



3rd January, 2015

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

Reminder

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.

Dear Sir,

This is with reference to Transparency International Pakistan's letter dated 19th November, 2014, sent to the Chairman, NAB, on cited subject. **However, no useful action has been made by NAB in last one and half month,** and the deliberate delay of SECP to punish the guilty, is continued unchecked.

These three cases are mega Corruption Cases. The allegation of SECP include transaction by a Swiss Bank, which may include serious cases of unearthing of money laundering by many brokers through Swiss Bank.

The illegal acts of Bank Julius Baer & Co., Switzerland determined by SECP in 2012 (three years ago) are further proved/strengthened from two emails exchanged during October, 2013, between Assistant Director of SECP at Sonja Maire of Swiss Financial Supervision Authority FINMA.

The Chairman may note the resistance of Swiss Bank in providing the information about the client, and the client's efforts at Swiss Bank to hold the information from SECP from para quoted below of the Emails of Sonja Maire of FINMA.

"The account holders appealed against our ruling and the matter is now pending before the Swiss Federal Administrative Court. The account holders strongly allege that your authority is not able to protect the confidentiality of the transmitted information and cite different press articles about information leaks and other articles about supposed misuse of office by common (former) employees of the SECP. Please find attached the different press articles. They also allege low thresholds for data confidentiality and a high degree of corruption in Pakistan in general.

According to Swiss law, FINMA must make sure that any information transmitted to a foreign authority will be treated confidentially and only used for the purpose of enforcing regulations on stock exchanges, securities trading and securities traders. Our defense so far relies on your authorities' membership to the IOSCO MMoU, because compliance with the provisions of the IOSCO MMoU should suffice our legal provisions as well.

Of course, any further assistance the SECP could provide us in resolving this case would be very helpful, but please be aware that we will only be able to use it in the court proceedings, if we can disclose it to the account holders in question. In any case, we remain hopeful that the matter will soon be resolved and that we will be in a position to provide you with the information you requested."

The fact sheet of the share dealing with PICT by the Swiss Bank from Dec 2011 to August 2013 is attached for NAB to know the facts about the allegation of SECP. .

The Chairman, NAB, is requested kindly, to take action under NAB Ordinance 1999.

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. Mr. Khurshid Shah, Leader of Opposition & Chairman,
3. Chairmn, SECP , Islamabad.
4. Registrar, Supreme Court of Pakistan, Islamabad.



GOVERNMENT OF PAKISTAN
NATIONAL ACCOUNTABILITY BUREAU
ATA TURK AVENUE, G-5/2
ISLAMABAD

Complaints Monitoring Cell

No.17238/11/CC/Ops Div/NAB

Dated: 26-11-2014

To:

The Additional Dir (Staff)
NAB (R) Islamabad

Subject:

MEGA CORRUPTION CASES OF ALLEGATION OF MONEY LAUNDERING INVESTIGATION AND CRIMINAL CASES FILES BY SECP FOR SHARE MANIPULATION & DELIBERATELY DELAYS CAUSED BY INACTION OF SECP, NEEDS TO BE TAKEN UP BY NAB

The undersigned is directed to enclose herewith self-explanatory complaint of Mr. Sohail Muzaffar, Chairman Transparency International, on the subject noted above for necessary legal action as per delegation of powers.

2. It is further requested to make it convenient to forward report by mentioning NAB Head quarter's Complaint Diary No. at the earliest, please.


(Mufti Abdul Haq)
Deputy Director
Complaint Monitoring Cell
Operations Division

CC:

✓ 1. Mr. Sohail Muzaffar, Chairman TIP, Karachi in reference to his office letter dated 19.11.2104.

2. Complaint Cell, NAB(R) Islamabad.

Thursday, October 24, 2013 11:11 AM
Salman Hayat
Khalida Habib; Homsy Biba
RE: Request for Information under the IOSCO MMoU
Scan Press Articles SECP.pdf

ts:

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Salman,

Thank you for your e-mail.

We truly realize that your authority has been waiting a long time for the information you requested and we regret to not have been able to assist you so far. This is partially due to the fact that there was a massive reorganization in our team with a large turnover. In the name of our new team, we apologize for this inconvenience. Moreover, your request has proven to be an unusual and time-consuming case as we encountered a large and unexpected opposition from the concerned persons. We had to issue a formal ruling against the concerned account holders.

The account holders appealed against our ruling and the matter is now pending before the Swiss Federal Administrative Court. The account holders strongly allege that your authority is not able to protect the confidentiality of the transmitted information and cite different press articles about information leaks and other articles about supposed misuse of office by certain (former) employees of the SECP. Please find attached the different press articles. They also allege low thresholds for data confidentiality and a high degree of corruption in Pakistan in general.

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Of course, any further assistance the SECP could provide us in resolving this case would be very helpful, but please be aware that we will only be able to use it in the court proceedings, if we can disclose it to the account holders in question. In any case, we remain hopeful that the matter will soon be resolved and that we will be in a position to provide you with the information you requested.

Sincerely,
Sonja

Sonja Maire **Biba Homsy**
International Cooperation
Enforcement Division

Eidgenössische Finanzmarktaufsicht FINMA
Autorité fédérale de surveillance des marchés financiers FINMA
Autorità federale di vigilanza sui mercati finanziari FINMA
Swiss Financial Market Supervisory Authority FINMA

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From: Salman Hayat [mailto:salman.hayat@secp.gov.pk]
Sent: Thursday, October 24, 2013 10:20 AM
To: Maire Sonja
Cc: Khalida Habib; Mariani Giulia
Subject: RE: Request for Information under the IOSCO MMoU
Importance: High

Dear Maire,

Hope you are doing well.

We are once again approaching you regarding the investigation being undertaken by FINMA as per our request under the IOSCO MMoU. It has now been over 15 months since we first approached FINMA, and any action to be taken from the concerned account holder is being constricted due to the delay in receiving the information. In order to ensure the avoidance of market misconduct through our role as capital market regulators in Pakistan, we would be grateful if you could kindly expedite the process of retrieving information from the concerned account holder.

Kindly let us know if you need any information from us which might facilitate your procedure. We look forward to hearing from you.

Thanks.

Best Regards,

SALMAN HAYAT | ASSISTANT DIRECTOR

Chairman Secretariat | Strategy, Development & External Relations Department
PABX: +92 [51] 9207091-4 [294] | FAX: +92 [51] 9205692



Securities & Exchange Commission of Pakistan (SECP)
NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad - 44000, Pakistan
www.secp.gov.pk

Fact Sheet of the Case of PICT

Sr. No	Date	Events
1	7-Dec-11	BANK JULIUS BAER & CO. LTD. ("BANK") opened its trading account with JS Global Capital Limited ("JSGCL").
2	December 30, 2011 to February 24, 2012	BANK bought 2,234,983 shares of Pakistan International Container Terminal Limited ("PICT") at the average rate of Rs. 100.82 through Karachi Stock Exchange Limited.
3	February 01, 2012 to March 13, 2012	Share price almost increased 100% from Rs. 77.05 to Rs. 155.35
4	7-Feb-12	The financial results for half year ended December 31, 2011 showed Rs. 699.699 million after tax profit with earning per share of Rs. 6.33 and PICT recommended Cash Dividend of 125% (i.e. Rs. 12.5 per share).
5	6-Mar-12	KSE made the public announcement of intention to acquire 35% to 55% of the voting shares of PICT by ICTSI Mauritius Limited, a [<i>wholly - owned indirect subsidiary of International Container Terminal Services Inc., a company organized under the laws of Mauritius</i>] under the Listed Companies (Substantial Acquisition of voting Shares and Take Over's) Ordinance, 2002.
6	9-Mar-12	Preliminary Analysis Report prepared by SECP.
7	13-Mar-12	Appointment of Enquiry Officer in the matter.
8	15-Mar-12	CEO of JSGCL was asked to provide the information i.e. Account opening form, ledger statements, trading statements of the BANK.
9	21-Mar-12	JSGCL requested for extension of time for submission of reply.
10	27-Mar-12	Additional time granted to JSGCL for submission of reply.
11	2-Apr-12	PICT disclosed the material information wherein it was stated that on March 30, 2012 ICTSI entered into share purchase agreement with the majority shareholders of PICT together ("Seller's Group") pursuant to which the Seller's group will sell up to 35% of the shares of PICT at Rs. 150 per share.
12	4-Apr-12	Reply of JSGCL was received to the Commission.
13	6-Apr-12	CEO of JSGCL was again asked to provide detail of confirmation of amount received and paid to BANK and copies of the correspondence for placement of trading orders.
14	6-Apr-12	CDC was asked to provide the CDC account opening form and CDC activity report of the BANK from December 01, 2011 to March 31, 2012.
15	9-Apr-12	Reply of JSGCL was received to the Commission.
16	9-Apr-12	CDC provided the requisite information to the Commission.

17	9-Apr-12	The Executive Director of the BANK at Switzerland was asked to provide the details of the Client who bought the shares of PICT before the disclosure of the material information.
18	9-Apr-12	Standard Chartered Bank, a Custodian of the BANK ("SCB") was asked to provide the information regarding the BANK.
19	10-Apr-12	CDC was again asked to provide the further information regarding the BANK.
20	17-Apr-12	SCB provided the requisite information regarding the BANK. According to the information the BANK bought and sold shares of MCB Bank Limited, Nishat (Chunian) Limited and Nishat Power Limited on behalf of Nottely Corporation Fund based in Panama and PICT shares on behalf of Hiroshi Capital Fund B.V a fund based in Curacao Island.
21	17-Apr-12	CDC provided the requisite information to the Commission.
22	17-Apr-12	The Executive Director of the BANK refused to provide the requisite information and asked the Commission to provide background and legal basis of the case
23	2-May-12	The financial results of PICT for the nine months ended March 31, 2012 showed 1,102.186 million after tax profit with earning per share of Rs. 9.93.
24	15-May-12	The Executive Director of the BANK was again asked to provide the requisite information and all the relevant background and legal basis were quoted to him.
25	18-May-12	SCB was asked to provide the information regarding the two funds who bought share through the Bank.
26	30-May-12	Reminder was sent to the SCB to provide the information sought through letter dated May 18, 2012.
27	31-May-12	The Executive Director of the BANK asked the Commission to contact the Swiss Financial Market Supervisory Authority ("FINMA") for getting the requisite information.
28	4-Jun-12	SCB provided the requisite information.
29	11-Jun-12	The Director / HOD MSCID through email contacted Mr. Ayoub, Senior Financial Research Officer of Trinidad and Tobago SEC and requested him to provide the name of the Regulatory Authority who regulates the Curacao Island situated near South America West Indies.
30	12-Jun-12	The Director / HOD MSCID through email also contacted Mr. Vernon Director of Panama SEC and requested him to provide the name of the Directors of the Nottely Corporation Fund
31	12-Jun-12	Mr. Ayoub suggested that ERROL COVA Head, Investment Institutions & Trust Supervision On-Site of Central Bank of Curacao can assist in the subject matter.
32	16-Jun-12	Mr. Vernon vide email suggested the letter signed by the maximum authority of SECP addressed to Superintendent of the Securities Market Superintendancy of Panama along with the precise requisite information will be required to get information.

33	25-Jun-12	ERROL COVA of Central Bank of Curacao vide email was requested to provide the names of beneficial owners of Hiroshi Capital Fund B.V.
34	30-Jun-12	Confirmation from ERROL COVA of Central Bank of Curacao was received regarding the SECP mail.
35	11-Jul-12	Official request for information under IOSCO MMoU from SECP was sent to FINMA.
36	19-Jul-12	Official request for information under IOSCO MMoU from SECP was sent to Chairman Netherlands Authority for Financial Markets. It is pertinent to mention here that Central Bank of Curacao forms part of the kingdom of the Netherlands.
37	20-Jul-12	Official request for information under IOSCO MMoU from SECP was sent to Chairman Financial Authority of Panama.
38	13-Aug-12	Proposed offer letter issued to shareholders other than those party to the share purchase agreement regarding the Public offer by ICTSI to purchase the shares of PICT.
39	17-Aug-12	FINMA informed regarding the confidentiality clause of IOSCO MMoU.
40	5-Sep-12	Central Bank Cuacao vide letter informed that Amicorp a local representative of Hiroshi fund was advised to provide the SECP the requisite information. If Amicorp fails to provide the requisite information then SECP should contact Central Bank Cuacao within one month of this letter.
41	11-Sep-12	The financial results of PICT for the year ended June 30, 2012 showed 1,410.040 million after tax profit with earning per share of Rs. 12.75
42	13-Sep-12	PICT announced the Book closure date from September 28, 2012 to October 04, 2012 for the purpose of acquiring 15.845% of ordinary shares of PICT by ICTSI at Rs.150.
43	19-Sep-12	FINMA informed that the client of BANK objected to transmission of his data to SECP and now Court will decide the matter.
44	8-Oct-12	ERROL COVA of Central Bank of Curacao was informed that Amicorp did not provide any requisite information to SECP yet.
45	19-Oct-12	JSCL informed that they received Rs. 2,364,992,950 for the sale 15,766,153 ordinary shares of PICT at Rs. 150 per share from ICTSI on deal signed by them.
46	22-Oct-12	The financial results of PICT for the first quarter ended September 30, 2012 showed 390.840 million after tax profit with earning per share of Rs. 3.58.
47	5-Nov-12	CDC was asked to provide the CDC Balance Report of the Bank.
48	7-Nov-12	Requisite information was received from the CDC.
49	8-Nov-12	CDC was advised to freeze the PICT share lying in the CDC Account of the Bank.
50	12-Nov-12	CDC informed that 2,235,083 shares of PICT lying in the CDC account of the Bank were frozen.
51	5-Dec-12	Reminder was sent to FINMA regarding the request for information.
52	17-Dec-12	The Share Price of PICT touched the highest level of Rs. 283.99 during the day and at the day end closed at Rs. 275.53.

53	16-Jan-13	FINMA informed that it has face strong opposition from BANK's client to the transmission of this data and documents. The matter is in court and will take some time.
54	24-Jan-13	The PICT in its EOGM announced cash dividend of 125%.
55	28-Jan-13	ERROL COVA of Central Bank of Curacao was contacted telephonically and they informed that client has objected to disclosure of information to SECP.
56	26-Feb-13	The financial results of PICT for the six months ended December 30, 2012 showed 667.653 million after tax profit with earning per share of Rs. 6.12.
57	13-May-13	FINMA has regretfully informed that as of yet there is no update in the matter. FINMA assured that SECP case remains on priority; however, due to the procedure prescribed by Swiss law, it is still difficult to communicate the final date of respond to SECP request.
58	16-Jun-13	SMV Panama responded the SECP request under IOSCO MMoU. SMV Panama provided the selective information and informed that Nottely Corporation is not registered at the SMV nor have been authorized to participate in securities market in or from Panama. SMV Panama failed to provide the material information.
59	29-Aug-13	The financial results of PICT for the half year ended June 30, 2013 showed 1144.731 million after tax profit with earning per share of Rs. 10.49. PICT announced dividend of 140%.
60	30-Aug-13	Share price was closed at Rs. 210.94.