SBP REFUSES TO NAME $3BN LOAN BENEFICIARIES

ISLAMABAD: Reluctant to publicly disclose the names of the 620 beneficiaries who received a $3 billion 'soft loan' disbursed by the Pakistan Tehreek-i-Insaf government during the Covid-19 pandemic, the governor of the State Bank of Pakistan (SBP) said that he would prefer to share details with the Public Accounts Committee (PAC) in an in-camera meeting.

The PAC, which convened on Wednesday, was informed that SBP had executed the soft loan scheme through commercial banks and that revealing the details of the beneficiaries would breach the confidentiality agreement between the banks and their clients .

These arguments did not sit well with MNA Barjees Tahir, who said: "Just tell us the names of these 620 people." The PAC took up the issue of the loans during the PTI regime for the second consecutive time on Wednesday, insisting that public funds were used for the loans and the names of the beneficiaries must be disclosed. On Tuesday, the PAC instructed a joint investigation by the FIA, NAB, Auditor General of Pakistan, and Military Intelligence into the matter. On Wednesday, once again, PAC Chairman MNA Noor Alam Khan ordered that an inquiry into the matter was essential to ensure that no favours were granted and to evaluate the benefits gained from the loans.

Members of the PAC had been demanding a list of the 600-plus businesspersons to whom commercial banks provided around $3bn in loans at a zero mark-up rate for 10 years during the pandemic.

In response, SBP Governor Jameel Ahmad said the loans were intended for industry and machinery. "It had no foreign currency exchange. It was revised to five per cent," the SBP governor said, adding that more than 85pc of lending was through private banks. Of this, 42pc of borrowers were from the textile sector. Mr Ahmad informed the committee that the released funds were in rupees amounting to Rs394bn, but PAC members challenged the governor's claim. Senator Mohsin Aziz asked whether the intended purpose of the scheme had been fulfilled. Senator Salim Mandviwala also demanded a forensic audit of the scheme and sought details on how the funds were utilised.

According to Finance Secretary Imadullah Bosal, the loans were granted under the refinance scheme, which was carried out under the mandate of the SBP. Nonetheless, the PAC agreed to the proposal of the SBP governor and decided to hold an in-camera meeting. However, while reviewing audit objections for the year 2019-20 related to the FBR, the PAC directed its chairman to submit the list of staff members who had been posted at the "lucrative" Karachi station for more than three years.

In response, FBR Chairman Asim Ahmad informed the meeting that there were no provisions in the law to transfer staff to another station.

Dawn 6-7-2023

SBP'S TERF DURING PTI GOVT'S TENURE: PAC TO EXAMINE LIST OF 620 BORROWERS IN CAMERA

ISLAMABAD: The Public Accounts Committee (PAC) in an in-camera meeting will examine the list of 620 individuals/ companies who were refinanced under the State Bank of Pakistan (SBP) Temporary Economic Refinance Facility (TERF) during the previous Pakistan Tehreek-e-Insaf (PTI) government. Noor Alam Khan chaired the meeting of the PAC on Wednesday to examine the audit report of the Federal Board of Revenue (FBR) for the year 2019-20.

The committee also invited the secretary finance, the governor State Bank, the secretary Economic Affairs Division (EAD), the secretary commerce, and the chairman FBR to examine the list of 620 borrowers whom Rs398 billion were disbursed at subsidised rates. The secretary finance showed his willingness to carry out an impact assessment of the TERF on export and other sectors of the economy.

The governor State Bank apprised the committee that the refinancing scheme was an initiative of the central bank under its mandate and was launched in 2020 during the Covid pandemic for the revival of industry and mainly, the import of machinery. He said the package was offered two percent less than the policy rate of the central bank. First year, the rate was seven percent 2020 which further reduced to five percent in the following year. He stressed that the central bank has the mandate to refinance such kinds of schemes without consultation with the government at that time. He said 674 individuals approached the commercial banks for the loan scheme and sought Rs690 billion for 10-year loan, however, the commercial banks with independent boards approved 620 cases and approved Rs437 billion loan facility without any foreign component. The amount disbursed was Rs398 billion. He further clarified that the central bank provided mark-up subsidy to the public sector and private banks, no risk for the government involved. As many as 85 percent lending was provided through private banks and 15 percent through government banks. The objective of the scheme was the revival of industrial units hit by the Covid epidemic and the provision of employment. Talking about various sectors of the economy, he said 42 percent loan was disbursed to the textile sector, 12 percent food business, nine percent steel-related business, seven percent to the auto sector, and five percent to the packing industry.

Member committee Saleem Mandviwalla said there must be pre-consultations for the scheme at the government level as the government had only the mandate to launch such schemes and it could not be the initiative of the central bank itself. In addition, he said it was not for the revival of the industry but for the expansion of industry as it was utilised in the purchase for local machinery and import of machinery which required foreign currency.

Challenging, Secretary Finance and Governor State Bank's statement that under privilege clause, they could not disclose the list, Saleem said that commercial banks should be made accountable as they played onlyan intermediary role to disburse public money. The senator further showed his apprehensions to find out why the TERF was launched in a hurry without consulting relevant ministries and departments. He also suggested holding a forensic audit of the refinancing scheme.

The secretary commerce apprised the committee that the ministry was not consulted. The refinancing scheme had not addressed horizontal expense and SME sector and neither industry was consulted. Another Member Mohsin Aziz said that the refinancing scheme helped to boost the export remittance from $12.5 billion to $19.4 billion and such schemes were introduced in previous regimes.

The committee was apprised that the central bank has now the autonomy and has no mandate to launch refinancing scheme after amendments in its Act.

The chairman committee directed to ensure a pre-consultation process before launching of such schemes. He agreed to hold an in-camera meeting as the central bank refused to accommodate the committee's earlier directive to public the list.

The validity of the TERF was one year, ie, from March 17, 2020 till 31st March 2021. It was further extended.

PRIVATE POWER PLANTS: PD PAYS RS300BN TO TRIM CIRCULAR DEBT

ISLAMABAD: The Power Division is said to have paid Rs 300 billion to private sector and public sector power plants till June 30, 2023 aimed at bringing down the stock of circular debt from Rs 2.646 trillion as of May 31, 2023 to Rs 2.370 trillion as of June 30, 2023, well-informed sources told *Business Recorder*.

Finance Ministry, sources said, has issued a GoP guarantee in respect of fresh refinancing facilities amounting to Rs 283.287 billion from a consortium of four banks. Of total amount of Rs 283.287 billion, the share of Habib Bank Limited (HBL) was Rs 115.969 billion, followed by Allied Bank Limited (ABL) Rs 110.283 billion, National Bank of Pakistan (NBP) Rs 44.534 billion and Meezan Bank Limited (MBL) Rs 12.500 billion.

According to sources, Ministry of Law and Justice has also cleared draft guarantees from legal point of view after making few amendments/ deletions, subject to fulfilment of all codal formalities. Finance Ministry argued that Power Division/ Power Holding Limited (PHL) may ensure/ certify that the guarantees are in line with the term sheet approved by it and as amended by the Law Division.

Central Power Purchasing Authority-Guaranteed (CPPA-G) has disbursed Rs 142 billion to IPPs which includes wind, solar, hydel, gas and furnace oil power plants in order to reduce the stock of circular debt. Of Rs 142 billion, Government made payment of Rs 44.68 billion to coal-fired plants, Rs 39.45 to RLNG run plants, Rs 20.90 billion for fuel oil plants, Rs 13.5 billion for gas run and Rs 11.4 billion for nuclear power plants

A senior official of Power Division confirmed the list of over four dozen projects which have been released outstanding due payments before the end of FY 2022-23. A representative of Independent Power Producers (IPPs) told this scribe that the government has also made payments to IPPs over and above Rs 142 billion.

As per official documents of CPPA-G, circular debt stock grew by Rs 394 billion during FY 2022-23 with average monthly flow of 35.8 billion as compared to flow of Rs 27 billion during the corresponding period of 2021-22.

The Economic Coordination Committee (ECC) has also relaxed conditions to allow use of Rs20.726 billion as advance payments to clear liabilities of IPPs established under China Pakistan Economic Corridor (CPEC) before June 30, 2023.

R 6-7-2023

CIRCULAR DEBT PAYMENT: HERE IS THE LIST OF IPPS AND THEIR RESPECTIVE AMOUNTS

The Central Power Purchasing Authority (CPPA) has disbursed nearly Rs142 billion to Independent Power Plants (IPPs) in order to reduce the stock of circular debt. The outstanding payment was made on June 27.

The development is in line with the International Monetary Fund's (IMF) recommendation of reforms and progress in the energy sector in a recently signed staff-level agreement for an SBA facility amounting to $3 billion, said Rao Aamir Ali at brokerage house Arif Habib Limited (AHL) in a report on Wednesday.

Controlling the bulging circular debt, especially, in the power sector has been one of the key demands of the Washington-based lender. "The authorities' program also includes ongoing efforts to strengthen the viability of the energy sector (including through a timely FY24 annual rebasing), improving SOE governance, and strengthening the public investment management framework, including for projects needed to build resilience to climate change," the IMF stated in its press release announcing the staff-level agreement on Friday.

HERE IS THE LIST OF IPPS:

Company Name	Amount
ACT Wind (Pvt) Limited	Rs40mn
AJ Power (Private) Ltd.	Rs10mn
Appolo Solar Development Pakistan Limited	Rs257mn
Artistic Energy (Pvt.) Limited	Rs75mn
Atlas Power Limited	Rs2700mn
Attock Gen Limited	Rs2750mn
Best Green Energy Pakistan Limited	Rs137mn
Chanar Energy Limited	Rs15mn

Company Name	Amount
China Power Hub Generation company (Pvt.) Ltd	Rs9210mn
Chiniot Power Limited	Rs350mn
Crest Energy Pakistan Limited	Rs184mn
Daral Khwar HPP	Rs100mn
Engro Powergen Qadirpur Limited	Rs1000mn
Engro Powergen Thar (Pvt) Limited	Rs4310mn
Fauji Kabirwala Power Company Ltd.	Rs500mn
FFC Energy Limited	Rs100mn
Foundation Power Company Daharki Ltd.	Rs2500mn
Foundation Wind Energy-I Limited	Rs350mn
Foundation Wind Energy-II (Pvt.) Limited	Rs350mn
Gul Ahmed Wind Power Ltd	Rs400mn

Company Name	Amount
Halmore Power Generation Company Limited	Rs1600mn
Hamza Sugar Mills Limited	Rs20mn
Harappa Solar (Pvt) Limited	Rs15mn
Hawa Energy (Private) Limited	Rs50mn
Huaneng Shandong Ruyi Energy (Pvt) Ltd	Rs10004mn
Hydrochina Dawood Power (Private) Limited	Rs295mn
JDW Sugar Mills Ltd.	Rs20mn
JDW Sugar Mills Ltd.	Rs70mn
Jhimpir Power (Private) Limited	Rs50mn
Karachi Nuclear Power Plant-Unit-2	Rs8750.63mn
Karachi Nuclear Power Plant-Unit-3	Rs2668.49mn
Karot Power Company (Pvt.) Limited	Rs631mn

Company Name	Amount
Kohinoor Energy Ltd.	Rs800mn
Kot Addu Power Company Ltd.	Rs4250mn
Lalpir Power (Private) Limited	Rs2000mn
Laraib Energy Limited	Rs125mn
Liberty Daharki Power Limited	Rs1500mn
Liberty Power Tech Limited.	Rs2050mn
Lucky Electric Power Company Limited	Rs5500mn
Master Wind Energy Limited	Rs50mn
Metro Power Company Ltd	Rs50mn
Narowal Energy Limited	Rs2500mn
National Power Parks Management Company Private Limited	Rs9000mn
National Power Parks Management Company Private Limited	Rs13000mn

Company Name	Amount
Neelum Jhelum Hydropower Company (Pvt.) Ltd.	Rs2200mn
Nishat Chunian Power Limited	Rs1600mn
Nishat Power Limited	Rs2000mn
Orient Power Company (Private) Limited	Rs1600mn
Pak Gen Power Limited	Rs2500mn
Pakhtunkhwa Energy Development Organization (Malakand-III)	Rs250mn
Port Qasim Electric Power Company (Pvt.) Limited	Rs8317mn
Punjab Thermal Power Private Limited	Rs750mn
Quaid E Azam Solar Power Pvt Ltd	Rs50mn
Quaid-e-Azam Thermal Power (Pvt) Limited	Rs7000mn
Rousch Pak Power Ltd.	Rs1750mn
RYK Mills Limited	Rs20mn

Company Name	Amount
Sachal Energy Development (Private) Limited	Rs139mn
Saif Power Limited	Rs2250mn
Sapphire Electric Company Limited	Rs2500mn
Sapphire Wind Power Company Limited	Rs15mn
Star Hydro Power Limited	Rs100mn
Tenaga Generasi Limited	Rs600mn
Thal Industries Corporation Ltd	Rs50mn
ThalNova Power Thar (Pvt.) Ltd	Rs1302mn
Thar Coal Block-1 Power Generation Company (Pvt) Limited	Rs3325mn
Thar Energy Limited	Rs2716mn
The Hub Power Company Limited	Rs2000mn
Three Gorges First Wind Farm Pakistan (Private) Limited	Rs25mn

Company Name	Amount
Three Gorges Second Wind Farm Pakistan Limited	Rs98mn
Three Gorges Third Wind Farm Pakistan (Private) Limited	Rs110mn
Tricon Boston Consulting Corporation (Private) Limited	Rs25mn
Tricon Boston Consulting Corporation (Private) Limited	Rs25mn
Tricon Boston Consulting Corporation (Private) Limited	Rs25mn
Uch Power Ltd.	Rs1000mn
Uch-II Power (Pvt.) Limited	Rs7000mn
UEP Wind Power (Pvt)Ltd	Rs149mn
Yunus Energy Limited	Rs100mn
Zephyr Power (Pvt.) Limited	Rs40mn
Zorlu Enerji Pakistan Limited.	Rs25mn
Total	**Rs141.99bn**

Background

As per the Ministry of Energy’s monthly report, during 11MFY23, the stock of circular debt increased by Rs394 billion to Rs2,646 billion, which translates into a monthly average Rs35.8 billion, compared to a decline of Rs27 billion during the same period last year.

R 5-7-2023

NAB RELAUNCHES PROBE INTO ALLEGED RS500BN SCAM INVOLVING PAYMENTS TO FAVOURED IPPs: THE INQUIRY WAS PROMPTED BY THE RECENTLY AMENDED NAB ACT OF 2022, COULD ONCE AGAIN RESULT IN DELAY OF PAYMENTS

ISLAMABAD: The National Accountability Bureau (NAB) has once again initiated an inquiry into an alleged high-value scam, delving into the payment of a substantial sum of Rs 500 billion to Independent Power Producers (IPPs) amid concerns of irregularities. The inquiry was prompted by the recently amended NAB Act of 2022 and may once again result in a delay in payments. According to sources, the Secretary of the Power Division has been directed to provide the required information by July 11th. As part of its renewed inquiry, NAB has specifically requested details regarding the assets declared by the officials involved in the disbursement of funds to the IPPs.

Background

The scandal dates back to 2013 and revolves around the borrowing of a substantial Rs 500 billion from various banks to settle outstanding dues owed to the IPPs. The Power Division, in conjunction with Power Holding Private Limited (PHPL), facilitated the loan and played a significant role in distributing the funds to the favoured IPPs. NAB’s relaunched inquiry aims to shed light on the potential irregularities that may have occurred during this process, focusing on both the IPPs and the officials within the Power Division.

The issue has particularly been in limbo since March 2021, when the NAB investigation into IPPs reportedly put the first instalment of 40 percent of agreed amount of over Rs 400 billion in limbo.

In April that same year, NAB had written to the power division saying that the government has the full authority to execute their altered agreements with 47 IPPs in a bid to provide relief to those officials who are hesitant to implement the new agreements because of fears of possible action against them in future.

The decision to relaunch the inquiry demonstrates NAB’s unwavering commitment to addressing large-scale financial misconduct. By revisiting this investigation, the bureau seeks to ensure transparency, accountability, and responsible use of public funds. The relaunch of this inquiry has sent shockwaves throughout the power sector and the wider business community, sparking concerns about fair competition and the integrity of the industry. Stakeholders eagerly await the outcome of NAB’s efforts, as the investigation is expected to have significant implications for the energy sector.

Investigation in limbo

As the inquiry progresses, NAB is expected to meticulously scrutinise financial records, contracts, and relevant documents to build a compelling case against those involved. While the outcome of this high-profile investigation remains uncertain, NAB’s decision to relaunch the inquiry instils hope for a more transparent and corruption-free society. Citizens eagerly anticipate justice, with expectations that this investigation will serve as a strong message, deterring potential financial misconduct.

In conclusion, NAB’s relaunch of the inquiry into the alleged Rs 500 billion scam involving favoured IPPs marks a significant step in the fight against corruption and the pursuit of accountability in Pakistan. This renewed investigation aims to uncover potential fraudulent disbursements to select IPPs, involving officials from the Power Division. As NAB intensifies its efforts to unveil the truth, the nation awaits with anticipation, hopeful that this endeavour will restore faith in governance and financial systems while reinforcing the values of transparency and integrity.

PTD 5-7-2023

MAY 23 FCA: NEPRA APPROVES TARIFF HIKE FOR DISCOS, KE

ISLAMABAD: National Electric Power Regulatory Authority (Nepra) on Wednesday accorded in principle approval of positive adjustment of Rs 1.90 per unit in FCA of Discos and Rs 1.45 per unit for K-Electric (KE) for the month of May 2023 under monthly FCA mechanism, financial impact of which has been calculated at Rs 29.2 billion.

The provisional decisions were taken at a public hearing officiated Chairman NEPRA, Tauseef H Farooqi, Member (Technical), Engr Rafique Ahmad Shaikh, Member (Licensing), Maqsood Anwar Khan, Member (Technical & Finance), Mathar Niaz Rana and Member (Law) Amina Ahmed.

The Authority deferred implementation on its decision regarding charging uniform tariff on procurement of electricity through bilateral contract for one month on request of CEO CPPA-G. Rehan Akhtar. According to Nepra, in light of Power Acquisition Contract of Discos, approved by the Authority and clause 4.5.2 of PPAA of Discos with CPPA-G the energy procured by Discos from such bilateral contracts and net metering of consumers, are made part of Disco individual basket instead of accounting for in the total pool of CPPA-G.

A national average, Fuel Charges Component (FCC) rate, to be charged from consumers on a uniform basis in line with the policy of the Government to maintain uniform tariff, has been worked out. CPPA-G to develop a mechanism for Inter-Disco adjustment of FCAs, similar to the one used for Quarterly Adjustments.

Chairman Nepra made it clear that since the decision has already been taken, it has to be implemented; however, the Authority deferred implementation for one month with the direction that CEO CPPA-G should sit with Nepra’s team to finalize implementation mechanism. During the hearing, the issue of forced outages of Thar coal-based power plants were also highlighted.

The representative of National Power Control Centre (NPCC), the System Operator (SO) revealed that newly established Shanghai coal power plant was also on forced outage, which raised eyebrows of the Authority. Chairman Nepra inquired from CEO CPPA-G that if all codal formalities were completed before commissioning of plant, who responded/ clarified that all perquisites were completed. CEO CPPA-G assured the Authority that he would inquire and report back to Nepra.

The Authority also directed its own team to investigate the reasons for forced outage of Shanghai plant. Questions were also raised on charging of LDs instead of actual economic cost due to closure of power plants which are operating under take or pay mechanism.

The Authority Members Maqsood Anwar Khan and Mathar Niaz Rana queried the reasons behind less generation from coal-based power plants and for the high cost of generation from coal. Some of the participants raised questions about higher rates of electricity which include FCAs, QTAs and proposed substantial adjustment in base tariff from July 1, 2023 apparently under pressure from the International Monetary Fund (IMF). Chairman Nepra clarified that there is no doubt that cost of electricity is too high, but someone has to bear this cost, adding that the government had provided subsidy of Rs 1 trillion during FY 2022-23.

NTDC team also made hue and cry over deductions of Rs 38 billion under the garb of system constraints during the last four years, which paralyzed the Organization financially as this amount is nearly 40 per cent of its total budget. Member Sindh appeared angry at NTDC officials for accusing Sindhis of stealing materials from transmission towers.

RISE IN FCA REJECTED: KCCI FOR BREAKING KE’S ‘EXCLUSIVE MONOPOLY’ OVER POWER SECTOR

KARACHI: President Karachi Chamber of Commerce & Industry (KCCI) Mohammed Tariq Yousuf, while referring to Nepra’s public hearing held on Wednesday, rejected the Regulator’s decision to give a go-ahead to K-Electric (KE) for raising Fuel Cost Adjustment (FCA) by Rs1.495 per unit, saying whereas the government was also mulling to increase electricity base tariffs by Rs4 to Rs5 per unit under IMF’s agreement which would terribly raise the cost of doing business and give a serious blow to the exports as well as local production.

In a statement, President KCCI pointed out that as per agreement with the IMF the government is considering raising electricity tariffs, which is really worrisome. He said the miseries intensify further when we see that KE is also being given a go-ahead to raise FCA.

"FCA is also part of the electricity tariff but it seems that the public is being put in double jeopardy by applying increase in FCA separately along with hike electricity base tariff under IMF's agreement", Tariq Yousuf said, "We fully understand that the government has to fulfil its commitments made to the IMF but the industry and the masses should not be overburdened by raising the FCA which has got nothing to do with IMF's agreement." He was of the view that the unprecedented increase in electricity base tariff would create a miserable situation for the businesses and the economy as the already depleting exports would rapidly go down further and Pakistani exporters will be kicked out of the international exports arena. He said that the electricity consumers were already paying hefty electricity tariff of around Rs50 per unit including the FCA, quarterly adjustments, surcharge and taxes etc. which, the business community fears, may even go up to Rs65 to Rs70 per unit as the electricity tariff was being increased so frequently. He said that the consumers were being penalized for KE's failure to generate cheaper electricity as it was a well-known fact that KE's power generation cost stands the highest. "The government must compel KE to focus on renewable energy so that the consumers could be saved from facing the burns of FCA every month", he added. He further said that the Karachi Chamber has been vociferously demanding to end KE's exclusive monopoly by introducing at least four to five more players in the power generation and distribution network of Karachi, which was the only way forward to save the masses and the industry from the looting being carried out by KE under the pretext of FCA.

"Competition in the power sector would certainly provide relief to consumers who will have the option to select the most efficient electricity provider with lowest rates", he opined and appealed the government to take action before it's too late.

R 6-7-2023

PHARMA FIRMS TOLD TO START USING BARCODE

ISLAMABAD: The Drug Regulatory Authority of Pakistan (Drap) on Wednesday directed pharmaceutical companies to introduce barcodes on the packing of their products in a fortnight. "Pharmaceutical manufacturers and importers must print 2D barcoding on the packaging of their products. Putting such measures as a 2D barcode matrix for the identification of medicinal products helps in the eradication of spurious and falsified drugs that pose a serious threat to the health of citizens. Over the next two weeks, printing of barcodes as per rules, must be ensured," a statement issued by Drap's policy board said.

"Drap will immediately issue warning letters to all those pharmaceutical companies that have not registered their barcode data with Drap and are not printing 2D barcodes on packing of their products," the statement warned. An official of the health ministry said that the barcode system was proposed in 2017 and approved by the federal cabinet the same year.

Dawn 6-7-2023

GOVT WITHDRAWS PUBLIC PROPERTIES (REMOVAL OF ENCROACHMENTS) BILL, 2021

ISLAMABAD: The government on Wednesday withdrew a bill titled, "the Public Properties (Removal of Encroachments) Bill, 2021" after a parliamentary panel refused to recommend it to the National Assembly for passage.

The meeting of the National Assembly Standing Committee on Law and Justice which met here with Mahmood Bashir Virk in the chair discussed different bills. The committee also did not consider the bills titled, "the Constitution (26th Amendment) Bill, 2021 (Government Bill), and the Constitution (Amendment) Bill, 2023 (Amendment 140). It considered the bill, "the Muslim Family (Amendment) Bill, 2023 (Section 4) moved by MNA Syed Javed Hussain and the Muslim Family Laws (Amendment), 2022 (Amendment 5-A) moved by MNA Maulana Abdul Akbar Chitrali. After detailed deliberations, Maulana Chitrali withdrew the bill.

The committee considered a bill tilted, the Constitution (Amendment) Bill, 2023 (Article 76) moved by Syed Javed Hussain. After detailed deliberations, the committee recommended that the bill as amended may be passed by the NA.

R 6-7-2023

BANK OF ENGLAND CONSIDERS CLAMPDOWN ON FOREIGN BANK BRANCHES, FINANCIAL TIMES REPORTS

July 5, 2023

July 4 (Reuters) - The Bank of England is looking at plans to force more international banks to set up subsidiaries in the UK, The Financial Times reported on Tuesday.

The BOE is considering the plan as a part of a review of the collapse earlier this year of U.S. bank Silicon Valley Bank, the newspaper reported, citing people familiar.

The move could reduce the thresholds requiring foreign banks with corporate business in the country to set up subsidiaries, the paper said. It noted that subsidiaries, such as SVB had in London, are easier for local regulators to seize control of in case of failure.

Nathanael Benjamin, the BOE's executive director for authorizations and international banks on Monday said the central bank will reflect on the threshold for a foreign bank branch to become a subsidiary.
Following the collapse of its parent company in the United States, Silicon Valley Bank's UK arm was sold to HSBC (HSBA.L) in March to avoid disrupting its customers in Britain.

The Bank of England did not immediately respond to a request for comment.

https://www.reuters.com/business/finance/bank-england-considers-clampdown-foreign-bank-branches-ft-2023-07-04/