

A noob's guide to investing in SANCHAYAPATRA

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When the pandemic hit the markets in 2020, stock prices plunged around the world. The risk of losing money is not exclusive to stock markets only. In fact, you can lose money in almost all sorts of investments. But if you are willing to protect your money and grow it at the same time, there is no other way better than investing in sanchayapatra in Bangladesh.

What is sanchayapatra

Sanchayapatra is a savings certificate issued by the government of Bangladesh. It was first issued in 1972 to motivate people to save money, collect scattered small savings, and use the savings to mitigate national budget deficiencies. For example, if the government earns 100 takas and spends 110 takas this year, the government might collect the extra 10 takas from selling sanchayapatra.

Types of sanchayapatra and who can buy which one

Currently, there are 11 schemes under the Directorate of National Savings of the government. Among them, the four types of sanchayapatra are 5-years Bangladesh



ILLUSTRATION: ZARIF FAIAZ

REQUIREMENTS TO BUY SANCHAYAPATRA

The requirements to buy sanchayapatra are:

- 2 copies of passport size photos of the buyer (attested by a 1st class gazetted officer)
- 2 copies of passport size photos of the nominee (attested by the buyer)
- 1 photocopy of the NID of both the buyer and the nominee
- 1 photocopy of a bank cheque of the buyer

If you are buying sanchayapatra worth more than 1 lac taka, a copy of your e-TIN certificate will also be required, and the amount will have to be deposited through a cheque. For pensioner sanchayapatra, documents regarding pension or gratuity are required. Birth certificates will be required in place of NIDs for minors.

sanchayapatra, 3-monthly profit bearing sanchayapatra, *poribar* sanchayapatra, and pensioner sanchayapatra.

Anyone individually or jointly with another person or on behalf of

others can buy the first two kinds of sanchayapatra. Only 18/18+ females, physically challenged individuals, and 65+ individuals can buy *poribar* sanchayapatra. Pensioner sanchayapatra can only be bought by retired individuals of specific organizations. Institutions can only invest in 5-years Bangladesh sanchayapatra.

How to buy sanchayapatra

Sanchayapatra can only be bought physically from local offices of National Savings Bureaus, all post offices, Bangladesh Bank, and some specific banks. There is no way to buy it online yet. To buy a sanchayapatra, you will have to fill up the necessary forms and provide the required documents to the local office. In return you will get two computer generated vouchers. Using one you can deposit cash/cheque in the bank. The bank will then provide you with another confirmation voucher. By submitting this confirmation voucher along with the previous voucher to the office, you will receive the sanchayapatra.

However, if you submitted a cheque, you would get a token and only get

the sanchayapatra when money is transferred.

How much can I invest in sanchayapatra

The minimum amount you can invest in a 5-years Bangladesh sanchayapatra and *poribar* sanchayapatra is 10 taka. The minimum amount for a 3-monthly profit bearing sanchayapatra is 1 lac taka and for pensioners, sanchayapatra is 50 thousand takas. The maximum limit for a 5-years Bangladesh sanchayapatra and 3-monthly profit bearing sanchayapatra is 30 lac taka. The limit for *poribar* sanchayapatra and pensioner sanchayapatra is 45 and 50 lac taka respectively.

For individuals buying multiple types of sanchayapatra, the limit of the sanchayapatra with the highest limit will be applicable. This means, if you are buying 5-years Bangladesh and *poribar* sanchayapatra together, you can invest a maximum of 45 lac taka altogether. However, the limits are higher if you are investing jointly with someone else. There are no limits for institutions or provident funds.

How much can I profit from sanchayapatra

For *poribar* sanchayapatra, the maximum rate of return is 11.52% and profits are shared every month. Profits are shared every 3 months for 3-monthly profit bearing and pensioner sanchayapatra, and the maximum rate of returns are 11.04% and 11.76%. The maximum rate of return for 5-years sanchayapatra in Bangladesh is 11.28%. However, all profits from sanchayapatra are tax-deductible. If your total investment in sanchayapatra is less than 5 lac taka, the rate of tax on profits is 5%. The rate is 10% if the amount invested exceeds 5 lac taka.

Currently, the capital and the profit (minus the tax) gets automatically deposited into your bank account. If someone encashes the sanchayapatra before its maturity, profits are reduced. In fact, no profits will be provided if someone encashes any sanchayapatra within one year of purchase.

It is to be noted that some rules regarding sanchayapatra like the requirement of an e-TIN certificate may be subject to change.



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