



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

No. SCD/Circular/156/2017

November 24, 2017

Circular No. 30 of 2017

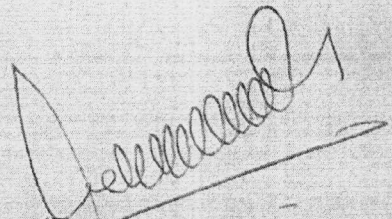
Requirements for Constant Proportion Portfolio Insurance (CPPI) based
Collective Investment Schemes (CIS)

The Securities and Exchange Commission of Pakistan, in exercise of powers conferred under Section 282B (3) of the Companies Ordinance, 1984 hereby makes the following amendments in the requirements of Circular No: 18 of 2015 dated May 15, 2015:

1. A CPPI based CIS/Plan may take equity exposure maximum upto 50% of its net assets subject to Cushion Value Percentage and Maximum Multiplier limits prescribed vide Circular No: 18 of 2015.
2. An AMC shall immediately rebalance asset composition of the CIS/Plan at least on 5% decline in Portfolio Value of CIS from the previous rebalancing or on weekly basis, whichever falls earlier.
3. A CPPI based CIS/plan launched under the category fund of funds shall take equity exposure only through dedicated equity funds.

All the other requirements prescribed vide Circular No: 18 of 2015 shall remain unchanged.

The requirements prescribed vide Direction No: 18 of 2016 dated May 25, 2016 shall stand withdrawn.


(Zafar Abdullah)
Commissioner (SCD)

Distribution:

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