



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALISED COMPANIES DIVISION
NBFC DEPARTMENT**

No. NBFC/MF/CIRCULAR/21/2011

March 10, 2011

Circular No. 04 of 2011

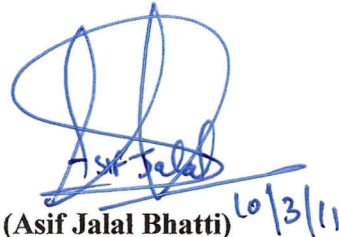
Categorization of open-end Collective Investment Schemes

This is further to Circular No. 7 of 2009 dated March 6, 2009 on “Categorization of open-end Collective Investment Schemes”.

Pursuant to the promulgation of Securities (Leveraged Markets and Pledging) Rules, 2011 (the “Rules, 2011”) whereby a new leverage product namely, Margin Trading has been introduced and considering that “Continuous Funding System (CFS)” has been discontinued, the Securities and Exchange Commission of Pakistan (the “Commission”) in exercise of powers conferred under Section 282 B (3) of Companies Ordinance, 1984 read with Regulation 55 (2) of the Non- Banking Finance Companies and Notified Entities Regulations, 2008 hereby replaces the term “CFS” wherever appearing in Circular 7 of 2009 with the term “Margin Trading (MT)”.

Accordingly, the open-end collective investment schemes which are allowed to take exposure in CFS in terms of Circular No. 7 of 2009 and their constitutive documents also permit to do so, may invest in MT in terms of the Rules, 2011.

This Circular shall come into force with immediate effect.



(Asif Jalal Bhatti) 10/3/11
Executive Director (SCD)

Distribution:

1. Chief Executives, Asset Management Companies
2. Mutual Funds Association of Pakistan
3. Trustees of Collective Investment Schemes.