

PSX/N - 395

May 3, 2024

FOR ALL MARKET PARTICIPANTS PRIMARY MARKET AUCTION OF GOP IJARAH SUKUK

This is with reference to PSX Notice# PSX/N-343 dated 18th April, 2024 regarding the Auction Calendar for GoP Ijarah Sukuk (GIS).

All Market Participants are hereby informed that the **8th auction of GoP Ijarah Sukuk (GIS)** is planned to be conducted on **9th May, 2024** through PSX Auction System. All Broker Clearing Members (BCMs), Non-Broker Clearing Members (NBCMs) and Professional Clearing Member (PCM) of National Clearing Company of Pakistan Limited (NCCPL) are eligible to participate in the Auction for their proprietary accounts, investors and funds under their management.

Please note following key points related to this auction:

- The Participant Admin User details (Back office and Front office) as provided by the participants for the 7th auction dated 25th April, 2024 to PSX/NCCPL shall be used 'as is' for this upcoming auction.
- In case of any amendment in the Participants' Admin user details, participants may provide the updated details to PSX/NCCPL on below mentioned email addresses.
- All NBCMs shall be assigned all five instruments by default, for onward assignment to their investors as per their requirement.
- BCM participants are required to provide instrument wise **10% Advance Committed Amount** and inform PSX/NCCPL via emails nccpl-docs@nccpl.com.pk & trading@psx.com.pk with the subject clearly specifying "**Primary Market Auction Setup**".
- All participants shall use their same credentials (User ID, Password and PIN Code) for this auction as were used in 25th April, 2024 auction for investor mapping/cash assignment and bidding.
- The investors registered by the participants in 7th auction dated 25th April, 2024 shall remain there in auction system and participants are only required to map the instruments and assign cash where applicable.
- Participants to incorporate accurate UIN, CDC Participant ID and CDC Sub Account No./CDC Investor A/c No otherwise Auction System will not allow to register investor (s) as Auction System is integrated with CDC system. In case investor has no existing Trading Account/CDC Sub Account/ CDC Investor Account, participants will be required to input five times "ZEROs (00000)" in the Participant ID field while registering the investors.

All Participants are requested to please follow the step by step procedure as mentioned below:

Activity	Day & Date	Time
BCM Participants to communicate their expression of interest along with 10% Advanced instrument wise committed cash amount to NCCPL/PSX at (nccpl-docs@nccpl.com.pk ; trading@psx.com.pk) with subject clearly specifying ' Primary Market Auction Setup '.	From: Monday, May 6, 2024 Till: Tuesday, May 7, 2024	From: 9:00 a.m. Till: 3:00 p.m.

<p>BCMs shall also be required to submit their cash advance through the GDS Advance Deposit screen available on their NCCS terminals via URL https://ncss.nccpl.pk/Ncss.jsp</p> <p>New participants shall provide two Admin users detail to NCCPL/PSX; one for Front Office and the other for Back Office.</p> <p>(refer Note – 1)</p>		
<p>Upon registration of Participants and limit assignment by PSX, Participants shall be registered in the Auction System along with the accurate registration details and the assigned limits.</p> <p>The credentials (Login ID and Password) of Participants for Auction System shall be sent on their registered email addresses while PIN code shall be sent on to the register mobile numbers.</p>	<p>From: Monday, May 6, 2024 Till: Tuesday, May 7, 2024</p>	<p>From: 11:00 a.m. Till: 5:00 p.m.</p>
<p>Interested participants would be required to map the auction instrument (s) and assign cash (where applicable) using their auction system credentials used in 7th auction.</p> <p>Participants who had not participated in 7th auction shall be required to register their investors and also to map instrument/cash assignment (where applicable).</p> <p>(refer Note – 2)</p>	<p>From: Monday, May 6, 2024 Till: Tuesday, May 7, 2024</p>	<p>From: 12:00 p.m. Till: 11:00 p.m.</p>
<p>Advance cash amount committed to NCCPL shall be deposited through NCCS terminal via URL https://ncss.nccpl.pk/Ncss.jsp by 11:00 a.m. one day before the Auction Day. In case of failure, respective participant would be disabled for the bidding session.</p>	<p>Wednesday, May 8, 2024</p>	<p>From: 9:00 a.m. To: 11:00 a.m.</p>
<p>Auction of all 5 instruments [Competitive & Non-Competitive]</p>	<p>Thursday, May 9, 2024</p>	<p>From: 10:00 a.m. To: 12:00 p.m.</p>
<p>Final Collection of Settlement Amount</p>	<p>Friday, May 10, 2024</p>	<p>From: 9:00 a.m. To: 12:00 p.m.</p>

Note – 1

CM ID	CM Name	User Type	Participant Contact Person	Contact Person		No. of Branches to be created	Margin Allocation % in case of Branch	Instrument Code	Instrument wise Advance Amount (Rs.)
				Email Address	Mobile#				
11111	ABC Bank	Front Office	ABC	abc@hotmail.com	923341234567	1	-	P01GIS090525 P03FRR100527 P05FRR100529 P03VRR100527 P05VRR100529	-
11111	ABC Bank	Back Office	XYZ	xyz@hotmail.com	923451234567				
22222	ABC Broker	Front Office	ABC1	abc1@hotmail.com	923331234567	2	50%	P01GIS090525 P03FRR100527 P05FRR100529 P03VRR100527 P05VRR100529	500,000 in each instrument
22222	ABC Broker	Back Office	XYZ1	xyz1@hotmail.com	923001234567				
22222	ABC Broker – 01	Front Office	ABC2	abc2@hotmail.com	923011234567		50%		
22222	ABC Broker-01	Back Office	XYZ2	xyz@hotmail.com	923441234567				

**Instrument wise Advance Amount is ONLY applicable for BCMs.*

Note – 2:

Investor Name	CNIC#/UIN	Email Address	Mobile# (11 Digits)	IBAN Number	CDC Sub A/c. No. OR CDC Investor A/c No.	CDC Participant ID	Instrument Code	10% Advance Amount
ABC	For CNIC: 13-Digits without “_” For Co. Reg.# Minimum of 7 digits	abc@hotmail.com	923331234567	24 Digits without spaces PK12BABA106800001011101	Should be accurate	Should be accurate and of 5 digits		

Auction and Instrument Details:

Auction System Link	Participants and Investors can place bids through online auction portal provided by PSX: https://debt.psx.com.pk/
Auction Day & Date	Thursday, May 9, 2024
Auction Timings (Competitive & Non-Competitive Bidding)	10:00 a.m. to 12:00 p.m.
Issuer	Pakistan Domestic Sukuk Company Limited (PDSCCL) through Ministry of Finance (MoF)
Instruments Issue	<ul style="list-style-type: none"> ▪ 1 Year Fixed Rate GIS Discounted ▪ 3 & 5 Year GIS-Fixed Rental Rate (FRR) ▪ 3 & 5 Year GIS-Variable Rental Rate (VRR)
Instrument Code	<ul style="list-style-type: none"> ▪ P01GIS090525 ▪ P03FRR100527 ▪ P05FRR100529

	<ul style="list-style-type: none"> ▪ P03VRR100527 ▪ P05VRR100529
Instrument Name	<ul style="list-style-type: none"> ▪ 1 Year Fixed Rate GIS Discounted– Maturity Date 09-May-25 ▪ 3 Year GIS-FRR – Maturity Date 10-May-27 ▪ 5 Year GIS-FRR – Maturity Date 10-May-29 ▪ 3 Year GIS-VRR – Maturity Date 10-May-27 ▪ 5 Year GIS-VRR – Maturity Date 10-May-29
Tenor	<ul style="list-style-type: none"> ▪ 364 Days for 1-Year GIS-Discounted ▪ 3 Years and 5 Years for GIS-FRR and GIS-VRR
Face Value per Sukuk	Rs.5,000 for all instruments
Settlement Date	10-May-2024 (Business Day following the Auction Day)
Minimum Bid Size	Rs.5,000 and in multiple thereof for all instruments
Maximum Bidding Limit (Rs.)	<ul style="list-style-type: none"> ▪ For competitive bids, there is no maximum amount ▪ For non-competitive bids, the maximum limit per investor is 0.25% of pre-auction target amount or Rs.500 million whichever is lower
Target Amount	<ul style="list-style-type: none"> ▪ PKR 20 Billion for GIS-Discounted ▪ PKR 20 Billion for 3 Year GIS-FRR ▪ PKR 20 Billion for 5 Year GIS-FRR ▪ PKR 20 Billion for 3 Year GIS-VRR ▪ PKR 20 Billion for 5 Year GIS-VRR
Eligible Investors	<ul style="list-style-type: none"> ▪ Existing investors having CDC Sub A/c or CDC IAS Account ▪ Roshan Digital Account Holders (RDA) through CDC Investor Account Services ▪ New investors having no CDC Sub A/c can participate through Facilitation Account service provided by CDC
Advance cash Requirements	<ul style="list-style-type: none"> ▪ For BCMs, CDC IAS and PCM advance cash one day before auction, remaining on settlement date on A+1 ▪ For NBCMs (Banks or DFI), Standing Instruction required one day before auction ▪ For NBCMs (Mutual Funds), Irrevocable undertaking from Trustee is required one day before auction ▪ In case, successful investors do not fulfill their money obligation, Participant may inform NCCPL to park the units in participant’s house account instead of the investors account.

Instrument wise Term Sheets are enclosed as Annexure “A”, Annexure “B” and Annexure “C”.

Please note that primary and secondary market procedures along with other necessary details are placed on the PSX website at the following link:

<https://www.psx.com.pk/psx/product-and-services/products/government-debt-securities-primary-market-auction>

Participants can communicate at trading@psx.com.pk, nccpl-docs@nccpl.com.pk & info@cdcpak.com or call via the following numbers, for required support:

Location	Contact Details
PSX	021-35274384 021-35274337 021-35274328 & 021-35274401 to 4410
NCCPL	021-111-111-622
CDC	0800-23275

PSX, CDC and NCCPL look forward to your usual support and cooperation towards the successful primary issuance of Sukuk through Capital Market.

Regards,

_____sd_____
Jawad H. Hashmi
General Manager,
Chief Market Operations Officer – PSX

_____sd_____
Muhammad Asif
General Manager,
Head of Operations-NCCPL

_____sd_____
Abdul Samad
Chief Operating Officer-CDC

Copy To:

1. The Director General, Debt Office
2. ED, FMRM (SBP)
3. The Director / HOD (PRDD), SECP
4. The Chief Executive Officer, PSX
5. The Chief Executive Officer, CDC
6. The Chief Executive Officer, NCCPL
7. Secretary General, PSBA
8. MUFAP
9. Pakistan Bankers Association
10. Financial Market Association of Pakistan
11. PSX Website

Annexure “A”

Term Sheet

1-year Listed GOP Ijarah Sukuk

Issue / Security	1-year listed GOP Ijarah Sukuk.
Issuer	Pakistan Domestic Sukuk Company Limited (PDSCL) - a wholly owned subsidiary of Ministry of Finance, Government of Pakistan.
Target Size	PKR 20 billion.
Issue Date	Friday, 10 th May, 2024
Maturity Date	Friday, 9 th May, 2025
Sukuk	A Shariah-compliant certificate/instrument that represents the undivided proportionate ownership of the Ijarah Asset.
Face Value	Face Value means the amount to be received by each Security holder at maturity. (It is the sum of sale proceed of each Sukuk Certificate at Maturity Date of the Issue and payable Ijarah Rental)
Bid Amount Face Value	A single bid can be placed for Face Value of PKR 5,000 or any multiple of PKR 5,000.
Bid Price	Bid Price shall be the price computed by the bidder for a Security using Face Value of 100 and specified up to four decimal places.
Bid Amount Realized Value	$Bid\ Amount\ Face\ Value \times \frac{Bid\ Price}{100}$
Cut-off Price	<p>Cut-off Price shall be the Bid Price accepted by the Ministry of Finance. In case, the Ministry of Finance does not accept any Bid Price, the auction shall stand rejected.</p> <p>This Cut-off Price will be used to calculate the Investment Value for each Sukuk</p>

<p>Investment Value</p>	<p>Investment Value of a successful bid shall be equal to</p> $Bid\ Amount\ Face\ Value \times \frac{Cut - off\ Price}{100}$ <p>Investment Value per Sukuk shall be the purchase price of the proportionate share purchased by the investor in the identified Ijarah Asset.</p> <p>Each Sukuk represent the undivided proportionate ownership share in the ijarah asset upto the investment Value.</p> <p>The undivided percentage share of ownership in the Ijarah Asset for each Sukuk will be calculated as follows:</p> <p>Investment Value per Sukuk / Total Market Value of the Asset.</p>
<p>Tenor</p>	<p>364 days.</p>
<p>Joint Financial Advisors & Shariah Advisor to the Issue</p>	<p>Meezan Bank Limited, Dubai Islamic Bank (Pakistan) Limited, Bank Islami Pakistan Limited, Bank Alfalah Limited.</p>
<p>Issuance Methodology</p>	<p>The Sukuk shall be issued at a discount (Investment Value) from the Face Value.</p> <p>An investor may submit any number of bids to purchase the Sukuk in the manner prescribed by Pakistan Stock Exchange (PSX).</p> <p>Each bid must specify the Bid Amount Face Value and the Bid Price.</p> <p>The auction shall follow a single price methodology. All bids whose Bid Prices are equal to or higher than the Cut-off Price shall be treated as successful bids. All the successful bidders shall be allocated the cut-off Price.</p>
<p>Ijarah Rental (Profit)</p>	<p>Ijarah Rental in respect of an issued security shall be equal to its Face Value minus Investment Value.</p> <p>The amount of rental shall remain fixed for entire tenure.</p>
<p>Tradability</p>	<p>Tradable on Pakistan Stock Exchange (PSX).</p>
<p>Rental Payment Frequency</p>	<p>On maturity.</p>
<p>Rental Payment Obligation & Asset Purchase Undertaking</p>	<p>Government of Pakistan.</p>
<p>Ijarah Asset Details & Valuation</p>	<p>Ijarah Asset means the undivided asset share to be purchased by the Sukuk holders as defined in the Transaction Structure.</p>

<p>Transaction Structure, Shariah Approval</p>	<p>Transaction structure is based on Ijarah (sale & lease back of underlying assets).</p> <p>A detailed transaction structure (including Shariah Advisor's approval, asset details, transaction flow, related transaction risks & reward) as approved by the Shariah Advisor to the Issue is attached as Annex-A.</p>
<p>Eligible Investors</p>	<p>All eligible investors as defined in the Government of Pakistan Sukuk Rules 2008 (as amended in 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17th November 2023 including the following:</p> <ul style="list-style-type: none"> • Individuals, Institutions, Trusts, funds of all types, bodies corporate including banks, non-banking finance companies, insurance and Takaful companies irrespective of their residential status. • RDA Customers. • Non-resident Pakistani. • Foreign Investors & International Islamic Banks & Fls.
<p>Eligible Participants</p>	<p>All Clearing Members of NCCPL shall be allowed to submit bids as Auction Participants in the auction process.</p>
<p>Non-Competitive Bid (NCB)</p>	<p>The investors may place NCBs on the auction date in the manner prescribed by PSX.</p> <p>NCB shall only specify the Bid Amount Face Value.</p> <p>A single investor shall not bid for an aggregate face value exceeding 0.25% of the Auction Target or PKR 500 million, whichever is lower.</p> <p>In case the aggregate Face Value of all NCBs is greater than the available cushion in the Ijarah Asset, the securities shall be issued on prorata basis to the relevant investors.</p> <p>All NCBs shall be treated as successful provided that the Ministry of Finance announces a cut-off price. No NCBs shall be treated as successful in case the auction is rejected.</p> <p>The calculation methodology of Investment Value and Ijarah Rental for NCBs shall be the same as of the competitive bids.</p>

Margin Requirement	Margins requirements shall be as per the applicable policies of PSX & NCCPL and shall be refundable in case of unsuccessful bids.
Sukuk Redemption	The Sukuk shall be redeemed on Maturity Date by paying the applicable Face Value.
Investment Agent	Pakistan Domestic Sukuk Company Limited. (By entering into the auction process, all investors to the Issue shall agree to authorize Investment Agent to perform all actions required on their behalf as per the Transaction Structure & related documentation)
Legal Advisor	Ahmed & Qazi Advocates & Legal Consultants
Paying Agent	National Clearing Company of Pakistan Limited (NCCPL).
Registrar	Central Depository Company (CDC) Share Registrar Services Limited (wholly owned subsidiary of CDC).
Custodian & Transfer Agent	The Sukuk shall be inducted in Central Depository System (CDS) of CDC in book entry form and units (in term of volume) and will be reflected in the CDS account of the sukuk holders. Transfer of Securities shall be made in accordance with the Central Depositories Act, 1997 and CDC Regulations made under the Act.
Listing	Sukuk shall be listed on PSX.
SLR Eligibility	The Sukuk shall be an 100% SLR eligible instrument for all eligible investors, on the basis of Government of Pakistan Sukuk Rules 2008 (as amended in 2023), published in Government of Pakistan S.R.O 1585(I)2023 dated 17 th November 2023, issued by Ministry of Finance.

<p>Disclaimer & Investor Advice</p>	<ul style="list-style-type: none"> • Investors are advised to read the Term Sheet, Transaction Structure and related documentation to understand the risk and reward of the transaction and should not construe this Term Sheet, Transaction Structure and related documentation as financial, legal or tax advice and should conduct their own investigation and analysis of the transaction described herein before deciding to invest in the Sukuk. • Investment in Listed Sukuk is subject to market risk, liquidity risk, asset risk, foreign exchange risk and prevailing market conditions. • The transaction is governed by the Transaction Structure and related legal documents, approved by the Shariah Advisor.
<p>Governing Rules</p>	<p>Government of Pakistan Sukuk Rules, 2008 (amended 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17th November 2023.</p>
<p>Governing Law</p>	<p>The Sukuk shall be subject to the laws of Islamic Republic of Pakistan.</p>
<p>Shariah Compliance</p>	<p>The overall issue has been structured and shall be executed in accordance to the guidelines provided by the Shariah Advisors of Joint Financial Advisors and all parties involved in the transaction shall commit to ensure compliance with these guidelines at all times.</p>
<p>Indemnification</p>	<p>The Issuer hereby indemnifies and agrees to hold harmless the Joint Financial Advisors and Shariah Advisor and each of their affiliates and each of its respective officers, directors, employees, agents, advisors and representatives (each an “Indemnified Party”) from and against any and all claims, damages, losses, liabilities, costs and expenses (hereinafter collectively referred as “Claim”), joint or several, that may be incurred by or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to the Issue except to the extent such Claim has resulted from such respective Party’s gross negligence or willful misconduct.</p>
<p>Arbitration</p>	<p>Any conflict shall be resolved with the mutual consent of respective parties involved. In absence of mutual consent, the matter shall be resolved through Pakistani courts.</p>

Annexure “B”

Term Sheet

3/5-year Listed Fixed Rate of Return (FRR) GOP Ijarah Sukuk

Issue / Security	3/5-year listed FRR GOP Ijarah Sukuk.
Issuer	Pakistan Domestic Sukuk Company Limited (PDSCL) - a wholly owned subsidiary of Ministry of Finance, Government of Pakistan.
Target Size	PKR 20 billion for each 3-year and 5-year instrument.
Issue Date	10 th May, 2024
Maturity Date	10 th May, 2027 for 3-year Sukuk 10 th May, 2029 for 5-year sukuk In case the Maturity Date falls on a public holiday then the maturity of the Sukuk would be on the next working day.
Sukuk	A Shariah-compliant certificate/instrument that represents the undivided proportionate ownership of the Ijarah Asset.
Face Value	Face Value of each Sukuk would be PKR 5,000 which would represent the ownership share in the Ijarah Asset. The undivided percentage share of ownership in the Ijarah Asset for each Sukuk will be calculated as follows: Face Value per Sukuk / Total Market Value of the Asset.
Bid Amount	A single bid can be placed for Face Value of PKR 5,000 or any multiple of PKR 5,000.
Bid Rate	Bid Rate shall be the Ijarah Rental Rate upto 4 decimal spaces specified for determination of Ijarah Rental.
Cut-off Rate	Cut-off Rate shall be the Bid Rate accepted by the Ministry of Finance. In case, the Ministry of Finance does not accept any Bid Rate, the auction shall stand rejected.
Tenor	3 years and 5 Years

Joint Financial Advisors & Shariah Advisor to the Issue	Meezan Bank Limited, Dubai Islamic Bank (Pakistan) Limited, Bank Islami Pakistan Limited, Bank Alfalah Limited.
Issuance Methodology	<p>The Sukuk shall be issued at Face Value.</p> <p>An investor may submit any number of bids to purchase the Sukuk in the manner prescribed by Pakistan Stock Exchange (PSX).</p> <p>Each bid must specify the Bid Amount and the Bid Rate.</p> <p>The auction shall follow a single price methodology. All bids whose Bid Rate are equal to or lesser than the Cut-off Rate shall be treated as successful bids. All the successful bidders shall be allocated the cut-off Price.</p>
Ijarah Rental (Profit)	<p>Ijarah Rental for each Sukuk for each six month period shall be calculated as follows:</p> <p><i>Face Value x Cut-off Rate x Number of days in a period divided by 365</i></p>
Tradability	Tradable on Pakistan Stock Exchange (PSX).
Rental Payment Frequency	Semi Annual
Rental Payment Obligation & Asset Purchase Undertaking	Government of Pakistan.
Ijarah Asset Details & Valuation	Ijarah Asset means the asset share to be purchased by the Sukuk holders as defined in the Transaction Structure
Transaction Structure, Shariah Approval & Ijarah Asset Details	<p>Transaction structure is based on Ijarah (sale & lease back of underlying assets).</p> <p>A detailed transaction structure (including Shariah Advisor's approval, asset details, transaction flow, related transaction risks & reward) as approved by the Shariah Advisor to the Issue is attached as Annex-A.</p>

<p>Eligible Investors</p>	<p>All eligible investors as defined in the Government of Pakistan Sukuk Rules 2008 (amended in 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17th November 2023 including the following:</p> <ul style="list-style-type: none"> • Individuals, Institutions, Trusts, funds of all types, bodies corporate including banks, non-banking finance companies, insurance and Takaful companies irrespective of their residential status. • RDA Customers. • Non-resident Pakistani. • Foreign Investors & International Islamic Banks & FIs.
<p>Eligible Participants</p>	<p>All Clearing Members of NCCPL shall be allowed to submit bids as Auction Participants in the auction process.</p>
<p>Non-Competitive Bid (NCB)</p>	<p>The investors may place NCBs on the auction date in the manner prescribed by PSX.</p> <p>NCB shall only specify the Bid Amount Face Value.</p> <p>A single investor shall not bid for an aggregate face value exceeding 0.25% of the Auction Target or PKR 500 million, whichever is lower.</p> <p>In case the aggregate Face Value of all NCBs is greater than the available cushion in the Ijarah Asset, the securities shall be issued on prorata basis to the relevant investors.</p> <p>All NCBs shall be treated as successful provided that the Ministry of Finance announces a cut-off price. No NCBs shall be treated as successful in case the auction is rejected.</p> <p>The calculation methodology of Face Value and Ijarah Rental for NCBs shall be the same as of the competitive bids.</p>
<p>Margin Requirement</p>	<p>Margins requirements shall be as per the applicable policies of PSX & NCCPL and shall be refundable in case of unsuccessful bids.</p>
<p>Sukuk Redemption</p>	<p>The Sukuk shall be redeemed on Maturity Date by paying the applicable Face Value.</p>

Investment Agent	Pakistan Domestic Sukuk Company Limited. (By entering into the auction process, all investors to the issue shall agree to authorize Investment Agent to perform all actions required on their behalf as per the Transaction Structure & related documentation)
Investment Agent	Pakistan Domestic Sukuk Company Limited.
Legal Advisor	Ahmed & Qazi Advocates & Legal Consultants
Paying Agent	National Clearing Company of Pakistan Limited (NCCPL).
Registrar	Central Depository Company (CDC) Share Registrar Services Limited (wholly owned subsidiary of CDC).
Custodian & Transfer Agent	The Sukuk shall be inducted in Central Depository System (CDS) of CDC in book entry form and units (in term of volume) and will be reflected in the CDS account of the sukuk holders. Transfer of Securities shall be made in accordance with the Central Depositories Act, 1997 and CDC Regulations made under the Act.
Listing	Sukuk shall be listed on PSX.
SLR Eligibility	The Sukuk shall be an 100% SLR eligible instrument for all eligible investors, on the basis of Government of Pakistan Sukuk Rules 2008 (as amended in 2023), published in Government of Pakistan S.R.O 1585(I)2023 dated 17 th November 2023, issued by Ministry of Finance.
Other Terms & Conditions	<ul style="list-style-type: none"> • No bid shall be considered if received after the deadline for bid submission. • PSX shall notify the successful bidder • Shariah structure and legal documentation shall be approved by Shariah Advisor of the Issue. • Ministry of Finance, Government of Pakistan reserves the right to reject the bids without assigning any reason.
Reopening of Sukuk	The Sukuk can be reopened in the future subject to the terms and conditions of the approved Transaction Structure.
Appointment of Investment Agent by the Investors	The potential investors shall appoint the Pakistan Domestic Sukuk company Limited (PDSCL) as Investment Agent pursuant to the execution of Bid Terms and Conditions document prior to placement of Bids, whereby investors would authorize the Investment Agent to execute the transaction documents on behalf of the Investors

<p>Disclaimer & Investor Advice</p>	<ul style="list-style-type: none"> • Investors are advised to read the Term Sheet, Transaction Structure and related documentation to understand the risk and reward of the transaction and should not construe this Term Sheet, Transaction Structure and related documentation as financial, legal or tax advice and should conduct their own investigation and analysis of the transaction described herein before deciding to invest in the Sukuk. • Investment in Listed Sukuk is subject to market risk, liquidity risk, asset risk, foreign exchange risk and prevailing market conditions. <p>The transaction is governed by the Transaction Structure and related legal documents, approved by the Shariah Advisor.</p>
<p>Governing Rules</p>	<p>Government of Pakistan Sukuk Rules, 2008 (as amended in 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17th November 2023.</p>
<p>Governing Law</p>	<p>The Sukuk shall be subject to the laws of Islamic Republic of Pakistan.</p>
<p>Shariah Compliance</p>	<p>The overall issue has been structured and shall be executed in accordance to the guidelines provided by the Shariah Advisor of Joint Financial Advisors and all parties involved in the transaction shall commit to ensure compliance with these guidelines at all times.</p>
<p>Indemnification</p>	<p>The Issuer hereby indemnifies and agrees to hold harmless the Joint Financial Advisors and Shariah Advisor and each of their affiliates and each of its respective officers, directors, employees, agents, advisors and representatives (each an “Indemnified Party”) from and against any and all claims, damages, losses, liabilities, costs and expenses (hereinafter collectively referred as “Claim”), joint or several, that may be incurred by or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to the Issue except to the extent such Claim has resulted from such Indemnified Party’s gross negligence or willful misconduct.</p>
<p>Arbitration</p>	<p>Any conflict shall be resolved with the mutual consent of respective parties involved. In absence of mutual consent, the matter shall be resolved through Pakistani courts.</p>

Annexure “C”

Term Sheet

3/5-year Listed Variable Rate of Return (VRR) GOP Ijarah Sukuk

Issue / Security	3/5-year listed VRR GOP Ijarah Sukuk.
Issuer	Pakistan Domestic Sukuk Company Limited (PDSCL) - a wholly owned subsidiary of Ministry of Finance, Government of Pakistan.
Target Size	PKR 20 billion for each 3-year and 5-year instrument.
Issue Date	10 th May, 2024
Maturity Date	10 th May 2027 for 3-year Sukuk 10 th May 2029 for 5-year Sukuk In case the Maturity Date falls on a public holiday then the maturity of the Sukuk would be on the next working day.
Sukuk	A Shariah-compliant certificate/instrument that represents the undivided proportionate ownership of the Ijarah Asset.
Face Value	Face Value of each Sukuk would be PKR 5,000 which would represent the ownership share in the Ijarah Asset. The undivided percentage share of ownership in the Ijarah Asset for each Sukuk will be calculated as follows: Face Value per Sukuk / Total Market Value of the Asset.
Bid Amount	A single bid can be placed for Face Value of PKR 5,000 or any multiple of PKR 5,000.

Benchmark Rate	<p>Weighted average yield of 6-month T-Bill as decided in last auction Or 6 month tenor rate as given on the Reuters PKRV page (121-180 days) in terms of SBP-FSCD Circular No. 13 dated September 6, 2008.</p> <p>The applicable Benchmark rate for the first period is 21.3529%. For the Subsequent periods the applicable rate can be accessed at following link at the start of each period.</p>
Bid Spread	<p>Bid spread shall be margin up to 2 decimal points specified by the bidder over/under the Benchmark Rate, for determination of Ijarah Rental.</p>
Cut-off Spread	<p>Cut-off Spread shall be the Bid Spread accepted by the Ministry of Finance. In case, the Ministry of Finance does not accept any Bid Spread, the auction shall stand rejected.</p>
Tenor	<p>3 years and 5 Years</p>
Joint Financial Advisors & Shariah Advisor to the Issue	<p>Meezan Bank Limited, Dubai Islamic Bank (Pakistan) Limited, Bank Islami Pakistan Limited, Bank Alfalah Limited.</p>
Issuance Methodology	<p>The Sukuk shall be issued at Face Value.</p> <p>An investor may submit any number of bids to purchase the Sukuk in the manner prescribed by Pakistan Stock Exchange (PSX).</p> <p>Each bid must specify the Bid Amount and the Bid Spread.</p> <p>The auction shall follow a single price methodology. All bids whose Bid Spread are equal to or lesser than the Cut-off Spread shall be treated as successful bids. All the successful bidders shall be allocated the cut-off Price.</p>
Ijarah Rental (Profit)	<p>Ijarah Rental for each Sukuk for each six-month period shall be calculated as follows:</p> <p><i>Face Value x (Benchmark Rate at the start of the Period + Cut-off spread) x Number of days in a period divided by 365</i></p>
Tradability	<p>Tradable on Pakistan Stock Exchange (PSX).</p>

Rental Payment and revision Frequency	Semi Annual
Rental Payment Obligation & Asset Purchase Undertaking	Government of Pakistan.
Ijarah Asset Details & Valuation	Ijarah Asset means the asset share to be purchased by the Sukuk holders as defined in the Transaction Structure
Transaction Structure, Shariah Approval & Ijarah Asset Details	<p>Transaction structure is based on Ijarah (sale & lease back of underlying assets).</p> <p>A detailed transaction structure (including Shariah Advisor's approval, asset details, transaction flow, related transaction risks & reward) as approved by the Shariah Advisor to the Issue is attached as Annex-A.</p>
Eligible Investors	<p>All eligible investors as defined in the Government of Pakistan Sukuk Rules 2008 (as amended in 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17th November 2023 including the following:</p> <ul style="list-style-type: none"> • Individuals, Institutions, Trusts, funds of all types, bodies corporate including banks, non-banking finance companies, insurance and Takaful companies irrespective of their residential status. • RDA Customers. • Non-resident Pakistani. • Foreign Investors & International Islamic Banks & FIs.
Eligible Participants	All Clearing Members of NCCPL shall be allowed to submit bids as Auction Participants in the auction process.

<p>Non-Competitive Bid (NCB)</p>	<p>The investors may place NCBs on the auction date in the manner prescribed by PSX.</p> <p>NCB shall only specify the Bid Amount Face Value.</p> <p>A single investor shall not bid for an aggregate face value exceeding 0.25% of the Auction Target or PKR 500 million, whichever is lower.</p> <p>In case the aggregate Face Value of all NCBs is greater than the available cushion in the Ijarah Asset, the securities shall be issued on prorata basis to the relevant investors.</p> <p>All NCBs shall be treated as successful provided that the Ministry of Finance announces a cut-off price. No NCBs shall be treated as successful in case the auction is rejected.</p> <p>The calculation methodology of Investment Value and Ijarah Rental for NCBs shall be the same as of the competitive bids.</p>
<p>Margin Requirement</p>	<p>Margins requirements shall be as per the applicable policies of PSX & NCCPL and shall be refundable in case of unsuccessful bids.</p>
<p>Sukuk Redemption</p>	<p>The Sukuk shall be redeemed on Maturity Date by paying the applicable Face Value.</p>
<p>Investment Agent</p>	<p>Pakistan Domestic Sukuk Company Limited.</p> <p>(By entering into the auction process, all investors to the issue shall agree to authorize Investment Agent to perform all actions required on their behalf as per the Transaction Structure & related documentation)</p>
<p>Legal Advisor</p>	<p>Ahmed & Qazi Advocates & Legal Consultants</p>
<p>Paying Agent</p>	<p>National Clearing Company of Pakistan Limited (NCCPL).</p>
<p>Registrar</p>	<p>Central Depository Company (CDC) Share Registrar Services Limited (wholly owned subsidiary of CDC).</p>
<p>Custodian & Transfer Agent</p>	<p>The Sukuk shall be inducted in Central Depository System (CDS) of CDC in book entry form and units (in term of volume) and will be reflected in the CDS account of the sukuk holders.</p> <p>Transfer of Securities shall be made in accordance with the Central Depositories Act, 1997 and CDC Regulations made under the Act.</p>

Listing	Sukuk shall be listed on PSX.
SLR Eligibility	The Sukuk shall be an 100% SLR eligible instrument for all eligible investors, on the basis of Government of Pakistan Sukuk Rules 2008 (as amended in 2023), published in Government of Pakistan S.R.O 1585(I)2023 dated 17 th November 2023, issued by Ministry of Finance.
Other Terms & Conditions	<ul style="list-style-type: none"> • No bid shall be considered if received after the deadline for bid submission. • PSX shall notify the successful bidder • Shariah structure and legal documentation shall be approved by Shariah Advisor of the Issue. • Ministry of Finance, Government of Pakistan reserves the right to reject the bids without assigning any reason.
Reopening of Sukuk	The Sukuk can be reopened in the future subject to the terms and conditions of the approved Transaction Structure.
Disclaimer & Investor Advice	<ul style="list-style-type: none"> • Investors are advised to read the Term Sheet, Transaction Structure and related documentation to understand the risk and reward of the transaction and should not construe this Term Sheet, Transaction Structure and related documentation as financial, legal or tax advice and should conduct their own investigation and analysis of the transaction described herein before deciding to invest in the Sukuk. • Investment in Listed Sukuk is subject to market risk, liquidity risk, asset risk, foreign exchange risk and prevailing market conditions. • The transaction is governed by the Transaction Structure and related legal documents, approved by the Shariah Advisor.
Governing Rules	Government of Pakistan Sukuk Rules, 2008 (as amended in 2023) and as notified by SRO 1585(I)2023 issued by Ministry of Finance dated 17 th November 2023.
Governing Law	The Sukuk shall be subject to the laws of Islamic Republic of Pakistan.

Shariah Compliance	The overall issue has been structured and shall be executed in accordance to the guidelines provided by the Shariah Advisor of Joint Financial Advisors and all parties involved in the transaction shall commit to ensure compliance with these guidelines at all times.
Indemnification	The Issuer hereby indemnifies and agrees to hold harmless the Joint Financial Advisors and Shariah Advisor and each of their affiliates and each of its respective officers, directors, employees, agents, advisors and representatives (each an “Indemnified Party”) from and against any and all claims, damages, losses, liabilities, costs and expenses (hereinafter collectively referred as “Claim”), joint or several, that may be incurred by or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to the Issue except to the extent such Claim has resulted from such Indemnified Party’s gross negligence or willful misconduct.
Arbitration	Any conflict shall be resolved with the mutual consent of respective parties involved. In absence of mutual consent, the matter shall be resolved through Pakistani courts.