

**STATE BANK OF PAKISTAN**  
**BANKING POLICY & REGULATIONS DEPARTMENT**  
**I.I. CHUNDRIGAR ROAD**  
**KARACHI**

**BPRD Circular No. 04**

**April 14, 2023**

The Presidents/ Chief Executives  
All Banks/ Microfinance Banks (MFBs)

Dear Sir/Madam,

**Measures to Enhance Security of Digital Banking Products and Services**

The rapid growth in Digital Banking Products and Services supports digital transformation of the financial landscape and enables the banks/MFBs to cater to the growing needs of banking customers. However, adoption of digitization needs to be supplemented with necessary controls to mitigate the risk of fraudulent activities.

2. State Bank of Pakistan (SBP), from time to time, has been advising the banks / MFBs to implement appropriate controls and remedial measures for enhancing security of their digital banking products and services. In this continuum, to enhance the security of digital banking products and services, SBP has prepared a set of control measures which are given at Annexure - A.
3. Banks/ MFBs are advised to develop a comprehensive plan with monthly milestones, to be implemented by December 31, 2023, duly approved by the Chief Executive Officer (CEO) and submit the same to their relevant Banking Supervision Department (BSD) in SBP, within thirty (30) days from the issuance date of this Circular. Thereafter, a monthly progress report shall be submitted to the concerned BSD within ten (10) days from the close of each calendar month.
4. Banks/ MFBs failing to implement these controls within the stipulated timeline shall be liable to compensate their victim customer(s) within three (3) working days of the reporting of fraud, apart from any enforcement action under the applicable laws & regulations.
5. Please acknowledge receipt.

Yours truly,  
Sd/-

**(Muhammad Akhtar Javed)**  
**Director**

Enclosure: Annexure "A"