

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

\*\*\*

Islamabad, May 05, 2011

NOTIFICATION

S.R.O. 350(I)/2011.- The following draft amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008 which are proposed to be made by the Securities and Exchange Commission of Pakistan in exercise of the powers conferred by sub-section (2) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984) read with sub-section (4) of section 20 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) are hereby published for the information of all persons likely to be affected thereby and notice is given that comments, if any, received within fourteen days of the date of this notification will be taken into consideration.

In the aforesaid Regulations, -

- (1) in regulation 28, clause (c) shall be omitted;
- (2) in regulation 29, in clause (b),-
  - (a) in sub-clause (v), the word "and" appearing for the fourth time at the end shall be omitted;
  - (b) in sub-clause (vi), after the semi colon at the end the word "and" shall be inserted; and
  - (c) after clause (vi), amended as aforesaid the following new sub-clause shall be inserted, namely:-

"(vii) undertake brokerage business subject to clause (n) of sub-rule (2) of Rule 7 of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003:

Provided that an Investment Finance Company shall not raise deposits in any form including certificate of deposits from any source.”;

(3) in regulation 37,-

(a) in sub-regulation (1), the full stop at the end shall be substituted with a colon and thereafter the following proviso shall be inserted, namely:-

“Provided that the aforesaid limit of three or lesser number shall not apply to an Index Scheme or a Capital Protected Scheme or any other category as specified by the Commission.”;

(b) in sub-regulation (7),-

(I) in clause (h),-

(i) for the word “thirty” the word “ten” shall be substituted;  
and

(ii) the semi colon at the end shall be substituted with a colon  
and thereafter the following proviso shall be added,  
namely,-

“Provided that this restriction shall not apply to transactions relating to money market instruments or debt securities.” ;  
and

(II) after clause (j), the following new clause shall be inserted,  
namely:-

“(ja) on behalf of Collective Investment Schemes, subscribe to an issue underwritten, co-underwritten or sub-underwritten by group companies of the Asset Management Company;” ;

(4) in regulations 38,-

(a) in clause (k), for sub-clause (i), the following shall be substituted, namely:-

“(i) the distributors to whom it delegates have acquired registration with the Mutual Funds Association of Pakistan as registered service providers and are maintaining the registration on an annual basis and are abiding by the code of conduct prescribed for them by Mutual Funds Association of Pakistan and;”;

(b) in clause (l), the word “and” appearing after the semi colon at the end shall be omitted;

(c) in clause (m), the full stop at the end shall be substituted with a semi colon; and

(d) after clause (m), amended as aforesaid the following new clauses shall be added, namely:-

“(n) manage the Collective Investment Scheme according to its Constitutive Documents, the rules, regulations, circular or directives issued by the Commission; and

(o) establish and maintain sufficient risk management systems and controls to enable it to identify, assess, mitigate, control and monitor risks in best interest of unit holders of the Collective Investment Schemes under its management.” ;

(5) for regulations 39 and 40 the following regulations shall be substituted, namely:-

**“39. Appointment of trustee.-** (1) The trustee for an Open End Scheme or a Closed End Scheme shall be appointed by an Asset Management Company subject to the provisions of these Regulations.

(2) The Asset Management Company shall, before it applies for the registration of an Open End Scheme or Closed End Scheme, apply to the Commission for the approval of appointment of trustee which is registered with the Commission.

(3) The Commission, if deems appropriate, may accept the request of the Asset Management Company for appointment of trustee.

**40. Eligibility requirements for registration.-** A person may apply to the Commission for registration to act as a trustee of an Open End Scheme or Close End Scheme under these Regulations if such person is,-

- (a) a scheduled bank licensed under the Banking Companies Ordinance, 1962 (LVII of 1962) which has minimum A+ rating from a credit rating company registered with the Commission, and has been in business for at least five years;
- (b) a company, set up as a subsidiary by a scheduled bank having minimum A+ rating from a credit rating agency registered with the Commission;
- (c) a foreign bank operating as a scheduled bank in Pakistan and operating as trustee internationally;
- (d) a central depository company registered with the Commission;
- (e) an Investment Finance Company which has minimum A+ rating from a credit rating agency registered with the Commission; or
- (f) such other company as the Commission may specify through a circular issued under the Ordinance.

**40A. Application procedure for registration.-** (1) An application for registration to act as a trustee of an Open End Scheme or Close End Scheme shall be made to the Commission in Form V along with non-refundable fee as specified in Schedule II.

(2) The Commission, while considering the application for registration may require the applicant to furnish such other information or clarification as it deems appropriate.

(3) Any subsequent change in the information provided to the Commission at the time of filing of application under sub-regulation (1) shall be intimated to the Commission within a period of three working days from the date of such change.

**40B. Grant of certificate of registration.-** (1) The Commission while granting a certificate of registration to an applicant under sub-regulation (1) of Regulation 40A shall *inter-alia* take into account the following matters, namely:-

- (a) the availability of appropriate systems, business continuity plan, personnel and management;
- (b) the ability of the applicant to safeguard the interests of unit holders;
- (c) earlier refusal, if any, by the Commission for registration of the applicant to act as a trustee;
- (d) conviction or adverse finding by regulatory authorities against director(s) or key executives of the applicant in a criminal offences;
- (e) the director(s) or key executives have been found guilty of regulatory offences; and
- (f) any other matter as deemed necessary by the Commission.

(2) The Commission on being satisfied that the applicant is eligible for

registration may grant a certificate of registration to the applicant in Form III subject to such additional conditions as it may deem necessary.

(3) All existing trustees of an Open End Scheme or Close End Schemes shall make an application to the Commission for registration as a trustee for an Open End Scheme or a Close End Schemes within ninety days of coming into force of this sub-regulation along with a non-refundable fee as specified in Schedule II.

(4) The certificate of registration shall remain valid for a period of three years from the date of registration unless it is cancelled or suspended earlier by the Commission.

**40C. Renewal of Registration.-** (1) A trustee of an Open End Scheme or a Closed End Scheme shall, one month prior to the date of expiry of its registration, apply to the Commission in Form VI for renewal of its registration along with a non-refundable fee as specified in Schedule II.

(2) The Commission upon being satisfied, after making such inquiry and obtaining such further information as it may consider necessary that the applicant is eligible for renewal of registration may grant a renewal of certificate of registration to the applicant in Form IV:

Provided that till such time that the registration is renewed, the existing registration shall be deemed valid for the purposes of these regulations unless the registered trustee fails to apply as specified in sub-regulation (1) of Regulation 40C.

(3) While granting renewal, the Commission may, in addition to the criterion laid down for grant of registration, also take in to account past performance of the trustee.

**40D. Procedure where registration is not granted or renewed.-** (1) The Commission, after giving a reasonable opportunity of hearing to the applicant, may refuse to grant or renew a certificate of registration if in the opinion of the Commission such applicant does not fulfill the requirements prescribe in these Regulations or where the Commission after taking in to account the facts, is of the view that the certificate of registration or renewal thereof shall not be granted.

(2) A trustee whose application for renewal of certificate of registration is refused by the Commission shall continue to act as a trustee for Open End Schemes or Closed End Schemes in which it is acting as trustee till the appointment of new trustee.”;

(6) in regulation 41,-

(a) in clause (m), for the semi colon and the word “; and” appearing at the end after semi colon the words and semi colon “along with details of remedial action taken by the trustee where applicable; ” shall be substituted;

(b) after the clause (n), for the full stop at the end a semi colon shall be substituted and thereafter the following new clauses shall be inserted, namely:-

“(o) arrange for its annual system audit by an auditor and provide the report of such audit to the Commission and the concerned Asset Management Company, within four months of the close of the financial year of the trustee;

(p) within three months of the close of its accounting year pay an annual fee to the Commission at the rate of 0.050% of average annual net assets of Open End Scheme or Closed End Scheme under its trusteeship;

(q) call a meeting of the unit holders,-

- (i) whenever required to do so by the Commission in the interest of the unit holders; or
- (ii) whenever required to do so on the requisition made by fifty percent or more of the unit holders in value of any scheme;

and for this purpose the following requirements shall be ensured by the trustee for convening the meeting of unit holders:

- (I) notice of the meeting indicating time, place and purpose of the meeting shall be given to every unit holder of the Collective Investment Scheme and shall also be published in one daily newspaper having wide circulation across Pakistan at least seven working days prior to the meeting;
- (II) in case of meeting called for any specific purpose, statement of material facts and other pertinent information/documents shall be made available to the unit holders;
- (III) trustee of the Collective Investment Scheme shall attend every meeting of the unit holders and shall act as secretary to such meeting;
- (IV) any proposal submitted for approval of the unit holders shall be put up for voting at the unit holders meeting and the resolution passed by the majority of unit holders representing at least three fourths in value of the total outstanding units of the Collective Investment Scheme shall become binding; and
- (V) the trustee shall submit minutes of the meeting along with any resolution passed in the meeting to the Commission within five working days of the meeting;



- (r) not invest in Open End Schemes for which it acts as trustee; and
- (s) obtain and maintain duplicate of all the records of register of unit holders maintained by the Asset Management Company or the Registrar and shall update the record on a fortnightly basis.”;

(7) after regulation 41, amended as aforesaid the following new regulations shall be added, namely:-

**“41A. Restriction/ or Suspension of registration.-** (1) Where a trustee contravenes or fails to comply with any provision of these Regulations or fails to fulfill its obligations under the Trust Deed or is not in compliance with conditions of registration or any directive, circular or order issued by the Commission, the Commission may, after providing a reasonable opportunity of representation to the trustee, impose restriction on its activities or suspend its registration.

(2) A trustee whose registration has been suspended shall not act as a trustee for any new Open End Scheme or Close End Scheme during the period of suspension and remove the cause of suspension within a period of ninety days from the receipt of the suspension order or such earlier period as provided through the order of suspension.

(3) The Commission while suspending the registration of a trustee may impose such additional conditions as it deems appropriate.

**41B. Cancellation of Registration.-** (1) The Commission, after providing a reasonable opportunity of representation to the trustee, may cancel the registration of a trustee if,-

- (i) in the opinion of the Commission the trustee has been in violation of these Regulations or the Trust Deed or restriction imposed under sub-regulation (1) of regulation 42A or is found guilty of misconduct

or failed to discharge its obligation under these Regulations or the Trust Deed;

- (ii) it is found guilty of insider trading or fraud or a criminal offence; and
- (iii) the trustee's registration has been suspended and the cause of suspension has not been removed within ninety days from the order of suspension or such earlier period as provided through such order.

(2) The registration of a trustee shall stand automatically cancelled if such trustee,-

- (i) is declared insolvent by a Court;
- (ii) voluntarily surrenders its certificate of registration to the Commission;
- (iii) is discharged from its obligation by an order passed by a Court;
- (iv) ceases to hold valid license/registration as a Schedule Bank or Investment Finance Company; or
- (v) fails to apply for renewal of its registration within a time specified in sub-regulation (1) of Regulation 40D.

(3) Notwithstanding anything contained in sub-regulation (1), where the Commission is satisfied that a delay in the cancellation of registration of the trustee will be detrimental to the interest of investors or the public in general, the Commission may immediately cancel the registration of the trustee till the time an opportunity of hearing is provided to the trustee and a final order is passed under sub-regulation (1).

Provided that where the Commission cancels the registration under sub-regulation (3) of Regulation 41B, the opportunity of hearing and final order must be passed within thirty days of the order under sub-regulation (3).

(4) Upon the cancellation of the registration, the trustee shall with immediate effect cease its business as a trustee and transfer all the necessary record to other trustee appointed by the AMC for this purpose.

(5) The Commission may conduct inquiry or inspection by any person appointed in this behalf into the affairs of a trustee or of any of its directors, managers or other officers or persons responsible for its affairs.”;

(8) in regulation 42, sub-regulation (2) shall be omitted;

(9) in regulation 44,-

(a) in sub-regulation (2), the words, numbers and brackets “meets the minimum investment requirement specified in regulation 44(3)(e) and” shall be omitted; and

(b) for sub-regulation (3), the following shall be substituted, namely:-

“(3) An Asset Management Company shall submit the draft Trust Deed along with the name and consent of the trustee of the Closed End Scheme in accordance with Schedule-III and the Trust Deed along with name and consent of trustee for an Open End Scheme in accordance with Schedule-VII for the principle approval of the Commission.

(4) After the principle approval of the Commission, the Asset Management Company shall execute and register the Trust Deed in accordance with the provisions of Trust Act, 1882 (II of 1882) and thereafter an application for registration of an Open End Scheme or Closed end Scheme shall be submitted to the Commission along with the following information and documents, namely:-

- (a) the latest audited accounts, if applicable, of the NBFC licensed by the Commission to operate as the Asset Management Company and resumes of its directors;
- (b) latest audited accounts of the trustee, if available; and
- (c) fee as specified by the Commission in the Schedule II in the form of bank draft payable to the Commission or copy of paid challan

form showing that the required fee has been paid in the designated bank branch in favor of the Commission.

(5) The minimum size of an Open End Scheme shall be hundred and fifty million rupees at all times during the life of the scheme and all existing Open End Schemes shall ensure compliance with this minimum scheme size and minimum investment limits mentioned in sub-regulation (3c) of Regulation 54, by June 30, 2012.

Explanation: - The minimum fund size means the Net Assets of the Open End Scheme.

(6) The Commission on being satisfied that the Scheme is eligible for registration may register the Scheme as a notified entity on such terms and conditions as it deems appropriate.

(7) No amendments including any modification, alteration, additions shall be made in the Trust Deed without prior approval of the Commission and in case the amendments are proposed to be made in the fundamental attribute of the Trust (such as category of scheme, investment objective, investment policy, pricing mechanism, fees charged by AMC and trustee , load such as contingent or back end load) which would affect the interests of the Unit Holders, the following requirement shall be fulfilled, namely,-

- (i) a special resolution passed by three forth of the Unit Holders in value shall be submitted to the Commission along with the proposed modification, alteration or addition in the Trust Deed; and
- (ii) the trustee and the Asset Management Company shall certify in writing that, in their opinion the proposed modification, alteration or addition in trust deed is neither prejudicial to the interests of the Unit Holders nor does it operate to release the trustee or the

Asset Management Company from any responsibility to the unit holders.”;

- (10) for regulation 45, the following new regulations shall be substituted, namely:-

**“45. Transfer of Management Rights of Open end Scheme or Close End**

**Scheme,- (1)** The management rights of an Open End Scheme or Close End Scheme may be transferred to another Asset Management Company upon the occurrence of any of the following events,-

- (a) the Asset Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license;
- (b) if the unit holders representing at least three fourth in value of total outstanding units of the concerned scheme pass a resolution in the meeting convened as per the procedure prescribed in the regulation 41 ( q ) that the scheme be transferred to another Asset Management Company;
- (c) upon occurrence of any event or circumstances which, in the opinion of the trustee, requires change of Asset Management Company in the interest of unit holders, the trustee shall immediately call the meeting of unit holders to consider the transfer of scheme with the approval of unit holders representing at least three fourth in value of total outstanding units;
- (d) if in the opinion of the Commission further management of the Open End Scheme or Closed End Scheme by the existing Asset Management Company is detrimental to the interest of the unit holders or certificate holders or the market generally, the Commission may direct the trustee to transfer such Open End

Scheme or Closed End Scheme to another Asset Management Company acceptable to the Commission:

Provided that the Open End Scheme or Closed End Scheme shall not be transferred by the Commission without providing an opportunity of being heard to the Asset Management Company.

(2) For the purpose of transfer of management right an Asset Management Company shall execute a supplemental Trust Deed subject to the approval of the Commission.

**45A. Extinguishment/Revocation of an Open End Scheme.-** (1) An Open End Scheme may be extinguished by the occurrence of any of the following events,-

- a) the Open End Scheme has reached its maturity date as specified in the Trust Deed;
- b) if majority of unit holders representing at least three fourth in value of total outstanding units of the concerned scheme pass a resolution that the scheme be revoked;
- c) where the Asset Management Company goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license ;
- d) in the opinion of the Asset Management Company the scheme is not commercially viable or the purpose of the scheme cannot be accomplished;
- e) on occurrence of any event or circumstances which, in the opinion of the trustee, requires the Scheme to be revoked;
- f) where in the opinion of the Asset Management Company or the trustee continuity of the fund is not in the interest of unit holders; and

g) where the Commission deems it necessary to revoke the fund so directs either trustee or Asset Management Company in the interest of unit holders;

(2) In case of occurrence of any event specified under sub-clause (b), (c), (d), (e) and (f) of sub-regulation (1) of Regulation 45A the trustee shall immediately call the meeting of unit holders to consider the revocation of scheme and the issuance and redemption of units shall be ceased immediately on the date of publication of notice of meeting.

(3) The revocation of the Open End Scheme under sub-clauses (b), (c), (d), (e) and (f) of sub-regulation (1) of Regulation 45A shall require the approval of unit holders representing at least three fourth in value of total outstanding units.

(4) Where a scheme is to be revoked the trustee shall immediately give notice to the Commission and in two newspapers having circulation all over Pakistan disclosing the circumstances leading to the revocation of the Scheme.

(5) On the date of publication of notice under sub-regulation (4) of Regulation 45A the Open End Scheme shall be transferred to trustee till the completion of the final settlement of the affairs of the Open End Scheme.

**45B. Procedure and manner of Revocation of Open End Scheme.-** (1) The trustee shall dispose of the assets of the scheme in the best interest of the unit holders of that scheme.

(2) The trustee upon the commencement of revocation process shall also submit, in addition to specified statutory reports, quarterly reports to the Commission providing details of the various steps taken by it in the final settlement of the affairs of the trust.

(3) The proceeds from the sale of the asset of the scheme shall be first utilized towards discharge of such liabilities as are due and payable under the scheme and after making appropriate provision for meeting the expenses connected with such

revocation the balance shall be paid to the unit holders in proportion to their respective interest in the assets of the scheme on the date when the decision for revocation was taken.

(4) On the completion of the revocation process the trustee shall forward to the Commission and the unit holders a report on the revocation process containing particulars such as circumstances leading to the revocation, the steps taken for disposal of assets of the fund before revocation, expenses of the fund for revocation, net assets available for distribution to the unit holders and a certificate from the auditors of the fund.

(5) After the receipt of winding up report by trustee, if the Commission is satisfied that all measures for revocation of the scheme have been complied with, the Commission shall cancel the registration of an Open End Scheme and the scheme shall cease to exist.”;

(11) in regulation 54,-

(a) after sub-regulation (3) the following new sub-regulations shall be added, namely:-

“(3a) At the launch of new Open End Scheme if the Asset Management Company failed to receive minimum subscription amount specified in sub-regulation (5) of Regulation 44, the Asset Management Company shall be liable to refund the application money to the applicants within ten days of the close of initial public offering.

(3b) After the initial public offering or subsequently at any time if the size of any Open End Schemes falls below that minimum size specified in sub-regulation (5) of Regulation 44, the Asset Management Company shall not be entitled to charge any management fee till such time the fund reaches the required level and shall immediately inform the Commission of the grounds that the



Open End Scheme is still commercially viable and the objective of the Open End Scheme can still be accomplished, accompanied by,-

(a) the unit holders resolution passed by at least three fourth in value of total outstanding units supporting the Asset Management Company's views; or

(b) time bound action plan to increase the fund size to the minimum requisite fund size for consideration of the Commission and if the Commission is not satisfied with the submission of Asset Management Company it may direct the Asset Management Company to revoke the Open End Scheme.

(3c) In an Open End Scheme no single unit holder shall be holding 5% or more of the outstanding units of the scheme and if the said limit is breached the Asset Management Company shall ensure that within a period of three months the Open End Scheme complies with this regulation.

(3d) If there is a breach of sub-regulation (3c) over the quarter, a rebalancing period of one month would be allowed and thereafter the unit holder(s) who is in breach of the regulation shall be given fifteen days notice to redeem their exposure over the limit.

(3e) Failure on the part of the said unit holder to redeem his exposure over the limits mentioned in sub-regulation (3d) will lead to automatic redemption by the scheme on the applicable Net Asset Value on the 15th day of the notice period.”;

(12) in regulation 57,-

(a) in sub-regulation (8),-

(i) after the word “circumstances” the words “up to a maximum for thirty days” shall be added;

(ii) after the word “Company” appearing at the end the words “and during suspension of redemption in exceptional circumstances issuance of units shall also remain suspended.”;

(b) after sub-regulation (12), the following new sub-regulations shall be added, namely:-

“(13) The suspension of redemption shall end on the day following the first business day on which the exceptional circumstances giving rise to the suspension in the opinion of the Board of Directors of the Asset Management Company have ceased to exist.

(14) Where the AMC is unable to remove the suspension of redemption of unit of Open End Scheme within the thirty days of suspension the trustee shall call the meeting of the unit holders at the expiry of thirty days to decide whether to continue the suspension of redemptions for a further period or to remove the suspension or to terminate, revoke or transfer the Open End Scheme to another Asset Management Company.

(15) The Asset Management Company shall inform the Commission and the trustee about the date of termination of suspension of dealing in units and publish the notice regarding the termination of dealing in units in two leading daily newspapers having circulation all over Pakistan.”;

(13) in regulation 66, after clause (l) the following new clause shall be added, namely:-

“(m) take all reasonable steps and exercise due diligence to ensure that the assets of Collective Investment Scheme are correctly valued and priced, in line with the provisions of these regulations and Constitutive Documents:

**Explanation:-** For the purpose of valuing the fund’s property and pricing the Collective Investment Scheme’s units, a management company shall not do or omit anything that will confer on itself or certain unit holders a

benefit or advantage at the expense of other unit holders or potential unit holders.”;

(14) after regulation 67, the following new regulation shall be inserted, namely:-

***67 A. Relaxation of Regulations - If any difficulty arises in giving effect to any of the provisions of these regulations in a particular case, or class of cases, or if it would be in the interest of capital market so to do, the Commission may, for reasons to be recorded in writing relax such requirements subject to such conditions as it may deem fit***

(15) after FORM II, the following new FORMS shall be inserted, namely:-

“



**FORM-III**

**[see Regulation 40A/40B(3)]**

**Securities and Exchange Commission of Pakistan  
Specialized Companies Division**

**Registration No. SCD/ /Trustee Name/ /Year** Islamabad, Dated:

.....

**CERTIFICATE OF REGISTRATION  
TO ACT AS TRUSTEE**

The Securities and Exchange Commission of Pakistan, having considered the application for the grant of registration to act as Trustee of an Open-End or Closed-End Schemes submitted by ..... **(Name of Trustee)** under sub-regulation (1) of Regulation 40B of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) as amended from time to time and being satisfied that it would be in the public interest so to do, in exercise of powers conferred by sub-regulation (2) of Regulation 40B hereby grants the certificate of registration in the name of ..... **(Name of Trustee)** to act as **Trustee** of an Open-End or Closed-End Schemes subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

- (i) ..... **(Name of Trustee)** shall comply with the Regulations (as amended or replaced) and any directives, circulars, codes or notifications issued by the Commission to regulate the Trustees;
- (ii) ..... **(Name of Trustee)** shall submit annual, half yearly, quarterly or such other reports as specified in the applicable laws;
- (iii) ..... **(Name of Trustee)** shall submit system audit report as specified in the Regulations; and
- (iv) This Registration is valid for a period of three years **w.e.f. ....(date of registration)** and shall be renewable every three years as specified in the Regulations.

**Approving Authority**



**FORM IV**  
**[see Regulation 40C]**

**Securities and Exchange Commission of Pakistan**  
**Specialized Companies Division**

Registration No. SCD/ /Trustee Name/ /Year Islamabad, Dated:  
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**CERTIFICATE OF REGISTRATION**  
**TO ACT AS TRUSTEE**

The Securities and Exchange Commission of Pakistan, having considered the application for the renewal of registration to act as Trustee of an Open-End or Closed-End Schemes submitted by ..... (**Name of Trustee**) under sub-regulation (1) of Regulation 40C of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) as amended from time to time and being satisfied that it would be in the public interest so to do, in exercise of powers conferred by sub-regulation (2) of Regulation 40C, hereby renews the certificate of registration of ..... (**Name of Trustee**) to act as **Trustee** of an Open-End or Closed-End Schemes subject to the conditions stated herein below or as may be prescribed or imposed hereafter:

- (i) ..... (**Name of Trustee**) shall comply with the Regulations (as amended or replaced) and any directives, circulars, codes or notifications issued by the Commission to regulate the Trustees;
- (ii) ..... (**Name of Trustee**) shall submit annual, half yearly, quarterly or such other reports as specified in the applicable laws;
- (iii) ..... (**Name of Trustee**) shall submit system audit report as specified in the Regulations; and
- (iv) This Registration is valid for a period of three years **w.e.f.** .....(**date of registration**) and shall be renewable every three years as specified in the Regulations.

**Approving Authority**

**FORM V**  
[see regulation 40A(1)/40B(3)]  
**APPLICATION FOR OBTAINING CERTIFICATE OF REGISTRATION TO ACT AS TRUSTEE**

Dated, the-----

To,  
The Securities and Exchange  
Commission of Pakistan, Islamabad.

Dear Sir,

We ----- (Name of Trustee) hereby apply for grant of Certificate of Registration under Regulation 40A(1) )/40B(3) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (Regulations) to act as Trustee of an Open-End or Closed-End Schemes.

2. We hereby furnish the following information, \_\_

- (a) Certified true copy of certificate of incorporation as a limited company;
- (b) Certified true copies of the memorandum and articles of association
- (c) authorised, subscribed and paid-up share capital of the company (sponsors' equity indicated separately);
- (d) names and addresses of directors and number of shares held by each of them;
- (e) directors' interest, direct or indirect, in any other company with details of such interest;
- (f) details of persons or group controlling the company including major shareholders with number and value of shares held;
- (g) names of holding, subsidiary and associated undertaking, if any;
- (h) details of qualified staff engaged;
- (i) reasons for selecting the proposed business, place of business with statistical data;
- (j) system audit report, if available;
- (k) business continuity plan;
- (l) details regarding system controls;
- (m) rating from a credit rating company if required; and
- (n) additional facts in support of this application;

3. An affidavit as to the correctness of the above information by the chief executive is also furnished herewith.

4. We undertake to keep this information upto date by communicating changes or modifications therein within three days of such change or modifications.

5. A receipt of non-refundable processing fee as specified in schedule-II of the Regulations for the certificate of registration, deposited in \_\_\_(name of bank and branch) on \_\_\_(date) is enclosed.

Yours faithfully,  
Name and Signature of the  
Chief Executive Officer  
of the proposed Trustee

(14) in Schedule II,-

- (a) after number "11" appearing on the top of the table A the numbers and letters "40A, 40C " shall be inserted; and
- (b) for table B, the following new table shall be substituted, namely:-

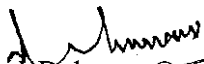
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S.No	Regulation	SUBJECT OF APPLICATION	AMOUNT (in RS.)
1	Regulation 44	Application for registration of an Open End Scheme or Closed End Scheme	1,000,000
2	Regulation 40A(1)	Application for certificate of registration to act as a trustee	750,000
3	Regulation 40C(1)	Application for renewal of certificate of registration to act as a trustee	750,000

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**No. SCD/NBFC/NBFCR/2011**

  
(Abdul-Rehman Qureshi)  
Advisor/ Secretary