



19<sup>th</sup> November, 2014

Mr. Qamar Zaman Chaudhary,  
Chairman,  
National Accountability Bureau,  
Islamabad.

Sub: Mega Corruption Cases of allegations of Money Laundering Investigations and Criminal Cases files by SECP for Share Manipulation, and deliberately Delays caused by Inaction of SECP, needs to be taken up by NAB under NAP Section 9, sub section ix, x, xi and xii.

Dear Sir,

Kindly refer to the Deputy Director (Coord)'s letter dated 12<sup>th</sup> November, 2014 regarding the above case in response to TI-Pakistan's letter dated 4<sup>th</sup> October, 2014 sent to NAB action under NAB Ordinance 1999.

The following suggestion communicated by Deputy Director, NAB, indicates that NAB has not understood TI-Pakistan's request quoted below;

*"It would be appropriate that such types of complaints are initially addressed to regulators for their corrective action. If corruption or corrupt practices are observed these may be reported to NAB for prosecution of accused."*

TI-Pakistan's vide its letter dated 4/10/2014 had informed NAB that SECP is not seriously contesting these cases in Court/ Swiss Govt. and always gives a prototype reply when they are questioned, since last 1 and a half years.

*Examples:*

1. On PIRC share inquiry SECP informed Supreme Court in its letter dated 28<sup>th</sup> May, 2013 (18 months ago) that;

*"This matter is under investigation at SECP, Bank Julius Baer has objected to provide the requisite information to SECP, SECP has officially requested the Swiss Regulatory Authority for provision of information. However, due to the procedures prescribed by Swiss law, it is still difficult to estimate when they will be in a position to respond to our request.*

2. On Azguard share criminal case, SECP informed Supreme Court vide letter dated 28<sup>th</sup> May, 2013 (18 months ago) that;

*"Please note that the matter is now sub judice before the Court of Competent Jurisdiction. It is also pertinent to mention here that JS Investment has file the Constitutional Petition No. D 1985 of 2013 before the Honorable High Court, Karachi and inter alia impugned the very initiation of investigation order in ANL matter as Section 21-B and 29 of the SECP Act, 1997 were inserted through finance Acts, 207*



and 2008 and apex Court Judgment titled as *Mir Muhammad Idress Vs. Federation of Pakistan & others (PLD 2011SC 213)* were relied upon.

*"The Honorable High Court has since suspended the proceedings in the subject private complaint before the trial Court. **The Commission is contesting the matter in the Court.***

3. On Azguard criminal case in Sindh High Court SECP, in its letter dated 27<sup>th</sup> October, 2014 addressed to CEO of News One Tv has stated that;

NAB may please note that SECP is informing in its 27<sup>th</sup> October, 2014 clarification about the Sindh High Court decision of April 2013 (19 months ago) as;

*"The Criminal Complaint was filed in the court of law dated April 22, 2013.*

**More recently, three corporate entities among the list of the accused filed a petition in the Sindh High Court**

4. No Clarification has been given by SECP in its letter dated 27<sup>th</sup> October, 2014 on IPP case, pending in Islamabad High Court since August, 2012 (2 year 2 months).

Transparency International Pakistan request the Chairman NAB to take action according to law, and that such interpretation as communicated by Deputy Director do not reflect the competence of officers and to direct the Deputy Director to respond to TI-Pakistan.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption.

With Regards,

Sohail Muzaffar  
Chairman

Copies forwarded for the information with request to take action under their mandate to:

1. Secretary to Prime Minister, Islamabad.
2. Chairman, Prime Minister, Inspection Commission, Islamabad.
3. DG, NAB Sindh, Karachi.
4. Registrar SC, Islamabad.