PREMIUM PRIZE BONDS (REGISTERED) RULES, 2017[3]

Islamabad, the 3rd February, 2017.

S.R.O. (1)/99.— 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 have 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 Bonds (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 a Premium Prize Bonds (Registered) issued under these rules; and

(b) "SBP Banking Services Corporation" means the SBP Banking Services Corporation established under 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 Central Directorate of National Savings in consultation with the SBP Banking Services Corporation.

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3 *Rules circulated vide F.D. Notification No. F.16(1)GS-I/2016-338 dated 28th February, 2017.*

4. Procedure, - [The procedure for purchase, encashment, transfer, duplicate issuance etc. shall be as set-out in as Appendix-1. The Central Directorate of National Savings, in consultation with SBP Banking Services Corporation, shall devise detailed Standard Operating Procedure (SOP) to carry out day to day operations in line with the governing rules]4

5. Denomination. - (1) The Bonds shall be issued in the denomination of forty thousand rupees and one hundred thousand 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 the series of one less than a million pieces or such other pieces as 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:

Provided 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 name-

(i) payable to the holders jointly or payable to either with the written consent of the other to be called joint class A; and

(ii) Payable to either (Joint B).

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[4] *Rules substituted vide. Notification No. F.16(1)GS-I/2016-1714 dated 18th November, 2019.*

(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 bond 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 14.

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.

[The of Premium Prize Bonds (Registered) issued w.e.f. 10.3.2017 shall be held as per following schedule, till further notification;

Denominations (in Pak Rupee)	**Frequency of Draw**
40,000/-	Quarterly in a year][5]

(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 draw under sub-rule(1)

[The Draw Schedule of Premium Prize Bond (Registered) of PKR 40,000/- denomination for the year 2017 till further notification shall be;

Date of Draw*	**Place of Draw**

5 In exercise of powers conferred by sub-rule-(1) of rule-10, Announced the schedule of draw *vide* F.D. Notification No.F.16(1)GS-I/2016-385 dated 9th March, 2017.

10-06-2017	SBP BSC, Peshawar
10-09-2017	SBP BSC, Lahore
10-12-2017	SBP BSC, Karachi

*In case of public holiday, the Draw will be conducted on the next working day.][6]

(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 determine by 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.

(c) [two months commencing from every date of purchase of the bond of denomination of less than one hundred thousand Rupees[7]

[6] In exercise of powers conferred by sub-rule-(2) of rule-10, Announced the draw schedule *vide* CDNS. Notification No.F.12(2)S-I/Cert/2011 Vol.III dated 9th March, 2017.

[7] Inserted clause © in sub-rule (4) in rule-10, vide Finance Division's Notification No.F.20(6)GS-I/2018-1416, dated 3rd September, 2019

(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.

[The number and amount of prizes to be awarded on each series of Premium Prize Bonds (Registered) in each draw issued w.e.f. 10-03-2017 shall be as under:-

Rs. 40,0000/- Premium Prize Bonds

Prize Tier	**No. of Prizes**	**Prize Amount**
1st	1	Rs. 80,000,000/-
2nd	3	Rs. 30,000,000/-
3rd	660	Rs 500,000/-][6]

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

[The biannual profit payment on Premium Prize Bond (Registered) as per following schedule, till further notification:-

Denominations (in Pak Rupee)	**Bond Issuance Period**	**Profit Payment Period**	**Rate of Profit (Biannual)**
40,000/-	10.03.2017 to 09.09.2017	10.09.2017 to 09.03.2017	1.50%][7]

(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 registered bond holder with in period of six years from the date such amount become due. After expiry of said period the liability of 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 bond may, on application made on the format as may set out under the rule 4, transfer ownership of bonds to another person,

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[6] Inserted clause © in sub-rule (4) in rule-10, vide Finance Division's Notification No.F.20(6)GS-I/2018-1416, dated 3rd September, 2019

[7] In exercise of powers conferred by sub-rule-(2) of rule-11, Announced the number and amount of prizes *vide* F.D. Notification No.F.16(1)GS-I/2016-386 dated 9th March, 2017.

whereby the transferor shall, in favour of the transferee, relinquish his entire claim in respect of principle 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 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 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.

Appendix-I

1. SALE OF BONDS

1.1 Investor shall submit duly filled application form (PPB-1 or PPB-1(A). as the case may be) for the purchase of Premium Prize Bonds accompanied by the following documents:

i. **For Individual Investors**

a. Legible copy of valid computerized National Identity Card (CNIC)/Pakistan Origin Card (POC)
b. Account Maintenance Certificate issued by respective commercial bank (not older than one month)
c. Any other document required by SBP Banking Services Corporation in consultation with Central Directorate of National Savings (CDNS).

ii. For Corporate Investors.

a. National Tax Number (NTN)/Sales tax registration.
b. Legible copy of valid CNIC/ POC of Authorized Signatories.
c. Account Maintenance Certificate issued by respective commercial bank (not older than one month)
d. Following additional documents according to nature of institution.

1. Sole Proprietors

a. Registration certificate for registered firms.
b. Certificate or proof of membership of trade bodies etc, wherever applicable.
c. Declaration of sole proprietorship on business letterhead.

2. Partnership

a. Legible photocopies of valid identity documents of all the partners.
b. Attested copy of 'Partnership Deed' duly signed by all partners of the firms.
c. Attested copy of Registration Certificate with Registrar Firms. In case the partnership is unregistered, this fact shall be clearly mentioned.
d. Authority letter from all partners, in original, authorizing the person(s) as Authorized Signatories.

3. Limited companies/Corporations.

a. A letter from commercial bank confirming that the said Account will be used for purchase, encashment, profit and prize money payment.
b. Certified copies of:

i. Resolution of Board of Directors for investing in Premium Prize Bonds specifying the person(s) as authorized signatories.
ii. Memorandum and Article of Association;
iii. Certificate of Incorporation; certificate of Commencement of Business, wherever applicable;
iv. List of Directors on ‘Form-A/Form-B’ issued under Companies Ordinance 1984, as applicable; and latest Form-29, wherever applicable.

c. Legible photocopies of valid identity documents of all the directors.

4. Trust, Clubs, societies and Associations etc.

a. certified copies of:

i. Certificate of Registration / Instruments of Trust.
ii. By-Laws / Rules & Regulations
iii. Resolution of the Governing Body/board of Trustee/Executive Committee, if it is ultimate governing body, for investing in Bond duly mentioning Authorized Signatures.
iv. Legible Photocopy of valid identity document of the members of Governing Body/ Board of Trustees/ Executive Committee.

1.2 Deposit for purchase of bond may be made by any of the following methods:

i. Cash
ii. Bank Draft
iii. Cross Cheque
iv. Pay Order
v. Any other payment mode as allowed by SBP Banking Service Corporation in consultation with Central Directorate of National Savings from time to time.

1.3 In case of cash deposit bond shall be issued on same date.

1.4 In case of deposit through cheque/pay order Provisional Receipt (PPB-4) Shall be provided to investor as acknowledgement. Bond shall be issued after realization of fund into government account. Investor shall return the Provisional Receipt to office of issue on issuance of bond.

2. ENCASHMENT OF BONDS:

2.1 The bonds can only be encashed from the office of issue irrespective of date of issue.

2.2 The registered investor shall be required to submit Application Form (PPB-2 or PPB-2(A), as the case may be) along with the following documents at the time of encashment:

i. Original Premium Prize Bond duly signed on reverse.
ii. Legible copy of valid CNIC/POC.

iii. Any other document as required by SBP Banking Service Corporation in consultation with CDNS.

2.3 The investor may receive his encashment proceeds through cash or direct credit in his bank account.

3. <u>TRANSFER OF BONDS</u>:

3.1 Transfer of bonds shall only be available to individual investors.

3.2 The registered owner of the bond, if so desires, may transfer ownership to another person by submitting an Application for Transfer of Ownership (PPB-3) at office of issue duly filled in accompanied by following documents:

i. Original Bonds to be transferred.
ii. Legible copy of valid CNIC/POC of transfer.
iii. Legible copy of CNIC of transferee.
iv. Account Maintenance Certificate of transferee (if not already registered)

4. <u>LOSS OF BOND</u>

4.1 The registered investor should submit an Application Form (PPB-7 of PPB-7(A), as the case may be) accompanied by copy of legible FIR for issuance of duplicate bond in lieu of lost bond.

4.2 New bond equivalent to the face value / denomination of lost bond with new serial number will be issued in the name of registered investor.

5. <u>PLEDGING OF BOND</u>

5.1 In regard to procedure of pledging of bond, Rule 58 and 61 of Defence Savings Certificate Rules 1966 shall apply provided that the pledger will be entitled to receive the prize money, if wins, during the pledging period with the written consent of pledgee.