

**State Bank discontinues Rs40,000 prize bonds**

KARACHI: The State Bank of Pakistan (SBP) in a circular issued on Tuesday directed all commercial banks to stop selling Rs40,000 prize bonds from June 24 onwards.

“National Prize Bonds of Rs40,000 denomination shall not be sold after June 24, and will not be encashed or redeemed after March 31, 2020,” said the SBP.

The government has decided to freeze sales of these instruments after it was alleged that huge amounts of black money was used to buy these bonds as they also offer prize money worth millions.

However, bond holders will have the option to either replace them with Special Savings Certificates (SSC) or Defence Saving Certificates (DSC), premium prize bonds through SBP field offices or National Bank of Pakistan, Habib Bank, United Bank, Allied Bank and Bank Alfalah Ltd or encash them at the face value.

“Cash payment for encashments of bonds is not allowed ... the bonds will only be encashed by transferring the proceeds to the bond holder’s bank account” said the SBP.

The bond holder will be required to submit a written request for the conversion to be registered in his or her name and submit prescribed application forms for registration or purchase of Premium Prize Bonds.

Almost same procedure is required to replace the Rs40,000 prize bonds with SSC and DSC.

The SBP said no further draws of Rs40,000 denomination prize bonds as the last was held on June 3.

The Newspaper's Staff Reporter