

SBP issues directives for investment in Pakistan Banao Certificates

KARACHI: The State Bank of Pakistan (SBP) has issued guidelines to invest in Pakistan Banao Certificates (PBCs) for investment by overseas Pakistanis, including setting minimum limit on the investment.

“Investment can be made in US dollars five thousand and any integral multiples of US dollars one thousand in excess thereof with no upper limit on the investment amount,” the SBP said in a circular issued late Thursday.

The government launched bonds for the expatriates Pakistanis on Thursday to fetch investment from them to stabilise the economy. The certificates are available with three-year and five-year maturity period at profit rates of 6.25 percent and 6.75 percent per year, respectively.

Among the guidelines, the central bank said the certificates would be issued through subsidiary general ledger account (SGLA) and be placed in a separate account of National Bank of Pakistan, namely, NBP PBC holding account.

Funds should be remitted from the investor’s personal bank account to the SBP account maintained with NBP New York.

The SBP said profit payments would be paid in dollar on a semi-annual basis, determined from the date of issuance of the certificates. For example: if certificates were issued on February 6, the profit payments would be made on August 6 and on subsequent six-monthly dates accordingly.

Profit in dollars will be remitted on the due profit payment date, to the investor’s nominated USD account, which can be in his/her country of residence or in Pakistan.

A shut period of five working days (in accordance with the Pakistan Standard Time) will be observed prior to the due date of periodic profit payment; therefore any request for encashment received during the period will be processed after the due date of semi-annual profit payment.

“Principal amount (in US dollars) will be sent to the investor’s personal account (as designated on the PBC web portal) on the maturity date,” the SBP said.

In case the investor opts for redemption of principal payment in rupees at maturity, an additional amount equal to one percent would be paid to the investor with the last six monthly profit payments.

“For this purpose, the investor will provide details of personal rupee bank account on the PBC Web Portal. Redemption in rupee will be made at the ‘weighted average customer PKR-US dollar exchange rate (buying side)’ issued by the State Bank of Pakistan of the last working day falling before maturity date,” according to the guidelines.

Our Correspondent