

State Bank

I VISITED the State Bank of Pakistan head office in Karachi a few days ago. Thousands of people visit this building daily located in the commercial hub where there is heavy traffic pressure and little parking space.

There are nearly 100 counters in the main hall which people approached in a haphazard manner as the machine that provides coupons for a specific counter was out of order.

The encashment of prize on prize bonds needs reform. Currently, a person who claims a prize on a bond has to visit the SBP thrice. First; to present his bond and file a form to claim the prize, second; the person is asked to visit again after 15 to 20 days to get the cheque and third; after another 15 days to get the income tax deduction certificate.

I urge the SBP to outsource this service to all commercial banks. Likewise, once the original bond along with required details has been presented in the bank, the prize money cheque and the income tax deduction certificate be sent to the customer through courier after charging a nominal fee. The SBP can reduce its work load by considering these suggestions.

Abdul Kabir Kazi

Karachi

In response to Mr. Abdul Kabir Kazi's letter published in "Letters to the Editor" Section of Daily DAWN on January 9, 2016, please find below SBP's clarification for publication at suitable place in the forthcoming issue of your esteemed paper:

It is clarified that prize money payments up to Rs. 18,500/- and relevant tax deduction certificates are processed on the same day. Claims exceeding Rs. 18,500/- are paid through payment orders. The applicable tax is deducted and deposited in Government account under relevant tax rules requiring deduction of tax at the time of payment. Since the payment against prize money pay order is released upon its presentation by the bank of the claimant, there is always time lag in issuance of tax deduction certificate.

SBP BSC is considering direct credit of prize money to the claimant's designated account which would require only two visits by the claimant, once for lodging the claim and subsequently for collection of withholding tax deduction certificate. Once finalized, the mechanism shall be made public through a circular, besides placing it on SBP website. The option for surface dispatch of prize money payment order and tax deduction certificates was considered, however due to operational difficulties it could not be implemented.