TALKS EXTENDED FOR TWO DAYS: IMF DEMANDS GOVT WITHDRAW POWER SUBSIDY

ISLAMABAD: Technical level talks between International Monetary Fund (IMF) team and Pakistani authorities have been extended for two more days on power sector with the fund demanding withdrawal of power subsidy to the export-oriented sector and additional taxes.

Sources said that technical level talks with the Fund continued on Sunday and will continue today on power sector, one of the major challenging areas. They added that the Fund is demanding additional tax measures including increase of one percent in the standard rate of sales tax to bridge the revenue shortfall. However, they added that any decision would depend on the revenue gap to be determined during the policy level talks. We have prepared various proposals and measures to be taken would be decided after knowing the revenue gap. Completion of 9th review is vital for Pakistan at this point in time to ensure external inflows according to these sources. When asked about power sector, a source said that the IMF has been pressing for withdrawal of power subsidy of Rs100 billion provided to the export-oriented sector and want full recovery of Rs952 billion power sector's gap through increase in power tariff. However, the government side has been trying to explain to the IMF team that it would be difficult to settle the entire amount. When asked how much power subsidy was provided to the export sector, sources said Rs50 billion has been disbursed. "Power sector remained a major challenge during the technical-level talks" they added.

The second phase of policy-level talks would start from tomorrow and will continue till February 9 on the Memorandum of Economic and Financial Policies (MEFP). On the fiscal side, the sources confirmed that a one-off flood levy was on the table that is estimated to field around Rs 180 billion. They did not rule out a major cut in the public sector development program (PSDP) to curtail the fiscal deficit. The cost of debt servicing consequent to recent devaluation has increased to Rs 5.2 trillion, which means that fiscal deficit would be over seven percent they added.

ALL SET FOR INKING PACT WITH DENMARK UNDER DETI

ISLAMABAD: Pakistan and Denmark are likely to sign agreement under Danish Energy Transmission Initiative (DETI) during the visit of Danish Minister for Development Cooperation and Global Climate Policy, Dan Jorgensen, well informed sources told *Business Recorder*.

The pact will be signed by the Danish Ambassador to Pakistan Jakob Linulf and Secretary Power Division, Rashid Mahmood Langrial on February 7, 2023 (tomorrow). According to the agreement, a total budget of 2 million DKK has been approved for DET|-activities in Pakistan including technical advice from DEA, Energinet and International consultants. Danish Minister will also meet Minister for Power, Khurram Dastgir Khan and discuss issues being faced by Danish companies which have established renewable energy projects. Prime Minister Office has already directed Power Division to sort out issues of Danish companies.

The objective of this project phase is to continue strengthening capacity within the Pakistani energy authorities to develop choice awareness and long-term energy planning for optimized use of grid connections in hybrid system and reduced curtailment of Variable Renewable Energy (VRE).

The project phase will combine the competencies of DEA and Energinet supported by international consultants in close dialogue with identified managers and technical staff at NEPRA, AEDB, NTDC, NPCC and CPPA and give direct support to accelerate implementation and integration of VRE in Pakistan.

DEA and Energinet with support from international consultants have successfully collaborated with the partners since mid-2021 under DETI in Pakistan. In total three high level missions and 4 technical missions have been conducted to share with relevant Pakistani energy authorities' recommendations and learning from the Danish energy sector including conducting capacity development through workshops, bilateral meetings, and trainings.

The general takeaways during the previous project phase are: DETI-project is anchored at high-level in MoE and with Pakistani Energy Authorities (e.9. AEDB, NEPRA, NTDC, NPCC, CPPA).

In August 2020 the Government of Pakistan approved an ambitious policy for alternative and renewable energy (ARE). Under this policy, Pakistan is to progress from 4% renewable energy in the energy capacity generation mix in 2018 to 20% renewables in 2025 and 30 percent in 2030 distributed on 2/3 from sun and 1/3 from wind energy. Renewable energy capacity is expected to expand by as much as 7,000 MW by 2025. By 2030, 60% of all electricity produced in Pakistan is to come from clean sources.

In the Indicative Generation Capacity Expansion Plan (IGCEP 202-2030) 69% of the capacity in the power sector and 77 % of energy in 2030 is projected to be produced from carbon free sources including hydro energy. Carbon emissions in the country by power generation accounts for 0.353 kg-COs/ kWh in the year 2021 and this indicator reduces to 0.202 kg- COs/ kWh by 2030. At the UN climate Summit 2020 Pakistan also announced that no more coal power plants would be approved as Pakistan will move towards renewable energy.

The project will increase confidence and capacity of the energy authorities (e.g. NEPRA, NTDC /NPCC, CPPA-G and AEDB) to develop the necessary regulatory frameworks and tools (e.g. grid codes, forecasting of variable renewable energy, thermal flexibility) to support government policy targets on renewable energy. Activities include review of the draft Grid Code 2022, submitted to NEPRA by NTDC for approval, to ensure that technical side of the power sector is aligned with the best international practices.

TARIFF OF INDIGENOUS GAS-RUN CPPs LIKELY TO BE REVIEWED: GOVERNMENT TO ALLOW NEW CPPs WITH COGENERATION TECHNOLOGY TO GET RLNG CONNECTIONS AT NOTIFIED TARIFF

ISLAMABAD: The government is likely to review tariff of indigenous gas-based Captive Power Plants (CPPs) and allow new CPPs with cogeneration technology to get RLNG connections at notified tariff, sources close to Minister of State for Petroleum and Natural Resources told *Business Recorder*.

Sharing the details, sources said that based on the discussions in the meeting held on March 27, 2008 on the issue of “urgent measures for additional power generation” Petroleum Division was conveyed that the condition for self-use in respect of gas allocation reserved for captive power has been revoked and the CPPs will be allowed to sell surplus generation to the Discos or KESC (KE).

SSGCL and SNGPL will issue NOC to the respective CPPs. The decision was conveyed to both SSGCL and SNCPL for implementation pursuant to the decision to allow CPPs which had surplus power generation and had sought generation licence from NEPRA to sell excess generation to Discos.

As of July 2022, both SNGPL and SSGCL have reported certain CPPs who hold NOC/ permission for sale of surplus power to Discos. Presently, total number of inactive consumers at SNGPL and SSGCL are 6 whereas 22 consumers are active of this 8 units are captive (export) while 10 units are captive (non-export). Only one is consuming RLNG over and above its indigenous gas load.

Contractual load of active consumers is 78.8 mmcfd (SNGPL 6.8 mmcfd and SSGCL 72 mmcfd). Current gas load is 32.2104 mmcfd (SNGPL 1.2104 mmcfd, SSGCL 31 mmcfd). Applicable tariff in SNGPL is $ 9/ mmbtu whereas in SSGCL gas rate is Rs 819 mmbtu for exports. However, rate of others is Rs 1054 mmbtu.

Section 3.1.6 of the National Gas Allocation and Management Policy, 2005 provides the following for gas supply to Captive Power sector:

Gas supply to all consumers in captive power sector will be made after first meeting the requirement of domestic, fertilizer, commercial, industrial, and power (both Wapda/ KESC) sectors on the following basis: (i) those dual fired power plants with a capacity of up to 50 MW, which employ combined cycle or cogeneration technology, shall be encouraged for allocation of gas. In order to ensure the optimal gas use for power generation, industrial units collectively setting up merchant power plants for self-consumption only will also be included in this category and ;(ii) gas supply for self-generation would be on “as and when available basis” at different locations.

Federal Cabinet while ratifying the decision of the CCoE meeting held on November 26, 2020 directed that no new gas connection may be allowed to industrial units solely for power generation through domestic gas or LNG where grid connectivity is available.

Government in the past has been taking measures for efficiency audit of the captive power plants on SSGCL and SNGPL network but the same could not be proceeded because of unwillingness of industry and protracted litigations.

Petroleum Division is of the considered view that the only way to discourage use of gas/ RLNG for self-use by CPPs is to rationalize the tariff structure so that CPPs can get electricity from grid and the gas so the rest can be used for other economic activities.

Considering the shortfall in the demand and supply of natural gas in the country and the availability of surplus power in the national grid, Petroleum Division has submitted the following proposals for consideration: (i) The earlier directive of March 27, 2008 asking SSGCL and SNGPL to issue NOC to CPPs for sale of surplus power to Discos may be revoked.

Moving forward both Sui companies would not issue such NOC to CPPs;(ii) new CPPs with cogeneration technology may be allowed to get RLNG connections at notified tariff which do not have power grid (distribution or transmission) connectivity;(iii) load enhancement of existing CPPs with cogeneration technology may only be allowed on RLNG and;(iv) the tariff for existing CPPs on indigenous gas supply would be revised as per policy of the government during the review of consumer gas prices from time to time.

R 6-1-2023

PM DIRECTS PD TO RECOVER RS1.13BN ROYALTY AMOUNT FROM 2 OIL, GAS COS

Islamabad: Prime Minister Shehbaz Sharif has directed the Petroleum Division to recover an outstanding royalty amount of Rs1.13 billion from two oil and gas firms (M/s SPUD and M/s FHL).

The Prime Minister's Office, in a letter to the Secretary Petroleum Division, said: "it has been desired that the Petroleum Division shall ensure recovery of the outstanding amount within two weeks and submit a compliance report." On finding a complaint against M/s SPUD Energy and M/s Frontier Holding Companies for willfully defaulting of their obligations to pay outstanding royalty 12.5 per cent amounting approximately Rs1.13 billion on the sale of natural gas/crude oil from Reti Maru, Badin IV South Block, and Zarghun field, PMO has taken action and sought recovery and submission of a compliance report from the Petroleum Division.

Petroleum Division's Financial Analyst Fazal Abbas, in a letter dated 27th January 2023 to Managing Director (MD), Sui Southern Gas Company Limited (SSGCL), advised to stop the payments of M/s SPUD and M/s Frontier Holding and deposit all the outstanding royalty at the rate of 12.5percent in the government treasury under head of Account C-03906, within timeline provided by the Prime Minister's Office.

Total default on royalty payments on the part of M/s Spud Energy up to December 2022 stands at nearly Rs1,117,708,404 (Zarghun South Rs 1,094,311,112 and Guddu Rs23,397,292) while total default on the part of M/s FHL stands at Rs297,885,624 (Badin IV South Rs216,315,972).

The Petroleum division had sent two letters dated 17th February 2022 and 13th June 2022 to the SSGCL and advised to withhold the entire payment to the royalty defaulter, ie, M/s SPUD Energy and M/s FHL of its share in the gas produced from the Bolan, Badin IV South Blocks and deposit all outstanding royalty in the government treasury immediately.

In a letter dated December 16, 2022, the Transparency International Pakistan (TIP) had earlier requested the PM to kindly look into this matter, and if it is found to be correct, then direct the regulator to first recover the outstanding amount from M/s Spud Energy and M/s Frontier Holding Companies prior to proceeding further assigning of 35 per cent working interests in the Hanna Block from Mari Petroleum Company (MPCL) to Spud Energy Private Limited (SEPL).

R 5-1-2023

'ABNORMAL' HIKES TAKE STEEL BAR PRICE TO HISTORIC HIGHS

KARACHI: In the absence of any regulatory check at the government end, the manufacturers on Saturday again raised the steel bar prices by another Rs15,000 to toss it to historic highs above Rs300,000 per tonne for the same reasons cited a day earlier. Steel bar consumers were surprised and shocked to receive over Rs25,000 per tonne hike in less than two days. A steel bar dealer said rising prices have made customers shaky as they ask for the rates and walk away instead of making any purchases.

The government should take notice of abnormal increases in steel prices whether the manufacturers are artificially jacking up the prices amid thin construction activities or due to raw material shortages and issues in the opening of letters of credit. Amreli Steel Ltd issued a new rate of Rs303,500 for 9.5-10mm bars followed by Rs301,500 for 16mm and above. On the other hand, the company informed its business partners that it would not take orders due to the looming shortage of raw materials. While keeping its booking closed, Naveena Steel Mills also issued a new price of Rs301,500 per tonne for 16-32mm and Rs303,500 for 10-12m.

A dealer said the current price of the hot rolled coil is Rs290,000 per tonne. This is a basic raw material for steel products and pipe manufacturing. The local steel processing industries also buy this raw material as it is not locally produced. The hot rolled coil is also converted into a cold rolled coil which is used in automobiles and other products, he added. Cold-rolled coils are also converted into galvanised sheets by local processing mills. He said cold rolled coil is currently sold at Rs320,000 per tonne while galvanized sheet rate is Rs330,000 per tonne. “The rate of cold and galvanized sheets has risen by Rs18,000 per tonne in just one day,” he added.

Pakistan Association of Large Steel Producers Secretary General Wajid Bukhari said the State Bank of Pakistan has failed to resolve issues in the opening of LCs, which caused a severe shortage of raw materials that led to production delays and the closure of numerous steel businesses and widespread job losses. The steel sector employs over 200,000 people directly and has an annual production capacity of over five million tonnes. However, the LC crisis due to a shortage of foreign currency reserves has forced many steel companies to reduce production or even shut down operations, he claimed. A total of approximately 7.5 million jobs are at stake because zero steel production will result in the closure of all allied industries of the construction sector, he said.

Dawn 5-2-2023

STEEL INDUSTRY: SBP URGED TO HELP RESOLVE ISSUE OF LCs

ISLAMABAD: The steel industry of Pakistan, facing a severe crisis, has made an urgent appeal to the State Bank of Pakistan (SBP) to open letters of credit (LCs) for the import of essential raw materials. The industry is on the brink of collapse due to a combination of factors, including the shortage of raw materials, the increase in international scrap prices, and the successive depreciation of the rupee over the last 18 months.

The steel industry is a crucial sector for the country’s economy, directly employing over 200,000 people and supporting numerous downstream industries. However, the lack of raw materials and the collapse of its trade finance limits have caused severe production disruptions and put the entire industry in jeopardy. Experts suggest that this crisis could put 7.5 million jobs at risk. “We are facing a dire situation, and we need the support of the State Bank to help us secure the imports we need to keep our factories running,” said Wajid Bukhari, Secretary General of Pakistan Association of Large Steel Producers (PALSP) on Sunday.

Every day that we are unable to secure these imports, we are losing ground, and the future of our industry is in serious jeopardy, he said. According to industry data, steel production in Pakistan has collapsed by a whopping 50%. The steel industry has been hit hard by the inability to source raw materials and the limited availability of these critical components has driven prices to record levels. “The price has already crossed 300,000rps/ton and we request urgent support from SBP to act quickly as mills will be running short on supply within weeks along with the recent wave of devaluation which would result in prices to cross 330,000rps/ton imminently.”

The shortage of raw materials has been further exacerbated by the lack of trade finance available to the industry. Due to the increase in international scrap prices and the successive depreciation of the rupee, the trade finance limits available from the banking sector have become inadequate. The recent devaluation of the rupee has shrunk the LC limits by 30%, overnight, putting even more pressure on the industry. The shortage is particularly acute in the case of scrap imports, which are a critical component for the steel industry. In the second quarter of the current fiscal year, scrap imports stood at 616,000 metric tons, a decline of 50% from the same period last year, when 1,235,000 metric tons were imported. This is the largest drop in scrap imports in the last two decades.

Industry experts have warned that this crisis will have a far-reaching impact, with 42 allied industries expected to be adversely affected and 7.5 million jobs at risk. The steel industry is the backbone of the economy, and if we do not take action now to support this sector, the consequences will be dire, the industry spokesperson said.

The PALSP has requested that the SBP provide support to the industry, even if that means curtailing its ability to import raw materials to 50% of last year’s volumes, taking into consideration the shortage of foreign currency available in the kitty. “We are calling on the State Bank to take immediate action to support our industry and open letters of credit for the import of raw materials, the spokesperson said. This is an SOS call for the survival of our industry, and we are counting on the State Bank to help us get through this crisis.” The PALSP has requested that the SBP allow the industry to stay afloat, even if that means reducing its ability to import raw materials to 50% of last year’s volumes, due to the shortage of foreign currency in the nation. The steel industry is urging the central bank to act quickly to address this critical shortage, as every day that passes without access to these vital raw materials is another day closer to the collapse of the entire industry. We cannot overstate the urgency of this situation, the spokesperson added.

R 6-2-2023

PETROCHEM COMPANY BRINGS FIRST CHEMICAL IN PAK RUPEES

KARACHI: Reliance Petrochem Industries has imported the first consignment from Saudi Arabia in Pakistani Rupees, which would pave the way for further imports in local currency thus relieving pressure from the dwindling forex reserves. "We imported First Consignment of industrial raw material from Saudi Arabia in Pak Rupees through Soneri Bank Limited and now going to route our all imports of inputs in PKR," an official said.

Reliance Petrochem Industries Pvt Limited Karachi imported First Consignment of basic raw material Petrochemical (meant for exports) from Saudi Arabia in Pak Rupees under Para-8 of chapter-13 and chapter-8 of FE Manual of State Bank of Pakistan through Soneri Bank Limited Main branch Karachi.

An official said given the prevailing situation in the country, the authorities must waive the requirement of I-Form, and importers should not be forced to disclose the source of payment against imports.

The official said removing the condition of I-Form for all industries particularly export-oriented industries is the need of hour. Currently, under-invoicing is not the issue, but unavailability of foreign exchange. It may be mentioned here that importers have already made deferred arrangements for their imports.

CN 6-2-2023

DISCONTINUATION OF RS5000 BANKNOTE SUGGESTED BY PBC TO FORMALIZE PAKISTAN ECONOMY

Pakistan Business Council (PBC) in a report suggested discontinuation of the highest denomination banknote of Rs5000 in order to formalize the country's economy. It said that Pakistan's Tax to GDP ratio will remain more or less at the current rate as will its ability to invest in human capital – health and education, unless there is political will and capacity/capability in the enforcement machinery to formalize the economy and broaden the tax base.

Chasing existing tax payers for more, whilst allowing the informal sector to grow, is akin to killing the goose that lays the golden eggs. With nearly a third of money in circulation outside the banking system, 80 per cent of the population unbanked and 60 per cent (80 Million people) not included in any financially transparent system, creating the opportunities for financial inclusion, concurrent with disincentives for the use of cash should be major thrusts.

These can be achieved through leveraging the growing penetration of smartphones. The money transmission systems now in vogue, still depend on the use of cash and in that respect act as virtual ATM machines which do not serve the purpose of cash-less transactions. Point of Sales (POS) terminals are expensive which is why the number in the country has not grown. POS terminals serve to switch from cash to plastic and do create transactional transparency.

The Punjab Government's incentive to reduce GST on some card payments is therefore a step in the right direction which should be replicated.

However, with intermediate commissions and charges, the use of cards will remain limited. Digital wallets with vendor QR codes are a better option to displace cash. "Discontinuation of the Rs.5,000 note and restrictions on use of cash above a certain limit would also assist," it added.

Inter-bank transfer speed has improved and will further improve through Raast and Digital Banks.

The Universal Payment Interface (UPI) in India allows money to be transferred across 142 banks, to/from mobile wallets, beneficiaries using the CNIC equivalent and to vendors using QR codes etc.

The State Bank can also facilitate a common KYC process for all financial transactions including those on the Stock Exchange and for insurance purposes;

Address the large undocumented and under-valued parts of the economy – real estate, gold, cash, prize bonds, foreign currency etc., and a fiscal regime that fails to discourage accumulation of wealth in unproductive assets, thus denying the country full potential to invest in productive sectors. Hence Pakistan's savings and investment levels are about half those of its neighbours.

A 17 per cent General Sales Tax (GST) rate in a poorly documented economy, together with relatively high import and excise duties provide an attractive incentive to evade, the spoils of which are then shared with a notoriously inefficient enforcement and collection machinery.

Since provincial GST does not apply on goods, provinces where most of the evasion of federal taxes takes place, have no financial interest to stem it. However, reducing the GST rate has significant negative impact on government revenue in the short term and the IMF conditionalities are unlikely to permit it.

Neither is government likely to summon enough political will to challenge much of the trader vote bank which benefits from evasion of the high GST rate. Until rates can be reduced and the collection machinery strengthened, the formal sector will continue to bear the brunt of these levies and the government will be denied taxes to fund social development.

Some measures like the requirement of Urdu language labelling on imported finished products need to be supplemented with raids on shops selling those not meeting this condition;

It is estimated that imports are under invoiced by $5 billion annually. This hurts the national exchequer and creates an unfair playing field for the formal sector. Agreement to exchange data on the value of imports/exports through Electronic Data Interchange (EDI) with partner countries would help stem under invoicing. It should at the very least be implemented with China;

The transit treaty with Afghanistan has been misused through diversion of goods to Pakistan. As the treaty has expired, Pakistan can renegotiate in current more regionally favorable environment, to put quantitative and qualitative restrictions on what can transit, insist on letters of credit, charge duty and GST on import which would only be refunded to the Afghan government on exit, track and monitor containers, strengthen inspection of empty containers returning and make physical controls along the border stronger. The civil and military authorities need to be on the same page to do this;

The provincial food authorities pursue the formal sector with greater vigor than the informal sector, firstly, because it is easier and secondly, due to its headline news value. Yet, the greater benefit to consumers of their actions would be in stemming adulteration, for example of unpacked and unbranded milk sold in milk shops and through home deliveries;

Front-loaded and unrealistic tax collection targets for an inadequately resourced Federal Board of Revenue (FBR) and provincial revenue authorities forces them to chase existing tax payers and adopt harassment rather than objective assessment as the means to meet these. Until the FBR and the provincial revenue authorities are radically restructured and their capacity to broaden the tax base through use of technology is not addressed, the scope of broadening the tax base will remain limited. Tax collection targets should be set separately for those in and outside the tax base so that its achievement of growing the latter becomes more visible;

Counterfeiting, especially of food and drugs is a menace that affects the consumers as much as it hurts the government and the formal sector. Weak enforcement of Intellectual Property Rights also puts off foreign investment. One way to check counterfeiting of consumer products is to move the trials to consumer courts and to allow prosecution to be conducted by the lawyers of the hurt parties rather than public prosecutors;

On a positive note, FATF and Anti Money Laundering laws have made it difficult for transactions to take place outside the banking system. This has effectively cut-off to a major extent the means to fund under invoicing and smuggling and is positive for the formalization of the economy;

Real Estate has been a traditional repository of "black" money. Whilst there is some progress in stemming the flow into this sector, better collaboration between the Federation and the Provinces in taxation would accelerate its formalization. Fiscal policy also needs to ensure that investment in real estate and gains arising therefrom do not enjoy an unfair advantage over investment and gains in the formal corporate sector.

A large informal economy has the following detrimental effects:

— Weak resource mobilization resulting in under-investment in socio-economic development, impeding productivity. Hence high percentage of children out of school, stunting, poor health-care, low Human Development Indicators etc

— Poor physical infrastructure, difficult and costly to move people and goods

— Low levels of investment as the undocumented sector lacks access to formal banking

— Exploitation of labour as well as use of child labour

— Irresponsible environmental practices

— Non-compliance with product health and safety standards

— Theft/short payment of utility dues leading to increasing circular debt and reduced investments by utility companies

— Inability of the SME sector to integrate with larger businesses

— Poor gender balance and working conditions

— Exploitation by law enforcing agencies, bureaucrats, money lenders, intermediaries and sometimes criminals

— Increased likelihood of money laundering, reliance on hawala/informal monetary exchange

— Accumulation of undocumented wealth in non-productive assets, especially, unproductive investment in land.

PR 5-2-2023

KSA WARNS SANCTIONS, UNDER-INVESTMENT MAY CAUSE ENERGY SHORTAGES

DUBAI: Saudi Energy Minister Prince Abdulaziz bin Salman warned on Saturday that sanctions and underinvestment in the energy sector could result in a shortage of energy supplies. The European Union has imposed a series of sanctions against Russia, reducing Russian energy exports, and other Western powers have also imposed measures as they seek to further limit Moscow’s ability to fund its war in Ukraine.

In response to a question on how the sanctions environment would affect the energy market, bin Salman told an industry conference in Riyadh: “All of those so-called sanctions, embargoes, lack of investments, they will convolute into one thing and one thing only, a lack of energy supplies of all kinds when they are most needed”.

The prince did not specifically mention Russia in his remarks. He said Saudi Arabia was working to send Ukraine liquefied petroleum gas (LPG), which is most commonly used as a cooking fuel and in heating. Asked what lessons had been learnt from energy market dynamics in 2022, Prince Abdulaziz said the most important one was for the rest of the world to “trust OPEC+”. “We are a responsible group of countries, we do take policy issues relevant to energy and oil markets in a total silo and we don’t engage ourselves in political issues,” the prince said.

The minister said he remains cautious on any increase in production.

OPEC+, an alliance that includes members of the Organization of the Petroleum Exporting Countries (OPEC) and others including Russia, agreed last year to cut its production target by 2 million barrels per day, about 2% of world demand, from November until the end of 2023 to support the market. An OPEC+ panel that met last Wednesday endorsed the decision, and the main message throughout the meeting was that the group would stay the course until the end of the agreement.

INDIAN MARKET REGULATOR SEEKS BENEFICIAL OWNERSHIP DETAILS OF FOREIGN INVESTORS

MUMBAI: India's market regulator has written to custodian banks to share details of beneficial owners of offshore funds and foreign portfolio investors, according to two sources directly aware of the matter.

The regulator has asked custodian banks to reach out to foreign portfolio investors by March and share the details by end of September, the sources said, speaking on condition of anonymity as the matter is confidential. If they do not provide such details, the regulator would deem the foreign funds in-eligible and ask them to liquidate their holdings in the Indian market by March 2024.

There are 11,000 foreign funds registered with the Securities and Exchange Board of India (SEBI). An email sent to SEBI was not immediately answered.

R 6-2-2023

SOUTH KOREA, AUSTRALIA CENTRAL BANKS RENEW CURRENCY SWAP AGREEMENT

February 6, 2023

SEOUL, Feb 6 (Reuters) - South Korea's central bank said it renewed on Monday a currency swap agreement with its Australian counterpart, valued at 9.6 trillion won or A$12 billion, for five years until early 2028.

The agreement, first signed in 2014, allows either party to exchange funds in own currency for the other currency under pre-set terms.

The Bank of Korea and the Reserve Bank of Australia have since renewed the agreement several times.

($1 = 1,246.9200 won)

($1 = 1.4432 Australian dollars)

https://www.reuters.com/markets/currencies/south-korea-australia-central-banks-renew-currency-swap-agreement-2023-02-06/