

**The Gazette of Pakistan**

**EXTRAORDINARY**

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**PART II**

**Statutory Notifications containing Rules and Orders issued by all Ministries  
and Divisions of the Government of Pakistan and their Attached and  
Subordinate Offices and the Supreme Court of Pakistan**

**GOVERNMENT OF PAKISTAN**

**MINISTRY OF FINANCE, REVENUE AND ECONOMIC AFFAIRS**

**(Finance Division)**

**[INTERNAL FINANCE WING]**

**NOTIFICATION**

*Islamabad, the 23rd January, 2020*

**S.R.O. 21(KE)/2020 :**

In exercise of the powers conferred by Section 32 of the Deposit Protection Corporation Act, 2016 (XXXVII of 2016), the State Bank of Pakistan, with the approval of the Federal Government, is pleased to make the following rules, namely:-

**1. Short title and Commencement.**—(1) These rules shall be called the Deposit Protection Rules, 2020.

(2) They shall come into force at once.

**2. Definitions.**—(1) Unless there is anything repugnant in the subject or context,-

- (a) "Act" means the Deposit Protection Corporation Act, 2016 (XXXVII of 2016);
- (b) "eligible depositors" mean such categories of depositors that have been guaranteed payment up to the protected amount, prescribed under these rules; and
- (c) "fund" includes any fund established and managed by the Corporation for the purpose of the Act to protect the eligible depositors. The management and operations of such fund shall be as the Board may prescribe from time to time.

(2) All other words and terms used but not defined in these rules shall have the same meanings as assigned thereto in the Act.

**3. Member institutions of Corporation.**—The Corporation shall notify a member institution, including the compulsory members under sub-section (2) of section 5 of the Act, which shall be liable to pay premium to the Corporation from the effective date of such notification.

**4. Protected amount for eligible depositors of member institutions.**—The Corporation, after approval of the Board, shall notify an amount guaranteed by the Corporation for each category of member institutions, to be paid to eligible depositors in the event of a declaration of a member institution as a failed institution by the State Bank.

**5. Shariah compliant mechanism.**—(1) The *Shariah* compliant mechanism for deposit protection shall be circulated amongst relevant member institutions by the Corporation after approval by the State Bank's *Shariah* Advisory Committee or any other forum, established by the State Bank, in its place.

(2) A *Shariah* compliant deposit protection fund shall be established, with the approval of the Board, to provide protection to eligible depositors of Islamic financial institutions.

**6. Issuance of instructions to the member institutions.**—The Corporation may issue to such instructions, guidelines and circulars to the member institutions, as deemed necessary, for protecting the eligible depositors, establishment of sound deposit protection mechanism and for the purpose of giving effect to the provisions of the Act, the rules and regulations made thereunder.



**7. Disqualification of directors having shareholding of financial institution.**—(1) For the purpose of clause (b) of section 13 of the Act, the term “financial institution” shall mean those institutions that are member institutions of the Corporation as per clause (i) of Section 2 of the Act.

(2) The term “shareholder” shall mean any person who holds at least five percent of the total paid-up share capital of any member institution either individually or in concert with family members and the term “family members” shall have the same meaning as defined in clause (ff) of section 5 of the Banking Companies Ordinance, 1962 (LVII of 1962).

[No. F.3(8)Bkg-II/2018-183]

MUBEEN SAEED,  
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