

Frequently Asked Questions on Prize Bonds **(Updated on 25.06.2011)**

A. Questions relating to claims of prize money of winning prize bonds:

1. What are the Guidelines for application forms of all denominations of Prize Bonds?

Answer: The claim of prize money declared on winning prize bond can be lodged at any field office on the prescribed claim form, which is available at the help desk free of charge. The form duly filled may be submitted along with the following:

- i) Photocopy of valid CNIC*
- ii) Winning prize bond (original) duly signed by the applicant*
- iii) Photo copy of the prize winning bond duly signed by the applicant*

2. What are the general objections raised on prize money claim?

Answer: To fill in the form in all respect correctly i.e. Bond numbers, name, date of draw, date of issue etc.

3. Why the genuineness of prize bonds cannot be checked at field office?

Answer: Bonds are first checked at field offices by the counter staff who imparted training from PSPC and in case of doubt, the same sent to PSPC.

However prize winning bonds one million and above are essential to be sent to PSPC due to huge prize money involved.

4. Why the face value and prize money of the defective prize bonds are paid separately?

Answer: Face value against Defective prize bonds is paid after passing thereof by authorized officer whereas the Payment of prize money is paid as usual.

5. Should we claim prize money in our own name or sell it to a broker?

Answer: Yes claim himself/herself

6. Why date of issue is important for any claim of prize money?

Answer: Only those prize bonds qualify for prize money, which have been purchased two months prior to their respective draw.

7. Whether a prize bond deposited with application for prize money is returned to the claimant?

Answer: Prize bonds winning prize money below Rs. 10,000/- are returned, in case of prize money Rs. 10,000/- and above are retained and their face value is paid to the claimant.

8. Can prize money be claimed for a prize bond whose receipt/ payment

order is lost?

Answer: Yes after fulfillment of prescribed conditions.

9. How a person can claim prize money?

Answer: Prize money can be claimed/availed by person he/she himself/herself on fulfilling of prescribed claim Form available at Help Desk.

10. Why repeated signatures are obtained on claim form in case there is minor difference in signatures with that of CNIC?

Answer: To safe the interest of the Bank as well as claimant, proper identification of claimant is essential.

11. What is the procedure of obtaining prize money claim and from where it can be claimed?

Answer: The claim form is submitted at the respective counter of any offices of SBP BSC (Bank). Prize money up to Rs. 18,500/- is paid on counter (subject to clearance of bond) the same day (from 30th Draw and onward) after deduction of 10% withholding tax. Prize money over Rs. 18,500/- is given through payment order only by the date given to claimants for collecting the prize money. Prize money upto Rs.1250/- can also be claimed at commercial banks and National Savings Centers.

12. How many days are required for settlement of prize money claim?

Answer:

<i>Amount</i>	<i>No. of days</i>
<i>Upto Rs.18,500/-</i>	<i>same day(30th draw & onward)</i>
<i>Upto Rs.185,000/-</i>	<i>10 working days</i>
<i>Upto Rs.500,000/-</i>	<i>15 working days</i>
<i>Above Rs.500,000/-</i>	<i>20 working days</i>

13. Are there any charges of prize money claim form?

Answer: No.

14. After how many days of draw prize money claim can be lodged?

Answer: The claim can be lodged usually after 3 or 4 working days from the date of draw and within six years from the date of relevant draw.

15. Whether claimant can obtain payment of prize money through an authorized person?

Answer: It depends on discretion of competent authority of the field offices.

16. Can we claim prize money of damaged bond?

Answer: Yes. (Subject to clearance under rules)

17. Why payment of prize money claims exceeding Rs.7500/- are not paid at SBP BSC counters?

Answer: All prize money claims are paid at SBP BSC Counters

18. Reasons for time lag on prize money?

Answer: Confirmation of genuineness of the bond from PSPC and concerned PDO.

19. Up to what period prize money can be claimed?

Answer: Prize money can be claimed within six years from date of the relevant draw.

20. When the amount of prize money is paid? Why prize money over **Rs.1,250/** - is not paid on the same day?

Answer: The prize money claim can be lodged usually after 3 or 4 working days from the date of draw and within six years from the date of relevant draw. Prize money up to Rs.18,500/- paid directly on same day(from 30th Draw onward) at all BSC Offices.

21. Whether one prize bond winning prize money two times in different draws will be paid prize money two times on the same date or otherwise?

Answer: Claim against prize bond winning in two different draws can be lodged at the same time against two separate claim application by the holder within the period of Six)06) years from the date of its relevant draws.

B. Questions relating to the Draws of prize bonds:

1. What is the procedure of Prize Bonds draw? Is the process of draw fair and transparent?

Answer: Prize bond draw is held by a committee constituted by CDNS and open to general public. Winning prize bonds are drawn through Hand operated draw machine, which is operated by special children in front of Committee members and general public attending the draw ceremony. Draw machine is also checked by general public before the start of draw.

2. Why the small investors don't win prize and big prizes goes to big investors?

Answer: Big investors invest in huge amounts and buy more prize bonds; therefore their probability of winning prize money is greater than the individual who buys a single prize bond. However, draw is held separately for each prize and small investor can win big prize.

3. Why the State Bank of Pakistan does not stop the payment of prize money against prize bond reported lost?

Answer: Prize bond is a bearer instrument. Its ownership belongs to the holder of the instrument just like currency notes.

4. Whether one can attend draw ceremony?

Answer: Yes, general public may also attend the prize bond draw ceremony on production of original CNIC.

5. Is there any way to ensure that the prize bond purchased would win a prize?

Answer: No.

6. Why one cannot get prize who purchased prize bonds in shut period when the number of prize bond was included in the draw and won a prize as well?

Answer: See Sr.No.A-6

7. Why the prize money on the winning number is not paid very next day?

Answer: Due to preliminary preparation of books for official purposes

8. How many numbers of Prize Bonds are in a series?

Answer: One less in one million (999,999)

C. Questions relating to Tax Matters of prize bonds:

1. How much tax is deducted on prize money?

Answer: WHT @ 10% is deducted from prize money of Prize Bonds under Section 156(1) of ITO 2001(Division III of part V). Further, a surcharge @15% on withholding tax on National Savings Schemes (NSS) profit (including prize money payment on National prize Bonds) w.e.f. 15.03.2011 to 30.06.2011 has been imposed in terms of FBR letter No.1(36)WHT/2006 dated 28.03.2011 received vide CDNS letter No.F.13(1)(Rules)Sch-3/2004 dated 28.03.2011.

2. Whether an income tax payee is exempted from withholding tax on prize money claim?

Answer: No.

3. What is tax certificate?

Answer: It is a requirement of claimant to submit the same to Tax Authorities to prove the portion of income as legal.

4. Is 10% Income Tax on small prizes not discouraging small savers?

Answer: As the tax is deducted on the prize money only and not on the principal amount, therefore it is not discouraging to the small investors.

D. Questions relating to Transactions of prize bonds:

1. From where we can get Prize Bonds?

Answer: Prize bonds can be purchased and encashed in any quantity at all field offices of SBP BSC (Bank), office of National Saving Centres, and designated branches of commercial banks.

2. Why the rate of prizes is fluctuated?

Answer: Due to Government (Ministry of Finance – CDNS) policy and revision of rate of interest. Rate of prizes are fluctuated accordingly.

3. Why the number of prizes has reduced whereas total number of prize bonds has increased?

Answer: Number of prizes also increased. Numbers of Prize Bonds are increased to make the rate of return compatible with mark up prevailing in the money market

4. Is there any limit on purchase of Prize Bonds?

Answer: No.

5. What is the encashment procedure?

Answer: To present original prize bond at the counters of SBP BSC Offices/Commercial Banks/National Savings Centers and get face value thereof.

6. Are the prize bonds sold by commercial banks/ National Saving Center are genuine?

Answer: Yes they are the authorized dealers

7. Can prize bond be encashed any time after their purchase?

Answer: Yes.

8. When the Draw List is available to the general public?

Answer: Official draw list is available on the next day of the draw which can also be downloaded from SBP BSC & CDNS Website.

9. Procedure for encashment of defective/ mutilated/ decipherable prize bond?

Answer: Claim on the prescribed form for the recovery of value shall be dealt with under the Prize Bonds Refunds Rules, 1963. Mutilated/defaced bonds (if presented more than half portion of such bond along with claim form) are passed by an authorized officer on

the same day for payment, if otherwise in order while claim bonds are paid (if approved) within three working days.

10. From where I can get the draw schedule?

Answer: Draw schedule is displayed at the field offices, official website of Central Directorate of National Savings and at SBP website.

11. What is Shut Period? Why?

Answer: Shut period means a period of two months preceding the date of draw of a particular denomination.

12. Why not fresh prize bonds are issued during sale period?

Answer: Fresh bonds are issued when the stock of re-issuable bonds is fully utilized/exhausted.

13. Is there any institution, other than SBP BSC (Bank) that offers sale/encashment of the prize bonds?

Answer: Yes. National Saving Centers and commercial banks.

14. What is the role of SBP BSC (Bank) in the Prize Bond sale/encashment?

Answer: As an agent to CDNS, SBP BSC is responsible for management of the scheme in all respect.

15. Are prize bond numbers sold to the customers of their own choice?

Answer: No.

16. Is there any deduction against refund of face value of defective Prize Bonds?

Answer: No.

17. Can we exchange bonds at any bank/ post office?

Answer: Bonds can be exchanged at designated branches of Commercial Banks only.

18. Can we exchange old denomination bonds?

Answer: No.

19. In case of theft can payment be stopped?

Answer: No. Prize bond are bearer instruments.

20. Can we get full value of damaged bond?

Answer: Yes, if the bond is more than half and otherwise in order.

21. Why the bonds purchased during shut period are not included in subsequent draw?

Answer: Due to minimum holding period for all den. National Prize Bonds as per Prize Bonds Rules, 1999.

22. If the Prize bond is stolen, could I get duplicate prize bond?

Answer: No. Prize bonds are bearer instruments and whoever is holding the prize bond is the owner of it and can claim prize money.

23. How much time is taken to issue a new prize bond?

Answer: On immediate basis, depending upon the number of peoples in the queue for sale/purchase of the bond.

24. What is the life of prize bond?

Answer: The face value of prize bond, lawfully issued by the authorized dealers, is repayable at any time till a particular denomination of prize bond is not demonetized or cancelled by the Federal Govt./State Bank of Pakistan. In such case the holders of the bonds are given sufficient time to exchange the cancelled bonds.

E. Questions relating to Basics of prize bonds (Misc):

1. How many draws are held in a year?

Answer: Four draws of each denomination (Rs.200/-, Rs.750/-, Rs.1,500/-, Rs.7,500/-, Rs.15,000/- & Rs.40,000/-) i.e. 24 draws held at our field offices as per draw Schedule issued by CDNS.

2. Who prints Prize Bonds?

Answer: Pakistan Security Printing Corporation (PSPC), Karachi, prints Prize bonds of all denominations with the approval of Govt. of Pakistan.

3. Who holds the Prize Bond Draws?

Answer: The Committee constituted by CDNS consisted upon officials of SBP BSC, Local/Regional Directorate of National Savings and members from local Chamber of Commerce & Industry hold the Draws.

4. What is the purpose of Prize Bonds scheme?

Answer: To encourage public investment. It is a source of domestic borrowing for Government.

5. What types of prize bonds are not eligible for refund or face value?

Answer: Prize bonds are not eligible for payment if the same are less than half, forged or deliberately cut, mutilated or tampered.

6. What is the status of draws held before November 15, 2000?

Answer: Separate draw for each series of a denomination was held before November, 2000. Now the draw is held under the Single Common Draw System.

7. What is the open market rate of Prize Bonds?

Answer: This is an illegal parallel market of prize bonds handling runs outside the bank's premises which does not fall under SBP BSC Purview.

8. Whether it is in accordance to Sharia principles?

Answer: Best known to the Sharia Scholars/ concerns.

9. Are the prize-winning list available with brokers is authenticated?

Answer: No.

10. Is Prize Bond a registered or Bearer instrument?

Answer: Prize bond is a bearer instrument.

11. Why during the Shut Period Prize Bonds remain available for sale outside SBP BSC (Bank)?

Answer: SBP BSC Offices are not affecting the sale of prize bonds during shut period; however, some persons purchase it before shut period and sale on premium in open market during shut period which is illegal.

12. Are these brokers authorized to deal in sale/ purchase of Prize Bonds?

Answer: No.

13. What are the security features of a prize bond?

Answer: These bonds are printed in the offset process on SPL made paper & would carry the following security features:

In paper: (i) enlarge watermark, (ii) micro-printed security thread, (iii) invisible coloured fiber.

In printing: (i) micro-printed tint in rainbow colour, (ii) guilloche patter, (iii) visible fluorescent rosette, (iv) invisible denomination print, (v) numbering in red fluorescent ink.

14. What is PSPC?

Answer: Pakistan Security Printing Corporation (PSPC) is a government organization that prints currency notes/prize bonds and other government securities.

15. Why the Prize bonds are sent to PSPC?

Answer: Chemically and by some sophisticated means as the tempering in bonds has become more scientific, therefore, Prize bonds are sent to PSPC for verification. If they are declared forfeited then action is taken against the claimant as per Bank's rules.

16. What is C.D.N.S?

Answer: Central Directorate of National Savings, Ministry of Finance, Government of Pakistan is controlling/managing all government savings for the benefit of General Public.

17. What is Public Debt Office?

Answer: Public Debt Office (PDO), deals with securities issued by Government of Pakistan from time to time to raise debts enacted by Public Debt Act, 1944. Whereas it is expedient to consolidate and amend the law relating to Government Securities issued by the Government

18. Why the prize bonds of Karachi Circle are not paid in a manner as a Lahore circle's prize bond?

Answer: There is no difference between Karachi and Lahore circles. However, Lahore PDO also allow payment of prize money against bonds of Karachi PDO after confirmation.

19. Why the prize bonds of Karachi circle are sold at Lahore Office?

Answer: Only re-issuable bonds are entitled to be sold/encashed at any Center of any circle.

20. Why the prize bonds of old denominations were substituted with new ones?

Answer: Being a Government (Ministry of Finance) policy to introduce higher denomination Prize bonds having huge amount of big prizes.

21. What are the future prospects of Prize Bonds?

Answer: The scheme is fully owned by Govt. of Pakistan and has bright future prospects.

22. What is the schedule of draw?

Answer: The Schedule of draw contains Draw No, Place & date of draw.

23. What are the various denominations and their respective prize money?

Answer: Presently six denominations of National Prize Bonds are in Circulation. The number of prizes & prize money there against as per Finance Division Notification No.F.20(4)GS-I/2008-2388 dated 29.11.2008 for the prize bonds Draws held on or after 15.02.2009 are given below:

**Number and Amount of Prizes on National Prize Bonds
(effective w.e.f. 15.02.2009)**

Denomination	First Prize		2nd Prize		3rd Prize	
	No.	Amount	No.	Amount	No.	Amount
Rs. 200/-	01	Rs. 750,000	05	Rs. 250,000	2,394	Rs. 1,250
Rs. 750/-	01	Rs. 1,500,000	03	Rs. 500,000	1,696	Rs. 9,300
Rs. 1,500/-	01	Rs. 3,000,000	03	Rs. 1,000,000	1,696	Rs. 18,500
Rs. 7,500/-	01	Rs. 15,000,000	03	Rs. 5,000,000	1,696	Rs. 93,000
Rs. 15,000/-	01	Rs. 30,000,000	03	Rs. 10,000,000	1,696	Rs. 185,000
Rs. 40,000/-	01	Rs. 75,000,000	03	Rs. 25,000,000	1,696	Rs. 500,000

24. Whether fresh bonds of all denominations are available for sale irrespective of Shut period?

Answer: Yes but these bonds will be sold in the open period after exhaust of re-issuable bonds.

25. Why prize bonds are not issued in a series?

Answer: Fresh Prize Bonds are issued in series.

26. Could Prize Bonds be used as collateral against loans?

Answer: Yes.

27. What is the legal backing of Prize Bonds?

Answer: Guaranteed by Government vide Public Debt Act, 1944.

28. Why application form is received in duplicate?

Answer: No duplicate application form is required.

29. Is every commercial bank authorized to encash/ sale the prize bonds to public and pay the prize money to the claimant?

Answer: All authorized commercial banks are allowed to make sale/ encashment of all denomination prize bonds. However, the banks are allowed to pay the prize money up to Rs. 1,250/- only and the prizes exceeding Rs. 1,250/- are dealt with at all field offices of SBP BSC (Bank).