

Frequently Asked Questions on Prize Bonds

❑ Questions relating to claims of prize money of winning prize bonds:

1. What are the Guidelines for application forms of all denominations of Prize Bonds?

Answer: The claim of prize money declared on winning prize bond can be lodged at any field office on the prescribed claim form, which is available free of charge. The form duly filled may be submitted along with photocopy of NIC and winning prize bond duly signed by the applicant.

2. What are the general objections raised on prize money claim?

Answer: To fill in the form in all respect correctly i.e. Bond numbers, name, date of draw and date of purchase etc.

3. Why the genuineness of prize bonds cannot be checked at field office?

Answer: Bonds are first checked at field offices by the counter staff who imparted training from PSPC and in case of doubt, the same sent to PSPC. However prize winning bonds one million and above are essential to be sent to PSPC due to huge prize money involved.

4. Why the face value and prize money of the defective prize bonds are paid separately?

Answer: Face value against Defective prize bonds is paid after passing thereof by authorized officer whereas the Payment of prize money is paid as usual.

5. Should we claim prize money in our own name or sell it to a broker?

Answer: Sale/purchase of prize bonds including prize-winning prize bonds other than the offices authorized by the government is not appropriate.

6. Why date of issue is important for any claim of prize money?

Answer: Only those prize bonds qualify for prize money, which have been purchased two months prior to the draw.

7. Whether a prize bond deposited with application for prize money is returned to the claimant?

Answer: Prize bonds winning prize money below Rs. 10,000/- are returned, in case of prize money Rs. 10,000/- and above are retained and their face value is paid to the claimant.

8. Can prize money be claimed for a prize bond whose receipt/ payment order is lost?

Answer: Yes after fulfillment of prescribed conditions.

9. Can a person claim prize money on behalf of his family?

Answer: Payment of prize money claim can be made after submission of prescribed letter of authority form available over the counter.

10. Why repeated signatures are obtained on claim form in case there is minor difference in signatures with that of National Identity Card?

Answer: To safe the interest of the Bank as well as claimant, proper identification of claimant is essential.

11. What is the procedure of obtaining prize money claim and from where it can be claimed?

Answer: The claim form is submitted at the respective counter of any offices of SBP BSC (Bank). Prize money up to Rs. 20,000/- is paid on counter (subject to clearance of bond) the same day after deduction of 10% withholding tax. Over Rs. 20,000/- are given through payment order on/ after the dates given to claimants for collecting the prize money. Prize money Rs.1000/- can also be claimed at commercial banks and National Savings Centers.

12. What documents are required for lodging a prize money claim?

Answer: Photocopy of NIC along with the original prizewinning prize bond required with application/claim form duly filled in and its photocopy.

13. How many days are required for settlement of prize money claim?

Answer:

Amount	No. Of days.
Up to Rs.20,000/- on counter	Same day
Up to Rs. 175,000/-	15
Up to Rs. 6,000,000/-	21
Up to Rs. 50,000,000/-	30

14. Are there any charges of prize money claim form?

Answer: No.

15. After how many days of draw prize money claim can be lodged?

Answer: The time allowed is usually 7 days and within six years from date of draw.

16. Whether claimant can obtain payment of prize money through an authorized person?

Answer: It depends on discretion of competent authority of the field offices.

17. Can we claim prize money of damaged bond?

Answer: Yes subject to clearance under rules.

18. What is the procedure and documents required to submit a claim application?

Answer: As per S.No.1 above.

19. Which prize-winning bond does the bank retain?

Answer: Prize bond winning prize money of Rs. 10,000/- and above.

20. Why payment of prize money claims exceeding Rs.7500/- are not paid at SBP BSC counters?

Answer: Incorrect, prize money up to Rs.10,000/- are paid at counters of SBP BSC.

21. Reasons for time lag on prize money?

*Answer: i) Confirmation of genuineness of the bond.
ii) Confirmation of PB-18 from concerned PDO.*

22. Up to what period prize money can be claimed?

Answer: Prize money can be claimed within six years from date of draw.

23. Whether two prizes can be claimed against one application?

Answer: No.

24. When the amount of prize money is paid? Why prize money over Rs. 1000/- is not paid on the same day?

Answer: Prize money up to Rs.20,000/- paid directly on same day at Karachi and Lahore PDOs.

25. Whether one prize bond winning prize money two times in different draws will be paid prize money two times on the same date or otherwise?

Answer: Yes.

□ **Questions relating to the Draws of prize bonds:**

1. What is the procedure of Prize Bonds draw? Is the process of draw fair and transparent?

Answer: Prize bond draw is held by a committee constituted by CDNS and open to general public. Winning prize bonds are drawn through Hand operated draw machine, which is operated by special children in front of committee members and general public attending the draw ceremony. Numbers announced twice from right to left and then left to right. Draw process is fair which reflects the increasing trend of sale as a solid proof.

2. Why the small investors don't win prize and big prizes go to big investors?

Answer: Big investors invest in large amounts and buy more prize bonds, therefore their probability of winning prize money is greater than the individual who buys a single prize bond. However, draw is held separately for each prize and small investor can win big prize.

3. Why the State Bank of Pakistan does not stop the payment of prize money against prize bond reported lost?

Answer: Prize bond is a bearer instrument. Its ownership belongs to the holder of the instrument just like currency notes.

4. Whether one can attend draw ceremony?

Answer: Yes, general public may also attend the prize bond draw ceremony up to 100 persons.

5. Is there any way to ensure that the prize bond purchased would win a prize?

Answer: No. Every eligible prize bond is included in draws. Prize Bond would win a prize if declared successful in the draw.

6. Why one cannot get prize when the number of prize bond was included in the draw and won a prize as well?

Answer: The prize bond purchased during shut period is not included in the current draw.

7. Why the prize money on the winning number is not paid very next day?

Answer: As per S.No.21.

8. How many numbers of Prize Bonds are in a series?

Answer: 9,99,999/-

□ **Questions relating to Tax Matters of prize bonds:**

1. How much tax is deducted on prize money?

Answer: 10% income tax deducted on the amount of prize money.

2. Whether an income tax payee is exempted from withholding tax on prize money claim?

Answer: No.

3. What is tax certificate?

Answer: It is a requirement of Income Tax Authorities to prove the portion of income as legal.

4. Is 10% Withholding Tax on small prizes not discouraging small savers?

Answer: As the tax is deducted on the prize money only and not on the principal amount, therefore it is not discouraging to the small investors.

□ **Questions relating to Transactions of prize bonds:**

1. From where we can get Prize Bonds?

Answer: Prize bonds can be purchased and encashed in any quantity at all field offices of SBP BSC (Bank), office of National Saving Centres, head post offices and designated branches of commercial banks.

2. Why the rate of prizes has reduced?

Answer: Due to Government (Ministry of Finance – CDNS) policy and reduction of rate of interest. Rate of prizes reduced but number of prizes increased, overall return the same.

3. Why the number of prizes has reduced whereas total number of prize bonds has increased?

Answer: Number of prizes also increased.. Numbers of Prize Bonds are increased to make the rate of return compatible with mark up prevailing in the money market.

4. Is there any limit on purchase of Prize Bonds?

Answer: No.

5. What is the encashment procedure?

Answer: To present original prize bond and get money.

6. Is the prize bonds sold by commercial banks/ National Saving Center genuine?

Answer: Yes by purchasing the bonds from SBP BSC offices and getting commission on sale.

7. Can prize bond be encashed any time after their purchase?

Answer: Yes.

8. When the Draw List is available to the general public?

Answer: Official draw list is available on the next day of the draw.

9. Procedure for encashment of defective/ mutilated/ decipherable prize bond?

Answer: Defective/ defaced prize bonds are passed for payment by an authorized officer on the same day while claim bonds are paid (if approved) within three working days. Face value of such bonds is paid on receipt of claim Form along with more than half portion of such bond.

10. From where I can get the draw schedule?

Answer: Draw schedule is displayed at the field offices, official website of National Saving Organization and National Saving Centers and at SBPWEB.

11. What is Shut Period? Why?

Answer: Shut period means a period of two months before the holding of draw of a particular denomination. The period is calculated keeping in view of the prevailing rate of mark up.

12. Why not fresh prize bonds are issued during sale period?

Answer: Fresh bonds are issued when the stock of re-issuable bonds is fully utilized.

13. Is there any institution, other than SBP BSC (Bank) that offers sale/ encashment of the prize bonds?

Answer: Yes. National Saving Centres, commercial banks and head post offices.

14. What is the role of SBP BSC (Bank) in the Prize Bond sale/ encashment?

Answer: As an agent to CDNS. SBP BSC is responsible from printing to its destruction.

15. Are prize bond numbers sold to the customers of their own choice?

Answer: No.

16. Is there any limit to purchase these bonds?

Answer: No.

17. Is there any deduction against refund of face value of defective Prize Bonds?

Answer: No.

18. Can we exchange bonds at any bank/ post office?

Answer: Yes.

19. Can we exchange old denomination bonds?

Answer: No.

20. In case of theft can payment be stopped?

Answer: No. Prize bond are bearer instruments.

21. Can we get full value of damaged bond?

Answer: Yes if the bond is more than half.

22. Why the bond purchased during shut period are not included in subsequent draw?

Answer: Bonds are entitled for inclusion in draw, if the same are issued before 2 months of respective draw. Mechanism constructed in view of rate of return.

23. Can we encash old denomination prize bonds?

Answer: Prize bonds of old denomination are no more in circulation and cannot be encashed.

24. If the Prize bond is stolen, could I get duplicate prize bond?

Answer: No. Prize bonds are bearer instruments and whoever is holding the prize bond is the owner of it and can claim prize money.

□ **Questions relating to Basics of prize bonds (Misc):**

1. How many draws are held in a year?

Answer: Four draws of each denomination.

2. Who prints Prize Bonds?

Answer: Pakistan Security Printing Corporation (PSPC), Karachi, prints Prize bonds of all denominations.

3. Who holds the Prize Bond Draws?

Answer: SBP BSC (Bank) field offices as per Schedule prepare by CDNS Islamabad.

4. What is the purpose of Prize Bonds scheme?

Answer: To encourage public investment. It is a source of domestic borrowing for Government.

5. What types of prize bonds are not eligible for refund or face value?

Answer: Prize bonds are not eligible for payment if they are less than half, forged or deliberately cut, mutilated or tampered.

6. What is the status of draws held before November 15, 2000?

Answer: Separate draw for each series of a denomination was held before November, 2000. Now we have Single Common Draw for a denomination.

7. What is the open market rate of Prize Bonds?

Answer: The sale of prize bond is stopped after one month of draw by the official authority. The same however remain available in the open market where they are sold at a higher rate. This however is not the concern of State Bank Of Pakistan.

8. Whether it is in accordance to Sharia principles?

Answer: Best known by the Sharia concerns.

9. Are the prize-winning list available with brokers are authenticated?

Answer: No.

10. Is Prize Bond a registered or Bearer instrument?

Answer: Prize bond is a bearer instrument.

11. Why during the Shut Period Prize Bonds remain available for sale outside SBP BSC (Bank)?

Answer: SBP BSC Offices are not effecting the sale of prize bonds during shut period, however, some persons purchase it before shut period and sale on premium in open market during shut period.

12. Are these brokers authorized to deal in sale/ purchase of Prize Bonds?

Answer: No.

13. What are the security features of a prize bond?

Answer: These bonds are printed in the offset process on SPL made paper & would carry the following security features:

In paper: (i) enlarge watermark, (ii) micro-printed security thread, (iii) invisible coloured fiber.

In printing: (i) micro-printed tint in rainbow colour, (ii) guilloche patter, (iii) visible fluorescent rosette, (iv) invisible denomination print, (v) numbering in red fluorescent ink.

14. What is PSPC?

Answer: Pakistan Security Printing Corporation (PSPC) is a government organization that prints currency notes and government securities.

15. Why the Prize bonds are sent to PSPC?

Answer: Chemically and by some sophisticated means as the tempering in bonds has become more scientific, therefore, Prize bonds are sent to PSPC for verification. If they are declared forfeited then action is taken against the claimant as per Bank's rules.

16. What is C.D.N.S?

Answer: Central Directorate of National Savings Ministry of Finance Government of Pakistan controlling/managing all government savings schemes like SSC/DSC/RIC/ and Retired govt. employees benefit scheme etc.

17. What is Public Debt Office?

Answer: Public Debt Office (PDO) deals with securities issued by Government of Pakistan from time to time to raise debts enacted by Public Debt Act, 1944. Whereas it is expedient to consolidate and amend the law relating to Government Securities issued by the Central Government and to the management by the State Bank of Pakistan of the Public debt of the Central Government.

18. What is local and foreign circle?

Answer: Prize Bond issued by Karachi P.D.O. and lodged for payment of prize money at Karachi Circle will be a local circle and if lodged at Lahore circle it will be a foreign circle.

19. Why the prize bonds of Karachi Circle are not paid in a manner as a Lahore circle's prize bond?

Answer: There is no difference between Karachi and Lahore circles. However, Lahore PDO also allow payment of prize money against bonds of Karachi PDO after confirmation of outstanding in PB-18.

20. Why the prize bonds of Karachi circle are sold at Lahore Office?

Answer: Only re-issuable bonds are entitled to be sold/encash at any center of any circle.

21. Why the prize bonds of old denominations were substituted with new ones?

Answer: Being a Government (Ministry of Finance) policy to introduce higher denomination Prize bonds having huge amount of big prizes.

22. What are the future prospects of Prize Bonds?

Answer: Sale of Prize Bonds is increasing.

23. What is the schedule of draw?

Answer: The Schedule of draw contains Draw No, Place & date of draw.

24. What are the various denominations and their respective prize money?

Answer: Presently six denominations of National Prize Bonds are in circulation.

DENOMINATION	NO. OF PRIZES	PRIZE MONEY
Rs. 200/-	1 st Prize 2 nd Prize Common Prizes	1 3 1550 Rs. 500,000/- Rs. 150,000/- each Rs. 1,000/- each
Rs. 750/-	1 st Prize 2 nd Prize Common Prizes	1 3 996 Rs. 1,000,000/- Rs. 300,000/- Rs. 7,500/-
Rs. 1,500/-	1 st Prize 2 nd Prize Common Prizes	1 3 996 Rs. 2,000,000/- Rs. 600,000/- Rs. 15,000/-

Rs. 7,500/-	1 st Prize 2 nd Prize Common Prizes	1 3 996	Rs. 10,000,000/- Rs. 3,000,000/- Rs. 75,000/-
Rs. 15,000/-	1 st Prize 2 nd Prize Common Prizes	1 3 996	Rs. 20,000,000/- Rs. 6,000,000/- Rs. 150,000/-
Rs. 40,000/-	1 st Prize 2 nd Prize Common Prizes	1 3 996	Rs. 50,000,000/- Rs. 15,000,000/- Rs. 400,000/-

25. Whether fresh bonds of all denominations are available for sale irrespective of Shut period?

Answer: yes.

26. Why prize bonds are not issued in a series?

Answer: Fresh Prize Bonds are issued in series.

27. Could Prize Bonds be used as collateral against loans?

Answer: Yes.

28. What is the legal backing of Prize Bonds?

Answer: Public Debt Act, 1944.

29. Why time limit is prescribed for processing of prize-winning bonds?

Answer: As replied in Sr.No.21.

30. Why application form is received in duplicate?

Answer: No.

31. Is every commercial bank authorized to encash/ sale the prize bonds to public and pay the prize money to the claimant?

Answer: All commercial banks are authorized to make sale/ encashment of all denomination prize bonds. However, the banks are allowed to pay the prize money up to Rs. 1,000/- only and the prizes exceeding Rs. 1,000/- are dealt with at all field offices of SBP BSC (Bank).