

**GOVERNMENT OF PAKISTAN
FINANCE DIVISION
(BUDGET WING)**

Islamabad, the 30th April, 2020.

NOTIFICATION

S.R.O. _____ (I)/2020.- 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 National Savings Schemes (Overseas Pakistani Savings Bills) Rules, 2020, the same having been previously published *vide* Finance Division's Notification No. F.20(9)GS-2020-425, dated the 08th April, 2020, as required under sub-section (1) of the said section 28, namely:-

**NATIONAL SAVINGS SCHEMES (OVERSEAS PAKISTANI SAVINGS
BILLS) RULES, 2020**

1. Short title, application and commencement. – (1) These rules shall be called the Overseas Pakistani Savings Bills Rules, 2020.

(2) These rules shall be applicable to the Overseas Pakistani Savings Bills purchased 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) "Bill" means the Overseas Pakistani Savings Bills purchased and held under these rules;

(b) "customer due diligence" or "CDD" shall have the same meaning as defined in prudential regulations issued by SBP for commercial banks;

- (c) “enhanced due diligence” or “EDD” shall have the same meaning as defined in the prudential regulations issued by SBP for commercial banks;
- (d) “foreign currency account” means an account opened in foreign currency in accordance with the Foreign Exchange Regulation Act, 1947 (VII of 1947) and rules made thereunder;
- (e) “holder” means the individual in whose name the Bill has been issued under these rules;
- (f) “know your customer” or “KYC” shall have the same meaning as defined in prudential regulations issued by the SBP for commercial banks;
- (g) “minor” means a person who has not attained the age of majority under the Majority Act, 1875 (IX of 1875);
- (h) “non-resident Rupee account repatriable” or “NRAR” means PKR account opened by a non-resident with a bank in Pakistan on repatriable basis in terms of Foreign Exchange Regulation Act, 1947 (VII of 1947) and rules made thereunder;
- (i) “non resident individual Pakistani” or “NRIP” is an individual who has been a non-resident of Pakistan for a period as defined in the Income Tax Ordinance 2001 (XLIX of 2001);
- (j) “PKR” means Pakistani Rupees, the legal currency of the Islamic Republic of Pakistan;
- (k) “purchaser” means a person eligible to purchase a Bill under these rules;
- (l) “SBP” means the State Bank of Pakistan;

- (m) “standard operating procedures” or “SOP” means the procedures framed by SBP to carry out the purposes of these rules;
- (n) “UNSC” means the United Nations Security Council; and
- (o) “USD” means the United States Dollar, the legal currency of the United States of America.

3. Eligibility criteria.— NRIP having National Identity Card for Overseas Pakistanis, foreigners having Pakistan Origin Card, members of Overseas Pakistanis Foundation or an employee or official of the Federal Government or a Provincial Government posted abroad that are eligible to open foreign currency account and NRAR as per existing regulations may either individually or jointly purchase the Bill:

Provided that in case of a minor, the parents or the legal guardian, shall operate all transactions on behalf of the minor until the age of eighteen years at which time the minor should meet the criteria under these rules:

Provided further that in case of a Bill being purchased jointly, both joint-holders of the Bill shall be required to meet the eligibility criteria set out in these rules.

4. Form of the Bill.— The Bill shall be issued in scrip-less form or any other form or format as approved by the Finance Division from time to time in consultation with the SBP.

5. Types of the Bill.— The Bill shall be issued in conventional form and also in *Shariah* compliant form as per *Shariah* structure notified by the Finance Division from time to time.

6. Tenor.— The Bill shall be issued for three, six or twelve months or any other tenor as notified by the Finance Division from time to time.

7. Currency of the Bill.— The Bill shall be issued in both PKR and USD or any other currency as may be notified by the Finance Division from time to time.

8. Denomination of the Bill.- The minimum denomination of the Bill and maximum investment limit thereof shall be as announced by the Finance Division from time to time.

9. Bills' issuance.- The Bill shall be issued through selected commercial banks, hereinafter called the agent banks, to be selected by Central Directorate of National Savings (CDNS) in consultation with the SBP. CDNS shall issue or allocate inventory of scrip-less Bill to agent banks for issuance to their foreign currency (FCY) or NRAR account holders, hereinafter called the account holders. The agent banks shall keep the Bill inventory so received by CDNS in the CDNS securities account to be opened with them and shall make arrangements to update CDNS about the usage of the inventory and its reconciliation with CDNS. The agent banks shall also open investment portfolio securities (IPS) accounts of the account holders purchasing the Bill and credit the Bill in the IPS accounts.

10. KYC, CDD and EDD of the purchasers.- KYC, CDD and EDD of the purchasers of the Bill, being the account holders of agent banks, shall be the responsibility of the agent banks. The KYC, CDD and EDD requirements shall however, be completed at the time of opening of the FCY or NRAR accounts.

11. Online application form.- For purchasing a Bill, the purchaser shall fill an online application form to be available on the web-page of the agent banks.

12. Source of funds.- The funds for investment in Bills must be remitted from abroad as per prevailing regulations and processes:

Provided that funds remitted in the non-resident foreign currency accounts and NRAR account of the investor after the 30th of April, 2020 may be used for investment in the Bills.

Provided further that residents' foreign currency accounts shall not be used for investment in the Bills.

13. Rate of return.- (1) Finance Division shall notify the rate of return on the Bill and frequency of payment from time to time.

(2) Undrawn profit shall not be eligible for compounding.

(3) Profit payment shall be made directly only to the account of the investor.

14. Payment on death of the holder.- In case the holder dies, the payment of principal amount and profit thereon, if any, shall be paid to the legal heirs of the deceased holder in accordance with a valid succession certificate or equivalent documentation issued in accordance with the law for the time being in force.

15. Irregular account or Bill.- If any Bill is found to be issued in contravention of these rules, such Bill shall be redeemed immediately, subject to adjustment of any benefit already paid.

16. Validity period for profit claim.- In case, the profit is not claimed by the holder within six years from the date of accrual, the liability of the Federal Government in respect of such profit payable thereon shall terminate. In such case, no amount on account of profit shall be paid.

17. Transferability.- The Bill shall not be transferrable except if required under the relevant laws.

18. Automatic rollover.- The Bill shall not be automatically reinvested or rolled over after maturity date.

19. Pledging.- The Bill shall not be pledgeable as security for raising financing.

20. Premature encashment.- Premature encashment shall be allowed. Provided that rate of return of the broken period shall be calculated as per rate of return of the nearest shorter tenor Bill or any rate as notified by the Finance Division from time to time. No profit shall be paid in case of encashment before completion of three months.

21. Tax on profit payment.— The profit on the Bill shall be subject to deduction of tax in accordance with the law for the time being in force.

22. Zakat deduction at source.— The Bill shall be exempted from compulsory deduction of zakat under section 3 of the *Zakat and Ushr* Ordinance, 1980 (XVIII of 1980).

23. Procedures, processes and policies.— The CDNS in consultation with the Finance Division, the SBP and other stake holders shall devise SOP, from time to time, for sale, encashment, premature encashment, profit disbursement and all other matters to carryout the purposes of these rules provided that the SOP is not inconsistent with any of the provisions of these rules and other applicable laws for the time being in force.

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Copy to:

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- ii. Additional Finance Secretary (External Finance), Finance Division, Islamabad.
- iii. Additional Finance Secretary (Internal Finance), Finance Division, Islamabad.
- iv. Additional Finance Secretary (Budget), Finance Division, Islamabad.
- v. The Director General, Central Directorate of National Savings, Islamabad.
- vi. The Director General, DPCO, Finance Division, Islamabad
- vii. The Managing Director, Banking Services Corporation (BSC), SBP, Karachi.


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