 above                           |  |
| 18 | Amount of refinance requested  |  |
| 19 | Amount of overdue bills<br>Reasons for allowing EFS despite Overdue bills  |  |

As provided in the said Agreement we enclose demand promissory notes for Rs (in figures) (Rupees in words) only) duly executed by us in your favour in respect of the finances sanctioned and disbursed by us to (name of the Direct/ Indirect Exporter)

*We hereby certify that we have obtained all the necessary documents in original as required under the Scheme and undertake to retain the same as per provisions of the Scheme and further that these have been checked and found in order and duly stamped. .*

We also authorize SBP to recover the amount of refinance along-with fine, if any, in case the amount is not repaid by us on due date as specified above.

Authorised Signature of Bank

*(Name & Designation)*

Authorised Signature of Bank

*(Name & Designation)*

\* *Strike out, whichever is inapplicable*  
Note:-

- 1) Refinance Claim Form is required to be submitted separately for each exporter along-with D.P. Note of the amount of Loan.
- 2) For filling Column: No.8. Please specify all types of inputs for manufacturing the commodity.
- 3) The bank concerned will provide finance to IDE's for supplies of domestic inputs, in case authorized by the direct exporter on the basis of ILC/SPO through that bank only.
- 4) Existing instructions with reference to ILC / SPO shall continue.

## VI. Form A- Demand Promissory Note

## FORM 'A'

FORM OF THE AGREEMENT TO BE SUBMITTED BY THE  
PRINCIPAL / HEAD OFFICE OF THE SCHEDULED BANK  
(TO BE STAMPED AS AN AGREEMENT IN ACCORDANCE  
WITH THE LAW IN FORCE IN EACH PROVINCE).

------(Place)

------(Date)

\_\_\_\_\_  
\_\_\_\_\_  
To,  
The State Bank of Pakistan,

\_\_\_\_\_  
Dear Sir,

In consideration of your agreeing at our request, to make available refinance at your discretion to us

from time to time under Section 17(2) (a) / Section 17(4) (c) of the State Bank of Pakistan Act, 1956, not

exceeding the sum of Rs. \_\_\_\_\_ for which amount we have delivered to you a demand promissory note in your favour, we agree as follows:-

(1) As security for the said refinance on each occasion on which we intend to avail refinance against

finance extended by us, we shall deliver to you demand promissory notes acceptable to you and drawn on and payable in Pakistan based on bonafide finances provided by us to exporters on the basis of any one of the non interest modes of financing under the Export Finance Scheme and it being understood that the aforesaid accommodation will be made and continued on the faith of the truth and correctness of such certificates.

(2) We undertake that we shall not extend finance to any exporter under the terms of this agreement unless we are satisfied that all parties liable thereon are financially sound, solvent and credit-worthy

(3) We undertake that we shall at all times execute or maintain separate legal documentation and records including export order / letters of credit / standardized purchase order / inland letters of credit and further security documents, notes, bonds, agreements etc., including the assignment deed of securities now held by us or which may be obtained by us from our borrowers subsequently, as are adequate to safe guard our interest against the loan for which this agreement has been executed. We also agree and undertake to keep all such documents in trust for a reasonable period as per provisions of the Scheme. We further agree that you or any official authorized by you shall have the right of inspection of our records and documents for which refinance has been obtained by us and that you shall have the right to seek and obtain full assistance and cooperation from us for discharging your duties and performing your functions.

(4) The profit to be earned by us from the exporters expressed in annual percentage shall not exceed the rate prescribed under the Scheme, which profit shall be shared by us with you in the manner laid down in the Scheme.

(5) Without prejudice to your right to obtain repayment of the amount of refinance outstanding at any

time on demand, we undertake that the refinance taken by us on each occasion will be repaid by us in the manner and within the maximum period prescribed under the Scheme. In case the exporter repays the finance earlier than the said period we shall be bound to repay to you the amount of

refinance so repaid by the exporter within a period of 3 working days of the date on which the exporter repays the finance to us.

(6) Without prejudice to your rights as creditors against us for the realization of any bill of exchange /

promissory note at maturity, we agree, if you so desire, to take at our expense, all steps as may be necessary to

realize the money from our debtors and forthwith pay the same to you to the extent we are required to pay our obligation in the manner specified in paragraph (5) above and pending such payments shall hold the same for and on your behalf.

(7) We agree that the fact of your not taking steps to enforce payment of such demand promissory notes or any of them against the signatory or signatories thereon shall in no way release us from liability thereon and we further agree that it shall be unnecessary for you to give any notice of dishonour.

(8) We agree that in default of repayment by us on the demand promissory note executed by us or if

demanded by you under the terms of clause 5 and 6 above, you have our authority not only to debit our accounts now held or which may be held here-after with you for the amount due by us against any or all of such demand promissory notes executed by us without further reference to you but also to adjust or set off such amount against any amount which may be due from you to us or come into your possession and that we undertake not to question the correctness or propriety of such debits or set off on any ground whatsoever.

(9) We undertake to advise you promptly of any change in the position of any exporter provided with finance by us under the Export Finance Scheme where-against refinance obtained from you which can reasonably be considered to affect the security of the demand promissory note hereunder.

(10) We agree that under this Agreement, the demand promissory note executed by us for Rs. \_\_\_\_\_ (notice of dishonour of which promissory note is merely waived under Section 98 of Negotiable Instrument Act, 1881), and tendered by us in terms of clause 1 above and the securities / security documents mentioned in clause 3 and shall operate as a continuing security for the said refinance and all costs, under law notwithstanding the existence of a credit balance at any time or any partial payments or fluctuations in accounts or withdrawal of any part of the security.

(11) If the exporter provided with finance by us under the Export Finance Scheme fails to utilize the finance exclusively for the purposes prescribed or effect the supplies within the period prescribed under the Scheme, we undertake to recover from him within 15 days following the date of his failure to utilize the finance exclusively for the purpose, along-with fines at the rates as may be prescribed by the State Bank from time to time. The fine so recovered will be passed on by us to the State Bank not later than three working days after the date of recovery. If we fail to pass on the fine as aforesaid you shall have the right to, (a) adjust or set off the same against any amount due to us from you, or (b) debit our accounts now held or which may be held thereafter with you.

(12) Any demand to be made by you under the agreement shall be sufficiently made if it is made in writing and addressed and sent by post or otherwise to our Head Office or our branch tendering the document mentioned in clause 1 above.

(13) We agree to obtain an undertaking from the exporter concerned that the finances provided by us to them, shall be exclusively used by them for financing exports or supplies of inputs and that they would promptly furnish, at their expense, such information, in such form and at such time as we may demand from time to time.

(14) We expressly understand that you are entitled to cancel this refinance limit or to recall the refinances at any time for any reason whatsoever or howsoever, without any prior notice to us and that you are entitled not to make any refinances anytime under the aforesaid scheme and that we have acquired no right or claim for demanding refinance from you by grant of the said lines of credit under the Scheme or by the execution of demand promissory note in your favour or by deposit of demand promissory note in your favour or by making a loan or advance to any borrower on the faith of this agreement.

(15) We agree that all amounts received by us from the exporter/supplier for which refinance has been obtained from you shall be applied by us in repayment of this refinance to you and till so applied, shall be held by us for and on your behalf.

(16) We agree that notwithstanding anything contained elsewhere in this agreement the amount of this refinance will become due and payable by us, if we commit breach of any of the terms and conditions of this agreement. We agree that you have our authority to decide whether we have committed breach of any of the terms and conditions of this agreement and that we shall not question such decision on any ground whatsoever.

(17) We agree to hold the securities / security documents now held or which may be held by us as security for the export finance given to the exporter/supplier as trust for you so long as any refinance in respect of these advances remain outstanding from us and by way of security for due repayment thereof and we undertake to deal with the same as you may direct. We further agree that if and when we realize these securities or any part of it we shall pay over to you all such realizations, to the extent required to pay our obligation and pending such payment, shall hold the same for and on your behalf. We further agree to assign / transfer to you, at your demand and at our expense, all such securities and security documents in your favour. We agree that despite such assignment / transfer the provision of clause 8, 9 and 10 shall mutatis mutandis apply.

(18) Save as is otherwise provided in this agreement such contents of the Scheme as circularized vide BSD Circular No. 35 dated the 28th September, 2001 as modified from time to time which are relevant to thi Agreement shall be deemed to have been incorporated in this agreement.

Yours faithfully,

For and / on behalf of \_\_\_\_\_

\_\_\_\_\_  
(Name of the Scheduled Bank)

(Signature) \_\_\_\_\_

(Designation) \_\_\_\_\_

VII. Form to Claim refund of fine by Commercial Banks from SBP BSC

Name of the Bank\_\_\_\_\_\*

DATE

The Chief Manager, State Bank of Pakistan,

Dear Sir,

Request for refund of fine(s) under Part-I

We request for refund of fines as per the following particulars in respect of refinance loans under Part I of Export Finance Scheme:-

| r. No. | Name of the Exporter | Branch | Demand Loan |        |               | Status of shipment |          |             | Fine charged for non-shipment | Date of                  |                              | Fine Recoverable                     |                    |                       |       | Fine Refundable |
|--------|----------------------|--------|-------------|--------|---------------|--------------------|----------|-------------|-------------------------------|--------------------------|------------------------------|--------------------------------------|--------------------|-----------------------|-------|-----------------|
|        |                      |        | No.         | Amount | Date of grant | Due date of loan   | Due Date | Actual date |                               | Fine charged to exporter | Fine amount passed on to SBP | For delay in submission of documents | For short shipment | For delay in shipment | Total |                 |
| 1.     | 2.                   | 3.     | 4.          | 5.     | 6.            | 7.                 | 8.       | 9.          | 10.                           | 11.                      | 12.                          | 13.                                  | 14.                | 15.                   | 16.   | 17.             |
|        |                      |        |             |        |               |                    |          |             |                               |                          |                              |                                      |                    |                       |       | (10 minus 16)   |

We confirm that the amount refundable and shown under Column 17 above is/are correct to the best of our knowledge and that such cases shall be verifiable later by inspector of State Bank of Pakistan.

Yours faithfully,

(Authorized Signature) Name & Designation

**\* To be submitted by the dealing branch /Head Office of the bank concerned which availed refinance from the respective office of SBP.**

VIII. Application Form to be submitted by Exporter for Extension of the Facility

STATEMENT OF PERFORMANCE AGAINST REFINANCE OBTAINED FROM SBP UNDER THE EXPORT FINANCE SCHEME (PART-1) INCLUSIVE OF FINANCES/REFINANCES OBTAINED BY THE DIRECT OR INDIRECT EXPORTES

Name of the Scheduled Bank: \_\_\_\_\_

Address (Branch) \_\_\_\_\_

Date. \_\_\_\_\_

Demand Loan No. \_\_\_\_\_ Date of grant. \_\_\_\_\_ Amount. \_\_\_\_\_

Date of receipt of shipping documents from the Exporter. \_\_\_\_\_

| Name and addresses of the Direct Exporter | Name and addresses of the Indirect Exporter | ELC/FEO against which finance was obtained |        |      | ILC/SPO against which finance was obtained * |        |      | No. of ELC/FEO against which shipment was affected | Name of the commodity exported | Commodity supplied * | Date of shipment (As per B/L) | Date of Supply* |      |
|---|---|--|--------|------|--|--------|------|--|--------------------------------|----------------------|-------------------------------|-----------------|------|
|   |   | No   | Amount | Date | No   | Amount | Date |  |                                |                      |                               | Amount          | Date |
| 1.  | 2.  | 3.   | 4.     | 5.   | 6.   | 7.     | 8.   | 9.   | 10.                            | 11.                  | 12.                           | 13.             | 14.  |
|   |   |  |        |      |  |        |      |  |                                |                      |                               |                 |      |

| Particulars of relevant 'E' forms Nos. in case of shipment by DE |        | GRN/ Truck receipts<br>Railway Receipts<br>in case of supplies by IDE * | Date / Amount of finance availed by exporter | Date / Amount of refinance obtained from SBP by financing Bank | Amount / Period of refinance utilized in the name of DE | Amount / Period of refinance utilized by IDE | Profit /Return charged from DE | Profit /Return charged from IDE(s) | Date of realization expected |    |
|--|--------|---|--|--|---|--|--------------------------------|------------------------------------|------------------------------|----|
| No   | Amount | Amount  | Date   |  |   |  |                                |                                    |                              |    |
| 15.  | 17     | 18  | 19   | 20   | 21  | 22   | 23                             | 24                                 | 25                           | 26 |
|  |        |   |  |  |   |  |                                |                                    |                              |    |

We undertake and certify as under: -

- i) that the contents of this statement are correct to the best of our knowledge and belief.

that the shipments/EForms reported in this statement have not been used/shall not be used by us in duplication for reporting performance under Part-I or Part-II as the case may be in violation of the provisions of Export Finance Scheme.

For and on behalf of

(Signature of the exporter)      (Signature)      (Signature)

Seal of the Exporter Designation \_\_\_\_\_ Designation

*\* Information pertaining to the indirect exporter*

Name of the Bank



**IX. Form EE-1 – EFS Part-I**

(To be submitted in Triplicate)

**PARTICULARS OF EXPORT RECEIPTS IN RESPECT OF ELIGIBLE COMMODITIES UNDER PART-I OF THE EXPORT FINANCE SCHEME FOR THE MONITORING PERIOD.....**

Full Name and Address of the Exporter \_\_\_\_\_ Export Registration Number/NTN \_\_\_\_\_  
 \_\_\_\_\_ Name and Address of the Bank \_\_\_\_\_

| Sr. No. | Export Form No. (Full No. With Prefix) | Name of Consignee | Commodity | *H.S. Code (8 digits) | Contract/L.C. under which shipment made |      |        | Date of shipment | Date of Negotiation | Proceeds realized or to be realized |               |                      |   | Monthly return and the name of Office of SBP BSC to which realization reported by the bank (As per FEOD requirement) | Bill Negotiated /sent for Collection / Advance/ Part Payment (Specify) | Remarks |
|---------|--|-------------------|-----------|-----------------------|---|------|--------|------------------|---------------------|-------------------------------------|---------------|----------------------|---|--|--|---------|
|         |  |                   |           |                       | No                                      | Date | Amount |                  |                     | Amount in Foreign Exchange          | Exchange Rate | Amount in Pak Rupees | Date of Realization in cas e export proceeds already realized |  |  |         |
| 1       | 2                                      | 3                 | 4         | 5                     | 6                                       | 7    | 8      | 9                | 10                  | 11                                  | 12            | 13                   | 14  | 15   | 16   | 17      |

*\* In case of mismatch b/w the commodity and HS code, Commodity will be considered as final for eligibility in EE-1 and EF-1 statements to be submitted in FY 2011-12. However, in subsequent years in case of such mismatch between commodity & HS Code, the entry will not be considered for performance/entitlement until rectified.*

| Grand Total (To be shown on last page) |          |        |
|--|----------|--------|
| Sr No.                                 | Currency | Amount |
| 1                                      | USD      |        |
| 2                                      | Euro     |        |
| 3                                      |          |        |
| Total                                  |          |        |

I/We hereby solemnly affirm that the above statement does not include:-

- (i) Any export of commodities which do not qualify for export finance under the Scheme.
- (ii) The exports on usance basis reported in this Statement are against irrevocable letter(s) of credit which is/are eligible for negotiation without reserve and the usance bills in respect thereof have not been negotiated with a scheduled bank in Pakistan except those mentioned above.

Signature of the Exporter

Countersigned by the Bank (Name and Designation of the Authorized Officer of the Bank).

(To be verified and authenticated by Foreign Exchange Operation Department/Division of concerned SBP BSC Office.

## IX. Fine under EFS Par-II

| S. No. | Nature of Default  | Rate of Fine  |
|--------|--|---|
| I      | Short-fall in performance  | In case of non-performance, fine shall be charged at the rate of Paisa 37 per Rs.1000 or part thereof (Product). However, where performance is in excess of 50% of the prescribed level, fine shall be charged at the rate of Paisa 28 per Rs.1000 of the shortfall or part thereof.  |
| II     | Fine for any other default by the exporter/bank  | Paisa 37 per day per Rs.1000 or part thereof, however, depending upon the nature of irregularity by the exporter and/or bank or both, in administering the Scheme, such as misuse of the facilities, utilization of the Scheme on fraudulent and or tempered documents etc, SBP may also consider to place an embargo for a period of one year on the bank and / or exporter or both for availing financing facilities under EFS. |
| III    | Fine for wrong information and incorrect reporting / entry in statement (EF-1, EE-1 or in any other Forms required to be submitted to SBP. | Rs.100 per wrong entry.   |

## X. Form-E

**Declaration to be furnished by exporters pursuant to section 12(1) of the Foreign Exchange Regulation Act, 1947 read with government notifications No. 1(6)-ECS/48 and No. 1 (7)-ECS/48 both dated the 1st July, 1948.**

|   |            |                          |                                 |  |  |
|---|------------|--------------------------|---------------------------------|--|--|
| <b>1 – Form E No &amp; Issuance Date</b>    |            |                          |                                 |  |  |
| <b>2 – Trader’s Details</b>                 |            |                          | <b>3 - Bank Details</b>         |  |  |
| <b>Business Name</b>                        | <b>NTN</b> |                          | <b>Authorized Dealer (Bank)</b> | <b>City</b>                            |  |
| <b>Address</b>                              |            |                          | <b>Branch</b>                   |  |  |
| <b>4 - Importer / Consignee Details</b>     |            |                          |                                 |  |  |
| <b>Consignee Name &amp; Address</b>         |            |                          | <b>Country</b>                  | <b>Port of Discharge</b>               |  |
|   |            |                          |                                 |  |  |
| <b>5-Total Invoice Value &amp; Currency</b> |            | <b>6 - Payment Terms</b> |                                 | <b>7 - Delivery Terms (Inco-Terms)</b> |  |
|   |            |                          |                                 |  |  |
| <b>8 - Goods Description</b>                |            |                          |                                 | <b>9 - Quantity &amp; UOM</b>          |  |
|   |            |                          |                                 |  |  |
| <b>10 - Approving Authority Remarks</b>     |            |                          |                                 |  |  |
|   |            |                          |                                 |  |  |

Documents covering the goods in the Form-E including full set of bills of lading, railway receipt and/or other documents of title to the goods must be passed through an Authorized Dealer in Foreign Exchange. In no case may they be dispatched direct without prior special/general authority in writing of the State Bank of Pakistan.

**UNDERTAKING/DECLARATION BY EXPORTER:** An incorrect declaration on this form constitutes an offence under Foreign Exchange Regulation Act, 1947 (VII of 1947). I/We, hereby declare that I/We am/are the sellers/consignors/exporters of the goods described herein in respect of which this declaration is made out and that the particulars given in this Form-E are true and that the invoice value declared in the Form-E in case of firm contracts is full value as contracted with the buyers/in case of consignment sale is a fair value of goods which are being shipped on consignment sale. I/We undertake that I/we shall deliver to the bank mentioned above the foreign exchange proceeds resulting from the export of these goods on the due date for payment or within six months from the date of shipment/dispatch whichever is earlier. In the event of consignment sale we undertake to furnish to the above bank a fully documented account sale certified by the consignees /Chamber of Commerce of the country of import or any other documents required by the State Bank of Pakistan. I/We declare that nothing material or relevant to the information given in this Form has been omitted or suppressed and whatever is stated herein is true to my/our knowledge and belief. I/We undertake to submit to the Authorized Dealer whose name appears in the Form-E within fourteen days of shipment the documents for negotiation/for sending on collection.

**CERTIFICATE OF AUTHORISED DEALER:** Certified that the above exporter(s) is/are known to us, that he/they is/are bonafide businessman/businessmen in Pakistan and that he/ they has/have made arrangements with us for the realization of the export proceeds, of the goods declared on this form, on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank’s Notification No. FE 3/2001-SB dated the 28th September, 2001 and that we are satisfied with said arrangements. We have also satisfied ourselves about the bonafides of the importers/consignees abroad and their credentials etc.

\*We undertake to ensure that export proceeds against shipment on firm contract shall be received by us on the due date for payment or within six months from the date of shipment/posting, whichever is earlier, in accordance with the State Bank’s Notification No.FE 3/2001-SB dated the 28th September, 2001. In the event of non-compliance due to reasons beyond our control we shall furnish to the State Bank of Pakistan a full explanation as to the reasons and circumstances resulting in our inability to comply.

\*We undertake that in the event of non-realization of export proceeds against shipment on consignment sale within the stipulated period of six months, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a full explanation as to the circumstances resulting in non-realization. We further undertake that in the event of short realization, we shall obtain from the exporter(s) and furnish to the State Bank of Pakistan a fully documented account sale certified by the consignees/Chamber of Commerce of the country of import.

## XI. UT-DE-II - Undertaking to be submitted by the direct exporter under part-II

**The Manager**

\_\_\_\_\_ (Branch)

\_\_\_\_\_ (Bank)

\_\_\_\_\_ (Place)

Dear Sir,

We do hereby certify and confirm that a finance of Rs. \_\_\_\_\_ (Rs. in word-----  
-) has been allowed to us by you under Part-II of the Export Finance Scheme of the State Bank of Pakistan on the basis of the following non interest based mode, it being understood that return/ profit to be derived by the bank shall not exceed when converted into annual percentage terms:-

**Mode of financing** \_\_\_\_\_

2. We further confirm that the above finance of Rs. \_\_\_\_\_ is in the nature of revolving limit, inclusive of the amount extended to Indirect Exporters on our behalf on which account we have/we will open Inland Letter of Credit or otherwise and will be utilized for export purposes.

3. We hereby further declare and confirm that we have not and will not in future obtain any export finance from any bank other than yourselves on the basis of export receipts covered by the relative Form EE-1.

4. We further undertake that we shall realize export receipts from the exports of eligible commodities, excluding any export for which finance has been obtained under Part-I of the Export Finance Scheme during the relevant monitoring year, of a minimum amount equal to at least 2.0 times of the amount of the finance obtained by us during the relative monitoring year.

5. We confirm that we in our capacity, as Direct, Exporter shall remain liable for fulfillment of all the obligations under the said Scheme for the Inland Letter of Credit established and financed by you under the Export Finance Scheme against Export Letter of Credits/Firm Export Orders.

6. It is expressly understood that non-performance by the Indirect exporter (supplier of inputs/finished goods) under the Inland Letter of Credit/Standardized Purchase Order, for any reason, whatsoever shall not, in any manner absolve us from fulfillment of our obligations as Direct Exporter under the Scheme.

7. We certify that supplies of inputs/finished goods made under the Inland Letter of Credit/ Standardized Purchase Order will be required and used by us exclusively for the manufacture and export of only such commodities, which are duly eligible for financing under the Export Finance Scheme as on date of this Undertaking.

8. We further undertake that in the event of shortfall in exports for which we have availed of the above finance or in the event of our failure to submit to you Form EF-I duly verified by the bank concerned within prescribed period of the relevant monitoring period, we will be liable to pay fine at the rate as prescribed by the State Bank from time to time and hereby irrevocably authorize you to debit the same to our account with you.

**Signature verified****Authorized****Signature of the Exporter Banks****Authorized signature**

## XII. UT-IDE-II - Under taking to be submitted by the indirect exporter under part-II

The Manager,

\_\_\_\_\_ (Branch)

\_\_\_\_\_ (Bank)

\_\_\_\_\_ (Place) Dear Sir,

We do hereby certify and confirm that a finance of Rs. \_\_\_\_\_ has been sanctioned to us by you under the Export Finance Scheme of the SBP on the basis of the following non interest based mode of financing, it being understood that return/profit to be derived by the bank shall not exceed %.

Mode of financing \_\_\_\_\_

2. We further confirm and undertake that the export financing of Rs. \_\_\_\_\_ has been obtained by us against Inland Letter of Credit by (name of the banker of the Direct Exporter) out of the borrowing entitlement of Direct Exporter Concerned, and the same shall be used exclusively to finance the goods mentioned in the Inland Letter of Credit/ Standardized Purchase Order opened on the basis of export letter of credit/export firm order mentioned as follows:-

### Export Letter of Credit/Export Firm Order

| S.No. | No. | Date | Amount<br>F.Cy. | Amount<br>L.Cy. |
|-------|-----|------|-----------------|-----------------|
| 1.    | 2.  | 3.   | 4.              | 5.              |

### Inland Letter of Credit (ILC)

| S.No. | Date | Amount | Commodity to be<br>supplied | Quantity | Date of delivery |
|-------|------|--------|-----------------------------|----------|------------------|
| 6.    | 7.   | 8.     | 9.                          | 10.      | 11.              |

3. We do hereby further undertake to submit to you the following documents for negotiation under the aforesaid Inland Letter of Credit/Standardized Purchase Order against which you have allowed to us the above finance under the Export Finance Scheme.

- a) Copy of Invoice
- b) Copy of Truck Receipt/Delivery Receipt
- c) Copy of Goods Received Note/Acknowledgement of goods received by the Direct Exporter

4. We do hereby confirm and agree that in the event of our failure to affect delivery to (name of the Direct Exporter) on or before the due date of delivery and to submit the above documents to you within 15 days from the date of delivery, you have our irrecoverable authority to recover from us and debit our account with the fine at the rates prescribed by the SBP from time to time on the amount of finance availed of less the amount of finance in respect of goods delivered to (name of the Direct Exporter) if any, from the date of the original finance. We also undertake and confirm that the payment of such fine shall not absolve us from our liabilities/obligations towards the (name of the Direct Exporters) and we shall continue to remain liable for fulfillment of all obligations under the scheme.

5. We do hereby further confirm and undertake that the submission of documents in respect of the above mentioned Inland Letter of Credit/Standardized Purchase Order will remain our responsibility and we shall provide to you the relevant evidence of delivery of goods to (name of Direct Exporter) and the finance so extended to us shall stand adjusted in our name on submission of delivery documents.

**Signature verified**

**Authorized Signature of the Exporter Bank's  
Authorized Signature**

XIII. Form DE-3 - Application form for direct exporter

**APPLICATION FORM OF THE DIRECT EXPORTER GIVING PARTICULARS  
OF BORROWING LIMIT (AS PER FORM EE-I) AND THE FINANCIAL  
REQUIREMENTS AGAINST IMPORTED INPUTS AND THE  
LOCAL SUPPLIES FROM THE INDIRECT EXPORTER**

1. Name & Address of the Direct Exporter
2. Nature of the Operation Manufacturing/Semi  
Manufacturing/Trading
3. Commodities to be exported
4. Entitlement of Limit for Finance/Refinance through the Financing Bank.
5. List of IDEs to whom following ILCs have been opened: -

| Name of IDE | ILC No./SPO No. | Amount of ILC/SPO      |
|-------------|-----------------|------------------------|
| i.          |                 |                        |
| ii.         |                 |                        |
| iii.        |                 |                        |
|             |                 | <b>Total Rs.</b> _____ |

6. Balance amount of export performance (4-5) \_\_\_\_\_
7. Borrowing entitlement as per 6 above \_\_\_\_\_
8. Amount of export finance already availed of by DE \_\_\_\_\_
9. Amount of unutilized limit, if any (7-8) \_\_\_\_\_
10. Details of manufacturing requirements \_\_\_\_\_  

Value      addition

**A: Local Inputs\***

| Sr.No. | Name of Indirect Exporter | Commodity purchased to be purchased | Estimated Delivery date | Estimated No. of days from date of opening of ILC/SPO payment through cheque | Quantity | Amount |
|--------|---------------------------|-------------------------------------|-------------------------|--|----------|--------|
|        |                           |                                     |                         |  |          |        |

Foreign Inputs \*

| Sr. No. | Name of Foreign Suppliers/Company Importers | Country | Commodity | Estimated date by which L/C will be opened | Estimated delivery period | Quantity | Amount in Foreign currency | Eqvt . Pak. Rs. |
|---------|---|---------|-----------|--|---------------------------|----------|----------------------------|-----------------|
|---------|---|---------|-----------|--|---------------------------|----------|----------------------------|-----------------|

- 1.
- 2.
- 3.

**C: Value addition**

Amount in Rupees \_\_

11. Details of financial requirements:-

- a) For supplies by IDE
- b) For Foreign Inputs
- c) For Self manufacturing/value addition

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Certified that the contents of this statements are Correct to the best of our knowledge & belief.

Signature of DE

Counter Signature by the Authorized Dealer/Bank of the DE

\*Please attach the information in a separate Annexure if there are more than 3 Indirect Exporters/Foreign Suppliers



## XIV. IDE- 2 - Application form for indirect exporter

**(Name & Address of the Indirect Exporter)****FORM OF APPLICATION FOR CLAIMING FINANCING FACILITIES UNDER EXPORT  
FINANCE SCHEME BY THE INDIRECT EXPORTER FOR SUPPLY OF LOCAL INPUTS  
AGAINST ILC/SPO**

The Manager,

\_\_\_\_\_ (Branch)

\_\_\_\_\_ (Bank)

\_\_\_\_\_ (Place)

Dear Sir,

**Financing Facility against supplies of local inputs under ILCs/SPO's by the Direct  
Exporter out of entitlement under Part-II of EFS**

We have been authorized to supply the local inputs (name of the commodity) by M/s. (Name of the Direct Exporter) against ILC No. \_\_\_\_\_ dated \_\_\_\_\_ amounting to Rs. .... with validity up to .... within their entitlement of borrowing limit under Part-II of the Export Finance Scheme and established by (Name of the Bank). We therefore request you to provide finance of Rs. \_\_\_\_\_ for \_\_\_\_\_ days under the terms and conditions of the Export Finance Scheme. The following documents are submitted as prescribed under the scheme.

- Inland Letter of Credit/Standardized Purchase Order
- DP Note covering the amount of ILC /SPO
- Undertaking (by Indirect Exporter on the prescribed proforma UT-IDE-I)

We undertake to repay the finance on the expiry of the period or earlier upon supplies made to the Direct Exporter named above and negotiate the documents under ILC/SPO involved. We further undertake to submit relevant proof of supplies to your bank for submission to the banker of the Direct Exporter and the concerned office of State Bank of Pakistan which will form part of the performance when shipped and reported by the Direct Exporter in their EF-I statement upon expiry of the monitoring year.

Yours faithfully,

(Name & Address of the  
Indirect Exporter)

Encl: ( )

No. \_\_\_\_\_ Date: \_\_\_\_\_

**XV. Form-EB - For Banks to Avail Refinancing from SBP BSC Office**

Name of Bank -----Address-----

**The Chief Manager, State Bank of Pakistan  
SBP (BSC) Export Refinance Section,**

Dear Sir,

Export Limit/Borrowing Entitlement.  
Amount Exp  
Finance.....  
Available Balance .....  
Refinance Claim.....

In terms of the agreement executed by us with you on----- we hereby apply to you for refinance to the extent of PRs----- against finance provided by us to the exporters by way of export finance as detailed in the enclosed schedule to Form “EB”. As provided in the said agreement we enclosed bills of exchange /promissory notes specified in the Schedule hereto, executed in our favour and endorsed by us in your favour in respect of the finance sanctioned to our constituents on the basis of entitlement vide Form EE-I. We request you to grant re-finance:-

- (ii) by purchase/re-discount of Bills of Exchange and Promissory Notes under Section 17(2) (a) of the State Bank of Pakistan, Act 1956 or
- (iii) as a finance against such bills under Section 17 (4) ( C ) of the said Act. (Clause not applicable to be deleted).

We certify that the signature on the said bills /notes are the genuine signatures of the parties thereto and that where a bill or note is signed or endorsed by a person purporting to act under an authority, such person is duly authorized so to do and to the best of our knowledge and belief each such party is financially sound, solvent and credit worthy.

We certify that to best our knowledge and belief that the finances provided by us to the exporters as specified in the Schedule thereto have been used by the exporters to finance the export of goods covered by the Export Finance Scheme (Part-II)

We certify that Bills of Exchange/Promissory Notes specified in the Schedule hereto are eligible for purchase/re discount as provided in section 17 (2) (a) of the State Bank of Pakistan Act 1956.

For .....  
Authorized Signature

**SCHEDULE TO FORM ‘EB’**

| Sr. NO. | DATE | NAME OF THE DRAWER | AMOUNT |
|---------|------|--------------------|--------|
|         |      |                    |        |

TOTAL PRS. -----

**Regards  
Authorized Signature**

**Authorized Signature**

**XVI. Form EE-1 – EFS Part-II**

(To be submitted in Triplicate)

**PARTICULARS OF EXPORT RECEIPTS IN RESPECT OF ELIGIBLE COMMODITIES UNDER PART-II OF THE EXPORT FINANCE SCHEME FOR THE MONITORING PERIOD.....**

Full Name and Address of the Exporter \_\_\_\_\_ Export Registration Number/NTN \_\_\_\_\_  
 \_\_\_\_\_ Name and Address of the Bank \_\_\_\_\_

| Sr. No. | Export Form No. (Full No. With Prefix) | Name of Consignee | Commodity | *H.S. Code (8 digits) | Contract/L.C. under which shipment made |      |        | Date of shipment | Date of Negotiation | Proceeds realized or to be realized |               |                      |   | Monthly return and the name of Office of SBP BSC to which realization reported by the bank (As per FEOD requirement) | Bill Negotiated /sent for Collection / Advance/ Part Payment (Specify) | Remarks |
|---------|--|-------------------|-----------|-----------------------|---|------|--------|------------------|---------------------|-------------------------------------|---------------|----------------------|---|--|--|---------|
|         |  |                   |           |                       | No                                      | Date | Amount |                  |                     | Amount in Foreign Exchange          | Exchange Rate | Amount in Pak Rupees | Date of Realization in cas e export proceeds already realized |  |  |         |
| 1       | 2                                      | 3                 | 4         | 5                     | 6                                       | 7    | 8      | 9                | 10                  | 11                                  | 12            | 13                   | 14  | 15   | 16   | 17      |

*\* In case of mismatch b/w the commodity and HS code, Commodity will be considered as final for eligibility in EE-1 and EF-1 statements to be submitted in FY 2011-12. However, in subsequent years in case of such mismatch between commodity & HS Code, the entry will not be considered for performance/entitlement until rectified.*

| Grand Total (To be shown on last page) |          |        |
|--|----------|--------|
| Sr No.                                 | Currency | Amount |
| 1                                      | USD      |        |
| 2                                      | Euro     |        |
| 3                                      |          |        |
| Total                                  |          |        |

I/We hereby solemnly affirm that the above statement does not include:-

- (i) Any export of commodities which do not qualify for export finance under the Scheme.
- (ii) The exports on usance basis reported in this Statement are against irrevocable letter(s) of credit which is/are eligible for negotiation without reserve and the usance bills in respect thereof have not been negotiated with a scheduled bank in Pakistan except those mentioned above.

Signature of the Exporter

Countersigned by the Bank (Name and Designation of the Authorized Officer of the Bank)

(To be verified and authenticated by Foreign Exchange Operation Department/Division of concerned SBP BSC Office

**XVII. FORM EF-1**

(To be submitted in Triplicate)

**PARTICULARS OF EXPORT RECEIPTS IN RESPECT OF ELIGIBLE COMMODITIES UNDER PART-II F THE EXPORT FINANCE SCHEME FOR THE MONITORING PERIOD.....Full Name and Address of the Exporter \_ Export**  
**Registration Number/NTN \_\_\_\_\_ Name and Address of the Bank \_\_\_\_\_**

| Sr. No. | Export Form No. (Full No. With Prefix) | Name of Consignee | Commodity | *H.S. Code (8 digits) | Contract/L.C. under which shipment made |      |        | Date of shipment | Date of Negotiation | Proceeds realized or to be realized |               |                       |                                    | Monthly return and the name of Office of SBP BSC to which realization reported by the bank (As per FEOD requirement) | Bill Negotiated /sent or Collection/ Advance/ Part Payment (Specify) | Remarks |
|---------|--|-------------------|-----------|-----------------------|---|------|--------|------------------|---------------------|-------------------------------------|---------------|-----------------------|------------------------------------|--|--|---------|
|         |  |                   |           |                       | No.                                     | Date | Amount |                  |                     | Amount in Foreign Exchange          | Exchange Rate | Amount in Pak. Rupees | Date of Realization in export case |  |  |         |
| 1       | 2                                      | 3                 | 4         | 5                     | 6                                       | 7    | 8      | 9                | 10                  | 11                                  | 12            | 13                    | 14                                 | 15   | 16   | 17      |

*\* In case of mismatch b/w the commodity and HS code, Commodity will be considered as final for eligibility in EE-1 and EF-1 statements to be submitted in FY 2011-12. However, in subsequent years in case of such mismatch between commodity & HS Code, the entry will not be considered for performance/entitlement until rectified.*

| Grand Total (To be shown on last Page only) |          |        |            |
|---|----------|--------|------------|
| Sr No.                                      | Currency | Amount | Pak Rupees |
| 1   | USD      |        |            |
| 2   | Euro     |        |            |
| 3   |          |        |            |
| Total                                       |          |        |            |

I/We hereby solemnly affirm that:-

- (i) The above statement does not include :-
    - a) Any export of commodities which do not qualify for export finance under the Scheme.
    - b) Any export made under a specific E Form pertaining to Firm Export Order or Letter of Credit against which I/We obtained export finance from this bank or any other bank under Part-I of the Export Finance Scheme.
  - (ii) The exports on usance basis reported in this Statement are against irrevocable letter(s) of credit which is/are eligible for negotiation without reserve and the usance bills in respect thereof have not been negotiated with a scheduled bank in Pakistan except those mentioned above.
- Signature of the Exporter

Countersigned by the Bank (Name and Designation of the Authorized Officer of the Bank)

(To be verified and authenticated by Foreign Exchange Operation Department/Division of concerned SBP BSC Office)

**XVIII. Form - EP for Roll Over**

Name of the Bank.....

Statement showing shipments made during pre rollover period/upto initial 180 days of availment of refinance under Part-II of EFS

|                                       |  |         |           |
|---------------------------------------|--|---------|-----------|
| Full Name and Address of the Exporter | Limit of exporter for the current Year Rs. _____ |         |           |
|                                       | Amount of Refinance availed                      |         |           |
| Export Registration Number/NTN        | Minimum  | Maximum | Average * |
|                                       |  |         |           |

| Sr. No. | Date(s) of Shipment | E Form Nos. | Value of Shipments in PKR | Name of Commodity exported | Remarks |
|---------|---------------------|-------------|---------------------------|----------------------------|---------|
| 1       | 2                   | 3           | 4                         | 5                          | 6       |

Signature & Seal of the Exporter

Value of Total Shipment in Pak Rs.  
 Average Amount of Refinance availed under Part-II Rs.  
 % of shipments viz-a-viz Refinance loans availed prior to roll over.  
 Countersigned by authorized signatory of Bank

**XIX. Claim Form for Mark-up Rate Benefit/Rebate under EFS (P-II)/IERS (P-II)**

**Claim Form for Mark-up Rate Benefit/Rebate under EFS (P-II)/IERS (P-II)**

| Financial Year | Name of Exporter | Name of bank | Limit Entitlement | Financing/ Borrowing Product | Status of Performance | Amount of Mark-up /profit @ refinance | Amount of mark-up /profit@ -- on the basis of performance | Difference of Mark- up/Rebate Amount (7- 8 =9) |
|----------------|------------------|--------------|-------------------|------------------------------|-----------------------|---------------------------------------|---|--|
| 1              | 2                | 3            | 4                 | 5                            | 6                     | 7                                     | 8   | 9  |

Certified that:

- i) There are no export overdue proceeds.
- ii) ‘E’ Forms already mentioned in the ‘EF’ statement(s) are not accounted for under Part-I of EFS.
- iii) The information given above, is correct to the best of our knowledge and shall be verifiable later by verification team of SBP-BSC, office/Inspectors of State Bank of Pakistan.

Signed by exporter

Signed by authorized officer of bank



No.35 dated 28<sup>th</sup> September 2001 as amended from time to time (hereinafter referred to as the Export Finance Scheme).

3. On each of the payment date(s) of the amounts outstanding by us to the SBP under the scheme, we shall make payment to the SBP of the due amount along with the profit of the Pool in accordance with applicable rate of return under the scheme. The payment(s) shall be subject to any adjustments which may be required to be made after the declaration of the actual profit or loss, if any accruing in respect of the Pool as laid out in annual audited accounts of the pool.

4. The State Bank will share in the overall profits (gross income less any provision there-against created under Prudential Regulations during the period plus amount recovered against prior period losses and reversal of provision there-against) earned by us on the Musharaka pool under the provisions of the Scheme calculated on daily product basis.

5. I/We will make provisional payment of the State Bank's share in the profit of the pool as per the last month's declared rate on outstanding balance of Musharaka pool. The profit weightage will be fixed at the beginning of each month, keeping in view the ongoing rates announced by the SBP under Export Finance Scheme. At the end of each quarter the profitability from the Musharaka pool shall be determined on the basis of the un-audited accounts of the pool. The profit so worked out shall then be distributed between us and the State Bank according to the weightage of the funds contributed by both for financing the pool. The profit so calculated on quarterly basis shall be paid by us upto the 7<sup>th</sup> of the month following the quarter to which it relates.

6. If on the basis of our annual audited accounts, the profit accruing to the SBP is more than the profit paid to the SBP on quarterly basis as per the unaudited accounts of the earnings of the pool, the difference shall be deposited by us within 7 days of its determination, in a special non remunerative reserve fund viz. "Takaful Fund" to be maintained at the SBP BSC (Bank) Karachi Office. This arrangement shall remain effective for all intents and purposes during the currency of the agreement.

7. If on the basis of the annual audited accounts of the pool, the share of the State Bank in the profit works out to be less than the amount, which has already been paid to the State Bank on provisional basis, the State Bank will refund the excess amount involved out of balance held in the Takaful Fund, if any.

8. In the event of loss suffered on the Musharaka pool on the basis of annual audited accounts, I/WE and the State Bank shall share the loss in the proportion of their share of investment in the Musharaka Pool expressed on daily product basis. The share of loss to State Bank will first be met out of credit balance in the Takaful Fund, if any. The loss not met from the Takaful Fund shall be borne by the State Bank.

9. In case of loss, I/We shall be entitled to claim refund on account of share of profit paid by us to SBP on provisional basis, along with SBP's share in the loss of principal amount extended to the Musharaka pool.

10. I/We shall be under obligation for a special audit of the affairs of the Pool by our external auditors, certifying that the terms and condition of this scheme have been adhered to in totality and that the annualized earning of the pool has been worked out correctly.

11. As security for the said financing on each occasion on which I/We intend to avail Export Refinance against finance extended by us, I/We shall deliver to you demand promissory notes in the form attached hereto as Appendix '2' acceptable to you and drawn on and payable in Pakistan based



on bonafide finances provided by us to exporters on the basis of any one of the Islamic modes of financing approved by our Board, and it being understood that the aforesaid accommodation will be made and continued on the faith of the truth and correctness of such certificates.

12. I/We undertake that we shall not extend finance to any exporter under the terms of this agreement unless we are satisfied that all parties liable thereon are financially sound, solvent and credit-worthy.

13. I / We undertake that I/We shall at all times execute or maintain separate legal documentation and records including export order / letters of credit / standardized purchase order / inland letters of credit and further security documents, notes, indemnity bonds, agreements etc., including the assignment deed of securities now held by us or which may be obtained by us from our customers subsequently, as are adequate to safeguard our interest against the finances for which this agreement has been executed. I/We also agree and undertake to keep all such documents in trust for a reasonable period as per provisions of the Scheme. I/We further agree that you or any official authorized by you shall have the right of inspection of our records and documents for which Export Refinance has been obtained by us and that you shall have the right to seek and obtain full assistance and cooperation from us for discharging your duties and performing your functions.

14. The profit to be earned by us from the exporters expressed in annual percentage shall not exceed the rate prescribed under the Scheme, which profit shall be shared by us with you in the manner laid down in the Scheme.

15. Without prejudice to your right to obtain repayment of the amount of Export Refinance outstanding at any time on demand, we undertake that the Export Refinance taken by us on each occasion will be paid by us in the manner and within the maximum period prescribed under the Scheme. In case the exporter repays the finance earlier than the said period we shall be bound to repay to you the amount of Export Refinance so repaid

by the exporter within a period of 3 working days of the date on which the exporter repays the finance to us.

16. I / We agree, if you so desire, to take at our expense, all steps as may be necessary to realize the financing from our customers and forthwith pay the same to you to the extent we are required to pay our obligation in the manner specified in this Form and pending such payments shall hold the same for and on your behalf.

17. I / We agree that the fact of your not taking steps to enforce payment of such demand promissory notes or any of them against the signatory or signatories thereon shall in no way release us from liability thereon and we further agree that it shall be unnecessary for you to give any notice of dishonour.

18. I / We shall observe the guidelines of the State Bank including those laid down under the Prudential Regulations of the State Bank in respect of the classification and provisioning of the assets comprised in the Musharaka Pool from the income generated by the Musharaka Pool.

19. I / We agree that in case of default of repayment by us against the demand promissory note executed by us or if demanded by you under the relevant clause (s) of this Form, you have our authority not only to debit our accounts now held or which may be held here-after with you for the amount due by us against any or all of such demand promissory notes executed by us without further reference to us but also to adjust or set off such amount against any amount which may be due from you to us or come into your possession and that we undertake not to question the correctness or propriety of such debits or set off on any ground whatsoever. Provided that such debit, adjustment or

setoff by the SBP shall be on a provisional basis and shall be subject to adjustment for actual profit or loss accruing in respect of the Pool as may be disclosed by our annual/ semi annual accounts as contemplated by this Agreement.

20. I / We undertake to advise you promptly of any change in the position of any exporter provided with finance by us under the Scheme where against Export Refinance has been obtained from you, which can reasonably be considered to affect the security of the demand promissory note hereunder.

21. I / We agree that under this Agreement, the demand promissory note executed by us for Rs. (notice of dishonour of which promissory note is merely waived under Section 98 of Negotiable Instrument Act, 1881), and tendered by us in terms of this Form, and the securities / security documents prescribed under the Scheme/ in this Form shall operate as a continuing security for the said Export Refinance to the extent that any amounts are outstanding by us to you under the Export Finance granted and all costs, under law notwithstanding the existence of a credit balance at any time or any partial payments or fluctuations in accounts or withdrawal of any part of the security.

22. I / We undertake that we shall take all reasonable steps to ensure that the Export refinance availed of is utilized for the purposes laid down in the Scheme and all the necessary documentation is made available to us. If the exporter provided with finance by us under the Scheme fails to utilize the finance exclusively for the purposes prescribed or effect the supplies within the period prescribed under the Scheme, we undertake to recover from him within 15 days following the date of his failure to utilize the finance exclusively for the purpose, alongwith fines at the rates as may be prescribed by the State Bank from time to time. The fine so recovered will be passed on by us to the State Bank not later than three working days after the date of recovery. If we fail to pass on the fine as aforesaid you shall have the right to, (a) adjust or set off the same against any amount due to us from you, or (b) debit our accounts now held or which may be held thereafter with you.

23. Any demand to be made by you under the agreement shall be sufficiently made if it is made in writing and addressed and sent by post or otherwise to our Head Office or our branch tendering the document prescribed under this Form.

24. We agree to obtain an undertaking from the exporter concerned that the finances provided by us to them, shall be exclusively used by them for financing exports or supplies of inputs and that they would promptly furnish, at their expense, such information, in such form and at such time as we may demand from time to time.

25. I / We expressly understand that you are entitled to cancel this refinance limit or to recall the refinances at any time for any reason whatsoever or howsoever, without any prior notice to us and that you are entitled not to make any refinances anytime under the aforesaid Scheme and that we have acquired no right or claim for demanding refinance from you by grant of the said limit under the Scheme or by the execution of a demand promissory note in your favour or by deposit of demand promissory note in your favour or by making finances available to any customer on the faith of this agreement.

26. I / We agree that all income received by us under the Musharaka Pool shall be applied by us in deriving the profit/return to the SBP on the basis of participation in profit and loss from the portfolio of the Pool and till so applied, shall be held by us for and on your behalf.

27. I / We agree that notwithstanding anything contained elsewhere in this agreement the amount of this Export Refinance will become due and payable by us, if we commit breach of any

of the terms and conditions of this agreement. We agree that you have our authority to decide whether we have committed breach of any of the terms and conditions of this agreement and that we shall not question such decision on any ground whatsoever.

28. I/ We agree to hold the securities/ security documents now held or which may be held by us as security for export finance given to the exporter / supplier as trust for you so long as any refinance in respect of these facilities remain outstanding from us and by way of security for due repayment thereof and we undertake to deal with the same as you may direct. We further agree that if and when we realize these securities or any part of it we shall pay over to you all such realizations, to the extent required to pay our obligation and pending such payment, shall hold the same for and on your behalf. We further agree to assign / transfer to you, at your demand and at our expense, all such securities and security documents in your favour. We agree that despite such assignment / transfer the provision of clause 14, 15 and 16 shall mutates mutandis apply.

29. Save as is otherwise provided in this agreement such contents of the IERS attached to your letter No. \_\_\_\_\_ dated \_\_\_\_\_ as modified from time to time

which are relevant to this Agreement, as also relevant sanction letter of PLS limit(s) sanctioned under IERS, shall be deemed to have been incorporated in this agreement.

30. I/ We undertake to be responsible for any loss incurred to SBP under this transaction, if the said loss is subsequently proved to have been caused on account of negligence/ misstatement and/or misrepresentation if any of our official or in violation of the spirit of this Scheme.

Yours faithfully,

For and on behalf of  
(Signature)

(Name of Islamic Bank )

(Name) (Designation) Encls.

Appendix '1'

Portfolio of Financing Business Appendix '2'

(Signature)

(Name) (Designation)

**XXI. FORM 2 - Application Form to be submitted by the Islamic Bank for claiming financing from SBP**

Application Form to be submitted by the Islamic Bank for claiming financing from SBP for the Musharaka pool under the Refinance scheme for financing Exports by Islamic Bank

To,

The State Bank of Pakistan,

Dear Sir,

In terms of the agreement executed by us with you on ----- (Date) we hereby apply to you for refinance to the extent of Rs. ----- against finances provided by us to ----- (name of the Direct/ Indirect Exporter) by way of export finance as per details given as under: -

|    |  |   |
|----|--|---|
|    | Name of Branch   |   |
| 2. | Name of Exporter   |   |
| 3. | Address of Exporter  |   |
| 4. | Particulars of Exporter:-<br>i) Type of Exporter<br>ii) NTN Number<br>iii) Export Regn. No.<br>iv) Whether first time exporter – Yes/No  | Direct Exporter / Indirect Exporter ~<br>~ strike out which ever is inapplicable                |
| 5. | Nature of Business   | Manufacturing / Semi Manufacturing / Trading*   |
| 6. | Finance provided against   | Export Order/ Contract/ Letter of Credit/ Inland letter of credit/ Standardized purchase order* |
| 7. | Particular as to amount of Export order/ Contract/ Letter of Credit/ Inland letter of credit/ Standardized purchase order:-<br>i) Name of Buyer<br>ii) No.<br>iii) Date<br>iv) Currency<br>v) Amount in foreign currency (if applicable) |   |

|     |   |  |
|-----|---|--|
|     | vi) Exchange Rate<br>vii) Amount in Pak Rs.   |  |
| 8.  | Particulars as to inputs of Export Order / Contract / Letter of credit/Inland letter of credit/Standardized purchase order:-<br>i) Domestic inputs<br>ii) Foreign inputs(FC)<br>iii) Value addition<br>iv) Total amount |  |
| 9.  | Amount of Finance granted   |  |
| 10. | Date of Finance   |  |
| 11. | Commodity to be Exported / supplied (HS Code)   |  |
| 12. | 1) Date of Shipment<br>2) E-Form Number<br>3) Invoice Value<br>4) Due date of realization of Export Bill(s)   |  |
| -2- |   |  |
| 13. | Destination   |  |
| 14. | In case financing has been extended to an Indirect Exporter:<br>i) Direct exporters name<br>ii) Firm export order /contract/Letter of credit<br>iii) Date<br>iv) Commodity  |  |
| 15. | Due date of shipment/supply   |  |
| 16. | Due date of repayment of finance  |  |
| 17. | Amount of finance already availed by the exporter against the Export Order/Contract/Letter of credit mentioned in column 9 above  |  |
| 18. | Amount of refinance requested from SBP.   |  |
| 19. | --Amount of overdue bills<br>--Reasons for allowing IERS despite overdue bills  |  |

As provided in the said Agreement we enclose demand promissory notes for Rs (in figures )  
(Rupees -----only, duly executed by us in your favor in respect of the finances  
sanctioned and disbursed by us to (name of the Direct/ Indirect Exporter)

***We hereby certify that we have obtained all the necessary documents in original as required under the Scheme and undertake to retain the same as per provisions of the Scheme and further that these have been checked and found in order and duly stamped.***

We also authorize SBP to recover the amount of refinance along with fine, if any, in case the amount is not repaid by us on due date as specified above.

Authorized Signature of Bank  
(Name & Designation)

Authorised Signature of Bank  
(Name & Designation)

XXII. FORM 3 - Application / Undertaking for Direct Exporters Under IEFS

APPLICATION / UNDERTAKING FOR FINANCE  
(FOR PRE- SHIPMENT UNDER PART I

**TO BE SUBMITTED BY THE DIRECT EXPORTER)**

(To be executed on non-judicial stamp paper)

The Manager,

\_\_\_\_\_ Bank Limited,  
\_\_\_\_\_ Branch,  
\_\_\_\_\_ (CITY)

Dear Sir,

1. I/We, the Direct exporters do hereby certify and confirm that a finance of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) has been allowed to me/us by you under Part-I of the Islamic Export Refinance Scheme for Financing Exports by Islamic Banks of the State Bank of Pakistan circulated vide BPD Circular No. \_\_\_\_\_ dated \_\_\_\_\_ read with amendments made therein from time to time, on the basis of the following Islamic Modes of financing, it being understood that return / profit to be derived by the bank shall not exceed \_\_\_\_\_ % when converted into annual percentage terms :-

ISLAMIC MODE OF FINANCE \_\_\_\_\_

2. I/We, further confirm and undertake that the aforesaid finance will be obtained by Me/us for export of an eligible commodity hereunder against valid firm export order/contract/letter of credit\* in my/our possession.

3. I/We, further confirm and undertake that the aforesaid amount of finance that will be availed by me/us shall be utilized exclusively to meet the cost / expenses of export of eligible commodities against firm export order/contract/letter of credit, particulars of which are given as under :-

| Commodity of Exports with H.S. Code No. | Country of export | Amount of firm export order/contract/letter of credit |      |               |            |                                | Expected shipment date |
|---|-------------------|---|------|---------------|------------|--------------------------------|------------------------|
|   |                   | No.   | Date | Amount in Fcy | Value Date | Amount in equivalent Pak Rupee |                        |
| 1.                                      | 2.                | 3.  | 4.   | 5.            | 6.         | 7.                             | 8                      |

4. I/We, do certify that the finance is being obtained by Me/Us against bonafide transaction and I/We submit the following documents alongwith this application for your consideration of extension of finance facility to us from your bank under the Export Finance Scheme: -

- a. Firm Export Order/ Contract/ Letter of Credit
- b. DP Note (as per Appendix 3) duly executed in your favor

5. I/We, certify and confirm that I/We have not obtained any finance against the above mentioned firm export order / contract / letter of credit / Inland letter of Credit / Standardized Purchase Order from any other Bank under this Scheme or the conventional Export Finance Scheme, except as under.

Amount of FEO/Contract/L/c

Less: Amount of facility already taken \_\_\_\_\_

Balance Amount \_\_\_\_\_

Amount of facility now being obtained

6. I/We, do, hereby further undertake to submit the following documents for negotiation/ collection against the firm export order/contract/letter of credit under which pre-shipment finance has been allowed to Me/Us :-

- 1. Bill of Lading / Airway Bill
- 2. Invoice
- 3. Original duplicate copy of Form ‘E’

7. I/We, hereby confirm and agree that in the event of My/Our failure to effect shipment on or before 180 days and/or failure to submit the above mentioned documents to you within 30 days of the expiry date of finance, you have our Irrevocable Authority to recover from Me/Us and debit My/Our Account No. \_\_\_\_\_ maintained with you

along with fine for non shipment, at rates prescribed by the State Bank of Pakistan from time to time on the amount of finance availed less the amount repaid as a result of part shipment, if any, from the date of original finance. I/We, authorize the bank to reimburse itself with the fine amount even if we have made a representation to SBP against imposition of fine under the Scheme.

8. I/We, do hereby further confirm and undertake that the documents in respect of the aforesaid Firm Order or Contract / L/C will be realized / negotiated by Me/Us through your Branch / Bank and proceed thereof will be appropriated immediately on realization / negotiation towards the aforesaid finance allowed by you to Me/Us.

9. I/We, do hereby further undertake that I/We shall not claim refinance against any amount of advance payment received from the buyer and that in case any such advance payment is received under the said firm export order/contract or letter of credit, if any, the same shall be surrendered to the bank towards repayment to SBP within three working days failing which I/We shall be liable to pay the fine for late repayment at the rate prescribed by SBP from time to time on the amount and the period involved.



10. I/We, do hereby confirm that where an Inland Letter of Credit (ILC/Standardized Purchase Order (SPO))\* has been established/opened or will be opened it is understood that I/We in my/our capacity as Direct Exporter shall remain liable for fulfilment of all the obligations under the said Scheme. I/We further certify that where supplies of inputs/finished goods made under the SPO/ILC are required these shall be used for the manufacture and export of only such commodity which are duly eligible for financing under the Scheme. I/We further confirm and undertake that in case of establishment of ILC or opening of SPO by Me/Us during the currency of the finance, the amount shall be allowed by Me/Us to be utilized by the Indirect Exporter to the extent of the amount and the period involved.

11. I/We further confirm and undertake that in case if the finance is repaid by Me/Us earlier than the due date, I/We, shall continue to be liable to submit to you the relevant proof of shipment of the goods for which the finance was made to Me/Us.

12. I/We, M/s. \_\_\_\_\_ certify that no export bills except those mentioned below are overdue for repatriation, the details of which are as under: -

| <u>Sr.No.</u> | <u>E.Form No.</u> | <u>Shipment Date</u> | <u>Amount(Fcy)</u> | <u>Banks</u> |
|---------------|-------------------|----------------------|--------------------|--------------|
|---------------|-------------------|----------------------|--------------------|--------------|

I/We further certify that the export proceeds on the abovementioned bills have not been repatriated for the following reasons which are beyond my / our control.

SIGNATURE VERIFIED BY THE BRANCH / BANK

AUTHORIZED SIGNATURE OF THE EXPORTER

N.T.N. \_\_\_\_\_

STATUS: Manufacturing / Semi Manufacturing / Trading Co. { Write only applicable here }

MAILING ADDRESS:

a. \* Strike out whichever, is inapplicable.

XXIII. FORM 4 - Application / Undertaking for Indirect Direct Exporters Under IEFS

**APPLICATION / UNDERTAKING FOR FINANCE (FOR PRE/POST SHIPMENT UNDER PART I TO BE SUBMITTED BY THE INDIRECT EXPORTER)**

(To be executed on non-judicial stamp paper)

The Manager,

\_\_\_\_\_ Bank Limited,  
 \_\_\_\_\_ Branch,  
 \_\_\_\_\_ (CITY)

Dear Sir,

I/We, the *Indirect\** exporters do hereby certify and confirm that a finance of Rs. (Rupees \_\_\_\_\_ only) has been \_\_\_\_\_ (Rupees \_\_\_\_\_ only) has been allowed to me/us by you under Part-I of the Islamic Export Refinance Scheme for Financing Exports by Islamic Banks of the State Bank of Pakistan circulated vide BPD Circular No. \_\_\_\_\_ dated \_\_\_\_\_ read with amendments made therein from time to time, on the basis of the following Islamic Modes of financing, it being understood that return / profit to be derived by the bank shall not exceed \_\_\_\_\_ % when converted into annual percentage terms :-

MODE OFFINANCING Name of Islamic Mode(s) of Finance

2. I/We, further confirm and undertake that the aforesaid finance will be obtained by Me/Us for supply of commodities described by me/us hereunder against valid Inland letter of credit/Standardized purchase order\* established/issued in my favour by (name of the Direct exporter).

3. I/We, further confirm and undertake that the aforesaid amount of finance that will be availed by me/us shall be utilized exclusively to meet the cost / expenses of supply of described commodities against Inland letter of credit / Standardized purchase order, particulars of which are given as under :-

| Commodity to be supplied | Inland letter of credit/ Standardized purchase order |      |        | Expected Supply Date | Particulars of Direct Exporters' |     |      |
|--------------------------|--|------|--------|----------------------|----------------------------------|-----|------|
|                          | No.  | Date | Amount |                      | FEO/Contract/ L/Cs               | No. | Date |
| 1.                       | 2.   | 3.   | 4.     | 5.                   | 6.                               | 7.  | 8.   |

4. I/We, certify and confirm that I/We have not obtained any finance against the above mentioned Inland letter of credit/standardized purchase order from any other Bank.

5. I/We, do, hereby further undertake to submit the following documents for negotiation /collection against the Inland Letter of Credit / Standardized Purchase Order under which pre-shipment finance has been allowed to Me/Us :-

- Invoice
- Truck / Railway receipt.
- Goods Received Note GRN / Delivery challan signed by the buyer.

6. I/We, hereby confirm and agree that in the event of My/Our failure to effect supplies on or before 120 days and/or failure to submit the above documents to you within 15 days from the expiry date of finance, you have our Irrevocable Authority to recover from Me/Us and debit My/Our Account No.\_\_\_\_maintained with you along with fine for non shipment at the rate as prescribed by the State Bank of Pakistan from time to time on the amount of finance availed less the amount repaid as a result of part shipment, if any, from the date of original finance. I/We, authorize the bank to reimburse itself with the fine amount even if we have a made a representation to SBP against imposition of fine under EFS.

7. I/We further confirm and undertake that in case if the finance is repaid by Me/Us earlier than the due date, I/We, shall continue to be liable to submit to you the relevant proof of shipment of the goods for which the finance was made to Me/Us.

AUTHORIZED SIGNATURE OF THE EXPORTER

SIGNATURE VERIFIED

BY THE BRANCH / BANK

N.T.N. \_\_\_\_\_

STATUS: Manufacturing / Semi Manufacturing /  
Trading Co. { Write only applicable here }

MAILING ADDRESS:

\* Strike out whichever, is inapplicable.

XXIV. Demand Promissory Note Under IEFS  
(to be appropriately stamped)

Date .....

Place .....

On demand we----- (name of the Islamic Bank) promise to pay to the State Bank of Pakistan,

BSC (Bank)----- (name of office) or order the sum of Rs ----- only (Rupees only) for value

received plus the profit to be derived from the provision of finances by the State Bank of Pakistan on Musharaka basis to ----- (name of the Islamic Bank) under the Islamic Export Refinance Scheme

for financing Exports by Islamic Bank.

For and on behalf of ----- (name of Islamic Bank)

(Signature)

(Name) (Designation)

(Signature)

(Name) (Designation)

Format of the DPN to be submitted by

## XXV. From to be Submit by Islamic Banks to SBP for Refunding of Fines

Name of the Bank\*

**The Chief Manager, State Bank of Pakistan, BSC (Bank)**

**Dear Sir,**

Request for refund of fine(s) under Part-1

We request for refund of fines as per the following particulars in respect of refinance loans under Part I of Islamic Export Refinance Scheme:-

| Sr. No. | Name of the Exporter | Branch | Demand Loan |        |               |                  | Status of shipment |             | Fine charge for non-shipment | Date of                  |                        | Fine Recoverable                     |                    |                       |       | Fine Refundable<br>(10 minus 16) |
|---------|----------------------|--------|-------------|--------|---------------|------------------|--------------------|-------------|------------------------------|--------------------------|------------------------|--------------------------------------|--------------------|-----------------------|-------|----------------------------------|
|         |                      |        | No.         | Amount | Date of grant | Due date of loan | Due Date           | Actual date |                              | Fine charged to exporter | Fine amount passed SBP | For delay in submission of documents | For short shipment | For delay in shipment | Total |                                  |
| 1.      | 2.                   | 3.     | 4.          | 5.     | 6.            | 7.               | 8.                 | 9.          | 10.                          | 11.                      | 12.                    | 13.                                  | 14.                | 15.                   | 16.   | 17.                              |
|         |                      |        |             |        |               |                  |                    |             |                              |                          |                        |                                      |                    |                       |       |                                  |

We confirm that the amount refundable and shown under Column 17 above is / are correct to the best of our knowledge and that such cases shall be verifiable later by inspector of State Bank of Pakistan.

Yours faithfully,

(Authorized Signature) Name & Designation

\* to be submitted by the dealing branch /Head Office of the bank concerned which availed refinance from the respective office of SBP.

XXVI. Application to be submitted by the Islamic Bank for claiming refinance from SBP BSC under IEFS Part-II

**On the letter Head of the Islamic Bank**

Specimen of application to be submitted by the Islamic Bank for claiming refinance from office of the SBP BSC (Bank) under Part-II of the Islamic Export Refinance Scheme

The Chief Manager,

State Bank of Pakistan,

Banking Services Corporation (Bank)

Dated. \_\_\_\_\_.

M/s. \_\_\_\_\_.

Dear Sir,

In terms of the agreement executed by us with you on (DD/MM/YYYY) we hereby apply to you for reimbursement of finance facility of Rs. \_\_\_\_\_ (Rs. in words) against finance provided by us to the captioned exporter under the Islamic modes of finance applied by our Shariah Board.

As provided for in the said agreement we enclose Demand Promissory Note on prescribed format executed in our favor and duly endorsed in your favor in respect of the loan facilities sanctioned to our constituent on the basis of his entitlement of form EE-1 (Copy enclosed to be submitted once in a financial year unless revised). We request you to grant refinance to us under Section 17 (6B) of the S.B.P. Act 1956.

We certify that the signature on the said Demand Promissory Note are genuine thereto and that where it is signed or endorsed by a person purporting to act under an authority, such person is duly authorized to do so and to the best of our knowledge and belief each such party is financially sound, solvent and credit worthy and qualifies to be included in the Musharaka Pool created by us in terms of the covenants of the Islamic Export Refinance Scheme (IERS). We certify that to the best of our knowledge and belief the financing facility provided by us to the exporter has been used by the exporter to finance the export of goods covered by the Export Finance Schedule under the IERS.

All relevant papers on prescribed format are enclosed herewith.

Enclosure:

Yours faithfully,

(Signature) Name: \_\_\_\_\_ Designation: \_\_\_\_\_.

We certify that **Promissory Note** specified in the schedule hereto is eligible to purchase /rediscount as provided in section 17(4) (c) of the **State Bank of Pakistan** Act 1956.

Enclosure:

- 1) Demand Promissory Note
- 2) Letter of undertaking
- 3) Commodity Certificate
- 4) EE Statement of Rs.

5) DE-3

Schedule of Form 'EB'

6) S.No                      Date                      Name of drawer or marker                      Amount

## XXVII. Undertaking Part II – Islamic Export Refinance Scheme

(To be submitted by the exporter on non-judicial stamp paper in accordance with the law in force in each Province)

The Manager,

\_\_\_\_\_ Bank Limited,  
 \_\_\_\_\_ Branch,  
 \_\_\_\_\_ (CITY)

Dear Sir,

1. We do hereby certify and confirm that a finance of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) has been allowed to us by you under Part-II of the Islamic Export Refinance Scheme of the State Bank of Pakistan on the basis of the Islamic Modes of financing duly approved by your Shariah Board and it is being understood that return/profit to be derived by the bank shall not % when converted into annual percentage terms :-

MODE OF FINANCE

2. We further confirm and undertake that the aforesaid finance is in the nature of a revolving limit and will be utilized by us solely for export of commodities eligible under the Islamic Export Refinance Scheme.
3. We hereby further declare and confirm that we have not, and will not in future, obtain any export finance from any bank other than yourselves on the basis of export receipts covered by the relevant form EE-1.
4. We further undertake that we shall realize export proceeds equal to at least twice the amount of refinance facility from the exports of eligible commodities during the relevant monitoring year excluding any exports for which finance has been obtained under Part I of the Islamic Export Refinance Scheme/ Export Finance Scheme.
5. We further undertake that in the event of short fall in exports for which we have availed of the above finance or in the event of our failure to submit to you statement on Form EF 1 duly verified by the bank concerned on or before 31<sup>st</sup> August after close of the relevant monitoring year on July-June basis, we will be liable to pay fine at the rate as prescribed by the State Bank from time to time and hereby irrevocably authorize you to debit the same from our account with you.

SIGNATURE VERIFIED BY THE BRANCH / BANK

AUTHORIZED SIGNATURE OF THE EXPORTER

N.T.N. \_\_\_\_\_

STATUS: Manufacturing / Semi Manufacturing / Trading Co. {Write only applicable here} MAILING ADDRESS:

**XXVIII. Form EE 1- For IEFS Part-II**

**PARTICULARS OF EXPORT RECEIPTS IN RESPECT OF ELIGIBLE COMMODITIES UNDER PART II OF THE ISLAMIC EXPORT REFINANCE SCHEME FOR THE MONITORING PERIOD .....**  
**(To be submitted in Triplicate)**

Full Name & Address of the Exporter .....Export Registration Number/NTN .....Name & Address of the Bank .....

| Sr. No | Export For m No. | Name of Consignee | Commodity | Contract/L.C. under which shipment made |      |        | Date of Shipment | Date of Negotiation by the bank by way of discounting/purchase of Bill/ date of post Shipment Financing on Sharaih Compliant basis other than | Proceeds Realized or to be realized |                      |  | Monthly Return and the name of Office of State Bank to which realization reported by the bank | Remarks (reference of FDBP against sight L/C) |
|--------|------------------|-------------------|-----------|---|------|--------|------------------|---|-------------------------------------|----------------------|--|---|---|
|        |                  |                   |           | No.                                     | Date | Amount |                  |   | Amount in Foreign Exchange          | Amount in Pak Rupees | Date of Realization in case export proceeds already realized |   |   |
| 1      | 2                | 3                 | 4         | 5                                       | 6    | 7      | 8                | 9   | 10                                  | 11                   | 12   | 13  | 14  |
|        |                  |                   |           |   |      |        |                  |   |                                     |                      |  |   |   |

I/We hereby solemnly state that the above statement does not include : -

- (i) Any export commodities which do not qualify for export finance under the Scheme
- (ii) The exports on negotiation basis reported in this Statement are against sight irrevocable letter(s) of credit which is/ are eligible for negotiation without reserve and the bills in respect thereof have not been negotiated with a scheduled bank in Pakistan except those mentioned above.

Signature & Seal of the Exporter

Countersigned by the Bank

(Name & Designation of the Authorized Officer of the Bank)



**XXIX. Form EF 1 - of Eligible Commodities Under IEFS Part II**

**PARTICULARS OF EXPORT RECEIPTS IN RESPECT OF ELIGIBLE COMMODITIES UNDER PART II OF THE ISLAMIC EXPORT REFINANCE SCHEME FOR THE MONITORING PERIOD .....**

Full Name & Address of the Exporter .....Export Registration Number/NTN .....Name & Address of the Bank ...

| Sr. No. | Export Form No. | Name of Consignee | Commodity | Contract/L.C. under which shipment made |      |        | Date of Shipment | Date of Post Shipment Financing on Shariah Compliant basis other than Part I | Proceeds Realized or to be realized |                      |  | Monthly Return and the name of Office of State Bank to which realization reported by the bank | Remarks (reference of FDBP against sight L/C) |
|---------|-----------------|-------------------|-----------|---|------|--------|------------------|--|-------------------------------------|----------------------|--|---|---|
|         |                 |                   |           | No.                                     | Date | Amount |                  |  | Amount in Foreign Exchange          | Amount in Pak Rupees | Date of Realization in case export proceeds already realized |   |   |
| (1)     | (2)             | (3)               | (4)       | (5)                                     | (6)  | (7)    | (8)              | (9)  | (10)                                | (11)                 | (12)   | (13)  | (14)  |
|         |                 |                   |           |   |      |        |                  |  |                                     |                      |  |   |   |

I/We hereby solemnly affirm that

- (i) the above statement does not include : -
  - a. Any export commodities which do not qualify for export finance under the Scheme
  - b. Any export made under a contract/LC which I/We obtained Export Finance from any bank under Part-I of the Scheme.
- (ii) The exports on negotiation basis reported in this Statement are against sight irrevocable letter(s) of credit which is/ are eligible for negotiation without reserve and the bills in respect thereof have not been negotiated with a scheduled bank in Pakistan except those mentioned above.

Signature & Seal of the Exporter

Countersigned by the Bank

(Name & Designation of the Authorized Officer of the Bank)



**TRADE DEVELOPMENT AUTHORITY OF PAKISTAN | MINISTRY OF COMMERCE**

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