SHORT-TERM SAVINGS CERTIFICATES RULE, 2008

Islamabad, the 1st September, 2008

S.R.O. (I)/2008.- In exercise of the powers conferred by section 28 of Public Debt Act, 1944 (XVIII of 1944), the Federal Government has been pleased to make the Short-Term Savings Certificate rule, 2008, the same having been previously published vide Notification No.S.R.O.(I)/2008, dated 25th August, 2008, as required under sub-section (1) of the sub-section, namely:-

SHORT-TERM SAVINGS CERTIFICATES RULES, 2008

1. These rules may be called the Short-Term Savings Certificates Rules, 2008.

2. These rules shall apply to the "Short-Term Savings Certificate" hereinafter called "Certificate" issued in pursuance of these rules.

3. The certificate shall be issued by the [all] [1] National Savings Centres hereinafter called the "Office of Issue".

4. The Certificate shall be issued in the denomination of Rs.10,000/-, Rs.50,000/-, Rs.100,000/-, Rs.500,000/-, Rs.1,000,000/-, Rs.5,000,000/- and Rs.10,000,000/-, [or any amount in case of scrip-less form subject to minimum limit of PKR.10,000/-..][2]

5. A certificate may be purchased by any of the following, namely:-.

(a) A single adult.

(b) Two adults in their joint names:

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

(ii) Payable to either (Joint B); and

(c) An adult on behalf of:-

(i) a single minor, or

(ii) two minors jointly, or

(d) [[All institutional investment shall be discontinued with immediate effect.][3] .][4]

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1 *Substituted the word [designated] in rule-3 vide F.D. Notification No. F. 31(1)GS-1/2008-2205, dated 25th September, 2012.*

2 *Inserted the wording uteding [or any amount in case of scrip-less form subject to minimum limit of PKR.10,000 in rule- 4 vide F.D. Notification No. F. 20(6)GS-1/2019-1414 dated 3rd September, 2019.*

3 ***Substituted*; in rule- 5 for clause (d) *vide* F.D. Notification No. F. 31(1)GS-I/2008-872 dated 27th June, 2012.** [for the words as under**:-**

"Institutions public or private, local authorities, firms, associations, companies, mutual funds and approved funds, provident, pension, gratuity funds, excluding banks and insurance companies registered under any law for the time being in force."

The above was substituted *vide* F.D. Notification No. F.31(1)GS-I/2008-1303 dated 9th September, 2010. for the words as under;

"Institutions public or private except banks, local authorities, firms, associations, companies (including insurance companies) registered under any law for the time being in force and approved funds."]

4 ***Substituted*; clause (d) in rule-5 *vide* F.D. Notification No. F. 21(1)GS-I/2011-574 dated 1st April, 2021.** [for the words as under**:-**

"Institutional investment from individual funds, such as pension, gratuity, superannuation, contributory provident fund and trusts, etc."

6. The payment for the purchase of certificate may be made by any of the following methods, namely:-

(a) [Cash upto Rs.[2500,000/].][5]- only per day per person.][6]

(b) Bank draft

(c) Crossed cheque

(d) Pay order

7. The applications for the issue of Certificates must be made in form SC-1 obtainable free of cost from office of issue and shall be accompanied with a copy of the Computerized National Identity Card (CNIC) or in case of foreign national with a copy of his passport or in case of institutional investor, a copy of registration certificate or letter of approval of the fund.

8. [The certificate shall be issued for three months, six months and one year with a minimum deposit of Rs.10,000/- and multiple thereof without limit.][7]

9. The individual investors may make nomination at the time of purchase, specifying the amount, whether whole or in part, receivable by the nominee on his death.

10. [The profit shall be payable on encashment on maturity at the rate as notified by the [Finance Division with the approval of Minister-in-charge][8] in the official gazette from time to time. However no profit shall be paid on premature encashment or for any period beyond the maturity of respective certificates] [9].

11. Omitted. [10]

12. Profit earned on these certificates shall be subject to tax as per law.

13. These certificates shall be encashable at the office of issue but not earlier than one month from the date of issue and on or before the expiry of the maturity period.

13A In case a certificate is not encashed by the purchaser after two years from the date of maturity, principal amount shall be transferred to the Federal Government Account;

The above was substituted *vide* F.D. Notification No. F.31(1)GS-I/2008-1303 dated 9th September, 2010. for the words as under;

"Institutions public or private except banks, local authorities, firms, associations, companies (including insurance companies) registered under any law for the time being in force and approved funds."]

5 *Substituted; the figures [100,000/-] in clause (a) in rule-6 vide F.D. Notification No. F.31(1)GS-I/2008-2205 dated 25th September, 2012*.

6 ***Substituted,*** in rule- 6 for clause (a) *vide* F.D. Notification No. F. 31(1)GS-I/2008-1303 dated 9th September, 2010; for the word; " *(a) Cash* "

7 ***Substituted***, for rule- 8 *vide* F.D. Notification No. F. 31(1)GS-I/2008-1303 dated 9th September, 2010; for the following words; "*8. certificate shall be issued for one year maturity period, with a minimum deposit of Rs.10,000/- and multiple thereof without limit.* "

8 ***Substituted***, the wording for [Federal Government] in rule-10 *vide* F.D. Notification No. F.20(7)GS-1/2018-327, dated 06th March, 2020. "

9 ***Substituted***, Rule-10 was substituted vide F. D. Notification No.F.31(1)GS-1/2008-872 dated 27th June, 2012. For the words, *[profit shall be paid on encashment, for the completed period of three months, six months and one year, from the date of issue of the Certificate, at the rates as notified by the Federal Government in the official gazette from time to time. However in case of premature encashment, profit shall be paid only on completed quarters*.

10 ***Omitted*;** rule-11 *vide* F.D. Notification No. F. 31(1)GS-I/2008-1303 dated 9th September, 2010;
[The Omitted rule is reproduced below;
"*11. In case, any Certificate is not encashed on maturity, the principal plus profit may, by presenting a fresh application in the prescribed form for purchase, be reinvested from the date of its expiry or maturity and new Certificate issued. The new certificate shall earn profit at the rate prevalent on the date of reinvestment.*"]

Provided that the value of certificates may be revived at any time on the application of the depositor, nominee or successor, as the case may be, and certificate shall be encashed along-with payment of profit accrued thereon, till maturity:

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.

13B In respect of the procedure for transfer to Government and revival thereof, rule 36B of the Defence Savings Certificates Rules, 1966, shall apply to the Short Term Savings Certificates as it applies to Defence Savings Certificates and, in such application, the said rule shall be construed as if the reference therein and the forms thereof to the Defence Savings Certificates were references to the Short Term Savings Certificates."

Explanation:- Accrual means the date of maturity. [11]

14. These certificates shall be pledgeable as security.

15. Any investment made under these rules and profit earned thereon shall be exempt from compulsory deduction of Zakat.

16. Any profit or payment which may have been made in contravention of these rules or by mistake shall be refunded to the Government on demand and in the event of failure to refund, may (in addition to other remedies for the recovery thereof by the Government) be deducted from any money payable by the Government to the person who received the profit or payment from their estate, or be recovered as arrears of land revenue.

17. In regard to the procedure for purchase, encashment, transfer from person to person and nomination of beneficiary and all other matters, the Defense Savings Certificates Rules, 1966, [amended from time to time][12] , if not inconsistent with these rules, shall apply as they apply to Defense Savings Certificates and in such application those rules shall be construed as if the reference therein and in the forms thereof to the Defense Savings Certificates were references to these Certificates.[13]

18. The investor who buys a Certificate shall be bound by these rules.

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[11] ***Added*** rule-13A, 13B *vide* F.D. Notification No. F. 18(12)GS-I/2017-1199 dated 30th August, 2017;
[The Omitted rule is reproduced below;

[12] ***Inserted the wording [amended from time to time]*** *vide* F.D. Notification No. 20(6)GS-1/2019-1414, dated 3rd September, 2019.

[13] ***Inserted*:** rule-17 *vide* F.D. Notification No. F. 31(1)GS-I/2008-872 dated 27th June, 2012**;** that was previously omitted *vide* F.D. Notification No. F. 31(1)GS-I/2008-1303 dated 9th September, 2010;

[The Omitted rule is reproduced below;

"*17. In regard to the procedure for purchase, encashment, transfer from person to person and nomination of beneficiary and all other matters, the Defense Savings Certificates Rules, 1966, if not inconsistent with these rules shall apply as they apply to Defense Savings Certificates and in such application those rules, shall be construed as if the reference therein and in the forms thereof to the Defense Savings Certificates* were *reference to these rules*."]