

16th September, 2004

STATE BANK SUSPENDS LICENCE OF
M/S. H&H EXCHANGE COMPANY

The State Bank of Pakistan has with immediate effect suspended the licence of M/s. H&H Exchange Company (Pvt.) Ltd. on the charges of attempting to export undeclared foreign currencies equivalent to US\$ 1.72 million from the country. With the suspension of its licence, M/s. H&H Exchange Company has been debarred from undertaking any kind of foreign exchange business including export and import of foreign currencies, inward and outward remittances, sale and purchase of foreign currencies etc. at its head office and branches located in Karachi and Rawalpindi for a period of 30 days.

The action against M/s. H&H Exchange Company (Pvt.) Ltd. has been taken on a complaint from the Customs authorities regarding the seizure of undeclared foreign currencies which were being smuggled out of the country from Karachi airport.

It may be pointed out that under the State Bank's Licence, Exchange Companies are permitted to export foreign currencies other than US dollars as per the prescribed procedure only against proper declaration to the Customs authorities but M/s. H&H Exchange Company's representative has misdeclared the amount which was being exported out of the country and hence violated the SBP rules and regulations/instructions.

Further, the State Bank has also asked M/s. H&H Exchange Company to explain its position in writing within thirty days as to why its Licence may not be revoked for violating the State Bank's instructions.
