

State Bank of Pakistan has launched "Deposit Protection Mechanism for Banking Companies" vide DPC Circular No. 4 of 2018 dated June 22, 2018 effective from July 01, 2018 <https://www.sbp.org.pk/dpc/index.htm>

As per Section 7(l) of the Deposit Protection Corporation Act, 2016, an amount up to Rs. 250,000/- (Rupees Two Hundred and Fifty Thousand) per depositor per bank has been determined by Deposit Protection Corporation (DPC) as the guarantee amount.

For further details, please visit your nearest HBL branch or call at 111-111-425.

Following SBP Deposit Protection Corporation Circulars can be found in the document further:

- 1.DPC Circular No. 01 of 2018: Notification of Board of Directors ([click here](#))
- 2.DPC Circular No. 02 of 2018: Declaration of Commencement of Business of Deposit Protection Corporation ([click here](#))
- 3.DPC Circular No. 03 of 2018: Member Institutions of Deposit Protection Corporation (DPC) ([click here](#))
- 4.DPC Circular No. 04 of 2018: Deposit Protection Mechanism for Banking Companies ([click here](#))
- 5.DPC Circular No. 05 of 2018: Shariah Compliant Deposit Protection Mechanism for Islamic Banking Institutions ([click here](#))



Deposit Protection Corporation
Subsidiary of State Bank of Pakistan

SBP Building, Boulton Market
KARACHI

DPC Circular No.1

April 6, 2018

The Presidents/ Chief Executives
All Banks

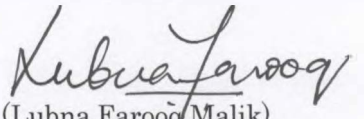
Dear Sir/ Madam,

Notification of Board of Directors

In pursuance of the Deposit Protection Corporation Act 2016, and in the light of Federal Government Notification No. F.1(3)Bkg(R&S)/2008-43 dated 23rd February, 2018, the Board of Directors of Deposit Protection Corporation has been appointed, consisting of the following members :-

- | | |
|---|-------------------|
| i. Mr. Jameel Ahmad - Deputy Governor, State Bank of Pakistan | Chairman |
| ii. Mr. Muhammad Kamran Shehzad | Member |
| iii. Mr. Atif R. Bokhari | Member |
| iv. Mr. Atif Aslam Bajwa | Member |
| v. Mr. Shahzad Naqvi | Member |
| vi. Mrs. Lubna Farooq Malik | Managing Director |
| vii. Nominee of Ministry of Finance | To be announced |

Yours truly,


(Lubna Farooq Malik)
Managing Director



Deposit Protection Corporation
Subsidiary of State Bank of Pakistan
SBP, Boulton Market Building
M.A Jinnah Road
KARACHI

DPC Circular No. 2

May 31, 2018

The Presidents/Chief Executives
All Banks/DFIs/MFBs

Dear Sir/Madam,

Declaration of Commencement of Business of Deposit Protection Corporation

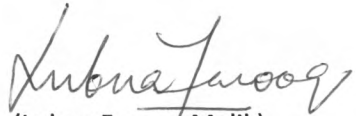
Consequent upon the promulgation of Deposit Protection Corporation Act, 2016 (the Act), the Deposit Protection Corporation has been established as a subsidiary of State Bank of Pakistan for protection of small depositors in order to ensure financial stability of the system.

2. The objective of the Corporation as enshrined in Section 5 of the Act is "to compensate the depositors for losses incurred by them to the extent of protected deposits in the event of failure of a member institution, as notified by State Bank of Pakistan under sub-section (1) of Section 21".

3. In this backdrop, it is hereby announced that the Deposit Protection Corporation shall commence its business with effect from 1st June, 2018. Further, in terms of Section 33 and 7(4) of DPC Act, Deposit Protection Regulations for banks and guaranteed amount will be communicated in due course.

4. Please acknowledge receipt.

Yours truly,


(Lubna Farooq Malik)
Managing Director



DEPOSIT PROTECTION CORPORATION

Subsidiary of State Bank of Pakistan

SBP Building, Boulton Market
M.A Jinnah Road
KARACHI

DPC Circular No. 03 of 2018

June 22, 2018

The Presidents/ Chief Executives
All Banks

Dear Sir/ Madam,

Member Institutions of Deposit Protection Corporation (DPC)

In terms of Section 2(i) and Section 5(2) of Deposit Protection Corporation Act, 2016, all banks scheduled under sub-section (2) of Section 37 of the State Bank of Pakistan Act, 1956, shall compulsorily be the member institutions of DPC and liable to pay the prescribed premium. The list of member institutions is enclosed as Annexure-A to this Circular.

Please acknowledge receipt.

Yours truly,


(Lubna Farooq Malik)
Managing Director

Annexure-A

The List of Banks Becoming Member of Deposit Protection Corporation under Sections 2(i) & 5(2) of the Deposit Protection Corporation Act 2016

Specialized Banks

1. Industrial Development Bank Limited
2. SME Bank Limited
3. The Punjab Provincial Cooperative Bank Limited
4. Zari Taraqiati Bank Limited

Commercial Banks

5. First Women Bank Limited
6. National Bank of Pakistan
7. Sindh Bank Limited
8. The Bank of Khyber
9. The Bank of Punjab
10. Allied Bank Limited
11. Askari Bank Limited
12. Bank Alfalah Limited
13. Bank AL Habib Limited
14. Faysal Bank Limited
15. Habib Bank Limited
16. Habib Metropolitan Bank Limited
17. JS Bank Limited
18. MCB Bank Limited
19. SAMBA Bank Limited
20. SILKBANK Limited
21. Soneri Bank Limited
22. Standard Chartered Bank (Pakistan) Limited
23. Summit Bank Limited
24. United Bank Limited
25. Albaraka Bank (Pakistan) Limited
26. BankIslami Pakistan Limited

- 27. Dubai Islamic Bank Pakistan Limited
- 28. Meezan Bank Limited
- 29. MCB Islamic Bank Limited
- 30. Citibank N.A.- Pakistan Operations
- 31. Deutsche Bank AG- Pakistan Operations
- 32. Industrial and Commercial Bank of China Limited- Pakistan Branches
- 33. MUFG Bank Limited- Pakistan Operations
- 34. Bank of China Limited- Pakistan Operations



DEPOSIT PROTECTION CORPORATION

Subsidiary of State Bank of Pakistan

SBP Building, Boulton Market

M.A Jinnah Road

KARACHI

DPC Circular No. 04 of 2018

June 22, 2018

The Presidents/ Chief Executives

All Banks

Dear Sir/ Madam,

Deposit Protection Mechanism for Banking Companies

A strong financial stability framework is necessary for growth of financial system and for enhancing public confidence in the system. Deposit protection schemes, around the world, are cornerstones of such frameworks. In this context, Deposit Protection Corporation (DPC) has been set up through promulgation of the Deposit Protection Corporation Act, 2016 (the Act), with an aim to provide protection to small depositors of banks operating in Pakistan.

2. Consequent upon the commencement of business with effect from June 01, 2018, the DPC, in exercise of its powers under section 6 of the Act, is pleased to issue instructions on the mechanism for protecting the depositors of banking companies, which are attached with this circular as Annexure-A. The subject protection mechanism has been developed, under the relevant sections of the Act, for compliance by banking companies and shall become effective from July 01, 2018. Kindly note that as per section 7(1) of the Act, an amount of Rs. 250,000/- (Rupees two hundred fifty thousand only) per depositor per bank has been determined by DPC as the guarantee amount.

3. The banking companies declared as members of the DPC vide its Circular No. 03 dated June 22, 2018 shall be required to comply with the provisions of the above mechanism.

4. Please acknowledge receipt.

Enclosed: Instructions on Deposit Protection Mechanism – Annexure-A

Yours truly,


(Lubna Farooq Malik)
Managing Director

INSTRUCTIONS ON DEPOSIT PROTECTION MECHANISM

In exercise of the powers conferred upon it by Section 6 of the Deposit Protection Corporation Act, 2016 (the Act), the Corporation is pleased to put in place a mechanism for protection of depositors. For this purpose, following instructions are being issued for compliance by the banking companies that have become members of the Corporation vide its Circular No. 03 dated June 22, 2018. These instructions shall become effective from July 01, 2018.

1. Membership of the Deposit Protection Corporation:

Membership of the Deposit Protection Corporation shall be compulsory for all banks scheduled under sub-section (2) of section 37 of the State Bank of Pakistan Act, 1956.

2. Protected Deposits:

- a. All categories and classes of depositors shall be protected, except for those mentioned below:
 - i. Categories and classes of depositors mentioned under Section 8 of the Act.
 - ii. All such amounts that have already been reported under unclaimed deposits by a member bank in compliance of Section 31 of Banking Companies Ordinance, 1962.
 - iii. Such deposits that are maintained at branches and subsidiaries of Pakistani banks operating outside Pakistan and branches located in Export Processing Zones.
- b. Under the provisions of Section 7(1) of the Act, an amount up to Rs. 250,000 (rupees two hundred and fifty thousand) per depositor per bank has been determined by the Corporation to be the guaranteed amount. The guaranteed amount may also be referred to as the protected amount or protected deposit.
- c. The funds of protected depositors of member banks, held under following types of deposits and banking accounts, shall be guaranteed by the Corporation up to the protected amount mentioned at para-2(b) above:
 - i. All types of current and saving accounts.
 - ii. All types of branchless banking accounts.
 - iii. Fixed term deposits/ accounts.
 - iv. Call deposit receipts/ Security deposit receipts.

- v. Deposit balances kept as cash margins/ cash collateral or under lien, that are payable to protected depositors after satisfaction of all dues payable by them to the bank.
- vi. Foreign currency accounts (under section 21(7) of the Act, the foreign currency denominated depositors shall be paid the Rupee equivalent of the protected amount at the exchange rate declared by the State Bank on the day of the notification under section 21(1) of the Act).
- vii. Any profit accrued and unpaid (under the terms and conditions of the product) on any or all of the above accounts and instruments.
- viii. Any other type/ category of accounts or deposits, as may be communicated by the Corporation from time to time.

3. Coverage Methodology:

The principle of per depositor per bank shall be used for determination of coverage up to the guarantee amount for the protected depositors of the member banks. The following methodology shall be used in this respect:

- a. In terms of section 20(1) of the Act, all outstanding balances of deposits and accounts mentioned under para-2(c) above, shall be aggregated together even if such accounts are maintained at different branches of the same bank.
- b. Where an account holder maintains individual as well as joint accounts, all the balances and accrued profits in his/ her individual as well as his/ her portion in joint accounts shall be added together to arrive at a final liability of the bank towards that depositor.
- c. Where a depositor maintains deposits in conventional branches as well as in its Islamic Banking Branches (IBBs), all the amounts so payable by the member bank shall be counted together, without comingling of conventional and Islamic deposits, to arrive at a final accumulated liability of the bank towards that depositor. The payment of protected deposit shall be made proportionately from respective Depositor Protection Funds on pro-rata basis, according to the share of conventional and Islamic deposits, subject to the maximum limit of protected amount as mentioned in para-2(b) above.
- d. If a depositor has deposits with two or more member banks that merge or amalgamate, the deposits up to the guarantee amount shall continue to be protected separately for a period of one year or full withdrawal or until maturity of the deposits, whichever occurs earlier, from the effective date of merger or amalgamation.

4. Reimbursement of Protected Deposits:

- a. The guarantee amount shall become payable to the protected depositors, if a member bank has been notified by State Bank of Pakistan as a failed institution under section 21(1) of the Act.
- b. The Corporation shall commence the procedure for reimbursement of protected deposits as per procedure laid down under Section 21 of the Act.
- c. The protected depositors of a member bank shall be reimbursed by the Corporation, up to the guarantee amount mentioned at para-2(b) or the amount calculated as per the provisions of Section 20 of the Act read with para-3 above, whichever is lower.

5. Premium Amount and Eligible Deposits:

- a. The amount of annual premium payable to the Corporation by the member banks under Section 5(2) of the Act, shall be calculated by multiplying 0.16% (sixteen hundredths of one percent) with their respective eligible deposits.
- b. The eligible deposits for each member bank shall be its "aggregate of the protected depositors' total funds" outstanding in their accounts, as mentioned at para-2 above, as on December 31st of each preceding calendar year.
- c. The member banks shall be required to report their eligible deposits, in their annual audited financial statements of each year, under the note on Deposits.
- d. The member banks shall not recover the premium cost from the protected depositors.
- e. Any change in the premium rate mentioned at para-5(a) above shall be communicated to the member banks from time to time.

6. Payment of Premium by Member Banks:

- a. The premium, as determined at para-5 above, shall be payable quarterly in four equal installments. The quarterly payments shall be made by 7th day of starting month of every quarter i.e., January, April, July and October of each calendar year. In case the 7th day is a holiday, it shall become payable by next working day.

- b. In case the annual audited accounts for the preceding year of any member bank do not become available till 7th of January, the premium shall be determined on the basis of eligible deposits as reported in its last available annual audited accounts. Subsequently, within seven days of the approval of annual audited accounts in its annual general meeting (AGM), the member bank shall recalculate their premium accordingly, for the relevant calendar year, and any differential shall be settled accordingly.

(explanation: In case of non-availability of annual audited accounts, the premium payable by member banks for 2018, becoming due on January 07, 2019, shall be initially based on the eligible deposits as reported by member banks as on December 31, 2017. However, the premium would be recalculated on the basis of eligible deposits of 2018 as per annual audited accounts of each member bank within seven days of approval of its annual audited accounts of 2018 in the AGM and any differential shall be settled accordingly.)

- c. The first premium shall be determined on the basis of eligible deposits of member banks as on December 31, 2017 and one-fourth of such premium shall become payable by July 07, 2018, while the rest one-fourth premium shall become payable by October 07, 2018.
- d. The member banks shall make payments of their premium payable amounts in the banking accounts of the Corporation maintained in SBP – Banking Services Corporation under intimation to the Deposit Protection Corporation within three days of such payments. The banks shall submit their details of eligible deposits as per the statement given at Appendix-A, along with such intimation.

7. Shariah Compliant Mechanism:

- a. A separate Shariah Compliant Deposit Protection mechanism for protected depositors of Islamic Banking Institutions as required under Section 7(3) of the Act, shall be provided by the Corporation. However, protected deposits, guarantee amount, coverage methodology, reimbursement of protected deposits, premium amount, eligible deposits and payment of premium by member banks shall be the same as determined for conventional banks.
- b. The Conventional Banks carrying out Islamic banking operations through Islamic Banking Branches shall ensure that the premium contribution(s) for their Islamic and Conventional deposits should be segregated and should be sourced from respective operations. The premium contribution for the

protection of Shariah complaint deposits should under all circumstances be charged to their respective Shariah compliant banking operations. In this regard, the bank's Shariah Compliance and Shariah Audit departments shall make necessary arrangements to ensure proper supervision.

- c. The Islamic Banking Branches of Conventional Banks shall be required to disclose their eligible deposits in the annual audited financial statements of each year, under the disclosure on Deposits of Islamic Banking Business.

8. Public Awareness:

- a. The member banks shall formulate a communication strategy to educate and bring awareness among their depositors about the deposit protection mechanism.
- b. All member banks shall be required to display an introduction of the Corporation and its various Circulars at the notice boards of all their branches. The member banks shall also place materials and separate links to the instructions and regulations issued by the Corporation on their websites for education of depositors.

Appendix-A (i)

Name of Bank
Statement of Eligible Deposits (Pakistan Operations only)
As of 31-12-2017

Conventional Banking		No. of Accounts	Amount (Million Rupees)
S. #			
A.	TOTAL DEPOSITS		
	EXCLUSIONS (as per section 8 of DPC Act, 2016)		
	<i>Deposits from:</i>		
1	Government or Government Institutions		
2	Member institutions whose deposits are in their names		
3	Companies as defined under Companies Ordinance, 1984		
(i)	Sub-Total (1+2+3)		
	FURTHER EXCLUSIONS (as per section 8 of DPC Act, 2016)		
	<i>Deposits from:</i>		
4	Persons who have been granted preferential interest or return in deviation from the terms and conditions announced by a member institution which the member institution is obliged to apply to all its depositors of similar category*		
5	Members of Board of Directors and senior management of a member institution including Chief Executive Officer and Key Executives**		
6	Partners of auditing firms responsible to certify the member institutions' financial statements***		
7	Persons having acquired rights to a deposit after the issuance of the State Bank's notification under Section 21(1) of the Act		
8	Spouses, dependent lineal ascendants and descendants and dependent brothers and sisters of the persons specified in items 5, 6 & 7 above		
9	Deposits arising out of or related to transactions or actions constituting 'money laundering' within the meaning of the Anti Money Laundering Act, 2010, if the offender has been convicted of such offence.		
(ii)	Sub-Total (4+5+6+7+8+9)		
B.	TOTAL EXCLUDED DEPOSITS (i+ii)		
C.	TOTAL ELIGIBLE DEPOSITS (A-B)		

Notes:

- 1 Please include outstanding balances of Call Deposit Receipts, Security Deposit Receipts and Cash Margins in all of the above deposits, if any. Foreign Currency Accounts are to be reported after conversion into PKR amounts (interbank rate as on 31-12-2017).
- 2 The Bank is required to comply with para-2 of Deposit Protection Mechanism while making this statement. DPC may review the information submitted and require the Bank to revise the same.
- * This will include the deposits on which arbitrary rates were offered out of standard terms and conditions of the product. Please do not include deposits in item 4 if already reported under items 1, 2 & 3 above. DPC may ask for further details of the deposits on preferential rates. It may be noted that the deposits mentioned from item 1-9 are not protected deposits as per section 8 of Deposit Protection Corporation Act, 2016. The Bank is required to inform its customers accordingly.
- ** This will include all the executives mentioned in SBP's BPRD Circular No. 05 dated March 12, 2015.
- *** Engagement partners of auditing firms responsible to certify the bank's annual financial statements for the year ended on December 31, 2017.

Appendix-A (ii)

Name of Bank
Statement of Eligible Deposits (Pakistan Operations only)
As of 31-12-2017

Islamic Banking		No. of Accounts	Amount (Million Rupees)
S. #			
A.	TOTAL DEPOSITS		
	EXCLUSIONS (as per section 8 of DPC Act, 2016)		
	<i>Deposits from:</i>		
1	Government or Government Institutions		
2	Member institutions whose deposits are in their names		
3	Companies as defined under Companies Ordinance, 1984		
(i)	Sub-Total (1+2+3)		
	FURTHER EXCLUSIONS (as per section 8 of DPC Act, 2016)		
	<i>Deposits from:</i>		
4	Persons who have been granted preferential interest or return in deviation from the terms and conditions announced by a member institution which the member institution is obliged to apply to all its depositors of similar category*		
5	Members of Board of Directors and senior management of a member institution including Chief Executive Officer and Key Executives**		
6	Partners of auditing firms responsible to certify the member institutions' financial statements***		
7	Persons having acquired rights to a deposit after the issuance of the State Bank's notification under Section 21(1) of the Act		
8	Spouses, dependent lineal ascendants and descendants and dependent brothers and sisters of the persons specified in items 5, 6 & 7 above		
9	Deposits arising out of or related to transactions or actions constituting 'money laundering' within the meaning of the Anti Money Laundering Act, 2010, if the offender has been convicted of such offence.		
(ii)	Sub-Total (4+5+6+7+8+9)		
B.	TOTAL EXCLUDED DEPOSITS (i+ii)		
C.	TOTAL ELIGIBLE DEPOSITS (A-B)		

Notes:

- Please include outstanding balances of Call Deposit Receipts, Security Deposit Receipts and Cash Margins in all of the above deposits, if any. Foreign Currency Accounts are to be reported after conversion into PKR amounts (interbank rate as on 31-12-2017).
 - The Bank is required to comply with para-2 of Deposit Protection Mechanism while making this statement. DPC may review the information submitted and require the Bank to revise the same.
- * This will include the deposits on which arbitrary rates were offered out of standard terms and conditions of the product. Please do not include deposits in item 4 if already reported under items 1, 2 & 3 above. DPC may ask for further details of the deposits on preferential rates. It may be noted that the deposits mentioned from item 1-9 are not protected deposits as per section 8 of Deposit Protection Corporation Act, 2016. The Bank is required to inform its customers accordingly.
- ** This will include all the executives mentioned in SBP's BPRD Circular No. 05 dated March 12, 2015.
- *** Engagement partners of auditing firms responsible to certify the bank's annual financial statements for the year ended on December 31, 2017.



DEPOSIT PROTECTION CORPORATION

Subsidiary of State Bank of Pakistan

SBP Building, Boulton Market

M.A. Jinnah Road

KARACHI

DPC Circular No. 05 of 2018

November 05, 2018

The Presidents/ Chief Executives
All Islamic Banking Institutions

Dear Sir/ Madam,

Shariah Compliant Deposit Protection Mechanism for Islamic Banking Institutions

This is with reference to DPC Circular No. 04 dated June 22, 2018, on the subject of Deposit Protection Mechanism for Banking Companies.

2. In terms of Section 7(3) of Deposit Protection Corporation Act, 2016, read with para 7(a) of the Instructions issued vide above referred Circular, Shariah Compliant Deposit Protection Mechanism for Islamic Banking Institutions (IBIs) is hereby provided after approval by Shariah Advisory Committee of State Bank of Pakistan.

3. Please acknowledge receipt.

Enclosed: Shariah Compliant Deposit Protection Mechanism for IBIs – Annexure-A

Yours truly,

(Lubna Farooq Malik)

Managing Director

**Shariah Compliant Deposit Protection Mechanism for Islamic Banking Institutions
Under Section 7(3) of Deposit Protection Corporation Act, 2016**

Deposit Protection Corporation has been established as a subsidiary of the State Bank of Pakistan (SBP) under the Deposit Protection Corporation Act, 2016 (the Act). The objective of the Corporation is to protect depositors and compensate them to the extent of their protected deposits in the event of failure of a member bank.

In terms of Section 7(3) of the Act, a Shariah compliant mechanism of deposit protection in respect of the Islamic Banking Institutions (IBIs), duly approved by State Bank's Shariah Advisory Committee, is provided as under:

1. Nature and Scope of Deposit Protection Waqf (DP Waqf):

- a. A DP Waqf shall be established under this mechanism for protection of depositors of IBIs. The nature of DP Waqf shall be as an account established by the Corporation to receive premium contributions from participatory/ member IBIs for the purpose of reimbursement of protected deposits of a failed participatory/ member IBI. The DP Waqf shall be represented by the Corporation in all its affairs.
- b. The mechanism shall be in addition to and not in derogation of the Act, the Rules and Regulations thereunder and the instructions/ policies approved by the Board with respect to its applicability to the DP Waqf and all its participatory/ member IBIs.

2. Objective of the DP Waqf:

The objective of the DP Waqf is to provide a Shariah compliant mechanism for protected depositors of IBIs up to an amount prescribed under Section 7(1) of the Act, in the event of failure of a participatory/ member IBI as notified by the State Bank in terms of Section 21(1) of the Act.

3. Members/ Participants:

The members/ participants of the DP Waqf shall include following IBIs:

- a. Islamic Banks;
- b. Islamic Banking Subsidiaries of Conventional Banks; and
- c. Islamic Banking Branches of Conventional Banks.

4. Structure of the DP Waqf:

Structure of the DP Waqf shall be based on Waqf-Wakalah model, as stated below:

- a. Waqf:
 - i. DP Waqf shall be created with an amount of Rs. 1,000,000 (Rupees One Million only) as a seed money (Asl-e-Waqf) contributed by the Corporation, with approval of its Board.
 - ii. Participatory/ member IBIs shall participate into the DP Waqf in the form of premium contributions, on donation/ tabarru basis, which shall become the property of the DP Waqf (Mamlook-e-Waqf).

- b. **Wakalah:** The Corporation shall be responsible for management of the DP Waqf. The Corporation shall act as Manager/ Agent (wakeel) of the DP Waqf under Wakalah relationship. Under this arrangement, as per Shariah principles, the DP Waqf shall be the Principal and the Corporation shall act as its Agent. However, the Corporation shall not be an agent of any member/ participatory IBI.

5. Premium Contribution and its Status:

- a. Each member/ participant IBI shall pay premium contribution amount, from their own sources with no cost to the depositors, into the DP Waqf as determined by the Corporation in terms of the Deposit Protection Rules and Deposit Protection Regulations/ Instructions.
- b. The premium contribution shall be on donation/ tabarru basis along with any return thereon. After payment of premium contribution by member/ participatory IBIs, the ownership of the premium contribution along with any return thereon shall be transferred into the DP Waqf and this shall no longer remain in the ownership of member/ participatory IBIs.

6. Shariah Compliance:

The Board shall ensure Shariah compliance of the deposit protection mechanism for the IBIs. The matters of Shariah compliance related to day-to-day affairs of DP Waqf may be supervised by the internal compliance/ audit arrangement of the Corporation or as advised by the Board. However, matters requiring Shariah opinion/ rulings shall be referred to SBP to seek opinion/ rulings of the Shariah Advisory Committee of SBP, if the same is advised by the Board.

7. DP Waqf's Resources Pool:

- a. The Corporation shall open and maintain separate Shariah compliant account(s) for managing resources of the DP Waqf with the State Bank of Pakistan, SBP Banking Services Corporation or any other Islamic banking/ financial institution with prior approval of the Board.
- b. The DP Waqf's resources pool may consist of:
 - i. Initial premium contribution, if any, received from the member/ participant IBIs.
 - ii. Periodic premium contributions received from the member/ participant IBIs.
 - iii. Proceeds received from liquidation of failed member institution's assets under Section 17(e) of the Act.
 - iv. Return on Shariah compliant investments.
 - v. Other sources including financing, donations, grants and assistance under Shariah compliant mechanism.

8. Backup Funding Avenues:

- a. The Corporation may raise funding and/ or meet shortfall for the DP Waqf through the following modes:

- i. Financing through Islamic modes as approved by the Board.
 - ii. Financing facility from conventional deposit protection fund of the Corporation subject to Shariah compliant mechanism.
 - iii. Financial arrangements from State Bank of Pakistan.
 - iv. Special allocation from the national budget/ Federal Government.
 - v. Increase in premium contribution to be received from member/ participant IBIs.
 - vi. Seeking advance premium contribution from member/ participant IBIs.
- b. Financing drawn by the Corporation for the DP Waqf may be secured by a guarantee issued by the Federal Government, the State Bank or by the Corporation's assets, including Corporation's future claims on member/ participant IBIs for premium contributions.

9. Application of the DP Waqf's Resources:

The resources of DP Waqf may be applied for:

- i. Shariah compliant investments in different avenues such as Sukuks issued by the Government, Sukuks guaranteed by the Government, remunerative deposits in Islamic banking institutions and other Shariah compliant avenues.
- ii. Payment of the management/ wakalah fee to the manager (the Corporation) of the DP Waqf.
- iii. Repayment of the financing (if any) taken for the DP Waqf.
- iv. Payments against protected deposits of participatory/ member IBIs, up to the amount prescribed under Section 7(1) of the Act.
- v. Any other purpose as approved by the Board.

10. Payment to the Depositors from the DP Waqf by the Corporation:

Subject to Section 21 of the Act, the payment to any depositor(s) will be made from the DP Waqf by the Corporation, up to the protected amount, against the balances held in their accounts with the relevant member IBI.

11. Management/ Wakalah Fee:

To cover the operating expenses of the manager (the Corporation), Wakalah fee may be charged to the DP Waqf. The fee shall be calculated keeping in view the expenses incurred by the Corporation. For the sake of clarity, all such outlays shall be considered as expenses that are approved by the Board. The Wakalah Fee may be revised periodically by the Corporation, as approved by the Board.

12. Liquidation of the DP Waqf:

In case of liquidation, the outstanding assets of the DP Waqf (excluding an amount equal to the seed money as mentioned in para 4a(i) above) shall be vested with State Bank of Pakistan, which shall be utilized for any arrangement as advised by the Shariah Advisory Committee. The seed money shall be transferred to any other Waqf as advised by the Shariah Advisory Committee.
