



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

No. SCD/AMCW/MUFAP/57/2021

August 30, 2021

**Ms. Mashooma Zehra Majeed**  
Chief Executive Officer  
Mutual Fund Association of Pakistan,  
207-209, 2<sup>nd</sup> Floor,  
Kassam Court, Block-5, Clifton  
**Karachi**

Subject: **Reversal of Provisioning of Sindh Workers Welfare Fund (SWWF)**

Dear Madam,

I am directed to refer to MUFAP emails and meeting with MUFAP along with the representative of external auditors of mutual funds dated August 13, 2021 and subsequent details provided by you vide emails dated August 20, 2021.

2. The analysis of the details provided by MUFAP regarding reversal of provisioning of SWWF on the basis of Sindh Revenue Board (SRB) letter dated August 12, 2021 (received by MUFAP on August 13, 2021 and shared with SECP on the same date) reveals that the average impact of reversal of SWWF on NAV is 2.3% which can be addressed through appropriate disclosures in the financial statements of mutual funds for information of the investors.

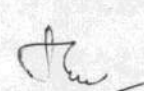
3. Further, as explained by MUFAP and authenticated by the representative of external auditors of mutual funds that any adjustment in NAV should be prospective and supported by adequate disclosures as the matter of SWWF after the aforementioned letter of SRB stands closed.

4. Furthermore, the MUFAP is required to advise all asset management companies to adequately disclose in their advertisements including fund management reports, the impact of reversal of provisioning of SWWF, which has contributed towards unusual increase in NAV of the relevant funds and the fact that this event is not likely to be repeated in the future, as per clause 20 of the Circular No. 16 of 2014.

Yours truly,

  
Wazirzada Yasir A. Khan  
Addl: Joint Director (AMC Wing)

Cc: HOD-Offsite I- Supervision Division

*o/c*  
  
30/8/21