

# THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN

## INTEREST FREE EDUCATIONAL LOAN (IFEL) SCHEME

### Instructions

#### **1. Objective of the scheme**

The objective of this scheme is to provide Interest free financial assistance to candidates who find it difficult to afford Foundation/ Intermediate education course expenses despite their sound academic record; thereby, enabling and facilitating them to successfully complete their studies.

#### **2. General Terms and Conditions**

- a. ICAP reserves the right to alter the terms and condition and procedure for sanction / recovery of IFEL, at any time and in any particular case without assigning any reason.
- b. Continued disbursement of the loan will depend upon a student's satisfactory progress in studies / examination of ICAP, satisfactory conduct and continued need for financial assistance of the recipient of loan.
- c. In case a student or his parent / guardian feels at any stage that financial assistance is no more needed, this fact should be intimated to ICAP.
- d. Candidates / students misrepresenting facts to obtain loan, concealing facts for continued disbursement of loan or making any false claims for loan installments will be liable to serve a disciplinary action.
- e. All applicants are expected to abide by the terms of agreement / conditions / procedures for sanction / recovery of IFEL mentioned in these instructions.
- f. The amount of loan to be sanctioned (fully or partially) will be at the discretion of the Loan Award Committee depending on the circumstances of each case.
- g. Information provided by the candidate supporting his application, its verification etc would be kept strictly confidential.
- h. Non-repayment of loan would result in disciplinary action such as:
  - **those prescribed under the CA Ordinance in respect of members / students;**
  - legal actions against recipients / parents / guardians for recovery of loan amount.
- i. Incomplete applications and non submission of all required documents/certificates would result in rejection of application.

#### **3. Criteria**

The following criteria would have to be met by the applicant in order to apply for the loan:

- a. Proven academic track record (at least 50% aggregate marks in Matric, HSC, Graduation examinations or least 'E' grades in A-Levels);
- b. Clearance of or exemption from Pre-entry Proficiency Test (PPT) of ICAP;

- c. Monthly gross income of parent / guardian not exceeding Rs.15,000/- per month (relaxable in deserving cases); and
- d. Applicant must be a national of Pakistan holding National Identity Card or Form-B.

4. **Conditions for Sanction of IFEL**

- a. Each applicant shall pay the registration fee of ICAP at time of registration as MFC/PFC student (Module –A).
- b. IFEL will be paid towards fee charged by a RAET as described by the Loan Award Committee of the Institute.
- c. The applicant is required to submit copies of all documents as mentioned in the Loan Application Form.
- d. The applicant will give an undertaking in writing on a stamp paper of Rs. 100/-, the specimen for which is attached with the application form. In case of default by the candidate, the parent / guardian of the applicant shall be responsible for repayment of loan to ICAP. A format of the undertaking is available along with the Application Form on ICAP website [http// www.icap.org.pk](http://www.icap.org.pk).  
In case of death/disability of the Guarantor, the applicant should promptly inform ICAP and submit a fresh undertaking on stamp paper.
- e. Applicants are to ensure that Application Forms are completed in all respect at time of submission and all required documents / certificates are attached to the application otherwise the application is liable to be rejected.

5. **Procedures for Sanction of IFEL**

- a. Upon clearance or exemption from the entrance test (PPT) of ICAP candidates may apply for IFEL in the prescribed Application Form to the Loan Award Committee. Application Form is available on ICAP website: [http// www.icap.org.pk](http://www.icap.org.pk) or can be collected from any ICAP office/information centre.
- b. Applications may be posted or submitted by hand at locations mentioned below:

<b>Addressed to</b>	<b>City</b>	<b>Relevant RAETs</b>
Directorate of Education & Training	Karachi	For RAETs at Karachi or any other city in Sindh/ Balochistan where an RAET has been established
Manager Administration	Lahore	For RAETs at Lahore, Faisalabad, Multan, Sialkot or any other city in proximity to Lahore where an RAET has been established.
Regional Administration	Islamabad	For Islamabad, Rawalpindi, Peshawar or any other city in proximity to Islamabad where an RAET has been established.

- c. The applicant will be informed of the date of interview by the respective officers mentioned in sub para (a) above. The applicant and either of his parents or guardian (as applicable) will have to appear for the interview.
- d. ICAP reserves the right to conduct enquiries for verification.
- e. Results of tests/quizzes at RAETs or ICAP examinations in respect of applicants seeking loan would be taken into consideration in award of loan.
- f. Each applicant for admission in Module A or B or C or D shall have to pay 10% of the full fee charged by a RAET (including fee for course of Computer Practical Training or Presentation Skills Training Course as applicable). This amount shall not be paid as loan.

6. **Recovery of IFEL**

- a. IFEL will be recovered in installments as decided by ICAP Head Office. There will be no markup. Only the principal amount paid to the student will be recovered.
- b. In case of default on payment of a recovery installment, the next installment will include the amount of previous installment.
- c. Recoveries of IFEL will become due as follows:
  - i) Upon qualifying and employment as a CA; or
  - ii) Upon taking up an employment without qualifying as a CA; or
  - iii) Upon discontinuation as a MFC/PFC Student or subsequently as a Trainee Student.
- d. The recovery installments for each category mentioned above will be:

<b>Case Category</b>	<b>Recovery Installment</b>
• Qualified and Employed as a CA	18 equal monthly installments
• Employed without qualifying as CA	30 equal monthly installments
• Discontinuation as MFC/PFC or Trainee Student	36 equal monthly installments

- e. A recipient /his guarantor can repay loan earlier in lump sum amount or in lesser number of installments, if he so wishes / his financial situation permits.
- f. In case a loan recipient does not pass a module in four consecutive appearances (non appearance at an examination will be counted) for any of the examinations, the student or his/her parent/guardian will have to repay the amount of IFEL so far sanctioned to the student by ICAP.