

Frequently Asked Questions

Q#1: What is a Pakistan *Banao* Certificate?

Ans: Pakistan *Banao* Certificate (PBC) is a fixed income security issued by the Government of Pakistan under Public Debt Act, 1944 and Pakistan Banao Certificate, Rules 2018. It is a sovereign security issued with full faith and credit of the Government of Pakistan, in two maturities, namely, **three**-year and **five**-year, carrying a fixed profit rate, payable semi-annually.

Q#2: What is profit rate on three-year PBC and frequency of its payment?

Ans: Effective 31st January, 2019, the Government of Pakistan, Finance Division (External Finance Wing) has fixed annual profit rate of 6.25 percent of the principal amount, payable semi-annually from the date of investment. An investor investing USD 5,000/- on 04 February in PBC of three-year tenor is entitled to receive profit of USD 156.25, every six month on 04 August and 04 February every year for next three year provided the PBC is held till maturity date of 04 February 2022.

Q#3: What is profit rate on five-year PBC and frequency of its payment?

Ans: Effective 31st January, 2019, the Government of Pakistan, Finance Division (External Finance Wing) has fixed annual profit rate of 6.75 percent of the principal amount, payable semi-annually from the date of investment. An investor investing USD 5,000/- on 04 February in PBC of five-year tenor is entitled to receive profit of USD 168.75, every six month on 04 August and 04 February every year for next five year provided the PBC is held till maturity date i.e. 04 February 2024.

Q#4: What is the type of security and currency of denomination?

Ans: PBCs are scrip-less securities registered in the Subsidiary General Ledger Account maintained with State Bank of Pakistan. National Bank of Pakistan (NBP) will be custodian of the investor's securities by maintaining their Investor Portfolio Securities (IPS) Account at its head office in Karachi Pakistan. PBCs are US Dollar denominated instruments, on which periodic profit payments as well as the redemption proceeds at maturity, or net redemption proceeds in case of premature encashment, are payable in the US Dollar. The premature encashment is USD entitle certain deductions, which have been explained in Q#8.

Investor have an option to seek redemption, whether at maturity or even before, in Pak Rupees. In case of investor seeking redemption in PKR at maturity, s/he is also entitled to additional payment of one percent with last six-monthly profit payment.

Q#5: Who are eligible to invest in Pakistan *Banao* Certificate?

Ans: Investor, either individually or jointly, having any of the following valid identity documents issued by Government of Pakistan, is eligible to invest:

- a) Pakistani individuals having Computerized National Identity Card (CNIC);
- b) Pakistani Individual having National Identity Card for Overseas Pakistanis (NICOP);
- c) Holders of Pakistan Origin Card (POC).

The aforesaid individuals having any of the above referred cards must have a bank account abroad and must remit the proceeds of investment through the said account using official banking channel.

Q#6: What is the procedure for subscription and issuance of PBC?

Ans: The investor can subscribe the PBCs by following the steps given below:

- a) Please visit the dedicated web portal, namely, <https://www.pakistanbanaocertificates.gov.pk>.
- b) Click 'Apply for Registration Tab' on the web portal.
- c) New registration page will open and investor will have to key-in the following compulsory field:
 - i. E-mail ID, which will serve as user log-in name for accessing the portal in future.
 - ii. Password: investor can select password of her/his choice having length of 8 to 20 characters , which must contain at least a number (0 to 9) and a special character(i.e. @,#,\$,!,&). This portal requires reconfirmation of password before proceeding further.
 - iii. Name: must be as per Identify Documents (NICOP/CNIC/POC).
 - iv. Identity Document Number and issue date then click next. Please ensure that identity document number and issue date is as per your identity document.
 - v. Complete your profile by providing additional details such as Father/Spouse name, contact number, occupation etc. after filling the details click on 'Register'.
- d) After successful registration, investor will receive a PIN at registered e-mail address.
- e) Log-in as "Already Registered" and enter PIN to activate the "Investment & Bank Details".
- f) After filling in the investment and bank details, click on checkbox [Agree Term & Conditions *](#) to accept the terms & conditions of PBC and click **Submit**.
- g) Investor can enter multiple investments by clicking on the tab **Investment and Bank Details**.
- h) After submission of investment request, investor will receive a **Unique Reference Number** on registered e-mail address along with the instructions to remit the funds in the following SBP accounts with National Bank of Pakistan (NBP) New York (NY).

Name and Address of SBP's Correspondent Bank and Account Numbers for PBCs:

Bank Name & Address: NATIONAL BANK OF PAKISTAN
NEW YORK, U.S.A
Bank's SWIFT Code: NBPAUS33

Account Details for 3-Years Certificate:

Account Title: SBP Account for PBC – 3 years
Account Number: 5580-4584

Account Details for 5-Years Certificate:

Account Title: SBP Account for PBC – 5 years
Account Number: 5580-4585

Beneficiary Details:

Beneficiary's Name: STATE BANK OF PAKISTAN
Beneficiary's Address: I.I. CHUNDRIGAR ROAD, KARACHI, PAKISTAN
Beneficiary's SWIFT Code: SBPPPKKA

- j. While remitting funds kindly make sure that amount transferred to the NBP New York account is exactly equivalent to your investment amount, and you have separately paid the bank charges, if any, for this transfer.
- k. In case of receipt of funds that are less than the submitted amount in the investment request, certificates will not be issued and the investor will be required to transfer the remaining amount. However, in case the receipt of funds are in excess of the submitted amount in the investment request, only the submitted amount would be invested.
- l. Funds should be remitted from investors own bank account as provided under bank details in the Investment tab.
- m. Upon receipt of funds and subject to successful completion of screening/verification of investor's credentials by NBP, an e-mail confirming receipt of funds at NBP-New York will be sent at investor's registered e-mail address.
- n. Investor Portfolio Securities (IPS) Account will be opened by NBP and certificate will be issued to the investor.
- o. Details of investor's investment such as IPS account number with NBP and particulars of certificates i.e. certificate code, issue date and maturity date, profit payment schedule etc. will be shared at investors registered e-mail.

p. Investor can check the status of application/investment at any time by visiting the **Enquiry** tab on the PBC web Portal.

Q#7: What if I do not receive the PIN?

Ans: The receipt of PIN through an e-mail is the confirmation that your registration is complete. No receipt of PIN is due to wrong keying in of some critical information for screening of an investor like inaccurate identity document number or its issue date.

Q#8: Am I allowed encashment of PBCs before maturity date?

Ans: PBC rules allow premature encashment in Pak Rupee any time and without any deductions. An investor is also allowed to seek encashment of certificates even in USD at any time, subject to deductions at the rates as tabulated below:

Where Certificate is held for a period of-	3-year certificate: deduction as a % of principal amount	5-year certificate: deduction as a % of principal amount
Less than 6-month	0%	0%
6-months	1.125%	1.375%
1-year	1.5%	2.00%
1.5-year	2.25%	3.00%
2-year	1.5%	2.50%
2.5-year	1.875%	3.125%
3-year	0%	1.50%
3.5-year	-	1.75%
4-year	-	1.00%
4.5-year	-	1.125%
5-year	-	0%

Q#9: I have a foreign currency account in Pakistan, can an investor invest in PBCs using funds available in my account in Pakistan.

Ans: No. it is requirement of the PBC Rules that proceeds of investment must be remitted from an account maintained outside Pakistan to the SBP account at NBP-New York. Funds lying in an account in Pakistan, whether remitted from abroad or otherwise, cannot be used for the purchase of PBCs.

Q#10: Can an investor invest in PBC if their bank account is in other currency like Saudi Riyal, Pound Sterling, Euro or Japanese Yen etc.?

Ans: Yes. If an investor account is maintained abroad in his own name and funds are remitted to the SBP account at NBP-New York, through normal banking channel. The investor will instruct her/his banker that funds equivalent to her/his amount of investment be converted into USD and remitted to the SBP correspondent i.e. NBP-New York.

Q#11: Are there any charges or expenses payable on remittances of funds to SBP correspondent?

Ans: International transmission of funds are normally liable to correspondent banking charges on remittances of funds from one jurisdiction to another. The rate of such charges is dependent upon mutual arrangements agreed between the banks. The investor are requested to check with their respective banker regarding cost of remittances of such funds, which should be paid separately. Ideally investor should instruct her/his bank to ensure remittance of funds in an amount equal to her/his amount of subscription and authorizing the banker to recover the charges of remittance from her/his account.

Q#12: Is PBC a shariah compliant security?

Ans: No. PBCs are conventional securities issued under the Public Debt Act 1944.

Q#13: Is the profit on PBCs subject to withholding tax?

Ans: Profits on PBCs are not liable for deduction of withholding tax or zakat.

Q#14: Is there any upper limit on the amount of investment?

Ans: No. there is no cap on investment in PBCs.

Q#15: Can investor subscribe PBCs in more than one tranches?

Ans: Yes, subject to the condition that amount of investment in each tranche should not be less than USD 5,000 per tenor.

Q#16: Are PBCs offered in Pakistanis living in USA and UK only?

Ans: Eligibility for investment in PBCs is not dependent upon the residency of the investor in a particular jurisdiction. The eligibility condition are only two, namely, (i) investor must have valid identity document listed in answer to Q#5 above and (ii) remittance of funds from a bank account maintained outside Pakistan in the investor owns name, through normal banking channel.

Q#17: Do the investor needs to visit Pakistan for encashment of PBCs?

Ans: No. investor can seek encashment of certificates at any time by submitting encashment request through web portal. The redemption module will soon be activated on the web portal. The proceeds of redemption shall be transmitted to the investor designated account.

Q#18: Am I eligible to receive accrued profit if I seek encashment of certificate before the six-monthly due date of profit?

Ans: No, if certificates are encashed before due date of six-monthly profit payment. Thus, investor will be losing the amount of accrued profit for the period falling between previous date of payment of six-monthly profit and date of encashment.

Q#19: Is investment safe and guaranteed by the Government?

Ans: PBCs are sovereign securities issued by the government of Pakistan.

Q#19: What are rules and procedure of investment in PBCs?

Ans: the rules of PBCs, detail about rates of profit and deductions on early encashment, instructions on PBCs are available online at following links:

- i. **Rules of the PBCs:** <http://www.sbp.org.pk/dmmd/2019/C2-Annex-A.pdf>
- ii. **Operational instructions:** <http://www.sbp.org.pk/dmmd/2019/C2.htm>

Q#20: Can investor change his bank account details and mailing address after making investment?

Ans: The investor may change his bank account details through web portal after making investment. However, the new bank account must be investor's own account. The module to submit such request will soon be activated on the web portal.

Q#21. Is there a specific format for entertaining CNIC?

Ans: Yes, CNIC must be entered without Dashes (-).

Q#22. Why screening is unsuccessful or system struggles message appears ?

Ans: Due to incorrect Identity Document number or its Date of Issuance entered, this resulted screening with NADRA system failed.

Q#23. Why my PIN Code not received?

Ans: Due to incorrect Identity Document number or its Date of Issuance entered, this resulted screening with NADRA system failed.

Q#24. I have entered wrong details in the Registration. How could I update?

Ans: Contact PBC Team through email address i.e. psc@nbp.com.pk<<mailto:psc@nbp.com.pk>> mentioning your Identity Document Number, so that your existing Profile can be refreshed.