

**GOVERNMENT OF PAKISTAN**  
**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Islamabad, the 10<sup>th</sup> April, 2025

**NOTIFICATION**

**S.R.O.600(I) /2025.**- In exercise of the powers conferred by sub-section (2) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984), the Securities and Exchange Commission of Pakistan hereby makes the following amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the same having been previously published in the official Gazette vide S.R.O. 22(1)/2025 dated January 15, 2025 and also placed on its website as required under proviso to the said sub-section (2), namely:-

**AMENDMENTS**

In the aforesaid Regulations, -

- (1) In regulation 2,
  - a) in sub-regulation (1), after clause (xli), the following new clause shall be added,

“(xlii) “Shariah Compliant Scheme” means Collective Investment Scheme / Pension Fund that has been declared Shariah-compliant under the Companies Act, 2017 read with the Shariah Governance Regulations, 2023;”
  - b) in sub-regulation (2), after the expression “Securities Act, 2015,” the expression “the Companies Act, 2017,” shall be inserted;
- (2) In regulation 37,
  - a) in sub-regulation (6), after the expression “Asset Management Company shall”, for the expression “appoint a Shariah Advisor” the expression “obtain Shariah compliance certificate for such scheme as per the requirements of Companies Act, 2017 and the Shariah Governance Regulations, 2023”, shall be substituted;
  - b) in sub-regulation (6) amended aforesaid, for the full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be inserted,

“Provided that Shariah compliant schemes similar to an already declared Shariah compliant scheme by the Commission, having the same underlying structure, mode of Islamic financing, and terms and conditions except for variations in commercial terms such as pricing, issue size, etc. shall not be required to obtain a separate Shariah compliance certificate. However, the Asset

Management Company shall be required to submit Form E in accordance with the Shariah Governance Regulations, 2023, before the issuance of such other scheme.”

- c) after sub-regulation (6), amended aforesaid, the following new sub-regulation shall be inserted,

“(6A) In case of a Shariah Compliant Scheme, Asset Management Company shall ensure that all new and supplemental Constitutive Documents are in line with the clauses prescribed under Schedule III, IV, VII, and VIII relating to Shariah compliance:

Provided that Asset Management Company shall amend existing constitutive documents within such time as may be specified by the Commission.”;

- d) in sub-regulation (7) for clause (1), for the word "shares", the word "units" shall be substituted;

- (3) In regulation 38,

- a) in sub-regulation (1), after clause (a), a new sub-clause (ab) shall be inserted:

“(ab) pay such sum as Market Development Charges from its remuneration without passing to investors, as per the mechanism specified by the Commission for investor education, awareness and market development activities of mutual fund;”

- b) in sub-regulation (2), after sub-clause (ac), following new sub-clauses shall be inserted,

“(ad) ensure ongoing Shariah compliance in case of Shariah-compliant schemes and comply with the conditions of certification of Shariah compliance under the Shariah Governance Regulations, 2023:

Provided that any Shariah compliant scheme launched after the promulgation of the Shariah Governance Regulations, 2023 that did not obtain a Shariah compliance certificate, shall obtain the same till September 30, 2025.”

(ae) engage an external Shariah Auditor for a Shariah-Compliant Scheme. An annual report by Shariah Auditors as required under regulation 29(5) of the Shariah Governance Regulations, 2023 shall be submitted to the Board of Directors.”

- (4) In regulation 41,

a) for clause (p), the following shall be substituted,

“(p) Within fifteen days of the close of each calendar month, shall pay to the Commission, a monthly fee calculated at the rate of 0.005 percent per annum of the average net assets of the Open-End Scheme or Closed-End Scheme under its trusteeship for each month. Additionally, the trustee shall also furnish a copy of its annual audited accounts to the Commission within three months of the close of its financial year:

Provided further that the earlier annual payment mechanism by the trustee to the Commission as applicable before the date of this notification, for Collective Investment Schemes shall remain applicable until June 30, 2025.”

b) after clause (p) as amended aforesaid, the following new clause shall be inserted,

“(pa) pay such sum as may be specified by the Commission as Market Development Charges for the investor education, awareness and market development activities of mutual fund and pension funds.”;

(5) In regulation 60,

a) for sub-regulation (5), the following shall be substituted,

“(5) The following Management Fee caps for a Collective Investment Schemes shall be applicable, calculated on a per annum basis of the average daily net assets, effective from July 01, 2025:

- (a) Equity Schemes up to 3.00%;
- (b) Income/Aggressive Income Schemes & Commodities (Deliverable and Cash Settled) Schemes up to 1.50%;
- (c) Money Market up to 1.25%;
- (d) Fixed Rate/Return Schemes up to 1.00%; and
- (e) Exchange Traded Fund and Index Schemes up to 0.75%:

Provided that in case of hybrid schemes, the Asset Management Company shall use a weighted average approach based on respective allocation of net assets to determine the Management Fee Caps:

Provided further that the Asset Management Company shall not charge a management fee if the Fund of Funds invests in underlying schemes managed by the same Asset Management Company:

Provided further that the earlier Total Expense Ratio Caps applicable before the date of this notification, for Collective Investment Schemes shall remain applicable until June 30, 2025.

Explanation: For the purpose of sub-regulation (5), any costs related to government levies on the charging of management fees shall be excluded when calculating the management fee for compliance with the prescribed regulatory

caps. However, for Total Expense Ratio disclosure to unit holders, all costs, including taxes, shall be fully disclosed.”;

- b) in sub-regulation (6), for clauses (i), (ii), (iii), (iv) and (v) the following shall be substituted,

“(i) total expense ratio shall be made as per the following format;

M.F	Regulatory Fee	Trustee Fee and Custody Charges	Levies and Taxes	Transaction Expenses (Broker, Bank, PSX, CDC, NCCPL etc.)	Third Party Expenses (Auditor, Rating Agency, Legal, Shariah Advisor)	Other Expenses	Total TER with levies	Total TER without levies
a %	b %	c %	d %	e%	f%	g %	(a+b+c+d+e+f+g)%	(a+b+c+e+f+g)%

(ii) Front-end, back-end and contingent load as a percentage of net assets; and

(iii) The return after deducting the Total Expense Ratio shall also be disclosed to the unitholders.

- (6) In regulation 64, for the word "securities", the word "units" shall be substituted;

- (7) In regulation 66A, after clause (b) the following new clause shall be inserted,

“(ba) The Asset Management Company, following the execution of a written agreement with the distributors, is obligated to disclose the list of its distributors on all of its digital platforms, including its website.”;

- (8) In regulation 67B,

- a) in sub-clause (xiv), the word “and” appearing at the end shall be omitted;

- b) after sub-clause (xv), the following new sub-clauses shall be inserted,

“(xvi) pay such sum from its remuneration without passing to participants, as per the mechanism specified by the Commission as Market Development Charges aimed at investor education, awareness and market development activities of pension funds;

(xvii) obtain Shariah compliance certificate in the case of a Shariah-Compliant Scheme, as per the requirements of Companies Act, 2017 and the Shariah Governance Regulations, 2023 and comply with such requirements as may be specified by the Commission:

Provided that Shariah compliant schemes similar to an already declared Shariah compliant scheme by the Commission, having the same underlying

structure, mode of Islamic financing, and terms and conditions except for variations in commercial terms such as pricing, issue size, etc. shall not be required to obtain a separate Shariah compliance certificate. However, the Pension Fund Manager shall be required to submit Form E in accordance with the Shariah Governance Regulations, 2023, before the issuance of such other scheme;

(xviii) ensure in the case of the Shariah Compliant Scheme, that all new and supplemental Constitutive Documents are in line with the clauses prescribed under Schedule XIII, XIV and XV relating to Shariah compliance:

Provided that Pension Fund Manager shall amend existing constitutive documents within such time as may be specified by the Commission;

(xix) ensure ongoing Shariah Compliance and comply with the conditions of certification of Shariah compliance under the Shariah Governance Regulations, 2023, in case of Shariah compliant schemes:

Provided that any Shariah-compliant scheme launched after the promulgation of the Shariah Governance, Regulations, 2023 that did not obtain a Shariah compliance certificate, shall obtain the same till September 30, 2025; and

(xx) engage an external Shariah Auditor for a Shariah-compliant scheme. An annual report by Shariah Auditors as required under regulation 29(5) of the Shariah Governance Regulations, 2023 shall be submitted to the Board of Directors.”

(9) In regulation 67G,

a) for sub-regulation (1), the following shall be substituted,

“Management Fee Cap.- (1) The following Management Fee Caps for a pension fund shall be applicable, calculated on a per annum basis of the average daily net assets, effective from July 01, 2025:

- (a) Equity sub-fund up to 2.50%;
- (b) Equity (Index) sub-fund up to 0.75%;
- (c) Money Market sub-fund up to 1.00%;
- (d) Debt sub-fund up to 1.25% and
- (e) Commodity (Cash Settled & Deliverable) sub-fund up to 1.5%.

Provided that in case of employer pension fund, the management fee cap and/or the total expense ratio of a pension fund shall be as per the agreement between employer and pension fund manager and shall be disclosed in the offering document.”

Provided further that the earlier Total Expense Ratio Caps applicable before the date of this notification, for pension fund shall remain applicable until June 30, 2025.”;

b) for sub-regulation (2), the following shall be substituted,

“The cost incurred in relation to any government levy on the charging of management fees shall be excluded when calculating the management fee for compliance with the prescribed regulatory caps. However, for Total Expense Ratio disclosure to participants, all costs, including taxes, shall be fully disclosed.”

c) for sub-regulation (3), the following shall be substituted,

“A Pension Fund Manager may charge the eligible expenses as given in Schedule XX of the regulation for a pension fund:

Provided that the amount or method of calculation of such fee and charges shall be transparent and clearly disclosed in the offering documents of the pension fund.”

d) in sub-regulation (4), for clauses (i), (ii) and (iii) the following shall be substituted,

“(i) total expense ratio shall be made as per the following format;

M.F	Regulatory Fee	Trustee Fee and Custody Charges	Levies and Taxes	Transaction Expenses (Broker, Bank, PSX, CDC, NCCPL etc.)	Third Party Expenses (Auditor, Legal, Shariah Advisor)	Other Expenses	Total TER with levies	Total TER without levies
a %	b %	c %	d %	e%	f%	g %	(a+b+c+d+e+f+g) %	(a+b+c+e+f+g)%

(ii) Sales load as percentage of net assets.

e) in sub-regulation (5), for clauses (i), (ii) and (iii) the following shall be substituted,

“(i) total expense ratio shall be made as per the following format;

M.F	Regulatory Fee	Trustee Fee and Custody Charges	Levies and Taxes	Transaction Expenses (Broker, Bank, PSX, CDC, NCCPL etc.)	Third Party Expenses (Auditor, Legal, Shariah Advisor)	Other Expenses	Total TER with levies	Total TER without levies
a %	b %	c %	d %	e%	f%	g %	(a+b+c+d+e+f+g) %	(a+b+c+e+f+g)%

(ii) Sales load as percentage of net assets.

(iii) The return after deducting the Total Expense Ratio shall be disclosed to the participants.

(10) In Schedule II, in table B,

- (a) in the heading after the word “Regulations”, the expression “/Circular” shall be inserted;
- (b) in the first row of the table in the second column, after the word “Regulation”, the expression “/Circular” shall be inserted;
- (c) after Serial no. 2 the following new entry shall be added,

<b>Sr. No.</b>	<b>Regulation/Circular</b>	<b>Subject of Application</b>	<b>Amount (Rs.)</b>
3	Circular No. 25 of 2024 dated December 23, 2024	Application of seeking approval for each Investment Plan	100,000/-

- (11) In Schedule III, after Serial No. (21), the following new Serial No. shall be added,
- “(22) In the case of a Shariah-compliant scheme, the trust deed shall include the following:
- (a) the scheme must clearly include the words “Islamic” or “Shariah-compliant” or any other nomenclature representing Shariah aspect of the Scheme;
  - (b) the object clause shall clearly provide that the scheme will only indulge in Shariah-complaint activities;
  - (c) the details of the Shariah governance framework, including institutional arrangements to ensure ongoing Shariah compliance, shall be expressly provided;
  - (d) manner of constitution of Shariah-supervisory board or appointment of Shariah advisor, as provided in the Shariah Governance Regulations, 2023.”

- (12) In Schedule IV, after Serial No. 20, the following new Serial Nos. shall be added,
- “Additional Disclosures by the Shariah-Compliant Scheme
21. The underlying Shariah structure, along with a Shariah opinion from a Shariah advisor registered with the Commission or the Shariah supervisory board of the Islamic Collective Investment Scheme, shall be included in the offering document.
22. Complete information on the Shariah governance framework, including the name of the Shariah advisor or members of the Shariah supervisory board, terms of engagement, and manner to ensure Shariah compliance on an ongoing basis.
23. Disclosure on seeking approval of the Commission regarding Certificate of Shariah-compliance under the Shariah Governance Regulations, 2023, read with Section 451 of the Companies Act, 2017.
24. Reporting to the unit holders with respect to key Shariah-compliance issues in annual financial statements.”;

- (13) In Schedule V,
- a) in Serial No. 1, the following additional paragraph shall be inserted,

“In case of Shariah-Compliant Scheme, annual Shariah Review Report, as required under regulation 23(2) of the Shariah Governance Regulations, 2023, shall also form part of annual report.”;

b) in Serial No. 2, after clause (l), the following new clause shall be inserted,

“(m) In case of Shariah-Compliant Scheme, details of any Shariah-non-compliant asset or liability as on reporting date, if any, along-with the reasons and justifications.”;

c) in Serial No. 3, after clause (f), the following new clause shall be inserted,

“(g) In case of Shariah-Compliant Scheme, details of any Shariah-non-compliant income, if any, along-with its treatment”;

d) in Serial No. 5, in Section A under the heading “Principle accounting policies”, after clause “g” the following new clause shall be inserted,

“(h) In case of Shariah-Compliant Scheme, policies with respect to such standards of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) or any other standard setting organization as notified by the Commission.”;

(14) In Schedule VII, after Serial No. (22), the following new Serial No. shall be inserted,

“(23) In the case of a Shariah-compliant scheme, the trust deed shall include the following:

(a) the scheme must clearly include the words “Islamic” or “Shariah-compliant” or any other nomenclature representing Shariah aspect of the Scheme;

(b) the object clause shall clearly provide that the scheme will only indulge in Shariah-complaint activities;

(c) the details of the Shariah governance framework, including institutional arrangements to ensure ongoing Shariah compliance, shall be expressly provided;

(d) manner of constitution of Shariah-supervisory board or appointment of Shariah advisor, as provided in the Shariah Governance Regulations, 2023.”

(15) In Schedule VIII, after Serial No. (14), the following new Serial No. shall be inserted,

“Additional Disclosures by the Shariah-Compliant Scheme

15. The underlying Shariah structure, along with a Shariah opinion from a Shariah advisor or the Shariah supervisory board of the Islamic Collective Investment Scheme, registered with the Commission, shall be included in the offering document.

16. Complete information on the Shariah governance framework, including the name of the Shariah advisor or members of the Shariah supervisory board, terms of engagement, and manner to ensure Shariah compliance on an ongoing basis.



17. Disclosure on seeking approval of the Commission regarding Certificate of Shariah-compliance under the Shariah Governance Regulations, 2023, read with Section 451 of the Companies Act, 2017.

18. reporting to the unit holders with respect to key Shariah-compliance issues in annual financial statements.”;

(16) In Schedule XIII,

a) in Serial No. 1, after clause (d), the following new clause shall be added,

“(e) In case of Shariah-Compliant Scheme, annual Shariah Review Report, as required under regulation 23(2) of the Shariah Governance Regulations, 2023, shall also form part of annual report.”;

b) in Serial No. 2,

(i) in clause (j), the word “and” appearing after the semi colon shall be omitted and thereafter in clause (k) for the full stop at the end a semi colon shall be substituted;

(ii) after the aforesaid amendment, the following new clause shall be inserted,

“(l) In case of Shariah-Compliant Scheme, details of any Shariah-non-compliant asset or liability as on reporting date, if any, along-with the reasons and justifications.”;

c) in Serial No. 3,

(i) In clause (d), the word “and” appearing after the semi colon shall be omitted and thereafter in sub-clause (e) for the full stop at the end, a semi colon shall be substituted;

(ii) after the aforesaid amendment, the following new clause shall be inserted,

“(f) In case of Shariah-Compliant Scheme, details of any Shariah-non-compliant income, if any, along-with its treatment.”;

d) in Serial No. 5, after clause (c), the following new clause shall be inserted,

“(d) In case of Shariah-Compliant Scheme, policies with respect to such standards of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) or any other standard setting organization as notified by the Commission.”;

(17) in Schedule XIV, after Serial No. 16 the following new Serial No. shall be added,

“(17) In the case of a Shariah-compliant pension fund, the trust deed shall include the following:

(a) the pension fund must clearly include the words “Islamic” or “Shariah-compliant” or any other nomenclature representing Shariah aspect of the pension fund;

(b) the object clause shall clearly provide that the pension fund will only indulge in Shariah-complaint activities;

- (c) the details of the Shariah governance framework, including institutional arrangements to ensure ongoing Shariah compliance, shall be expressly provided;
- (d) manner of constitution of Shariah-supervisory board or appointment of Shariah advisor, as provided in the Shariah Governance Regulations, 2023.”;

(18) in Schedule XV, after Serial no. 21, the following new Serial Nos. shall be inserted,

- “21a. The underlying Shariah structure, along with a Shariah opinion from a Shariah advisor or the Shariah supervisory board of the Islamic Pension Funds registered with the Commission, shall be included in the offering document.
- 21b. Complete information on the Shariah governance framework, including the name of the Shariah advisor or members of the Shariah supervisory board, terms of engagement, and manner to ensure Shariah compliance on an ongoing basis.
- 21c. Disclosure on seeking approval of the Commission regarding Certificate of Shariah-compliance under the Shariah Governance Regulations, 2023, read with Section 451 of the Companies Act, 2017.
- 21d. reporting to the participants with respect to key Shariah-compliance issues in annual financial statements.”

(19) For Schedule XX, the following shall be substituted,

**“Schedule XX**  
**Expenses Chargeable to CIS and Pension Funds**  
**See Regulation 60 and 67G**

Notwithstanding the generality of Regulations 60(1), 60(2) and 67G, only the following fees and charges may be payable from the CIS and Pension Funds, -

- (a) remuneration of the Asset Management Company or the Pension Fund Manager;
- (b) remuneration of trustee or custodian;
- (c) listing fee payable to the stock exchange, in case of CIS, including renewals;
- (d) charges and levies of stock exchange, national clearing and settlement company and central depository company;
- (e) rating fee of CIS payable to approved rating agency;
- (f) auditors’ fees and out of pocket expenses as billed by them;
- (g) fees payable to the Commission;
- (h) formation cost of the CIS not exceeding 1.5 per cent of the net assets at the close of initial public offering (IPO) in case of an Open-End Scheme and one percent of the paid-up capital in case of a Closed End Fund or ten million rupees whichever is lower:

Provided that in case of Pension Funds formation cost shall not exceed 1.5 per cent of the seed capital of each Sub-Fund which shall be amortized over a period of five years;

- (i) brokerage and transaction costs related to investing and disinvesting of the assets of the CIS or Pension Funds;
- (j) expenses incurred by trustee in affecting registration of all registerable assets in the name of the trustee;

- (k) legal and related costs incurred in protecting the interests of the unit, certificate, shareholders of the CIS or participants of Pension Funds;
  - (l) bank charges, borrowing and financial costs;
  - (m) hedging costs including forward cover, forward purchase or option purchase costs;
  - (n) taxes, fees, duties and other charges applicable to the CIS or Pension Funds on its income or its properties, including taxes, fees, duties and other charges levied by a foreign jurisdiction on investments made overseas;
  - (o) shariah advisory fee;
  - (p) custody and insurances costs relating to the safekeeping of the physical gold in the vault(s) for Commodity Funds; and
  - (q) any other expense or charge as may be allowed by the Commission.”
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[File No.SY/SECP/8/13/2025]

  
( Bilal Rasul )  
Secretary to the Commission