



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

No. SCD/Direction/483/2016

May 25, 2016

Direction No. 18 of 2016

REQUIREMENTS FOR CONSTANT PROPORTION PORTFOLIO INSURANCE BASED COLLECTIVE INVESTMENT SCHEMES

In continuation of Circular No. 18 of 2015 dated May 15, 2015 on "Requirements for Constant Proportion Portfolio Insurance (CPPI) Based Collective Investment Schemes", the Securities and Exchange Commission of Pakistan in exercise of the powers conferred under section 282D of the Companies Ordinance, 1984 hereby directs all Asset Management Companies (AMCs) to comply with the following additional requirements in respect of Collective Investment Schemes (CIS) or plans under their management, based on CPPI methodology or any modified version of such methodology:

1. An AMC shall cap the equity exposure of those CPPI based CIS/plans (perpetual) which will continue after March 31, 2017 at 10% of their net assets w.e.f January 01, 2017.
2. All other requirements stipulated under aforementioned Circular shall remain unchanged.
3. Any non-compliance will be dealt in accordance with prevalent regulatory framework.


(Imran Inayat Butt)
Executive Director (SCD)

Distribution:

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