

National Savings Schemes

Defence Saving Certificates:

The Government of Pakistan introduced Defence Savings Certificate scheme in the year 1966. This is the most popular scheme among investors. This scheme has specifically been designed to meet the future requirements of the depositors. This is the only scheme with 10 years maturity with built in feature of automatic reinvestment after the maturity i.e. in case any certificate is not encashed on maturity, the balance at credit (principal + profit) without any deduction, shall be deemed to have been reinvested for another period of 10 years on filling in a new application form. These certificates are available in the following denominations

S.No.	1.	2.	3.	4.	5.	6.	7.	8.
Rupees	500	1000	5,000	10,000	50,000	100,000	500,000	1,000,000

SALIENT FEATURES:

1. Eligibility for Purchase:

These certificates can be purchased by a single adult, a minor, two adults in their joint names with the options of payable to the holders jointly (Joint/A) or payable to either (Joint/B). An adult can also purchase these certificates on behalf of a single minor, two minors jointly or himself (herself) and a minor jointly.

2. Procedure for Purchase:

These certificates can be purchased by filling in a prescribed form (SC/I), obtainable from any National Savings Centre (NSC), Pakistan Post Office (PPO), State Bank of Pakistan, SBP BSC (Bank).A copy of the Computerized National Identity Card (CNIC) or in case of a foreign national, a copy of the Passport may be attached with the application form (SC/I). The format of application form is also available at website of National Savings (<http://www.savings.gov.pk>) under the option of “Forms”.

3. Investment Limit:

There is no maximum limit of investment in this scheme.

4. Encashability:

Certificates can be encashed any time after one month from the date of purchase.

5. Mode of Deposit:

These certificates can be purchased by depositing cash at the issuing offices or by presenting a cheque. The certificates shall immediately be issued on receipts of cash. However, in case of deposit through cheque the certificates shall be issued from the date of realization of the cheque after receipt of the clearance advice.

6. Profit Payable on Defence Savings Certificates:

The Finance Division, Govt. of Pakistan, according to the notification dated 19-07-2005 has reviewed the rate of return on National Savings schemes. The return on Defence Savings Certificates has been fixed as given in table below, for the certificates issued with effect from 01-07-2005. The Defence Savings Certificates purchased prior to the above said notification shall earn profit at the rate prevailing on the date of purchase. The year wise payable amount on initial investment of Rs.100 is given as under:

After completion of	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
Rupees	105.0	112.0	119.0	128.0	138.0	150.0	163.0	183.0	211.0	247.0

D.S.Cs Purchased from 01-07-2005 (Current)

@ 9.46%

Value on completion of period	Rs. 500	Rs.1000	Rs.5000	Rs.10,000	Rs.50,000	Rs.100,000	Rs.500,000	Rs.1,000,000
1 Year	525.00	1,050.00	5,250.00	10,500.00	52,500.00	105,000.00	525,000.00	1,050,000.00
2 Years	560.00	1,120.00	5,600.00	11,200.00	56,000.00	112,000.00	560,000.00	1,120,000.00
3 Years	595.00	1,190.00	5,950.00	11,900.00	59,500.00	119,000.00	595,000.00	1,190,000.00
4 Years	640.00	1,280.00	6,400.00	12,800.00	64,000.00	128,000.00	640,000.00	1,280,000.00
5 Years	690.00	1,380.00	6,900.00	13,800.00	69,000.00	138,000.00	690,000.00	1,380,000.00
6 Years	750.00	1,500.00	7,500.00	15,000.00	75,000.00	150,000.00	750,000.00	1,500,000.00
7 Years	815.00	1,630.00	8,150.00	16,300.00	81,500.00	163,000.00	815,000.00	1,630,000.00
8 Years	915.00	1,830.00	9,150.00	18,300.00	91,500.00	183,000.00	915,000.00	1,830,000.00
9 Years	1,055.00	2,110.00	10,550.00	21,100.00	105,500.00	211,000.00	1,055,000.00	2,110,000.00
10 Years	1,235.00	2,470.00	12,350.00	24,700.00	123,500.00	247,000.00	1,235,000.00	2,470,000.00

PREVIOUS YEAR's RATES

D.S.Cs Purchased from 01-07-2004 to 30-06-2005 (Issue VIII & IX)

@ 8.15%

Value on completion of period	Rs 500	Rs 1000	Rs 5000	Rs 10,000	Rs 50,000	Rs 100,000	Rs 500,000	Rs 1,000,000
1 Year	520.00	1,040.00	5,200.00	10,400.00	52,000.00	104,000.00	520,000.00	1,040,000.00
2 Years	545.00	1,090.00	5,450.00	10,900.00	54,500.00	109,000.00	545,000.00	1,090,000.00
3 Years	575.00	1,150.00	5,750.00	11,500.00	57,500.00	115,000.00	575,000.00	1,150,000.00
4 Years	610.00	1,220.00	6,100.00	12,200.00	61,000.00	122,000.00	610,000.00	1,220,000.00
5 Years	650.00	1,300.00	6,500.00	13,000.00	65,000.00	130,000.00	650,000.00	1,300,000.00
6 Years	695.00	1,390.00	6,950.00	13,900.00	69,500.00	139,000.00	695,000.00	1,390,000.00
7 Years	750.00	1,500.00	7,500.00	15,000.00	75,000.00	150,000.00	750,000.00	1,500,000.00
8 Years	830.00	1,660.00	8,300.00	16,600.00	83,000.00	166,000.00	830,000.00	1,660,000.00
9 Years	945.00	1,890.00	9,450.00	18,900.00	94,500.00	189,000.00	945,000.00	1,890,000.00
10 Years	1,095.00	2,190.00	10,950.00	21,900.00	109,500.00	219,000.00	1,095,000.00	2,190,000.00

Note: Zakat shall be deducted only once at the time of actual encashment on the value fallen due on the relevant valuation date i.e. (Ist Ramadhan) and not on the continuous reinvestment after the maturity.

A Zakat collection receipt duly signed by the two officers is issued in token of the deduction of the amount.

With Holding Tax

As per directions of the Federal Government, the tax on profit from investment made on or after the 1st July,2002, shall be deducted at source at the rate of Ten Percent (10%) of such profit if such deposit exceeds Hundred and fifty Thousand Rupees (150,000) .

7. Transfer of Certificates:

(a) **From one Centre to another:** Certificates are transferable from one city to another by applying on the prescribed form (SC/6) obtainable from any NSC/ SBP BSC (BANK) office and also available at the website of National Savings (<http://www.savings.gov.pk>) under the option of "Forms". The application duly filled in along with two copies of NIC may be presented at the office of issue or at the office where the transfer is desired. However, the certificates purchased from scheduled banks, State Bank of Pakistan, SBP BSC (Bank), PPO and NSC can be transferred to and from the respective branches of the issuing office / agencies only.

(b) **From one person to another:** Certificates are transferable from one person to another on the expiry of non/encashability period, by applying on the prescribed form (SC/4). In case of death of the purchaser, certificates can be transferred in the name of nominee(s) without any fee/charges or to the legal heir(s) on furnishing among others, a succession certificate issued by the competent court of law, along with the following: -

1. Application on the prescribed form (SC/4);
2. Death certificate of the purchase;
3. Attested photocopies of CNIC of the deceased and the nominee (s);
4. Specimen signatures of nominee (s) attested by a gazetted officer.

8. Pledging of Certificates:

Certificates can be pledged in favour of a gazetted government officer, Officers of the State Bank of Pakistan, Officer of a Local Authority, or an Officer of a Government Sponsored Corporation or an officer of a scheduled bank, in his official capacity, for the purpose of being treated as security. The value of security shall be the payable value of the certificates including the amount of profit.

9. Replacement of Lost/Destroyed Or Damaged Certificates:

If a certificate is lost, or destroyed, the purchaser or his nominee(s) or heir(s), as the case may be, entitled to have duplicate certificates issued from the issuing office on completion of certain requirements which, among others, include the following:-

- i) A copy of First Information Report (FIR) or "Roznamcha" in case the value exceeds Rs. 10,000.
- ii) Application for the issuance of certificates clearly mentioning the circumstances leading to the loss.
- iii) Photocopies of CNIC of the purchaser(s).
- iv) Deposit of prescribed fee with the issuing office.
- v) Indemnity Bond on Rs.50 stamp paper (specimen obtainable from any NS Centre).

10. Investment From Abroad:

Investors from abroad may send applications along with remittance of the desired amounts either directly to the Director General or concerned Director/Joint Director or

to the National Savings Centres, where investment is desired to be made. The remittance of the amount may be made either through a cheque or bank draft in the official designation of the concerned payee. The certificate shall be issued/account opened after the remittance accompanying the application is enclosed and credited to Government account.

The Principal and profit accrued on a certificate issued/account opened, against foreign exchange received through remittance or transfer from foreign currency account or surrendering foreign exchange bearer certificates/dollar bearer certificates shall be payable abroad to the purchaser in foreign currency, if so desired by the investor.

The amount received in foreign currency shall be converted into Pakistani rupees, in accordance with the exchange rates prevailing on the date of clearance of the bank draft. The amount of principal or profit will be converted into foreign currency in accordance with the exchange rates prevailing on the date of remittance.

11. Sale Of Defence Savings And Special Savings Certificates Abroad Through Overseas Branches Of Scheduled Banks Of Pakistan.

All branches of Pakistani Scheduled Banks Operating Abroad are allowed, in principle, to sell Defence Savings Certificates (DSCs)/Special Savings Certificates (SSCs) to Overseas Pakistanis against foreign currency on repatriable basis provided regulatory sanction/permission of the concerned country is available. The payment of principal and or profit of certificates, so issued is also payable abroad in local currency from the same branch of the bank. These certificates are transferable from one person to another and also to Pakistan in any branch of the same bank from where the certificate purchased.

2. At the time of purchase, the face value of the certificates in Pak. Rupees is converted in local foreign currency at the prevailing rate for Pak. Rupees so as to generate Pak. Rupee equivalent to the face value of the certificate required. Similarly, at the time of encashment of profit and principal, the payable rupees amount is converted into foreign currency at the T.T. spot buying rate for Pak. Rupees on the date of payment.

3. In case of death of the purchaser, the amount of principal and or profit accrued on these certificates is payable to nominee(s) or legal heirs, if so desired?

4. Recently, the sales of Defence Savings Certificates and Special Savings Certificates have been started by the branches of HBL and UBL Operating in UAE after the grant of regulatory permission by the Central Bank UAE for sale of these securities of Government of Pakistan. The sale of these certificates would also be started in other countries as and when necessary regulatory permission is accorded by the Central Bank of the respective countries.

SPECIAL SAVINGS CERTIFICATES:

This scheme being of three years maturity was introduced in February, 1990 keeping in view the periodic needs of depositors. These certificates are available in the denomination of Rs.500, 1000, 5000, 10000, 50000, 100000, 500000 and Rs.1,000,000/=. Profit is paid on the completion of each period of six months.. In case, the profit earned on these certificates is not drawn on due date, the undrawn profit will automatically stand reinvested from date of its accrual as per following tables:

S.S.Cs purchased from 01-07-2005 (Current)

@ 8.60%

After completion of period	Rs. 500	Rs.1000	Rs.5000	Rs.10,000	Rs.50,000	Rs.100,000	Rs.500,000	Rs.1,000,000
1 st six months	21.00	42.00	210.00	420.00	21,00.00	4,200.00	21,000.00	42,000.00
2 nd six months	21.00	42.00	210.00	420.00	21,00.00	4,200.00	21,000.00	42,000.00
3 rd six months	21.00	42.00	210.00	420.00	21,00.00	4,200.00	21,000.00	42,000.00
4 th six months	21.00	42.00	210.00	420.00	21,00.00	4,200.00	21,000.00	42,000.00
5 th six months	21.00	42.00	210.00	420.00	21,00.00	4,200.00	21,000.00	42,000.00
6 th six months	24.00	48.00	240.00	480.00	24,00.00	4,800.00	24,000.00	48,000.00

Compound Rate of Interest on SSCs

Certificates purchased from 01-07-2005 (Current)

On completion of period	Profit (in Rs.) payable on a registration of each Rs100.00					
	6 months	1 Year	1 ½ Year	2 Years	2 ½ years	3 Years
Nil	4.200	8.576	13.133	17.884	22.831	28.589
1 st six months		4.200	8.576	13.133	17.884	23.431
2 nd six months			4.200	8.576	13.133	18.481
3 rd six months				4.200	8.576	13.733
4 th six months					4.200	9.176
5 th six months						4.800

PREVIOUS YEAR'S RATES:

S.S.Cs purchased from 01-07-2004 to 30-06-2005 (Issue VII & VIII)

@ 6.95%

After completion of period	Rs. 500	Rs.1000	Rs.5000	Rs.10,000	Rs.50,000	Rs.100,000	Rs.500,000	Rs.1,000,000
1 st six months	17.00	34.00	170.00	340.00	1,700.00	3,400.00	17,000.00	34,000.00
2 nd six months	17.00	34.00	170.00	340.00	1,700.00	3,400.00	17,000.00	34,000.00
3 rd six months	17.00	34.00	170.00	340.00	1,700.00	3,400.00	17,000.00	34,000.00
4 th six months	17.00	34.00	170.00	340.00	1,700.00	3,400.00	17,000.00	34,000.00
5 th six months	17.00	34.00	170.00	340.00	1,700.00	3,400.00	17,000.00	34,000.00
6 th six months	19.25	38.50	192.50	385.00	1,925.00	3,850.00	19,250.00	38,500.00

Compound Rate of Interest on SSCs:

On certificates purchased from 01-07-2004 to 30-06-2005 (Issue VII & VIII)

On completion of period	Profit (in Rs.) payable on a registration of each Rs.100.00					
	6 months	1 Year	1 and half year	2 Years	2 & half years	3 Years
Nil	3.400	6.916	10.550	14.307	18.193	22.659
1 st six months		3.400	6.916	10.550	14.307	18.643
2 nd six months			3.400	6.916	10.550	14.757
3 rd six months				3.400	6.916	11.000
4 th six months					3.400	7.366
5 th six months						3.850

Note: (i) **Zakat** is deducted at the time of actual encashment @ 2.5% on the principal amount (Face Value) where applicable.

(ii) **With Holding Tax** : As per directions of the Federal Government, the tax on profit from Investment made on or after , the 1st july,2002, shall be deducted at source at the rate of ten percent (10%) of such profit if such deposit exceeds Hundred and fifty Thousand Rupees (150,000).