

MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED

**COMPLIANCE REPORT
FOR THE PERIOD
FROM
JANUARY 01, 2022
TO
MARCH 31, 2022**



MCB-ARIF HABIB
Savings and Investments Limited

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INVESTOR SERVICES

1. NON-COMPLIANCE OF SECP'S CIRCULAR NO. 26 OF 2015 AND DIRECTIVE NO. 4 OF 2015

Paragraph No. (c) of SECP's Circular No. 26 dated July 27, 2015 states that:

*Issue to the unit holder, within **48 hours** of the realization of funds, breakup of the total amount received from the unit holder, sales load charged and net amount invested in the fund on his behalf as per the following format:*

Particulars	Amount/ Percentage
Investment Amount Received	Rs.:
Front End Load	Rs.: (% of NAV per unit (at the time of investment))
Net Amount Invested	Rs.: (Investment Amount Received – Amount of Front End Load)
Back End Load (to be charged)	Rs.: (% of NAV per unit to be charged at the time of issuance or redemption (please specify))

Paragraph No. (c) of SECP's Directive No. 4 dated September 30, 2015 states that:

*Issue to a participant, within **48 hours** of the realization of funds, breakup of total contribution, front-end fee charged and the net amount transferred into a pension fund on his/her behalf as per the following format:*

Particulars	Amount/ Percentage
Gross contribution received	Rs.:
Front-end fee (sales load charged) deducted	Rs.: _____ (____% of contribution)
Net contribution invested	Rs.: _____ (gross contribution – amount of front-end fee)
Back-end or contingent fee (if any)	_____ % of the amount to be redeemed

During our compliance review covering period from December 01, 2021 to February 28, 2022, we noted some instances where the above-mentioned required details were not sent to the Unit Holders/Participants within forty-eight (48) hours of the realization of funds. Details are as follows:

Fund Symbol	Account Code	Account Title	NAV Date	Gross Amount	Sales Load Deducted	Fund Realization Date	SOA/ Letter Date	Delay in Days
MCB-DCFIF	151190	TALAT LALLJEE	16-Dec-21	2,500,000	41,669	16-Dec-21	11-Jan-22	24
MCB-DCFIF	151169	FAQIR REHMAN	31-Dec-21	1,000,000	16,667	31-Dec-21	25-Jan-22	23
MCB-DCFIF	151263	NOSHABA ZUBAIR	20-Jan-22	1,000,000	16,667	4-Jan-22	24-Jan-22	18
ALHIIF	151133	SYED ALTAF HUSSAIN JAFRI	28-Dec-21	1,000,000	16,667	28-Dec-21	12-Jan-22	13
ALHIIF	151100	SHAFIQ AHMAD	18-Nov-21	20,000,000	333,350	18-Nov-21	2-Dec-21	12

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Fund Symbol	Account Code	Account Title	NAV Date	Gross Amount	Sales Load Deducted	Fund Realization Date	SOA/ Letter Date	Delay in Days
MCB-DCFIF	151316	MUHAMMAD FAYYAZ	20-Jan-22	6,500,000	108,339	20-Jan-22	31-Jan-22	9
MCB-DCFIF	42887	NATASHA SAIGOL	17-Dec-21	26,100,000	435,021	17-Dec-21	27-Dec-21	8
ALHIIF	147269	SABIHA RANA	11-Nov-21	10,000,000	166,675	2-Nov-21	11-Nov-21	7
ALHIIF	151089	BEENA YOUSUF	20-Dec-21	3,000,000	50,002	20-Dec-21	27-Dec-21	5
MCB-DCFIF	151295	SARAH CHAUDHRY	25-Jan-22	1,000,000	16,667	25-Jan-22	1-Feb-22	5
MCB-DCFIF	151336	IMDAD ULLAH	03-Feb-22	1,000,000	16,667	3-Feb-22	10-Feb-22	5
ALHIIF	151158	BASHARAT AHMAD BHATTI	06-Jan-22	4,300,000	71,670	6-Jan-22	12-Jan-22	4
MCB-DCFIF	151229	ADIL GHAFAR	13-Jan-22	3,000,000	50,002	13-Jan-22	18-Jan-22	3

Head of Investor Services and Quality Assurance's Comments:

We have looked into all the above cases individually and have found that the delay occurred due to late receipt of application forms from our authorized distributors. It is pertinent to mention here that no reservation/complaint was received from any of the above listed customers with respect to the details of their transactions which is a clear evidence that they were satisfied and agreed with the same. However, we will ensure that necessary steps are taken in order to ensure 100% compliance of SECP's above-mentioned directives in future.

SALES

2. INCOMPLETE REQUIRED DOCUMENTATION – NEW INVESTORS

Regulation 9 of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020 (“AML Regulations”) states that:

The regulated person shall:

- (a) identify the customer; and
- (b) verify the identity of that customer using reliable and independent documents, data and information as set out in Annex 1.

Annex 1 of the AML Regulations specifies the minimum documents required for CDD according to the types of Customers. Annexure "A" of the AML/CFT and KYC/CDD Policy and Procedures Manual also specify the list of required documents for different types of Customers.

During our compliance review of **New Accounts** opened during the period from **December 01, 2022 to February 28, 2022**, we noted various instances where required documentation was still not available in the digital archiving folder and/or hard copy file. Some of the instances are reproduced below.

Investor Registration Number	Account Opening Date	Name of Customer	Discrepancies
151164	26-Jan-22	PREMIER MERCANTILE SERVICES (PRIVATE) LIMITED	(a) Duly certified Register of Ultimate Beneficial Ownership maintained under Section 123A of the Companies Act, 2017 or duly signed Form-43 or duly signed letter disclosing the Individual Beneficial Owner(s) (natural person(s)) along with their respective Identity Card (CNIC/ SNIC/ NICOP/ SNICOP/ POC/ Passport) Number(s) were not provided. (b) FATCA Addendum to Account Opening Form was not duly filled.
151172	27-Jan-22	PORT LINK INTERNATIONAL SERVICES (PRIVATE) LIMITED	(a) Complete details of beneficial owners of the Customer were not available in the digital archiving folder. Marine Group (Private) Limited has 99.9% shareholding in Port Link International Service (Private) Limited. However, individual shareholders of Marine Group (Private) Limited having 25% or more shareholding were not disclosed on Account Opening Form. (b) Duly certified Register of Ultimate Beneficial Ownership maintained under Section 123A of the Companies Act, 2017 or duly signed Form-43 or duly signed letter disclosing the Individual Beneficial Owner(s) (natural person(s)) along with their respective Identity Card (CNIC/ SNIC/ NICOP/ SNICOP/ POC/ Passport) Number(s) were also not provided. (c) FATCA Addendum to Account Opening Form was not duly filled.
151200	1-Feb-22	GALAXY AGENCIES (PRIVATE) LIMITED	(a) Total Assets (PKR 40.135 Million) as per Audited Financial Statements for the year ended June 30, 2021 was not justifying the amount of AUM (PKR. 50.311 Million) as of February 28, 2022. (b) Certified copies of valid CNICs of Ms. Shireen Shahid (Director) and Ms. Ambreen Amir (Director) were not available in the digital archiving folder. (c) Duly filled and signed W8-BEN-E was not available in the digital archiving folder. (d) Duly filled and signed CRS-2 Form was not available in the digital archiving folder.
151249	10-Feb-22	SHAFI GLUCO-CHEM (PRIVATE) LIMITED	(a) Duly certified Register of Ultimate Beneficial Ownership maintained under Section 123A of the Companies Act, 2017 or duly signed Form-43 or duly signed letter disclosing the

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Investor Registration Number	Account Opening Date	Name of Customer	Discrepancies
			Individual Beneficial Owner(s) (natural person(s)) along with their respective Identity Card (CNIC/ SNIC/ NICOP/ SNICOP/ POC/ Passport) Number(s) were not provided. (b) Copy of expired CNIC of Mr. Amir M. Shafi (Director) was available in the digital archiving folder.
151265	14-Feb-22	LUCKY RENEWABLES (PRIVATE) LIMITED	(a) Duly certified Register of Ultimate Beneficial Ownership maintained under Section 123A of the Companies Act, 2017 or duly signed Form-43 or duly signed letter disclosing the Individual Beneficial Owner(s) (natural person(s)) along with their respective Identity Card (CNIC/ SNIC/ NICOP/ SNICOP/ POC/ Passport) Number(s) were not provided. (b) Complete details of Beneficial Owners were not available on Account Opening Form. (c) Certified copy of unexpired CNIC of Mr. Abdul Sattar (CEO) was not available in the digital archiving folder. (d) FATCA Addendum to Account Opening Form was not duly filled.
150781	17-Dec-21	PAK DATACOM LIMITED	(a) Duly certified Register of Ultimate Beneficial Ownership maintained under Section 123A of the Companies Act, 2017 or duly signed Form-43 or duly signed letter disclosing the Individual Beneficial Owner(s) (natural person(s)) along with their respective Identity Card (CNIC/ SNIC/ NICOP/ SNICOP/ POC/ Passport) Number(s) were not provided. (b) Details of Beneficial Owners were not available on Account Opening Form. (c) Certified copies of Memorandum and Articles of Association were not available in the digital archiving folder. (d) Certified copy of Certificate of Incorporation was not available in the digital archiving folder. (e) FATCA Addendum to Account Opening Form was not duly filled.
150877	23-Dec-21	KOHINOOR TEXTILE MILLS LIMITED	(a) Duly certified Register of Ultimate Beneficial Ownership maintained under Section 123A of the Companies Act, 2017 or duly signed Form-43 or duly signed letter disclosing the Individual Beneficial Owner(s) (natural person(s)) along with their respective Identity Card (CNIC/ SNIC/ NICOP/ SNICOP/ POC/ Passport) Number(s) were not provided. (b) Details of Beneficial Owners and Directors were not available on Account Opening Form. (c) Certified copy of unexpired CNICs of all Directors except Mr. Danial Saigol were not available in the digital archiving folder. (d) Copy of expired CNIC of Muhammad Usman Zafar (Authorized Signatory) was available in the digital archiving folder. (e) FATCA Addendum to Account Opening Form was not duly filled. (f) Certified copy of Resolution of Board of Directors for opening of account specifying the person(s) authorized to open and operate the account in favor of MCB-Arif Habib Savings and Investments Limited was not available in the digital archiving folder.
150996	30-Dec-21	GADOON TEXTILE MILLS LIMITED	(a) Duly certified Register of Ultimate Beneficial Ownership maintained under Section 123A of the Companies Act, 2017 or duly signed Form-43 or duly signed letter disclosing the Individual Beneficial Owner(s) (natural person(s)) along with their respective Identity Card (CNIC/ SNIC/ NICOP/ SNICOP/ POC/ Passport) Number(s) were not provided. (b) Complete details of Directors and Beneficial Owners were not available on Account Opening Form. (c) FATCA Addendum to Account Opening Form was not duly filled.
151281	16-Feb-22	PAKISTAN NATIONAL SHIPPING CORPORATION	(a) Duly certified Register of Ultimate Beneficial Ownership maintained under Section 123A of the Companies Act, 2017 or duly signed Form-43 or duly signed letter disclosing the

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Investor Registration Number	Account Opening Date	Name of Customer	Discrepancies
			<p>Individual Beneficial Owner(s) (natural person(s)) along with their respective Identity Card (CNIC/ SNIC/ NICOP/ SNICOP/ POC/ Passport) Number(s) were not provided.</p> <p>(b) Details of Beneficial Owners were not available on Account Opening Form.</p> <p>(c) Certified copy of Certificate of Incorporation was not available in the digital archiving folder.</p> <p>(d) Certified copies of Memorandum and Articles of Association were not available in the digital archiving folder.</p> <p>(e) Certified copies of unexpired CNICs of all Directors were not available in the digital archiving folder.</p> <p>(f) Certified copy of unexpired CNIC of Mr. Syed Jarar Haider Shah Kazmi (Authorized Signatory) was not available in the digital archiving folder.</p> <p>(g) Certified copy of Resolution of Board of Directors for opening of account specifying the person(s) authorized to open and operate the account was not available in the digital archiving folder.</p>
150568	1-Dec-21	YUNUS ENERGY LIMITED	<p>(a) Duly certified Register of Ultimate Beneficial Ownership maintained under Section 123A of the Companies Act, 2017 or duly signed Form-43 or duly signed letter disclosing the Individual Beneficial Owner(s) (natural person(s)) along with their respective Identity Card (CNIC/ SNIC/ NICOP/ SNICOP/ POC/ Passport) Number(s) were not provided.</p> <p>(b) Details of Beneficial owners were not available in the digital archiving folder.</p> <p>(c) Certified copies of unexpired CNICs of Mr. Abdul Sattar Jumani (Director), Mr. Imran Yunus (Director), Ms. Mariam Tabbal Khan (Director) and Ms. Rahila Halim (Director) were not available in the digital archiving folder.</p> <p>(d) FATCA Addendum to Account Opening Form was not duly filled.</p>
150567	1-Dec-21	MASTER ENTERPRISES PRIVATE LIMITED EMPLOYEES PROVIDENT FUND TRUST	<p>(a) Audited Financial Statements were not available in the digital archiving folder.</p> <p>(b) Complete copies of Bylaws/Rules & Regulations were not available in the digital archiving folder.</p>
151060	5-Jan-22	OXFORD UNIVERSITY PRESS PAKISTAN BRANCH STAFF PROVIDENT FUND	<p>(a) Old Financial Statements for the year ended March 31, 2020 were available in the digital archiving folder.</p> <p>(b) Complete details of Trustees on Account Opening Form were not available in the digital archiving folder.</p> <p>(c) Trust Deed was not registered.</p> <p>(d) Attested copies of Bylaws/Rules & Regulations were not available in the digital archiving folder.</p> <p>(e) Certified copy of unexpired CNIC of Mr. Hassam Ullah Khan (Authorized Signatory) was not available in the digital archiving folder.</p> <p>(f) Certified copies of unexpired CNICs of Mr. Fayyaz Hussain Raja (Trustee) and Mr. Muhammad Saqib (Trustee) were not available in the digital archiving folder.</p> <p>(g) Names of all Controlling Persons were not mentioned on CRS-2 Form.</p> <p>(h) Duly filled and signed CRS-3 Form of Mr. Fayyaz Hussain Raja (Trustee) was not available in the digital archiving folder.</p>
151067	6-Jan-22	PARCO SUPERVISORY STAFF PROVIDENT FUND	<p>(a) Audited Financial Statements were not available in the digital archiving folder.</p> <p>(b) Trust Deed was not registered.</p> <p>(c) Certified copies of Bylaws/Rules & Regulations were not available in the digital archiving folder.</p> <p>(d) Attested copy of list of Trustee along with their attested CNICs copies were not available in the digital archiving folder.</p> <p>(e) Duly filled and signed W8-BENE was not available in the digital archiving folder.</p> <p>(f) FATCA Addendum to Account Opening Form was not duly filled.</p>

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Investor Registration Number	Account Opening Date	Name of Customer	Discrepancies
			(g) Duly filled and signed CRS-2 Form was not available in the digital archiving folder. (h) Duly filled and signed CRS-3 Forms of Controlling Persons were not available in the digital archiving folder. (i) Certified copy of expired CNIC of Mr. Shabbir Sultan (Authorized Signatory and Trustee) was available in the digital archiving folder.
150736	14-Dec-21	WORLD MEMON FOUNDATION COMMUNITY CENTRE TRUST	(a) Certified copies of Bylaws/Rules & Regulations were not available in the digital archiving folder. (b) Incomplete copy of Unregistered Trust Deed was available in the digital archiving folder. (c) Duly filled and signed CRS-3 Form of Mr. Omer Bawany (Trustee) and Mr. Khalid Rangoon Wala (Trustee) were not available in the digital archiving folder.
150825	20-Dec-21	ROSHAN AAJ - AKHTER HAMEED KHAN FOUNDATION	(a) Audited Financial Statements were not available in the digital archiving folder. (b) Certified copies of unexpired CNICs of all Directors except Ms. Asma Khan, Mr. Shoaib Sultan and Ms. Shandana Humayun were not available in the digital archiving folder. (c) FATCA Addendum to Account Opening Form was not duly filled. (d) Visit Report of the Business Premises duly filled and signed by Sales Person was not available in the digital archiving folder.
151166	26-Jan-22	AIMS	(a) Senior Management and Beneficial Ownership sections of Account Opening Form were completely left blank. (b) Duly filled and signed CRS-3 Forms of Controlling Persons were not available in the digital archiving folder.
151010	31-Dec-21	ABDUL LATIF PIRACHA	(a) Notarized Partnership Deed was not available in the digital archiving folder.
151085	11-Jan-22	SYED ALI AKHTAR WASTI	(a) Account opening requisition on business letter head addressed to MCBAH was not available in the digital archiving folder. (b) Attested copy of registration certificate for registered concern was not available in the digital archiving folder.

Head of Sales' Comments:

Most of the cases have been rectified and few are resolved. Relationship Managers are keenly working and following-up on rest of the cases which will be resolved soon.

FUND MANAGEMENT

3. PLACEMENT/ DEPOSIT WITH MICROFINANCE BANKS, NBFCS AND MODARABAS

SECP's Direction No. 37 of 2016 states that:

An Asset Management Company (AMC), on behalf of each eligible collective investment scheme (CIS) shall not place funds (including TDR, PLS saving deposit, COD, COM, COI, money market placements and other clean placements of funds) of more than 25% of net assets of that CIS with all microfinance banks, non-bank finance companies and Modarabas.

Provided that the above restrictions will not be applicable on sector specific fund and aggressive income fund.

During our compliance review, we noted that cumulative exposure in microfinance banks, non-banking finance companies and modarabas exceeded the statutory limit of 25% of total Net Assets on below-mentioned dates for which there is no regularization period under the law. Details are as follows:

Scheme Symbol	NAV Date	Exposure as a %age of total Net Assets	Chief Investment Officer's Comments
MCB-DCFIF	15-Mar-22	25.20%	<i>It occurred due to decrease in total net assets of MCB-DCFIF by PKR 81.379 million.</i>
MCB-DCFIF	22-Mar-22	25.56%	<i>It occurred due to decrease in total net assets of MCB-DCFIF by PKR 106.352 million.</i>
PIF	04-Feb-22	31.80%	<i>Amount was transferred correctly as per instruction of Fund Management but transfer of funds' entry with incorrect amount was taken which was corrected on the next working day.</i>
PIF	24-Feb-22	25.52%	<i>It occurred due to decrease in total net assets of PIF by PKR 169.063 million.</i>
PIF	04-Mar-22	25.13%	<i>It occurred due to decrease in total net assets of PIF by PKR 66.205 million.</i>
PIF	09-Mar-22	25.89%	<i>It occurred due to decrease in total net assets of PIF by PKR 247.870 million.</i>
PIF	14-Mar-22	25.51%	<i>It occurred due to decrease in total net assets of PIF by PKR 162.740 million.</i>
PIF	15-Mar-22	25.93%	<i>It occurred due to decrease in total net assets of PIF by PKR 246.938 million.</i>
PIF	17-Mar-22	26.13%	<i>It occurred due to decrease in total net assets of PIF by PKR 279.651 million.</i>
PIF	21-Mar-22	25.37%	<i>It occurred due to decrease in total net assets of PIF by PKR 125.781 million.</i>
PIF	22-Mar-22	27.24%	<i>It occurred due to decrease in total net assets of PIF by PKR 694.522 million.</i>
PIF	24-Mar-22	25.11%	<i>It occurred due to decrease in total net assets of PIF by PKR 50.025 million.</i>

4. NON-COMPLIANCE OF SECP'S CIRCULAR NO. 7 OF 2009 – PAKISTAN CAPITAL MARKET FUND

For Balanced Scheme, Sub-Paragraph No. 2 (ii) – Annexure of SECP's Circular No. 7 of 2009 states that:

Net assets ranging between 30% to 70% shall remain invested in listed equity securities at all times. The Scheme may sell in the cash settled futures market against a position held in the underlying security, however, the minimum 30% non-hedged exposure in listed equity securities shall be maintained at all times.

During our compliance review on February 09, 2022, we noted that investment in listed equity securities exceeded its statutory limit of 70% and was at 70.14% of total Net Assets of Pakistan Capital Market Fund. This non-compliance occurred due to price appreciation for which there is no regularization period under the law.

Chief Investment Officer's Comments:

This occurred due to price appreciation and was regularized on immediate basis.

5. NON-COMPLIANCE OF INVESTMENT LIMIT BY SCHEME

During our compliance review from January 01, 2022 to March 31, 2022, following non-compliances of investment limits were observed for which there is no regularization period under the law:

Fund Name	Date of Non-compliance	Statutory/ Offering Document Reference	Detail of Non-compliance	Date of Adjustment	Chief Investment Officer's Comments
MCB Pakistan Sovereign Fund	01-Feb-22	SECP's Circular No. 07 of 2009	Cash and near Cash Instruments of MCB Pakistan Sovereign Fund (MCB-PSF) fell below the statutory limit of 10% on February 01, 2022 and was at 5.31% on month to date average basis on that date. This non-compliance occurred due to decrease in bank balances of MCB-PSF on February 01, 2022. This non-compliance was adjusted on February 03, 2022.	03-Feb-22	<i>This error occurred while aligning the portfolio which was adjusted shortly.</i>
Pakistan Pension Fund – Debt Sub-Fund	09-Feb-22	SECP's Circular No. 12 of 2021	Cash and near Cash Instruments of Pakistan Pension Fund – Debt Sub-Fund (PPF-DT) fell below the statutory limit of 25% on February 09, 2022 and was at 23.76% of total Net Assets of PPF-DT on that date. This non-compliance occurred due to decrease in the balance of T-Bills less than ninety (90) days maturity. This non-compliance was adjusted on February 10, 2022.	10-Feb-22	<i>This error occurred while aligning the portfolio which was adjusted on the next working day.</i>

HUMAN RESOURCES

6. MANDATORY CERTIFICATION REQUIREMENT FOR SALES STAFF

Paragraph No. 1 of SECP's Circular No. 41 of 2016 states that:

The minimum eligibility criteria for a distributor to sell and distribute mutual fund units of a single AMC only shall be as follows:

- a) *Individuals with Matric/O level or FA/ FSc. / A Level or Graduation or Master or their equivalent with certification from Institute of Financial Market of Pakistan (IFMP); OR.....*

Paragraph No. 3 of SECP's Circular No. 41 of 2016 states that:

Individuals referred in clause 1(a) above not having IFMP certification may sell mutual fund units after taking in-house training of minimum 3 days from an AMC. However, these individuals whether acting as distributor in their individual capacity or as an employee of an AMC or company/firm shall be required to get new IFMP certification within 6 months from the date of joining or introduction of such new certification by IFMP whichever is later. Moreover, after introduction of new IFMP certification, individuals referred in Clause 1(a) above, will not join the AMC or distributor to sell mutual fund units unless having such new IFMP certification.

The Institute of Financial Markets of Pakistan (IFMP) launched new IFMP Certification for sales employees of asset management companies on January 01, 2017.

Subsequently, SECP's Circular No. 18 of 2018 relaxed the above-mentioned statutory requirements for sales staff having qualification of graduation or above by stating that:

Individuals referred in clause 1(a) of the Circular No. 41 of 2016 having minimum qualification of graduation or above may sell mutual fund units after taking in-house training of minimum 3 days from an AMC without new IFMP certification. However, these individuals shall get new IFMP certification within six months from date of joining the AMC or Distributor.

During our compliance review for the quarter ended March 31, 2022, we noted the following:

1. Three (3) sales employees of MCB-AH had not obtained mandatory IFMP Certification within stipulated time resulting in non-compliance of above-mentioned SECP's directives. Details are as follows:

S.No.	Employee UIN Number	Name of Sales Employee	Location	Date of Joining	Education	Tenor of Service till 31-March-22 (Months)
1	PE0656	Asif Gul	Peshawar	06-Nov-18	Bachelors	41
2	PE0928	Namrah Farooq	Faisalabad	01-Sep-21	Bachelors	7
3	PE0935	Muhammad Ghayoor Iqbal	Head Office	11-Oct-21	Bachelors	6

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2. Following sale employee of MCB-AH has been marked as an exempt from IFMP Certification on the basis of Master of Science (Communication Studies). However, his Master Degree is not exempted according to the Circular No. 41:

S.No.	Employee UIN Number	Name of Sales Employee	Location	Date of Joining	Education
1	PE0948	Muhammad Abrar Asghar Awan	Lahore	17-Nov-21	Masters of Science (Communication Studies)

Manager – Human Resources' Comments:

Point No. 1

Mr. Asif Gul was enrolled third time in IFMP examination in the month of March 2022, but unfortunately, he could not have cleared this time as well.

Ms. Namrah Farooq could not have cleared examination in the month of November 2021. Human Resources Department has initiated email to submit nomination in the month of March 2022 on which her Regional Manager notified that she would be enrolled for upcoming session in the month of May 2022.

As per practice, Human Resources Department initiates email to relevant Head of Department to submit nominations for IFMP examination along with the list of employees who are not IFMP certified in their respective teams. In case of Mr. Muhammad Ghayoor Iqbal, Human Resources Department did the same but nomination was not received from his Head of Department.

Point No. 2

The point has been noted. Human Resources Department will ensure his enrollment in upcoming examination to be held in the month of May 2022.

RECURRING NON-COMPLIANCE

7. RECURRING NON-COMPLIANCE

Particulars	Reporting Status	Comments
FUND ACCOUNTING		
ANNOUNCEMENT OF NAV ON MCBAH WEBSITE Paragraph IV – "Announcement of Daily NAV" of SECP Circular No. 11 of 2009 states that AMC shall announce net assets value (NAV) of all open end schemes (except for Funds of Funds scheme) being managed by them latest by 1830 hours daily on their own as well as on MUFAP's website. However, the NAV of Funds of Funds scheme shall be announced by 1030 hours of the next business day. During the period from January 01, 2022 to March 31, 2022, we noted several instances where NAV was not announced within stipulated time. These instances have been reported to the Chief Executive Officer, Chief Operating Officer and Head of Fund Accounting through electronic mail. Instances are reproduced in " Annexure A " to this Compliance Report.	Instances reported in all Compliance Reports issued after the issuance of SECP's Circular No. 11 of 2009	Head of Fund Accounting's Comments: <i>In order to ensure compliance with SECP's Circular No. 11 of 2009, we are in process of optimizing our systems. Due to this system optimization, NAVs of the Schemes were timely announced on most of the days. We hopeful that instances of delayed announcement of NAVs will further reduce on completion of system optimization. However, some events will remain which are beyond our controls such as,</i> <ul style="list-style-type: none"> ▪ Delay in receipt of PKRV, PKISRV and PSX rates; ▪ Application of discretion markup/markdown on TFC prices; ▪ Book closures; ▪ Announcement of Ex-NAV after PSX's announcement; and ▪ Clearance from auditor at half-year and year end closing and income certification. <i>We have also requested SECP vides our letter No. 2018-19/ CAD/ SECP/ MSS/ 1249 dated January 11, 2019 to either waive or extend the announcement time to 09:00 am of the following working day.</i>

BREACHES OF REGULATORY REQUIREMENTS

8. BREACHES OF REGULATORY REQUIREMENTS

(a) SUKUK OF GHANI CHEMICAL INDUSTRIES LIMITED IN ALHAMRA ISLAMIC PENSION FUND – DEBT SUB-FUND

As at March 31, 2022, we observed that the Portfolio of Alhamra Islamic Pension Fund – Debt Sub-fund (“ALHIPF-DT”) included Ghani Chemical Industries Limited - Sukuk I (“GCIL-Sukuk”) which did not meet the minimum security rating criteria (A Plus/A+) mentioned in Paragraph (b) under the heading “Debt Sub-fund” on Page 3 of SECP’s Circular No. 12 of 2021. Details are as follow:

Name of Security	Instrument Rating	Issue Date	Maturity Date	Balance as of March 31, 2022 (Rupees)	Percentage of total Net Assets of ALHIPF-DT
Ghani Chemical Industries Limited - Sukuk I	A	03-Feb-17	03-Feb-24	1,226,665	0.31%

GCIL-Sukuk was compliant at the time of investment. However, it became non-compliant due to introduction of minimum security rating criteria for Debt Sub-funds in SECP’s Circular No. 12 of 2021. The Fund Manager of ALHIPF-DT tried to sell GCIL-Sukuk during the regularization period of ninety (90) days given in last Paragraph of SECP’s Circular No. 12 of 2021. However, there was no buyer available in the secondary market.

The Securities and Exchange Commission of Pakistan (“SECP”) vides its electronic mail dated July 30, 2021 initially extended the regularization period of GCIL-Sukuk till February 28, 2022 on the request of the Company. However, the exposure was not regularized due to absence of buyers in the secondary market. Therefore, SECP further extended the regularization period of GCIL-Sukuk till August 27, 2022 on the request of the Company.

(b) OTHER BREACHES

As at March 31, 2022, we observed the following breaches of regulatory limits:

Fund Name	Counter Party Name	Statutory Limit	Actual Exposure	Statutory Reference	Date of Breach	Reason for breach	Ending date of Regularization Period
Pakistan Income Fund	Bank Al Habib Limited	10% of total Net Assets	10.43% of total Net Assets	NBFC Regulations No. 55(5)	22-Mar-22	Decrease in total Net Assets due to redemption	19-Jul-22
Pakistan Pension Fund – Equity Sub-Fund	Bata Pakistan Limited	10% of Paid up Capital	10.85% of Paid up Capital	SECP’s Circular No. 12 of 2021	29-Mar-22	Price Appreciation	26-Jul-22

ANNEXURE A

INSTANCES OF NON-COMPLIANCE WITH NAV ANNOUNCEMENT TIME

Date of NAV	Date of Posting	Time of Posting	Non-Compliant Fund/ Plan
Tuesday, 4 January 2022	Tuesday, 4 January 2022	7:10 PM	MCB-DCFIF
		6:50 PM	ALHISF
		7:04 PM	PIEF
		7:06 PM	MCB-PAAF
		7:03 PM	MCB-CMOP
Wednesday, 5 January 2022	Wednesday, 5 January 2022	6:39 PM	MCB-DCFIF
		6:40 PM	PCMF
		6:40 PM	MCB-CMOP
		6:40 PM	ALHIIF
Thursday, 6 January 2022	Thursday, 6 January 2022	6:47 PM	MCB-DCFIF
		6:42 PM	PCMF
		6:42 PM	MCB-CMOP
Friday, 7 January 2022	Friday, 7 January 2022	6:41 PM	MCB-DCFIF
		6:47 PM	MCB-PSM
		6:47 PM	PIF
		6:47 PM	PCMF
		6:56 PM	ALHISF
		6:56 PM	PIEF
		6:58 PM	MCB-PAAF
		6:36 PM	MCB-CMOP
		6:39 PM	MCB-PSF
Wednesday, 12 January 2022	Wednesday, 12 January 2022	6:38 PM	MCB-PSM
		9:44 PM	MCB-CMOP
		6:40 PM	MCB-PSF
Friday, 14 January 2022	Friday, 14 January 2022	6:54 PM	MCB-DCFIF
		6:47 PM	MCB-PSM
		6:37 PM	PIF
		7:11 PM	PCMF
		6:59 PM	ALHISF
		6:58 PM	PIEF
		6:43 PM	MCB-PAAF
		6:56 PM	MCB-CMOP
		6:56 PM	ALHIIF
		6:57 PM	ALHAA
		6:38 PM	MCB-PSF
Friday, 21 January 2022	Friday, 21 January 2022	6:33 PM	PIF
Thursday, 27 January 2022	Thursday, 27 January 2022	6:36 PM	MCB-DCFIF
		6:37 PM	ALHISF
		6:48 PM	MCB-PAAF
		6:42 PM	MCB-CMOP

MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED
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Date of NAV	Date of Posting	Time of Posting	Non-Compliant Fund/ Plan
		6:32 PM	MCB-PSF
Friday, 28 January 2022	Friday, 28 January 2022	6:54 PM	MCB-DCFIF
		6:42 PM	ALHISF
		6:35 PM	ALHAA
Monday, 31 January 2022	Monday, 31 January 2022	8:04 PM	MCB-DCFIF
		7:10 PM	MCB-PSM
		7:07 PM	PIF
		7:21 PM	PCMF
		8:04 PM	ALHISF
		7:09 PM	PIEF
		7:11 PM	MCB-PAAF
		7:23 PM	MCB-CMOP
		7:30 PM	ALHIIF
		7:30 PM	ALHAA
		7:10 PM	MCB-PSF
	Tuesday, 1 February 2022	10:51 AM	PCF
Wednesday, 2 February 2022	Thursday, 3 February 2022	11:32 AM	ALHIMMF
Friday, 11 February 2022	Friday, 11 February 2022	6:32 PM	ALHISF
Friday, 18 February 2022	Friday, 18 February 2022	6:51 PM	MCB-DCFIF
		6:39 PM	MCB-PSM
		6:36 PM	PCMF
		6:42 PM	ALHISF
		7:03 PM	PIEF
		6:51 PM	MCB-PAAF
		6:55 PM	MCB-CMOP
		6:37 PM	ALHAA
		6:52 PM	MCB-PSF
Monday, 21 February 2022	Monday, 21 February 2022	6:51 PM	MCB-DCFIF
		7:07 PM	PIEF
		6:52 PM	MCB-PAAF
		7:33 PM	MCB-CMOP
Friday, 25 February 2022	Friday, 25 February 2022	6:36 PM	MCB-DCFIF
		6:33 PM	PIF
		6:35 PM	ALHISF
		6:31 PM	MCB-PAAF
		10:45 PM	MCB-CMOP
Monday, 28 February 2022	Monday, 28 February 2022	6:47 PM	MCB-DCFIF
		6:46 PM	PCMF
		6:56 PM	ALHISF
		6:57 PM	MCB-PAAF
		6:45 PM	MCB-CMOP
Wednesday, 2 March 2022	Wednesday, 2 March 2022	6:41 PM	MCB-DCFIF
		6:42 PM	ALHISF
		6:38 PM	MCB-PAAF

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Date of NAV	Date of Posting	Time of Posting	Non-Compliant Fund/ Plan
Thursday, 3 March 2022	Thursday, 3 March 2022	7:00 PM	MCB-PSM
Friday, 4 March 2022	Friday, 4 March 2022	7:08 PM	MCB-DCFIF
		6:49 PM	MCB-PSM
		6:49 PM	PIF
		6:57 PM	PCMF
		6:48 PM	ALHISF
		7:36 PM	PIEF
		6:55 PM	MCB-PAAF
		7:36 PM	MCB-CMOP
		7:26 PM	ALHIIF
		6:54 PM	ALHAA
		6:50 PM	MCB-PSF
Monday, 7 March 2022	Monday, 7 March 2022	7:26 PM	MCB-DCFIF
		6:36 PM	MCB-PSM
		6:54 PM	ALHISF
		6:53 PM	PIEF
Wednesday, 9 March 2022	Wednesday, 9 March 2022	6:39 PM	MCB-DCFIF
	Thursday, 10 March 2022	11:10 AM	PCF
Thursday, 10 March 2022	Friday, 11 March 2022	12:43 AM	MCB-CMOP
Friday, 11 March 2022	Friday, 11 March 2022	7:31 PM	MCB-DCFIF
		7:33 PM	PCMF
		6:56 PM	ALHISF
		7:00 PM	PIEF
		6:58 PM	MCB-PAAF
		8:59 PM	MCB-CMOP
		7:02 PM	ALHIIF
		6:56 PM	ALHAA
Monday, 14 March 2022	Monday, 14 March 2022	6:57 PM	MCB-DCFIF
		6:48 PM	PIEF
		7:36 PM	MCB-CMOP
	Tuesday, 15 March 2022	10:33 AM	ALHDDF
Tuesday, 15 March 2022	Tuesday, 15 March 2022	7:09 PM	PCMF
		7:08 PM	MCB-CMOP
Wednesday, 16 March 2022	Wednesday, 16 March 2022	6:52 PM	MCB-DCFIF
		9:04 PM	MCB-CMOP
		9:57 PM	ALHIIF
Thursday, 17 March 2022	Thursday, 17 March 2022	6:41 PM	MCB-DCFIF
		6:35 PM	PIEF
		10:07 PM	MCB-CMOP
Friday, 18 March 2022	Friday, 18 March 2022	7:06 PM	MCB-DCFIF
		6:57 PM	MCB-PSM
		7:19 PM	PCMF
		7:06 PM	ALHISF
		7:02 PM	PIEF

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Date of NAV	Date of Posting	Time of Posting	Non-Compliant Fund/ Plan
		6:53 PM	MCB-PAAF
		7:00 PM	MCB-CMOP
		6:38 PM	ALHIIF
		6:37 PM	ALHAA
		7:07 PM	MCB-PSF
Monday, 21 March 2022	Monday, 21 March 2022	7:05 PM	MCB-DCFIF
		7:05 PM	ALHISF
		6:38 PM	PIEF
		6:41 PM	MCB-PAAF
		7:05 PM	MCB-CMOP
		6:48 PM	ALHAA
	Tuesday, 22 March 2022	10:56 AM	PCF
Tuesday, 22 March 2022	Tuesday, 22 March 2022	7:24 PM	MCB-DCFIF
		6:38 PM	MCB-PSM
		6:37 PM	PIF
		7:04 PM	ALHISF
		6:31 PM	MCB-PAAF
		6:43 PM	ALHIIF
		6:32 PM	ALHAA
		6:37 PM	MCB-PSF
Thursday, 24 March 2022	Thursday, 24 March 2022	6:31 PM	ALHISF
		6:35 PM	PIEF
		7:19 PM	MCB-CMOP
Friday, 25 March 2022	Friday, 25 March 2022	7:02 PM	MCB-DCFIF
		7:05 PM	ALHISF
		6:58 PM	PIEF
		6:57 PM	MCB-CMOP
Wednesday, 30 March 2022	Wednesday, 30 March 2022	7:30 PM	MCB-DCFIF
		6:45 PM	MCB-PSM
		7:06 PM	PIF
		7:04 PM	ALHISF
		7:13 PM	PIEF
		7:08 PM	MCB-PAAF
		7:53 PM	MCB-CMOP
		6:44 PM	MCB-PSF
	Thursday, 31 March 2022	11:27 AM	PCF
Thursday, 31 March 2022	Thursday, 31 March 2022	11:21 PM	MCB-DCFIF
		11:13 PM	MCB-PSM
		10:41 PM	PIF
		10:54 PM	PCMF
		11:22 PM	ALHISF
		11:20 PM	PIEF
		11:26 PM	MCB-PAAF
		10:59 PM	MCB-CMOP

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Date of NAV	Date of Posting	Time of Posting	Non-Compliant Fund/ Plan
		10:55 PM	ALHIIF
		10:56 PM	ALHAA
		10:56 PM	MCB-PSF