



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
(NBFC DEPARTMENT)**

No. NBFC/MF- Cir/ 902 /2008

November 6, 2008

SUBJECT: CLARIFICATION REGARDING CIRCULAR NO. 26 OF 2008

Reference MUFAP letter dated November 5, 2008 on the subject matter and clarifications requested by some of the Asset Management Companies in respect of the captioned Circular, the following points are clarified for compliance by all concerned: -

- (i) Government debt securities and debt securities issued with a Government guarantee will not be subjected to any discount rate for valuation;
- (ii) Rating of the Issue will be applicable if both Entity and the Issue are rated;
- (iii) If the Issue is not rated then the rating of the Entity shall prevail and if no rating is available then such security shall be subjected to the discount rate of the "all others" category;
- (iv) The discount rate shall be applicable on the face value of the relevant debt security; and
- (v) If the valuation resulting from the captioned circular is higher than the price quoted by MUFAP then the price quoted by MUFAP shall prevail.

(AKIF SAEED)

Executive Director (SCD)

Copy to:

1. Chief Executive Officer of All Asset Management Companies
2. All Trustees of Open end mutual Funds
3. CEO MUFAP