



EXCHANGE POLICY DEPARTMENT

Framework for Investment in Real Estate through NRP Rupee Value Account (NRVA)

1. Authorized Dealers may allow individual non-resident Pakistanis (NRPs) and non-resident Pakistan Origin Card (POC) holders to make investment in the residential and commercial real estate **on repatriable basis** through their NRP Rupee Value Accounts (NRVA), both on self-financing and bank financing basis, subject to compliance with the following terms and conditions:
 - a) The investment shall be made out of funds available in NRVA or through financing provided by the bank to NRVA holder. In case of investment through bank's financing, the repayment of loan must be made from 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) There is no minimum prescribed period for investment. However, repatriation of disinvestment proceeds shall be subject to the following conditions:
 - i. In case of disinvestment within three years from the final payment for investment, under self-financing, or full adjustment of loan under bank's financing, only principal amount of investment can be repatriated, while the capital gain, if any, can be repatriated after three years;
 - ii. The amount of capital gain credited into NRVA upon disinvestment of property within three years, which is not eligible for repatriation till completion of three years, can be invested in eligible investments allowed through NRVA.
 - iii. In case where investment was made for construction of an existing land, the amount to be repatriated shall be the disinvestment proceeds less the value of land, as per the valuation report of the valuator on bank's approved panel, at the time of disinvestment;
 - e) The ownership of property 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.
 - 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 report of the property from **independent valuator**, not more than three months old, listed on Pakistan Banks Association's (PBA) approved panel. **In case of investment in newly offered schemes where the property is being purchased by the investor directly from the builder/developer the price set by the builder/developer would be used and the valuation report will 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 value determined by the valutors may be acceptable.
3. In case of self-financing or lien-based financing by bank, 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. In case of non-lien based financing, the bank will adopt the process as per the approved product program for mortgage of the property.
4. In case investor has rented out the property, the rental income of the property may be credited into NRVA of the customer directly from the tenant's account through payment order/ banker's cheque/ or digital mode. In this regard, the bank will obtain the following information/ documents at the time of execution or renewal of the tenancy agreement:
- a) IBAN of the tenant
 - b) Copy of a valid rent agreement,
 - c) Copy of CNIC of tenant, and
 - d) Certificate for benchmark rental value of the property by a valuator listed on the PBA's panel.
