



Circulars/Notifications - Domestic Market & Monetary Management Department



DMMD Circular No. 15 of 2018

June 23, 2018

Dear Sirs/Madams,

Operational Instructions for Investment in Government of Pakistan

US Dollars Denominated Amnesty Bonds, 2018

In terms of Government of Pakistan (GOP) Gazette Notification No S.R.O.790(I)/2018 dated June 22, 2018, on Government of Pakistan's US Dollars Denominated Amnesty Bonds Rules, 2018 (Annexure-A), detailed instructions for investment in GOP US Dollar Denominated Amnesty Bonds 2018 (hereinafter referred as "bonds") under Foreign Assets (Declaration and Repatriation) Act 2018 and the Voluntary Declaration of Domestic Assets Act, 2018 are as under:

A. PROCEDURE FOR INVESTMENT IN BONDS THROUGH REPATRIATION OF FOREIGN ASSETS

1. Bond Issuance:

Upon receipt of funds to be invested in bonds and the information and documents as per Section 5(ii) of SBP Notification No. FD/1704/2011/2018 dated April 16, 2018, on the 'Procedure for Deposit of Tax on, and Repatriation of liquid assets under Foreign Assets (Declaration and Repatriation) Ordinance, 2018, State Bank of Pakistan (SBP) shall:

- a. Open a Subsidiary General Ledger Account (SGLA) of the taxpayer with SBP;
- b. Issue scrip-less bonds for the US Dollar amount (in multiples of US\$1,000), as advised by the taxpayer and credit the same in its SGLA;
- c. Send an electronic confirmation to the taxpayer about SGLA number and details of its investment in the bonds (issue date, amount, maturity date, etc.);
- d. Advise the designated bank to manage the receipt of periodic profit and maturity/redemption payments on behalf of the taxpayer/customer in its designated bank account;
- e. Advise the tax payer and the designated bank to correspond with SBP for matters related to investments in Government bonds at the email ID: amnestybond2018@sbp.org.pk.

2. Periodic Profit Payments:

- a. On periodic profit payment date, profit shall be paid in equivalent PKR at Weighted Average Customer PKR-US Dollar Exchange Rate (selling side) of the previous working day. Weighted Average Customer Exchange Rates are published by DMMD on daily basis and available on SBP website at the following link: <http://www.sbp.org.pk/ecodata/rates/war/WAR-Current.asp>.
- b. SBP shall credit the designated bank's current account, maintained with SBP, with profit amount after deducting income tax (if any), for onward credit to the customers' accounts.

3. Redemption:

- a. On maturity payment date or premature encashment date, principal shall be paid in equivalent PKR at weighted average customer PKR-US Dollar exchange rate (selling side) of the previous working day.
- b. SBP will credit the designated bank's current account, maintained with SBP, with principal amount, for onward credit to the customers' accounts.
- c. No encashment is allowed before the lapse of first year of investment in the bond. However, after one year the bond will be encashable at par in equivalent PKR at weighted average customer PKR-US Dollar exchange rate (selling side) of one day before the date of encashment.
- d. The date of encashment shall be the date on which the request for premature encashment is received by SBP.
- e. For premature encashment, the taxpayer shall forward the request to SBP via email at: amnestybond2018@sbp.org.pk as per format attached as Annexure-B, along with the following documents submitted at the time of investment:
 - i. A copy of wire transfer, or swift message, bearing necessary instructions including specification of the CNIC/NTN of the taxpayer
 - ii. Copies of Form A, CPR/PSID (tax deposit evidence)

- f. SBP shall credit the proceeds of encashment in the designated bank's current account within 02 (two) working days after receipt of request from the taxpayer.

4. Confirmation of Profit, Principal and Encashment payments by the banks:

- a. After crediting the designated bank's account with profit, principal and encashment payments, SBP will instruct the designated bank for onward credit to taxpayers' PKR account
- b. The designated bank shall credit the amount in taxpayer's PKR account latest by next working day as per the details provided by SBP and send a confirmation of the credit funds into taxpayer's account to SBP via email at amnestybond2018@sbp.org.pk.

5. General Instructions:

- a. In case of a holiday on periodic profit or principal payment date, the payment shall be made on the next working day falling after the holiday. In such case, no profit shall be payable for the period of the holidays.
- b. No profit shall be payable for the broken period i.e. if the bond is encashed before the next six-monthly period, or for holding the bond beyond maturity.
- c. In case of receipt of funds that are not in multiples of US\$ 1,000, the broken amount (i.e. less than USD\$ 1,000) shall not be invested in the bonds. Such broken amount shall be converted into PKR and credited to the PKR account of the taxpayer
- d. SBP reserves the right to accept or reject the application if the necessary requirements under the Act, Notification, or instructions are not complied with by the taxpayer.
- e. In case of death of the taxpayer, the payment (principal and profit, if any), shall be made to the legal heirs of the deceased taxpayer in accordance with a succession certificate issued by a court of competent jurisdiction.

B. PROCEDURE FOR INVESTMENT IN BONDS THROUGH DOMESTIC FOREIGN CURRENCY ACCOUNTS

1. After declaration of domestic assets and payment of taxes, the taxpayer shall approach the bank maintaining its foreign currency account declared under the Voluntary Declaration of Domestic Assets Act, 2018, with the following:

- a) Form A and Computerized Payment Receipt (CPR)/Payment Slip ID (PSID)
- b) Amount to be invested in bonds from the domestic foreign currency account declared in Form A under section 7(1) of the Voluntary Declaration of Domestic Assets Act, 2018. The bank, before catering the request, must verify that the amount being requested by the taxpayer for investment in bonds is not more than the balance in the domestic foreign currency account as of 31st March 2018.
- c) Authorization for the bank to remit the US Dollar funds to SBP via wire transfer in the following SBP account:

Name of Payee:	STATE BANK OF PAKISTAN
Payee's Address:	I.I. CHUNDRIGAR ROAD, KARACHI, PAKISTAN
Payee's SWIFT Code:	SBPPPKKA
Bank Name:	NATIONAL BANK OF PAKISTAN
Bank Address:	NEW YORK, U.S.A
Payee's Account No:	55854560
Bank SWIFT Code:	NBPAUS33

2. Subsequent to remitting the US Dollar funds, the taxpayer shall provide SBP, Karachi, the following information at the email ID: amnestybond2018@sbp.org.pk:

- a. A copy of wire transfer, or swift message, bearing necessary instructions including specification of the CNIC/NTN of the taxpayer in field 72 obtained from its bank;
- b. Form A and CPR/PSID (tax deposit evidence)
- c. Certificate(s) from its bank(s) confirming the availability of balance in the foreign currency account(s) as declared in Form A (as on 31st March 2018);
- d. Amount in multiples of US\$1,000, to be invested in the bonds;
- e. The details of PKR account (Bank and Branch Name, account title, and IBAN) in which the taxpayer would like to have credit of periodic profit payments and maturity/redemption proceeds on the bonds to be purchased under the scheme.

3. The procedure for issuance of bonds, payment of periodic profit, maturity or premature encashment and general instructions for investment in bonds through domestic Foreign Currency Accounts will be the same as explained in A (1 - 5) above for investment in bonds through Repatriation of Foreign Assets.

Annexure - A

Annexure - B

Yours truly,

(Rizwana Rifat)
Senior Joint Director



