

NATIONAL SAVINGS BONDS RULES, 2009

Islamabad, the 8th December 2009

S.R.O. (1)/2009.—In exercise of the powers conferred by section 28 of Public Debt Act, 1944 (XVIII of 1944), the Federal government is please to make the following rules, the same having been previously published *vide* Notification No.S.R.O.1026(1)/2009 dated the 8th December, 2009, as required under sub-section (I) of the said section, namely:—

NATIONAL SAVINGS BONDS RULES, 2009

1. These rules may be called the National Savings Bonds rules, 2009.
2. They shall come into force at once.
3. They shall apply to the National Savings Bonds, (herein after referred to as the "Bonds",) issued by the Federal Government from time to time.
4. These Bonds shall be Federal Government's registered security.
5. The maturity period of the bonds shall be three, five and ten years.
6. The minimum investment limit shall be twenty thousand with no maximum limit.
7. The Bonds shall be issued in multiples of ten thousands rupees.
8. The profit on these Bonds shall be paid bi-annually.
9. The Bonds shall not be redeemable before maturity.
10. The Bonds shall be sold by the Central Directorate of National Savings in issues and in such manner as may be specified by the Finance Division, Government of Pakistan from time to time.
11. The maturity wise coupon rate shall be announced by the Finance Division, Government of Pakistan before fortnight of each issue.
12. The Bonds may be issued individuals, mutual funds, provident, pension, gratuity funds or trusts excluding body corporate and banks, [except market makers irrespective of their residential status. The investment by persons resident outside Pakistan shall be in foreign exchange remitted through the official banking channels. Such investments shall be eligible for repatriation of the principal as well as periodical profits on the Bonds but the exchange risk shall be that of the investor: [Provided that the market members, who shall not exceed five in number and who shall appointed by the Federal Government, may, from time to time, buy, hold and sell the Bonds for trading purposes up to a maximum limit of buying, holding and selling of rupees five hundred million by each market maker.
13. The Bonds shall only be issued in book-entry form (scrip less) in the Central Depository System where withdrawal in physical form shall not be allowed.
14. The Bonds shall be listed as well as traded on country's stock exchanges and transferable through the Central Depository System.
15. The trading of these Bonds shall remain closed for seven days prior to the date of each coupon payment of redemption.

- 16.** These Bonds may be pledged as security in Pakistan.
- 17.** The profit earned on these Bonds shall be liable to tax under the Income Tax Ordinance, 2001,(XLIX of 2001) and withholding tax on the profit earned on these Bonds shall be deducted at the prevailing applicable rate at source.
- 18.** There shall be no compulsory deduction of Zakat at source.
- 19.** The investor(s) who buy these bonds shall be bound by these rules.