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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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- (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.]

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