



**STATE BANK OF PAKISTAN
FINANCE DEPARTMENT
I.I CHUNDRIGAR ROAD
KARACHI**

FD Circular No. 03 of 2020

September 11, 2020

The Chief Executives / Presidents
All Agent Banks

Dear Sir(s) / Madam,

**Standard Operating Procedures (SOPs) for Investment in Conventional
Naya Pakistan Certificates (Certificates)**

In exercise of powers conferred to State Bank of Pakistan (SBP) under Rule-20 of Naya Pakistan Certificates Rules (NPC Rules), 2020 notified by Government of Pakistan (GOP) vide Gazette notification no. S.R.O. 817(I)/2020 dated 8th September, 2020, [\(Annexure-A\)](#), detailed SOPs for investment in scrip less Naya Pakistan Certificates (hereinafter referred as "Certificates") are issued as under:

A. PROCEDURE FOR INVESTMENT IN CERTIFICATES:

1) Certificate Offering and Subscription:

- a) The Certificates shall be subscribed by eligible individuals (as defined in Rule 3 of NPC Rules, 2020) through Foreign Currency Value Account (FCVA) or NRP Rupee Value Account (NRVA), being marketed as Roshan Digital Accounts (RDAs) by the agent banks.
- b) The funds for investment in Certificates must be remitted from abroad in the investor's FCVA or NRVA after 30th day of June, 2020.
- c) The agent banks shall be responsible for Know Your Customer (KYC), Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) of the investors.
- d) The Certificates shall be offered digitally through the web-links of following agent banks:

Bank Al-Falah	https://www.bankalfalah.com/
Faysal Bank	https://www.faysalbank.com/en/roshan-digital-accounts-for-overseas-pakistanis/
HBL Bank	https://www.hbl.com/ebancroshandigitalaccount
MCB Bank	https://mopss.mcb.com.pk/
Samba Bank	https://www.samba.com.pk/samba/banking-detail/roshan-digital-account-opening-facility

United Bank Limited	https://ubldigital.com/NRP-Services/Digital-OPS-Account-Opening
SCB Pakistan	https://www.sc.com/pk/save/roshan-digital-account.html

**Meezan Bank is also a member agent bank but shall only offer the Sharia Compliant variant of the Naya Pakistan Certificates (NPCs), which will be launched in due course. This is an addendum made to FD Circular No. 03 of 2020 dated September 10, 2020.*

- e) The investors shall have the option to subscribe either PKR denominated or US Dollar denominated certificates of 3-Month, 6-Month, 12-Month, 3-Year and 5-Year tenors.
- f) Amount of Investment in each tenor certificate shall be as under:

US Dollar Denominated Certificates	Minimum investment of USD 5,000 with integral multiples of USD 1,000.
PKR Denominated Certificates	Minimum investment of PKR 100,000 with Integral multiples of PKR 10,000.

- g) The Certificates of following tenors shall be yielding gross return (before the deduction of tax) as under:

<u>Tenor of Certificate</u>	<u>USD Denominated Certificate</u>	<u>PKR Denominated Certificates</u>
<u>3-Month</u>	5.50% p.a.	<u>9.50% p.a.</u>
<u>6-Month</u>	6.00% p.a.	<u>10.00% p.a.</u>
<u>12-Month</u>	<u>6.50% p.a.</u>	<u>10.50% p.a.</u>
<u>3-Year</u>	<u>6.75% p.a.</u>	<u>10.75% p.a.</u>
<u>5-Year</u>	<u>7.00% p.a.</u>	<u>11.00% p.a.</u>

- h) The 3-Month, 6-Month and 12-Month tenor certificates shall be single-coupon securities on which principal and profit shall be paid on maturity or on premature encashment. Whereas, 3-Year and 5-year certificates shall be coupon securities, on which periodic profit payment shall be paid on half-yearly basis.
- i) The Investor will place the order to subscribe the certificate electronically by visiting the NPC webpage of their respective agent bank and giving investment details including currency, tenor and the amount to be invested.
- j) The PKR denominated NPCs can only be purchased from the balances in the investors' NRVAs whereas USD denominated NPCs can be purchased from the balances in the investors' FCVAs. For the investors having their FCVAs in currency other than USD, the banks shall debit the investors'

account by an amount equivalent to the amount of investment requested in USD denominated NPCs by applying the exchange rate prevailing at the time of execution of the transaction.

- k) The agent banks shall, after debiting the investor's account with an amount equal to the amount of his/her investment order, consolidate the orders received from FCVA or NRVA holders during a working day till 1:00 p.m. Pakistan Standard Time (PST), and shall transmit the same on the prescribed format ([Annexure B](#)) to the SBP through SBP's Data Acquisition Portal (DAP) by 2:30 p.m. (PST) the same day.
- l) In case of purchase of US Dollar denominated certificates, agent banks have two options to remit the purchase value of certificates to State Bank of Pakistan (SBP) either through their USD Clearing Account maintained with SBP, or through transfer of funds to the nostro account of SBP maintained with the Federal Reserve Bank of New York, New York, USA. Details of SBP's nostro account are provided hereunder:

Beneficiary Bank Name:	Federal Reserve Bank of New York, New York, U.S.A.
Beneficiary Account Title:	State Bank of Pakistan, I.I.Chundrigar Road, Karachi, Pakistan.
Beneficiary Account Number	021085172.
Beneficiary Bank SWIFT/BIC:	FRNYUS33.

Transaction charges, including but not limited to correspondent bank charges shall be on the account of the banks, and the banks shall ensure to remit to the SBP nostro account the complete purchase amount of the Certificates.

- m) In case of purchase of Pak Rupees denominated certificates, agent banks shall authorize SBP to debit the total purchase value of these certificates from their Pak Rupees account maintained with the SBP and issue the *Naya* Pakistan Certificates of aforesaid maturities per contra credit to the respective bank's SGLA account (IPS holding).
- n) After debiting the USD Clearing Account (or Pak Rupees current account) of the concerned bank, SBP shall issue the Certificates on the same day on which the order is placed through the Subsidiary General Ledger Account (SGLA) by affording requisite credit to the IPS holding account thereof. However, where the purchase value of the order is remitted to the aforesaid nostro account of SBP, Certificates will be issued on T+1 basis in the like manner.

B. PROCEDURE OF PERIODIC PAYMENTS:

1. Periodic Coupon Payments:

- a) The periodic coupon payments shall be made on six (6) monthly basis only in respect of Certificates of 3-year and 5-year maturities in their respective currencies.

- b) The six (6) months for the periodic coupon payment shall be determined from the date of issuance of the certificates. For example: if certificates are issued on 10th September 2020, the profit payments shall be made on 10th March 2021 and on subsequent six-monthly dates accordingly.
- c) SBP shall make the periodic coupon payments (net of deduction of tax as specified in Rule 18 of the NPC Rules, 2020) on their respective due dates by crediting the USD Clearing account of the bank, or as the case may be the PKR current account, with advice to the bank concerned for onward credit to the investors' FCVA or NRVA on the same day.
- d) In the event of failure of the bank to credit the amount in the investor's account, despite receipt of credit from SBP in its account (US Dollar clearing account or PKR current account), the bank shall be liable to make the investor good by paying compensation for the delayed period at the coupon rate as may be applicable to the respective Certificates.

2. Premature Encashment:

- a. The Investors can have premature encashment of their certificates. Premature encashment proceeds shall be worked-out such that rate of return accruing to that investor is equivalent to rate of return of the nearest shorter maturity of Certificates or such rate as may be notified by Finance Division from time to time. However, no profit shall be paid in case of encashment of certificates before completion of 3 (three) months. The illustrations for calculation of net encashment proceeds in case of premature encashment are attached at [Annexure C-3](#).
- b. The request for Premature Encashment shall be submitted through the investor's respective agent bank. The banks shall consolidate all requests received on a single day and intimate the SBP through DAP on the prescribed format attached at [Annexure C1/C2](#).
- c. SBP shall afford credit in the USD Clearing account or PKR current account of commercial bank the net encashment proceeds on T+2 working day basis, where T is the date of submission of request by agent bank as mentioned in [B2(b)] above.
- d. The requesting bank shall credit the FCVA or NRVA of investor on the same day on which it receives credit from the SBP in its account, failing which the bank shall be liable to make the investor good by paying compensation for the delayed period at the same rate as may be applicable to the encashed NPC.

3. Redemption at Maturity:

- a. Maturity proceeds of Certificates, including the amount of final coupon (net of deduction of tax), shall be credited to the USD Clearing account or PKR current account of the investor's bank account maintained with SBP.
- b. On realization of maturity proceeds by the banks in their accounts with the SBP, the bank shall be liable to credit the FCVA or NRVA of respective investor on the same day, failing which the bank shall be liable to make the investor good by paying compensation for the delayed period at the coupon rate as may be applicable to the respective Certificates.
- c. The Certificate shall not be automatically reinvested or rolled-over after the maturity date.

C. GENERAL INSTRUCTIONS:

- a. In case of a holiday on the periodic profit or principal payment date, the next working day falling after the holiday will be considered the periodic profit date/principal payment date. In such case, no profit will be payable for the period of the holidays.
- b. The Certificates shall be pledgeable as security for raising financing in Pakistan subject to such conditions as may be prescribed by SBP.
- c. The Certificates are not transferable except if required under the relevant laws.
- d. SBP, and/ or the agent banks, reserve the right to accept or reject the investment application if the investor does not comply with the necessary requirements under the rules or instructions.
- e. In case of death of an investor, the payment (principal and profit, if any), will be made to the legal heirs of the deceased investor in accordance with the succession certificate or equivalent documentation in accordance with the law for the time being in force.
- f. The above instructions are subject to change from time to time.

Please acknowledge receipt.

Yours faithfully,

-sd-

(Saleemullah)

Executive Director



**STATE BANK OF PAKISTAN
FINANCE DEPARTMENT
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September 11, 2020

Addendum to the FD Circular No 03. Of 2020 dated September 10, 2020

**Standard Operating Procedures (SOPs) for Investment in Conventional
Naya Pakistan Certificates (Certificates)**

Reference is made to the Finance Department's Circular No. 03 of 2020 dated September 10, 2020 on the subject. A modification in our above-referred Circular is being effected, with the purpose to remove any ambiguities regarding *Naya Pakistan Certificates*' offering.

It is to inform that Meezan Bank, also a member agent bank for the Certificates shall only be offering the Sharia Compliant variant of the *Naya Pakistan Certificates (NPCs)*, which will be launched in due course and communicated separately. For the purpose of removing ambiguity, the Circular dated September 10, 2020 is now replaced with the modified version which can be accessed from the SBP website.

Yours faithfully,

-sd-

(Rizwan Sarfraz)

Senior Joint Director