

Annexure-3**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.
- Premature withdrawal of deposit from Hajj and Umrah accounts shall also be treated as Premature Encashment and PLS rate shall be applied.

8. Procedure of Encashment Before Maturity Date :

- No Notice is required. However, request shall be obtained on the prescribed Form. (Annexure-I)
- 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.

9. Price Calculation parameters for premature encashment by Customers.

- 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.
- No HO approval required is required for Premature termination of Certificates.



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

REQUEST OR PRE-MATUE ENCASHMENT OF CERTIFICATE

Dear Sir,

I request for termination of my certificate as under:

Title of Account	
Account No	
Certificate No	
Amount	
Category	
Issuance Date	
Maturity Date	
Termination Date	
Reason	<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. _____ on date: _____

Certificate Holder

Tran # & Date _____

Signature Verified

