

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

No. NBFC/MF-Cir/897

5th November, 2008

CIRCULAR NO. 26/2008

Subject: **Directive under section 282D of the Companies Ordinance, 1984**

1. Due to absence of liquidity and price discovery in the debt market, the Securities and Exchange Commission of Pakistan, in exercise of its powers conferred under section 282D of the Companies Ordinance, 1984, is satisfied that it is necessary and expedient in the public interest generally and in the interest of unit holders especially, to direct all Asset Management Companies that all debt securities including Term Finance Certificates (TFCs), Sukuks etc. held by collective investment schemes (Mutual Funds) shall, with immediate effect, be valued after applying the following discount rates for calculating the Net Asset Value (NAV):-

<u>S.No.</u>	<u>Entity or issuer rating</u>	<u>Percentage of discount to face value</u>
1.	AAA	5%
2.	AA+	7.5%
3.	AA	10%
4.	AA-	12.5%
5.	A+	15%
6.	A	17.5%
7.	A-	20%
8.	All others	30%

2. The Mutual Funds calculating NAV on backward pricing basis shall not entertain any redemption requests today i.e. 5th November, 2008.

3. This directive shall have immediate effect and will be applicable till 12th January, 2009 or such other date as the Commission may specify.


(Akif Saeed)
Executive Director (SCD)

Copy to:

1. Chief Executive Officers of all Asset Management Companies
2. All Trustees
3. MUFAP