



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

No. SCD/CIRCULAR/24/2020

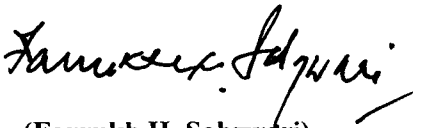
March 3, 2020

Circular No. 4 of 2020

Subject: Investment in units of Exchange Traded Funds by Equity Oriented Collective Investment Schemes

The Securities and Exchange Commission of Pakistan in exercise of powers conferred under section 282 B (3) of the Companies Ordinance, 1984 read with Regulation 55(15) and 58(1)(p) and 67A of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 hereby allows Asset Management Companies (AMCs) to invest in units of Exchange Traded Funds (ETF) on behalf Collective Investment Schemes (CIS) subject to following conditions: -

- i. Equity oriented CIS namely equity, asset allocation, balanced and index schemes may take exposure in units of Exchange Traded Funds maximum upto 10% of net assets of such CIS.
- ii. An AMC shall charge single management fee in case of investment in the units of ETF if both the equity oriented CIS and ETF are being managed by the same AMC.


(Farrukh H. Sabzwari)
Commissioner (SCD)

Distribution:

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