



National Clearing Company of Pakistan Limited

8th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/CM/DECEMBER-19/12

December 20, 2019

Securities Lending by Asset Management Companies on behalf of Collective Investment Schemes

Dear Non Broker Clearing Members (Collective Investment Schemes),

Please find attached herewith circular No. SCD/CIRCULAR/79/2019 dated December 20, 2019 received from the Securities and Exchange Commission of Pakistan (SECP) on the above captioned subject, which is self-explanatory, for your information and necessary action.

For any further queries or concerns, please feel free to contact the Customer Support Department at UAN No. 021-111-111-622.

Regards,

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Syed Ahad Hasan
Senior Manager – PD & CSS

1. Director/HOD - Policy, Regulation and Development Department - SMD
Securities & Exchange Commission of Pakistan - Islamabad
2. Chief Executive Officer - Pakistan Stock Exchange Limited
3. Chief Executive Officer - Central Depository Company of Pakistan Limited
4. Chief Executive Officer - Mutual Fund Association of Pakistan



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

No. SCD/CIRCULAR// 79 /2019

December 20 , 2019

Circular No. 18 of 2019

Subject: Securities lending by Asset Management Companies on behalf of Collective Investment Schemes

The Securities and Exchange Commission of Pakistan (the "Commission") in exercise of powers conferred under section 282 B (3) of the Companies Ordinance, 1984 and the Regulation 67A of Non-Banking Finance Companies and Notifies Entities Regulations, 2008 (the "Regulations"), read with regulation 37 (7) (d) of the Regulations, prescribed the following conditions for lending of securities by Asset Management Companies on behalf of Collective Investment Schemes:-

- I. An Asset Management Company on behalf of Collective Investment Schemes namely equity, asset allocation, balanced and index schemes may lend equity securities maximum upto 10% of net assets of such Collective Investment Scheme out of its equity portfolio.
- II. An Asset management company on behalf of Collective Investment Scheme shall lend securities only through platform provided by an authorized intermediary for the purpose of securities lending and borrowing as per the Securities (Leveraged Markets and Pledging) Rules, 2011.
- III. An Asset Management Company shall make necessary amendments in offering document of respective CIS and given necessary notice to the unit holders as per the requirements 44(7) of NBFC Regulations 2008.

This circular is issued without prejudice to the requirements prescribed under Securities (Leveraged Markets and Pledging) Rules, 2011.

(Farrukh H. Sabzwari)
Commissioner (SCD)

Distribution:

1. Chief Executive Officers, Asset Management Companies
2. Mutual Funds Association of Pakistan
3. Trustees of Collective Investment Schemes