

**Banks asked to withdraw Rs 40,000 prize bond**

The State Bank of Pakistan (SBP) has directed banks to withdraw Rs 40,000 denomination national prize bonds from circulation, with immediate effect. The SBP has issued instructions to presidents/chief executive officers of all banks regarding handling of Rs 40,000 denomination national prize bonds for information, guidance and meticulous compliance.

According to the SBP, the national prize bonds of Rs 40,000 denomination will not be sold after June 24, 2019 and will not be encashed/redeemed after March 31, 2020. No further draws of Rs 40,000 denomination national prize bonds will be held. The cash payment for encashment of bonds is not allowed.

However, bond holder(s) will have the following options to replace/encash these bonds: Conversion into Premium Prize Bonds (registered); replacement with Special Savings Certificate (SSC)/Defence Savings Certificate (DSC); and encashment at face value.

The SBP has also issued the SOP for processing requests under the aforementioned options for compliance by all banks:

(i): Conversion to Premium Prize Bonds (Registered): The bonds can be converted to Premium Prize Bonds (Registered) through the 16 field offices of SBP Banking Services Corporation, and authorised branches of six commercial banks, ie, National Bank of Pakistan, Habib Bank Limited, United Bank Limited, MCB Bank Limited, Allied Bank Limited and Bank Alfalah Limited. (ii). The bondholder shall be required to submit a written request for conversion of bearer bonds to Premium Prize Bonds (Registered) to be registered in his/her name on the prescribed application form.

iii. The bondholder shall also be required to submit prescribed application forms for registration/purchase of Premium Prize Bonds as per the procedure in vogue.

**2. Replacement with Special Savings Certificate (SSC)/Defence Savings**

**Certificate (DSC):**

i. The Bonds can be replaced with SSC/DSC through the 16 field offices of SBP Banking Services Corporation, authorized commercial banks and National Savings Centres.

ii. All authorised commercial banks shall, therefore, accept requests for replacement of bearer bonds with SSC or DSC on the prescribed application form attached.

iii. The bondholder shall also be required to submit application form for purchase of SSC/DSC(SC-1) as per the prescribed procedure.

**3. Encashment at Face Value:**

i. The Bonds will only be encashed by transferring the proceeds to the bond holder's bank account through the 16 field offices of SBP Banking

Services Corporation as well as the authorised commercial bank branches.

ii. All commercial banks shall receive request for encashment of bearer bonds on the prescribed application form attached.

3. A copy of the application form (Annexure A), duly signed and stamped, shall be provided to the bondholder as an acknowledgement receipt.

The National Prize Bonds of Rs 40,000 denomination tendered at the counters of banks will be subject to thorough scrutiny to ascertain their genuineness. In this regard, details regarding the security features in Rs 40,000 denomination National Prize Bonds are available online at [http://www.sbp.org.pk/sbp\\_bsc/PrizeBond/PrizeBond.asp](http://www.sbp.org.pk/sbp_bsc/PrizeBond/PrizeBond.asp)

Moreover, the prize bonds encashed/replaced by general public may be surrendered to concerned SBP BSC office through respective regional office of the commercial bank. For the purpose, the regional office may intimate the SBP BSE office three days in advance so that necessary arrangements for receipt of the bonds can be made.

A notice regarding the abovementioned facilities must be displayed at prominent places within branch premises for awareness and information of general public, the SBP added.

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