

Timeline of Events

1962

- National Investment Trust Limited (NIT) established National Investment (Unit) Trust as first open-end mutual fund in Pakistan on November 12, 1962.

1966

- Investment Corporation of Pakistan (ICP) established to broaden investment base and develop capital markets in the country. From 1966 onwards, ICP floated twenty-six closed-end mutual funds.

1971

- Investment Companies and Investment Advisers Rules were notified. Private sector was allowed to float closed-end funds under these Rules.

1983

- First closed-end fund (Golden Arrow Selected Stock Fund) in the private sector was launched on May 1, 1983.

1995

- Asset Management Companies Rules were notified allowing launching of open-end funds by the private sector.
- First closed-end Shariah Compliant Fund (Al Meezan Mutual Fund) was launched on July 13, 1995.

1996

- First meeting of investment advisors/ asset management companies held for the establishment of Mutual Funds Association of Pakistan (MUFAP).

1997

- Unit Trust of Pakistan, first private sector open-end fund launched by JS Investments Limited (formerly ABAMCO Limited) on October 27, 1997.

1999

- SECP was established under the Securities and Exchange Commission of Pakistan Act 1997 and became functional as a body corporate on January 1, 1999. SECP replaced the Corporate Law Authority.

2000

- National Savings Scheme revisited; rate of return was reduced, income from NSS was subjected to income tax and limit was placed on institutional investment. This helped the mutual fund industry grow.
- SECP gave more asset management companies' licenses. These were Arif Habib Investment, Al-Meezan Investment and UBL Funds.

2001

- MUFAP officially registered and recognized as representative body of asset management companies in the country.

2002

- Government sold the management rights of closed-end ICP mutual funds, through open bidding to private sector asset management companies. Lot-A comprising 12 funds was acquired by ABAMCO, now JSIL, whereas Lot-B comprising 13 funds was acquired by PICIC.
- First fixed income securities fund (Pakistan Income Fund) was launched on March 11, 2002
- First open-end Shariah Compliant Fund (UTP – Islamic Fund now JSIL Islamic Fund) was launched on December 27, 2002.

2003

- Non-Banking Finance Company (NBFC) Rules, 2003 were notified, terminating the Asset Management Companies Rules, 1995 and Investment Companies and Investment Adviser Rules, 1971. NBFC Rules, enabled both closed-end and open-end funds to be governed under same rules and removed many anomalies. NBFC Rules also allowed closed-end funds to be established under trust structure in addition to company structure.
- The management rights of ICP State Enterprise Mutual Fund (SEMF) was sold through open bidding. This was acquired by PICIC.

2004

- MUFAP secures membership of International Investment Funds Association (IIFA).

2005

- Voluntary Pension System Rules, 2005 notified.

2007

- SECP issued licenses to four Pension Fund Managers to launch individualized pension schemes (later three more licenses have been issued raising the number of pension fund managers to seven)

- Non-Banking Finance Company (NBFC) & Notified Entity (NE) Regulations, 2007 was notified.

- MUFAP hosts 12th Asia Oceania Regional Meeting of IIFA in Lahore, attended by heads of respective associations of Japan, Australia, Philippines, Taiwan, China, Hong Kong, Bangladesh and India.

2009

- MUFAP developed a model for TFC pricing, based on transactions and matrix that took into consideration various factors, like rating, maturity and rate of profit. The pricing methodology was implemented after SECP approval.

- SECP in consultation with MUFAP introduced the proper categorization of funds through Circular 7 of 2009 where investment avenues are defined for each category in terms of their risk profile. Subsequently, Money Market funds were introduced, designed to manage short term liquidity and are considered to be the least risky amongst the different types of mutual funds.

2010

- MUFAP and Karachi Stock Exchange worked together to launch Bond Automated Trading System (BATS) for trading of Corporate Debt Securities.

- Performance in respect of return of all mutual funds and pension funds was added as new feature on MUFAP Website. The daily returns, as well as return for various periods up to previous three hundred sixty five days are daily updated on MUFAP website.

- MUFAP started printing Yearbook and quarterly Newsletter. These publications include important information about industry, including ten years' data and industry's issues.

2011

- MUFAP, in consultation with its members, developed and submitted a Five Year Comprehensive Plan for the development of Mutual Funds to SECP.

- MUFAP launched a short public awareness campaign to educate the investors about the benefits of money market funds.

- SECP mandated Distributors of Mutual Funds to register with MUFAP as Registered Service Providers.

2012

- MUFAP issues Code of Conduct and Qualification for Registered Service Providers.

- SECP issues directive which included restricting Management Fee sharing with Unit Holders providing a fit and proper criteria.

- SECP issues Debt Trustee Regulations, 2012.

- SECP approves regulations for Exchange Traded Funds for KSE.

2013

- SECP notified "Commodity Scheme" as a new asset class/category for Collective Investment Schemes. Investments in commodities were also allowed in Balanced and Asset Allocation funds. Subsequently, a new sub-fund for voluntary pension schemes 'gold sub-fund' was also launched.

- Four Closed-end funds were converted to Open-end and the remaining closed-end funds will be converted in the following year as per the Regulation 65.