

PART II
Statutory Notification (S.R.O)
GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 19th August, 2025

NOTIFICATION

S.R.O.1577(I)/2025.- In exercise of the powers conferred by sub-section (2) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984), the Securities and Exchange Commission of Pakistan is pleased to make the following amendments in the Private Fund Regulations, 2015, and the same is hereby published for information of all persons likely to be affected and notice is hereby given that comments, if any, received by the Commission within fourteen days from the date of placement of the draft amendments on the website of the Commission will be taken in to consideration, namely:-

DRAFT AMENDMENTS

In the aforesaid Regulations, -

- (1) in the preamble, the expression “Equity and Venture Capital ” shall be omitted;

- (2) in regulation 2, sub-regulation (1), -
 - (i) clause (i) shall be omitted;

 - (ii) after the omission of clause (i) as aforesaid, the following new clause shall be inserted, -

“(ia) “Angel Fund” means a sub-category of Venture Capital Fund established in a closed-end Structure which invests primarily in unlisted securities or financial assets of early-stage start-up companies other than Hedge Funds.”;

 - (iii) after clause (ii), the following new clause shall be inserted, -

“(iia) Designated Partner” in case of Limited Liability Partnerships, means an individual on behalf of Private Fund Management Company;”;

(iv) for clause (iii), the following shall be substituted, -

“(iii) “Eligible Investor” includes:

- (a) an individual who has earned an income of at least Rs. 5 million in the preceding financial year or who has net assets of at least Rs. 15 million excluding the value of personal residence and who furnishes a declaration to the Private Fund Management Company that he understands the risks of investment in a Private Fund;
- (b) a qualified Institutional buyer;

Explanation: - For the purposes of this clause “qualified institutional buyer” means a body corporate as defined in Section 2(1)(9) of the Companies Act, 2017.”;

(v) after clause (iv), the following new clauses will be inserted, -

“(iva) “Financial Close” means the stage when all investment and financing arrangements have been made, funds have been received and the process for commencement of active investment out of Private Fund initiated in accordance with the investment policy as provided in the constitutive documents;

(ivb) “Fund of Funds” means a sub-category of a Private Fund established in a close-end structure or open-end structure which invests primarily in units of other Private Funds;

(ivc) “Hedge Fund” means a Private Fund established in either open-end or closed-end structure which employs diverse trading strategies and primarily invests and trades in Portfolio Securities and other financial Assets;

(ivd) “Impact Fund” means a sub-category of a Private Fund established in a closed-end structure which invests primarily in Unlisted Securities or financial assets other than derivatives of socially responsible companies focusing on environmental, social and governance issues;

(ive): “Infrastructure Fund” means a sub-category of Private Fund established in a closed-end structure which invests primarily in Unlisted Securities or

financial assets other than derivatives of companies engaged in or formed for the purpose of operating, developing or holding infrastructure projects including transportation, utilities, and energy etc.;”;

- (vi) clause (vi) shall be omitted;
- (vii) after clause (ix), the following new clause shall be inserted, -
“(ixa): “person” shall have the same meaning as assigned to it in the NBFC Rules, 2003.”;
- (viii) in clause (x), after the expression “means”, the expression “a privately pooled investment vehicle established or registered in Pakistan” shall be inserted and expression “an arrangement” shall be omitted and after the expression “or other returns”, the expression “for investing it in accordance with a defined investment policy” shall be inserted;
- (ix) after clause (x), as amended above, the following new clause shall be inserted,-
“(xa) “Private Equity Fund” means a sub-category of a Private Fund established in a closed-end structure for investment mainly in securities or financial assets other than derivatives of an unlisted company or for reviving a listed company or listed and unlisted SME or expansion of business of an unlisted company according to the stated objective of the fund;”;
- (x) in clause (xii), the expression “Equity & Venture Capital” shall be omitted;
- (xi) in clause (xiii), after the expression “means a”, the expression “sub-category of a” shall be inserted and, in proviso of the same, after the expression “other Private” the expression “Equity” shall be inserted;
- (xii) after clause (xiii), the following new clause shall be inserted, -
“(xiiia) “Private Fund Management Company” means Company licensed by the Commission to provide Private Fund management services under NBFC Rules, 2003”;

- (xiii) after clause (xviii), the following new clauses shall be inserted, -
- “(xviii)(a) “Small and Medium Enterprise Fund or “SME”” means a sub-category of Private Fund established in a closed-end structure which primarily invests in listed and Unlisted Securities or financial assets other than derivatives of a Small and Medium Enterprise.

Explanation: - for the purposes of this clause the expression “SME” shall have the same meaning as assigned to it in the Companies Act, 2017 (XIX of 2017).;

“(xviii)(b) “Shariah Compliant Private Fund” means Private Fund that has been declared Shariah-compliant under the Companies Act, 2017 read with the Shariah Governance Regulations, 2023:

Provided that Shariah Compliant Private Fund similar to an already declared Shariah Compliant Private Fund by the Commission, having the same underlying structure, mode of Islamic financing, and terms and conditions except for variations in commercial terms such as pricing, issue size, etc. shall not be required to obtain a separate Shariah compliance certificate. However, the issuer shall be required to submit Form E in accordance with the Shariah Governance Regulations, 2023, before the issuance of such other scheme;

- (xiv) after clause (xxii), the following new clause shall be inserted, -
- (xxiii) “Venture Capital Fund” means a sub-category of Private Fund established in a closed-end Structure which invests primarily in unlisted securities or financial assets other than derivatives of start-up company, emerging or early-stage venture capital company mainly involved in new products, new services, technology or intellectual property right based activities or a new business model.”;

- (3) after regulation 2, as amended above, for the heading of Chapter II, the following shall be substituted, -
- “PROHIBITION TO ENGAGE IN BUSINESS OF PRIVATE FUND MANAGEMENT SERVICES WITHOUT REGISTRATION”

- (4) in regulation 3, sub regulation 2 shall be omitted;
- (5) in regulation 4, for clause (i), the following shall be substituted, -
“(i) It is a privately pooled investment vehicle established as a trust under the respective federal or provincial trust acts, or as company under Companies Act 2017 (XIX of 2017), or as limited liability partnership under Limited Liability Partnership Act 2017 (XV of 2017) or any other legal structure as approved by the Commission;”;
- (6) in regulation 5, sub regulation (3) for the expression, “Trust Act, 1882 (II of 1882)”, the expression “respective federal or provincial trust acts” shall be substituted;
- (7) in regulation 7, in the heading, for the expression “Obligations of the Trustee”, the expression “Roles and Responsibilities of the Trustee or Custodian:” shall be substituted and after clause (viii) the following new sub clauses shall be inserted, -
“(ix) The Trustee or Custodian, as the case may be, shall perform its role, duties and obligations and have such powers and rights, as are specified in the Rules, Regulations and directives issued thereunder, the Trust Deed/Custodian Agreement and the Private Placement Memorandum;

(x) The Trustee or Custodian, as the case may be, shall make available to the Private Fund Management Company such information as the Private Fund Management Company may reasonably require from time to time in respect of the Trust or Limited Liability Partnership/Property and all other matters relating to the Trust or Limited Liability Partnership;

(xi)The Trustee or Custodian, as the case may be, shall hold an annual general meeting of unit holders of each private fund in a manner as provided for in the Companies Act 2017.”;
- (8) in regulation 8,
(i) in the heading, for the expression “Role of Private Fund Management Company”, the expression “Roles and Responsibilities of Private Fund Management Company” shall be substituted;

- (ii) in clause (iv) the following shall be substituted, -
“Shall not be liable for any loss except to the extent that such loss is caused by its own acts, gross negligence, recklessness, or willful breach or omission, in which case it shall be liable to account to the Trustee for such loss.”
- (iii) After clause (v), the following new clauses shall be inserted, -
- “(va) The Private Fund Management Company shall manage, operate, and administer the Private Fund in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, these Regulations, directives, circulars and guidelines issued by Commission, the Trust Deed or Custodian Agreement, and the Private Placement Memorandum.
- (vb) The Private Fund Management Company has discretionary power for investment decisions, subject to the Non-Banking Finance Companies (Establishment and Regulation) Rules, these regulations, and set investment objectives in the Constitutive Documents.
- (vc) The Private Fund Management company may frame procedures for Private Fund business with Trustee consent, ensuring consistency with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, these Regulations, directives, circulars and guidelines issued by Commission, and Constitutive documents.
- (vd) The Private Fund Management Company shall nominate officers for interaction with Trustee or custodian, for notifying changes.
- (ve) The Private Fund Management company shall advise Trustee or Custodian on settlement instructions promptly and to ensure compliance with Applicable Law and Constitutive Documents.
- (vf) The Private Fund Management Company shall not hold client money.
- (vg) The Private Fund Management company is responsible for negotiating and establishing agreements related to equity, debt, financing, trading, custody and is also authorized to give brokers and custodian any trade instructions.
- (vh): The Private Fund Management Company may request Trustee or Custodian to defend suits or legal proceedings for protection of Trust or LLP Property or Unit holders' or Partners interest.
- (vi) have at least one investment committee appointed by Private Fund Management Company which shall be responsible for:
- (I): Deal evaluation and approval.

(II): Selecting and developing appropriate investment and risk management strategies in alignment with Fund strategy for the proper performance of the Private Fund.

(III): Developing internal investment restrictions in line with Regulation 11 of these Regulations.

(IV): Management of Portfolio of the Private Fund.

(V): Development governance, due diligence, exit strategies and their compliance thereof.

(vj) The Investment Committee shall be headed by Chief Executive Officer and shall include Chief Financial Officer and Chief Investment Officer along with representation from departments including compliance and operations and details of members of the Investment Committee along with the qualification and experience shall be disclosed in annual audited accounts of the Private Fund:

Provided that the Private Fund Management Company may appoint industry experts as an advisor to the Investment Committee;”;

- (iv) for clause (viii) the following shall be substituted, -
“follow internal investment restrictions and polices developed by the investment Committee.”
- (v) in clause (xvii), after the expression “to the investor”, the expression “unless mentioned otherwise” shall be inserted, and after sub clause (d), the following new sub clauses shall be inserted, -
 - “(e)Periodically provide investors with risk management, operational, and transactional information about fund investments.
 - f) Any inquiries or legal actions by legal or regulatory bodies, material liabilities arising during the PFMC’s tenure, and breaches of fund documents must be disclosed as they occur.
 - g) Any change in control of the Sponsor, Manager, or Investee Company.
 - h) Significant changes in the key investment team.”
- (vi) in clause (xviii),
 - (i) in sub clause (a), after the expression “Private Fund”, the expression “and in case of Shariah Compliant Private Fund, details of shariah non-compliant assets or liabilities as on reporting date, if any, along with reasons and justification” shall be inserted; and

(ii) after sub-clause (a) amended as aforesaid, the following new sub-clause shall be inserted,

“aa) In case of Shariah Compliant Private Fund, details of any Shariah-non-compliant income, if any, along with its treatment”;

(vii) after sub regulation (xxiii), the following new sub regulations shall be inserted,-

“(xxiv). obtain Shariah compliance certificate in the case of a Shariah Compliant Private Fund, as per the requirements of Companies Act, 2017 and the Shariah Governance Regulation, 2023.;

(xxv). In the case of a Shariah Compliant Private Fund, Private Fund Management Company 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 Private Fund Management Company shall amend existing constitutive documents within such time as may be specified by the Commission.”;

(9) in regulation 11,

(i) sub regulation 1, for clause (iii), the following shall be substituted,

“(iii) change the fundamental attributed including investment objective, Investment policy, structure of the private fund, change in management of Private Fund Management Company, management of Trustee or Custodian and Increase in Management Fee, only upon approval of seventy-five (75%) percent or more unit holders, in terms of value of the Private Fund and submit the updated Placement Memorandum to Commission and trustee within fifteen days of such change;”;

(ii) after sub regulation 1, clause (v), the following new clause shall be inserted,-

“(vi): terms of Co-investment in an investee company by a Private Fund Management Company or Sponsor or co-investor shall not be more favorable than the terms of investment set by Private Fund with the investee Company:

Provided that the terms of exit from the Co-investment in an investee company including the timing of exit can be identical to the terms applicable to that of exit of the Private Fund.”;

(iii) in sub regulation 6, after expression “sub-categorized as Private Equity”, the expression “Fund” shall be inserted and before the expression “Venture Capital Fund”, the word “and” shall be omitted, and after the expression “Hedge Fund and”, the expression “Fund of Funds” shall be inserted.;

(10) in regulation 13, after sub regulation (iii), the following new sub regulation shall be inserted, -

“(iv) The Independent valuer shall meet the criteria as provided in the Companies Regulations, 2024.”;

(11) after chapter IV, following new chapters and regulations shall be added, namely:-

“Chapter IV(A):

TERMINATION OR REVOCATION OF A PRIVATE FUND

13A Termination or Revocation of the Private Fund. –(1)The Private Fund may be terminated or revoked on the occurrence of any of the following events:

- a. The Private Fund has reached its maturity date as specified in the constitutive documents;
- b. 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;
- c. Where the Private Fund Management Company 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;

- d. In the opinion of the Private Fund Management Company 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;
 - e. On occurrence of any event or circumstances which, in the opinion of the trustee or custodian, requires the Private Fund to be revoked; and
 - f. Where the Commission deems it necessary to revoke the Private Fund in accordance with the law and so directs either trustee or custodian or Private Fund Management Company in the interest of unit holders;
- (2) Where a Private Fund is to be revoked the trustee or custodian shall 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.
- (3) On the date of submission of the notice to Commission mentioned in sub-regulation (2) , the affairs of and all information relating to the Private Fund shall be transferred to the trustee or custodian till the completion of the final settlement of the affairs of the Private Fund and the management company shall not be entitled to any further remuneration.

13B. Procedure and manner of Termination or Revocation of the Private Fund. –(1) 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.

(2) 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 Private Fund Management Company and unit holders of the Private Fund.

(3) 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.

(4) 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)

13C. Exit Strategies for the Unit Holders or Partners.- (1) To provide unitholders or partners who are willing to take an early exit from the private fund, the Private Fund Management Company 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 shall be offered to the existing unitholders or partners first. In case the existing unitholders or partners do not opt for the buyback option, the Private Fund Management Company shall purchase the units itself else the units shall be offered to the outside investors:

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

- (12) under regulation 14, the following new regulation and sub regulations shall be added namely:-

“14A. Shariah Compliant Private Fund.- A Private Fund Management Company shall:

- (a) ensure ongoing Shariah compliance in case of Shariah compliant Private Fund and comply with the conditions of certification of Shariah compliance under the Shariah Governance Regulations, 2023:

Provided that any Shariah-compliant Private Fund launched after the promulgation of the Shariah Governance Regulations, 2023 that did

not obtain a Shariah compliance certificate, shall obtain the same till September 30, 2025.

- (b) engage an external Shariah Auditor for a Shariah-Compliant Private Fund. An annual report by Shariah Auditors as required under regulation 29(5) of the Shariah Governance Regulations, 2023 shall be submitted to the Board of Directors.
- (c) In case of Shariah-Compliant Private Fund, annual Shariah Review Report, as required under regulation 23(2) of the Shariah Governance Regulations, 2023, shall also form part of annual report.
- (d) In case of Shariah-Compliant Scheme, policies with respect to standards of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) or any other standard setting organization as notified by the Commission.”

(13) in form 1 of the regulations,

- (a) in clause A, sub clause (viii), the expression “1,000,000” shall be substituted with the expression “500,000”;
- (b) in clause B, sub-clause (c) shall be omitted;
- (c) in clause B, subclause (e), before the expression “Memorandum of Association”, the expression “Trust Deed,” shall be inserted;
- (d) in clause D, in the heading, after the expression “Details of the Trustee”, the expression “or Custodian” shall be inserted;
in clause D, sub clause (a), after the expression “details of the Trustee”, the expression “or Custodian” shall be inserted
in clause D, sub clause (c), after the expression “Name of the directors of Trustee”, the expression “or Custodian” shall be inserted;

(14) in schedule I, clause A,

- (i) sub clause 2 the expression “Fund” shall be added before the expression “Management Services”
- (ii) in sub clause 3 the expression “III” shall be replaced with the expression “IV” and the expression “Fund” shall be added before the expression “Management Services”

(15) in schedule I , clause C, in table the expression “in” shall be added before the expression “Rs.”

(16) for schedule II, the following shall be substituted,

Schedule II

[See Regulation 5(2)]

Contents of the Trust Deed of the Fund

The Trust Deed shall *inter alia* contain the following not necessarily in the sequence given:

- 1) Place and date of creation of Trust;
- 2) Name of Private Fund;
- 3) Sub-category of the Private Fund;
- 4) Objective of the Trust;
- 5) Participating parties and Constitution of the Trust;
- 6) Declaration of Trust;
- 7) Duration and date of extinction of Trust;
- 8) Governing law and jurisdiction;
- 9) Benchmark or Target Return;
- 10) Investment Policy and authorized Investment;
- 11) Effect of the Trust Deed and status of Unit Holders;
- 12) Duties, powers and rights of the Private Fund Management Company in relation to the trust;
- 13) Duties, powers, rights and obligations of Trustee;
- 14) Duties of the Trustee which may be delegated to the Third Parties;
- 15) Trust Property;
- 16) Voting rights on Trust Properties;
- 17) Transactions with Connected Persons;
- 18) Borrowing Arrangements or Borrowing Restrictions;
- 19) Restrictions (if applicable);
- 20) Mechanism for rectification of Trust Deed;
- 21) Accounting period and appointment of the auditor;
- 22) Retirement or removal of Trustee;
- 23) Circumstances and procedure for the change of Private Fund Management Company;
- 24) Proposed size of Private Fund;
- 25) Fees and charges to be paid out of the Private Fund;

- 26) Dividend policy;
- 27) Circumstances for the revocation of the Trust or Private Fund along with the mechanism;
- 28) Mechanism for the distribution of assets of Private Fund, upon the extinction or revocation of the Trust and the manner in which the beneficiaries shall be transferred their proportionate shares of the sale proceeds;
- 29) In case of a Shariah Compliant Private Fund:
 - a) the trust deed shall clearly include the words “Islamic” or “Shariah Compliant” or any other nomenclatures representing shariah aspect of the private fund;
 - b) the object clause shall clearly provide that the private fund will only indulge in Shariah Compliant activities;
 - c) the details of Shariah Governance Framework, including institutional arrangements to ensure ongoing Shariah Compliance, shall be expressly provided;
 - d) manner of constitution of Shariah Supervisory Board or appointment of Shariah Advisor, as provided in the Shariah Governance Regulations, 20023; and
 - e) Shariah compliant Financing Arrangements or Financing.
- 30) Representations and Warranties of the Private Fund Management Company;
- 31) Rectification of the Deed;
- 32) Arbitration;
- 33) Confidentiality;
- 34) Notice;
- 35) Successor-In-Interest;
- 36) Base Currency;
- 37) Definitions; and
- 38) List of Annexures;

(17) after schedule II, the following new schedules shall be added, namely: -

Schedule II(A)

[See Regulation 5(2)]

Contents of the Limited Liability Partnership Agreement

The Limited Liability Partnership Agreement shall inter alia contain the following not necessarily in the sequence given:

- 1) Place and date of creation of LLP;
- 2) Name of the Private Fund;
- 3) Sub-category of the Private Fund;
- 4) Participating parties and constitution of the Private Fund
- 5) Objective of the LLP;
- 6) Governing Law and Jurisdiction;
- 7) Declaration of the Private Fund;
- 8) Duration and date of extinction of the Private Fund;
- 9) Benchmark or Target Return of the Private Fund;
- 10) Investment Policy and authorized investments;
- 11) Effect of this agreement and status of the Partner(s);
- 12) Duties, Powers, Rights and Obligation of the Designated Partner;
- 13) Duties, Powers, Rights and Obligation of the Custodian;
- 14) Private Fund Property;
- 15) Voting Rights on the Private Fund Property;
- 16) Transactions with the Connected Persons;
- 17) Change of the Designated Partner;
- 18) Borrowing Arrangements or Borrowing Restrictions;
- 19) Shariah compliant Financing Arrangements or Financing Restrictions (if applicable);

- 20) Fee and Charges;
- 21) Remuneration of the Designated Partner and its Agents;
- 22) Remuneration of the Custodian and its Agents;
- 23) Formation cost and its treatment;
- 24) Other cost and expenses to be born by the Private Fund;
- 25) Representations and Warranties of the Designated Partner;
- 26) Dividend Policy;
- 27) Circumstances for the revocation of the LLP or Private Fund along with the mechanism;
and
- 28) Mechanism for the distribution of assets of Private Fund, upon the extinction or revocation of the LLP and the manner in which the beneficiaries shall be transferred their proportionate shares of the sale proceeds;
- 29) In case of a Shariah Compliant Private Fund:
 - (a) the LLP agreement shall clearly include the words “Islamic” or “Shariah Compliant” or any other nomenclatures representing shariah aspect of the private fund;
 - (b) the object clause shall clearly provide that the private fund will only indulge in Shariah Compliant activities;
 - (c) the details of Shariah Governance Framework, including institutional arrangements to ensure ongoing Shariah Compliance, shall be expressly provided;
 - (d) manner of constitution of Shariah Supervisory Board or appointment of Shariah Advisor, as provided in the Shariah Governance Regulations, 20023; and
 - (e) Shariah compliant Financing Arrangements or Financing.
- 30) Appointment of Auditor;
- 31) Rectification of Agreement;
- 32) Revocation of Private Fund;
- 33) Arbitration;

- 34) Confidentiality;
- 35) Force Majeure;
- 36) Notices;
- 37) Successor in Interest;
- 38) Base Currency;
- 39) Definitions; and
- 40) List of Annexures;

Schedule II(B)

[See Regulation 5(2)]

Contents of the Custodian Agreement

The Custodian Agreement must inter alia contain the following not necessarily in the sequence given:

- 1) Duties, Powers, Rights and Obligation of the Custodian;
- 2) Duties of the Custodian which may be delegated to the third Parties;
- 3) Duties, Powers, Rights and Obligation of the Designated Partner;
- 4) Private Fund Property;
- 5) Voting Rights on Private Fund Property;
- 6) Transactions with the Connected Persons;
- 7) In case of a Shariah Compliant Private Fund:
 - (a) the LLP agreement shall clearly include the words “Islamic” or “Shariah Compliant” or any other nomenclatures representing shariah aspect of the private fund;
 - (b) the object clause shall clearly provide that the private fund will only indulge in Shariah Compliant activities;

- (c) the details of Shariah Governance Framework, including institutional arrangements to ensure ongoing Shariah Compliance, shall be expressly provided;
 - (d) manner of constitution of Shariah Supervisory Board or appointment of Shariah Advisor, as provided in the Shariah Governance Regulations, 20023; and
 - (e) Shariah compliant Financing Arrangements or Financing.
- 8) Change of Designated Partner;
 - 9) Authorized Representatives and Instructions;
 - 10) Representations and Warranties of the Designated Partner;
 - 11) Retirement and Removal of the Custodian;
 - 12) Remuneration of the Custodian;
 - 13) Effective date and Term;
 - 14) Notices;
 - 15) Force Majeure;
 - 16) Power of Attorney;
 - 17) Arbitration;
 - 18) Successor in Interest;
 - 19) Amendment or Alteration;
 - 20) Entire Agreement;
 - 21) Definitions;
- (18) for schedule (IV), the following shall be substituted, namely: -

“SCHEDULE IV

[See Regulation 12]

Contents of Placement Memorandum

Notice: - This is not an exhaustive list. The Private Fund Management Company is bound to disclose any information that may be necessary for Eligible Investors to make an informed judgment.

- 1) Name of the Private Fund;
- 2) Key data and summary of Private Fund Management Company or Designated Partner;
- 3) Overview and Constitution of Private Fund;
- 4) Key information and policies;
- 5) Category of the Private Fund;
- 6) Purpose and Objective of the Private Fund;
- 7) Benchmark or Target Return;
- 8) Borrowing Arrangement or Restrictions (For Private Fund/Alternative Fund);
- 9) The Private Fund Management Company or Designated Partner;
- 10) Investment Policy and Strategy of the Private Fund;
- 11) Investment Process;
- 12) Investment Committee;
- 13) Valuation and Pricing;
- 14) Income Distribution Policy;
- 15) Details of the Trustee or Custodian;
- 16) Permitted Investments and Restrictions;
- 17) Investment risks;
- 18) Details of Auditors of the Private Fund;
- 19) Bankers of the Private Fund;
- 20) Other advisors/agents;
- 21) The accounting year of the Private Fund;
- 22) Frequency of issuance and redemptions of units;
- 23) Procedure for subscribing, redeeming or conversion/transfer of units;
- 24) Fees and charges to be paid by the Private Fund;
- 25) Duties, Powers, Rights and Obligations of the Trustee or Custodian;
- 26) Right/liability of Unit Holders;
- 27) Circumstances for the revocation of the Trust or Private Fund;

- 28) Mechanism for the distribution of assets of Fund, upon the extinction or revocation of the Trust and the manner in which the beneficiaries shall be transferred their proportionate shares of the sale proceeds;
- 29) In case of a Shariah Compliant Private Fund:
 - a) the placement memorandum shall clearly include the words “Islamic” or “Shariah Compliant” or any other nomenclatures representing shariah aspect of the private fund;
 - b) the object clause shall clearly provide that the private fund will only indulge in Shariah Compliant activities;
 - c) the details of Shariah Governance Framework, including institutional arrangements to ensure ongoing Shariah Compliance, shall be expressly provided;
 - d) manner of constitution of Shariah Supervisory Board or appointment of Shariah Advisor, as provided in the Shariah Governance Regulations, 20023; and
 - e) Shariah compliant Financing Arrangements or Financing.
- 30) The underlying Shariah structure, along with a Shariah opinion from a Shariah advisor or the Shariah supervisory board of the Shariah Compliant Private Fund registered with the Commission, shall be included in the offering document.
- 31) Complete information on the Shariah governance framework, including the name of the Shariah advisor or members of the Shariah supervisory board, terms of engagement, and manner to ensure Shariah compliance on an ongoing basis.
- 32) Disclosure on seeking approval of the Commission regarding Certificate of Shariah-compliance under the Shariah Governance Regulations, 2023, read with Section 451 of the Companies Act, 2017.
- 33) Reporting to the unit holders with respect to key Shariah-compliance issues in annual financial statements.
- 34) Retirement or removal of Trustee or Custodian, specifically giving the Commission the power to remove the Trustee or Custodian;
- 35) Circumstances and procedure for the change of Private Fund Management Company or Designated Partner;
- 36) A statement that the Private Fund Management Company or Designated Partner accepts responsibility for the information contained in the placement memorandum as being accurate at the date of publication;

- 37) Disclosures / Records and Periodic/General Reporting to unit Holders required under these Regulations;
- 38) Any other information that the Commission may specify from time to time; and
- 39) List of Annexures;

[No. SY/SECP/8/13]


(Bilal Rasul)
Secretary to the Commission