



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
SPECIALISED COMPANIES DIVISION  
NON-BANKING FINANCE COMPANIES DEPARTMENT

No. SCD/NBFC-D-ED/ 613 /2005  
Islamabad, August 19, 2005

Circular No. 11 of 2005

Subject: Rating of Non-Banking Finance Companies (NBFCs) and Collective Investment Scheme(s) managed by NBFCs

1. In exercise of the powers conferred by section 282D of the Companies Ordinance, 1984 (the "Ordinance") hereby direct all Non-Banking Finance Companies (NBFCs) undertaking the business of Investment Finance Services, Leasing, Housing Finance Services, Discounting Services and venture capital investments to obtain a credit rating from a credit rating company registered with the Securities and Exchange Commission of Pakistan (the "Commission"). This has been necessitated with a view to safeguard the interest of all stakeholders' especially prospective investors and creditors.

2. I further direct all NBFCs undertaking the business of Investment Advisory Services and Asset Management Services to obtain a rating specific to their management quality and a rating specific to the performance of the Collective Investment Scheme(s) (CISs) managed by them from a credit rating company registered with the Commission. This has been mandated with a view to safeguard the interest of all stakeholders' of such NBFCs and the CISs managed by such NBFCs.

3. The rating shall be an ongoing process and shall be updated at least once every financial year, within six months from the date of close of each financial year. The rating report complete in all respects shall be submitted to the Commission and made public within a period of seven days of the notification of rating by the credit rating company. Further, all NBFCs shall disclose the rating in their annual reports and quarterly reports (where applicable), the annual and quarterly reports of the CISs managed by them, advertisements and brochures. In addition, all NBFCs undertaking the business of Investment Advisory

Services and Asset Management Services shall disclose the rating of the CIS(s) managed by them in the annual and quarterly reports of the CIS(s).

4. The said directions shall be applicable to financial years ending on or after June 30, 2005.

  
**Rashid Sadiq**  
Executive Director (NBFCs)

1. Chief Executives of all NBFCs
2. Chief Executives of all Investment Companies
3. Managing Directors of all Stock Exchanges
4. The Chairman, Investment Banks Association of Pakistan
5. The Chairman, Leasing Association of Pakistan
6. The Chairman, Mutual Funds Association of Pakistan
7. Director, Banking Policy Department, State Bank of Pakistan
8. The President, Institute of Chartered Accountants of Pakistan
9. The President, Institute of Cost and Management Accountants of Pakistan
10. All Divisions of SEC
11. All CROs
12. All Credit Rating companies.