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**Circulars/Notifications****SMEFD Circular Letter No. 06 of 2010****April 26, 2010**

The Presidents / CEOs,  
All Banks/DFIs

Dear Sirs /Madam,

**Export Finance Mark-Up Rate Facility and  
Mark up Rate Support for Textile Sector against Long Term Loans--  
Extension in deadline for submission of claims**

Please refer to SMEFD Circular Nos. 03 & 04 dated March 22, 2010 regarding above referred Mark up Rate Facilities for the Textile Sector.

2. In this connection it is advised that deadline for submission of claims in respect of subject Schemes has been extended by one month i.e. from April 23, 2010 to **May 21, 2010**.

Other instructions on the subject shall remain unchanged.

Yours faithfully,

Sd/-  
**(Mansoor H. Siddiqui)**  
Director

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INTERNATIONAL

# THE NEWS

**Tuesday**

April 27, 2010

## SBP extends deadline for submission of claims by textile exporters

**From Our Correspondent**

**KARACHI:** The State Bank of Pakistan (SBP) on Monday extended the deadline by one month for submission of claims under the mark-up rate facility and mark-up rate support to facilitate textile exporters who have availed long-term loans, according to a statement.

The deadline for submission of claims under the two schemes has been extended to May 21, which was expired on April 23, it said.

Other instructions on the scheme would remain unchanged, the bank said.

In March, the central bank had decided to provide cheaper money to the textile sector under the Export Finance Scheme and announced a mechanism in consultation with the Textile Ministry, under which the eligible borrowers of the textile sector would be provided mark-up rate facility under the Export Finance Scheme and the mark-up rate support against long-term loans availed from banks and development financial institutions, the statement said.

As per the decision, the export finance mark-up rate facility would be admissible to the extent of 2.5 per cent per annum on the outstanding finance facility to the textile in-

dustry. Whereas, the maximum mark-up rate support would be admissible to the extent of 5 per cent per annum or the difference in the mark-up rate between floating rate loan and Long-Term Financing Facility (LTFF) rate, whichever is lower.

The central bank decided that the amount of support would be paid by the commercial banks or development financial institution to the eligible borrowers at their respective branches, provided they have online registration certificate issued by the Textile Ministry.

The EFS mark-up facility was admissible only for the number of days, the refinance facility remains outstanding under EFS, while the mark-up rate support would be admissible on the principal amount of loans outstanding on reducing balance basis and the loans disbursed by the banks or development financial institution up to August 31, 2009, will qualify for the support, according to the two circulars issued by the State bank in March.

The amount of facility or support will be paid by commercial banks or development financial institutions on six monthly basis in March and September each year, subject to the release of necessary budgetary allocation by the

federal government for the relevant fiscal year.

The banks and development financial institutions would pay to eligible borrowers to the extent of 60 per cent in case of EFS mark-up rate facility and 70 per cent in case of mark-up rate support of the total amount worked out for six months period from September 1, 2009 to February 28, 2010, the circulars said.

The remaining amount of subsidy will be provided upon receipt of funds from the Finance Ministry as and when received, it said.

After making payments of support, the disbursing branch of banks and development financial institutions can seek its reimbursement from the offices of the SBP-BSC as per the guidelines and that no service charges, fee of whatsoever nature, will be recovered by the bank or DFI from the borrowers for processing of these claims.

No claim for six months ended on February 28, of mark-up rate support would be entertained after May 21. Banks and development financial institutions were advised to ensure that all eligible cases were submitted by their concerned branches to the respective offices of SBP BSC (Bank) as per the schedule, it said.