



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

No. SCD/CIRCULAR/394/2018

June 04, 2018

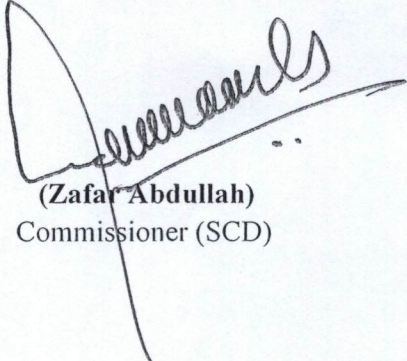
Circular No. 5 of 2018

**Subject: Amendments in Circular No. 40 of 2016(Conditions for Charging of Selling and Marketing Expenses to Mutual Funds)**

The Securities and Exchange Commission of Pakistan (“the Commission”), in exercise of powers conferred under section 282 B (3) of the Companies Ordinance 1984 read with Regulation 60 (3) (v) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, hereby makes following amendments in the condition numbers 1, 3(a) & 3(b) of Circular No. 40 of 2016 for charging of selling and marketing expenses to Collective Investment Scheme managed by Asset Management Companies (AMC):

1. Selling and Marketing expenses will be allowed initially for three years (from January 01, 2017 till December 31, 2019) to all categories of open-end mutual funds (except fund of funds and money market funds);
3. The selling and marketing expenses can only be used for the following purposes;
  - a. Cost pertaining to opening and maintenance of all branches by AMCs in all cities;
  - b. Payment of salaries to sales team posted at all branches of an AMC.

All other conditions prescribed through Circular No. 40 of 2016 and Circular No. 05 of 2017 shall remain unchanged.

  
(Zafar Abdullah)  
Commissioner (SCD)

**Distribution:**

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