Pakistan Remittance Initiative (PRI)
In order to provide for an ownership structure in Pakistan for remittance facilitation, State Bank of Pakistan, Ministry of Overseas Pakistanis and Ministry of Finance launched a joint initiative called Pakistan Remittance Initiative (PRI). This initiative has been taken to achieve the objective of facilitating, supporting, faster, cheaper, convenient and efficient flow of remittances. This initiative shall take all necessary steps and actions to enhance the flow of remittances.

Analysis of Remittance System of Pakistan & PRI Strategy
At the outset of the drive, a comprehensive objective analysis of the Home Remittance System was carried out with a view to; collect and analyze remittance related data, identify the bottlenecks and weak links in the system, review the recent international efforts on remittances specially in the global and regional perspective, evaluate schemes earlier implemented to enhance remittance flows to Pakistan, and compile practices followed by various jurisdictions to boost remittances. The subject analysis led PRI to formulate a comprehensive strategy aimed at greater commitment of financial sector towards remittance services and resultant inculcation of remittance culture, transparency of remittance market with adequate consumer protection, efficiency of payment system infrastructure, and incentives for the remitters, beneficiaries and overseas entities.

Implementation of PRI Strategy

1. Policy Level Initiatives
   a. Realization of Business Case for Banks.
   b. Competitiveness

At the time of launch of PRI only few banks were actively involved in remittance business. Now this number has significantly increased and resultantly a competitive environment has emerged.

2. Enhancing Outreach
PRI is encouraging banks in Pakistan to enhance their outreach worldwide through new remittance- specific related arrangements. In this respect the strategy has been revolving around the following:

   a. Focus on Bilateral Arrangements - Around 600 New Arrangements Made
   b. Focus on Global MTOs

4th Floor State Bank of Pakistan, Head Off, I.I. Chundrigar Rd Karachi, Pakistan Direct: +9221-99213289, Call Centre: (021) 111-727-774
c. Support from IAMTN (International Association of Money Transfer Network) platform
d. Utilization of card technology in remittances

3. Improvements in Payment System Infrastructure
Reliable and efficient payment systems are vital to facilitate delivery of home remittances securely and efficiently. This goal will be achieved through phased implementation of payment system strategy with the help of State Bank of Pakistan.

a. PRI facilitated banks to introduce cash over the counter (COC) payments of Home Remittances being a popular mode of collecting remittances in Pakistan. All major banks have already started COC payments for remittances. This is an instant service introduced by PRI and has a great impact in competing with informal channels.
b. In the first phase banks are also using PRISM (RTGS) to transfer and settle inter-bank transactions. This has enabled banks to transfer inter-bank transactions into beneficiaries’ accounts on the same day.
c. Apart from RTGS, through ATM Switch, instant A/C credit facility is also available for beneficiaries through IBFT Inter Bank Fund Transfer. Now the turnaround time has considerably reduced.
d. Generating confirmation SMS to the beneficiary.

4. Distribution Channels
- Interaction with other Players
  a. Improvement in remittance service levels of Post Offices
  b. Involvement of Microfinance Banks in remittance business
- Identification of remittances rich areas (A comprehensive research has been done by PRI knowing exactly where remittance lands)
- Home Remittance Centers (These centers are being established under the regulatory framework of SBP, the Central Bank of Pakistan.)
- Distribution of remittances through branchless banking

5. Innovative Remittance Products
PRI provides advisory services to banks for introducing innovative remittance products such as Special NRP accounts, Pardes Cards (a generic name for all PRI co-branded cards for beneficiaries issued by all participating banks), Internet Based remittances etc.
6. **COMPLAINTS HANDLING AND FEEDBACK MECHANISM**

PRI Service Boards in Bank Branches on the pattern of the following;

7. **Monetary Penalty on Delay in Remittance**

With a view to encourage overseas Pakistanis and others to use banking channels for home remittances, and to protect the remitters / beneficiaries from any losses that they may incur due to unwarranted delays in receipts of funds in the beneficiaries’ accounts, a mechanism has been put in place whereby in case the amount of remittance is not credited/ paid to the
beneficiary as per stipulated instruction, the beneficiary shall be entitled to a return of sixty five (65) paisa per thousand rupees per day from the concerned bank for the number of days credit/payment on account of remittance was delayed.

8. **Pre Departure Briefings**
Remittance briefing sessions at Protectorate Offices for capturing potential overseas Pakistanis and for opening bank accounts before leaving the country. All preparatory work has been completed and the project will start in near future. It may be noted that DFID (UK) has provided technical assistance to PRI for this project.

9. **Training Programs**
PRI have organized various training programs related to various facets of remittances services ranging from strategic framework for remittance services to policy level initiatives. PRI also awarded appreciation certificates to top performer branch managers of banks in recognition of their services for the national cause.

10. **PRI ‘Best Performers’ Award**
Best Performance Award – 2011 were distributed in recognition of bankers’ commendable services in facilitating home remittances by Pakistan Remittance Initiative (PRI) in Karachi. These recognition awards were given to those bank officials who went beyond the call of their respective duties for the national cause of Home Remittances in different categories. SBP Governor distributed the awards amongst banks’ officials in different areas relating to home remittances including remittances services at branch level both in Pakistan and overseas, processing at centralized Home Remittance Cells and IT support for swift remittance delivery. Forty-five officials from a number of banks also received individual performance awards for facilitating remittances into Pakistan. The ceremony was attended, among others, by senior SBP officials and a large number of bankers.

11. **PRI Quoted as best practices at National & International level**
- IAMTN Award for PRI
- Recognition of PRI by FATF as an effective tool to combat hawala
- Creation of PRI Blog at World Bank website
- Representation of PRI at ILO as best model for remittance services management
- PRI partnership with overseas authorities
- Recognition of PRI as major factor behind growth in home remittances by PIDE, SBP, Planning Commission, Lahore School of Economics
12. Pakistan Remittance Trends

5-Year Compound Average Growth Rate – 2009-2013 (%)

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Billion USD

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Pakistan Remittance Trends
Corridor wise Remittance Market Share (FY14 (Million USD))