

S. R. O. 106(I)2019.—In exercise of the powers conferred by sub-rule (2) of rule 9 of the Pakistan *Banao* Certificates Rules, 2018, the Ministry of Finance is pleased to notify the following rates of deduction on premature encashment in US Dollars of Pakistan *Banao* Certificates issued with effect from the 31st January, 2019, namely:—

- (1) In case of premature encashment in US Dollars of the Pakistan *Banao* Certificates of three-year tenor,—
 - (a) before the lapse of one year, a deduction of 1.125% of the principal amount shall be made where the six-monthly profit has been paid or has accrued;
 - (b) after completion of one year but before the lapse of two years, a deduction of 1.500% of the principal amount shall be made, with an additional deduction of 0.750% of the principal amount where the six-monthly profit has been paid or has accrued in the second year; and
 - (c) after completion of two years but before the lapse of three years, a deduction of 0.750% of the principal amount shall be made for each of the two completed years, with an additional deduction of 0.375% of the principal amount where the six-monthly profit has been paid or has accrued in the third year;
- (2) The deductions specified under clause (1) are tabulated below along with the consequential annualised rates of profit in case of premature encashment of three-year tenor Pakistan *Banao* Certificates, namely:—

Deductions and Annualised Profit Rates on Early Encashment of 3-Year Certificates

When 3-year certificates are held for a period of-	Deduction as % of principal amount	Annualised profit rate
Less than 6 months	Nil	Nil
6 months	1.125%	4.000%
1 year	1.500%	4.750%
1.5 years	2.250%	4.750%
2 years	1.500%	5.500%
2.5 years	1.875%	5.500%

Note: No profit shall be paid for any incomplete six-monthly period, as specified in the proviso to sub-rule (2) of rule 8 of the Pakistan *Banao* Certificates Rules, 2018; and

- (3) In case of premature encashment in US Dollars of the Pakistan Banao Certificates of five-year tenor,—
- (a) before the lapse of one year, a deduction of 1.375% of the principal amount shall be made where the six-monthly profit has been paid or has accrued;
 - (b) after completion of one year but before the lapse of two years, a deduction of 2.000% of the principal amount shall be made, with an additional deduction of 1.000% of the principal amount where the six-monthly profit has been paid or has accrued in the second year;
 - (c) after completion of two years but before the lapse of three years, a deduction of 1.250% of the principal amount shall be made for each of the two completed years, with an additional deduction of 0.625% of the principal amount where the six-monthly profit has been paid or has accrued in the third year;
 - (d) after completion of three years but before the lapse of four years, a deduction of 0.500% of the principal amount shall be made for each of the three completed years, with an additional deduction of 0.250% of the principal amount where the six-monthly profit has been paid or has accrued in the fourth year; and
 - (e) after completion of four years but before the lapse of five years, a deduction of 0.250% of the principal amount shall be made for each of the four completed years, with an additional deduction of 0.125% of the principal amount where the six-monthly profit has been paid or has accrued in the fifth year; and
- (4) The deductions specified under clause (3) are tabulated below along with the consequential annualised rates of profit in case of premature encashment of five-year tenor Pakistan Banao Certificates, namely:—

**Deductions and Annualised Profit Rates on Early
Encashment of 5-Year Certificates**

When 5-year certificates are held for a period of-	Deduction as % of principal amount	Annualised profit rate
Less than 6 months	Nil	Nil
6 months	1.375%	4.000%
1 year	2.000%	4.750%
1.5 years	3.000%	4.750%

When 5-year certificates are held for a period of-	Deduction as % of principal amount	Annualised profit rate
2 years	2.500%	5.500%
2.5 years	3.125%	5.500%
3 years	1.500%	6.250%
3.5 years	1.750%	6.250%
4 years	1.000%	6.500%
4.5 years	1.125%	6.500%

Note: No profit shall be paid for any incomplete six-monthly period, as specified in the proviso to sub-rule (2) of rule 8 of the Pakistan *Banoo* Certificates Rules, 2018.

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