



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
FUND MANAGEMENT DEPARTMENT**

No. SCD/CIRCULAR/233/2026

February 4, 2026

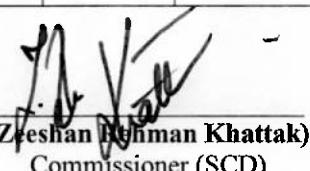
Circular No. 04 of 2026

Subject: Financing arrangements for Collective Investment Schemes and Pension Funds for smooth Transition to T+1 Settlement Cycle

In order to facilitate a smooth transition of the mutual fund industry to the T+1 settlement cycle, the Securities and Exchange Commission of Pakistan ("the Commission"), in exercise of the powers conferred under sub-section (3) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984) read with Regulation 67A of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, hereby allows that the Asset Management Companies ("AMCs") and the Pension Fund Managers ("PFMs") avail conventional or Shariah compliant financing facility (financing facility), if needed, against subscription of units, on behalf of Equity oriented Collective Investment Scheme and/or Equity oriented Pension Funds (CIS/PF), subject to the following conditions:

- (I) The Trustee shall exercise oversight and monitoring to ensure that financing is only availed in case where cash requirement has arisen due to:
 - (a) Subscription requests through banking channels which may require additional time for clearance;
 - (b) Conversion requests from one CIS/PF to another which need cash management due to settlement mechanism;
- (II) The maximum tenor for financing facility shall be three (3) working days at market-based competitive rates.
- (III) The AMC may also utilize its own funds to meet the cash requirement of CIS/PF, without charging any cost to the CIS/PF, on reimbursement basis, subject to the conditions provided in this Circular;
- (IV) The AMCs/PFMs are allowed to pledge the securities of the respective CIS/PF to avail the financing facility;
- (V) The daily amount of any financing facility availed shall not exceed the lower of ten percent (10%) of the total net assets of the respective CIS/PF as on the preceding business day, or cash shortfall arising from uncleared banking instruments and conversion requests received on that day;
- (VI) The AMCs/PFMs shall disclose complete details of financing facility i.e. cost charged to CIS/PF, amount of financing facility availed and duration in the Fund Manager Report for that month;
- (VII) Trustee shall forthwith report any non-compliance or inconsistency to the Commission; and
- (VIII) The AMCs/PFMs shall submit a fortnightly report for respective CIS/PF as per the following format to the Trustee and the Commission:

Name of CIS/ PF	Category of CIS/ PF	Net Assets	No. of times Financing Facility Availed	Investment amount for which financing required	Cumulative Sum of Financing Facility Availed	Outstanding Exposure/ Amount of Financing Facility, if any	Total financing cost charged to CIS	Total financing Cost Outstanding to be paid


(Zeehsan Rehman Khattak)
Commissioner (SCD)

Distribution:

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