

STATE BANK OF PAKISTAN
EXCHANGE POLICY DEPARTMENT
KARACHI

EPD Circular Letter No. 04

January 20, 2023

The Presidents/Chief Executives of all
Authorized Dealers in Foreign Exchange

Dear Sir/Madam,

Export of Sugar

Authorized Dealers (ADs) may find enclosed Ministry of Commerce Office Memorandum (O.M.) No. 7(2)/2012-Exp-III dated January 18, 2023 regarding the above subject. In terms of the above O.M., Government of Pakistan has allowed sugar mills to export 250,000 MT (Two Hundred Fifty Thousand Metric Ton) sugar as per the terms and conditions mentioned therein

2. ADs are advised to process the export of sugar quota allocation cases for Punjab and KPK, as per the following mechanism:
 - a. ADs will forward the requests of sugar mills through their respective Group Heads to the Director, Foreign Exchange Operations Department (FEOD), SBP-Banking Services Corporation (BSC), Head Office, Karachi for approval quoting the reference of this circular letter along with the copies of the following documents (duly attested by the bank):
 - i. Clearance Certificate issued by the concerned Cane Commissioner to the effect that concerned sugar mill has cleared outstanding dues of the farmers for sugarcane crop upto 2021-22.
 - ii. Sugar export contract.
 - iii. Print out of electronically generated Financial Instrument for export through PSW.
 - b. Incomplete requests shall not be considered.
 - c. FEOD will allocate sugar export quota to the sugar mills on first come first served basis, based on the date/time of the case received through SBP Regulatory Approval System.
 - d. The export by sugar mill will strictly be made through the AD that has submitted the request for quota allocation. The AD will ensure that export by a sugar mill does not exceed the quota allocated to it.
 - e. There shall be no provision of surrendering, transferring and amending the quota once allocated by FEOD.

3. The quota for sugar export for the province of Sindh will be allocated by Cane Commissioner of the province.
4. There will be no subsidy by the Federal/ Provincial Governments for export under the above scheme.
5. ADs will ensure to obtain an irrevocable L/C from the buyer.
6. The export proceeds shall be realized within 60 days of opening of LC. While calculating period of 60 days, both days of LC opening and realization will be included.
7. ADs will submit sugar export shipment update, including shipments made out of quota for Sindh, to the Director, FEOD, SBP-BSC, Head Office, Karachi on weekly basis as per the enclosed reporting format (Annexure-I) at sugar.epd@sbp.org.pk by Monday 11:00 a.m.
8. Authorized Dealers are advised to bring the above instructions to the knowledge of all their constituents and ensure meticulous compliance of the above instructions.

Yours truly,

Sd/-

(Dr. Asif Ali)
Director

Encl: As above