



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

No. SCD/CIRCULAR/242/2020

April 09, 2020

Circular No. // of 2020

Subject: Relaxation from certain provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008 and Circulars due to COVID-19 pandemic

The COVID-19 (Coronavirus) has affected many businesses around the world and has been declared as a pandemic. Due to the prevailing situation and in pursuant to the challenges faced by Asset Management Companies in complying with certain requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations"), the Securities and Exchange Commission of Pakistan in exercise of the powers conferred under section 282B(3) of the Companies Ordinance, 1984 read with sub-regulation 67(A) of the NBFC Regulations hereby allows the following relaxations for 90 days or as mentioned below in relation to compliance with certain requirements of the NBFC Regulations and circulars issued thereunder:-

1. Time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations is extended from four months to six months.
2. Time for announcement of daily NAV as per the requirement of Circular No. 11 of 2009 dated March 26, 2009 is extended from 18:30PM to the start of next working day.
3. Time for submission of monthly returns for the month of March 2020 as per the requirement of Circular No.1 of 2010 dated January 15, 2010 is extended for 10 days, i.e. by April 20, 2020.
4. Maximum limit for application of discretionary discount as per Annexure-I, Chapter 3 of Circular No. 33 of 2012 dated October 24, 2012 has been enhanced as per following table:-

	Rated	Unrated
Duration up to 2 Years	+400/-200 bps	+100 bps
Duration over 2 years	+300/-100 bps	+100 bps

5. The time period for classification of a debt security to non-performing category is extended from 15 days to 180days as per the requirement of annexure II of Circular No. 33/2012 dated October 24, 2012. Debt securities which are regular in payment of mark up, however, deferred the payment of principal for one year as per the agreement shall be treated as performing. Debt securities which are rescheduled/restructured between these 180 days shall continue to be treated as performing. These relaxations, shall stand expired on March 31, 2021; and afterwards prevailing instructions on the subject shall be applicable.
6. AMCs may inform investors through SMS or email in lieu of account statement to comply with the requirements of Circular No. 26 of 2015 dated July 27, 2015.



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7. Requirements of obtaining IFMP Certifications as per Circular No. 41 of 2016 dated December 30, 2016 is extended from six months to nine months.
8. Deadline for implementation of Circular No. 2 of 2020 dated February 6, 2020 is extended for further 60 days.



Musarat Jabeen
Executive Director

Distribution:

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