

Chapter 1 : Free Online Legal Advice - Pakistan Banking Laws

Pakistan Banking law is primarily based on legislations and contract law. Every Banking Transaction between the Bank and the Consumer is governed through the Banking legislations and the signed contract.

Complaints Procedure The law provides authority to the Banking Mohtasib alone. Hence the complaints handling process is centralized at the Karachi Secretariat. Filing complaints is easy. All you need to do is follow three simple steps: **Step One** Approach your bank in writing to resolve your complaint stating in the letter that you intend to refer the grievance to the Banking Mohtasib if matter is not resolved to your satisfaction. The bank is allowed a maximum of 45 days to resolve your complaint. **Step Two** If you do not receive a reply from the bank within 45 days, or find the reply unsatisfactory, you may file a complaint with the Banking Mohtasib on the prescribed complaint form. **Step Three** The complaint form duly completed, signed and attested by an Oath Commissioner should be attached to your letter of complaint addressed to the Banking Mohtasib and sent to: Please make sure that all related correspondence with the bank and copies of all relevant documents are also sent to the Banking Mohtasib with an attested Photostat copy of your CNIC duly marked for submission to Banking Mohtasib Pakistan. Please do not send any original documents. **Types of complaints we will entertain:** Also banks may lodge complaints against another bank in case of dispute. The Banking Mohtasib will not accept complaints pertaining to bank policy e. For instance, the Banking Mohtasib can not order a bank to sanction a loan or waive and reduce mark up on loans. **What happens once a complaint is lodged?** After confirming that all procedural requirements have been met, we may call for additional information from both parties, if necessary, to better understand the issue. If needed, we will visit banks to examine their books, procedures and processes relating to a complaint. The outcome of this will be either: **How long will the investigation take?** We will endeavor to resolve most complaints within 2 months. However, depending on complexity, and the state of information and copies of documents provided by the complainant, some complaints could take longer to resolve. Therefore it is all the more important that the Complainant complete the Complaint Form with clarity and attach copies of all the related documents in the first instance.

Chapter 2 : Online Legal Advice about Pakistani Laws & Rules

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What is the objective behind establishing the office of Banking Mohtasib? As a part of good governance within the financial sector, the government wants to ensure that public complaints against banks other than those specified in answer to Q2 below are investigated through an independent body which is impartial and offers free and prompt service. Are there Banks or Institutions that Banking Mohtasib cannot entertain complaints against? The Banking Mohtasib cannot entertain complaints against: Is the Banking Mohtasib independent? The Banking Mohtasib is an independent institution established by law. What type of complaints does the Banking Mohtasib deal with? What the Banking Mohtasib cannot do? The Banking Mohtasib does not have the powers to direct that Loans, Advances, and Credit Cards be given to a complainant. Can the Banking Mohtasib grant any order in the nature of Stay Order? The Law does not allow him to do so. Who can lodge a complaint with the Banking Mohtasib? All Business Houses and Individuals having a dispute with a Bank. Also a Bank can lodge complaint against another Bank subject to stipulation given in Q. Is there a ceiling on the loss or compensation that can be claimed from the forum of Banking Mohtasib Pakistan? There is no ceiling or limit on the maximum sum that can be claimed in a complaint. However, the Banking Mohtasib can award compensation for the loss actually sustained and not in the form of damages such as for mental agony, loss of reputation etc. Can I lodge a complaint with the Banking Mohtasib directly? Before lodging a complaint with the Banking Mohtasib, you should write to the concerned bank that you intend to file a complaint with Banking Mohtasib. If you do not receive satisfactory response or receive no response within 45 days, you may lodge a complaint with the Banking Mohtasib within the next 45 days. You can however, immediately file a complaint in case the Bank sends to you a decline letter. Is there any limitation of time for filing complaint with Banking Mohtasib? The Banking Mohtasib will entertain all pending complaints and those complaints rejected or declined by banks which are not unduly delayed. As a complainant, do I have to pay any fee or any other kind of charges for filing the complaint? Our services are free of cost. Do I need a lawyer to file and pursue my complaint? In dealing with us, it is not necessary for you to engage a lawyer. However, there is no bar in case you prefer to engage a lawyer. Can I lodge my complaint at any office of the Banking Mohtasib? You may lodge your complaint on the prescribed complaint form at any office after completing the Mandatory Requirement as mentioned in Q. Do I have to lodge a complaint myself or can I do so through a friend or close relative? All complaints must be lodged under the signature and verification on oath of the complainant unless the complainant has formally authorised another person to do so by a duly notarised power of Attorney. Will I have to travel to Karachi in connection with my complaint? If we need to meet with you, we will arrange meetings at our office nearest to you. How long will it take to investigate a complaint? Ordinarily we endeavor to resolve the complaints within a period of 2 months. However, depending on complexity, some complaints could take longer to resolve. Will you hold formal "hearings"? Ordinarily we will try to avoid formal "hearings". Our endeavor is to be to resolve disputes through a friendly and amicable process. However, some situations may require a tripartite across the table dialogue which you will be requested to attend. We will try and hold such formal hearings at our office nearest to your location. Is the decision of the Banking Mohtasib binding on banks? A bank can appeal to the State Bank of Pakistan against an order of the Banking Mohtasib within 30 days of the date of order. If no appeal has been preferred against an order of the Banking Mohtasib within the prescribed period it shall become final and binding. To whom can I appeal against the order of the Banking Mohtasib? If you are not satisfied with the decision of Banking Mohtasib you have the right to appeal to the State Bank of Pakistan within a period of 30 days. However, if you choose not to go into appeal or do not accept the decision of the State Bank of Pakistan, you also have the right to go to a Court of Law. By seeking the assistance of the Banking Mohtasib, do I lose my right to seek justice from a court of law? You always retain the right to go to a court of law against the decision of Banking Mohtasib. However, if you prefer seeking redressal of your grievance from a court of law

before we have decided your case you can always do so, but when you do please inform us, because then we will cease to have jurisdiction in the matter. How long will it take for a Bank to implement an order of the Banking Mohtasib? The Bank must implement the decision of the Banking Mohtasib within 40 days of the date of the order unless the bank has preferred an appeal to the State Bank of Pakistan within a period of 30 days from the date of order.

Chapter 3 : Banking PK | Online Banking information Jobs in Pakistan

d) The Banking Mohtasib handles complaints relating to violation of banking laws and regulations, excessive delays and inefficiency, poor service, discriminatory actions, etc. Important note: The Banking Mohtasib will not accept complaints pertaining to bank policy e.g. published schedule of charges, loan policies etc.

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Chapter 4 : Laws | Pakistan Lawyers

List of Laws in Pakistan by Categorically. Livestock & Wildlife Laws 04 Arbitration Laws 05 Arts Laws 06 Auqaf & Religious Affairs Laws 07 Banking Laws 08 Bar.

Islamic Finance Project Databank [61] The influx of "petro-dollars" and a "general re-Islamisation" following the Yom Kippur War and oil crisis encouraged the development of the Islamic banking sector, [62] and since it has spread globally. Usmani among others for not progressing from "debt based contracts", such as murabaha, to the more "genuine" profit and loss sharing mode, but instead moving in the opposite direction, "competing to present themselves with all of the same characteristics of the conventional, interest-based marketplace". The market for Islamic Sukuk bonds in that year was made up of 2, sukuk issues, [81] and had become strong enough that several non-Muslim majority states – UK, Hong Kong, [82] and Luxemburg [83] – issued sukuk. Principles[edit] To be consistent with the principles of Islamic law Shariah -- or at least an orthodox interpretation of the law -- and guided by Islamic economics, the contemporary movement of Islamic banking and finance prohibits a variety of activities, some not illegal in secular states: Paying or charging interest. Investing in businesses involved in activities that are forbidden haraam. These include things such as selling alcohol or pork , or producing media such as gossip columns or pornography. This is usually translated as "gambling" but used to mean "speculation" in Islamic finance. Gharar is usually translated as "uncertainty" or "ambiguity". Bans on both maisir and gharar tend to rule out derivatives, options and futures. Lewis and Latifa M. Algaoud believe these involve excessive risk and may foster uncertainty and fraudulent behaviour such as are found in derivative instruments used by conventional banking. All transactions must be "directly linked to a real underlying economic transaction", which excludes "options and most other derivatives". According to Humayon Dar , [97] interpretation of the Shariah is more strict in Turkey or Arab countries than in Malaysia, whose interpretation is in turn more strict than the Islamic Republic of Iran. Mohammed Ariff also found less exacting Shariah compliance in Iran where the Islamic government had decreed "that government borrowing on the basis of a fixed rate of return from the nationalized banking system would not amount to interest" and consequently would be permissible. It follows conventional banking and deviates from it "only insofar as some conventional practices are deemed forbidden under Sharia. In conventional banking, all this risk is borne in principle by the entrepreneur. Taqi Usmani describes the virtues as guiding principles in one section of his book on Islamic Banking, and benefits in another. This should not be thought of as presenting a problem for borrowers finding funds, because – according to Usmani – it is in part to discourage excessive finance that Islam forbids interest. Risk-sharing is lacking because profit and loss sharing modes are so infrequently used. Underlying material transactions are also missing in such transactions as "tawarruq, commodity murabahas, Malaysian Islamic private debt securities, and Islamic short-sales". Riba The sharia law that forms the basis of Islamic banking is itself based on the Quran revealed to the Islamic prophet Muhammad and a hadith the body of reports of the teachings, deeds and sayings of the Islamic prophet Muhammad that often explain verses in the Quran. A number of orthodox scholars point to Quranic verses 2: Whosoever receives an admonition from his Lord and gives over, he shall have his past gains, and his affair is committed to God; but whosoever reverts -- those are the inhabitants of the Fire, therein dwelling forever. God blots out usury, but freewill offerings He augments with interest. God loves not any guilty ingrate. Those who believe and do deeds of righteousness, and perform the prayer, and pay the alms - their wage awaits them with their Lord, and no fear shall be on them, neither shall they sorrow. O believers, fear you God; and give up the usury that is outstanding, if you are believers. But if you do not, then take notice that God shall war with you, and His Messenger; yet if you repent, you shall have your principal, unwronging and unwronged. And if any man should be in difficulties, let him have respite till things are easier; but that you should give freewill offerings is better for you, did you but know. An increase over the principal sum in financing a purchase of some product or commodity is another matter. These are not riba – according to the orthodox interpretation – at least in some circumstances. According to noted Islamic scholar Taqi Usmani , this is because in Quran aya 2: Zaheer considers profit from credit sales to be riba, the same as interest, and

notes the lack of enthusiasm of orthodox scholars " such as the Council of Islamic Ideology " for credit sales-based Islamic Banking, which they the council call "no more than a second best solution from the viewpoint of an ideal Islamic system". Taqi Usmani, however, explains that this is a "misconception". Paying more for credit when buying a product "an exchange of commodities for money" [] [] does not violate sharia law, but exchange of "one unit of money for another of the same denomination" "an exchange of money for money" [] and charging for credit is a violation of sharia. The bank would act as the capital partner in mudarabah accounts with the depositor on one side and the entrepreneur on the other side. In practice, the fixed-return models, in particular murabaha model, became the industry staples, not supplements, as they bear results most similar to the interest-based finance models. Assets managed under these products far exceed those in " profit-loss-sharing modes" such as mudarabah and musharakah. He notes that such reductions have been permitted by some companions of the Prophet and some of their followers. It does not constitute forbidden riba if it is not agreed upon in advance and as long as the creditor-debtor relationship remains bilateral. Sharia and securities trading As noted above, the primary focus of Islamic banking is on financing without interest to avoid riba, [33] while trade is not an issue per the Quranic statement that "God has permitted trafficking [trade] and forbidden riba [usury]". Among the financial instruments and activities common in conventional finance that are considered forbidden or at least Islamically problematic by many Islamic scholars and Muslims are:

Chapter 5 : Islamic economics in Pakistan - Wikipedia

The Bank must implement the decision of the Banking Mohtasib within 40 days of the date of the order unless the bank has preferred an appeal to the State Bank of Pakistan within a period of 30 days from the date of order.

Financial crimes related to narcotics trafficking, terrorism, smuggling, tax evasion, and corruption remain a significant problem in Pakistan. The proceeds of narcotics trafficking and funding for terrorist activities are often laundered by means of the alternative remittance system called hawala. This system is also widely used by the Pakistani people for legitimate purposes. The major laws in these areas include: The Anti-Terrorism Act of , which defines the crimes of terrorist finance and money laundering and establishes jurisdictions and punishments amended in October to increase maximum punishments. The National Accountability Ordinance of , which requires financial institutions to report suspicious transactions to the NAB and establishes accountability courts. The Control of Narcotic Substances Act of , which also requires the reporting of suspicious transactions to the ANF, contains provisions for the freezing and seizing of assets associated with narcotics trafficking, and establishes special courts for offenses including financing involving illegal narcotics. All these laws include provisions to allow investigators to access financial records and conduct financial investigations. In , Pakistan enacted the AML Ordinance, establishing regulations for AML and combating the financing of terrorism and criminalizing money laundering. The FIA deals with crimes relating to money laundering, terrorism, human smuggling and trafficking, and cybercrime, among others. An ongoing comprehensive training program is essential for the continued growth and success of financial institutions in Pakistan. The Economy of Pakistan Pakistan, an impoverished and underdeveloped country, has suffered from decades of internal political disputes, low levels of foreign investment, and a costly, ongoing confrontation with neighboring India. However, since , International Monetary Fund IMF approved reforms, most notably, privatization of the banking sector, bolstered by generous foreign assistance and renewed access to global markets, have generated macroeconomic recovery. Inflation remains the top concern among the public, jumping from 7. One of the fundamental responsibilities of the State Bank is the regulation and supervision of the financial system to ensure its soundness and stability as well as to protect the interests of depositors. Additional functions of the State Bank of Pakistan include: Regulating and supervising the functional system. Performing the functions of a banker to the government. The State Bank also has been playing an active part in the process of Islamization of the banking system. The rupee is divided into paise. Denominations for coins are 1Rs, 2Rs, 5Rs, and 10Rs.

Chapter 6 : Banking Law - racedaydvl.com

Bank system in pakistan 1. BANKING SYSTEM IN PAKISTAN 2. INTRODUCTION TO BANKING Origin Of Word: Banke, banc, banque, or banck Definition: Under English common law, a banker is defined as a person who carries on the business of banking, which is specified as:â€¢ Conducting current accounts for his customersâ€¢ Paying cheques drawn on him, andâ€¢ Collecting Cheques for his customers.

But the country has also had Islamic modernists and secularists in positions of influence and "generations of Muslim usage and custom supported by the fatwa of respected ulema that held low rates of interest to be acceptable, non-usurious, and not riba ", according to economist Feisal Khan. It has been strong when "religious elements are in ascendancy", such as during partition, the Nizam-e-Mustafa movement, and during the rise in fundamentalist after At other times "only lip service" is paid to the issue. Maududi moved to Pakistan where he became an influential Islamist leader. The Constitution provided in the principles of policy that "usury" should be abolished. Similar provisions were found in the Constitution. The new self-proclaimed revolutionary Islamic Republic of Iran believed in the necessity of Islamic sharia law for Islam to survive and prosper, and in the need to spread this doctrine to other Muslim states. While part of the Islamic revival, the revolution created a new conflict in the Islamic world by pitting revolutionary Shia Iran against its doctrinal and geopolitical rival the conservative Wahhabi Kingdom of Saudi Arabia , for leadership of the Islamic world. As poor, predominantly Sunni country, Pakistan has been closely tied to the petroleum-exporting Saudi Arabia which has employed many Pakistani guest workers. This competition for influence affected many things in Muslim countries, including economic policies. Timeline of riba and banking[edit] - first constitution of Pakistan states that the state was to "eliminate riba as early as possible" article 29 f , but does not define riba. Tanzil-ur-Rehman having been brought out of retirement and appointed chief justice of the FSC, rules the financial Islamisation of Zia inadequate. With one Islamist removed and two new ulema judges added by order of Musharraf. No new conventional banks are to be allowed in Paksitan. The military government employed Islamic scholars and economists led by professor Khurshid Ahmad to compile laws about Islamic financing. The government also introduced and encouraged such banks to adopt financing schemes based upon the principles of mudaraba and or musharaka. The technique is used for financing trade, but because the bank takes title to the goods, and is therefore engaged in buying and selling, its profit derives from a real service and entails a degree, albeit minimal, of risk. Furthermore, after the death of general Zia-ul-Haq, this programme was neglected by his long-time opponent Prime minister Benazir Bhutto, while Zia ally Nawaz Sharif launched a twin intensified programme, Privatization programme and the economic liberalisation to promote the GDP growth rate as well as reverting the economy back to Westernized economic system. Such people were to be found disproportionately among "the economists, bankers, politicians, and bureaucrats" who "would be responsible to administer an interest free system". Faisal Case However, in , the Benazir Bhutto government was dismissed by the president and Tanzil-ur-Rehman was brought out of retirement and appointed chief justice of the FSC. In November in a "monumental decision" he overturned 20 federal and provincial financial laws as repugnant to Islam. It forbid riba in "production loans" as well as "consumptive" loans. It specifically declared invalid two Islamic Modernist interpretations that avoided strict prohibition: After much stalling by the government and bureaucracy, the Faisal case was upheld in by the Shariah Appellate Bench in the Aslam Khaki decision, with detailed orders to start the interest free economy. He required judges to take a "fresh oath of office" in which they would undertake to uphold the "Provisional Constitution Order" established by the coup, which required judges to not "make any order against the Chief Executive or any other person exercising powers or jurisdiction under his authority. Pakistanis can choose between the two modes of financing. Most informed Pakistanis, however, insist that there is "no concerted move" to do away altogether with the conventional banking system, or to replace existing linkages and relationships with international financial markets. Studies of industry and customers Critic and economist Feisal Khan has noted that the Islamic banking industry in Pakistan has been supply driven rather than demand driven mandated by General Zia-ul-Haq, court rulings, and the State Bank of Pakistan, rather than by customer

interest or popular movements. Borrowers were "less likely to default during Ramadan and in big cities if the share of votes to religious-political parties increases, suggesting that religion "either through individual piousness or network effects" may play a role in determining loan default. In , the Governor of the State Bank of Pakistan , Ishrat Hussain contended that "Pakistan is far removed from the day when it will be ready to adopt a full-fledged Islamic economic system. Most of the assumptions and premises on which the scientific hypotheses about the Islamic economic system have been constructed are serious flawed The quality and quantity of such information is particularly problematic when tax evasion is high and the underground economy large. This is very much the case in Pakistan where the incidence of tax evasion was between 5. If murabaha and other fixed income instruments were banned and replaced by the more "authentic" profit and loss sharing , banks could only finance enterprise by taking "a direct equity state" as called for in mudaraba and musharaka. Credit would contract and central banks would be unable to prevent a liquidity crisis by buying bonds, commercial paper, etc. However, most provisions of these laws have been overruled as un-Islamic by Pakistan courts. The regime issued two land reform laws. Land was to be seized by the state without compensation and distributed to the landless. In , a bill was passed by the National Assembly, reducing the ceiling still further to acres"although this act provided for compensation to landlords. Undoing After Ali Bhutto was overthrown, landlords who had lost as a result of land reform appealed to "Islamic Courts" i. According to scholar Charles H. This decision was "clarified and reclarified" in subsequent decisions, [83] but confusion over what land transfers were valid or not under the "old law" remained since legal proceedings with "final decree" prior to the August ruling remained valid [83] [Note 7]. In August the Shariat Appellate Bench struck down several more measures of the land reform law. On other measures it divided 3 to 2. It ruled that Waqf an Islamic religious endowment, typically a donated plot of land or building land was exempt from any provision of land reform laws; that the ceilings on amount of land owned were an undue restriction on property rights, [85] on the grounds that "Islam does not countenance compulsory redistribution of wealth or land for the purpose of alleviating poverty, however laudable the goal of poverty relief may be. The new system expelled the secular and international financial institutions and consisted only Islamic organizations, associations and institutions. The present level of grants "would add only percent" to the income of the 1.

Chapter 7 : Standard Chartered Online Banking | Pakistan

Banking Law refers to the legal aspects of the duties of the bank and legal aspects related to various banking Pakistan Banking Acts & Rules. Banking Laws.

Chapter 8 : Islamic banking and finance - Wikipedia

Banking law covers the many state and federal regulations governing financial institutions. Attorneys who practice in this area of the law handle everything from customer disputes and complaints against a bank, to complex litigation between domestic and foreign institutions, their investors, the government, and other parties.

Chapter 9 : Law Jobs Latest | Jobs in Pakistan

iii BANKING LAW AND PRACTICE Company Secretaries have a pivot role to play in the Banking and Financial Sector. A Company Secretary can work as a compliance officer in a banking and financial institution and play an important role in ensuring compliance.