

**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

\*\*\*

**Islamabad, September 5, 2011**

**NOTIFICATION**

**S.R.O. 814(I)/2011.-** 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) the Securities and Exchange Commission of Pakistan hereby makes the following further amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008, namely,-

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 “fifteen” shall be substituted; and

(ii) for the word “paid” the word “payable” shall be substituted; and

(iii) 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 all existing distributors shall acquire registration with Mutual Funds Association of Pakistan as registered services provider before the first day of March 2012;

(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 AA- rating from a credit rating agency 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 AA- 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 AA- 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 prescribed 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),-

(i) after the word “company” the words “ in relation to and on behalf of collective investment scheme” shall be inserted; and

(ii) for the semi colon and the word “; and” appearing at the end 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 its financial year;

- (p) within three months of the close of its financial year pay an annual fee to the Commission at the rate of 0.005 per cent of average annual net assets of Open End Scheme or Closed End Scheme under its trusteeship and also furnish a copy of its annual audited accounts to the Commission;
- (q) call a meeting of the unit holders in such manner specified by the Commission through circular,-
  - (i) whenever required to do so by the Commission in the interest of the unit holders; or
  - (ii) whenever required to do so as per the requirements of these Regulations;

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 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 resolution passed or consented in writing 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 except such resolution is contrary to the Rules, Regulations, Constitutive Documents or circulars and directives issued by the Commission; and

(V) the trustee shall submit minutes of the meeting along with any resolution passed in the meeting to the Commission within seven 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 shall 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 41A 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 as specified in sub-regulation (1) of Regulation 40C.

(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 ninety 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 containing the information as set out in Schedule VI shall be submitted to the Commission along with 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 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.

(6) No amendments including any modification, alteration and additions shall be made in the Constitutive Documents without prior notice to the Unit holders, consent of the trustee and prior approval of the Commission.

(7) In case the amendments are proposed in the fundamental attribute of the Constitutive Document of an open end scheme including category of scheme, investment objective and policy, increase in management fee and increase in contingent or back end load, the asset management company must give at least ninety days prior notice to each Unit Holder about the proposed change and the Unit Holders shall be given an option to exit at the applicable Net Asset Value without charge of any exit load.”;

(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) where the AMC is unable to remove the suspension of redemption of units of Open End Scheme within the fifteen working days of suspension and the unit holders representing at least three fourth in value of total outstanding units of the concerned scheme pass a resolution or have given consent in writing that the scheme be transferred to another Asset Management Company;
- (c) 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, 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:

(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) where the AMC is unable to remove the suspension of redemption of units of Open End Scheme within the fifteen working days of suspension and the unit holders representing at least three fourth in value of total outstanding units of the concerned scheme pass a resolution or have given consent in writing 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 subject to the consent of trustee;
- (e) on occurrence of any event or circumstances which, in the opinion of the trustee, requires the Scheme to be revoked; and
- (f) 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) 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 provided that this clause shall not be applicable to sub-clause (a) of sub-regulation (1) of this Regulation.

(3) On the date of publication of the notice under sub-regulation (2) of Regulation 45A the affairs of and all information relating to the Open End Scheme shall be transferred to the 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) From the date of publication of the notice under sub-regulation (2) of Regulation 45A the issuance and redemption of unit shall be suspended and scheme shall cease to carry on its business except so far as may be required for the beneficial revocation thereof.

(2) The trustee shall be authorized to dispose off the assets of the scheme in the best interest of the unit holders of that scheme and any sale, settlement or arrangement executed by the trustee in pursuance of revocation of open end

scheme shall be binding on the Asset Management Company and unit holders of the scheme.

(3) 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.

(4) 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.

(5) 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.

(6) 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) The minimum size of an Open End Scheme shall be one hundred 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 limit by the first day of July, 2012.

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

(3b) Subject to sub-regulations (3a) 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 (3a) the asset management company shall ensure compliance with the minimum fund size within three months of its breach and if the fund size remains below the minimum fund size limit for consecutive ninety days the Asset Management Company shall immediately intimate the grounds to the Commission upon which it believes that the Open End Scheme is still commercially viable and its objective can still be achieved.

(3c) where the Asset Management Company intimates grounds to the Commission for commercial viability of the Open End Scheme it shall also submit the following documents to the Commission,-

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

(b) a time bound action plan to increase the fund size to the minimum requisite fund size for consideration of the Commission.

(3d) Where the Commission is not satisfied with the submission of Asset Management Company under sub-regulation (3b) and (3c) it may direct the Asset Management Company or the trustee to revoke the Open End Scheme.”;



(12) in Regulation 55,-

(a) in sub-regulation (6),-

(i) in the table at the end, the following new row along with the text shall be inserted, namely,-

“

Fund of funds	No limit; Provided that the Asset Management Company shall not charge management fee if the fund invests in the schemes managed by the same Asset Management Company.
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“; and

(ii) the proviso at the end shall be omitted;

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

“(13) where the Exposure of a Collective Investment Scheme exceeds the limits specified in sub-regulation (5), (6) or (9) of this regulation because of corporate actions including taking up rights or bonus issue or due to market price increase or decrease in net assets the excess Exposure shall be regularized within three months of the breach of limits unless the said period of three months is extended by the Commission on an application by the Asset Management Company.

(14) The exposure limits prescribed under sub-regulation (10) of Regulation 55 will not be applicable for Index Funds, Capital Protected Fund and Fund of Funds or any other category as specified by the Commission.”;

(13) in regulation 57,-

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

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

(ii) after the word “Company” appearing at the end the words “and during suspension of redemption 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 fifteen working days of suspension the trustee shall immediately call the meeting of the unit holders at the expiry of the fifteenth days to decide whether to continue the suspension of redemptions for a further period or revoke or transfer the Open End Scheme to another Asset Management Company.

(15) The decision to continue the suspension, revoke or transfer the Open End Scheme to another Asset Management Company shall be supported by consent given in writing or resolution passed by unit holders representing at least three fourths in value of total outstanding units of the concerned scheme.

(16) 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.”;

(14) 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.”;

(15) 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.”;

(16) 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**

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**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**

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**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 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

**FORM VI**  
[see regulation 40C(1)]  
**APPLICATION FOR RENEWAL OF REGISTRATION TO ACT AS TRUSTEE**

Date: .....

Securities and Exchange Commission of Pakistan,

Islamabad

Dear Sir,

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

The Registration granted or renewed earlier is due to expire on .....

Original receipt of challan evidencing payment of renewal fee as specified in the Schedule-II of the Regulations is enclosed.

It is requested that the Registration may be renewed w.e.f. .... for a period of three years.

Yours faithfully,

Name and Signature of the  
Chief Executive Officer  
of the Trustee "

; and

(17) 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:-

“

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

“

No. SCD/NBFC/NBFCR/2011- 373

  
(Abdul Rehman Qureshi)  
Advisor/ Secretary