

Government of Pakistan
Finance Division
(Budget Wing)

F.No.1(1)/S.O(TSA)/222/2020

Islamabad, the 11th June, 2022.

OFFICE MEMORANDUM

SUBJECT: FEDERAL GOVERNMENT ACCOUNTS OPERATIVE IN BANKS – TSA

The undersigned is directed to refer to this Division's O.M of even number dated 19-08-2020, various meetings and workshops held regarding keeping monies in commercial bank accounts.

2. Under Article 78 of the Constitution of the Islamic Republic of Pakistan, all revenues, the loan receipts and all other moneys received by or on behalf of the Government of Pakistan (GoP) are either part of the Federal Consolidated Fund (FCF) or the Public Account of the Federation (PAF). The cash balances of both FCF and PAF are maintained in the Central Account No.I (non-food) at the State Bank of Pakistan (SBP). Under the Public Finance Management Act (PFM), 2019, the operations of the FCF and PAF vest in the Finance Division, GoP. The aforesaid legislation also requires vide section 23(2) that *no authority shall transfer public moneys for investment or deposit from government account to other bank account without prior approval from the Federal Government.*

3. The Federal Government has since notified Cash Management & Treasury Single Account Policy 2019-29, Cash Management and Treasury Single Account Rules, 2020, whereby under Rule 4 (1) *"no Government office shall open, operate or maintain any bank account for any purpose except in accordance with the PFM Act and these rules"*. Rule 4 (3) further provides that *"any approval granted by Finance Division prior to commencement of these rules, for opening of bank accounts in scheduled banks by government offices stand revoked on commencement of these rules...The accounts already opened shall be closed and balances if there any transferred to Federal Consolidated Fund"*.

4. In order to implement the provisions stated above, procedure has been framed in consultation with State Bank of Pakistan and International Development Partners. With a view to consolidate the cash balances of the Federal Government, the Finance Division has collected information of all the accounts maintained by Federal Government Entities through SBP. After analysis of this information, it has been established that thousands of the **Zero Balance Accounts (ZBAs)** in **scheduled commercial banks** are inoperative Zero Balance Accounts exist.

5. Now, Finance Division has requested relevant banks through SBP to close all commercial bank accounts relating to Federal Government Entities **having Zero Balances**. The implementation is in process.

6. In case, if there is any query or information required, the undersigned (Room No. 109, Q-Block Pak. Secretariat Islamabad) may be contacted please.


(M. Arif Tahseen)
Deputy Secretary (TCM)
Ph: 051-9209318.

All Federal Secretaries,
All PAOs,
Government of Pakistan.