

## CHAIRMAN REVIEW

Mr. Zafar Abdullah, FCA

Chairman, Mutual Fund Association of Pakistan



### Promoting Growth through Self-Regulation

The mutual funds industry has witnessed significant growth during the last two decades. The paramount factors of such growth include diversified product range available in both conventional and Shariah compliant categories, catering to all investors' requirements and increasing the outreach through both orthodox and digital modes. Nevertheless, there still remains a massive need for creating awareness and educating the investors to enhance their confidence enabling them to make better investment decisions. The progress of the industry correspondingly demands enhanced investors' protection mechanisms and robust governance and ethical standards ensuring the sustainable growth.

The Mutual Funds Association of Pakistan (MUFAP) has always contributed in building and promoting ethical standards and best corporate practices and has also supported the mutual funds industry in difficult times. To instil the higher standards of governance and professionalism among its members and to create the enhanced public awareness, MUFAP is now in the process of becoming a licensed Self-Regulatory Organization (SRO) under the provisions of the Securities and Exchange Commission of Pakistan Act, 1997. As the SRO, MUFAP being the front-line regulator of the mutual funds industry will formulate the future road map for the industry, while nurturing greater standards of integrity and transparency, that in turn will strengthen the investors' confidence.

MUFAP is presently completing the statutory licensing requirements to operate as the SRO; it is expected that this process will be completed within this financial year and in the early part of 2023 we will witness the most significant regulatory reform in the mutual funds industry, when MUFAP will start functioning as its front-line regulator.

As a newly licensed statutory regulatory body, MUFAP's primary regulatory functions shall inter-alia include:

- Enhancing the corporate governance and ethical standards;
- Regulating the Members through an end-to-end process of monitoring compliance, conducting inspections and taking enforcement actions thereof;
- Promoting investors education and investors protection;
- Strengthening marketing and distribution practices including raising the industry standards of sales practices, and managing/resolving investors complaints; and
- Effective training and education of the Members and investors as well as conducting examinations and providing certifications to the Members and investors in general.



## Acknowledgements

I would like to thank Ministry of Finance, Securities and Exchange Commission of Pakistan, Federal Board of Revenue and Central Depository Company of Pakistan for their continued support of MUFAP and the mutual funds industry.

I would also like to acknowledge the contribution made by my predecessor, Dr. Amjad Waheed (Chairman MUFAP till March 29, 2022), fellow Board members, Committee Chairmen and members and thank them for their dedication, teamwork and valuable support. Lastly, I thank the CEO, Ms. Mashmooma Zehra Majeed and the management team of MUFAP for their hard work, commitment and dedication.

