

## **INVESTOR PORTFOLIO SECURITIES (IPS)**

IPS accounts enable customers to maintain custody of their investing securities with banks and facilitate trading of these securities with easy transfers to other accounts.

The current range of Government of Pakistan marketable securities includes; Treasury Bills, Pakistan Investment Bonds and Ijara Sukuk Bonds.

### **IPS Account Opening Criteria:**

The IPS Account service is offered to all FBL clientele. Any customer of the Bank maintaining a PKR current/savings account is eligible for investments in Government Securities.

Branches and the Treasury Marketing Unit will provide any additional information regarding IPS accounts and Government Securities to their customers (not provided on the FBL website).

### **PROCESS FOR IPS ACCOUNT OPENING:**

Customers desirous of investment in Government Marketable Securities through IPS account will sign an IPS Account Opening Form which is available in all FBL branches and on the website. In case of entity account, a resolution for opening the IPS account passed by the Board / Governing body shall be provided.

The customer signature on IPS account opening form will be verified by the receiving officer and the form will be authorized by the Branch Manager (Ops Manager in absence of BM) and a copy of the same will be retained by the branch for its own records. The Branch staff shall review the KYC requirements of the customer prior forwarding the IPS form to Treasury through dispatch / courier / email.

Upon receipt of IPS account opening form and supporting documents (if required), TBO staff will scrutinize the same for completeness and issue an IPS a/c number to the customer.

The IPS account statement shall be sent to customers on a quarterly basis.

### **PROCESS FOR PURCHASE AND SALE OF SECURITIES**

The customer, through the branch or RM, may ask the Treasury Dealer to quote price for a specific security by email or fax.

Once the price is accepted by the customer, the Treasury Marketing Unit will generate a deal ticket as trade confirmation and email the concerned branch / RM the relevant details for follow-up with the customer for debit authority. The customer will subsequently sign the debit authority on Bank's prescribed format (see Annexure 3.1)

The Treasury Back Office will arrange to debit the customer's account and transfer the same security to the IPS account of the customer. Designated staff of TBO will forward the confirmation of security holding in FBL IPS account of the customer to respective customers.

At the time of maturity of the security and coupon receipts, PKR amount shall be credited directly to the customer's account maintained in FBL.

FBL Islamic Banking Branches are authorized to deal exclusively in Sukuk Bonds whereas Conventional Banking branches can deal in any of the permitted securities; Treasury Bills, Pakistan Investment Bonds and GOP Ijara Sukuk.

### **PROCESS FOR NON-COMPETITIVE BIDS**

The SBP has allowed customers (excluding Banks and DFI's) to participate in non-competitive bids whereby T-bills and PIBs are issued by the SBP on the weighted average cut-off rate of the particular auction to a maximum limit of 0.25% of the auction target or PKR 25 million, whichever is higher.

To place a non-competitive bid a customer will have to fill out the bid letter on the prescribed format (Annexure 3.2) and submit it to the concerned branch 2 working days before the auction bid date.

Customers are allowed to submit one bid in a single tenor for non-competitive bids. In case of submission of multiple bids in one tenor by single investor, all such bids would be treated as void.

**Under Lien facility**

Customer can pledge the securities to avail financing from FBL.

**Withholding tax**

SBP will deduct 10% withholding tax from the profit amount of the bank customers and credit the net amount in the RTGS Account. Customers exempted from this requirement must produce an exemption certificate issued by FBR while opening IPS account with the bank, copy of which will be provided to SBP by TBO at the time of bid placement in IPS Account

**Service Charges**

Service charges shall apply as per Bank's SOC.

**Annexure 3.1**  
**Debit Authority (Competitive Bid)**

**Treasury Marketing Unit**

Treasury Front Office  
Faysal Bank Limited  
Faysal House  
Karachi

Dear Sir /Madam

**Subject: MTB / PIB / Ijara Sukuk Competitive Bid**

We wish to confirm the purchase of MTBs/PIBs / Ijara Sukuks as per the following details:

Instrument	MTB/PIB/Ijara Sukuk
Issue Date	_____
Maturity	_____
Face Value	_____
Yield	_____
Price	_____
Settlement Amount	_____
Settlement Date	_____

We authorize you to please transfer the above mentioned securities to our IPS account # \_\_\_\_\_ and debit my/our following account(s) held with FBL for settlement.

Account # \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Regards

Customer Signature (s)

Account Title: \_\_\_\_\_

**Annexure 3.2**  
**Non-Competitive Bid request cum Debit Authority**

**Treasury Marketing Unit**

Treasury Front Office  
Faysal Bank Limited  
Faysal House  
Karachi

Dear Sir / Madam

Subject: MTBs / PIBs / Ijara Sukuks

We are pleased to authorize you to place a bid on our behalf in the primary auction of PIBs / MTBs / Ijara Sukuks based on the following details

Instrument	PIBs/ MTBs / Ijara Sukuks
Auction Date	_____
Issue Date	_____
Maturity	_____
Amount	_____
Settlement Date	_____

We understand that Faysal Bank Limited will place a bid on our behalf in the PIBs / TBills / Ijara Sukuk auction being held on \_\_\_\_\_.

If the Bid is successful, Faysal Bank Limited will sell PIBs / TBills / Ijara Sukuks at the price on which SBP allocates, on the settlement date and debit our account number \_\_\_\_\_ for the same.

We also understand that in case SBP does not accept the bids submitted, Faysal Bank Limited will sell to us the pro-rata amount actually allocated by SBP to Faysal Bank Limited under non-Competitive Bids.

Customer Signature

Account Title: \_\_\_\_\_