



SECURITIES AND EXCHANGE  
COMMISSION OF PAKISTAN

# CONSULTATION PAPER

## AMENDMENTS IN PRIVATE FUND REGULATIONS 2015-2025

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# 1. Rationale for Circulating the Consultation Paper

This consultation paper is published for eliciting feedback/suggestion on potential areas of improvement in the Private Fund Regulations, 2015 (the “Regulations”).

The revamped Regulations were notified by the Securities and Exchange Commission of Pakistan (the “SECP”) on June 2020. The Commission has now initiated impact analysis to assess the efficacy of the Regulations in catering to the rapidly evolving landscape of the Private Fund sector within the country.

This entails review of the Regulations from the perspective of the further streamlining requirements and procedures, benchmarking the Regulations with international best practices, removing any interpretational ambiguities, introduction of additional measures for protection of rights of unitholders and provision of exit strategies to the unitholders, introduction of a chapter for termination or cessation of a private fund, introduction of investment committee and its roles, responsibilities and updating the Regulations in light of Shariah Governance framework.

## 2. Introduction of Private Funds

A Private Fund includes a private equity fund, venture capital fund or alternate fund which is managed by Private Fund Management Company (PFMC) in which a PFMC pools money from investors for making investment in securities, financial assets or derivatives of a listed or unlisted company(s).

The regulatory framework for Private Funds in Pakistan was first introduced in 2008. This was followed by the issuance of dedicated regulations for the Private Fund sector by the Commission in 2015. These regulations were later revised in 2020 to reflect evolving market needs.

Further, in terms of regulatory framework, a company is required to obtain license as PFMC from the SECP under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Once the license is obtained, a PFMC can register a private fund and raise funds from the investors under the Regulations.

## 3. Overview of Private Fund Sector

The country’s first Private Fund was launched in 2017. Since then, the SECP has been actively engaged in the development of the Private Fund sector by optimizing regulatory framework and aligning it with international best practices.

The SECP introduced the Private Fund Regulations, 2015 which repealed the earlier Private Equity and Venture Capital Fund Regulations, 2008. The revamped Regulations focused on creating ease of doing business for PFMCs, introduced procedure for registration of Private Fund, enhancement of role and obligations of trustee and PFMC along with shift towards disclosure-based regime.

Consistent efforts to improve the regulations and address impediments for making Private Fund competitive investment avenue has resulted in phenomenal growth in the Sector. Synopsis of the Private Fund sector is provided hereunder:

Table: 1

Total number of Licensed Private Fund Management Companies	
PFMCS	13

Table: 2

Total number of Private Funds	
Registered and Launched	7
Registered and yet to be Launched	8
Total	15

Table: 3

Types of Private Funds	
Private Equity and Venture Capital Fund	12
Venture Capital Fund	2
Alternate Fund	1
Total	15

Table: 4

Shariah Compliant and Conventional Private Funds	
Shariah Compliant	2
Conventional	13
Total	15

## 4. Identification of Potential Areas for Improvement-up – Regulatory Review

The Commission has initiated impact analysis to assess efficacy of the Private Fund Regulations, 2015 in catering to the rapidly evolving Private Fund landscape within the country.

The review also focusses on reinforcing listing of investee company of the fund on GEM board so that private fund can function as a viable capital market asset class. To enable greater flexibility and list down the events that can lead to revocation of the private fund. The existing Regulations do not contain provisions regarding the events in which the private fund can be terminated or revoked. To promote protection of rights of unitholders, the Regulations are being evaluated for strengthening the roles and responsibilities of the PFMC and trustee/custodian in ensuring effective supervision and control over the private fund and to mitigate any regulatory arbitrage between different private fund structures. Such regulatory infrastructure coupled with accurate and timely disclosures is deemed vital for complementing the consistent shift towards a disclosure-based regime for the private fund in Pakistan.



Given increased preference for shariah compliant private funds, the regulations are also being reviewed for ensuring better linkage and enabling enhanced adherence to Shariah principles and the Shariah governance regulatory framework recently notified by the SECP.

## 5. Potential Areas for Improvement

Potential areas for improvement in the Regulations along with the rationale based on which these areas have been identified are provided hereunder:

### Chapter – I: Preliminary

#### (i) Regulation 2: Definitions

- a) Angel Fund:** It is proposed that definition of “Angel Fund” to be incorporated in the Regulations.

Defining Angel Fund within the Regulations is crucial for regulatory clarity and fostering early-stage investments in Pakistan’s start-up ecosystem. Angel investors play a vital role in bridging the funding gap between self-financing and institutional venture capital, but in the absence of a dedicated regulatory framework, such investments are often structured informally. By categorizing Angel Fund as a sub-category of Venture Capital Fund, the regulatory framework can align with international best practices while distinguishing Angel Funds based on investment size, investor eligibility, and risk appetite. Many jurisdictions, including the United States and United Kingdom, recognize Angel Funds as a distinct category within private funds to promote entrepreneurship and innovation, making this inclusion a necessary step for strengthening Pakistan’s investment ecosystem.

- b) Alternative Fund:** It is proposed that definition of “Alternative Fund” provided in the Regulations may be replaced with “Hedge Fund”.

The deletion of the definition of Alternative Fund from the Regulations is proposed to align with international terminology, where the term Hedge Fund is more commonly used. In global financial markets, Hedge Funds represent a distinct category of private funds employing diverse investment strategies, standardizing terminology with widely accepted global practices will ensure consistency with international fund structures. This amendment will also support better alignment with market expectations and improve investor confidence in Pakistan’s private fund landscape.

- c) Designated Partner:** It is proposed that definition of “Designated Partner” may be incorporated in the Regulations.

The inclusion of the term Designated Partner in the Regulations is proposed to address a regulatory gap, as no such definition currently exists despite the provision for private funds to be registered under the Limited Liability Partnership (LLP) structure. The LLP framework is widely recognized internationally for private funds due to its flexibility and limited liability protection etc. In global practices, Designated Partners are responsible for compliance, governance, and operational oversight within an LLP. Defining this role in the Regulations will provide clarity on legal and fiduciary responsibilities, align with international best practices, and ensure a robust governance framework for private funds operating under an LLP structure in Pakistan.

- d) Eligible Investor:** Term “Eligible Investor” is proposed to be expanded to include individual investor both local and foreign along with relaxed financial resource requirement and inclusion of term “Qualified Institutional Buyer”.

The classification of the eligible investors into Individual and Qualified Institutional Buyers is being defined separately as the regulations only define individuals as eligible investors. Additionally, requirement for eligible investor has been relaxed through inclusion of net income requirement to enable broader investor participation in Private Funds and stimulate market growth.

- e) Financial Close:** It is proposed that definition of “Financial Close” may be incorporated in the Regulations.

Currently, the term is not defined within the Regulations, which may lead to ambiguity in determining when a fund is considered fully operational and ready to deploy capital. Establishing a clear definition will help ensure uniform interpretation among fund managers, investors, and regulators, reducing uncertainties and enhancing transparency in fund administration.

By defining Financial Close as, the stage when all investment and financing arrangements have been finalized, funds have been received, and the process for active investment has commenced in line with the investment policy stated in the constitutive documents, the regulation will align with international best practices. This will not only streamline fund management processes but also facilitate better compliance monitoring, ensuring that funds adhere to regulatory requirements before initiating investment activities.

- f) Fund of Fund:** It is proposed that definition of “Fund of Fund” may be incorporated in the Regulations.

The inclusion of the definition of Fund of Fund in the Regulations is proposed to provide regulatory backing for such funds in Pakistan, enabling portfolio diversification, risk mitigation, and broader investment access. A Fund of Fund pools investor capital to invest in multiple private funds rather than directly in securities or assets, offering a structured approach to capital allocation. Recognized globally as a distinct investment category, Fund of Fund facilitate investments across venture capital, private equity, and alternative funds, playing a key role in expanding capital markets. Aligning Regulations with international best practices will enhance market depth, attract institutional and retail investors, and strengthen the private fund ecosystem by providing structured exposure to diversified investment opportunities.

- g) Impact Fund:** It is proposed that definition of “Impact Fund” may be incorporated in the Regulations.

The inclusion of the definition of “Impact Fund” is proposed to align regulatory framework with globally accepted terminology and investment practices. Impact Funds are specialized investment vehicles that allocate capital to businesses, projects, or initiatives generating measurable social and environmental benefits alongside financial returns. In many international jurisdictions, Impact Investing has emerged as a key strategy to address global challenges such as climate change, financial inclusion, healthcare, and education, attracting institutional and socially responsible investors. By defining Impact Fund in the Regulations can foster the growth of socially conscious investment vehicles, encourage capital inflow into sustainable ventures, and integrate the Environmental, Social, and Governance (ESG) framework into private fund investments, ultimately supporting long-term economic and social development.

- h) Infrastructure Fund:** It is proposed that definition of “Infrastructure Fund” may be incorporated in the Regulations.

The inclusion of the definition of “Infrastructure Fund” is proposed to align regulatory framework with internationally recognized investment structures. Infrastructure Funds are specialized investment vehicles that finance and develop large-scale infrastructure projects, including transportation, energy, telecommunications, and urban development, which are critical for economic growth. Globally, such funds play a key role in attracting long-term institutional capital, fostering public-private partnerships (PPPs), and ensuring sustainable infrastructure development. By defining Infrastructure Fund, can create a clear regulatory pathway for domestic and foreign investors to participate in infrastructure financing, enhance capital mobilization, and support the country’s long-term economic and industrial growth.

- i) Person:** It is proposed that definition of “Person” may be incorporated in the Regulations.

The inclusion of the definition of “Person” in the Regulations is proposed for regulatory consistency by aligning it with the definition provided in the NBFC Rules, 2003. Defining “Person” will provide clarity on the legal scope of entities and individuals covered under the Regulations, ensuring uniform interpretation and application across fund structures, investor eligibility, and compliance requirements.

- j) Private Fund:** It is envisaged that the definition of a Private Fund may be revised to provide greater clarity—positioning it as an overarching category that includes various types of funds under its umbrella, such as private equity, venture capital etc. The revised definition would also clarify that a Private Fund shall be established and registered in Pakistan, and that its investments must be made in accordance with a clearly defined investment policy.

It is suggested that clarity may be provided regarding jurisdictional scope, ensuring that all private funds operate within a clear legal and regulatory framework. Further, it reinforces the requirement for structured and strategic fund management, ensuring investor protection and consistency in fund operations.

- k) Private Equity Fund:** It is proposed that definition of “Private Equity Fund” may be incorporated in the Regulations.

The definition of “Private Equity Fund” has been proposed to align SECP regulatory framework with international standards and enhance clarity for investors and market participants. By explicitly categorizing Private Equity Funds as a sub-class of Private Funds, the regulation ensures consistency with global nomenclature, facilitating better comprehension and comparability for foreign and domestic investors. This definition also provides a structured approach to PE investments, emphasizing their role in financing unlisted companies, revitalizing listed entities, and supporting SME growth.

- l) Private Fund Management Services:** It is suggested that term “Private Equity and Venture Capital” may be replaced with “Private Fund Management Services”.

Consequential amendment due to amendment proposed in S # (i)(k). Further, since all private funds operate under the broader category of Private Fund, this change eliminates redundancy and ensures consistency in classification. It simplifies regulatory oversight, reduces ambiguity, and aligns with international best practices, making the framework more adaptable to evolving investment structures.

**m) Private Equity and Venture Capital Fund:** It is suggested that term “Private equity and Venture Capital Fund” may be amended to clarify that the same falls under sub-category of a Private Fund.

**n) Private Fund Management Company:** It is suggested that in the definition of Private Fund Management Company term “Private Equity and Venture Capital” may be replaced with “Private Fund”.

Consequential amendment due to amendment proposed in S # (i)(m) above.

**o) “Small and Medium Enterprise Fund or “SME””:** It is proposed that definition of “Small and Medium Enterprise Fund or “SME” may be incorporated in the Regulations.

The definition of “SME Fund” has been introduced to align SECP regulatory framework with international standards and ensure clarity in fund categorization. By explicitly recognizing SME Funds as a distinct sub-category of Private Fund, the regulation enhances transparency and facilitates targeted investment in small and medium enterprises. This alignment with global nomenclature improves comparability for investors and fund managers, fostering confidence and attracting capital to the SME sector.

**p) Shariah Compliant Private Fund:** It is proposed that definition of “Shariah Compliant Private Fund” may be incorporated in the Regulations.

Incorporating the “Shariah Compliant Private Fund” definition by directly referencing the Companies Act, 2017 and Shariah Governance Regulations, 2023 streamlines the Regulations by ensuring consistency and avoiding redundant definitions. This linkage fosters regulatory coherence, eliminates potential interpretive discrepancies, and simplifies compliance for market participants.

**q) Venture Capital Fund:** It is proposed that definition of “Venture Capital Fund” may be incorporated in the Regulations.

Defining “Venture Capital Fund” within the Regulations, aligns the regulatory framework with international best practices and nomenclature. This harmonization reducing ambiguity for global investors and fund managers. By adopting a widely recognized definition, the regulations enhance the competitiveness of the domestic venture capital market, attract foreign capital, and foster a more efficient and transparent investment environment. This consistency with other jurisdictions promotes clarity and reduces regulatory arbitrage, ultimately strengthening the overall integrity of the private fund ecosystem.



## Chapter-II:

### (i) Regulation 3: Prohibition to engage in business of Private Equity and Venture Capital Fund Management Services without registration. –

- a) Regulation 3(2): The proposed deletion removes a transitional clause that has become redundant over time. The provision originally served to facilitate the registration of existing funds at the time the Private Fund Regulations were first introduced. As the stipulated one-year compliance window has long expired, retaining the clause no longer serves a regulatory purpose. Its removal helps streamline the regulations, eliminating outdated text and ensuring the regulatory framework remains clear, current, and focused on active compliance requirements.

### (ii) Regulation 4: Conditions for Launch of Private Fund

- a) **Regulation 4(i):** Amendment proposed clarifying that private fund is a privately pooled investment vehicle to bring it at par with the nomenclature used in other jurisdictions. Further, it is a consequential amendment due to amendment proposed in the definition of private fund in S# (i)(k) above. Additionally, subsequent to 18th amendment, the Trust Act, 1882 was repealed and replaced by separate Trust Acts in each of the four provinces of Pakistan and the Islamabad Capital Territory (ICT). Accordingly, it may be replaced by Provincial/Federal Trust here and in Regulation 5(3).
- b) **Regulation 7 Roles and Responsibilities of Trustee or Custodian:** It is suggested that the roles and responsibilities of trustee or custodian may be enhanced for increased transparency, better coordination, improved monitoring and supervision of the private fund and to mitigate any regulatory arbitrage:

#### A Trustee or Custodian:

- i. to perform its role and responsibilities in terms of the Rules, Regulations, directives, trust deed/custodian agreement and the private placement memorandum.
- ii. can delegate its functions to its authorized person for performing trustee or custodian function and for interacting with PFMCS. Any change in such person may promptly be notified to the PFMC.
- iii. to provide information to the PFMC from time to time related to trust or LLP property and all matters relating to trust or LLP.
- iv. to call meeting of the unit holders in terms of mechanism defined in the constitutive document.

- c) **Regulation 8 Roles and Responsibilities of Private Fund Management Company:** It is suggested that the roles and responsibilities of the PFMC may be enhanced for increased transparency, better coordination, improved monitoring and supervision of the private fund and to mitigate any regulatory arbitrage:

#### A PFMC:

- i. to perform its role and responsibilities in terms of the Rules, Regulations, directives, trust deed/custodian agreement and the private placement memorandum.
- ii. to have discretionary power for investment decision according to rules, regulations and investment objectives provided in constitutive documents.
- iii. with the trustee consent, to frame procedures for private fund business to ensure consistency with the framework and constitutive documents.



- iv. to be responsible for its own acts, gross negligence or wilful breach.
- v. to nominate officers for interaction with trustee or custodian for notifying changes.
- vi. to advise trustee or custodian to settle instructions promptly and ensure compliance with regulatory framework and constitutive documents.
- vii. not to hold client money.
- viii. to negotiate and establish agreements related to equity or debt financing, trading etc. and to give trade instructions to the broker.
- ix. may request trustee or custodian to defend legal proceedings for protection of trust or LLP property or unit holder of partner interest.
- x. to appoint investment committee which may be responsible for deal evaluation and approval, development of risk management strategies and internal investment restrictions, management of portfolio of private fund and development of strategies including governance, due diligence and exit.
- xi. to appoint Investment committee to be headed by CEO and include CFO, CIO, along with representation from departments including compliance and operations. Further, details of investment committee members along with qualification and experience to be disclosed in annual audited accounts. Furthermore, PFMC may appoint industry expert as an advisor to the investment committee.
- xii. only to follow internal investment restrictions and policies developed by the investment committee.
- xiii. to disclose following information on half yearly basis to the investors:
  - a) periodically provide to investors with risk management, operational and transactional information about fund management.
  - b) immediately disclose any inquiries or legal actions by legal or regulatory bodies, material liabilities arising during the PFMCs tenure and breaches of fund documents.
  - c) any change in control of the sponsors, manager or investee company.
  - d) significant change in key investment team.
- xiv. in case of Shariah Compliant Private Fund to disclose Shariah non-compliant assets or liabilities or income on the reporting date along with reasons, justification and treatment.
- xv. in case of a Shariah Compliant Private Fund to obtain Shariah compliance certificate as per the requirements of Companies Act, 2017 and the Shariah Governance Regulation, 2023.
- xvi. in the case of a Shariah Compliant Private Fund, shall ensure that all new and supplemental Constitutive Documents are in line with the clauses prescribed under Schedule II, II(A), II(B), IV relating to Shariah compliance. Provided that PFMC to amend existing constitutive documents within such time as may be specified by the Commission.

## Chapter – III: Investment Conditions and Restrictions

### (i) Regulation 11: Investment Conditions and Restrictions–

- a) **Change in Fundamental Attributes:** It is suggested that clause related to change in the fundamental attribute by the PFMC on behalf of private fund may be expanded to include change in investment policy, PFMC, trustee or custodian and increase in management fee.

The proposed amendments reinforce investor protection by enhancing governance over fundamental changes in a Private Fund. By requiring the approval of at least 75% of unit holders (by value) for key modifications—such as changes in investment objectives, policies, structure, management, trustee, custodian, or an increase in management fees—the amendment ensures that significant decisions align with investor interests.

- b) **Co-investment conditions:** New clause inserted suggesting that terms for both co-investment in an investee company by the private fund or sponsor or co-investor and exit from the co-investment may be identical to the terms set by the private fund with the investee company.

The proposed inclusion will ensure that co-investment transactions by a PFMC, Sponsor, or co-investor are conducted at arm's length, maintaining fairness and transparency. By mandating that co-investment terms are not more favorable than those set by the Private Fund, the provision safeguards the interests of unitholders and prevents conflicts of interest. Additionally, allowing identical exit terms ensures alignment between co-investors and the Private Fund, promoting equitable treatment in investment and exit strategies. This measure will strengthen governance, enhances investor confidence, and upholds market integrity in private fund investments.

- c) **Sub-categories of Private Fund:** Clause amended to disclose private equity fund and fund of fund separately.
- i. Consequential amendment owing to insertion of definition of private equity fund and fund of fund.

## Chapter – IV: Placement Memorandum and Valuation

### (i) Regulation 13: Placement Memorandum and Valuation

- a) **Appointment of independent valuer:** New clause inserted suggesting that independent valuer to meet the criteria provided in the Companies Regulations, 2024.

The proposed clause will ensure that an Independent Valuer appointed by the PFMC meets the criteria set forth in the Companies Regulations, 2024. This provision strengthens transparency and accuracy in the valuation of fund assets by mandating the use of a registered and qualified valuer. By aligning valuation standards with regulatory requirements, the amendment enhances investor confidence, minimizes valuation-related risks, and promotes fair and consistent asset pricing.

## Chapter – IV(A): Termination of a Private Fund

### (i) Regulation 13A:

- a) Termination or Revocation of the Private Fund:** To enable greater flexibility and codify the events that can lead to revocation of the private fund. The existing Regulations do not contain provisions regarding the events in which the private fund can be terminated or revoked. Following events can be considered to be included for revocation of private fund.
- i. The Private Fund has reached its maturity date as specified in the constitutive documents;
  - ii. The unit holders representing at least three fourth in value of total outstanding units of the Private Fund, pass a resolution or have given consent in writing that the Private Fund be revoked;
  - iii. Where the PFMC goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or expired or does not hold valid license;
  - iv. In the opinion of the PFMC the Private Fund is not commercially viable or the purpose of the Private Fund cannot be accomplished subject to the consent of trustee or custodian;
  - v. On occurrence of any event or circumstances which, in the opinion of the trustee or custodian, requires the Private Fund to be revoked; and
  - vi. Where the Commission deems it necessary to revoke the Private Fund in accordance with the law and so directs either trustee or custodian or PFMC in the interest of unit holders;

Where a private fund is to be revoked, the trustee or custodian to immediately give notice to the Commission and also send such notice at the registered postal address and/or email at the registered email ID of all unit holders including the Non-Resident investors.

Further, on the date of submission of the notice to the Commission, the affairs of the private fund may be transferred to the trustee or custodian till the completion of the final settlement of the affairs of the private fund and PFMC will not entitled to any further remuneration.

### (ii) Regulation 13B:

- a) Procedure and manner of termination or revocation of the Private Fund:** To enable greater flexibility and codify the procedure and manner of termination of the private fund. The existing Regulations do not contain provisions regarding the procedure in which the private fund can be terminated or revoked. Following procedure can be considered to be included for revocation of private fund.
- i. From the date issuance of the notice under sub-regulation (2) of Regulation 13A the issuance and redemption of Private Fund unit shall be suspended and Private Fund shall cease to carry on its business, except so far as may be required for the beneficial revocation thereof.
  - ii. The Trustee or Custodian shall be authorized to dispose of the assets of the Private Fund in the best interest of the unit holders of that Private Fund and any sale, settlement or arrangement executed by the trustee in pursuance of revocation of Private Fund shall be binding on the PFMC and unit holders of the Private Fund.

- iii. On the completion of the revocation process the Trustee or Custodian shall forward to the Commission and the unit holders a report on the revocation process containing particulars such as circumstances leading to the revocation, the steps taken for disposal of assets of the Private fund before revocation, expenses of the Private Fund for revocation, net assets available for distribution to the unit holders and a certificate from the auditors of the Private fund.
- iv. After the receipt of revocation report from trustee or Custodian, if the Commission is satisfied that all measures for revocation of the Private fund have been complied with, the Commission shall cancel the registration of a Private fund and the Private fund shall cease to exist.

## Chapter – IV(B): Exit Options

### (i) Regulation 13(c):

- a) Exit strategies for the Investors: To provide opportunity for early exit to the investors and codify the options and procedures for exit to the investor of the private fund. The existing Regulations do not explicitly provide exit strategies to the investors of the private fund. Following options and procedure can be considered to be included for provision of exit to the investors of the private fund.
  - i. The PFMC after the final close, may provide either the following options to the unit holders or partners:
    - (a) Offer units to the existing unit holders;
    - (b) Purchase of units by PFMC;
    - (c) Offer units to the outside investors in case existing unitholders do not purchase the offered units;
    - (d) Listing of the investee company of the Private Fund on Main Board or on GEM Board.

Provided that the units may be offered to the existing unitholders or partners first. In case the existing unitholders or partners do not opt for the buyback option, the PFMC may purchase the units itself else the units may be offered to the outside investors.

Provided further that the pricing mechanism may be included in the placement memorandum, specifying the method of valuation of units or partnership interest applied for.



## Chapter – V: General Obligations and Responsibilities

### (i) Regulation 14(a):

- a) **Other Obligations:** It is proposed that a PFMC, in case of a shariah compliant scheme to ensure ongoing shariah compliance and comply with the conditions of Shariah Governance Regulations, 2023. Further, a shariah compliant private fund launched after promulgation of the Shariah Governance Regulations, 2023 that did not obtain shariah compliance certificate, to obtain the same till September 30, 2025. Additionally, PFMC to engage external Shariah Auditor for a shariah compliant private fund. In addition to above, annual Shariah Review Report as required under the Shariah Governance Regulations, 2023 may also form part of annual report. Furthermore, policies with respect to AAOIFI or other standard setting organization as notified by the Commission may also be disclosed in the annual report.

The proposed amendments aim to strengthen the regulatory framework for Shariah-compliant private funds by ensuring alignment with the Shariah Governance Regulations, 2023. These measures are intended to enhance transparency, investor confidence, and consistency in the management of Shariah-compliant private funds.

#### **Form I: APPLICATION FOR REGISTRATION OF PRIVATE FUND AS NOTIFIED ENTITY**

**INSTRUCTIONS:** Form I may be amended for clarity. It may be clarified that fee for registration of a private fund is PKR 500,000 instead of 1 million. Further, term fund size may be used instead of proposed size of investible funds. Additionally, term custodian may be inserted where the details of trustees are required.

**Schedule II & IV:** Contents of the Trust Deed of the Fund & Placement Memorandum: Contents of the Trust Deed of the Fund and Placement Memorandum amended and elaborated consequent to the standardized constitutive document prepared and placed on the SECP website. Further, contents of the Trust Deed and Placement Memorandum are now containing more disclosures and it ensures better compliance with shariah principles and align Regulations with newly promulgated Shariah Governance Regulations, 2023.

**Schedule II(A) & II(B): Contents of the Limited Liability Partnership Agreement & Custodian Agreement:** New Schedules containing contents of the Limited Liability Partnership Agreements and Custodian Agreement proposed consequent to the standardized constitutive document prepared and placed on the SECP website. Existing Regulations do not contain such schedules containing contents of LLP agreement and custodian agreement. Therefore, for ease of PFMC schedule II(A) & II (B) are suggested to be made part of the Regulations. Further, contents of the Limited Liability Partnership Agreement and Custodian Agreement contain disclosures and it ensures better compliance with shariah principles and align Regulations with newly promulgated Shariah Governance Regulations, 2023.



## 6. Format for sharing feedback/comments:

Name			
Name of Related Entity			
Sr. No	Regulation/Section No.	Views/Proposed Changes	Rationale
<b>Confidentiality</b>			
If you wish to keep all or any part of your submission and your identity confidential, please the same. In all other cases, your provided comments can be made public, except your information.			

## 7. Indicative Timeline:

Stage	Date/Timeline	Details
1	April 15, 2025	Publication of Consultation Paper
2	Within 15 days of publication of consultation paper and placement of notification on SECP websites	Public comments period
3	Within 30 days of receipt of comments on the consultation paper	Consultation on suggestions
4	Within 30 days of conclusion of consultation	Notification of draft amendments to the Regulations



**SECP**

**Securities and Exchange  
Commission of Pakistan**