



Finance Circular No. 6 / 1383

Dated

Subject: Overdraft Prohibition

The Annual Budget Law prohibits overdrafts.

An overdraft occurs when a payment instrument is processed by Treasury or a Mustofiat and drawn on an account which contains insufficient positive cash balance to meet the value of the payment instruction.

In calculating the positive cash balance of an expenditure bank account, Treasury and Mustofiat staff must take into account the value of payment instructions previously issued and not cashed as well the physical cash balance.

Treasury and Mustofiat staff are reminded the requirement for a “no overdraft” is established by the Annual Budget Law. Penalties apply for transgressions.

Mustofiats are prohibited from obtaining cash for expenditures from any source other than the Treasury.

This instruction comes into effect immediately

Abdul Salam Rahimi
Acting Minister of Finance
