

Roshan Digital Account

FAQs (Version 15)

1. What is Roshan Digital Account?

Roshan Digital Account provides an opportunity for Non-Resident / Overseas Pakistanis to remotely open a bank account with SBP designated Pakistani banks through an entirely digital and online process. This account will enable them to avail banking services like funds transfer, remittances, bills & fee payments, and invest in various instruments including stocks / shares.

2. Who is eligible to open a Roshan Digital Account (RDA)?

Following are eligible to open the Roshan Digital Account:

- Individual Non-Resident Pakistani Nationals (NRPs)
- Employees or officials of the Federal / Provincial Government posted abroad
- Non-Residents holding Pakistan Origin Card (POC)
- Resident Pakistanis with duly declared foreign assets in their latest wealth statement submitted to FBR

3. What is the definition of a Non-Resident Person?

In the light of Income Tax Ordinance, 2001 – Chapter 5, Division II, Section 82 (updated up to 31 Dec 2019), a Non-Resident Person is:

An individual shall be a non-resident individual for a tax year if the individual –

- is outside of Pakistan for a period of, or periods amounting in aggregate to, 183 days or more in the tax year (July to June); or
- is outside of Pakistan for a period of, or periods amounting in aggregate to, 120 or more in the tax year and, in the four years preceding the tax year, has been outside of Pakistan for a period of, or periods amounting in aggregate to, 365 days or more.

4. Can I open a Roshan Digital Account in any currency?

Non-Resident Pakistanis can open Pak Rupees and Foreign Currency denominated Roshan Digital Accounts. However, Resident Pakistanis with declared assets abroad can only open a foreign currency denominated Roshan Digital Account.

5. How can I open my account?

Non-Resident Pakistanis can visit the MCB Digital Account Portal (<https://mopss.mcb.com.pk/>) to submit an application for Roshan Digital Account opening. Resident Pakistanis (with foreign declared assets) should visit their nearest MCB Bank branch to request for Roshan Digital Account opening.

6. How long will it take for my account to open?

The turnaround time (TAT) for opening of RDA is 2 working days (48 hours). However, the opening of the account is dependent on submission of documents by the applicant which should be discrepancy free. In case of a discrepancy in the submitted documents, the branch will contact the customer accordingly.

7. While opening an account, do I have to fill the application form in one session? Will my data be saved somewhere?

The customer, as per their own convenience, can fill the application form in multiple sessions. The information / data are automatically saved during the process of online submission and can be resumed by re-entering the provided ID Number. Once a document is submitted, you will not be able to make any amendments. We request you to view the documentation requirements prior to starting your application and keep them handy during the application submission process.

8. Where can I get help in case there is an issue while completing the application?

If at any point during the application process you have a concern or query please contact us at rdu@mcb.com.pk or call us at +92 42 3259 5598 (Monday – Friday: 9AM – 5PM PST) where our branch staff will be more than willing to assist you.

9. What documents are required from a customer in support of proof of profession and source of income/funds?

The customer has the option to provide scanned original copies of the following:

- A certificate from their Employer
- Valid Work Permit mentioning the name of their Employer
- Foreign Tax Returns
- Salary Slips
- Rent Agreement (in case the source of income is from a rented property)
- Investment Certificates (in case the source is income is profit from foreign investments)

10(a). Is my data, information and the documents uploaded to apply for the Roshan Digital Account safe and secure?

All information / documents and data shared is secure and will not be divulged. However, the Bank reserves the right to share on demand by the Government of Pakistan, its regulator or on its behalf any assigned governing body.

10(b). I am an EU citizen; will my data & information be used in a safe and secure environment as envisaged under GDPR?

Customer's information/documents and data is protected under the General Data Protection Regulation (GDPR) and will not be divulged. However, the Bank reserves the right to share any such information and data that it may be legally obligated to divulge as per local/international laws, rules and regulations etc.

11. Is it possible to open more than one Roshan Digital Account?

Yes, a customer can open 1 account per available currency for each account category (current / savings).

12. What is the profit payment frequency for the Roshan Digital Account savings variant?

The profit payment frequency is bi-annually for both PKR and FCY denominated savings Roshan Digital Accounts.

13. What if someone already has an account with MCB Bank? Can He / She open Roshan Digital Account as well?

Yes. Given the customer fulfills the RDA eligibility criteria; there is no restriction for existing MCB customers to open a separate Roshan Digital Account.

14. Can anyone convert normal account to Roshan Digital Account?

No, the customer will have to open a new RDA account.

15. Is the RDA a restricted account? If yes, what types of transactions are allowed?

Yes, this is a special purpose restricted account where the following limitations apply:

1. The account can only be funded by foreign inward remittances through formal channels (banks or money transfer companies). No other credit/deposit would be allowed. In addition, the account cannot be used for business purpose. The account cannot be funded from within Pakistan, except from the profit and principal repayment against the
2. investment made through the account in the Certificate. The account can only be utilized for:
 - i. Investment in the Certificate, receiving profit and principal repayment, and
 - ii. Repatriation of such profit and principal
 - iii. All other legitimate purposes locally allowed under the relevant Foreign Exchange regulations, including online banking (bill payments in Pakistan, Inter/ Intra bank Fund Transfers in Pakistan) & cash withdrawal in Pakistan

16. How can I arrange funds in my Roshan Digital Account?

In order to avail the exclusive discounted rates, RDA customer should instruct the following to the remitting bank:

- Use MCB SWIFT Code (MUCBPKKA) in field 56A (Intermediary Institution BIC) of MT 103
- Mention 'MUCBPKKARDA' in field 57A (Account with Institution)
- Mention 'ROSHANDIGITAL' in field 72 (sender to receiver information).
- Mention "OUR" / NODEDUCT in field 71A (Detail of Charges).

The discounted pricing is as follows:

| Intermediary bank charges on Remittances to Pakistan | | | | | |
|--|------|-----------|--------------|--------------------|---------------|
| S.No. | FCY | JP Morgan | Citibank N.A | Standard Chartered | Deutsche Bank |
| 1 | USD | 7 | 9 | 5 | Free |
| 2 | EURO | - | - | 5 | Free |
| 3 | GBP | - | - | 5 | Free |

MCB Bank does not charge any amount as 'Inward Remittance Charges' from our valued Roshan Digital Account Holders which means there is no deduction from MCB Bank, however the customer may face 'International Outward Remittance' charges from the sender bank. It is also pertinent to note that these transactions are facilitated/ processed through intermediary/ correspondent banks/ agents who may charge additional correspondent fee in some instances depending upon their arrangement between the Sender and intermediary Banks.

17. Is compulsory deduction of Zakat, under Zakat & Ushr Ordinance 1980 applicable on my Roshan Digital Account?

No, in terms of Section 3(1)(a)(b) of Zakat & Ushr Ordinance 1980, read with Rule 24-A of Zakat Collection & Refund Rules 1981, compulsory deduction of Zakat is not applicable on RDA (PKR or FCY).

18. What type of taxes are applicable on my Roshan Digital Account?

Kindly refer to the table below for the applicable taxes:

| Tax Setup for Roshan Digital Accounts | | | | |
|---------------------------------------|---|---------------------------|-------------------------|--|
| Criteria | Tax on profit on Saving Bank Account | Tax on Debit Transactions | Tax on Cash Withdrawals | Tax on Profits from Naya Pakistan Certificates |
| Non-Resident RDA (FCY/PKR) | Exempt to the extent of remittance received | Exempt | Exempt | 10% on profit |
| Resident RDA - FCY | Normal Tax Rate @15%/30% for Filer/Non-Filer respectively | Exempt | Exempt | 10% on profit |

19. What kind of investments can I opt for via the Roshan Digital Account?

In order to invest in NPCs, you should have a bank account in MCB Bank in one of the following two variants:

Roshan Digital Account allows multiple options for investment which are as follows:

- Shares quoted on the stock exchange in Pakistan.
- Pakistani-rupee denominated Deposit products of the banks maintaining the account.
- Pakistani rupee-denominated debt securities of Government of Pakistan (including Pakistani-rupee Naya Pakistan Certificates, T-bills, PIBs, Sukuk and any other registered securities of the government as notified from time to time).
- Residential and commercial real estate

20. How can I invest in the Naya Pakistan Certificate (NPC)?

In order to invest in NPCs, you should have a bank account in MCB Bank in one of the following two variants:

- Roshan Digital Account – PKR
- Roshan Digital Account – FCY

For investing in USD/EUR/GBP denominated NPCs, the customer must have a Roshan Digital Account in foreign currency. Similarly, if the customer wants to invest in PKR denominated NPCs, a Roshan Digital Account in Pak Rupees must be opened with MCB Bank. For detailed information about NPC, kindly refer to the NPC Information Sheet available on the Bank's corporate website & Digital Account Portal.

21. How can a customer purchase NPCs?

Customers can purchase NPCs by initiating an online request submitted through an online web portal (which will be provided by the Bank) once the account is opened through MCB Digital Account Portal. However, in case of any assistance, customer can contact us at rdu@mcb.com.pk or call us at +92 42 3259 5598 (Monday – Friday: 9AM – 5PM PST) where our branch staff will be more than willing to assist you.

22. How can the purchase of NPC bond be funded?

Customers must remit funds for investing in Naya Pakistan Certificate from their own bank account being maintained abroad to their Roshan Digital Account in Pakistan.

23. What is the form, types and tenors of NPCs?

The Naya Pakistan Certificate is available in both Conventional and Shari'ah Compliant forms with short and long term tenors. Automatic roll-over facility is not available. Customers also have the option to invest in both PKR and USD denominated Naya Pakistan Certificates. There is no limit on the maximum investment that can be made.

The tenors for the respective NPCs are as follows:

- USD denominated: 3-Months/ 6-Months/ 12-Months/ 3-Years/5-Years or any other tenor allowed by SBP
- PKR denominated: 3-Months/ 6-Months/ 12-Months/ 3-Years/5-Years or any other tenor allowed by SBP
- GBP denominated: 3-Months/ 6-Months/ 12-Months/ 3-Years/5-Years or any other tenor allowed by SBP
- EUR denominated: 3-Months/ 6-Months/ 12-Months/ 3-Years/5-Years or any other tenor allowed by SBP

The minimum investment amount for the respective NPCs is as follows:

- USD denominated: USD 5,000 and integral multiples of USD 1,000
- PKR denominated: PKR 100,000 and integral multiples of PKR 10,000
- EUR denominated: EUR 5,000 and integral multiples of EUR 1,000
- GBP denominated: GBP 5,000 and integral multiples of GBP 1,000

The rate of return for NPCs will be communicated by the State Bank of Pakistan from time to time.

24. What is the profit payment frequency and is early encashment allowed?

Profit will be directly credited to the customers' account upon maturity, after receipt from SBP.

For conventional NPC, early encashment is allowed and profit of broken period will be calculated at the profit rate of the nearest shorter tenor (e.g. 12 months' certificate encashed in 10th month, profit will be calculated @ profit rate of 6 months' certificate). No profit on encashment before initial three months.

For Islamic NPC, no profit will be paid on encashment before completion of the first month. For encashment after one month and before 3 months, the investor's share shall be redeemed at a discounted price by applying a discount on the announced profit rates for that category of investor. After completion of 3 months, the investor shall be given profit of the nearest shorter tenure (e.g. 12 months certificate encashed in 10th month, profit will be calculated @ profit rate of 6 months' certificate).

Note: Partial encashment is not allowed.

25. What would happen in case of death of a customer/NPC holder?

In case of death of the customer, payment of principal amount and profit will be paid to the legal heirs of the deceased in accordance with a valid succession certificate or equivalent document issued in this regard.

26. What happens if there is any irregular activity / investment detected in the account or certificate?

In case the customer violates the rules and regulations, the investment in Naya Pakistan Certificate will be redeemed immediately and any benefit already paid may be adjusted.

27. Can the NPC be transferred or pledged?

The NPC cannot be transferred. However, it can be pledged as an eligible security for raising financing in Pakistan subject to such conditions as may be prescribed by SBP / MCB Bank.

28. Is the NPC subject to Zakat deduction?

The NPC will be exempt from compulsory deduction of Zakat.

29. Is the NPC subject to tax on profit payment?

The profit of the Certificate will be subject to deduction of Withholding Tax on profit at source as a full and final discharge of tax liability. There shall be no requirement for submission of income tax return filings in Pakistan for the NRPs in respect of profit earned on these certificates.

30. If a customer already maintains an account with MCB, can the existing account be used for investing in NPCs?

No. For investments in NPCs, the customer has to open a Roshan Digital Account.

31. How can I invest in Pakistan Stock Exchange?

In order to invest in Pakistan Stock Exchange, you should have a "Roshan Digital Account – PKR" with MCB Bank. Investment in the Pakistan Stock Exchange is not allowed from any foreign currency denominated Roshan Digital Account.

Once your account is opened, you can use your Mobile Banking web portal to approach with Central Depository Company / broker for opening an account for trading in the stock market.

32. How can I repatriate my funds?

You can initiate your request for repatriation of funds through the web based mobile portal. The bank will process your request within 2 working days.

33. Can I apply for a Cheque Book and ATM card with my Roshan Digital Account?

Yes. You can apply for a Cheque Book with your Roshan Digital Pak Rupee Account and Roshan Digital Foreign Currency Account (USD, GBP and EUR only). However, please note that a Debit Card can be applied for with Roshan Digital Pak Rupee Account only. Your Debit Card and Cheque Book request will be processed after receiving 1st deposit /remittance in your respective Roshan Digital Account.

34. How can I apply for a Cheque Book and ATM Card?

At the time of application submission, you can apply for a debit card / cheque book. You can also apply for a debit card / cheque book by visiting our Digital Account Portal or website.

35. Which services can I apply for using my Roshan Digital Account?

After your Roshan Digital Account has been opened, you can apply for the following:

- Debit Card
- Cheque Book
- Credit Card
- Home Loan
- Auto Loan

For details, kindly visit our website (<https://www.mcb.com.pk/>) or the Digital Account Portal (<https://mopss.mcb.com.pk/>).