

## **Procedure of Pre-Mature Termination of Certificates**

1. Policy of Termination of Certificates is given in clause 60 of Profit Loss Distribution Policy as under:

“Certificate denotes customer willingness to invest his funds for a specific period on specific terms and conditions. In case any term is changed after his investment which effectively reduces his share in income, he will be given two months’ time period to withdraw his investment without any loss. However, in case he desires to withdraw his investment before completion of time period for which it was originally invested; proportionate assets equal to his investment shall be purchased by the Pool Deposits or Equity holders for an amount which is less than its face value. Procedure to determine such value shall be framed with the approval of RSBM”

2. Issuance of a certificate is an agreement to invest the amount of the Certificate for a certain period and customer does not have the right to cancel the agreement unilaterally. Customer request denotes an offer for sale of assets representing certificates. Whatever is paid to customer is the purchase price of the assets.
3. There shall not be over-dues Certificate concept. Every Certificate shall be considered to be re-invested on the same terms & conditions on date of maturity unless customer has specifically requested to transfer the same to Account on maturity or is transferred to SBP as unclaimed Deposit. Such transfer to SBP shall not be considered as Pre-mature encashment.
4. Income on Pre-mature termination of Pool and its sub Pool shall be made part of income of the Pool and shall not be part of income of Sub-Pool.
5. Income on Pre-mature encashment of certificates shall be made part of the depositors’ shares of income because the amount is allocated out of the income attributable to the depositors only.
6. Bank cannot encash / terminate a certificate and transfer its balance to customer’s account without prior written consent of the customer except under court order or under any other applicable law. This however, is possible on actual liquidation of a Pool or a Sub-Pool.
7. Premature withdrawal of deposit from Hajj and Umrah accounts shall also be treated as Premature Encashment and PLS rate shall be applied.
8. A copy of Annexure-1 (both English & Urdu) should be provided to customer at the time of issuance of Certificate(s) and its acknowledgement from customer should be received and kept for audit purpose.

### **9. Procedure of Encashment Before Maturity Date :**

- a) No Notice is required. However, request shall be obtained on the prescribed Form. (Annexure-2)
- b) Purchase price calculation shall base on profit rates declared for previous periods of the Pool/ Sub Pool of the Certificate.

- c) Encashment before the maturity date due to death of the customer shall be considered as regular encashment on maturity.
- d) Encashment before maturity on order of any regulatory body or court of Law shall be considered as regular encashment.
- e) In case any change is made in Bank's policy, terms and conditions of accounts, Weightages or profit sharing ratios etc. which effectively reduce share of certificate holder in profit, he shall be given time of two months from effective date of such change to decide withdrawal of investment at the face value i.e. by receiving amount invested and declared profits till date of withdrawal. Investment amount shall be transferred at any date at the option of the customer and profit amount may be credited after declaration of profit.
- f) Such change in weightages/ profit sharing ratios etc. along with last date of application for Pre-mature encashment on face value be conveyed to customers through notice (Format attached) and through SMS (where possible).

#### **10. Price Calculation parameters for premature encashment by Customers.**

- a) Profit shall be paid till the day before encashment date.
- b) Price shall be calculated considering the amount of Certificate invested in nearest previous Certificate with similar payment options.
- c) In case there is no such Certificate then PLS deposit rate shall be considered to determine the purchase price.
- d) Declared rates for each month from date of issue of the certificate till date of termination of certificate shall be used for respective months.
- e) Determination of purchase price should preferably be system based or separate software should be developed for calculation of purchase price.
- f) Price must not exceed the face value of a certificate.
- g) Bank may purchase a certificate at a price higher than the price determined as per above rules with approval of RSBM to be confirmed from SSC.
- h) No HO approval required is required for Premature termination of Certificates.

### **Pre-mature Termination of Certificates**

Issuance of a Certificate is an agreement to invest the amount of the Certificate for a certain period and principally, a customer does not have the right to cancel the agreement unilaterally. However, premature termination means offer for “sale of assets that represent the Certificates of customer”. Therefore,

- Bank has the right to purchase these assets on any price.
- This price could be less than its actual value.

While determining the price of the Certificate, Bank keep in view that customers gets the price of these Certificates which bank pays to other Certificate holder completing equivalent period with the bank. For example, if customer has a certificate for five years and wants to terminate it after one year, he should get the same price of the certificate which a customer gets by investing same amount of funds in one year certificates during same period.

- It is clarified that if bank makes any changes in its Profit Distribution System due to which the customer's share in profit reduces, then on customer's request, within a specified period, the bank is liable for paying the total amount with accrued profit to customer without any deductions.
- Encashment before maturity in case of death of a customer or on order of any Regulatory Body or Court of Law shall be considered as Regular Encashment on maturity date.
- Information regarding changes in policy is given on branch Notice Board and through Website of the bank. Customers shall be informed through SMSs as well if possible. It is responsibility of a customer to keep himself updated on such changes.



## سرٹیفکیٹ کی قبل از وقت تسخ

سرٹیفکیٹ میں سرمایہ کاری ایک مخصوص مدت کیلئے بینک کے ساتھ سرمایہ کاری کا معاہدہ ہے اور اصولی طور پر اس معاہدہ کو یک طرفہ ختم کرنے کا اختیار کسی ایک فریق کے پاس نہیں تاہم قبل از وقت تسخ سے مراد "کسٹمر کے وہ اثاثے جو اس سرٹیفکیٹ کی نمائندگی کرتے ہیں اسکو فروخت کرنے کی پیشکش کرنا ہے۔" چنانچہ:

- بینک ان اثاثہ جات کو کسی بھی قیمت پر خریدنے کا مجاز ہے۔
- یہ قیمت اس کی اصل مالیت سے کم بھی ہو سکتی ہے۔
- البتہ اس قیمت کی تعین کیلئے بینک اس بات کو ملحوظ نظر رکھتا ہے کہ کسٹمر کو اتنی قیمت مل جائے جتنا بینک دوسرے سرٹیفکیٹ کی صورت میں ان سرٹیفکیٹ ہولڈرز کو دیتا ہے جس نے اتنی ہی مدت بینک کے پاس پوری کی ہو۔ (مثال کے طور پر اگر کسی کا سرٹیفکیٹ پانچ سال کا ہے اور وہ ایک سال بعد ختم کرنا چاہتا ہے تو اس کو اتنی ہی قیمت ملنی چاہئے جو اسی دورانیہ میں ایک سال کے سرٹیفکیٹ کی صورت میں ملتی۔)
- واضح رہے کہ اگر بینک منافع کی تقسیم کیلئے پہلے سے مقرر شدہ طریقہ کار میں کوئی ایسی تبدیلی کرتا ہے جس سے کسٹمر کے منافع میں تناسب کم ہو جاتا ہے تو کسٹمر کی درخواست پر بینک اس کسٹمر کی مکمل رقم بمعہ جمع شدہ منافع خاص مدت کے دوران بغیر کسی کمی کے ادا کرنے کا پابند ہوگا۔
- اگر کسی کسٹمر کی وفات ہو جائے یا کسی عدالتی / حکومتی فیصلے کی وجہ سے قبل از وقت ادا ہوگی کرنی پڑے تو اس کے لئے بھی مکمل ادائیگی کی جاتی ہے۔
- قواعد و ضوابط میں تبدیلی کی اطلاع بینک کی ویب سائٹ اور برانچ کے نوٹس بورڈ کے ذریعے دی جاتی ہے جہاں ممکن ہو کسٹمر کو SMS بھی کیا جائے گا۔ کسٹمر کی ذمہ داری ہے کہ ان تبدیلیوں سے اپنے آپ کو آگاہ رکھے۔



Dated: \_\_\_\_\_

**The Manager  
The Bank of Khyber  
Islamic Banking Branch**

**REQUEST OR PRE-MATURE ENCASHMENT OF CERTIFICATE**

Dear Sir,

I request for termination of my certificate as under:

<b>Title of Account</b>	
<b>Account No</b>	
<b>Certificate No</b>	
<b>Amount</b>	
<b>Category</b>	
<b>Issuance Date</b>	
<b>Maturity Date</b>	
<b>Termination Date</b>	
<b>Reason</b>	<input type="checkbox"/> Fund Required <input type="checkbox"/> Death <input type="checkbox"/> Court Order <input type="checkbox"/> Other: _____

I understand that I have made an agreement to invest the amount of Certificate for a certain period, and I do not have the right to cancel the agreement unilaterally. However, I offer to sell assets representing my Certificate to the Bank.

\_\_\_\_\_  
**Certificate Holder**

Bank offer to purchase assets representing investment of above referred Certificates at following price:

Offered Price: \_\_\_\_\_

\_\_\_\_\_  
**Officer**

\_\_\_\_\_  
**Manager Operations**

\_\_\_\_\_  
**Manager**

I accept the above price. Please credit my Account No \_\_\_\_\_ with amount of Rs. \_\_\_\_\_.

\_\_\_\_\_  
**Certificate Holder**

**Tran # & Date** \_\_\_\_\_

\_\_\_\_\_  
**Signature Verified**

مینجر  
دی بینک آف خیبر  
اسلامی بینکاری برانچ

سرٹیفکیٹ کی قبل از وقت منسوخی کی گزارش

محترم جناب،

میں اپنے درج ذیل سرٹیفکیٹ کی منسوخی کی درخواست کرتا ہوں:

	کہاتہ بنام
	کہاتہ نمبر
	سرٹیفکیٹ نمبر
	رقم
	قسم
	تاریخ اجراء
	مقررہ تاریخ ادائیگی
	قبل از وقت ادائیگی کی تاریخ
	قبل از وقت منسوخی کی وجہ

میں جانتا ہوں کہ میں نے ایک مخصوص مدت کے لئے سرٹیفکیٹ کی رقم کی سرمایہ کاری کرنے کے لئے ایک معاہدہ کیا تھا اور مجھے یکطرفہ طور پر یہ معاہدہ ختم کرنے کا اختیار نہیں ہے۔ تاہم، میں اپنے سرٹیفکیٹ کے اثاثوں کو بینک کو فروخت کرنے کی پیشکش کرتا ہوں۔

سرٹیفکیٹ ہولڈر  
دستخط

بینک مندرجہ بالا سرٹیفکیٹ کے اثاثوں کو درج ذیل قیمت پر خریدنے کی پیشکش کرتا ہے۔

Rs. \_\_\_\_\_

افسر

مینجر آپریشنز

مینجر

مجھے مندرجہ بالا قیمت قبول ہے۔ براہ مہربانی میرے اکاؤنٹ نمبر میں روپے کو کریڈٹ کر دیں۔

سرٹیفکیٹ ہولڈر  
دستخط

Trns No. ( ) Dated: \_\_\_\_\_

دستخط تصدیق شد