

Government of Pakistan
Finance Division
(Budget Wing)

Currency Management Department	
Date	07 MAR 2017
Inward No:	651

Islamabad, the 28th February, 2017.

NOTIFICATION

S.R.O. (1)/2017.- 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.76 (I)/2017, dated the 3rd February, 2017, as required under sub-section (1) of the said section 28, namely:-

1. Short title, application and commencement. – (1) These rules shall be called the Premium Prize Bond (Registered) Rules, 2017.

(2) These rules shall be applicable to the premium prize bonds (registered) issued under these rules.

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

2. Definitions.- In these rules, unless there is anything repugnant in the subject or context,-

(a) “bond” means the premium prize bond (registered) issued under these rules; and

(b) “SBP Banking Services Corporation” means the SBP Banking Services Corporation established under the SBP Banking Services Corporation Ordinance, 2001 (LXVII of 2001).

3. Office of issue. – The bonds shall be issued through offices of SBP Banking Services Corporation and any other office as authorized by the Central Directorate of National Savings in consultation with the SBP Banking Services Corporation.

4. Procedure. – The Central Directorate of National Savings shall, in relation to the bonds, devise, in consultation with SBP Banking Services Corporation, procedure for sale, encashment, payment of profit and prize money and other allied matters to carry out the purpose of these rules.

5. Denomination. – (1) The bonds shall be issued in denominations of forty thousand Rupees and one hundred thousand Rupees and such other denomination as the Finance Division may, by notification in the official Gazette, determine.

(2) The bonds shall be issued in multiple of face value of each bond.

(3) The bonds shall be issued in a series of one less than a million pieces or such other pieces as the Finance Division may, by notification in the official Gazette, determine.

6. Investment limit. – There shall be no maximum limit for investment in the bonds.

7. Withdrawal from circulation. – (1) The Finance Division may, by notification in the official Gazette, withdraw out of circulation any bond.

(2) No claim for prize money or profit on bonds withdrawn under sub-rule (1) shall be admissible from the date of withdrawal:

Provide that the profit accrued on the bond till the date of its withdrawal shall be admissible at the applicable rate.

8. Eligibility criteria.– (1) The bonds may be purchased by any of the following, namely:-

- (a) single adult;
- (b) two or more adults in their joint names-
 - (i) payable to the holders jointly or payable to either with written consent of the others to be called joint class A; or
 - (ii) payable to either to be called joint class B; and
- (c) a public or private sector institution and organization, excluding banks, insurance companies and mutual funds.

(2) The payment for purchase of bonds may be made through cash, bank draft, pay order or crossed cheque or such other mode as the Finance Division may, by notification in the official Gazette, determine.

(3) Every person for the purpose of purchasing the bonds shall make application, obtainable free of charge from office of issue, on the format and along with such documents and information as may be set out under rule 4.

9. Validity period.– (1) The bonds shall be issued for unlimited period and shall remain valid for accrual of profit or prize money and payment thereof, if any, till such time it is encashed by the registered holder or withdrawn under these rules.

(2) The bonds may be redeemed any time after issuance.

10. Draw. – (1) For the purpose of prize money, the draw of the bonds shall be held on quarterly basis or such other frequency as the Finance Division may, by notification in the official Gazette, determine.

(2) The Central Directorate of National Savings shall, at the start of each calendar year and by notification in the office Gazette, determine schedule of the draw under sub-rule (1).

(3) For the information of general public the date, time and place of each draw and the series of bonds participating in respective draw shall, by notification in the office Gazette, be determined by the Central Directorate of National Savings sufficiently in advance of the date of draw.

(4) A bond shall not qualify for prize money in such a draw which is held within-

- (a) two months commencing from every date of purchase of the bond of denomination of forty thousand Rupees; or
- (b) three months commencing from every date of purchase of the bond of denomination of one hundred thousand Rupees.

(5) The SBP Banking Services Corporation shall, by notification in the official Gazette, determine the draw mechanism for the bonds under these rules.

(6) The Central Directorate of National Savings shall, by notification in the official Gazette, notify draw results of the bonds under these rules.

11. Prize money and profit. - (1) The Finance Division shall, by notification in the official Gazette, determine prize money in respect of each bond under these rules.

(2) The Finance Division shall, by notification in official Gazette, determine biannual rate of profit payable for each completed period of six months.

(3) No profit shall be payable on the bonds if redeemed before completion of six months' period from the date of issuance or the date of last profit due thereon.

(4) Profit and prize money, if any, shall be credited to the specified bank account of the registered bond holder on due dates. In case the bank returns the said profit or prize money to the office of issue due to any reason, such amounts may, as per procedure prescribed under rule 4, be claimed from the office of issue by the registered bond holder within a period of six years from the date such amounts become due. After expiry of said period the liability of the Federal Government to pay such amounts shall be terminated and no such claim shall be entertained.

(5) No further profit shall be admissible on any profit or prize money for the period during which these amounts remain unclaimed due to any reason after the date of draw or due date of profit.

12. Transfer of ownership.- The holder of the bonds may, on application made on the format as may be set out under rule 4, transfer ownership of his bonds to

another person, whereby the transferor shall, in favour of the transferee, relinquish his entire claim in respect of principal investment, accrued profit and prize money, if any.

13. Pledging. – A bond may be pledged as collateral only after its retention for three months' period from the date of its first issue.

14. Payment in default. – Any profit or payment which may have been made in contravention of these rules or by mistake shall be refundable and in the event of failure to refund may, in addition to other remedies for the recovery thereof, be deducted from any money payable by the Federal Government to the recipient person from his estate or be recovered as arrears of land revenue.

15. Succession.–In case of death of a bond's holder, payment of principal amount, profit and the prize money, if any, in respect of bond of the deceased shall be payable to his legal heirs according to succession certificate issued by a court of competent jurisdiction.

16. Duplicate.– In case of loss of a bond, the investor shall make an application, on the format as may be prescribed under rule 4, to the office of issue for issuance of fresh bond equivalent to the face value and in lieu of the lost bond with new serial number.

17. Zakat.– Investment in bonds made under these rules, payable profit and prize money thereof, shall be exempt from compulsory deduction of *Zakat*.

18. Applicable tax.– Profit and prize money on the bonds shall be subject to tax in accordance with the applicable laws.

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(Niamatullah Khan)
Section Officer (GS-I)

The Manager,
Printing Corporation of Pakistan Press,
Islamabad.

Copy to:

1. The Director General, CDNS, Islamabad.
- ✓ 2. The Director, BSC (Bank), Currency Management Department, State Bank of Pakistan, Karachi.


(Niamatullah Khan)
Section Officer (GS-I)