

REGULAR INCOME CERTIFICATE RULES, 1993

Islamabad, the 2nd February 1993

S. R. O. 100(I)/93. - In exercise of the powers conferred by section 28 of Public Debt Act, 1944 (XVIII of 1944), the Federal Government is pleased to make the following rules, namely:

REGULAR INCOME CERTIFICATE RULES, 1993

1. These rules may be called the Regular Income Certificate Rules, 1993.
2. A person who buys a Regular Income Certificate, hereinafter to be called the certificate, shall be bound by these rules.
3. A Certificate may be issued by the offices and branches of the National Savings Organization and such other offices and agencies including the State Bank of Pakistan, Scheduled Banks and post offices, as may be authorized by the Federal Government.
4. A Certificate may be purchased without any upper ceiling by the following :—
 - (i) A single adult;
 - (ii) a minor;
 - (iii) 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 class B).
 - (iv) an adult on behalf of minor;
 - (v) [Omitted] ¹]²]³

Note: ²w.e.f. 11th August, 2011 Whereas ³w.e.f. 6th April, 2012

5 (1) ¹A certificate shall be issued in the denomination of fifty thousand rupees, one hundred thousand rupees, five hundred thousand rupees, one million rupees, five million rupees and ten million rupees [or any amount in case of scrip-less form subject to minimum limit of PKR

¹ **Omitted**, clause –v, in rule-4, vide F.D. Notification No. F. 21(1)GS-I/2011-571 dated 1st April, 2021, for the words [All institutional investment shall be discontinued with immediate effect]¹ [: Provided that institutions may invest individual funds such as pension, gratuity, superannuation, contributory provident fund and trusts etc., in these certificates

² **Substituted**, clause –v, in rule-4, vide F.D. Notification No. F. 21(1)GS-I/2011-1403 dated 11th August, 2011. (In pursuant to the decision of the Economic Coordination Committee of Cabinet all Institutional Investment in National Savings Schemes has been discontinued henceforth vide CDNS-O.M. No. F. 11(I)S.I/Govt/2009 dated 26-4-2011) [for the clause as under:-

"(v) Registered Charitable (Non profit Bodies); Public Sector Enterprises, excluding Banks; private Educational and Health Institutions; Employees Old Age. Benefit Institutions (EOBIs), excluding insurance Companies, registered under the relevant law for the time being,"

That was previously substituted vide F.D. notification No. F.21(1)GSI/06-1074 dated 28th May, 2007, for the clause below;

"(v) All other institutions other than banks and non-bank financial development institutions without limit including Modarbas, Leasing Companies, Discount Houses, Venture Capital Companies and Asset Management Companies, etc..

(i) Provided that no certificate shall be issued after the close of business on the 25th day of March, 2000 under sub rule (v) and the certificates already issued under the said rules, if not encashed on the completion of existing maturity of five years, shall cease to earn profit",

(ii) *Provided farther that the nonprofit bodies, registered as a charitable organization under the Societies Registration Act, 1860 (XXI of 1860) or registered or approved as a charitable nonprofit organization under any other law for the time being in force, may purchase up to a maximum limit of ten million rupees only,"

Wherein proviso *(ii) added vide F. D Notification No. 21(2) GS-i/2005-2503 dated 15th December, 2005.]

³ **Substituted**, in clause (v) a colon ":" for the full stop at the end and thereafter the proviso added and deemed to have been so added from "6th April, 2012" vide Notification No. F.21(1)GS-I/2011-878 dated 27th June, 2012.

50,000.¹⁴ for a fixed period of five years. [The net payable monthly profit accrued on certificates shall be credited through correlation process in the Savings Account of the respective certificate's purchaser(s) which has been opened/ is being maintained at the same office of issue/National Savings Centre]¹⁵.

[Provided that:—

- (a) in case of fresh certificates holder(s), the profit shall on due date be credited to and payable through his/her/their Savings Account maintained at the same National Savings Centre; and
- (b) The existing certificates holder(s) may opt to receive profit directly or through credit to his/her/ their Savings Account maintained at the same National Savings Centre.¹⁶
- (c) [For purchase of certificates through digital channel, a Savings Account of the purchaser is mandatory for periodical profit payment and other transactions. ¹⁷ ; and

(2) [The existing purchasers (s) shall be issued a profit coupon book containing ten profit coupons after the earlier one is used.¹⁸

(3) Omitted.⁹

6. Profit shall be payable on completion of each period of one month from the date of purchase, reckoned up to the date of maturity or encasement, whichever is earlier, as notified by the [Finance Division with the approval of Minister-in-charge]¹⁰ in the official Gazette from time to time.¹¹

7. Omitted.¹²

⁴ **Added**, the words [or any amount in case of scrip-less form subject to minimum limit of PKR 50,000] in rule-5 vide notification No. 20(6)GS-1/2018-1411, datd 3rd September, 2019

⁵ **Substituted** rule-5 vide notification No. 20(10)GS-1/2020-620, dated 8th April, 2021. The previous rule-5 reads as under:
Rule-5 (1); *'A certificate shall be issued in the denomination of fifty thousand rupees, one hundred thousand rupees, five hundred thousand rupees, one million rupees, five million rupees and ten million rupees [or any amount in case of scrip-less form subject to minimum limit of PKR 50,000.¹⁵ for a fixed period of five years. The holder of certificate claiming monthly profit shall present the certificate to the issuing officer alongwith a profit coupon duly filled in and signed, acknowledging the receipt of the profit amount. The profit coupons shall be used in serial order.*

Provided that :-

(a) provided in case of fresh certificates holder(s), the profit shall on due date be credited to and payable through his/her/their Savings Account maintained at the same National Savings Centre; and

(b) The existing certificates holder(s) may opt to receive profit directly or through credit to his/her/ their Savings Account maintained at the same National Savings Centre

⁶ **Inserted**, the proviso in sub rule-(1), in rule-5 vide notification No. 21(1)GS-1/2006-1074 dated 28th May 2007.

⁷ **Inserted**, the proviso in sub rule-(1), in rule-5 vide notification No. 20(6)GS-1/2018-1411 dated 3rd September, 2019.

⁸ **Substituted**, sub-rule-(2), in rule-5 vide F.D. notification No. 21(1)GS-1/2006-1074 dated 28th May 2007. [for the words;
"(2) The purchaser of certificates shall be issued a profit coupons book containing ten profit coupons simultaneously with the certificates."]

⁹ **Omitted**, the sub-rule-(3) of rule-5 vide F.D. notification No. 21(1)GS-1/2006-1074 dated 28th May 2007.
[containing the words;

"(3) The purchaser may also opt to get his periodic profit credited to his Saving Account opened at office of issue. In such case no profit coupon book shall be issued."

¹⁰ **Inserted** the words in rule-6 vide F.D Notification No. 20(7)GS-1/2018-321, dated 06th March, 2020.[for the words;
"Federal Government]..."]

¹¹ **Substituted**, the rule-6 vide F.D Notification No. 12(1)DM-11/2003-1332 dated, 22nd June, 2004.[for the words;
"Profit shall be payable each month during the currency and upto the maturity of each certificate as under:-(and rates of different dates)..."]

¹² **Omitted**, the rule-7 vide F.D Notification No. 12(1)DM-11/2003-1332 dated, 22nd June, 2004. [containing the words:
" Profit shall be payable on completion of each period of one month from the date of purchase, reckoned up to the date of maturity or encashment whichever is earlier."]

8. The monthly profit, if not drawn on due dates, may be drawn thereafter but no further profit shall be payable on profit.

8A. (1) The certificates in respect of which no transaction of profit has been made by the depositor for a period of one year, shall be marked as dead certificates and no subsequent transaction of any kind shall be allowed without prior approval of the incharge of the office of issue.

(2) In case no transaction has been made for a continuous period of two years from the date of maturity, the face value of such certificates shall be transferred to the Federal Government Account:

Provided that the face value of certificates may be revived at any time on the application of the purchaser, nominee or successor, as the case may be, and the certificates shall be encashed along with payment of profit accrued thereon, if any, till maturity then and there immediately;

Provided further that in case profit is not claimed up to six years from the date of accrual by the account holder, nominee or successor, as the case may be, the liability of the Government in respect of such profit payable thereon shall terminate. In such case no amount on account of profit shall be paid.

Explanation.- Accrual means the date from which the profit is due.

(3) In respect of the procedure for transfer of Government and revival thereof, rule 36B of the Defence Savings Certificates Rules, 1966, shall apply to the Regular Income Certificates as it applies to Defence Savings Certificates and, in such application, the said rule shall be construed as if the references therein and the forms thereof to the Defence Savings Certificates were references to the Regular Income Certificates].¹³

9. [The profit earned on these certificates shall be liable to deduction of advance income tax under the provisions of Income Tax Ordinance, 2001, (XLIX of 2001), and the rules made thereunder].¹⁴

10. A certificate shall be encashable at par at any time after the date of purchase provided that:—

¹Services charges on the certificates purchased shall be deducted at the following rates, namely:—

- (i) if encashed before completion of one year from the date of issue. @ 2% of the face value.
- (ii) if encashed after completion of one year But before completion of two year from the date of issue. @ 1.5 % of the face value.
- (iii) if encashed after two year but before completion of three year from the date of issue. @ 1% of the face value.

¹³ **Added**, the rule-8A vide F.D Notification No. 18(12)GS-1/2017-1199 dated, 30th August, 2017.

¹⁴ **substituted**, the rule-9 vide F.D Notification No. 20(8)GS-/2019-158 dated, 28th January, 2021. [for the words:

"The profit earned under these rules shall be subject to withholding tax at the rate of ten percent at source ."]

- (iv) if encashed after three year but @ 0.5 % of the face value.
before completion off four year from value.
the date of issue.¹⁵

10A. A certificate shall be encashable at par at any time after the date of purchase for investment in the Pensioners' Benefit Account and Bahbood Savings Certificates with out any service charges with effect from 14th June, 2004.¹⁶

11. Any investment made under these Rules shall be exempt from compulsory deduction of Zakat at source.

12. In regard to the procedure for purchase, encashment and transfer of these Certificates, nomination of beneficiary and all other matters, the Defence Savings Certificates Rules. 1966 (SRO- I 076 (K)/66), [amended from time to time]¹⁷ shall, if not inconsistent with these rules apply to the certificates issued under these rules as they apply to the Defence Savings Certificates and in such application, it shall be construed as if the reference therein and in the forms thereof to the Defence Savings Certificates were references to the Regular Income Certificates.

¹Provided that the certificates purchased under sub-rule (V) of rule 4 prior to 26th March, 2000 and not covered under sub-rule (V) of rule-4 amended as aforesaid shall not be entitled to reinvest.¹⁸

15 *Substituted*, vide **F.D. Notification No. 12(1)DM 2005-2503** dated 15th June 2005.

[for the words stated below;

"(a) Service charges on the certificates purchased on or before 13th May, 1999, if encashed before completion of one year from the date of issue. shall be deducted at the rate of one per cent of the face value of certificates. *(The word "and") omitted.*

(b) Service charges on tie certificates purchased on or after 13th May. 1999, to the 31st December, 2000 if encashed before maturity period shall be deducted at the following rates, namely:—

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| (i) | if encashed before completion of one year from the date of issue. | @ 4% of the face value |
| (ii) | if encashed after completion of one year but before completion two years from the date of issue. | @ 3% of the face value |
| (iii) | if encashed after two years but before completion of three years from the date of issue. | @ 2% of the face value |
| (iv) | if encashed after three years but before completion of four years from the date of issue. | @ 1% of the face value |

* (c) Service charges on the certificates purchased on or after the 1st January, 2003. if encashed before maturity period shall be deducted at the following rates namely:—

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|-------|--|--------------------------|
| (i) | if encashed before completion of one year from the date of issue. | @ 3% of the face value |
| (ii) | if encashed after completion of one year but before completion two years from the date of issue. | @ 2% of the face value |
| (iii) | if encashed after two years but before completion of three years from the date of issue. | @ 1% of the face value |
| (iv) | if encashed after three years but before completion of four years from the date of issue. | @ 0.5% of the face value |

Where in *Clause (c) was added vide *F.D notification No. F.4(1)DM/2001-Vol-II-18 Dated 1st January 2003.*]

¹⁶ *Inserted*, the rule-10A vide F.D. Notification No. 12(1)DM-II/2003-1332 dated 22nd June, 2004

¹⁷ *Inserted*, the words [amended from time to time] in the rule-12 vide F.D. Notification No. 20(6)GS-1/2018-1411

¹⁸ *Added*, the proviso at the end of rule-12 vide F.D Notification No.F.21 (1) GS-1/2006-1074 dated, 28th May 2007.

