

NATIONAL SAVINGS DEPOSIT ACCOUNTS RULES

Islamabad, the 23rd April, 1974

No. F. 6 (20)-NS. 3/73.- 1. (1) The Federal Government is pleased to direct that the National Savings Centers of the National Savings Organization will receive moneys for deposit into the following accounts, namely:—

- (a) Savings Accounts, and
- (b) Special Savings Accounts.

(2) Definition:-

(a) “Mobile banking” means conduct of branchless or mobile banking activities through mobile phone devices using mobile phone network in accordance with State Bank of Pakistan’s Branchless Banking regulations, Regulations for Technical Implementation of Mobile Banking and other relevant regulations or guidelines issued by State Bank of Pakistan and Pakistan Telecommunication Authority for time to time on branchless banking ;

(b) “Card” means any card including an ATM card, Electronic Fund Transfer point of sale card, debit card, credit card or stored value card, used by a customer to affect an Electronic Fund Transfer;

(c) “Internet Banking” means electronic delivery of banking products and services like accessing accounts for funds transfers, utility bill payments and obtaining financial information, by the customers through internet irrespective of the access device used;

(d) “Fund transfer” means any transaction carried out by financial institution on behalf of originator person by way of electronic means or otherwise to make an amount of money available to beneficiary person at another beneficiary institution, irrespective of whether the originator and the beneficiary or the same person;

(e) “Digital Account” means an account, with the unique account number, that is maintain on a virtual branch instead of any of the National Savings branches;

(f) “Digit account number” means an account number which is provided to an account maintained on the virtual branch;

(g) “Channel” means the point of interaction between the customers of the financial institution and the financial institution, for financial and non-financial transactions. This could be a branch or any of the alternate delivery channel (ADCs) such as ATMs, Mobile Banking, Online banking or any other channel authorized by CDNS for the purpose;

(h) “Digital channel” means an electronic channel other than branches, such as an ATM, Mobile application and internet banking which may be used for purchase, encashment or withdrawal of CDNS products;

(i) "ATM" means an automated teller machine (ATM) is an ADC that allows customers to perform financial transactions, such as cash withdrawals, deposits, transfers funds, or obtaining account information, at any time without the direct interaction with branch staff;

(j) "Online banking" means an alternate payment system that enables customers of the financial institution to perform a range of financial transactions through the financial institution's website;

(k) "Digital transaction" means a transaction conducted through any of the alternate delivery channels such as ATM card, mobile banking, online banking or through any other channel as approved by CDNS;

(l) "Digital receipt" means receipt issued in electronic form to the customer against an electronic purchase of any National Savings Product; and

(m) "Biometric Verification" means technology enabled system (verifiable from NADRA or the relevant Government authority) that allows Financial Institutions to obtain biometric fingerprints of the customers for verification at the time of opening of digital account or conducting the branchless banking transactions."

2. [(1) Any of the accounts may be opened by the following:

(i) A single adult.

(ii) Two adults in their joint names:

(a) payable to the holders jointly or payable to either with the written consent of the other (joint Class A).

(b) Payable to either (Joint B).

(iii) Any minor of whom he is the guardian, or

(iv) Any lunatic of whom he is the guardian or manager appointed by a Court of Law provided that the Superintendent of a Mental Hospital may deposit money on behalf of any lunatic confined in the hospital.

(v) All institutional investment shall be discontinued with immediate effect.

(2) An account may be converted from single to Joint and vice versa (Category A or B).

(i) On written request of the account holder(s) made in person.

(ii) In every case of conversion, the original pass books(s) and withdrawal slip book shall be surrendered and new one(s) shall be issued in lieu thereof in the new name(s) with the same details of transactions but with a new account number. The original account shall be considered as closed. Such closure of account for conversion shall not entail compulsory encashment or deduction of Zakat / Income Tax.

(iii) A fee of Rs.10/- shall be payable on an application for the conversion.

(iv) An account held in the name of a minor shall under no circumstances be transferable to any person other than his or her legal guardian.

3. A depositor desiring to open an account will present at the Centre an application in Form DA-1 along with cash or cheque for the amount to be deposited. He will also affix his signature on the Specimen

Signature Card. The application shall be accompanied with a copy of the National Identity Card of the depositor or in the case of a foreign national with a copy of his passport:

Provided that if the customer desires to open an account through a digital channel provided by Central Directorate of National Savings (CDNS), he shall submit an online account opening application alongwith procedural requirements of Central Directorate of National Savings from time to time. Digital account can be converted into normal Savings account after fulfilling all procedural formalities.

3A. A depositor may open more than one Savings/Deposit account provided that more than one Savings/Deposit account is not opened in any one National Saving Center and no savings or deposit account shall be opened with a deposit of less than one hundred rupees:

Provided that in case the Account is opened through digital channels under Rule-3 above, the account shall be opened with zero balance, subject to deposit of PKR 100/- within one month from the date of Digital Account Opening through electronic channels or system generated credit or shall deposit cash in person at National Savings Centre (NSC).

4. The depositor will be assigned an account number and will be given a receipt in Form DA-2 acknowledging the amount deposited. The depositor will also be issued a Withdrawal Slip Book containing 10 Slips (DA-4) and a pass-book simultaneously or, if the first deposit has been made wholly through a cheque, on the clearance of the cheque:

Provided that in case the account is opened through digital channels under Rule-3 above, the customer shall be assigned a digital account number and a digital receipt shall be sent as acknowledgement at the time of first credit in the account. CDNS shall define parameters on digital account and transactions from time to time in line with best banking practices. CDNS shall also define mechanism for dispute resolution, complaint redressal and procedures to report and address fraud and suspicious activities.

5. No initial or subsequent deposit shall be deemed to have been made:

- (a) unless the receipt of its amount has been acknowledged in Form DA-2 written in duplicate, both copies signed by the officer in charge of the Centre (with stamp of his office) and also the depositor or his agent before delivery of the receipt, and
- (b) in the case of deposits through cheques until the cheques have been duly cleared.

5A. *Omitted*

6. Profit accruing on the deposits in an account shall be acknowledged by issue of profit credit slip in form DA-3 to be prepared in duplicate and signed by an Officer of the Centre as soon as the profit has become due and only one profit credit slip shall be maintained for all the saving accounts.

7. The customer can withdraw money by submitting the signed withdrawal or acknowledgement slip (Form DA-4) personally or through agent or through banking clearing house or any other channel authorized by CDNS for the purpose. The withdrawal from the Savings Accounts can also be made through any of the approved Alternate Delivery Channel (ADCs) i.e. Mobile Banking, Debit Card, Internet Banking and ATMs or by any other Channel as approved by CDNS, from time to time. Withdrawals from digital account shall be allowed only through digital transactions.

7A. Deposit and Withdrawal:- there shall be no restrictions on number of deposit into and withdrawals from Digital Savings Account.

8. At the time of making deposits or withdrawals, presentation of pass-book at the Centre will be necessary for making up-to-date entries:

Provided that in case the Savings Account either opened through digital channel or maintained in a computerized National Savings Centre (NSC), the investor may obtain an updated statement or transactions in lieu of pass book.

9. For depositors who cannot affix their signatures, these rules shall apply with the following modifications:

- (a) They will affix their left hand thumb impression wherever their signatures are required and the impression will be witnessed by some known person.
- (b) They may deposit money through an agent at their own risk but for withdrawal of money they must visit the Centre personally.

10.

- (1) At the time of opening of account, the depositor may make nomination in the prescribed application. The account holder may change or cancel previous nomination at any time through a notice to issuing authority.
- (2) In case of death of account holder, payment of principal amount and profit accrued thereon, if any, in respect of account of the deceased shall be payable to his legal heirs according to succession certificate issued in accordance with the law for the time being enforced. However, in cases where
 - a) total net payable amount does not exceed one hundred thousand rupees, payment shall be made to the nominee(s), as mentioned in the DA-1/DA-7 form by the investor, upon furnishing duly verified and attested, copy of Family Registration Certificate (FRC) issued by NADRA and affidavit as set out in Appendix-2.1-A to the effect that he shall be bound to distribute the received amount among all the legal heirs according to their due share as per law of the land;
 - b) the nominee is an institution, payment shall be made on provision of succession certificate issued in accordance with the law for the time being in force, and
 - c) the nomination has ceased to have effect due to death of the nominee before the death of holder or before he has received any sum thereunder or the purchaser had made no nomination, as the case may be, payment shall be made on provision of succession certificate issued in accordance with the law for the time being in force.
- (3) Where, in a case, specified in clauses (a) to (c) of sub-rule (2), the total payable amount does not exceed fifty thousand rupees and the probate of the Will of the holder, or the letters of administration of his estate, or a succession certificate (in accordance with the law for the time being in force) is not produced to the concerned office of issue within three months of the death of the holder, Payment of the sum may be authorized by the officer and to the extent, as mentioned below, which shall be made to the person who appears to be entitled to receive it or to administer the estate of the deceased holder, upon furnishing duly verified and attested copy of Family Registration Certificate (FRC) issued by NADRA and affidavit as set out in Appendix-1.XXV-A to the effect that he shall be bound to distribute the received amount among all the legal heirs according to their due share, namely:-

Up to Rs.10,000/- Officer Incharge, National Savings Centre
Up to Rs.25,000/- AD(HQ), RDNS
Up to Rs.50,000/- Controlling Officer, RDNS

Explanation.- In case where account has been opened in joint names, on death of one of the holder, the survivor is entitled to maintain the same. In case of death of both, the payment shall be made in accordance with rule 10.”

“Appendix-1.XXV-A

UNDERTAKING

(On stamp paper)

I _____ son / daughter / wife / widow of _____ resident of _____ holding CNIC / NICOP / Registration No. _____ do hereby solemnly affirm and declare that _____ (deceased) during his life time had purchased _____ Certificate Registration No. _____ for Rs. _____ on _____ or opened _____ Account No. _____ having balance at credit of Rs. _____ , as on _____ date _____ , and nominated me as trustee to receive the said amount, along with profit, if any, thereon and to disburse the same among all the legal heirs entitled thereto under the law to the extent of their respective share/cases falling under clause (c), sub-rule (ii) of Rule 13 of DSC Rules, 1966. Since the said purchaser or account holder has died on _____, therefore, I hereby acknowledge the receipt of the said amount paid through the Government’s Cheque No. _____ dated _____ for Rs. _____ and undertake that I shall disburse the said amount among all the legal heirs of the said _____ (name of purchaser or account holder) to the extent of their respective shares in accordance with the law. I also undertake to return the said whole amount, in lump sum in case any legal proceedings are initiated against the National Savings / National Savings Centre _____ and shall also keep the said National Savings Centre indemnified of any loss or losses caused to the said NSC due to the said litigation or legal proceedings.

(DEPONENT)

WITNESSES

1 _____

2 _____

Witnessed on oath on this day _____ month _____ year _____ at _____ in my presence.

OATH COMMISSIONER”;

10A. The principal amount of deposit received in foreign exchange through remittance or transfer from Foreign Currency Account or surrendering Foreign Exchange Bearer Certificates/ Dollar Bearer Certificates; in khaas Deposit Account; Special Savings Account and Savings Account opened at any National Savings Centre and the profit earned thereon shall be payable abroad to the depositor. if so desired by the investor or, in the eventuality of the death of the depositor, to his nominee(s) or heir(s), through normal banking channels.

Note:—The amount received in foreign currency from abroad for deposit shall be converted into Pakistani rupees in accordance with the exchange rate prevailing on the date of clearance of the bank draft and in case of Khaas Deposit and Special Savings Accounts shall be such that its rupee equivalent in multiple of 100 and on repatriation the amount of the principal or profit or the principal and profit, as the case may be, shall be converted into foreign currency in accordance with the exchange rate prevailing on the date of remittance.

11. The Post Office Savings Bank Rules shall, with necessary modifications, apply to matters not specifically provided for in these rules.