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ISLAMABAD, MONDAY, NOVEMBER 20, 2023

PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN
MINISTRY OF FINANCE
(FINANCE DIVISION)
[DEBT MANAGEMENT OFFICE]

NOTIFICATIONS

Islamabad, the 17th November, 2023

S. R. O. 1585(I)/2023.—In exercise of the powers conferred by section 28 of the Public Debt Act, 1944 (XVIII of 1944), the Federal Government is pleased to make the following amendments in the Government of Pakistan Market Treasury Bills Rules, 1998, the same having been previously published vide Notification No. S.R.O. 1280(I)/2023 dated 4th September, 2023 as required by sub-section (1) of the aforesaid section, namely:—

DRAFT AMENDMENTS

In the aforesaid Rules,—

(a) after rule 2, the following rule shall be inserted, namely:—

"2(a). They shall apply to all Market Treasury bills (hereinafter referred to as bills) issued by the Federal Government from time to time.";

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[2156(2023)/Ex. Gaz.]

(b) for rule 3, the following shall be substituted, namely:—

"3. The bills shall be issued at discount, and can be purchased by individuals, institutions, trusts, funds of all types, bodies corporate including banks, non-banking finance companies and insurance companies irrespective of their residential status. The investment by non-residents shall be in foreign exchange remitted through the official channels. Such investments shall be eligible for repatriation of the principal plus profit, but the exchange risk shall be that of investor.";

(c) for rule 4, the following shall be substituted, namely:—

"4. **Form, registration, trade and transfer.**— The bills shall be in electronic form, freely tradable, and shall be registered and transferred through the mechanism specified by the institution authorized by the Ministry of Finance for registration, transfer and custody purposes.";

(d) for rule 5, the following shall be substituted, namely:—

"5. The maturity, structure, redemption, denomination and such other details of the bills being issued shall be as specified by the Ministry of Finance.";

(e) In rule 6, for the expression "Income Tax Ordinance, 1979", the expression "Income Tax Ordinance, 2001" shall be substituted and for the word "will", the word "shall", shall be substituted.;

(f) after rule 6, the following rule shall be inserted, namely:—

"6(a). **Issuance of bills.**—(1) The bills shall be issued through sale by way of auction.

(2) The type of auction (single price auction, multiple price auction etc.) shall be determined by the Ministry of Finance.

(3) The auction process shall be specified by the institution authorized by the Ministry of Finance for conducting the auction."; and

(g) rule 7 shall be omitted.

(h) after rule 7, as omitted above, the following new rules shall be added, namely:—

"8. The bills shall be a Government Security for the purpose of Public Debt Act, 1944 (XVIII of 1944) and the payments under the bills shall represent the payment obligations of the Government of Pakistan.

9. The bills shall be eligible for all requirements pertaining to liquid assets as per the Banking Companies Ordinance, 1962 (LVII of 1962).

10. The bills shall be accepted by the banks and financial institutions as collateral for the purposes of financing.

11. The bills shall be Statutory Liquidity Requirement (SLR) eligible.

12. There shall be no compulsory deduction of Zakat at source and a sahib-e-nisab may pay zakat on his own according to Shariah."

S.R.O. 1586(I)/2023.—In exercise of the powers conferred by section 28 of the Public Debt Act, 1944 (XVIII of 1944), the Federal Government is pleased to make the following amendments in the Government of Pakistan Ijara Sukuk Rules, 2008, the same having been previously published vide Notification No. S.R.O. 1281(I)/2023 dated 4th September, 2023 as required by sub-section (1) of the aforesaid section, namely:—

DRAFT AMENDMENTS

In the aforesaid Rules,—

(a) in rule 1,

(i) in sub rule 1, the word "Ijara" shall be omitted; and

(ii) for sub rule 3, the following shall be substituted, namely:—

"3. These rules shall apply to all Sukuk of the Government of Pakistan, hereinafter referred to as "Sukuk" issued by Pakistan Domestic Sukuk Company Limited, hereinafter referred to as "the Company" (a company hundred *percent* owned by the Federal Government), from time to time.";

(b) for rule 2, the following shall be substituted, namely:—

"2. **Features of Sukuk.**—The following features of the Sukuk shall be as specified by the Ministry of Finance:

(a) maturity;

(b) type of Sukuk, such as Sukuk issued at discount or coupon paying Sukuk;

(c) coupon rate and coupon payment frequency (in case of coupon paying Sukuk) ;

(d) shariah structure;

(e) redemption;

(f) denomination; and

(g) any other features.";

(c) rules 3, 4, 5 and 6, shall be omitted.;

(d) for rule 7, the following shall be substituted, namely:-

"7. **Issuance of Sukuk.**—(1) The Sukuk shall be issued through sale by way of auction.

(2) The type of auction (single price auction, multiple price auction etc.) shall be determined by the Ministry of Finance.

(3) The auction process shall be specified by the institution authorized by the Ministry of Finance for conducting the auction.";

(e) for rule 8, the following rule shall be substituted, namely:—

"8. **Who can hold the Sukuk.**—The Sukuk shall be held by individuals, institutions, trusts, funds of all types, bodies corporate including banks, non- banking finance companies, and insurance and takaful companies irrespective of their residential status. The investment by non- residents shall be in foreign exchange remitted through the official channels. Such investments shall be eligible for repatriation of the principal as well as periodic profit, but the exchange risk shall be that of investors.";

(f) for rule 9, the following shall be substituted, namely:—

"9. **Form, registration, trade and transfer.**—The Sukuk shall be in electronic form, freely tradeable (in accordance with Shariah structure) and shall be registered and transferred through the mechanism specified by the institution authorized by the Ministry of Finance for registration, transfer and custody purposes.";

(g) rule 10 shall be omitted.;

(h) in rule 11, the expression "on account of the payment of rentals in respect of assets held on trust by and leased from the company; and on account of payment of purchased price to the company for purchase of assets at the time of maturity" shall be omitted.;

(i) in rule 15, after the word "with", occurring for the first time, the expression " Income Tax Ordinance, 2001" shall be inserted, and the text appearing thereafter shall be omitted.;

(j) in rule 16, after the word "may", the word "pay" shall be inserted; and

(k) after rule 16, as amended above, the following new rule 17 shall be added, namely:—

"17. **Savings.-** All of the existing issues of Government of Pakistan Ijara Sukuk Rules, 2008 and the procedures, guidelines or instructions issued by Government of Pakistan or State Bank of Pakistan regarding these Sukuk shall continue to remain valid as if the same have been issued under these Rules."

[No. F. 10(2)Debt-II/2023.]

MUHAMMAD ZAHEER,
Section Officer (Debt-II).

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ISLAMABAD, FRIDAY, APRIL 30, 2010

PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN

FINANCE DIVISION

(Budget Wing)

NOTIFICATION

Islamabad, the 29th April, 2010

S. R. O. 289(I)/2010.— In pursuance of rule 8 of the Government of Pakistan Ijara Sukuk Rules, 2008, the Federal Government is pleased to approve that individuals are eligible to hold Sukuk, provided that the Sukuk shall not be sold to individuals through the initial auction.

[F. No. 5(1)GS-I/2005-586.]

MUHAMMAD AKHTAR RIZWAN,
Section Officer (GS-I).

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Annexure - "A"

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PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN

FINANCE DIVISION

(Budget Wing)

NOTIFICATION

Islamabad, the 27th August, 2008

S. R. O. 893(I)/2008.—In exercise of the powers conferred by section 28 of the Public Debt Act, 1944 (XVIII of 1944), the Federal Government is pleased to make the following rules, the same having been previously published *vide* Notification No. S.R.O. 858(1)/2008 dated the 16th August, 2008 as required by sub-section (1) of the aforesaid section. namely:—

1. **Short title, commencement and application.**—(1) These rules may be called the Government of Pakistan Ijara Sukuk Rules, 2008.

(2) These rules shall come into force at once.

(3) These rules shall apply to Government of Pakistan Ijara Sukuk, hereinafter referred to as "Sukuk", issued by the Pakistan Domestic Sukuk Company

[2910(2008)Ex. Gaz.] *Price : Rs. 2.00*

Limited, hereinafter referred to as "the company"(a company hundred *per cent* owned by the Federal Government), from time to time.

2. **Maturity period.**—The maturity period of the first Sukuk issued by the company shall be three years from the date of issue. Later on the company may issue Sukuk having longer or shorter maturity periods but the shortest period shall not be less than one year as notified by the State Bank of Pakistan.

3. **Denomination.**—The Sukuk shall be issued in multiple of one hundred thousand rupees. Each Sukuk shall represent an undivided ownership of the assets held on trust for the holder of the Sukuk pursuant to a Declaration of Trust in the name of the company.

4. **Profit.**—The profit on the Sukuk shall be paid bi-annually on the basis of rental rate announced by the State Bank of Pakistan prior to start of each half year.

5. **Redemption.**—The Sukuk shall not be redeemable before maturity.

6. **Sale.**—The Sukuk shall be sold by auction to the primary dealers and Islamic Banks as determined by the State Bank of Pakistan for the purpose of Sukuk.

7. **Bidding.**—Bidders shall be allowed to bid in the manner specified by the State Bank of Pakistan.

8. **Who can hold the Sukuk.**—The Sukuk shall be held by individuals (subject to issuance of notification by the Government of Pakistan), institutions, trusts, funds of all types, bodies corporate including banks, non-banking finance companies and insurance and *takaful* companies irrespective of their residential status. The investment by non-residents shall be in foreign exchange remitted through the official channels. Such investments shall be eligible for repatriation of the principal as well as periodic profit on the Sukuk but the exchange risk shall be that of investor.

9. **Trade and transfer.**—The Sukuk shall be traded freely in the Pakistan's secondary markets and transferable through Subsidiary General Ledger Account.

10. **Registration.**—The Sukuk shall be scripless and registered with the State Bank of Pakistan through Subsidiary General Ledger Account.

11. **Government security.**—The Sukuk shall be a Government security for the purpose of the Public Debt Ac, 1944 (XVIII of 1944) and the payments under the Sukuk shall represent the payment obligations of the Government of

Pakistan on account of the payment of rentals in respect of assets held on trust by and leased from the company; and on account of payment of purchase price to the company for purchase of assets at the time of maturity.

12. **Approved security.—**The Federal Government shall declare the Sukuk as approved security for the purpose of sub-section (1) of section 29 of the Banking Companies Ordinance, 1962 (LVII of 1962).

13. **Statutory Liquidity Requirement (SLR) eligibility.—**The Sukuk shall be Statutory Liquidity Requirement (SLR) eligible for Islamic as well conventional banks.

14. **Acceptability as collateral.—**The Sukuk shall be accepted by the banks and financial institutions as collateral for the purposes of financing.

15. **Tax liability.—**The profit earned on the Sukuk shall be liable to income tax in accordance with the laws of Pakistan. Withholding tax on the Sukuk shall be deducted at the rate of ten *per cent* at source.

16. **Deduction of *Zakat*.—**There shall be no compulsory deduction of *Zakat* at source and a *sahib-e-nisab* may *Zakat* on his own according to *Shariah.*

[No. 5(1)GS-I/2005-1740.

ABDUL QAYYUM CH.,
Section Officer (GS-I).

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