



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

No. NBFCDC/CIRCULAR/175/2012

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Circular No. 19 of 2012

**PROCEDURE FOR CONVENING MEETING OF THE UNIT HOLDERS OF OPEN
END AND CLOSE END COLLECTIVE INVESTMENT SCHEMES**

The Regulation 41(q) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), empowers the trustee of an Open End Scheme and Close End Scheme ("CIS" or "scheme") to call a meeting of unit holders, in such manner as specified by the Commission through circular:-

- (i) Whenever required to do so by the Commission in the interest of the unit holders; or
- (ii) Whenever required to do so as per the requirements of the Regulations.

Therefore, in addition to the requirements as stipulated by the Regulations for the meeting of unit holders, the Commission, in exercise of the powers conferred under section 282B (3) of the Companies Ordinance 1984 read with Regulation 41 (q) of the Regulations, prescribes the following procedure for convening meeting of the unit holders of a scheme.

GENERAL

1. Asset Management Company (AMC) managing the scheme shall be responsible for conducting and chairing the meeting of the unit holders. The trustee of a scheme shall attend every meeting of unit holders and ensure that all the requirements as specified by the Regulations for convening the meeting of unit holders are complied with. The unit holders of a scheme may cast vote on a resolution by physical presence in the meeting or through proxy or by post.

NOTICE OF UNIT HOLDERS' MEETING

2. An AMC shall send through registered post or courier service, notice of meeting of unit holders to each unit holder at his / her registered address along with Proxy Form and a voting paper (Annexure A) at least 7 working days prior to the date of such meeting. Such notice of the meeting shall also be published by the AMC in one issue each of daily newspaper in English and Urdu language having circulation all over Pakistan.
3. In case of joint unit holders, the notice shall be sent to the address of the joint holder whose name appears first in the record with the AMC and / or its Registrar / Transfer Agent.
4. The notice of the meeting shall specify complete information about unit holders' meeting such as date / time / venue of the meeting, purpose of the meeting (statement of material facts and other pertinent documents) and requirements for



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attending unit holders' meeting and voting mechanism. Notice shall also be sent by the AMC to the trustee and the Commission.

5. The notice of the meeting shall also include a postage pre-paid envelope for facilitating the communication of the assent / dissent of the unit holder(s) to the resolution by post. The self-addressed envelope shall bear the complete address of the Trustee (with the name of the CIS) as scrutinizer.

PROXY FORMS

6. Unit holders of CIS shall submit filled and signed Proxy Form to the AMC along with attested copies of their CNICs. Proxy holder may not necessarily need to be a unit holder of the concerned CIS.
7. Proxy Form shall be witnessed by two persons with their names, addresses and CNIC numbers duly mentioned on the proxy form.
8. In case of other than individuals, the resolution of Board of Directors / power of attorney with specimen signature(s) of authorized person shall be submitted to the AMC along with proxy form.
9. Proxy forms must be received by the AMC one day prior to the meeting.
10. AMC shall affix receiving stamp (mentioning date and time) and signature on each proxy form. .
11. Proxy form shall not be accepted in case the unit holder has opted to vote by post.

VOTING T BY POST

12. Unit Holder(s) desiring to vote by post, instead of physical presence in the meeting may fill up and complete the voting paper (Annexure A) and send it to the Trustee.
13. Voting paper shall be completed and signed by the unit holder(s) as per specimen signature(s) provided to the AMC / its Registrar / Transfer Agent.
14. Original voting paper should reach the trustee of the CIS not later than one day prior to the meeting for consideration by the trustee.
15. The Trustee shall compile the assent/dissent to the resolution received by post mentioning the particulars, i.e. names, folio numbers, number of units held by the unit holder, etc. The Trustee shall finalize its report before the commencement of the unit holders' meeting.

PROCEEDINGS OF UNIT HOLDERS' MEETING

16. Only those unit holders shall be eligible to attend and vote at the meeting whose names appear in the unit holders' register of the concerned scheme on the date immediately preceding the date of the unit holders' meeting.
17. An AMC or Registrar / Transfer Agent ("R/TA") shall record attendance of all the unit holders / proxy holders present in the meeting with complete list of unit holders of the scheme and specimen signatures of unit holders or any officer of corporate unit holders.
18. After taking attendance, an AMC or its R/TA shall provide one Voting Paper (Annexure-B) to every unit holder / Proxy holder for his / her filling and signing to



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cast his / her vote on the proposal. In case of joint holder(s) only one voting paper shall be issued and in case the meeting is attended by more than one joint holder, then the person whose name appears first in the register of unit holders shall be eligible to cast the vote.

19. After completing and signing the voting paper, each unit holder shall submit duly filled and signed voting papers.
20. AMC or its R/TA shall count the voting papers, verify contents on voting paper including unit holding and shall perform signature verification.
21. Trustee shall scrutinize and consolidate the data including the details compiled by it on the basis of the voting papers received by post.
22. The trustee shall submit its report to chairperson of the meeting. The chairperson shall on the basis of summarized voting results, shall announce the final result of the meeting.

CRITERIA FOR REJECTION OF PROXY/VOTING PAPERS

23. The following are the basic criteria for rejection of Proxy/ Voting Papers in meeting:
 - More than one Voting Paper is cast by a single unit holder / Proxy holder.
 - Overwriting / cutting on Voting Paper.
 - Unsigned Voting Paper.
 - Signature of unit holder affixed on proxy form does not match with the specimen signature available in the AMC or its R/TA records.
 - More than one proxy form is lodged by a unit holder in favor of more than one Proxy holder. In this case, all proxies shall stand rejected.
 - More than one proxy form is lodged by a unit holder in favor of one Proxy holder. In this case, only one proxy shall be accepted.
 - Photocopy of CNIC is not provided by Proxy holder.
 - Proxy forms are not witnessed by two persons mentioning their names, addresses and CNIC numbers.
 - Proxy form is received after the given time limit, i.e. not one day prior to the meeting.
 - Proxy form submitted by an institutional investor is not supported by the resolution of Board of Directors / power of attorney authorizing their representative to attend and vote in the meeting.
 - Overwriting / corrections on Proxy Form which are not supported by unit holder's / Proxy holder's signature.

OTHERS

24. Minutes of the meeting of unit holders shall be prepared and signed jointly by the trustee and the AMC of the scheme.
25. Minutes of the meeting duly signed along with resolution passed by majority representing three fourths in value of the total outstanding units of the concerned scheme shall be sent by the trustee to the Commission within seven working days of the meeting.



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26. All expenses incurred in convening unit holders' meetings shall be charged to the CIS. .
27. Neither the AMC nor the Trustee shall be liable or responsible in any manner in case a voting paper duly dispatched is not received by the unit holder (s) or the duly filled and signed voting paper is not received by the trustee due to delay on part of the postal department or courier service or due to any other reason beyond the control of the AMC and / or the Trustee.

Muhammad Ali
Commissioner (SCD)

Distribution

- I. Chief Executives of all Asset Management Companies
- II. Mutual Funds Association of Pakistan
- III. Trustees of Collective Investment Schemes



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Annexure-B

Sample Voting Paper for unit holders who are physically present in the

Unit Holder's meeting

Date:

Time:

Place:

Name of Unit Holder: _____

Folio/Account/CDS Account # of Unit Holder:

No of unit held: _____

Voting as unit holder: No of Units: _____

Voting as proxy: No of Units: _____

Total _____

INSTRUCTION FOR VOTING

PLEASE INDICATE YOUR VOTE BY SIGNING THE RELEVANT BOX OF THE
SELECTED OPTION

1. IN FAVOUR OF RESOLUTION:

2. AGAINST RESOLUTION:



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Annexure-A

Sample Voting Paper for voting through post

Unit Holder's meeting

Date:

Time:

Place:

Name of Unit Holder: _____

Folio/Account/CDS Account # of Unit Holder:

No of units held: _____

INSTRUCTION FOR VOTING

PLEASE INDICATE YOUR VOTE BY SIGNING THE RELEVANT BOX OF THE
SELECTED OPTION

1. IN FAVOUR OF RESOLUTION:

2. AGAINST RESOLUTION: