



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

No. SCD/PRDD/Circular/ 418 /2017

February 13, 2017

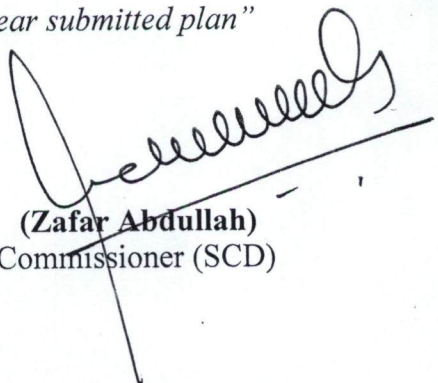
CIRCULAR NO. 05 OF 2017

Subject: Amendment in Circular No. 40 of 2016 (Conditions for Charging of Selling and Marketing Expenses to Mutual Funds)

The Securities and Exchange Commission of Pakistan ("the Commission"), in exercise of powers conferred under section 282B(3) of the Companies Ordinance 1984 read with Regulation 60 (3) (v) of the Non Banking Finance Companies and Notified Entities Regulations, 2008, hereby amend condition number 5 of Circular No. 40 of 2016. The aforementioned condition may now be read as:

"AMCs, which intend to charge these expenses to fund, shall submit their annual plan to their Board of Directors for approval. The plan should cover the following at minimum: -

- a) Name of funds in which such expenses will be charged.
- b) Projected selling and marketing expenses by an AMC from its own sources.
- c) Maximum expense limit that will be charged.
- d) Nature of expenses that will be charged.
- e) Plan for increasing retail outreach by charging such expenses:
 - i. Targeted branch network and net assets to be increased
 - ii. Targeted increase in number of investors
 - iii. Targeted sales staff to be increased
 - iv. Targeted distribution arrangement and commission structure
- f) Status of achievements of AMC against the last year submitted plan"


(Zafar Abdullah)
Commissioner (SCD)

Distribution:

1. Chief Executives of Asset Management Companies.
2. Mutual Funds Association of Pakistan.
3. Trustees of Collective Investment Schemes

"Say no to Corruption"