



## Securities and Exchange Commission of Pakistan Internal & External Communications Department

### ***PRESS RELEASE*** ***FOR IMMEDIATE RELEASE***

#### **SECP ISSUES CIRCULAR TO INTRODUCE MEASURES TO FACILITATE MUTUAL FUNDS INDUSTRY**

**ISLAMABAD – MARCH 26, 2009:** The Securities and Exchange Commission of Pakistan (SECP) in its **continued efforts** to enhance **investors' confidence** and **facilitate** the mutual funds industry has issued Circular No. 11 of 2009 wherein a number of measures have been introduced in line with the **international best practices**.

The circular is primarily aimed at improving **transparency** to catalyze growth of the industry. Measures stipulated in the circular focus on the following for **uniform dealing** with the unit holders by various asset management companies:

- Introduction of cut-off timings and time stamping mechanism at official points for acceptance of applications;
- Daily announcement of NAV latest by 1830 hours for open-end collective investment schemes;
- Simultaneous suspension of redemption and issuance of units by asset management companies;
- Restriction on closure of register for dividend declaration up to a maximum of six days at a time and not exceeding whole forty-five days in a year; and
- Sales/marketing as well as Shariah Advisor's expenses to be borne by the asset management company.

In addition to the aforementioned, asset management companies have been facilitated to claim reimbursement of formation cost incurred by them in connection with the establishment and registration of collective investment schemes immediately upon completion of audit.

The circular has been issued with immediate effect and the requisite amendments in the constitutive documents if any shall be incorporated by collective investment schemes within

ninety days of the issuance of this Circular. These measures are expected to create a level-playing field for all players in the industry. The circular has been placed on SECP website: [www.secp.gov.pk](http://www.secp.gov.pk)

**Click to Download Circular Document**

*Imran Ghaznavi*

(Head of Internal & External Communications/Official Spokesman)