



**Financial Monitoring Unit (FMU)**  
**Government of Pakistan**  
2<sup>nd</sup> Floor, SBP Main Building, I.I Chundrigar Road, Karachi

FMU-Circular No. 01 of 2025

March 21, 2025

**The Presidents/Chief Executives,  
All Banks/ Microfinance Banks**

Dear Sirs/ Madams,

**Subject: Clarification on Reporting of Currency Transaction Reports (CTRs) under the Anti-Money Laundering Act (AML), 2010 to the Financial Monitoring Unit (FMU)**

In accordance with Section 7 of the Anti-Money Laundering Act, 2010, the Financial Monitoring Unit (FMU) receives Suspicious Transaction Reports (STRs) and Currency Transaction Reports (CTRs) from the reporting entities.

2. Given the advancement of technological products and channels—including Interoperable Fund Transfers, 1 Bill through Cash Deposit Machines (CDMs) accessible to 1LINK members, FinTech's/ Payment Service Providers (PSPs), payment aggregators, and various mutual banking arrangements to facilitate over-the-counter transactions for each other's customers—the reporting entities have approached FMU for guidance on the following queries:

**i. CTR Reporting Obligations on Interoperable Fund Transfers Involving different Banks**

For cash transactions routed through Interoperable Fund Transfers and 1 Bill via CDMs, where a customer engages with two different banks and meets the CTR reporting thresholds, which bank is responsible for filing the CTR—the bank initiating the transfer or the bank receiving the deposit?

**Case Example:**

A customer, Mr. Khan, wishes to deposit PKR 2.5 Million in cash into his savings account at **Bank AA** using a Cash Deposit Machine (CDM) at **Bank BB**. The cash is routed through an Interoperable Fund Transfer system and successfully credited to Mr. Khan's account at **Bank AA**. The deposit meets the threshold for a Currency Transaction Report (CTR), which is set at PKR 2.0 Million under the AML Act, 2010.

**FMU Guidance on CTR Reporting:**

In the above scenario, the **Bank AA**, where Mr. Khan is holding an account, **is required to report** CTR with FMU on the cash transaction of Mr. Khan made through Interoperable Fund Transfers from another Bank i.e. **Bank BB**.

**ii. CTR Reporting Obligation in Transactions Involving FinTech/PSPs**

When a transaction involves the use of FinTech, Payment Service Providers (PSPs), or payment aggregators for fund collection, which bank is responsible for filing the CTR—the bank initiating the payment or the bank receiving the funds?



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**Case Example:**

1. **Mr. Khan**, a trader wants to purchase goods worth PKR 2.5 Million. He placed an online order using the supply chain distributor portal (Let's say Haball) to **Merchant B**.
2. **Merchant B** generated an e-invoice with a mode of payment cash and/or cheque to serve the online purchase order of **Mr. Khan**.
3. **Mr. Khan** went to **Bank X** and preferred to make payment in cash for the said e-invoice.
4. However, the payment is processed through a **Payment Service Provider (PSP)**, let's say **1 Bill**, which acts as an intermediary between the customer's bank (Bank X) and the merchant's bank (Bank Y).
5. **Merchant B** receives the payment of PKR 2.5 million in cash in his account at **Bank Y** initiated by **Bank X** via PSP (**1Bill**) on behalf of **Mr. Khan**.
6. The transaction amount exceeds the threshold of PKR 2.0 Million for CTR (Currency Transaction Report) reporting.

**FMU Guidance on CTR Reporting:** In above scenario **Bank Y**, where **Merchant B** is holding an account, **is required to report** CTR with FMU on the cash transaction conducted by **Mr. Khan**, routed through **Bank X**, mode involving (PSPs) arrangements.

**iii. CTR Reporting in Cross Bank - Customer Services**

In situations where banks have mutual agreements to provide cross-customer services through shared cash counters, and the transaction meets the CTR reporting threshold as defined under the AML Act, 2010, which bank is responsible for the CTR filing?

**Case Example**

On August 9, 2024, Mr. Khan, a customer of **Bank AA**, walked into a branch of **Bank BB** to deposit Cash of PKR 2.5 Million into his account at **Bank AA**. Under the mutual agreement between the two banks to provide cross-customer services through shared cash counters, the transaction was processed by **Bank BB**. Since the cash deposit exceeded the CTR threshold of PKR 2.0 Million and to be reported as CTR under AML Act 2010 to FMU.

**FMU Guidance on CTR Reporting:** In the above scenario the **Bank AA**, where Mr. Khan is holding an account, **is required to report** CTR with FMU on the cash transaction conducted by **Mr. Khan**, routed through **Bank BB**, under the mutual agreement between **Bank AA** and **Bank BB** to provide cross-customer services through shared cash counters.

3. Hence, keeping in view the above scenarios of CTRs, the bank where the customer maintains account, would be responsible for reporting CTRs based on the information captured through KYC/CDD, and exchange of transactional information from the initiating bank.



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4. These instructions allow a period of six months (till September 30, 2025) for the reporting entities to adopt the necessary KYC/CDD mechanisms and transaction monitoring tools / technological solutions to meet the requirements of CTR reporting in the scenarios mentioned above.
5. Compliance with these guidelines must be ensured by all reporting banks under the provisions of Section 7 of the AML Act 2010.

**Yours truly,**

**Sd/-**  
**(Faisal Mansoor)**  
**Deputy Director**

**Copy forwarded to:**

The Executive Director, Banking Policy & Regulation Department, SBP,  
Karachi