

BANKING LETTERS



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LEGAL SERVICES CELL-B&SDS

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Government of Pakistan**

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1-INTRODUCTION OF SMEDA

The Small and Medium Enterprise Development Authority (SMEDA) was established with the objective to provide fresh impetus to the economy through the launch of an aggressive SME development strategy.

Since its inception in October 1998, SMEDA had adopted a sectoral SME development approach. A few priority sectors were selected on the criterion of SME presence. In depth research was conducted and comprehensive development plans were formulated after identification of impediments and retardants. The all-encompassing sectoral development strategy involved overhauling of the regulatory environment by taking into consideration other important aspects including finance, marketing, technology and human resource development.

SMEDA has so far successfully formulated strategies for sectors, including fruits and vegetables, marble and granite, gems and jewellery, marine fisheries, leather and footwear, textiles, surgical instruments, transport and dairy. Whereas the task of SME development at a broader scale still requires more coverage and enhanced reach in terms of SMEDA's areas of operation.

Along with the sectoral focus a broad spectrum of services are now being offered to the SMEs by SMEDA, which are driven by factors like enhanced interaction amongst the stakeholders, need based sectoral research, over the counter support systems, exclusive business development facilities, training and development for SMEs and information dissemination through wide range of publications.

2-ROLE OF LEGAL SERVICES CELL

The Legal Services Cell [LSC] is a part of Business Development Division of SMEDA and plays a key role in providing an overall facilitation and support to SMEs. The LSC provides legal guidance based on field realities pertaining to SMEs in Pakistan and other parts of the world.

LSC believes that information dissemination among the SMEs on the existing regulatory environment is of paramount importance and it can play a pivotal role in their sustainable development.

In order to facilitate SMEs at the Micro Level LSC has developed user-friendly systems, which provide them detailed description of the Laws, and Regulations including the process and steps required for compliance.

The purpose of this document is to provide SMEs with information pertaining to different forms of letter, requests etc., that may be required for Banking. This document can be used by individuals and / or Companies, interested in enhancing their understanding in this regard.

Disclaimer

The content and material contained in this document is for public awareness and information purposes only and is presented on as is basis. SMEDA does not assume any liability to users or to any other entity or individual for any loss of profits, revenues, trades, data or for any direct, indirect, special, punitive, consequential or incidental loss or damage of any nature arising as a result of the use of the whole or part of the information contained in this document. It is advised to consult the relevant statutes, service providers and/or banks for any practical help or further clarification regarding the information contained herein.

TABLE OF CONTENTS

BANKING LETTERS

- 1- ACCOUNT OPENING APPLICATION TO THE BANK**
- 2- AUTHORITY TO OPERATE THE ACCOUNT**
- 3- ACCOUNT OPENING REQUEST BY A FIRM**
- 4- SIMPLE ACCOUNT OPENING REQUEST BY A COMPANY**
- 5- DECLARATION IN FAVOR OF THE BANK BY THE SOLE OWNER OF A BUSINESS**
- 6- DECLARATION IN FAVOR OF THE BANK BY PARTNERS OF A FIRM**

1- Account Opening Application to the Bank (To be on the letterhead of the business)

(Please insert date)

To,
The Manager,
(Please insert name of the bank),
(Please insert the address of the bank),

Subject: Request for opening of account

Sir,

I _____ (please insert name) do hereby request your good self to please open a current account in my business name titled M/s _____ name (Please insert name of the business). The firm is presently engaged in the business of _____ (please insert nature of the business). I am depositing a sum of Rs. _____ to be credited in that account. The account shall be operated by me individually as proprietor of M/s _____. I agree to abide by the terms and conditions of accounts operation and other rules of the bank, issued from time to time. I am appending below my specimen signature in triplicate along with copy of CNIC.

Yours faithfully,
Mr. AB

Specimen signatures: _____

Enclosures:

1. Copy of CNIC
2. Signatures in triplicate

2- Authority to operate the account

(Please insert date)

To,
The Manager,
(Please insert name of the bank),
(Please insert the address of the bank),

Subject: Authority letter to operate account

Sir,

I _____ (please insert name) holder of account no. _____ (please insert the account number) in your Bank as proprietor of M/S _____ (please enter name of the business) hereby authorize Mr. / Ms. (**Please insert name of the relevant person**) whose signatures are appended in duplicate below to operate on my said account which I have maintained with the Bank since (**Please insert date**). Mr. / Ms. _____, shall be operating the account and sign cheques as my attorney, till further orders.

Signed

(Please insert name of attorney)

Signed

(Please insert name of accountholder)

3- Account opening request by a firm (To be on the letterhead of the firm)

To, (Please insert date)
The Manager,
(Please insert name of the bank),
(Please insert the address of the bank),

Subject: Request for opening of account

Sir,

M/s _____ (please insert name of the firm) is a partnership firm registered under the Partnership Act, 1932 (Certificate enclosed). The firm is presently engaged in the business of _____ (please insert nature of the business). Under clause no. (please insert the respective clause) of the deed of partnership (a copy whereof is enclosed for your reference), it is requested that a current account be opened under the name of (please insert the title of the business) in your bank.

As provided in the said clause Mr. (please insert name of partner) and Mr. (please insert name of partner) will jointly operate the said account. It is specifically stated that none of us shall individually be entitled to withdraw any sum from the said account maintained with your respective bank.

The firm shall be bound by the rules of the Bank issued from time to time by the bank.

The specimen signatures of all the partners along with their CNICs are appended herewith for reference.

Yours faithfully,

Signed

Signed

(Please insert name of the Partner)

(Please insert name of the Partner)

Enclosures:

1. Copy of firm registration certificate
2. Copy of partnership deed
3. Copies of CNICs of partners
4. Specimen signatures of partners

4- Simple account opening request by a company (To be on the letterhead of the company)

To,
The Manager,
(Please insert name of the bank),
(Please insert the address of the bank),

(Please insert date)

Subject: Request for opening of account

Sir,

M/s. _____ (please insert name of the company) (Pvt.) Ltd is a limited liability company registered under the Companies Ordinance, 1984. We request you to please open a current account in your bank in the name of (Please insert name of the company) pursuant to the resolution of the Board of Directors passed on (please insert date) in a meeting held on (please insert date). A copy of the resolution of the Board of Directors in this behalf is enclosed with this request along with registration certificate, a certified copy of the Memorandum and Articles of Association and a certified copy of Form 29 of the said company.

The company undertakes to abide by the rules of your bank as amended from time to time. The specimen signatures of (Mr. AB) and (Mr. CD), directors of the said company, who have been authorized to operate on the said account are appended herewith.

Yours faithfully,

(Signatures of the said directors)

Enclosures:

1. Copy of registration certificate
2. Copy of memorandum & articles of association
3. Copy of Latest Form 29 filed with the registrar of companies
4. Copies of CNICs of director
5. Specimen signatures of directors

5- Declaration in favor of the Bank by the sole owner of a business¹

(Please insert date)

To,
The Manager,
(Please insert name of the bank),
(Please insert the address of the bank),

Sir,

This is to certify that I (please insert name of proprietor) of (please insert title of business) am the sole owner of the business which is being carried on by me and under my supervision in the name and style of (please insert title of business) at (please insert address of business office), and that no other person or persons have any right, title or interest in the said business.

I hereby bind myself to indemnify and reimburse the bank and save it harmless against any loss, liability or expense caused/suffered or incurred by it in respect of any transaction entered into by it or made on the faith of the above declaration, without making any inquiries as to the attending circumstances thereto.

Place (insert name of town)

(Signature of the person
making the declaration)

Date _____

¹ Normally this declaration is printed in the account opening form of the banks. However, a bank may ask you to separately give this declaration.

6- Declaration in favor of the Bank by partners of a firm

(Please insert date)

To,
The Manager,
(Please insert name of the bank),
(Please insert the address of the bank),

Sir,

We, the undersigned partners of (please insert name of business) carrying on the business of (please insert description of business) in the town of (please insert name of the city) having branches at (please insert name of relevant city/cities) do hereby solemnly declare as follows:

1. Mr. (please insert name of partners) and Mr. _____, are the only two partners of the said firm carrying on the business for (insert time period) under a partnership deed dated _____, registered with the Registrar of firms at (insert name of city) as per certificate of registration No. _____ dated _____, (a copy of which has been attached for reference) and we certify that no other person or persons have any right, title or interest in the said partnership and the authority and directions hereinafter set forth are in accordance with the partnership deed.
2. Unless otherwise notified in writing each of the said partners in the said firm is entitled to deposit any sum or cheque in the said account of the firm on behalf of the partnership.
3. Each of the said partners is authorized to withdraw not more than Rs.5000 in a day from the said account of the bank. (This clause is optional; you may write it or not)
4. Both partners are authorized to sign, make, execute, endorse and deliver any and all cheques, orders, receipts, promissory notes, drafts, bills of exchange, or other negotiable instruments. (Applicable in case of joint account)
5. Both partners are authorized to pledge, mortgage, charge, hypothecate any stocks, assets, bonds, shares or other property of the firm as security for any money borrowed, obligations incurred or undertaken in favor of the bank.

The partners further certify that the aforementioned statements are warranted to be true and that they agree jointly and severally to indemnify and save harmless the bank against any loss, liability, expense or claim incurred by the bank arising out of any act or claim of the said bank made on the faith of the above declarations, without making any inquiries as to the attending circumstances thereto.

(Please insert name of city)

Place

1. _____

2. _____

(Signatures of partners)

(Please insert applicable date)

Dated

Enclosures:

1. Copy of Partnership firm registration certificate