

## IPS FAQs

**1. What Fixed Income Securities does JS Bank Ltd. offer to its RDA Clients?**

- Market Treasury Bills (MTBs)
- Pakistan Investment Bonds (PIBs) Fixed & Floating
- Naya Pakistan Certificate (NPC)

**2. How can I invest in the GoP Pakistan Securities?**

In order to invest in Govt. Securities, you should have a bank account in PKR with JS Bank Ltd. and an IPS account. RDA PKR account holders will also be eligible to invest in MTBs and PIBs-Fixed & Floating.

**3. What is an Investor Portfolio Securities (IPS) Account?**

IPS Accounts are custodial accounts maintained for trading in Govt. Securities (PIBs/T-bills) issued by State Bank of Pakistan from time to time on behalf of GoP. Individuals with a PKR denominated account with JS Bank Ltd. are eligible to open an IPS account. All scrip-less securities are reflected as debit or credit to IPS accounts. In case of customer purchases, the security will reflect as a credit to the IPS account.

**4. How can a customer open IPS Account with JS Bank Ltd?**

Customers are required to digitally fill IPS account opening forms and submit the same. In case of any discrepancies an email will be sent to you.

**5. Are the GoP Securities subject to Zakat Deduction?**

GoP securities are exempted from Zakat deduction as per current rules.

**6. Are the GoP Securities (T Bills/PIBs) issued/guaranteed by JS Bank Ltd.?**

JS Bank Ltd. is the distributor of these products on behalf of State Bank of Pakistan as an authorized Primary Dealer.

**7. What is Face Value/Par Value?**

Face Value/Par Value is the amount of money a bondholder will get back on the maturity of the bond.

**8. Why do GoP Securities have low Credit Risk?**

Govt. Securities have low credit risk compared to the securities issued by any other corporations/financial institutions because they are backed by the full faith and credit of the GoP.

**9. Can the GoP Securities be transferred or pledged?**

The GoP securities can be transferred to IPS account of another customer within Pakistan only. It can also be pledged as an eligible security for raising financing in Pakistan subject to such conditions as may be prescribed by State Bank of Pakistan/JS Bank Ltd.

**10. Can I get Government Securities in physical form?**

No. MTBs/PIBs are scripless securities and are reflected as credit to IPS account maintained with JS Bank Ltd.

**11. How can a customer purchase GoP security?**

**Option 1.** Customers can participate in the scheduled SBP auction for T Bills/PIBs through competitive bid (CB)/ non-competitive bid (NCB) also known as the Primary Market. Participation is done by digitally filling and submitting a duly signed form 1 day prior to the auction in case of NCB. The result is announced by SBP post auction. If the bid is accepted by State Bank of Pakistan (CB/NCB), JS Bank will debit the customer's relevant account.

For reviewing SBP auctions calendar use below links:

**MTBs:** <https://www.sbp.org.pk/ecodata/auction-treasurybills.pdf>

**PIBs:** <https://www.sbp.org.pk/ecodata/Auction-Bond.pdf>

**Option 2.** Customers can purchase the relevant GoP security at the prevailing rate also known as the Secondary Market any time.

**12. Withholding tax calculation on MTBs?**

Withholding tax will be calculated between par value & State Bank of Pakistan issuance price. If customer purchase MTBs from the secondary market, tax will be paid by a customer for that whole tenor instead of paying tax for the holding period only.

**13. Withholding tax calculation on PIBs Coupon?**

Withholding tax will be calculated from the last coupon date to next coupon date. If customer purchases PIBs from the secondary market, tax will be paid by a customer for that coupon period instead of paying tax for the holding period only.