

Member	Meetings Attended	Member	Meetings Attended
Yasir Qadri - Chairman	3 of 3	Nafees Imtiaz Malik	1 of 3
Amjad Waheed - Vice Chairman	2 of 3	Noman Qurban	1 of 3
Assad Hameed Khan	1 of 3	Syed Hassan Mehdi	2 of 3
Kashif Rafi	2 of 3	Syed Zain Raza	3 of 3
Mashmooma Z. Majeed	3 of 3	Wahaj Aslam	2 of 3
Mohammad Faisal Hafeez	2 of 3	Zulfiqar Azam	1 of 3
Nadeem Saulat Siddiqui	1 of 3		

ACTIVITIES' REPORT

1. Performance Ranking Elimination

Performance ranking is based on historical performance and is not a representative of current performance. The committee proposed that it should be replaced with peer group average. The proposal was forwarded to SECP with the approval of the Board.

2. Trustee and SECP Fees on Funds of Funds and Registration Fee of Rs 1 million for Series Funds

Based on committee's recommendation, with approval of the Board proposal has been forwarded to SECP that Trustee and SECP Fees should not be charged on Fund of Funds similar to AMCs as otherwise the fee is charged twice. Also the registration fee of Rs 1 million should be waived off for series funds. The SECP responded that they will review these proposals.

3. Deemed Approval Mechanism within Prescribed time Limits

The committee recommended that since the Trust Deed and Offering Document have been standardized, it would be beneficial if 'deemed approval' within prescribed time mechanism to be introduced for new fund approvals. The same proposal was forwarded to SECP. SECP replied that this was not possible and if any undue delay occurs, the concerned AMC should immediately contact Executive level officer of the SECP and SECP shall respond accordingly.

4. Relaxation for requirements for Minimum business days

The Regulations require a minimum of four business days per week. The committee proposed that there may be funds that may require lesser business days and the Commission should consider removing this requirement. The SECP responded that no such product has come to SECP so far with different requirements. The Commission can relax the business days requirement and if such a product comes, the Commission will consider it on a case to case basis.

5. Exposure Limits

Due to Regulation No. 55(10) of the NBFC & NE Regulations, even in case of share price appreciation, the security is required to be sold which may not be the best investment strategy. The committee recommended that this limit should be at the time of investment only, or the limit may be enhanced to 15%, or otherwise the time period should be increased. The SECP responded that relaxations are provided when applied for by the Fund Manager and the international precedent regarding this proposal should also be reviewed.

6. Queue System

The committee suggested that Queue System should only be applicable to funds which have going concern issues/special circumstances, and not in routine day to day operations. The SECP responded that it is not a major issue and can be resolved. The matter should be taken with the CDC and sorted with them. If CDC does not agree to this, then this matter should be brought at the SECP level.

TERMS OF REFERENCE

- To review Acts, Ordinances, Rules and Regulations, Circulars pertaining to mutual funds on an ongoing basis and making recommendations to the SECP;
- Periodic and adhoc review of standardised trust deed and offering document (at least Annual);
- To research on investment products in international markets;
- Drafting regulations for new product development;
- Developing MUFAP codes for members and service providers;
- At least Annual review of all MUFAP's Codes and Guidelines (this includes periodic review and adhoc review of MUFAP's Code of Qualification and Conduct for Registered Service Providers);
- Ensuring Implementation of Codes, including action against violators or reporting to SECP; and
- Annual Review of Sales Agents Training Manual (being operated by ICM).

7. Review of Karachi Stock Exchange's two proposals:
i) Reverting back to OLD sector classification regime; and
ii) Commencing trading of OPEN END Mutual Funds through KSE

KSE forwarded two proposals to MUFAP for consideration which were assigned to the Committee by the Board for review. Regarding proposal (i), the committee discussed that since Industry Classification Benchmark (ICB) is internationally recognized and used, which is aligned for foreign investors and therefore favorable for foreign investment growth in the country, the committee recommended that it should be continued rather than reverting back to the Old sector classification. On proposal (ii), the committee recommended that MUFAP should not take any view on it and any AMC who wants to launch such a product can work directly with KSE and SECP for that specific product. AMCs who are interested in trading of their units may contact themselves with SECP and KSE for the purpose. Both the recommendations were sent to the Board for consideration.