



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

No. SCD/CIRCULAR/ 286/2018

March 02, 2018

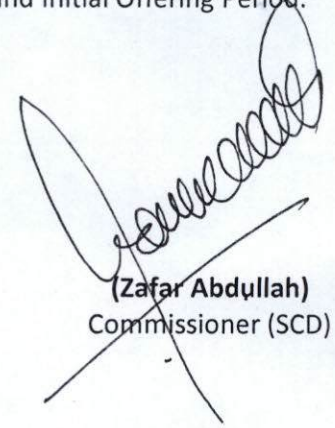
Circular No. 3 of 2018

CATEGORIZATION OF OPEN-END COLLECTIVE INVESTMENT SCHEMES

In continuation to Circular No. 7 of 2009 dated March 06, 2009 on "Categorization of Open-End Collective Investment Schemes", the Securities and Exchange Commission of Pakistan ("the Commission") in exercise of the powers conferred under section 282B (3) of the Companies Ordinance, 1984 read with the Regulation 55(2) and 58(1)(n)&(p) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("NBFC Regulations, 2008") hereby prescribes the following amendments for the fund of funds schemes and allocation plans under them:

1. A Constant Proportion Portfolio Insurance(CPPI) based principal preservation fund/plan in a fund of funds category may invest its money market component in saving accounts and term deposits with banks rated AA- and above;
2. An Asset Management Company(AMC) may charge management fee up to 1% of average annual net assets of money market component invested in saving accounts and term deposits in case of a CPPI based principal preservation fund/plan in a fund of funds category;
3. The per party exposure limits given in Regulation 55(5) of the NBFC Regulations, 2008 shall not be applicable on money market component invested in saving accounts and term deposits in case of a CPPI based principal preservation fund/plan in a fund of funds category;
4. An open-ended fund of funds scheme may invest the subscription money in a money market scheme managed by the same AMC during the Pre-Initial Offering and Initial Offering Period.

All other conditions of above-mentioned circular shall remain unchanged.


(Zafar Abdullah)
Commissioner (SCD)

Distribution:

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