



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

No. SCD/DIRECTION/380/2017


January 13, 2017

Direction No. 02 of 2017

Liquidity Requirements for Mutual Funds

The Securities and Exchange Commission of Pakistan in exercise of the powers conferred under section 282D of the Companies Ordinance, 1984 hereby directs that all Asset Management Companies (AMCs) shall comply with the following requirements :-

1. At all times, an AMC shall maintain at least 5% of net assets in cash and near cash instrument in Equity Funds (other than dedicated equity funds) and Funds of Funds. The AMCs that are currently not complying shall ensure compliance latest by February 15, 2017.
2. An AMC shall arrange committed credit lines from banks/DFIs equivalent to 15% of net assets of each fund latest by March 1, 2017 for redemption purposes.
3. In case, where redemption requests exceed ten per cent of the total number of units in issue of fund on any one dealing day, the redemption requests of AMCs and its sponsors, if any, shall have least priority for redemption on that day.


(Imran Inayat Butt)
Executive Director (SCD)

Distribution:

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