



EXCHANGE POLICY DEPARTMENT

Framework for Investment by Non-Resident Pakistanis (NRPs) in Residential and Commercial Real Estate Sector through NRP Rupee Value Account (NRVA)

1. Authorized Dealers may allow individual Non-Resident Pakistanis (NRPs) to make payments for investment in the residential and commercial real estate **on repatriable basis** from their NRP Rupee Value Accounts (NRVA) subject to compliance with the following terms and conditions:
 - a) The Investment shall be made out of funds received from abroad through banking channel in Pakistan or transfer of funds from the account holder's own Foreign Currency Value Account (FCVA) or other NRP Rupee Value Account (NRVA).
 - b) Authorized Dealer will ensure due diligence and ongoing monitoring of these transactions in line with the applicable ML/FT regulations.
 - c) The investment may be made on installment or full payment basis.
 - d) **Minimum Investment Period:**
 - i. **Minimum period of investment will be three years.**
 - ii. After three years, investor can repatriate full amount of sale proceeds of the investment in property.
 - iii. In case of dis-investment before three years, investor can repatriate funds up to **the lower of the amount of sale proceeds** or his/her **principal investment amount in PKR** on the date of the investment, while the differential amount, if any, and any profit/return earned from eligible investments made out of this amount may be repatriated after the expiry of three years from the date of investment.
 - iv. The **differential amount can be invested in other eligible securities from NRVA.**
 - v. In case of investment in installments the three years' period would be reckoned from the date of last payment.
 - e) The investment can be made either in his/her own name or jointly with his/her family members(s), which include parents, brother, sister, wife, children and lineal ascendant and descendants only.
2. The following procedure shall be adopted by the Authorized Dealers, while making/receiving payment for investment/disinvestment in residential and commercial real estate on behalf of non-resident Pakistanis:
 - a) In case of investment, Authorized Dealer shall effect payment (full/ partial) directly in favor of the seller (owner of the property) on behalf of investor through payment order/ banker's cheque, or transfer through digital modes or otherwise, to the account of the seller.
 - b) In case of disinvestment, Authorized Dealer shall ensure that the payment being received for the account of investor must originate from the account of the buyers through payment order/bankers cheque or account to account transfer.



EXCHANGE POLICY DEPARTMENT

- c) Authorized Dealer shall obtain following minimum information/documents at the time of investment from or crediting disinvestment proceeds to the account of the investor:
- (i) Copy of sales agreement/purchase letter of the housing or relevant authority or any other document evidencing sale/purchase of property, as applicable.
 - (ii) Latest valuation reports of the property from **two independent valuers**, not more than three months old, listed on Pakistan Banks Association's (PBA) approved list for valuation of residential and commercial property. In case of investment in newly offered schemes where the property is being purchased by the investor directly from the developer the price set by the developer would be used and the valuation would not be required.
 - (iii) Copy of Computerized National Identify Card/NICOP/ NTN of the seller(s)/ buyer.
 - (iv) Standing instructions for making payment (partial/full) from the account of the investor.
- d. At the time of investment and disinvestment, the tolerance limit of +/- 10% between the sale/purchase price of the property, as per sale/purchase agreement, and the average of the value determined by the valuers may be acceptable.
3. The account holder will be required to submit a copy of title document of the property to the Authorized Dealer, within six months from the date of final payment, evidencing ownership of the property in his/her name or jointly with his/her family member, as the case may be, along with copies of duties/taxes paid challans. Until the copy of title documents is submitted, a copy of receipt issued by the relevant registration authority shall be deposited.
4. In case investor has rented out the property, income/rent may be received directly from the tenant's account through payment order/ banker's cheque/ or digital mode on production of following documents at the time of execution or renewal of the tenancy agreement:
- a) Copy of a valid rent agreement and copy of CNIC of tenant.
 - b) Certificate for benchmark rental value of the property by a valuator listed on the PBA's panel.
