



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

No. SCD/CIRCULAR/237/2022

February 10, 2022

Circular No. 3 of 2022

Subject: CATEGORIZATION OF OPEN-END COLLECTIVE INVESTMENT CHEMES

In continuation of Circular No. 7 of 2009 dated March 6, 2009 and Circular No. 32 of 2012 dated October 18, 2012 wherein the categorization of Open-end collective investment schemes has been prescribed, the Securities and Exchange Commission of Pakistan in exercise of powers conferred under Section 282B (3) of the Part VIIIA of the Companies Ordinance, 1984 read with Regulation 55(2) and 67A of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations") is please to allow a new class of Collective Investment Scheme to be categorized as a "Fixed Rate/Return Scheme" subject to following minimum requirements:

Fixed Rate/Return Scheme

1. Investment avenue -government securities, cash in bank account, money market placements, deposits, certificate of deposits (COD), certificate of musharakas (COM) and TDRs.
2. Rating of any bank and DFI with which funds are placed should not be lower than AA (Double A) from a rating agency registered with the Commission.
3. Weighted average time to maturity of the 90% net assets of such scheme shall not exceed 4 years and this condition shall not apply to securities issued by Federal Government;
4. Such scheme shall make investments in such a manner that the original amount of investment is protected at maturity whilst having the potential to yield positive fixed rate/return
5. The Total Expense Ratio of this scheme shall be same as Money Market Fund and this scheme shall not charge any sales load to investor except contingent load which shall be made part of the scheme property;

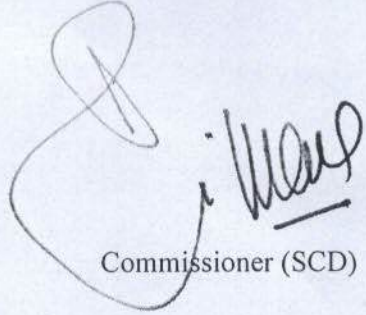
Provided that contingent load shall commensurate with net loss incurred due to early redemption.

6. An AMC may launch Fixed Rate/Return Plan with different investment avenues and different maturity dates under such scheme and the number of such plans at any point in time shall not increase ten (10).
7. An AMC shall publish separate Fund Manager Report for each Fixed Rate/Return Plan.
8. Clause no. 7 of the Circular No. 16 of 2014 dated July 03, 2014 shall not be applicable on this scheme.



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9. Regulation 38(2)(r)(iv) of the Regulations to the extent of NAV and clause IV of Circular No. 11 of 2009 dated March 26, 2009 shall not be applicable on this scheme and the frequency of NAV dissemination will be as specified in the Constitutive Documents.


Commissioner (SCD)

Distribution:

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