



QUARTERLY NEWSLETTER

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# BANKING MOHTASIB PAKISTAN

www.bankingmohtasib.gov.pk

Telephone: +9221-99217334-8

Fax: +9221-99217375, +9221-99213904

## Banking Mohtasib Pakistan calls on the Governor Punjab



The Banking Mohtasib Pakistan, Mr. Sirajuddin Aziz called on the Governor Punjab, Sardar Saleem Haider Khan at Governor House, Lahore on 30th May, 2024.

During the meeting, Mr. Sirajuddin Aziz presented the Annual Report of BMP for the year 2023 to the Governor Punjab. He also briefed the Governor Punjab about the performance and achievements of his organization. Discussions were also held on matters of mutual interest.

The Governor Punjab appreciated the performance of Banking Mohtasib Pakistan.

## Mr. Sirajuddin Aziz meets Provincial Ombudsman Punjab

The Banking Mohtasib Pakistan, Mr. Sirajuddin Aziz during his visit to Lahore met the Provincial Ombudsman Punjab, Major (Retd.) Azam Suleman Khan on 29th May, 2024.

During the meeting, Mr. Sirajuddin Aziz presented the Annual Report-2023 of Banking Mohtasib Pakistan and also discussed with him the issues of public grievances against banks.

Maj (Retd.) Azam Suleman Khan, who took over as Provin-

cial Ombudsman Punjab in July 2020 for a period of four years, will be completing his tenure next month.

In a letter dated the 25th June, 2024 to Banking Mohtasib, the Provincial Ombuds-

man Punjab extended his sincere appreciation for the invaluable support and cooperation extended to



him by BMP during his four-year term as Provincial Ombudsman Punjab.

## Mr. Riaz Riazuddin's Lecture on 'Debt Management & Sustainability Issues in Pakistan'



In a series of lectures planned for grooming the staff of Banking Mohtasib, the former Acting / Deputy Governor, State Bank of Pakistan, Mr. Riaz Riazuddin was invited to make a presentation on "Debt Management and Sustainability Issues in Pakistan" at the Banking Ombudsman Secretariat, Karachi on 25th April, 2024.

Besides the Banking Mohtasib Pakistan, Mr. Sirajuddin Aziz, Senior Advisors, Advisors and the Investigation Officers attended the said presentation.

While tracing the history of Debt Accumulation in Pakistan, Mr. Riaz Riazuddin explained the Assessment of Debt Sustainability by outlining Simple Indicators of Debt Sustainability, Classical Approach, Debt Intolerance Approach, Arrow Approach and IMF Approach. He also dealt with Public Debt and Development Projects in his presentation.

Referring to the history of Debt Accumulation, he mentioned that Pakistan has had elevated levels of debt at several

points in its history. As far back as 1975, the total debt had reached a level of 63 percent of GDP, he said, adding that Public debt reached a peak of 110 percent of GDP in 1999.

He added that while Pakistan had only fiscal deficits in each of all 48 years from FY76 to FY23, it was able to generate ten primary surpluses between FY96 & FY07. Nine of these happened after debt restructuring of FY99. Unless we show fiscal consolidation by raising revenues covering at least the non-interest expenditure, our debt is unlikely to fall, he added.

He outlined the following points with regard to Assessment of Debt Sustainability:

- While the debt to GDP (mp) is customarily used to indicate the relative debt stock burden in the economy, it does not convey the repayment burden.

- Flow variables like revenues and interest payments are used to evaluate ratios indicating repayment burden for the total public debt.

- For the external debt repayment burden, foreign exchange earnings and servicing payouts like interest or foreign exchange reserves are also used. Some indicators are:

- a) Public debt as ratio of revenues.

- b) Interest payments as ratio of revenues.

- c) Debt servicing to exports.

- d) Foreign Exchange reserves as a ratio of external debt.

While referring to Simple Indicators of Debt Sustainability and Public debt to revenue ratio, he concluded that in FY22, this ratio was 641% while in FY23, it increased to 694%.

- Although debt to GDP is lower at 79.6% compared with 110% in FY99, the risk of default is the same as in FY99.

While referring to the Classical Approach to Debt Sustainability, he outlined the following important points:-

- The sustainability of fiscal policy is contingent upon generating future primary surpluses equal to the current level of the debt ratio.

- If current and future surpluses are insufficient, the government must either raise taxes or cut expenditure.

- If the sustainable ratio exceeds the current ratio, adjustments such as tax increases or expenditure cuts are necessary for fiscal policy and debt to return to sustainability.

- Medium-term tax gaps for Pakistan are estimated to range

between 4 to 8 percentage points of GDP. This implies that the government must increase its tax-to-GDP ratio by about 6 percentage points in the medium-term to maintain fiscal sustainability.

With reference to Debt Intolerance Approach, he said that Pakistan's external debt to GDP was 33.4% of GDP in FY23. The study, conducted two decades ago, displays signs of high debt intolerance.

Referring to Arrow Approach, he said that Arrow et al. (2004) proposed a criterion that intertemporal social welfare should not decrease over time. For the external sector, Pakistan has a comprehensive dataset known as the "International Investment Position" (NIIP), he said, adding that the NIIP, calculated as the difference between assets and liabilities, was USD 131.8 billion in the negative at end-June 2023. 'Elevated gross financing needs continue to pose high risks to debt sustainability, particularly as fiscal and reserve buffers have been depleted. In this regard, timely disbursements of committed bilateral and multi-lateral support is critical in the period ahead,' he added.

The presentation was followed by a question-answer session. In the end, the Banking Mohtasib, Mr. Sirajuddin Aziz appreciated the well researched presentation of Mr. Riazuddin, which he said would help the officers of Banking Mohtasib Office in understanding the intricate economic issues.



Banking Mohtasib Pakistan, Mr. Sirajuddin Aziz presenting a souvenir to the Ex-Acting/Deputy Governor, State Bank of Pakistan, Mr. Riaz Riazuddin



Ms. Samreen Tanveer, Assistant Director presenting a bouquet to Mr. Riaz Riazuddin on his arrival at BMP Secretariat, Karachi

## Mr. Sirajuddin Aziz Presides over Interactive Learning Session



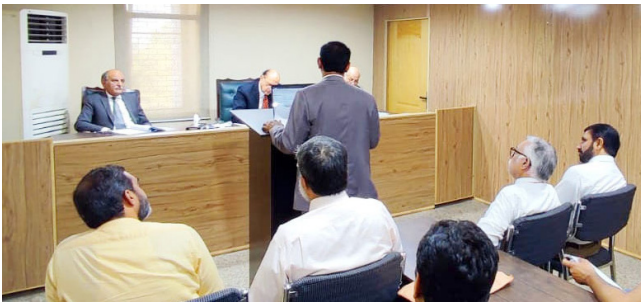
The Banking Mohtasib Pakistan, Mr. Sirajuddin Aziz presided over a discussion/ interactive learning session on 'Personal Reputation and Development', on

17th April, 2024. The two-hour interactive session held at Karachi Secretariat was attended by officers/ staff of Banking Mohtasib Pakistan.

## Banking Mohtasib Mr. Sirajuddin Aziz hearing complaints at Karachi Secretariat & Regional Offices



Karachi Secretariat



Faisalabad Regional Office



Rawalpindi Regional Office



Lahore Regional Office



Banking Mohtasib, Mr. Sirajuddin Aziz being welcomed on his first visit to Regional Office, Faisalabad

## CASE STUDIES

### Case 1: Issue of unauthorized debit of Rs 7,316,500/- amicably resolved and Complainant gets relief

The Complainant submitted that an amount of Rs 7,316,500/- was unauthorizedly debited to his account through 34 transactions of internet mobile banking on a single day on 18th January, 2024. He added that his ATM card had already expired and his online transaction limit per day sanctioned by the Bank was upto Rs 500,000/-.

It was observed that Rs 7,316,500/- was withdrawn from the Complainant's account in a single day through IBFT against his online transaction limit of Rs 500,000/- sanctioned for a single day. Further, 34 IBFT transactions were made on a single day which is potentially unusual pattern for any account irrespective of type of account and balance available, but the Bank's 24x7 monitoring system had failed to identify alleged fraudulent activity in the account and no real time restraint was initiated on the Complainant's account to avoid substantial loss despite SBP's clear instructions to deploy real time fraud tools and alert mechanism. Apparently the Bank's system was not proficient with current international security standards, which exposed the Complainant's account to potential fraudsters and resulted in heavy loss to him.

The Bank was made to accept the system glitch / fault at its end and as such credited the amount of Rs 7,316,500/- to the Complainant's account. On satisfactory resolution of the issue, the Complainant showed his satisfaction.

### Case 2: Complainants get refund of Rs 1,787,500/- deducted from accounts: Issuance of three Insurance Policies without consent

The Complainants submitted that an amount of Rs 1,787,500/- was deducted from their accounts against insurance policies without their consent / knowledge. They had come to know about issuance of insurance policies and deduction of premium from quarterly statement of their respective accounts. They immediately lodged the complaint with the Bank, but to no avail. Feeling aggrieved, they approached the Office of Banking Mohtasib Pakistan for the redressal of their grievances.

Upon receipt of the complaint, the concerned bank was asked to clarify its position. The Bank in response informed having initiated the process for cancellation of the insurance policies and for full refund of the premium amount with Insurance Company.

After continuous follow up, the insurance policies were cancelled and the Bank refunded the total amount of Rs 1,787,500/- (Rs 687,500 + 500,000 + 600,000), to respective accounts of the Complainants. The Complainants confirmed the receipt of funds and expressed their satisfaction over the amicable resolution of their joint complaint.

### Banking Mohtasib Provides Rs 377.43 (M) Relief to Banking Customers in Second Quarter of 2024

The Banking Mohtasib Pakistan has provided relief amounting to Rs 377.43 million to banking customers by disposing of 7104 complaints against commercial banks during the second quarter (April-June) of the current calendar year 2024.

The Banking Mohtasib has received 7135 new complaints, including 1972 from the Prime Minister's Portal, from 1st April to 30th June 2024.

Complaint Statistics	
Complaints Received during the period April - June, 2024	7135
Complaints Disposed of during the period April - June, 2024	7104
<b>Relief provided to Complainants</b>	<b>377.43 (M)</b>

### OBITUARY

Mr. Muhammad Malook, Father-in-Law of Mr. Muhammad Ameen, Assistant Investigation Officer expired in Karachi on May 17, 2024 in a traffic accident. May God rest the departed soul in eternal peace and give courage and fortitude to the bereaved family to bear the irreparable loss. Aameen!

## Felicitation to Mr. Aamir Ali, Assistant Director



Colleagues of Mr. Aamir Ali, Assistant Director Investigation hosted a dinner on the auspicious

occasion of his wedding on 7th June, 2024 at DHA Club, Karachi. The dinner was attended, among others, by

the Banking Mohtasib Pakistan, Mr. Sirajuddin Aziz, Senior Advisors, Advisors and Investigating Officers.

## Senator Mushahid Hussain Sayed addresses Webinar on "Building Public Awareness: An Essential Feature of Obudsmanship"

The Asian Ombudsman Association (AOA) held a Webinar on "Building Public Awareness: an Essential Feature of Ombudsmanship" on 15th May, 2024. The Webinar was hosted by the Federal Ombudsman of Pakistan in pursuance of the decision of the 17th Meeting of the AOA General assembly. The theme of the Webinar was in line with Article 4(2) of the AOA Bye Laws which provide for such activities to facilitate exchange of information and experience among the Ombudsmen in the region.

The Webinar was opened by Federal Ombudsman of Pakistan and President Asian Ombudsman Association, Mr. Ejaz Ahmed Qureshi while Senator Mr. Mushahid Hussain Sayed as key person addressed the Webinar.

It may be added here that the Paris Principles (General Assembly Resolution 48/134 adopted on 20th December, 1993) require a national institution "to publicise human rights and efforts to combat all forms of discrimination by increasing public awareness, especially through information and education and by making use of all press organs."

## Mr. Kazi Raheel Javed attends Course on 'Financial Fraud - (From Prevention to Examination)'



Syed Kashif Hussain Bokhari, Executive Vice President, Head of Crime Control Management, Faysal Bank Limited and Mr. Sajjad Nawaz, Head of

Fraud Risk Management, Meezan Bank Limited conducted a course on 'Financial Fraud - (From Prevention to Examination)' at a local hotel in Karachi on 27th April, 2024. Mr. Kazi Raheel Javed, Assistant Director, Banking Mohtasib Pakistan attended the course.

## Mr. Mumtaz Ali Shah assumes charge of the Office of Federal Insurance Ombudsman

The Honorable President of Islamic Republic of Pakistan, Mr. Asif Ali Zardari administered the oath of Office of the Federal insurance Ombudsman to Mr. Mumtaz Ali Shah on 13th June, 2024 at Awan-e-Sadr, Islamabad.

In terms of section 125 of the Insurance Ordinance 2000 read with section 3 of Federal Ombudsmen Institutional Reforms Act, 2013, Mr. Mumtaz Ali Shah's appointment as Federal Insurance Ombudsman for a period of four years was earlier notified with ef-

fect from the date of his taking oath of the said Office.

Mr. Shah is a retired official of BPS-22 of Pakistani Civil Service. His last assignments were as the Federal Secretary for Maritime Affairs, Federal Secretary for Religious Affairs and Chief Secretary, Sindh. He joined the Pakistan Administrative Service after passing the Central Superior Services Examination in 1984.

## پاکستان میں مترضوں کے انتظامی مسائل پر سابق ڈپٹی گورنر اسٹیٹ بینک جناب ریاض ریاض الدین کا لیکچر

جناب ریاض ریاض الدین نے اپنے لیکچر میں مزید بتایا کہ جہاں مالی سال 76ء سے مالی سال 2023ء تک تمام 48 برسوں میں پاکستان کو مالیاتی خسارے کا سامنا رہا، وہیں ملک نے مالی سال 96ء اور مالی سال 2007ء کے دوران دس بنیادی سرپلس بھی حاصل کئے۔ جن میں سے نو (9) سرپلس مالی سال 99ء کی قرض کی تنظیم نو (ری اسٹرکچرنگ) کے بعد حاصل ہوئے۔

انہوں نے کہا کہ جب تک ہم کم از کم غیر سودی اخراجات کو پورے کرنے والے محصولات میں اضافے کے ذریعے (Fiscal consolidation) کا مظاہرہ نہیں کرتے، ہمارے قرض میں کمی کا کوئی امکان نہیں ہے۔

لیکچر کے بعد سوالات و جوابات کا سیشن ہوا۔ بعد ازاں، بینکنگ محتسب پاکستان، جناب سراج الدین عزیز نے جناب ریاض ریاض الدین کے پُر تحقیق لیکچر کو سراہتے ہوئے امید ظاہر کی کہ یہ گفتگو بینکنگ محتسب پاکستان کے ادارے کے افسران کو پیچیدہ معاشی معاملات کو سمجھنے میں مددگار ثابت ہوگی۔



الدین نے قرضوں کے انتظامی مسائل کے سادہ اشاریوں، کلاسیکی طریقہ کار، ڈیٹ این ٹولرینس اپروچ، ایرو اپروچ اور آئی ایم ایف اپروچ کی مدد سے قرضوں کے انتظامی مسائل کے اندازے کی وضاحت کی۔ انہوں نے اپنے لیکچر میں حکومتی قرض اور ترقیاتی منصوبوں کے بارے میں گفتگو کی۔ قرض میں اضافے (Accumulation) کی تاریخ کے حوالے سے انہوں نے کہا کہ پاکستان کو اپنی تاریخ میں کئی مواقع پر قرض کی بلند سطحوں کا سامنا رہا ہے۔ انہوں نے بتایا کہ 1975ء میں ملک کا مجموعی قرض جی ڈی پی کے 63 فی صد کی سطح تک پہنچ گیا تھا جبکہ حکومتی قرض نے 1999ء میں جی ڈی پی کے 110 فی صد کی بلند ترین سطح کو چھو لیا تھا۔

بینکنگ محتسب پاکستان کے عملے کی تربیت کے لئے منعقد کئے جانے والے لیکچرز کے سلسلے میں اسٹیٹ بینک آف پاکستان کے سابق ڈپٹی گورنر، جناب ریاض ریاض الدین کو پاکستان میں قرضوں کے انتظامی مسائل پر ایک لیکچر کے لئے مدعو کیا گیا۔

25 اپریل، 2024ء کو بینکنگ محتسب پاکستان سیکریٹریٹ، کراچی میں منعقد ہونے والے اس لیکچر میں بینکنگ محتسب پاکستان، جناب سراج الدین عزیز کے علاوہ ادارے کے سینئر ایڈوائزرز، ایڈوائزرز اور تفتیشی افسران نے بھی شرکت کی۔

پاکستان میں قرض میں اضافے کی تاریخ پر نظر ڈالتے ہوئے جناب ریاض ریاض

اپریل - جون 2024

سہ ماہی نیوز لیٹر



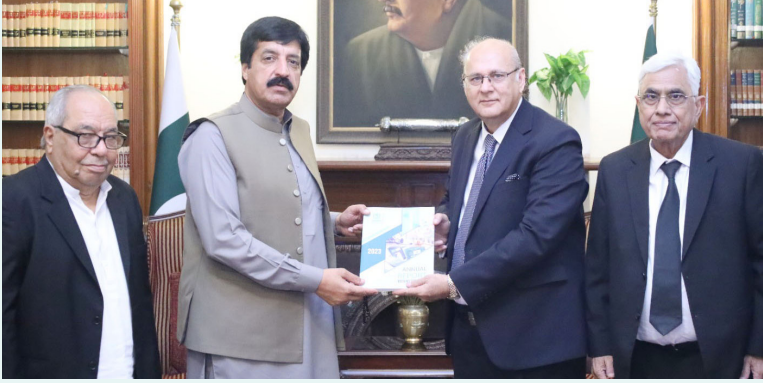
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Telephone: +9221-99217334-8

Fax: +9221-99217375, +9221-99213904

## بینکنگ محتسب پاکستان کی گورنر، پنجاب سے ملاقات



بینکنگ محتسب پاکستان، جناب سراج الدین عزیز نے 30 مئی 2024ء کو گورنر پنجاب سردار سلیم حیدر خان سے ملاقات کی۔

گورنر ہاؤس، لاہور میں ہونے والی اس ملاقات میں بینکنگ محتسب نے گورنر پنجاب کو اپنے ادارے کی سالانہ رپورٹ برائے 2023ء پیش کرتے ہوئے اپنے ادارے کی کارکردگی سے بھی آگاہ کیا۔ ملاقات میں باہمی دلچسپی کے امور پر گفتگو بھی ہوئی۔ اس موقع پر گورنر پنجاب نے بینکنگ محتسب پاکستان کی کارکردگی کو سراہا۔

## سینیٹر مشاہد حسین سید کا عوامی شعور کی تعمیر: محتسب کے لئے ایک لازمی خصوصیت کے موضوع پر ویڈیو سے خطاب

فراہمی اور تعلیم کے علاوہ ابلاغ کے تمام ذرائع کو استعمال کیا جائے۔

اس ویڈیو میں بینکنگ محتسب پاکستان کی جانب سے جناب نو روز محمد علی، عارف محمود بٹ، یامین احمد فاروقی اور علی حسین بروہی (ایڈوائزرز)، قاضی راحیل جاوید، عبدالقدیر شیخ اور ستیش اندر جیسرانی (اسسٹنٹ ڈائریکٹرز) اور جناب ریاض حسین ہمدانی، محمد جنید خان اور سلطان علی خواجہ (کنسلٹنٹس) نے شرکت کی۔

سرگرمیوں پر زور دیتا ہے۔ اس ویڈیو کا افتتاح وفاقی محتسب، پاکستان اور ایٹیشن اومبڈسمین ایسو سی ایشن (AOA) کے صدر، جناب اعجاز احمد قریشی نے کیا جبکہ سینیٹر مشاہد حسین سید نے اس ویڈیو سے خطاب کیا۔ واضح رہے کہ پیرس اصول (20 دسمبر، 1993ء کو منظور کی گئی) جزل اسمبلی قرارداد نمبر (48/134) کے تحت ایک قومی ادارے پر لازم ہے کہ وہ انسانی حقوق کے ساتھ ساتھ ہر قسم کے امتیازی برتاؤ کے خلاف کی جانے والے کوششوں کی تشریح کرتے ہوئے عوامی شعور کی تعمیر کرے۔ اور اس کے لئے بالخصوص معلومات کی

ایشیئن اومبڈسمین ایسو سی ایشن (AOA) کے زیر اہتمام 15 مئی 2024ء کو عوامی شعور کی تعمیر: محتسب کے لئے ایک لازمی خصوصیت کے موضوع پر ایک ویڈیو (Webinar) کا انعقاد کیا گیا۔ ایٹیشن اومبڈسمین ایسو سی ایشن (AOA) کی جزل اسمبلی کے 17ویں اجلاس میں کئے گئے فیصلے کے تحت اس ویڈیو (Webinar) کی میزبانی وفاقی محتسب پاکستان نے کی۔

اس ویڈیو کا مرکزی خیال ایٹیشن اومبڈسمین ایسو سی ایشن (AOA) کے قوانین کے آرٹیکل (2)4 کے مطابق تھا جو خطے کے محتسب اداروں کے مابین معلومات اور تجربات کے تبادلے کے لئے ایسی

ملین روپے کی ادائیگی کے احکامات صادر کیئے۔ بینکنگ محتسب کو یکم اپریل سے 30 جون 2024 کے دوران 7135 نئی شکایات موصول ہوئی ہیں جن میں وزیراعظم پورٹل پر درج کرائی گئیں 1972 شکایات بھی شامل ہیں۔

بینکنگ محتسب پاکستان نے رواں سال کی دوسری سہ ماہی کے دوران بینک صارفین کو 377.43 ملین روپے کی ادائیگی کے احکامات صادر کیئے

بینکنگ محتسب پاکستان نے رواں سال کی دوسری سہ ماہی (اپریل تا جون 2024) کے دوران کمرشل بینکوں کے خلاف 7104 شکایات کا ازالہ کر کے بینک صارفین کو 377.43