

**The Gazette**  **of Pakistan**

EXTRAORDINARY  
PUBLISHED BY AUTHORITY

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ISLAMABAD, TUESDAY, FEBRUARY 26, 2019

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PART II

Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN  
MINISTRY OF ENERGY  
(Power Division)

NOTIFICATION

*Islamabad, the 26th February, 2019*

**S.R.O. 255(I)/2019.**—In exercise of the powers conferred by section 28 of the Public Debt Act, 1944 (XVIII of 1944), the Federal Government is pleased to make the following rules, the same having been previously published *vide* Notification No. S.R.O 184 (I)/2019, dated the 7th February, 2019 as required by sub-section (1) of the aforesaid section, namely:—

1. **Short title, commencement and application.**—(1) These rules may be called the Pakistan Energy Sukuk Rules, 2019.

427 (1—3)

Price : Rs. 6.00

(2) These rules shall come into force at once.

(3) These rules shall apply to the Pakistan Energy Sukuk, hereinafter referred to as the Sukuk, issued by Power Holding Private Limited (PHPL), hereinafter referred to as the Company, a company hundred per cent owned by the Federal Government, and fully secured by un-conditional guarantee, issued by the Federal Government from time to time.

2. **Maturity period.**—The maturity period of the first Sukuk issued by the Company shall be ten years from the date of issue. Later on, the Company may issue Sukuk having longer or shorter maturity periods but the shortest period shall not be less than one year as notified by the State Bank of Pakistan.

3. **Denomination.**—The Sukuk shall be issued in multiple of five thousand Rupees and/or one hundred thousand Rupees. Each Sukuk shall represent an undivided ownership of the assets held on trust for the holder of the Sukuk pursuant to a trust deed in the name of the Company.

4. **Profit.**—The profit on the Sukuk shall be paid bi-annually on the basis of rental rate agreed with the mandated lead arrangers, hereinafter referred to as MLAs, prior to start of each half year.

5. **Redemption.**—The Sukuk shall not be redeemable before maturity.

6. **Sale.**—The Sukuk shall be sold to the MLAs as per Sukuk terms and conditions, agreed between the Company and the MLAs.

7. **Who can hold the Sukuk.**—The Sukuk shall be held by MLAs, (Mandated Lead Arranger) institutions, trusts, funds of all types, bodies corporate including banks, non-banking finance companies and insurance and takaful companies irrespective of their residential status and individual investors both resident and non-resident Pakistanis and Foreigners. The investment by non-residents shall be in foreign exchange remitted through the official banking channels. Such investment shall be eligible for repatriation of the principal as well as periodic profit on the Sukuk but the exchange risk shall that be of investor.

8. **Trade and transfer.**—The Sukuk shall be traded freely in the Pakistan's secondary markets and transferable through central depository company.

9. **Reporting.**—The Sukuk shall be reported to the Securities and Exchange Commission of Pakistan.

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10. **Listing in Pakistan Stock Exchange.**—The Sukuk may be listed in Pakistan Stock Exchange.

11. **Government security.**—The Sukuk shall be a Government security and the payments under the Sukuk shall be the payment obligations of the Company (hundred percent owned by Federal Government) on account of the payment of rentals by the Company in respect of assets leased to the Company, and on account of payment of purchase price by the Company for purchase of assets at the time of maturity.

12. **Approved security.**—The Federal Government shall declare the Sukuk as approved security for the purpose of sub-section (1) of section 29 of the Banking Companies Ordinance, 1962 (LVII of 1962).

13. **Statutory liquidity requirement (SLR) eligibility.**—The Sukuk shall be statutory liquidity requirement (SLR) eligible for Islamic as well as conventional banks.

14. **Acceptability as collateral.**—The Sukuk shall be accepted by the banks and financial institutions as collateral for the purposes of financing.

15. **Tax liability.**—The profit earned on the Sukuk shall be liable to income tax in accordance with the laws of Pakistan. Withholding tax on the Sukuk shall be deducted at applicable tax rates at source, unless specifically exempted from deduction under provisions of the Income Tax Ordinance, 2001 (XLIX of 2001).

16. **Deduction of Zakat.**—There shall be no compulsory deduction of *Zakat* at source and a *sahib-e-nisab* may pay *Zakat* on his own according to Shariah.

[No. PF-05(06)/2018.]

RAO M. RIZWAN AHSAN,  
*Section Officer (PF).*