

16 PEACE AND
JUSTICE



POLICY, SDGs AND FIGHTING CORRUPTION FOR THE PEOPLE

**A Civil Society Report on Pakistan's
Sustainable Development Goal 16
July 2020**

PAKISTAN PROGRESS REPORT

SUSTAINABLE DEVELOPMENT GOAL 16

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SPECIAL MESSAGE

The SDGs set out an ambitious global development agenda until the year 2030. They consist of 17 goals and a total of 169 targets. The goals broadly cover three aspects of development: economic prosperity, social development and the protection of the environment.

Among these, Goal 16 is a cross-cutting goal as it emphasizes on the critical importance of governance, and institution building as a pre-requisite for overall development and progress of any country. Keeping this in view, Transparency International Pakistan has been working at multiple levels around SDG 16 to contribute towards its implementation at national, provincial and the local levels.

This civil society parallel report exercise was conducted with an objective to provide a baseline assessment of Pakistan's progress around four key targets of SDG 16: 16.4, 16.5, 16.6 and 16.10, which can be used as a benchmark to monitor progress towards the 2030 targets.

I am pleased to note that the key findings of the report highlight that the incumbent government has undertaken extensive reforms since 2018 in line with the targets of Goal 16. However, there are important policy areas which need improvement.

Therefore, I hope that the information presented in this report will help the federal and the provincial governments to use it as an input to feed into the national review on Goal 16.



Sohail Muzaffar
Chairman
Transparency International Pakistan

FOREWORD

I have great satisfaction in introducing Pakistan's progress report on Sustainable Development Goal 16.

The objective of this report is to assess progress towards four SDG targets linked to anti-corruption and government transparency – 16.4, 16.5, 16.6 and 16.10. A number of policy areas are covered under each of these four SDG targets. They provide a holistic overview of a country's anti-corruption progress in a way that goes beyond the narrow understanding of corruption captured by the official global indicators.

TI Pakistan is also pleased to note that the Government of Pakistan has taken several important steps aligned with the targets of SDG 16 including spearheading the effort to present Pakistan's Voluntary National Review (VNR) report at 2019 session of the UN High-level Political Forum on Sustainable Development (HLPF). However, alarmingly the VNR report did not include Pakistan's progress on Goal 16.

TI Pakistan understands the insufficient coverage of and data availability for official SDG 16 indicators, therefore, an effort has been made in this report to present alternative indicators and data sources which the federal and the provincial governments can use as an input to feed into the national review on Goal 16.

The report also identifies the gaps in terms of implementation and suggests actionable recommendations. It is hoped that the Government of Pakistan and the relevant departments will utilize this report to improve the identified policy areas so as to pave the way for the effective implementation of the Agenda 2030 for Sustainable Development.

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Syed Adil Gilani
Managing Director
Transparency International Pakistan

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It has been a pleasure and privilege for us to shape and be associated with this effort in advancing Agenda 2030 Sustainable Development Goals



Mr. Kashif Ali
Program Manager
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ABOUT TRANSPARENCY INTERNATIONAL PAKISTAN

Transparency International Pakistan (TI Pakistan) is the National chapter of Transparency International, established in 2002 with the main aim to strengthen the global value system by making transparency and accountability more relevant public norms. Working in collaboration with other stakeholders and institutions, TI Pakistan regularly publishes research papers, reform proposals, and manuals with the aim of disseminating information to all stakeholders, and also conducts capacity building workshops.

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Disclaimer

Every effort has been made to verify the accuracy of the information contained in this report. All information was believed to be correct as of May 2020. Nevertheless, Transparency International Pakistan cannot accept responsibility for the consequences of its use for other purposes or in other contexts.

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EXECUTIVE SUMMARY AND MAJOR FINDINGS

Officially adopted by the 193 UN member states in 2015, the Sustainable Development Goals (SDG) are a set of 17 aspirational 'Global Goals' and 169 targets which sets out a transformative agenda that aims to ensure an inclusive and sustainable world. Specific targets and indicators have been set for each goal to integrate them into national planning and policy processes and individual countries are encouraged to identify locally relevant indicators and data sources to measure progress towards achieving each SDG target. Monitoring indicators and systems embedded in SDG framework enable development investments go further, help steer decision making, improve policy designs, and foster learning about which interventions work and which do not, besides supporting productive integration with other sectors and targets within the SDGs.

As part of its follow-up and review mechanisms, the 2030 Agenda for Sustainable Development encourages member states to report on national progress against the 17 SDGs to the UN High-Level Political Forum (HLPF). In this regard, the Government of Pakistan has already submitted its first Voluntary National Review (VNR) of SDG implementation during the July 2019 session thereby fulfilling this requirement. This requirement highlights the extent of steps taken by the respective country in pursuit of sustainable development, which is to be achieved by unifying the three pillars of sustainability - economic, social and environmental.

By integrating the SDGs into its national development agenda in 2016, Pakistan demonstrated its commitment to mainstream and prioritize SDG implementation and integration across multiple sectors, right from the outset. In terms of institutional arrangements, seven SDG Support Units at federal and provincial levels have been

established to facilitate coordination regarding the SDG implementation across the country. It is augmented by the current policy framework, also reflective of country's commitment to sustainable development. The seven pillars outlined in Pakistan Vision-2025 are fully aligned with the SDGs, and provide a comprehensive long-term strategy for achieving inclusive growth and sustainable development before their target date of 2030.

While global SDG indicators have been defined for each of the goals, they are limited in scope. This is also true of Goal 16 – Peace, Justice and Strong Institutions – which captures targets pertaining to corruption. For example, for *Target 16.5: Substantially reduce corruption and bribery in all their forms*, the 2 indicators only address bribery within the public sector, ignoring all other forms of corruption (i.e. embezzlement, discretionary abuse, misappropriation) and fail to capture how corruption affects women and vulnerable groups. *Target 16.4* seeks to combat all forms of organised crime, but there is no official indicator that measures organized crime nor an indicator related to strengthening the recovery and return of stolen assets.

While governments are expected to take the lead in monitoring and reporting on progress, CSO involvement is critical given three key limitations facing the official SDG monitoring mechanisms: i) the inadequacy of the officially-selected indicators to account for the multi-dimensional nature of SDG targets, ii) the unavailability of data for official indicators and iii) questions around the credibility of data generated by public institutions. CSO engagement acquires even greater importance with respect to politically sensitive SDG targets, such as corruption, where governments may not be willing or

able to monitor progress, particularly because some forms of corruption are likely to serve the interests of powerful groups and actors in and around state structures.

It is in this context that Transparency International Pakistan, the national Chapter of the global movement against corruption, has compiled the Civil Society Report on Goal 16 based on the methodology developed by Transparency International. The report attempts to provide an in-depth analysis of the status of corruption within the framework of SDG 16.

Following are the key findings under Targets 16.4, 16.5, 16.6 and 16.10 with a summary of recommendations.

Key findings under SDG Target 16.4: significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime

- The incumbent government has undertaken extensive reforms since 2018 thereby strengthening the anti-money laundering frameworks in the country. Pakistan's National Assembly Standing Committee on Finance & Revenue has recently approved the Foreign Exchange Regulations (Amendment) or FERA Bill 2019 and Anti-Money Laundering (Amendment) Bill 2019 to criminalize money laundering. The amendments empower the State Bank of Pakistan to regulate the inland movement of foreign currency to curb money laundering in case of violations law and enforcement agencies will be authorized to confiscate the currency and arrest the currency holders.
- Under the newly approved Anti-Money Laundering Bill 2019, money laundering is now a non-bailable offence. Also, the banks are bound to file suspicious transactions report and on failing to do so the person concerned will be liable to face

a year's imprisonment and a fine of 500,000 PKR. It will also be mandatory to keep the record of the suspicious transactions for 10 years which is double the previous period.

- The government has established a multi-agency Assets Recovery Unit (ARU) to retrieve assets hidden overseas. The unit receives complaints with regard to existence of overseas properties of Pakistanis and is duty bound to take an appropriate action against the complaint. According to sources, ARU has recovered 530 million PKR which were illegally sent abroad so far.
- The Standing Committee on Law and Justice of National Assembly Pakistan has recently passed the draft Whistle-blower Protection and Vigilance Commission Bill in June 2019. Under the law, the whistle-blowers are entitled to a cash reward for providing credible information leading to detection of a Benami property/transaction.
- In March 2019, the Federal Board of Revenue enforced the Benami Transactions (Prohibition) Rules 2019 to provide for the confiscation of undeclared accounts and assets being held in name of another person but being purchased by someone else. The government has authorized the officials of the Inland Revenue Service to establish cases against Benami properties. The criminal proceedings carry an imprisonment sentence for one to seven years.
- The enactment of the Companies Act 2017 is a major development in the context of governance and transparency of corporations and other legal entities. The Act puts a high emphasis on the requirement of disclosure of beneficial ownership for all the legal entities following the recommendations of the Financial Action Task Force (FATF).

Recommendations

- A revision in the National Accountability Ordinance (NAO) is much needed. For instance, Section 25 (a), 'Voluntary return – plea bargain' allows the Chairman NAB to discharge, before or after the commencement of trial, any person accused of any offense if he/ she returns the assets or gains acquired through corrupt practices. The provisions for Voluntary Return and Plea Bargain should be abolished and stringent penalties must be enforced to discourage corruption.
- Institutional watchdogs must be independent & accountable at the same time.
- The Securities and Exchange Commission of Pakistan (SECP) has recently notified additional provisions in the Anti-Money Laundering and Countering Financing of Terrorism Regulations, 2018. The focus of these latest provisions has been enhanced towards high-risk areas. However, there is a need to implement Simplified Due Diligence (SDD) for low risk customers as well.

Key findings under target 16.5: Substantially reduce corruption and bribery in all their forms.

- Pakistan continued to perform poorly in the 2019 Corruption Perception Index (CPI). Pakistan scored 32 points out of 100 and was ranked 120 out of 180 countries in Transparency International's CPI 2019.
- Even though Pakistan has taken steps to ensure its anti-corruption framework complies with the provisions of the United Nations Convention against Corruption (UNCAC), more needs to be done to ensure its full compliance with the provisions of the UNCAC. This include areas such as private sector corruption, asset recovery, political financing and effective whistle-blower protection.

- The Competition Commission of Pakistan (CCP) is a designated anti-collusion body with adequate independence, which investigates and sanctions companies involved in collusive practices. The Commission has recently imposed several penalties on companies violating anti-collusion provisions of the Competition Act.
- According to Rule 7 of Public Procurement Regulatory Authority (PPRA) Code, procurements exceeding the prescribed limit of PKR 10 million shall be subject to an integrity pact, as specified by regulation with approval of the Federal Government, between the procuring agency and the suppliers or contractors.
- In 2017, the Parliament passed The Elections Act 2017 to govern different sections of electoral process including the financing of political parties & candidates. The provisions also require political parties to submit to the Election Commission of Pakistan (ECP) their annual financial statements & lists of donors who have donated 100,000 PKR or more to the party. However, there is no provision in the Elections Act 2017 which requires the political campaign finances to be verified or audited.
- Pakistan scored 37 in Global Integrity's Money Politics and Transparency assessment. Candidates are required, in law, to spend less than a specified amount, but party spending is unregulated.

Recommendations

- It is essential that the Ministry of Planning, Development and Reform (MoPDR) together with the provincial governments develop indicators to measure progress against corruption and gather data on bribery and other forms of corruption. The MoPDR is also encouraged to use existing data sources on bribery and corruption such as the Corruption Perception Index and Global Corruption Barometer, which are surveys conducted by Transparency International.

- There is a need for a completely autonomous and an independent Anti-Corruption Agency (ACA). The Government should strengthen ACAs and build capacity of its employees, professional expertise and specialized training particularly at investigation level.
- Election Commission has a code of conduct for internal democratic governance of Political Parties, but its strict enforcement/ implementation is lacking.
- The political parties must have independent audits and disclose their source of funding, financial spending and audit reports and records online or otherwise, for public scrutiny.

Key findings under target 16.6: Develop effective, accountable and transparent institutions at all levels

- Although Pakistan's legal framework requires civil servants and Parliamentarians to declare their income, assets and interests however there is no mandatory provision for proactive disclosure on regular basis.
- There are well defined rules under Public Procurement Regulatory Authority Ordinance 2002, however the legal framework provides exceptions that may be vulnerable to misuse.
- Pakistan has a law to protect whistle-blowers. The Whistle-blower Protection and Vigilance Commission Act, 2019 is a legal framework but it covers only the public sector. Moreover, there is no such clause about compensation rights covering attorney and mediation fees or the right to transfer to a new supervisor/department.
- The country needs to demonstrate progress towards its commitment to Open Government. An important step in this regard pertains to Fiscal Transparency which can be ensured through Open Budget. According to Open Budget Survey

(OBS) 2019, Pakistan scored 28 (out of 100), the lowest in the region and was ranked 93 out 117 countries. The score is a steep decline from 58 (in 2012) and 44 (in 2017).

Recommendations

- With respect to 'revolving door' policy, a comprehensive code of conduct appears to be more morally binding on the government employees than legally binding. Stronger enforcement mechanisms need to be in place. Moreover, proactive disclosure must be incorporated and shall cover all public bodies.
- On the subject of Public Procurement, a requirement on disclosure of beneficial owners should be mandated to ensure fiscal transparency.
- The government must oblige its ministries and departments regarding establishment and utilization of fully functional e-procurement portals.
- At present, The Whistle-blower Protection and Vigilance Commission Act covers whistleblowing complaint against a public office. It shall also include reporting of wrongdoing which is of concern to or threaten the public interest. Moreover, the Act shall also incorporate provisions on securing compensation rights for whistle-blowers.
- Mechanisms should be designed to engage any civil society organization or member of the public who wishes to participate during budget formulation. Public Participation is severely lacking as reflected in OBS 2019.

Key findings under target 16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

- Pakistan improved its position in global RTI rating from 91 in 2017 to 33 in 2018. Pakistan scored 105 out of 150 in the Right-To-Information Rating. The federal government promulgated The Right of Access to Information Bill 2017. A noteworthy feature of recent provisions and acts is setting up of Information Commissions to institutionalize an effective enforcement mechanism of RTI.
- Pakistan is categorized as “partly free” in Freedom House’s Freedom in the World 2020 rating.
- Pakistan ranks at 145 among 180 countries in 2020 and scored 45.52 in World Press Freedom Index. The contentious Pakistan Electronic Crime Bill (PECB) became law in September 2017. Its provisions contain vague language that could permit authorities broad powers to censor online content in the name of preserving national security. The law also

provides for as long as three years’ imprisonment for disseminating information with “dishonest” intent or which is deemed to harm an individual’s reputation.

Recommendations

- It’s a welcoming step that the Right to Information Commissions have been set up at federal and provincial levels across the country with strong laws. However, the respective governments must strive to ensure their proper functioning and ask respective ministries and government departments to appoint their PIOs (Public Information Officers).
- The government shall ensure that civil society and media has the freedom and space to actively speak against corruption without reprisals and should strive to create an enabling environment for freedom of speech and expression.
- The government needs to embrace and facilitate adoption of the concept of Open Government Data. It should fulfil its commitment regarding Open Government Partnerships (OGP) where it failed to submit the Action Plan and is currently designated as ‘Inactive’.

THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

Spearheaded by the United Nations, the sustainable development goals (SDGs), also known as Transforming our World: the 2030 Agenda for Sustainable Development, is a set of 17 aspirational “global goals” and 169 targets adopted in 2015 by the 193 UN member states.

All UN member states have committed to these global goals that are intended to steer policy-making and development funding for the next 15 years. Of particular relevance to the anti-corruption agenda is SDG 16 on sustainable governance, most notably targets 16.4 on illicit financial flows, 16.5 on bribery and corruption, 16.6 on transparent and accountable institutions, and 16.10 on access to information

Global targets and indicators have been set for each goal with the expectation that they will be incorporated into national planning processes and policies. Countries are also encouraged to define national targets tailored to their specific circumstances and identify locally relevant indicators and data sources that will be used to measure progress towards achieving each of the SDG targets.

As part of its follow-up and review mechanisms, the 2030 Agenda for Sustainable Development encourages member states to conduct regular national reviews of progress made towards the achievement of these goals through an inclusive, voluntary and country-led process. In addition, each year certain state parties volunteer to report on national progress to the High-Level Political Forum (HLPF), which will next meet in July 2020 in New York. Pakistan was among the countries which reported in 2019. While SDG 16 was not reviewed in depth during Pakistan Voluntary National Review 2019, integrity risks across the SDG framework make it essential to monitor national progress against corruption from the outset.

RATIONALE FOR THIS SHADOW REPORT

While governments are expected to take the lead in reviewing progress towards the Sustainable Development Goals (SDGs), national-level monitoring needs to go beyond the remit of governments to include civil society and other stakeholders.

This shadow report is based on data collected by Transparency International Pakistan. The report has been developed in response to three key issues related to the official SDG monitoring processes: the multi-dimensional nature of SDG targets, data availability and perceived credibility of data generated by government agencies. Collectively, these limitations provide a strong rationale for an independent appraisal of the government's anti-corruption efforts in the context of the Sustainable Development Goals.

Firstly, several of the targets under Goal 16 are multi-dimensional in the sense that they measure broad concepts like "corruption" which cannot be adequately captured by a single indicator. Moreover, the indicators in the official global set do not sufficiently cover the full ambition of the targets. For instance, target 16.5 seeks a substantial reduction in corruption and bribery "in all their forms", but the only approved global indicators measure bribery between public officials and the public or business. There are no measures of corruption within or between governments or other forms of non-governmental corruption. For some targets, the selected global indicators fail to capture critical aspects. For instance, target 16.4 seeks to combat all forms of organised crime, but there is no official indicator that measures organised crime nor an indicator related to strengthening the recovery and return of stolen assets.

This shadow report seeks to provide a more comprehensive picture of national anti-corruption progress across a range of policy areas.

Secondly, even where the official indicators are themselves capable of capturing progress towards SDG 16 targets, there is an absence of data to speak to these indicators. Many of the global SDG 16 indicators rely on data that is not regularly produced or currently have no established methodology or standards for data collection.

This shadow reporting exercise is partly an effort to compensate for insufficient coverage of and data availability for official SDG 16 indicators by presenting alternative indicators, data sources and proxies.

Finally, the official assessment of progress made towards the SDG targets will rely on data generated by government agencies, particularly national statistics offices. The reliability and credibility of official data may be open to question for two reasons. First, in some settings, national statistics offices may simply be overwhelmed by the task of producing data for 169 targets. Second, politically sensitive targets, such as those related to corruption and governance, require that governments assess their own efficacy; illicit financial flows (16.4) may involve government officials, corruption (16.5) may

involve government elites, while governments may be restricting information, or even targeting journalists, trade unionists or civil society activists (16.10).

Given the challenges described above, independent analysis is vital to complement and scrutinise official government progress reports related to SDGs 16.4, 16.5, 16.6 and 16.10. This shadow report is an attempt to do just that.

The information gleaned from the shadow reporting exercise and presented here in this report can be used as an input into two key processes. At the global level, this information can be used to complement National Voluntary Reviews at the High Level Political Forum in July 2020. Nationally, this information generated can feed into the governmental SDG review processes taking place on a rolling basis in each country.

INTRODUCTION

The incumbent Government of Pakistan has taken several important steps aligned with the targets and indicators of Sustainable Development Goal 16. This include: strengthening the anti-money laundering frameworks, establishment of multi-agency Assets Recovery Unit (ARU), enforcement of the Benami Transactions (Prohibition) Rules, 2019 and Whistle-blower Protection and Vigilance Commission Bill 2019. All these are important steps in the fight against corruption in Pakistan.

Government of Pakistan has undertaken multiple steps to ensure implementation of Agenda 2030 at the national level. Right from the outset, in February 2016, the Parliament of Pakistan adopted Sustainable Development Goals (SDGs) agenda as its own national development goals. The SDG agenda has also been embedded in Pakistan Vision 2025 by Ministry of Planning, Development and Reform (MoPDR), Government of Pakistan. The MoPDR has also launched a five-year project 'National Initiative for Sustainable Development Goals' jointly with United Nations Development Programme – UNDP Pakistan. The National SDG Framework encompasses a set of targets and indicators at federal and provincial levels.

In 2018, the Planning Commission of Pakistan developed and launched a national framework for the SDGs encompassing a national vision, plan and strategy aligning with the national development goals followed by the launch of an analytical Basis and Policy Framework report “Inclusive and Sustainable Development”. In this way, the Planning Commission has internalized the Action Plan for SDGs as part of its planning process.

At the federal level, Ministry of Planning Development & Reform (MoPDR) has been assigned responsibility of SDGs implementation process and institutionalize the National SDG Plan. While at the provincial

level, Planning & Development Departments have been designated to facilitate vertical and horizontal coordination partnerships across all tiers of government.

To facilitate implementation of national SDG agenda, National and Provincial Parliamentary SDG Task Forces have been established. Moreover, one federal and 6 in (Punjab, Sindh, Balochistan, Khyber Pakhtunkhwa, Azad Jammu & Kashmir and Gilgit Baltistan) SDG Support Units have been established to ensure effective implementation of SDGs using Mainstream, Accelerate and Policy Support approach. The federal SDG unit is in charge of implementing all the 17 SDGs. However, currently there is no central agency accountable for monitoring and reporting on Goal 16 progress.

Although the official implementing bodies of SDGs in Pakistan have conducted various events including seminars, conferences, and consultation meetings to discuss the implementation gaps of SDGs in Pakistan including SDG 16. However, most of these activities have been restricted to government agencies or with limited inclusion/ participation of a key stakeholder i.e. Civil Society. Civil Society has been a part of discussion albeit at a limited scale regarding selection of national indicators specifically concerning SDG 16.

The Planning Commission involved the ministries and data reporting agencies working in the respective areas of SDG to take their input on SDGs' progress monitoring and other implementation aspects. According to the Data Reporting Gap Study, Goal 16 requires more institutional reporting and there isn't enough data available for specified targets of Goal 16 as the reporting gap of these indicators shows that the regular standardized data is only available on 9 out of 23 indicators (39%) under SDG16. The data on the rest of the indicators is not being regularly produced and apposite reporting standards need to be developed.

In June 2019, Pakistan presented its Voluntary National Review (VNR) report at the 2019 session of the UN High-level Political Forum on Sustainable Development (HLPF). The VNR report presents progress on SDGs at country level. However, alarmingly, the report has excluded the section on Goal 16.

Besides this, the incumbent Government of Pakistan has taken several important steps aligned with the targets and indicators of Sustainable Development Goal 16. This includes: strengthening the anti-money laundering frameworks in line with the Financial Action Task Force (FATF) recommendations; establishment of multi-agency Assets Recovery Unit (ARU) to retrieve assets hidden overseas; enforcement of the Benami Transactions (Prohibition) Rules, 2019 and Whistle-blower Protection and Vigilance Commission Bill in June 2019.

Furthermore, Pakistan has also made a high-level political commitment to work with the FATF and APG (Asia/Pacific Group on Money Laundering) to strengthen the effectiveness of its AML/CFT (Anti Money Laundering/Combating the Financing of Terrorism) regime. All these are important steps in the fight against corruption in Pakistan.

METHODOLOGY

The report aims to provide a broad assessment of national progress towards four SDG targets linked to anti-corruption and transparency, which are: 16.4, 16.5, 16.6 and 16.10.

A number of policy areas are covered under each of these SDG targets to provide a well-rounded overview in a way that goes beyond the narrow understanding of corruption captured by the official global indicators.

Each policy area has been assessed against three dimensions. First, there is a scored evaluation of the country's de jure legal and institutional framework. Second, relevant country data from assessments and indices produced by civil society groups and international organisations is considered. Finally, a qualitative appraisal of the country's de facto efforts to tackle corruption is conducted.

Three dimensions of policy area assessment:

1. Legislative and institutional framework: A number of questions pertaining to the de jure legal framework contain "scoring" references. Scored questions are used to assign a numerical value to the country's legal framework, based on guidance provided in the question. Each numerical value will correspond to one of the following five scores:

- Dark Green / 1
- Light Green / 0.75
- Orange / 0.5
- Light Red / 0.25
- Dark Red / 0
- Grey / Not applicable or no data available

2. Implementation and compliance: Alongside the score, there are questions the answers to which involve brief narratives,

which address de facto implementation and compliance.

3. Third-party assessment: Information and data from relevant third-party assessments are also included.

Questions marked with * are considered "optional" and are only answered if they appear relevant to the national context, and where time and resources permit.

The research in Pakistan commenced in October 2019 and was completed in June 2020. The main sources used for this research were desk research, newspaper articles, annual reports, regional reports, Transparency International publications and archives, official websites of respective Ministries and other organizations and their publications.

Some of the challenges encountered while compiling the report were:

- Gaps in reporting periods of some annual reports were found alongside non-availability of latest publications.
- Accessibility to certain documents were restricted as they were either not available online or for public consumption.
- The report is compiled using available data.

NATIONAL PROGRESS REPORT

Pakistan has been very proactive in terms of adopting the sustainable development goals (SDGs) agenda as its own national development goals and established requisite institutional frameworks to support its implementation at federal and provincial level. However, as regards the quality of official SDG review process, it is faced with serious considerations.

Although the official implementing bodies of SDGs in Pakistan have conducted various events including seminars, conferences, and consultation meetings to discuss the implementation gaps of SDGs in Pakistan including SDG 16. However, most of these activities have been restricted to government agencies with limited inclusion/ participation of a key stakeholder i.e. civil society. Civil Society has been a part of discussion albeit at a limited scale regarding selection of national indicators specifically concerning SDG 16.

At the federal level, Ministry of Planning Development & Reform (MoPDR) has been assigned responsibility of SDGs implementation process, review and institutionalization of the National SDG plan in Pakistan. While at the provincial level, respective Planning & Development Departments have been designated to facilitate vertical and horizontal coordination partnerships across all tiers of government. The information on these government bodies and details of respective Focal persons are publicly available online via website presence.

The MoPDR developed a process framework on the Voluntary National Review objectives and scope, alongside its methodology and a stakeholder engagement plan. Correspondingly, the guidelines were shared with provinces and the then federally administered areas.

The first national multi-stakeholder consultation on SDGs was held on the 24th October 2018 in the capital, Islamabad. It was followed by multiple consultative sessions which included women parliamentarians, government officials, representatives of the private sector, development partners, civil society, think tanks and academia. These consultations were held in the provinces of Punjab, Sindh, Khyber Pakhtunkhwa and Balochistan, and in the federally administered areas of Gilgit-Baltistan, Azad Jammu and Kashmir and Islamabad Capital Territory.

To streamline these consultations, the scope was defined around seven thematic areas i.e. advocacy and awareness; legal and regulatory regime; institutional mechanisms; means of implementation (resources for the goals); key initiatives for the SDGs; challenges to localizing and implementing the goals; and monitoring, evaluation and reporting mechanisms. Stakeholders were divided into thematic clusters and groups, encompassing interrelated and cross-cutting SDGs. Focused Group Discussions (FGDs) were held with these clusters and groups to identify local priorities and promote contextualization. In parallel, a series of consultations took place in the federal capital and the provinces.

These consultations were designed to be participatory and collaborative. They included diverse stakeholders, who were encouraged to provide innovative solutions to existing challenges. The key findings of these consultations were then compiled by the respective administrative units into sub-VNR reports. All of these reports were then collated at the MoPDR to articulate Pakistan's overall level of preparedness vis-à-vis the 2030 Agenda.

Existing policies, plans and analyses related to public investment were also used to corroborate the alignment of the development environment in Pakistan with country's commitment to achieving the SDGs.

In addition, a parallel consultation process was initiated in collaboration with civil society organizations. This process had the dual objective of informing the public at the grassroots level about the SDGs and the VNR, and to seek their input on improving policies and plans for achieving the SDGs. Similarly, consultations were conducted with persons with disabilities to include their voice in the VNR. Pakistan's private sector conducted a number of separate consultations, whose inputs are included in this report.

In December 2018, the most critical exercise, Pakistan Voluntary National Review 2019 (National Consultation) was conducted all across Pakistan however only a selected number of civil society organizations were invited to provide their feedback with respect to SDG implementation and progress. This reflects badly upon the quality of the official SDG review process in terms of inclusiveness and transparency.

A national level consultation deliberated on the draft VNR Report before it was finalized. The final report was shared with the Ministry of Foreign Affairs (MOFA) for submission to the UN DESA (Department of Economic and Social Affairs) for the High Level Political Forum (HLPF) meeting in July 2019. The

final version of VNR report is publicly available.

Key events which include National Coordination Meeting on SDGs, Local Government Summit on Sustainable Development Goals (SDGs), and National conferences on SDGs have also summoned stakeholders from various government bodies, and data reporting agencies to incorporate their review in the process yet participation from relevant civil society organizations has been dismal as they have not been invited and kept uninformed regarding these developments/ events shaping the implementation and reporting process.

According to the Reporting Gap Study, Goal 16 requires more institutional reporting and there isn't enough data available for specified targets of Goal 16 as the reporting gap of these indicators shows that the regular standardized data is only available on 9 out of 23 indicators (39%) under SDG16. The data on the rest of the indicators is not being regularly produced.

Alarming, the latest Voluntary National Review 2019 for Pakistan that presents progress on SDGs at country level has even excluded the section on Goal 16 from its final report that has been submitted at High-Level Political Forum (HLPF) in June 2019. Although the Government has placed SDG 16 in its highest priority cluster however no concrete steps have been taken towards ensuring progressive development on this Goal.

TRANSPARENCY INTERNATIONAL PAKISTAN'S FINDINGS ON NATIONAL PROGRESS TOWARDS SDG 16.4, 16.5, 16.6 AND 16.10

Findings on SDG Target 16.4

- The incumbent government has undertaken extensive reforms since 2018 thereby strengthening the anti-money laundering frameworks in the country. Pakistan's National Assembly Standing Committee on Finance & Revenue has recently approved the Foreign Exchange Regulations (Amendment) or FERA Bill 2019 and Anti-Money Laundering (Amendment) Bill 2019 to criminalize money laundering. The amendments empower the State Bank of Pakistan to regulate the inland movement of Foreign Currency to curb money laundering in case of violations law and enforcement agencies will be authorized to confiscate the currency and arrest the currency holders.
- Under the newly approved Anti-Money Laundering Bill 2019, money laundering is now a non-bailable offence. Also, the banks will be bound to file suspicious transactions report and on failing to do so the person concerned will be liable to face a year's imprisonment and a fine of 500,000 PKR. It will also be mandatory to keep the record of the suspicious transactions for 10 years which is double the previously defined period.
- The government has established a multi-agency Assets Recovery Unit (ARU) to retrieve assets hidden overseas. The unit receives complaints with regard to existence of overseas properties of Pakistanis and is duty bound to take an appropriate action

against the complaint. According to sources, ARU has recovered 530 million PKR which were illegally sent abroad so far.

- The Standing Committee on Law and Justice of National Assembly Pakistan has passed the draft Whistle-blower Protection and Vigilance Commission Bill recently in June 2019. Under the law, the whistle-blowers are entitled to a cash reward for providing credible information leading to the detection of a Benami property or transaction.
- In March 2019, the Federal Board of Revenue enforced the Benami Transactions (Prohibition) Rules, 2019 to provide for the confiscation of undeclared accounts and assets being held in name of another person but being purchased by someone else. The government has authorized the officials of the Inland Revenue Service to establish cases against Benami properties. The criminal proceedings carry an imprisonment sentence for one to seven years.

The enactment of the Companies Act 2017 is a major development in the context of governance and transparency of corporations and other legal entities. The Act puts a high emphasis on the requirement of disclosure of beneficial ownership for all legal entities following the recommendations of the Financial Action Task Force (FATF).

Findings on SDG Target 16.5

- Pakistan continued to perform poorly in the 2019 Corruption Perception Index (CPI). Pakistan scored 32 points out of 100 and was ranked 120 out of 180 countries in Transparency International's CPI 2019.
- Even though Pakistan has taken steps to ensure its anti-corruption framework complies with provisions of the United Nations Convention against Corruption (UNCAC), more work is needed to ensure its full compliance with provisions of the UNCAC. This includes the areas of private sector corruption, asset recovery, political financing & effective whistle-blower protection.
- The Competition Commission of Pakistan (CCP) is a designated anti-collusion body with adequate independence, which investigates and sanctions companies involved in collusive practices. The Commission has recently imposed several penalties on companies violating anti-collusion provisions of the Competition Act.
- According to Rule 7 of Public Procurement Regulatory Authority (PPRA) Code, procurements exceeding the prescribed limit of PKR 10 million shall be subject to an integrity pact, as specified by regulation with approval of the Federal Government, between the procuring agency and the suppliers or contractors.
- In 2017 the Parliament of Pakistan passed The Elections Act 2017 to govern different sections of electoral process including the financing of political parties and candidates. The provisions also require the political parties to submit the Election Commission of Pakistan (ECP) their annual financial statements and lists of donors who have donated 100,000 PKR or more to the party. However, there is no provision in the Elections Act 2017 which requires the political campaign finances to be verified or audited.

- Pakistan scored 37 in Global Integrity's Money Politics and Transparency assessment. Candidates are required, in law, to spend less than a specified amount, but party spending is unregulated.

Findings on SDG Target 16.6

- Although Pakistan's legal framework requires civil servants and Parliamentarians to declare their income, assets and interests however there is no mandatory provision for proactive disclosure on regular basis.
- There are well defined rules under Public Procurement Regulatory Authority Ordinance 2002, however the legal framework provides exceptions that may be vulnerable to misuse.
- Pakistan has a law to protect whistle-blowers. The Whistle-blower Protection and Vigilance Commission Act, 2019 is a legal framework but it covers only public sector. However, there is no such clause about compensation rights covering attorney and mediation fees or the right to transfer to a new supervisor/department.
- The country needs to demonstrate progress towards its commitment to Open Government. An important step in this regard pertains to Fiscal Transparency which can be ensured through Open Budget. According to Open Budget Survey (OBS) 2019, Pakistan scored 28 (out of 100), the lowest in the region and was ranked 93 out 117 countries. The score is a steep decline from 58 (in 2012) and 44 (in 2017). The country also failed to timely publish its Year-End Report online.

Findings on SDG Target 16.10

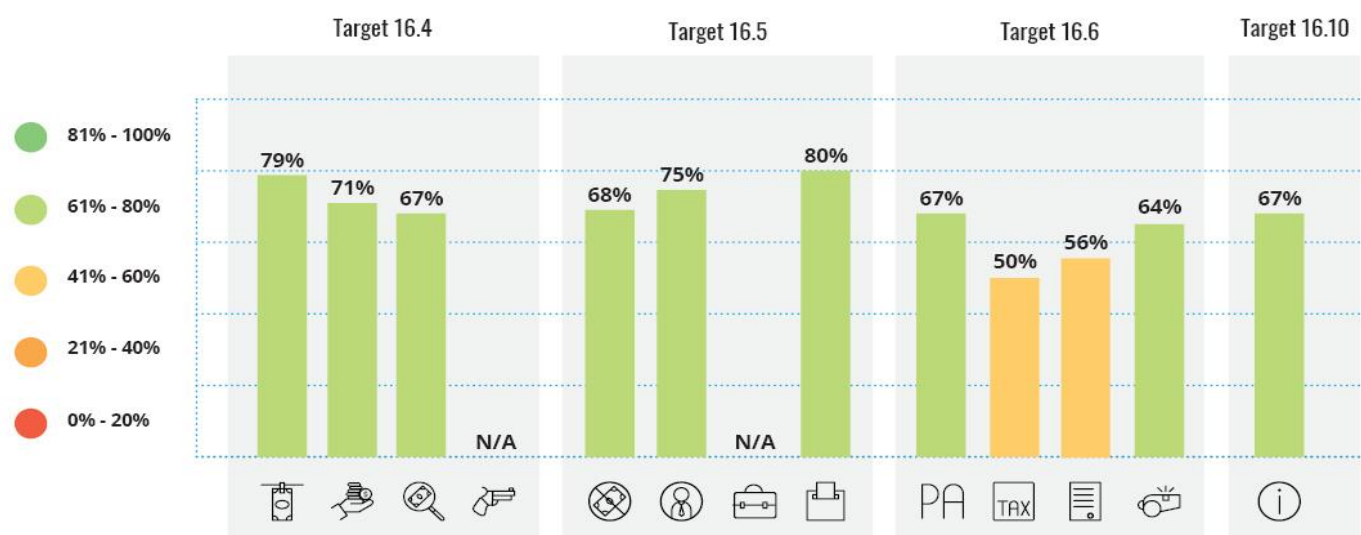
- Pakistan improved its position in global RTI rating from 91 in 2017 to 33 in 2018. Pakistan scored 105 out of 150 in the Right-To-Information Rating. The federal government promulgated The Right of Access to Information Bill 2017. A noteworthy feature of this latest development pertains to setting up of Information Commissions to institutionalize an effective enforcement mechanism of RTI.
- Pakistan is categorized as “partly free” in Freedom House’s Freedom in the World 2020 rating.
- Pakistan ranks at 145 among 180 countries in 2020 and scored 45.52 in World Press Freedom Index. The contentious Pakistan Electronic Crime Bill (PECB) became a law in September 2017. Its provisions contain vague language that could permit authorities broad powers to censor online content in the name of preserving national security. The law also provides for as long as three years’ imprisonment for disseminating information with “dishonest” intent or which is deemed to harm an individual’s reputation.

COUNTRY LEGAL SCORECARD*

PAKISTAN

SDG AGGREGATE VALUE

| | |
|--------------------|-----|
| Target 16.4 Score | 73% |
| Target 16.5 Score | 72% |
| Target 16.6 Score | 64% |
| Target 16.10 Score | 67% |



POLICY AREA

Target 16.4

- Anti-Money Laundering
- Beneficial Ownership
- Asset Recovery
- Arms Trafficking

Target 16.5

- Anti-Corruption Framework and Institutions
- Private sector
- Transparency in Lobbying
- Transparency in Party & Election Campaign Finance

Target 16.6

- PA Transparency and Integrity in Public Administration
- TAX Fiscal Transparency
- Integrity in Public Procurement
- Whistleblowing

Target 16.10

- Access to Information

* This scorecard is simply intended to assess whether a given country's legislative and institutional anti-corruption framework is in line with international best practice. It does not assess compliance with the legislative framework or the effectiveness of its implementation.

ANNEX: QUESTIONNAIRE FOR TARGETS 16.4, 16.5, 16.6 AND 16.10

This questionnaire aims to provide background information regarding Pakistan's recent developments in fighting against corruption and to provide a broad assessment of national progress towards four SDG 16 targets linked to anti-corruption and transparency: 16.4 on illicit financial flows, 16.5 on bribery and corruption, 16.6 on effective, accountable and transparent institutions and 16.10 on access to information.

The official UN indicators for these four targets does not adequately capture the level of corruption or the status of the fight against corruption at a national level. This shadow report covers a number of policy areas under each of these four SDG targets, to provide a rounded overview in a way that goes beyond the narrow understanding of corruption captured by the official global indicators.

Each policy area was assessed against three dimensions. First, there was a scored evaluation of the country's de jure legal and institutional framework. Second, relevant country data from assessments and indices produced by civil society groups and international organisations was considered. Finally, a qualitative appraisal of the country's de facto efforts to tackle corruption was conducted.

Three dimensions of policy area assessment:

1. Legislative and institutional framework: A number of questions pertaining to the de jure legal framework contain "scoring" references. Scored questions are used to assign a numerical value to the country's legal framework, based on guidance provided in the question. Each numerical value will correspond to one of the following five scores:

- Dark Green / 1
- Light Green / 0.75
- Orange / 0.5
- Light Red / 0.25
- Dark Red / 0
- Grey / Not applicable or no data available

2. Implementation and compliance: Alongside the score, there are questions the answers to which involve brief narratives, which address de facto implementation and compliance.

3. Third-party assessment: Information and data from relevant third-party assessments are also included.

Questions marked with (*) are considered "optional" and are only answered if they appear relevant to the national context, and where time and resources permit.

The research in Pakistan commenced in October 2019 and was completed in June 2020. The main sources used for this research were desk research, newspaper articles, annual reports, regional reports, Transparency International publications and archives, official websites of respective Ministries and other organizations and their publications.

BACKGROUND

1. NATIONAL SDG IMPLEMENTATION PLAN AND MONITORING PROCESS

| | |
|-----------------------|---|
| Indicator number | 1.1 |
| Indicator question(s) | Has the government taken steps to develop an SDG action plan on how to implement the Agenda 2030 at the national level? |
| Response | <p>Government of Pakistan has undertaken multiple steps to ensure implementation of Agenda 2030 at the national level. Right from the outset, in February 2016, the Parliament of Pakistan adopted Sustainable Development Goals (SDGs) agenda as its own national development goals. The SDG agenda has also been embedded in Pakistan Vision 2025 by the Ministry of Planning, Development and Reform (MoPDR), Government of Pakistan. The MoPDR has also launched a five-year project 'National Initiative for Sustainable Development Goals' jointly with United Nations Development Programme – UNDP Pakistan. The National SDG Framework encompasses a set of targets and indicators at federal and provincial levels.</p> <p>In 2018, the Planning Commission of Pakistan developed and launched a national framework for the SDGs encompassing a national vision, plan and strategy aligning with the national development goals followed by the launch of an analytical Basis and Policy Framework report “Inclusive and Sustainable Development”. In this way, the Planning Commission has internalized the Action Plan for SDGs as part of its planning process.</p> |
| References | <p>https://sustainabledevelopment.un.org/memberstates/pakistan</p> <p>https://sustainabledevelopment.un.org/content/documents/22958Pakistan_VNR_Key_Messages_at_HLPF_2019.pdf</p> <p>https://www.dawn.com/news/1360165</p> <p>https://www.pc.gov.pk/web/press/get_press/168</p> |

| | |
|-----------------------|---|
| Indicator number | 1.2 |
| Indicator question(s) | Which government body or bodies are in charge of the implementation of the national SDG implementation process, and in particular concerning the implementation of SDG 16? |
| Response | <p>At the federal level, Ministry of Planning Development & Reform (MoPDR) has been assigned responsibility of SDGs implementation process and institutionalize the National SDG plan. While at the provincial level, Planning & Development Departments have been designated to facilitate vertical and horizontal coordination partnerships across all tiers of government.</p> <p>All the federal and provincial SDG units are responsible for mainstreaming of SDGs in national and provincial plans and policies respectively; strengthening their SDGs monitoring, reporting and evaluation capacities; allocating financial resources; and undertaking innovative approaches to accelerate progress on priority SDGs. The federal SDG unit monitors and coordinates as a national coordinating unit. The units are also working to create awareness amongst stakeholders about the SDG Agenda and facilitate their coordination and communication.</p> <p>To facilitate implementation of national SDG agenda, National and Provincial Parliamentary SDG Task Forces have been established.</p> <p>Moreover, one federal and 6 in (Punjab, Sindh, Balochistan, Khyber Pakhtunkhwa, Azad Jammu & Kashmir and Gilgit Baltistan) SDG Support Units have been established to ensure effective implementation of SDGs using</p> |

Mainstream, Accelerate and Policy Support approach. The federal SDG unit is in charge of implementing all the 17 SDGs but the Goal 16 falls under the category of the topmost priority goals of the federal SDG unit. However, currently there is no central agency accountable for monitoring and reporting on Goal 16 progress. Punjab and Sindh SDGs Support Units are the most progressive units among the provincial units. The Punjab SDG unit has instituted a provincial structure for SDGs planning and coordination by setting up an SDG Advisory Council, forming thematic SDGs Cluster Groups, and engaging the existing thematic think-tanks as technical partners to support their respective Clusters. The unit has also nominated Focal Persons and established District SDGs Committee to localize SDG Agenda at the district level.

Federal P & D Focal Person on SDGs

Mr. Shahid Naeem

Chief/ Project Director SDGs

P & D, Ministry of Planning Development & Reform (MoPDR), Islamabad

Sindh P&D Focal Person On SDGs

Mr. Mumtaz Ali

P&D Board Sindh SDGs Support Unit, Shahrah-e-Faisal, Karachi

Punjab Focal Person on SDGs

Dr. Aman Ullah

Chief Economist, P&D Board, Government of Punjab,

Civil Secretariat, Lower Mall Road Civil Lines Lahore

AJ&K Focal Person on SDGs

Mr. Muhammad Shamooun Hashmi

Chief Economist, Government of Azad Jammu & Kashmir

Block 11 New Secretariats, Chatter Muzaffarabad

KP Focal Person on SDGs

Mr. Ali Raza Khan, Director General SDU

P&D Department, Government of Khyber Pakhtunkhwa

Civil Secretariat, Peshawar

Balochistan Focal Person on SDGs

Mr. Arif Hussain Shah, Chief (Federal Project/SDGs/SPEC). MICS Secretariat,

P&D Department, Government of Baluchistan

Block-6, Civil Secretariat, Quetta

Gilgit Baltistan Focal Person on SDGs

Mr. Babar Aman

Secretary, P&D Department, Government Gilgit Baltistan

GB Secretariat, Gilgit Baltistan

References

<https://www.sdgpakistan.pk/web/sdgs>

https://www.sdgpakistan.pk/web/news/get_news/7

http://www.na.gov.pk/en/pressrelease_detail.php?id=3504

<http://sindhsgs.gov.pk/parliamentary-task-force-on-sdgs-back-in-action/>

<https://sdgs.punjab.gov.pk/>

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|-----------------------|---|
| Indicator number | 1.3 |
| Indicator question(s) | Has civil society been able to contribute to the selection of national indicators concerning SDG 16 and have there been any formal discussions about how anti- corruption targets will fit into the implementation of a national SDG plan? |
| Response | <p>The Civil Society has been a part of discussion albeit at a limited scale regarding selection of national indicators concerning SDG 16. In December 2018, Pakistan Voluntary National Review 2019 (National Consultation) invited only few civil society organizations to provide their feedback with respect to SDG implementation however the contribution of civil society particularly concerning SDG 16 has been very restrictive as most of them weren't informed or invited for participation.</p> <p>The Planning Commission in joint collaboration with UNDP executed Data Reporting Gap exercise. Different ministries and data reporting agencies contributed in the exercise to highlight the data reporting gaps and indicator selections in their respective domains. According to the Reporting Gap study, the lead ministries for Goal 16 are the Ministry of Interior, Ministry of Finance, Ministry of Planning, Development and Reform (MoPDR), Ministry of Human Rights, and Ministry of Overseas Pakistanis and Human Resource Development and the officially declared reporting agencies for Goal 16 are Ministry of Interior, Ministry of Finance, National Institute of Population Studies, State Bank of Pakistan, Pakistan Bureau of Statistics, Cabinet Secretariat and Ministry of Human Rights.</p> <p>A high-level multi-stakeholder meeting was also held in July 2018 by the Ministry of Planning, Development and Reform (MoPDR) for the preparation of Pakistan's first Voluntary National Review. Pakistan has recently presented progress of SDGs through its first 'Voluntary National Review – VNR' at the High Level Political Forum – HLPF in June 2019.</p> |
| References | https://www.sdgpakistan.pk/web/news/get_news/11 https://www.sdgpakistan.pk/web/events/get_event/28 |
| Indicator number | 1.4 |
| Indicator question(s) | Has the development of national SDG implementation reports relating to SDG 16 been open and inclusive? |
| Response | <p>The official implementing bodies of SDGs in Pakistan have conducted various events including seminars, conferences, and consultation meetings to discuss the implementation gaps of SDGs in Pakistan including SDG 16. However, most of these activities have been restricted to government agencies with limited inclusion/ participation of civil society.</p> <p>The Data Reporting Gap study, which was conducted by the Planning Commission, involved the ministries and data reporting agencies working in the respective areas of SDG to take their input on SDGs' progress monitoring and other implementation aspects. The exercise in itself is a big step towards collaboration between official SDG planning process and the civil society to jointly undertake implementation of the national development agenda yet no concrete steps have been taken in its wake.</p> <p>Other events which include National Coordination Meeting on SDGs, Local Government Summit on Sustainable Development Goals (SDGs), and National conferences on SDGs have also summoned stakeholders from various government bodies, and data reporting agencies to incorporate their review in the process yet participation from relevant civil society organizations has been dismal as they have not been invited and kept uninformed regarding these developments/ events shaping the implementation and reporting process.</p> |
| References | https://www.sdgpakistan.pk/web/events/get_event/26 https://www.sdgpakistan.pk/web/events/get_event/27 |

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| Indicator number | 1.5 |
| Indicator question(s) | How do you assess the quality of the official assessment and the data provided in official implementation reports for targets 16.4, 16.5, 16.6 and 16.10? |
| Response | According to the Data Reporting Gap Study, Goal 16 requires more institutional reporting and there isn't enough data available for specified targets of Goal 16 as the reporting gap of these indicators shows that the regular standardized data is only available on 9 out of 23 indicators (39%) under SDG16. The data on the rest of the indicators is not being regularly produced and standards need to be developed. Thus, there cannot be any official assessment made for these indicators. |
| References | https://www.pc.gov.pk/uploads/report/Data_Gap_Report_Report_Version_6.pdf |
| Indicator number | 1.6 |
| Indicator question(s) | Are there any salient corruption or governance issues which are omitted or not adequately addressed in the official national report? |
| Response | <p>The annual report 2017 highlights the progress made by the SDG units at federal and provincial levels. However, the report doesn't cover the indicator-wise progress either in terms of implementation or reporting and only provides a generic overview of events leading up to drafting and implementation of national report.</p> <p>Alarming, the Voluntary National Review 2019 for Pakistan that presents progress on SDGs at country level has even excluded the section on Goal 16 from its final report that has been submitted at High-Level Political Forum (HLPF) in June 2019.</p> |
| References | https://www.sdgpakistan.pk/uploads/pub/SDGs_Annual_Progress_Report_2017.pdf https://sustainabledevelopment.un.org/content/documents/233812019_06_15_VN_R_2019_Pakistan_latest_version.pdf |

2. RECENT DEVELOPMENTS

| | |
|-----------------------|---|
| Indicator number | 2.1 |
| Indicator question(s) | Has the country adopted a national anti-corruption action plan? |
| Scoring | ● 1: A national anti-corruption action plan has been adopted |
| Response | <p>Yes, a national anti-corruption action plan has been adopted and is being implemented accordingly. National Anti-Corruption Strategy (NACS) was launched in 2002 along with proposed timelines for Implementation Action Plan under the presidency of Gen Pervez Musharraf.</p> <p>In March 2018, Chairman National Accountability Bureau (NAB) Justice (R) Javed Iqbal announced that NAB has devised a comprehensive National Anti-Corruption Strategy to eradicate corruption from the society. He said that the new concept of Combine Investigation Team (CIT) is yielding effective results in which the agency is benefiting from the experience and collective wisdom of senior supervisory officers. Moreover, NAB has also established 60 Prevention Committees throughout the country in order to identify loopholes and deliberate on ways and means in consultation with concerned line departments to ease out their service delivery systems in order to address the problems of people at large.</p> |
| References | <p>a) http://nab.gov.pk/Downloads/Doc/NACS.pdf (page 106)</p> <p>b) https://thefrontierpost.com/nab-devises-comprehensive-anti-corruption-plan-chairman/</p> |
| Indicator number | 2.2 |
| Indicator question(s) | ___% of respondents state that their government performs “well” at fighting corruption in government, according to Transparency International’s Global Corruption Barometer. |
| Response | According to Transparency International’s ‘People and Corruption: Asia Pacific Global Corruption Barometer 2017’, 40-50% of the respondents in Pakistan state that the respective government perform well at fighting against corruption in the public sector. |
| References | a) https://www.transparency.org/whatwedo/publication/people_and_corruption_asia_pacific_global_corruption_barometer |

| | |
|-----------------------|---|
| Indicator number | 2.3 |
| Indicator question(s) | Has your country's current political leadership made public declarations about fighting corruption in the past two years? Have there been high-level commitments by the current administration to strengthen the legal framework, policies or institutions that are relevant to preventing, detecting and prosecuting corruption? |
| Response | <p>The current political leadership has been very vocal regarding fight against corruption. The current Prime Minister Imran Khan, in his inaugural address, stated that "Our state institutions will be so strong that they will stop corruption. Accountability will start with me, then my ministers, and then it will go from there." The current government has contested the General Elections 2018 on the premise of fighting corruption and ensuring transparency and accountability across state institutions.</p> <ul style="list-style-type: none"> • The government has established an Assets Recovery Unit, with its headquarters based in the Prime Minister's office in Islamabad, to retrieve any money laundered or/and hidden assets overseas built with illegal money. In March 2019, it was reported that the Asset Recovery Unit has retrieved PKR 530 million illegally sent abroad and deposited into the national exchequer. • In November 2018, PM Imran Khan during his state visit to Malaysia pledged his alliance with Prime Minister Mahatir Mohamad to intensify efforts to curb corruption from their countries. He stated that "Both of us are in similar situations as we both came to power on an anti-corruption platform with high national debt". • A few months later, former Pakistani President Asif Ali Zardari (June 2019) and former Prime Minister Nawaz Sharif (December 2018) were arrested by the National Accountability Bureau and are facing jail sentences in connection with corruption charges. Similarly, many other political leaders are facing corruption charges. |
| References | https://www.aljazeera.com/news/2018/07/imran-khan-speech-full-180726124850706.html https://www.straitstimes.com/asia/south-asia/pakistan-ex-president-zardari-arrested-over-graft-charges https://www.thenews.com.pk/latest/410285-nawaz-sharif-arrested-after-court-convicted-him-in-al-azizia-reference-case https://timesofislamabad.com/12-Mar-2019/pti-government-assets-recovery-unit-makes-a-big-achievement-over-retrieving-illegal-money-sent-abroad https://www.straitstimes.com/asia/se-asia/malaysia-pakistan-pledge-for-cooperation-on-anti-corruption-tourism |
| Indicator number | 2.4 |
| Indicator question(s) | Is there evidence that laws and policies are not equally applied to all officials, resulting in an increased risk for misuse of power and grand corruption? |
| Response | <p>According to the GAN Integrity Report 2017, citizens' perception based on their experience with public officials indicates high prevalence of corruption especially among police and judiciary, the upholders of law and order. Most of the politicians that are being tried on multiple accounts most often go unpunished for crimes of corruption committed by them. Political corruption eventually facilitates criminal enterprises within the country leading to formation of grand corruption rings i.e. land mafia, money laundering etc.</p> |
| References | https://www.business-anti-corruption.com/country-profiles/pakistan/ |
| Indicator number | 2.5 |
| Indicator question(s) | Have there been significant anti-corruption reforms or advances in the fight against corruption in the past two years? |
| Response | <p>The current government has proactively taken multiple initiatives in the fight against corruption. The details are listed below:</p> |

- On 5th September 2018, the government established an Assets Recovery Unit, with its headquarters based in the Prime Minister's office in Islamabad, to retrieve any money laundered or/and hidden assets overseas built with illegal money. So far, it has retrieved PKR 530 million illegally sent abroad and deposited into the national exchequer. The Government has signed agreements with 10 countries, including the UK, to bring back nearly PKR 700 billion in such funds stashed abroad. More than 5,000 fake accounts allegedly used for money laundering were also identified.
- On 18th September 2018, a special Commission on Police Reforms and Implementation was established in Punjab with prime purpose of steering police clear of political interference and make them operationally autonomous.
- On 10th October 2018, the Pakistan Citizen Portal was established and became operational that allows citizens to voice their grievances against instances of corrupt practices regarding public service delivery. Pakistan Citizen Portal app also won second prize at the World Government Summit held in Dubai in February 2019
- Still, the road to effectively fight corruption is a long way to go as the country is currently on FATF Grey List. Since June 2018, when Pakistan made a high-level political commitment to work with the FATF and APG to strengthen its AML/CFT regime and to address its strategic counter-terrorist financing-related deficiencies, Pakistan has taken steps towards improving its AML/CFT regime, including by operationalizing the integrated database for its currency declaration regime.

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|-----------------------|---|
| References | https://gulfnews.com/world/asia/pakistan/the-good-the-bad-and-the-ugly-of-imrans-100-days-in-office-1.60684711 https://www.dawn.com/news/1433536 http://www.fatf-gafi.org/countries/a-c/bahamas/documents/fatf-compliance-february-2019.html https://www.khaleejtimes.com/news/government/pakistan-government-app-wins-award-at-dubai-summit-imran-khan-hails-success |
| Indicator number | 2.6 |
| Indicator question(s) | How do you assess the space for civil society and the media to investigate and highlight corruption risks and cases, and to demand accountability from the country's political and economic elite? |
| Response | <p>The media environment in general has deteriorated over the past five years. Just recently during the recent pre-election season and later, after the new government was sworn in, broadcasts by private media houses such as Geo TV and distribution of the newspaper Dawn were temporarily blocked in several parts of the country, apparently on the pretext of security concerns.</p> <p>The Prevention of Electronic Crimes Act enacted in August 2016 introduced under the previous government of Prime Minister Nawaz Sharif, has brought about a stronger censorship.</p> <p>Additional Information:</p> <ul style="list-style-type: none"> • In 2002, Pakistan became the first country in South Asia to promulgate a Freedom of Information Ordinance. • In 2010, the 18th Amendment to the Constitution recognized the right to information as a fundamental constitutional right. • According to the new regulations imposed by Securities and Exchange Commission of Pakistan (SECP), both NGOs and INGOs cannot directly or indirectly participate in any political campaign for elective public office or activities associated with those of a political party. They are also prohibited from funding political parties, individuals or any other entities that may be set up for such purposes. |
| References | https://freedomhouse.org/report/freedom-net/2017/pakistan https://freedomhouse.org/report/freedom-world/2019/pakistan https://www.dawn.com/news/1413553 |

Target 16.4: “By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organised crime”

3. ANTI-MONEY LAUNDERING

| | |
|-----------------------|---|
| Indicator number | 3.1 |
| Indicator question(s) | Has the country adopted a law to criminalize money laundering, in line with recommendation 3 of the FATF? |
| Scoring | ● 0.75: Largely Compliant (LC) |
| Response | Pakistan's National Assembly Standing Committee on Finance & Revenue has recently approved the Foreign Exchange Regulations (Amendment) or FERA Bill 2019 and Anti-Money Laundering (Amendment) Bill 2019 to criminalize money laundering. The Bills are aimed at addressing the legal deficiencies pointed out by FATF. The latest FATF mutual evaluation found Pakistan to be “largely compliant” with recommendation 3. |
| References | https://dailytimes.com.pk/448737/pakistan-exerting-to-choke-terror-financing-evade-fatf/ https://www.thenews.com.pk/print/381529-fatf-conditions-money-laundering-to-be-made-cognizable-offence https://www.thenews.com.pk/print/396917-pakistan-confident-will-meet-33-fatf-targets https://home.kpmg/content/dam/kpmg/pk/pdf/2019/03/A%20brief%20on%20Anti%20Money%20Laundering%20Regulations.pdf http://www.na.gov.pk/uploads/documents/1449207682_201.pdf |
| Indicator number | 3.3 |
| Indicator question(s) | Are financial institutions (banks) prohibited by law from keeping anonymous accounts and are they required to undertake due diligence on their customers, in line with FATF recommendation 10? |
| Scoring | ● 1: Financial institutions are prohibited by law from keeping anonymous accounts; they are also required to undertake due diligence on their customers, in line with FATF recommendation 10 |
| Response | <p>Pakistan has, to an extent, met almost all 20 criterions of Recommendation 10. The most recent FATF Mutual Evaluation Report 2019 has rated Pakistan as “partially compliant” on recommendation 10:</p> <p>Regulation 1 (Clause 18) under State Bank of Pakistan’s Anti-Money Laundering Regulations prohibits the banks and DFIs in Pakistan to open or maintain anonymous accounts or accounts in the name of fictitious persons or numbered accounts.</p> <p>Regulation 1 (Clause1) requires all Banks/DFIs to apply Customer Due Diligence (CDD) measures; (a) when establishing business relationship; (b) while dealing with occasional customers/ walk-in customers in line with Para 12 below; (c) in other situations/scenarios when there is suspicion of money laundering/ financing of terrorism, regardless of threshold.</p> <p>CDD Measures for Occasional Customers/ Walk-in Customers and Online Transactions:</p> <p>Para 12. Banks/DFIs shall;</p> <p>(a) in case of occasional customers/walk-in-customers;</p> <p>(i) obtain copy of CNIC while conducting cash transactions above rupees 0.5 million; and</p> <p>(ii) obtain copy of CNIC while issuing remittance instruments e.g. POs, DDs</p> |

and MTs etc.

(b) obtain copy of CNIC (regardless of threshold) while conducting online transactions by occasional customers/walk-in-customers (except deposits through Cash Deposit Machines or cash collection/management services). If transaction exceeds Rs. 100,000 the name and CNIC No. shall be captured in system and made accessible along with transaction details at beneficiary's branch.

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| References | http://www.sbp.org.pk/l_frame/Revised-AML-CFT-Regulations.pdf https://www.thenews.com.pk/print/396917-pakistan-confident-will-meet-33-fatf-targets http://www.fatf-gafi.org/media/fatf/documents/reports/mer-fsrb/APG-Mutual-Evaluation-Report-Pakistan-October%202019.pdf |
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| Indicator number | 3.4 |
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| Indicator question(s) | Are financial institutions required by law to inform relevant authorities when they suspect (or have reasonable grounds to suspect) that funds are the proceeds of criminal activity, in line with FATF recommendation 20? |
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| Scoring | ● 0.5: Financial institutions are required by law to inform relevant authorities but the requirements are only partially in line with FATF recommendation 10 |
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| Response | <p>Pakistan has met one out of two criteria of recommendation 20. The country is rated only 'partially compliant' on FATF's recent Mutual Evaluation Report 2019.</p> <p>Regulation 4 of SBP's Anti-Money Laundering Regulations on Reporting of Transactions (STRs/CTRs) requires the banks and DFIs to report suspicious transactions/currency transactions in the context of money laundering or financing of terrorism.</p> <p>Under the newly approved Foreign Exchange Regulations (Amendment) or FERA Bill 2019, the banks would also be required to file suspicious transactions report and on failing to do so, the persons concerned will be liable to five years of imprisonment and a fine of Rs 500,000/-. It will also be mandatory to keep the record of suspicious transactions for 10 years, which is double the current period.</p> |
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| References | https://dailytimes.com.pk/448737/pakistan-exerting-to-choke-terror-financing-evade-fatf/ http://www.sbp.org.pk/l_frame/Revised-AML-CFT-Regulations.pdf https://www.fatf-gafi.org/media/fatf/documents/reports/methodology.pdf |
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| Indicator number | 3.5 |
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| Indicator question(s) | Are designated non-financial businesses and professions (DNFBPs) – casinos, real estate agents, jewelers, lawyers, notaries, other legal professionals, accountants, and trust and company service providers – required to carry out customer due diligence, to keep records, and to report suspicious transactions to the financial intelligence unit, in line with FATF recommendations 22 and 23? |
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| Scoring | ● 0.5: There are some legal obligations for designated non-financial businesses and professions to carry out customer due diligence, or to keep records, or to report suspicious transactions. These requirements are only partially in line with FATF recommendations 22 and 23. |
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| Response | <p>Pakistan has not fulfilled any of five criteria of recommendation 22 and met only two out of four criteria of recommendation 23. According to the Asia/Pacific Group on Money Laundering (APG) Mutual Evaluation Report 2019 for Pakistan, Pakistan is rated non-compliant on recommendation 22 and rated only partially compliant on recommendation 23.</p> |
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| References | https://www.thenews.com.pk/print/396917-pakistan-confident-will-meet-33-fatf-targets http://www.sbp.org.pk/l_frame/Revised-AML-CFT-Regulations.pdf https://fp.brecorder.com/2019/04/20190414464366/ |
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| Indicator number | 3.8 |
| Indicator question(s) | Has the country signed the multilateral competent authority agreement on the exchange of country-by-country reports on key indicators of multinational enterprise groups? |
| Scoring | ● 1: Yes |
| Response | Yes, Pakistan is a signatory of the OECD agreement on the exchange of Country-by-Country Reports on key indicators of multinational enterprise groups. |
| References | https://www.oecd.org/tax/automatic-exchange/country-specific-information-on-country-by-country-reporting-implementation.htm https://read.oecd-ilibrary.org/taxation/country-by-country-reporting-compilation-of-peer-review-reports-phase-1_9789264300057-en#page551 https://www.pwc.com.pk/en/assets/document/Flyer%20-%20SRO%20144.pdf |
| Indicator number | 3.9 |
| Indicator question(s) | Has the country signed the competent authority multinational agreement on automatic exchange of financial account information? |
| Scoring | ● 1: Yes |
| Response | Pakistan is one of the signatories of the Multilateral Competent Authority Agreement on automatic exchange of financial account information. The starting date mentioned for the Information Exchange is September 2018. |
| References | https://www.oecd.org/tax/automatic-exchange/international-framework-for-the-crs/MCAA-Signatories.pdf |
| Indicator number | 3.10 |
| Indicator question(s) | How is the jurisdiction's performance on the exchange of information for tax purposes on request assessed by the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes? |
| Scoring | ● 0.75: Largely Compliant (LC) |
| Response | Largely Compliant as per OECD. |
| References | http://eoi-tax.org/jurisdictions/PK#latest http://eoi-tax.org/library#reviews |
| Indicator number | 3.11 |
| Indicator question(s) | What is the country's score in the Basel Institute on Governance's Basel Anti-Money Laundering Index? |
| Response | <p>Pakistan scored 6.45 out of 10 in the Basel Anti-Money Laundering Index 2019, which assesses the risk of money laundering and terrorist financing (ML/TF) of countries around the world. Out of 129 countries, it ranks as having the 23rd highest risk.</p> <p>There has been an improvement (-0.04 points) in the score compared to the last year.</p> |
| References | https://index.baselgovernance.org/ranking |
| Indicator number | 3.12 |
| Indicator question(s) | What is the country's secrecy score in the Tax Justice Network's Financial Secrecy? |
| Response | The recent 2020 edition of the Financial Secrecy Index lists Pakistan as having a secrecy score of 55, making it the 33 rd best performer in terms of secrecy rating of the 133 countries assess |
| References | https://fsi.taxjustice.net/en/introduction/fsi-results |

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| Indicator number | *3.13 |
| Indicator question(s) | What is the estimated illicit financial outflow of funds from your country in the latest available year, according to Global Financial Integrity? http://www.gfintegrity.org/issues/data-by-country |
| Response | The most recent data available with respect to illicit financial outflow of funds from Pakistan is estimated ranges from 778 million USD (DOTS-based Estimates, 2015) to 1,579 million USD (Comtrade-based Estimates of Potential Trade Mis-invoicing by Country 2015). |
| References | https://gfintegrity.org/data-by-country/ |
| Indicator number | 3.14 |
| Indicator question(s) | Is there evidence that money laundering is effectively prosecuted? <i>If available, please provide the following statistics from the two most recent years: The number of criminal investigations for money laundering (ML) activity; the number of prosecutions for ML activity; the number of ML convictions (number of cases and individuals convicted); average length of custodial sentences imposed for ML convictions; average value of fine imposed on ML convictions; number of sanctions imposed for ML offences; value of proceeds of crime, instrumentalities, or property of equivalent value confiscated. FATF considers these statistics to be particularly useful, the data is likely to be included in the most recent mutual evaluation report.</i> http://www.fatf-gafi.org/publications/mutualevaluations . |
| Response | <p>The country has introduced effective mechanisms to investigate and prosecute instances of money laundering. Pakistan Customs' Director General (Intelligence and Investigation Inland Revenue) is one of the five designated Law Enforcement Authorities (LEAs) under the AML Act, 2010 to conduct investigation and prosecution of Trade Based Money Laundering and Smuggling.</p> <p>As per the latest reports, 1,136 Suspicious Transactions Reports (STRs) issued during the recent two months (January-February 2019), the number of STRs issued in the year 2018 stood at 8,707 as against 5,548 in 2017. It has been declared that with Rs 439 million of currency confiscated during July 2018 to January 2019 as against Rs 131 million of the corresponding period of previous year, the Customs authorities had achieved 235% increase in the confiscation of laundered or smuggled money. The prime minister was also briefed by the Customs authorities that after the imposition of anti-money laundering law, a total of 335 suspicious transactions were issued during May 2016 to January 2019, which resulted into the recovery of Rs 6.6 billion after the investigation of over 500 cases.</p> <p>Presently, six cases of trade-based money laundering are under investigation. In two cases (PKR 681 million), the permission to proceed under AMLA has been accorded by the Special Judge Customs under Section 21 of AMLA 2010.</p> <p>Total Foreign Currency seized during the period from November 2018 to January 2019 is PKR 305 million as compared to PKR 61 million in the corresponding period last year. Eleven FIRs were registered and 13 persons were apprehended.</p> <p>Presently, the Currency Declaration System is operational at 24 entry/ exit points. In year 2018 the system captured 11166 declarations amounting to \$66.7 million.</p> |
| References | https://www.pakistantoday.com.pk/2019/02/25/money-launderers-deserve-no-concession-maintains-pm/ https://fp.brecorder.com/2019/03/20190319456547/ |

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| Indicator number | 3.16 |
| Indicator question(s) | Have there been any noteworthy changes or developments in the past two years that indicate an improvement or deterioration in the framework or practice to prevent and fight money laundering? |
| Response | <p>The incumbent government has undertaken extensive efforts thereby strengthening the anti-money laundering frameworks in the country. Several key reforms and acts have been passed and being implemented in its wake. The details are shared below.</p> <p><i>Assets Recovery Unit (ARU):</i></p> <p>In September 2018, the Govt. of Pakistan established Assets Recovery Unit (ARU) at the Prime Minister's Office to retrieve assets hidden overseas. According to sources, ARU has recovered PKR 530 million which were illegally sent abroad.</p> <p><i>Customs Pakistan:</i></p> <p>Other anti-money laundering measures have been taken by Directorate General of Customs Intelligence and DG Intelligence & Investigation Inland Revenue as both have been nominated as investigating agencies under AMLA 2010. DG I&I-IR received 335 suspicious transactions reports (STRs) involving 571 cases during the period from May, 2016 to Jan 2019.</p> <p><i>Benami Act:</i></p> <p>In March 2019, the Federal Board of Revenue enforced the Benami Transactions (Prohibition) Rules, 2019 to provide for the confiscation of undeclared accounts and assets and authorized the officials of the Inland Revenue Service to establish cases against Benami properties. If the crime of Benami transactions is proved, criminal proceedings will then be initiated against the accused persons following the imprisonment for one to seven years.</p> <p>A 'benami' transaction has been defined as:</p> <ol style="list-style-type: none"> 1) When a property is transferred to, or is held by, a person but it has been paid for by another person – a trustee and wife, child, brother or sister 2) A transaction or arrangement of a property made in a fictitious name, or a transaction or arrangement of a property where the owner is not aware of, or denies knowledge of, such ownership 3) A transaction or arrangement of a property where the person providing the consideration is not traceable or is fictitious. <p>According to office order issued by the FBR on August 1, in order to facilitate the authorities and to ensure efficient and effective implementation of anti-benami law the office of DG-ABI is being raised to ensure smooth and effective implementation and enforcement of Anti-Benami Act, 2017.</p> <p><i>Tax Amnesty Scheme:</i></p> <p>The Govt. has also launched a Tax Amnesty Scheme as one of its attempts to prevent money laundering and bring back foreign assets in the best interest of the country. The scheme is meant to tax the undisclosed assets and income. The scheme is not compulsory but any official of any government branch can avail amnesty on tax by declaring their undisclosed assets and income.</p> <p><i>Whistle-blower Protection and Vigilance Commission Bill:</i></p> <p>The Standing Committee on Law and Justice of National Assembly Pakistan has passed the draft Whistle-blower Protection and Vigilance Commission Bill recently in June 2019. Under the law, the whistle-blowers are entitled to a cash reward for providing credible information leading to the detection of a benami property or transaction.</p> |

Foreign Exchange Regulations (Amendment) or FERA Bill 2019:

The National Assembly Standing Committee on Finance & Revenue has approved amendments to the FERA Bill. The amendments empower the State Bank of Pakistan to regulate the inland movement of Foreign Currency to curb money laundering in case of violations law and enforcement agencies will be authorized to confiscate the currency and arrest the currency holders. Additionally, it bounds the financial institutions to promptly share information on money laundering with financial monitoring units.

Anti-Money Laundering Bill 2019:

Under the newly approved bill, money laundering is now a non-bailable offence. The Standing Committee also approved the empowerment of the investigation officers to attach properties involved in money laundering for six months as against the current period of three months. Also, the banks will be bound to file suspicious transactions report and on failing to do so the person concerned will be liable to give year imprisonment and a fine of Rs 500,000. It will also be mandatory to keep the record of the suspicious transaction for 10 years which is double the current period.

References

<https://fp.brecorder.com/2019/03/20190319456547/>
<https://www.thenews.com.pk/print/506929-fbr-creates-post-of-dg-anti-benami-initiative>
<https://timesofislamabad.com/12-Mar-2019/pti-government-assets-recovery-unit-makes-a-big-achievement-over-retrieving-illegal-money-sent-abroad>
<https://www.geo.tv/latest/231599-explainer-what-is-a-benami-transaction>
<http://download1.fbr.gov.pk/SROs/2019311153296811SRO326-2019BenamiTransactionsRules2019.pdf>
<https://www.samaa.tv/economy/2018/04/tax-amnesty-scheme-to-prevent-money-laundering-president/>
<https://fp.brecorder.com/2019/06/20190611485035/>
http://www.na.gov.pk/uploads/documents/1556805307_895.pdf
<https://dailytimes.com.pk/448737/pakistan-exerting-to-choke-terror-financing-evade-fatt/>

4. BENEFICIAL OWNERSHIP TRANSPARENCY

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| Indicator number | 4.1 |
| Indicator question(s) | To what extent does the law in your country clearly define beneficial ownership? |
| Scoring | ● 1: Beneficial owner is defined as a natural person who directly or indirectly exercises ultimate control over a legal entity or arrangement, and the definition of ownership covers control through other means, in addition to legal ownership |
| Response | <p>The term 'beneficial ownership' is defined as per Clause 7 of Companies Act 2017:</p> <p>"Beneficial ownership of shareholders or officer of a company means ownership of securities beneficially owned, held or controlled by any officer or substantial shareholder directly or indirectly, (a) either by him or her; (b) the wife or husband of an officer of a company, not being herself or himself an officer of the company; (c) the minor son or daughter of an officer where - son includes step-son and daughter includes step-daughter; and minor means a person under the age of eighteen years; (d) in case of a company, where such officer or substantial shareholder is a shareholder, but to the extent of his proportionate shareholding in the company</p> |
| References | https://fp.brecorder.com/2017/03/20170303147294/ http://www.na.gov.pk/uploads/documents/1487136261_767.pdf https://home.kpmg/content/dam/kpmg/pk/pdf/2018/02/A%20brief%20on%20the%20Companies%20Act%2C%202017%20-%20updated%203rd%2C%204th%20%26%205th%20Schedule.pdf |
| Indicator number | 4.2 |
| Indicator question(s) | Does the law require that financial institutions have procedures for identifying the beneficial owner(s) when establishing a business relationship with a client? |
| Scoring | ● 0.5: Financial institutions are required to identify the beneficial owners only in cases considered as high-risk, or the requirement does not cover the identification of the beneficial owners of both natural and legal customers |
| Response | <p>The Securities and Exchange Commission of Pakistan (SECP) has recently notified additional provisions in the Anti-Money Laundering and Countering Financing of Terrorism Regulations, 2018. The focus of the new provisions has been enhanced towards high-risk areas and taking a risk-based approach to identify the beneficial owners while introducing Simplified Due Diligence (SDD) for low risk customers.</p> <p>However, implementing SDD for low risk customers will enable financial institutions to focus their resources on high risk customers, which are subject to enhanced due diligence. Besides SDD for low-risk customers would also allow such customers to avail services of financial institutions with relative ease.</p> |
| References | https://www.secp.gov.pk/wp-content/uploads/2018/06/Press-Release-June-20-SECP-notifies-AML-and-CFT-Regulations-2018.pdf https://www.secp.gov.pk/document/circular-no-16-of-2018-register-of-ultimate-beneficial-ownership/?wpdmdl=32228 https://www.thenews.com.pk/print/384207-financial-institutions-asked-to-identify-beneficial-owner http://www.na.gov.pk/uploads/documents/1487136261_767.pdf |
| Indicator number | 4.3 |
| Indicator question(s) | Does the law specify which competent authorities (e.g. financial intelligence unit, tax authorities, public prosecutors, anti-corruption agencies, etc.) have access to beneficial ownership information? |
| Scoring | ● 1: Yes, the law specifies that all enforcement bodies, tax agencies, and the financial intelligence unit should have access to beneficial ownership information |
| Response | As per Circular 16 of 2018 by Corporatization and Compliance Department (CCD), Securities & Exchange Commission of Pakistan, the Commission may require the information from a company or a class or classes of companies relating to its/their ultimate beneficial owners or changes thereto within such time period as specified |

in the notice. Companies shall also provide this information to any other authority or agency of the Government pursuant to the powers to call for information entrusted by law to such authority or agency. For the purpose, each company shall authorize its chief executive officer or one of its directors to provide the requisite information to the concerned authorities, and provide further assistance as may be needed.

Similarly, as per the law, different authorities may have a recognizable legal interest in obtaining information on beneficial ownership and control in order to investigate suspected illicit activities. Law enforcement authorities investigating and prosecuting money laundering and other crimes, tax authorities verifying compliance with tax laws and securities regulators investigating market manipulation, unlawful insider trading and fraud are just some of the authorities who may require information on beneficial ownership and control. Courts may also need such information in the context of corporate self-dealing and other litigation cases.

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| References | http://www.na.gov.pk/uploads/documents/1487136261_767.pdf https://home.kpmg/content/dam/kpmg/pk/pdf/2018/10/Flyer%20-Circular%2016.pdf https://fp.brecorder.com/2018/11/20181103420918/ https://fp.brecorder.com/2019/02/20190214446976/ |
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| Indicator number | 4.5 |
| Indicator question(s) | Which public authority supervises/holds the company registry? |
| Response | The Federal Board of Revenue (FBR), Securities and Exchange Commission of Pakistan (SECP), and Pakistan Stock Exchange (PSX) are the public bodies which supervise the company registry in Pakistan. Recently, the two authorities, FBR and SECP, have also launched a one-window facility for Company incorporation and National Tax Number (NTN) registration to facilitate registration process. |
| References | https://epaper.brecorder.com/2018/05/01/1-page/714301-news.html http://pkrevenue.com/taxation/fbr-issues-procedure-for-obtaining-ntn-company-registration/ |

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| Indicator number | 4.6 |
| Indicator question(s) | What information on beneficial ownership is recorded in the company registry? |
| Scoring | ● 1: All relevant information is published online: name of the beneficial owner(s), identification or tax number, personal or business address, nationality, country of residence and description of how control is exercised |
| Response | <p>As per Circular No. 16 issued by Security Exchange Commission Pakistan, in reference to the Companies Act, 2017, the minimum information of ultimate beneficial owner that is required to be maintained in the register includes:</p> <ol style="list-style-type: none"> Full name of the beneficial owner, Father's name/husband name, NIC/NICOP/Passport number, Nationality, Country of origin (in case of foreign national or dual national), Email address (if available), Usual residential address, Date on which name was entered in the register and Date on which the person ceased to be a beneficial owner along with reasons of cessation. |
| References | https://www.secp.gov.pk/document/circular-no-16-of-2018-register-of-ultimate-beneficial-ownership/?wpdmdl=32228 https://home.kpmg/content/dam/kpmg/pk/pdf/2018/10/Flyer%20-Circular%2016.pdf https://www.brecorder.com/2018/11/04/450443/secp-rationalizes-requirement-to-maintain-ultimate-beneficial-ownership-information/ |

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| Indicator number | 4.7 |
| Indicator question(s) | What information on beneficial ownership is made available to the public? |
| Scoring | ● 0: No information is published, or accessible information is insufficient to identify direct or beneficial owners |
| Response | Adequate, accurate and up-to-date information has to be available with the companies on the ultimate (actual) beneficial ownership and control of legal persons that can be accessed in a timely manner only by competent authorities. |
| References | https://www.secp.gov.pk/document/circular-no-16-of-2018-register-of-ultimate-beneficial-ownership/?wpdmdl=32228 |
| Indicator number | *4.8 |
| Indicator question(s) | Does the law require legal entities to update information on beneficial ownership, shareholders, and directors provided in the company registry? |
| Scoring | ● 0.75: Yes, legal entities are required to update the information on beneficial ownership or directors/shareholders within 30 days after the change |
| Response | As per Circular No. 16 issued by Security Exchange Commission Pakistan (SECP), in reference to the Companies Act 2017, all the companies are required to obtain and maintain information from their members and shareholders about their ultimate beneficial owners within ninety days of this circular and within thirty days in case of any subsequent change in ultimate beneficial ownership information. |
| References | https://www.secp.gov.pk/document/circular-no-16-of-2018-register-of-ultimate-beneficial-ownership/?wpdmdl=32228 |
| Indicator number | *4.10 |
| Indicator question(s) | What is the country's score in the Open Company Data Index produced by Open Corporates http://registries.opencorporates.com? |
| Response | Pakistan scored 20 out of 100 in the Open Company Data Index produced by Open Corporates. Disaggregating the score, the country ranked 20/20 in the indicator of 'Freely searchable' basic company data, while scored nil in the remaining 5 indicators, which include licensing, free availability of company data, public availability of data on company directors, public availability of data on shareholders, and free availability of Annual Accounts. |
| References | http://registries.opencorporates.com/jurisdiction/pk |
| Indicator number | 4.11 |
| Indicator question(s) | How strong is the level of transparency of the company registry in practice? a. Is the registry easily accessible online? Is it searchable by various relevant parameters (such as addresses of registration, company name, company ID and by the names of directors and owners)? b. Is access free? If not, how much do you have to pay for search and receive the ownership information of one company? c. Are annual accounts and other filings of companies accessible to the public? d. Is registration required for the entity to be legally valid and/or allowed to operate in the country? |
| Response | a. Yes, the SECP's company registry is accessible online. It is only searchable by Company Name. Other than SECP, Pakistan Bureau of Statistics (PBS) also publish company registration and ownership information. b. No, the access is not free. No payment details are available on SECP and PBS websites. |

c. Yes, the annual accounts and annual filings of publicly incorporated companies (listed in PSX) is accessible to public but to some extent only. The annual accounts are usually not publicly accessible for all the years.

d. For any entity to be legally valid and operational, registration with FBR and SECP is required.

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| References | https://eservices.secp.gov.pk/eServices/NameSearch.jsp https://www.psx.com.pk/psx/resources-and-tools/listings/listed-companies http://www.pbs.gov.pk/content/business-register https://epaper.brecorder.com/2018/05/01/1-page/714301-news.html |
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| Indicator number | 4.12 |
| Indicator question(s) | Have there been any developments in the past two years that indicate an improvement or deterioration of the transparency of corporations and other legal entities? |
| Response | <p>Recent developments specifically over the past few years indicate an improvement of the transparency of corporations and other legal entities. The enactment of the Companies Act 2017 is a major development in the context of governance and transparency of corporations and other legal entities. The Act puts a high emphasis on the requirement of disclosure of beneficial ownership for all the legal entities following the recommendations of the Financial Action Task Force (FATF).</p> <p>A newly inserted provision of the Act is also meant to prevent offences related to fraud, money laundering, and terrorist financing with non-compliance subject to stringent punishment of imprisonment for up to three years along with fine of up to Rs. 100,000/-.</p> <p>Moreover, the Security Exchange Commission of Pakistan (SECP) has amended the Intermediaries (Registration) Regulations, 2017. The amended regulation places compliance obligation for conducting customer due diligence and reporting suspicious transactions to Financial Monitoring Unit on the intermediaries.</p> |

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| References | http://www.na.gov.pk/uploads/documents/1487136261_767.pdf https://www.psx.com.pk/psx/themes/psx/documents/legal-framework/SECP/regulations/secp-(aml-and-cft)-regu-2018/SecExg_LicensingOperations_Reg16.pdf https://home.kpmg/content/dam/kpmg/pk/pdf/2018/02/A%20brief%20on%20the%20Companies%20Act%2C%202017%20-%20updated%203rd%2C%204th%20%26%205th%20Schedule.pdf https://www.secp.gov.pk/wp-content/uploads/2018/12/Press-Release-Dec-18-SECP-tells-intermediaries-to-ensure-AML-due-diligence.pdf https://tribune.com.pk/story/1791710/2-secp-directs-companies-reveal-names-real-owners/ https://fp.brecorder.com/2017/07/20170730203314/ |
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5. RECOVERY OF STOLEN ASSETS

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| Indicator number | 5.1 |
| Indicator question(s) | Does the country have a specific asset recovery policy? |
| Scoring | ● 0.5: The country has adopted an asset recovery policy, but fails to address some important aspects |
| Response | <p>The country has an asset recovery policy in place to recover looted wealth and illegal money sent abroad. Under UNCAC, Pakistan has established the National Accountability Bureau (NAB) as an autonomous, federal anti-corruption institution which is also responsible to oversee recovery of illegal assets from overseas. In addition, the incumbent Government of Pakistan has also established an Asset Recovery Unit (ARU) to recover the looted wealth and properties abroad. According to news sources, the unit has recovered money worth 530 million PKR illegally sent abroad.</p> <p>As per the recently passed Anti Money Laundering (Amendment) Bill 2019 Pakistan, money laundering has been made a cognizable and non-bailable offense as it aims to curb all forms of illegal foreign exchange transactions.</p> <p>The proposed amendment will allow prompt investigation of money laundering offenses to address the risks of removal of concealment of any money or other property associated with money laundering due to time consumed in obtaining court order.</p> |
| References | <p>https://fp.brecorder.com/2019/06/20190601482963/</p> <p>https://nation.com.pk/31-Jul-2019/na-body-clears-anti-money-laundering-foreign-exchange-regulation-bills-2019</p> <p>https://timesofislamabad.com/12-Mar-2019/pti-government-assets-recovery-unit-makes-a-big-achievement-over-retrieving-illegal-money-sent-abroad</p> <p>https://tribune.com.pk/story/1984379/1-bound-act-upon-complaints-fbr-asset-recovery-unit-law-ministry/</p> <p>https://nation.com.pk/12-Aug-2018/dormant-law-of-anti-money-laundering-act-2010</p> |
| Indicator number | 5.2 |
| Indicator question(s) | Has the country established a wide range of asset recovery mechanisms, including a) measures that allow for the seizure and confiscation of proceeds from money laundering without requiring a criminal conviction (non-conviction based confiscation), b) a policy that requires an offender to demonstrate that the assets were acquired lawfully, and c) the recognition/enforceability of foreign non-conviction based confiscation/forfeiture orders? |
| Scoring | ● 0.5: The country has adopted two of the above mechanisms |
| Response | <p>The Anti-Money Laundering Act 2010 of Pakistan provides for the recognition/enforceability of foreign non-conviction based confiscation/forfeiture orders. As per the newly included provision in Section 3 of the Act, the conviction of an accused for the respective predicate offence shall not be required for the purposes of proving an offense.</p> <p>However, the Act doesn't include any provision on burden of proof or seizure of proceeds from money laundering without requiring a criminal conviction (non-conviction-based confiscation).</p> <p>Similarly, it requires an offender to demonstrate that the assets were acquired lawfully</p> |
| References | http://www.fmu.gov.pk/wp-content/uploads/2020/03/Anti-Money-Laundering-Act-2010-as-amended-upto-Feb.-2020.pdf |
| Indicator number | 5.3 |
| Indicator question(s) | Has the country created a specialized asset recovery team or unit? |
| Scoring | ● 1: There is a team, unit or agency that specializes in asset recovery and the legal framework provides sufficient political independence and resources to carry out its responsibilities |

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| Response | A multi-agency Assets Recovery Unit (ARU), headed by the Special Assistant to Prime Minister on Accountability, has been set up by the federal government. |
| References | https://nation.com.pk/05-Dec-2018/a-discourse-on-accountability-iii https://tribune.com.pk/story/1796272/1-assets-recovery-unit-can-access-govt-department/ |

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| Indicator number | 5.4 |
| Indicator question(s) | Is there evidence of a strong political commitment to promoting asset recovery? |

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| Response | <p>Yes, the current government has shown strong political commitment to promotion of asset recovery. Upon assuming the office, Prime Minister of Pakistan, Mr. Imran Khan, established an Asset Recovery Unit (ARU) comprising of officials from National Accountability Bureau (NAB) and Federal Investigation Agency (FIA) to investigate over 10,000 foreign properties owned by Pakistanis. In his commitment to brand money laundering an evil practice, the Prime Minister has formed an intergovernmental body to coordinate efforts on anti-money laundering and countering financing of terrorism (AML/CFT).</p> <p>A number of steps have been taken by state bodies including Securities and Exchange Commission of Pakistan, Federal Board of Revenue, and State Bank of Pakistan, which shows their commitment to promoting asset recovery. For example:</p> <ol style="list-style-type: none"> 1) The Securities and Exchange Commission of Pakistan (SECP), in reference to the Companies Act 2017, has recently obliged the companies in Pakistan to obtain and maintain information from their members and shareholders about their ultimate beneficial owners within ninety days of this circular and within thirty days in case of any subsequent change in ultimate beneficial ownership information. 2) The Securities and Exchange Commission of Pakistan (SECP) has also notified additional provisions in the Anti-Money Laundering and Countering Financing of Terrorism Regulations, 2018. The focus of the new provisions is towards high-risk areas and taking a risk-based approach to identify the beneficial owners while introducing Simplified Due Diligence (SDD) for low risk customers in order to enable financial institutions to focus their resources on high risk customers. 3) State Bank of Pakistan's (SBP) has recently updated its Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Regulations which prohibit the banks and DFIs in Pakistan to open or maintain anonymous accounts or accounts in the name of fictitious persons or numbered accounts. 4) SBP's regulations also require all Banks/DFIs to apply Customer Due Diligence (CDD) measures and report suspicious transactions/currency transactions in the context of money laundering or financing of terrorism. |
| References | https://www.secp.gov.pk/document/circular-no-16-of-2018-register-of-ultimate-beneficial-ownership/?wpdmdl=32228 https://www.pakistantoday.com.pk/2018/10/05/asset-recovery-unit-to-start-investigating-over-10000-foreign-properties-owned-by-pakistanis/ https://www.secp.gov.pk/wp-content/uploads/2018/06/Press-Release-June-20-SECP-notifies-AML-and-CFT-Regulations-2018.pdf https://www.dawn.com/news/1487779 |

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| Indicator number | 5.5 |
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| Indicator question(s) | Does the country actively participate in international cooperation networks focusing on asset recovery? |
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| Response | The Government of Pakistan has shown promising participation with respect to international cooperation on asset recovery. Pakistan is a member of the Stolen Asset Recovery Initiative (StAR) - an International Partnership on Asset Recovery between the World Bank Group and the United Nations Office on Drugs and Crime (UNODC), which supports international efforts to end safe havens for corrupt funds and works with developing countries and financial centres to prevent the laundering of the proceeds of corruption. |
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Pakistan also had its second National Money Laundering/Terrorist Financing Risk Assessment conducted by the StAR team in March 2019. Pakistan's key authorities working on asset recovery – Asset Recovery Unit, the Financial Monitoring Unit, the National Accountability Bureau, and the Securities and Exchange Commission of Pakistan – discussed areas for assistance with the StAR team. The team also issued recommended actions to the government of Pakistan.

Pakistan also participated in Regional Workshop on “International Cooperation in Asset Recovery and Confiscation of Illicit Assets originating from Drug Production and Trafficking” hosted by United Nations Office on Drugs and Crime (UNODC) in 2013, where senior officials from eight countries including Afghanistan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan and Uzbekistan participated.

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| References | https://star.worldbank.org/sites/star/files/networks-16-reduced-maps.pdf https://www.unodc.org/pakistan/en/international-cooperation-in-asset-recovery-and-confiscation-of-illicit-assets-originating-from-drug-production-and-trafficking.html |
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6. FIGHT AGAINST ORGANISED CRIME (OPTIONAL)

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| Indicator number | *6.1 |
| Indicator question(s) | Is there evidence of strong public trust in the integrity of the police? |
| Response | According to the Global Corruption Barometer report 2017, 75% of the respondents stated that they have paid a bribe to the police during the past year. 75% of the respondents in TI's GCB 2017 survey stated that they believed many or all of the members of the police were involved in corruption (19% stated they believed only some or no member of the police to be corrupt). Hence, as per the data, the perception of the police as one of the most corrupt entities in Pakistan continues. |

Target 16.5: “Substantially reduce corruption and bribery in all their forms.”

8. EXPERIENCE AND PERCEPTIONS OF CORRUPTION

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| Indicator number | 8.1 |
| Indicator question(s) | ___% of respondents state that they or a member of their household made an unofficial payment or gift when coming into contact with public services over the past 12 months, according to Transparency International's Global Corruption Barometer (or similar national surveys). |
| Response | <p>According to Transparency International's Global Corruption Barometer 2017, among the respondents who had contact with at least one public service in the past 12 months, overall, 40% of respondents had to pay a bribe to access basic public service.</p> <p>In terms of the services to be availed, over 60 per cent had to make an unofficial payment or gift to get the basic Utilities services; to a police officer; and to a judge or court official, each. Around 31-45 per cent had to make an unofficial payment or gift to a government official in order to get the document (ID, voter's card, permit). Around 6-15 per cent had to make an unofficial payment or gift to a teacher or school official and to a health worker or clinic or hospital staff, each.</p> |
| Reference | <p>Global Corruption Barometer Report 2017</p> <p>https://www.transparency.org/whatwedo/publication/people_and_corruption_asia_pacific_global_corruption_barometer</p> |
| Indicator number | 8.2 |
| Indicator question(s) | ___% of respondents state that corruption or bribery is one of the three most important problems facing this country that the government should address, according to Transparency International's Global Corruption Barometer (or similar national surveys). |

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| Response | 35% of respondents believe that the level of corruption has increased in the country as per GCB 2017. |
| Indicator number | 8.3 |
| Indicator question(s) | ___% of respondents state that their government performs “badly” at fighting corruption in government, according to Transparency International’s Global Corruption Barometer. |
| Response | According to Transparency International’s “People and Corruption: Asia Pacific Global Corruption Barometer 2017”, 55% of the respondents stated that their respective governments perform badly at fighting corruption in the public sector. |
| Reference | a) https://www.transparency.org/whatwedo/publication/people_and_corruption_asia_pacific_global_corruption_barometer |
| Indicator number | 8.4 |
| Indicator question(s) | In Transparency International’s most recent Corruption Perceptions Index 2019, the country scored points on a scale of 0 (highly corrupt) to 100 (very clean), ranking ___ out of 180 countries. |
| Response | Pakistan scored 32 points out of 100 and was ranked 120 out of 180 countries in Transparency International’s most recent Corruption Perceptions Index 2019. |
| Reference | https://www.transparency.org/country/PAK |
| Indicator number | 8.5 |
| Indicator question(s) | Has corruption experienced by people increased or decreased in recent years? Compare data from the most recent edition of the Global Corruption Barometer 2017 with data from the 2013 edition (if no data is available for your country, try to find other relevant surveys you could use for a comparison over time). |
| Response | According to GCB report 2013, 54 per cent of the respondents have stated that corruption was on the rise over the past two years. Whereas, in 2017, 35 per cent of the respondents have claimed that the level of corruption has increased. This shows that corruption experienced by people in Pakistan has decreased by 19 per cent over those four years. GCB beyond year 2017 has not been published yet. |
| Reference | Global Corruption Barometer Report 2017 https://www.transparency.org/whatwedo/publication/people_and_corruption_asia_pacific_global_corruption_barometer |

9. ANTI-CORRUPTION FRAMEWORK AND INSTITUTIONS

| Indicator number | 9.1 |
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| Indicator question(s) | <p>Are the following offences clearly defined and banned by criminal law?</p> <ul style="list-style-type: none"> a. Active bribery of domestic public officials, in line with Art. 15(a) of UNCAC b. Passive bribery of domestic public officials, in line with Art. 15(b) of UNCAC c. Embezzlement, misappropriation or other diversion of property by a public official, in line with Art.17 of UNCAC d. Trading in influence, in line with Art. 18 of UNCAC e. Abuse of functions, in line with Art. 19 of UNCAC f. Illicit Enrichment, in line with Art. 20 of UNCAC g. Bribery in the private sector, in line with Art. 21 of UNCAC h. Embezzlement of property in the private sector, in line with Art. 22 of UNCAC i. Laundering the proceeds of crime, in line with Art. 23 of UNCAC j. Concealment, in line with Art. 24 of UNCAC k. Obstruction of justice, in line with Art. 25 of UNCAC |
| Scoring | <ul style="list-style-type: none"> ● 0.5: The offence is banned, but there are shortcomings in its definition ● 1: The offence is clearly defined and banned ● 1: The offence is clearly defined and banned ● 0.5: The offence is banned, but there are shortcomings in its definition ● 1: The offence is clearly defined and banned ● 1: The offence is clearly defined and banned ● 0.5: The offence is banned, but there are shortcomings in its definition ● 0.5: The offence is banned, but there are shortcomings in its definition ● 0: The offence is not adequately defined or not banned ● 1: The offence is clearly defined and banned ● 0.5: The offence is banned, but there are shortcomings in its definition |
| Response | <p>a) The National Accountability Ordinance (NAO) and Pakistani Penal Code (PPC) applies to individuals and makes it illegal to offer, pay or accept a bribe. However, the mere promise of a bribe is not an offense under Pakistani law.</p> <p>b) According to UNCAC review report of Pakistan by UNODC:</p> <p>Active and passive bribery are largely criminalized through National Accountability Ordinance (NAO) sections 9 (a) (i), (ii), (iv) and (vi) and Pakistan Penal Code (PPC) sections 161-163 and 165, with the absence of the promise of a bribe. Companies can be held civilly liable under the Prevention of Corruption Act.</p> <p>The Government Servants (Conduct) Rules impose regulations on gifts and hospitality offered to civil servants.</p> <p>c) According to UNCAC review report of Pakistan by UNODC:</p> <p>Embezzlement, misappropriation, etc., in the public and the private sector are both criminalized through National Accountability Ordinance (NAO) section 9 (a)(iii) and (ix)-(xi) and Pakistani Penal Code (PPC) sections 405 and 406.</p> <p>National Accountability Ordinance contains a passage stating that unexplained assets are seen as corruption and the responsibility to present proof that the assets were legitimately obtained rests with the accused.</p> <p>d) According to UNCAC review report of Pakistan by UNODC:</p> <p>Trading in influence is largely criminalized through PPC sections 161 -163 together with NAO section 9 (a) (i), (ii), (vi) and (xii), although here too the element of promise is lacking.</p> |

e) According to UNCAC review report of Pakistan by UNODC:

Abuse of functions is criminalized through various provisions on misuse of power and breach of trust (NAO sect. 9 (a) (iii) and (vi), PPC sects. 405 and 409, and PCA sect. 5 (d)).

The full preamble of the National Accountability Ordinance provides a broad reference with multiple scenarios of abuse of authority and functions described therein.

f) According to UNCAC review report of Pakistan by UNODC:

Illicit enrichment has been criminalized through a joint reading of NAO sections 9 (a) (iv) and (v) and 14 (c), together with PCA section 5.

There have been also introduced new laws which make it mandatory to civil servants and parliamentarians to declare their assets and income. These laws are named as:

- Voluntary Declaration of Domestic Act 2018
- Foreign Assets (Declaration and Repatriation) Act
- Election Act 2017

g) According to UNCAC review report of Pakistan by UNODC:

Private sector bribery is criminalized in NAO section 9 (a) when read together with section 14 (c), as clarified by a 2002 Supreme Court judgment, which held that the notion of “any other person” applies equally to private persons and the private sector.

The same range of sanctions applies as in cases of bribery of a public official. However, the original Act document doesn't focus on private sector bribery explicitly.

h) According to UNCAC review report of Pakistan by UNODC:

Embezzlement, misappropriation, etc., in the public and the private sector are both criminalized through NAO section 9 (a) (iii) and (ix)-(xi) and PPC sections 405 and 406. However, the original Act document doesn't focus on private sector bribery explicitly.

i) According to UNCAC review report of Pakistan by UNODC:

Pakistan is not party to any multilateral treaty on such transfers. There is no legislation or practice in Pakistan on the transfer of criminal proceedings.

j) According to UNCAC review report of Pakistan by UNODC:

All aspects of money-laundering — i.e., participation, conspiracy to commit, as well as aiding, abetting etc. — are comprehensively criminalized through the Anti-Money Laundering Act 2010 (AMLA), in particular section 3, which also criminalizes self-laundering.

Pakistan has established an exhaustive schedule of predicate offences, which includes corruption offences (AMLA sect. 2), last updated May 2016. The reversal of the burden of proof is allowed through NAO section 14. Concealment is also criminalized through AMLA section 3.

k) According to UNCAC review report of Pakistan by UNODC:

Obstruction of justice through falsification of evidence and false testimony, or that otherwise interferes with the course of justice is criminalized in a general sense (NAO sects. 30 (a) and 31). The elements of promise, offering or giving of undue advantage in relation to the obstruction are not established.

Obstructing a public official in discharge of a public function, and threats, assault or criminal force towards a public official are criminalized through PPC sections 186, 189 and 353.

References

<https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/Implementati onReviewGroup/ExecutiveSummaries/V1705613e.pdf>

<https://www.ganintegrity.com/portal/country-profiles/pakistan/>

<http://www.pakistani.org/pakistan/legislation/1860/actXLVof1860.html>

<http://www.fia.gov.pk/en/law/Offences/5.pdf>
[http://www.fab.gov.pk/images/pdf/Estacode%202007%20Volume%20II%20\(New\)/Chap9allin+one.pdf](http://www.fab.gov.pk/images/pdf/Estacode%202007%20Volume%20II%20(New)/Chap9allin+one.pdf)
<http://www.sbp.org.pk/about/act/AML-Ordinance-2007.pdf>
<http://nab.gov.pk/Downloads/nao.asp>
<https://www.thenews.com.pk/print/390579-new-anti-graft-law-criminalises-offering-bribes>
<https://track.unodc.org/LegalLibrary/pages/LegalResources.aspx?country=Pakistan>

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| Indicator number | *9.3 |
| Indicator question(s) | <p>Anti-Corruption Agency</p> <p>a. To what extent is there formal operational independence of the Anti-Corruption Agency (ACA), and what evidence is there that, in practice, it can perform its work without external interference?</p> <p>b. To what extent does it have adequate resources and capacity to achieve its goals in practice?</p> <p>c. To what extent are there mechanisms in place to ensure the integrity of the ACA, and to what extent is its integrity ensured in practice?</p> <p>d. To what extent does the ACA engage in preventive, educational and investigation activities on corruption and alleged corruption cases?</p> |
| Response | <p>a) National Accountability Bureau (NAB) is the most recent of the existing Anti-Corruption Agency (ACA) in Pakistan which enjoys a high level of autonomy. It has the power to transfer cases being investigated by the Anti-corruption Establishments (ACEs) and have exclusive jurisdiction over the provincial legislators.</p> <p>b) NAB is generally criticised for having lacked the capacity and competence in its investigation due to its lack of conviction success in cases considered to be white collar crimes.</p> <p>c) NAB is criticised for lacking the capacity to perform the sophisticated task of forensic investigation. NAB is also criticised for its lack of conviction success in cases considered to be white collar crimes.</p> <p>d) According to the recent amendments in National Accountability Ordinance (NAO), NAB is now empowered to undertake prevention and awareness in addition to its enforcement functions.</p> <p>The National Accountability Bureau (NAB) has engaged different organisations, civil society and other segments of society to raise awareness among citizens about ill effects of corruption under its special campaign across the country.</p> <p>ATM machines of all scheduled banks in Pakistan now carry the "Say No to Corruption" message. Moreover, the bureau had organised a national seminar on World Anti-Corruption Day at Aiwan-e-Sadr where diplomats, civil society representatives, senior government officers and media participated.</p> <p>NAB also organised a walk at Aiwan-Sadr which was led by the president in which people from all walks of life participated and joined hands with NAB in its awareness campaign. Moreover, NAB and Higher Education Commission (HEC) signed a Memorandum of Understanding (MoU) for creating awareness amongst students of various universities and colleges.</p> <p>However, NAB is criticized to be selective in its investigation and accountability process. NAB is also criticized to limit itself to investigation and has a limited role in prevention.</p> |
| References | <p>http://www.transparency.org.pk/documents/NIS%20-%20Country%20Study%20Report%202003.pdf</p> <p>https://tribune.com.pk/story/1474283/nabs-awareness-campaign-proves-effective/</p> <p>https://dailylimes.com.pk/357675/nab-and-white-collar-crimes-2/</p> |

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| Indicator number | *9.4 |
| Indicator question(s) | <p>Supreme Audit Institution</p> <p>a. To what extent is there formal operational independence of the audit institution, and what evidence is there that, in practice, it can perform its work without external interference?</p> <p>b. To what extent does it have adequate resources and capacity to achieve its goals in practice?</p> <p>c. To what extent are there mechanisms in place to ensure the integrity of the audit institution, and to what extent is its integrity ensured in practice?</p> <p>d. To what extent does the audit institution provide effective audits of public expenditure? Are its reports, findings, and recommendations available to the public?</p> |
| Response | <p>The Auditor General of Pakistan (AGP) is the supreme audit institution (SAI) in the country. The AGP is the only institution mandated by the Constitution of Pakistan for ensuring accountability and transparency in governmental operations.</p> <p>a) The AGP enjoys a constitutional status that ensures independence and continuity of its operations. The Auditor General is appointed by the President of Pakistan. As per Article 168 of the Constitution of Pakistan, “the Auditor-General shall not be removed from office except in the like manner and on the like grounds as a Judge of the Supreme Court.” The budget of the Auditor General is classified as charged expenditure, which means it is not voted upon by the Parliament. That further gives a degree of independence to the office.</p> <p>The AGP has powers of requisitioning all records of the auditee departments/organizations to discharge its mandate as per section 14 of the Auditor Generals (Functions, Powers and Terms and Condition of Service) Ordinance, 2001. The AGP though does not have powers to take punitive action and impose surcharges or to instruct government investigating agencies to perform activities considered necessary.</p> <p>b) Auditor General has an audit office in every disbursement department, which carries out post audit of all payments. The Auditor General is assisted by a qualified staff which depicts the adequate strength and capacity of the office to perform its operations. AGP can expend resources budgeted independently as per section 19 of the Auditor Generals Ordinance, 2001, and it has full independence in forming its work plan.</p> <p>c) There is no mechanism to secure accountability of AGP. However the Auditor General gets an assurance on this account through audit of the expenditure of this office from senior officers of the Military Accounts department or Railway Accounts Department.</p> <p>AGP reports to the Public Accounts Committees (PAC) on follow up actions. The audit findings are examined by the Public Accounts Committees of the Federal and Provincial Governments and the Executive departments are responsible for enforcement of directions of the Public Accounts Committee.</p> <p>d) The reports of Auditor General of Pakistan (AGP) are publicly available on its website. AGP can share audit reports with public and media after formal reporting.</p> <p>The AGP prescribes Financial, Compliance, Performance and EDP Audits in its scope of Audit. The AGP conducts Special Audits and follows the international best practices in conduct of audits.</p> |
| References | <p>http://www.agp.gov.pk/index.php?page=about</p> <p>http://www.pac.na.gov.pk/</p> <p>http://www.transparency.org.pk/documents/NIS%20-%20Country%20Study%20Report%202003.pdf</p> |

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| Indicator number | *9.5 |
| Indicator question(s) | <p>Judiciary</p> <p>a. To what extent is the judiciary independent by law, and to what extent does it operate without interference from the government or other actors?</p> <p>b. To what extent are there laws seeking to ensure appropriate tenure policies, salaries and working conditions of the judiciary, and does it have adequate levels of financial resources, staffing, and infrastructure to operate effectively in practice?</p> <p>c. To what extent does the public have access to judicial information and activities in practice? To what extent is the integrity of members of the judiciary ensured in practice?</p> <p>d. To what extent is the integrity of members of the judiciary ensured in practice? To what extent is the judiciary committed to fighting corruption through prosecution and other activities?</p> |
| Response | <p>According to TI Pakistan's Country Report on National Integrity Systems:</p> <p>a) The Supreme Court is the court of ultimate jurisdiction in Pakistan. It is the final arbiter of the law and the Constitution. The Constitution of Pakistan provides for the independence of judiciary, and, its separation from the Executive. The Supreme Court and High Courts also possess a degree of financial autonomy. These superior courts are also empowered to make their own rules of, practice/procedure, hire/fire their staff and determine their terms and conditions of service.</p> <p>b) The judicial system in Pakistan follows a definite system to ensure appropriate tenure policies, salaries and working conditions of the judiciary. The qualifications of Judges, their appointment, service conditions, salary, pension etc are also laid down in the Constitution. The remuneration of judges and other administrative expenditures of the Supreme Court and High Courts are charged on the Federal/Provincial Consolidated Fund, which means it may be discussed but cannot be voted upon in the legislature.</p> <p>The judiciary bodies of Pakistan face inadequate budgetary allocation. Unfortunately, the administration of justice, so far has been regarded merely as a welfare service to the community rather than a social responsibility. As a result, the judiciary is suffering from the problem of under-staffing (both judicial and ministerial), lack of courtrooms, lack of equipment, etc. The situation is reflective from the fact that there is an ever-increasing backlog of 1.9 million pending cases in different courts that needs to be dealt by 4100-strong members of judiciary.</p> <p>c) In order to enhance public access to judicial information and to make judicial system more responsive to the needs of people approaching court for redressal of their grievances, the high courts and the Supreme Court have established relevant portals and publicly accessible websites providing information on Cases, judgements, Cause List, personalized Case Alert system etc. In its most recent effort, the Chief Justice of Pakistan Mr. Justice Asif Saeed Khan Khosa inaugurated a Mobile App 'Supreme Court of Pakistan' and 1818 Supreme Court Call Center in November 20, 2019. The mobile app provides the following services: i) Case search with complete history of the case, ii) Judgment search using multiple parameters, iii) Personalized cause list search for registered users, iv) Important news highlights, v) Roster search, vi) User profile and registration and vii) Personalized notifications. While the Supreme Court Call Centre (1818) allows the public to avail information regarding Judgments, Case search, Rosters, Cause list and Process related queries.</p> <p>d) Multiple steps and provisions are in place to ensure integrity of the members of Judiciary is not compromised. One important aspect pertains to financial autonomy of High Courts and Supreme Court. It was stipulated in the Supreme Court ruling in the case of Government of Sind v Sharaf Faridi case where it was mentioned that the legislature shall not trespass into the domain of the judiciary while making legislation. The judgment stated that any such legislation will be against the concept of trichotomy of power and independence of the judiciary as ensured by the Constitution. The Court also held that the independence of judiciary also means the elimination of financial control of the Executive over the Judiciary, and therefore, the Chief Justice of the Supreme Court and High Courts were authorised to make reappropriation of funds within the budgetary allocation,</p> |

without the approval of Finance Ministry. The Supreme Court also exercises original jurisdiction in inter-governmental disputes, be that dispute between the Federal Government and a provincial government or among provincial governments. The Court appoints its own staff and determines their terms and conditions of service as per the Supreme Court (Appointment of Officers and Servants and Terms of Service) Rules 1982.

The Constitution of Pakistan also contains elaborate provisions on the qualifications of Judges, their mode of appointment, jurisdiction and powers. Particularly, the President appoints the Chief Justice of Pakistan. The other Judges are also appointed by the President but after consultation with the Chief Justice of Pakistan. The Constitution stipulates the qualifications of Judges of the Supreme Court. Such qualifications are: to be a citizen of Pakistan and having 5-year experience as Judge of a High Court or 15-year experience as a practicing advocate of a High Court. A Judge holds office until attaining the age of 65 years, unless resigns earlier or is removed from office, in accordance with the Constitution. No Judge may be removed from office except on the grounds specified by the Constitution namely physical or mental incapacity, or misconduct, to be determined by the Supreme Judicial Council. Supreme Judicial Council itself consists of 8 senior judges of the Supreme Court and High Courts.

Corruption in Pakistan's legal and judicial system plays a major role in the spread of this malaise in society. The Judiciary in general fails to provide real justice and remedy for wrongs, which only increases corruption across society. The problem of corruption is also acute in the subordinate judiciary where money has to be paid at virtually every step of the judicial process in order to make it move forward. The public perceives prevalence of corruption at all levels of the judiciary. In a TI-Pakistan's survey 60% of respondents interacting with the courts had faced corrupt practices on the part of court officials and clerks.

References

<http://www.transparency.org.pk/documents/NIS%20-%20Country%20Study%20Report%202003.pdf>

10. PRIVATE SECTOR CORRUPTION

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| Indicator number | 10.1 |
| Indicator question(s) | Is it a criminal offence under the country's laws to bribe a foreign public official? |
| Scoring | ● 0.5: The offence is banned, but there are shortcomings in its definition |
| Response | The bribery of foreign officials is partially criminalized (NAO sects. 4 and 9 (a) (i)), however without reference to the Convention's wider third party beneficiary "any other person". |
| Reference | https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/Implementation/ReviewGroup/ExecutiveSummaries/V1705613e.pdf http://nab.gov.pk/Downloads/nao.asp#Presumption_17 |
| Indicator number | 10.2 |
| Indicator question(s) | Does the country's legal framework prohibit collusion? Does the legal framework prohibit hard core cartels (when firms agree not to compete with one another), including fixing prices, making rigged bids (collusive tenders), establishing output restrictions quotas, and sharing or dividing markets by allocating customers, suppliers, territories or lines of commerce? |
| Scoring | ● 1: The law prohibits hard core cartels and collusion |
| Response | Yes. The Competition Act, 2010 of Pakistan prohibits firms to practice any kind of abuse of dominant market position including but not limited to: <ul style="list-style-type: none"> • Limiting production, sales, and unreasonable increases in price • Price discrimination – charging different prices for the same goods or services from different customers without any objective justification • Tie-ins – making sales of goods and services conditional on the purchase of other goods and services • Prevent new entry and monopolize the market • Boycotting or excluding any other undertaking from the production, distribution, or sales of any goods or service |
| References | https://www.ganintegrity.com/portal/country-profiles/pakistan/ http://www.cc.gov.pk/images/Downloads/competitionn_act_2010.pdf http://www.na.gov.pk/uploads/documents/1306740606_319.pdf |
| Indicator number | 10.3 |
| Indicator question(s) | Is the ban on foreign bribery enforced? |
| Response | According to UNCAC review report of Pakistan by UNODC: Pakistan's legal framework only partially criminalizes bribery of foreign officials (NAO sects. 4 and 9 (a) (i)). Thus, the law cannot be effectively enforced. The bribery of foreign officials is partially criminalized (NAO sects. 4 and 9 (a) (i)), however without reference to the Convention's wider third-party beneficiary "any other person". The definition of a public official, as found in NAO section 5, is a "holder of public office" and the term "public servant" is described in PPC section 21. |
| Indicator number | 10.4 |
| Indicator question(s) | Are anti-collusion provisions effectively enforced? |
| Response | The Competition Commission of Pakistan (CCP) is a designated anti-collusion body with adequate independence, which investigates and sanctions companies involved in collusive practices. The Commission has recently imposed several penalties on companies violating anti-collusion provisions of the Competition Act. These cases are available in detail in the sources below. |
| Reference | http://www.cc.gov.pk/images/Downloads/competitionn_act_2010.pdf https://www.cc.gov.pk/index.php?option=com_content&view=article&id=340&Itemid=224&lang=en |

https://www.cc.gov.pk/images/Downloads/news_coverage/2019/12_04_2019.pdf
<https://nation.com.pk/12-Apr-2019/ccp-imposes-rs18m-penalty-on-electric-cable-manufacturers>

| Indicator number | 10.5 |
|-----------------------|--|
| Indicator question(s) | Are there specific rules or practices related to the transparency of corporations that result in high corruption risks? |
| Response | <p>According to Clause 223 of the Company Act 2017, the board of every company must lay before the company in annual general meeting its financial statements for the period, in the case of first such statements since the incorporation of the company and in any other case since the preceding financial statements, made up to the date of close of financial year adopted by the company. The financial statements must be provided within a period of four months following the close of financial year of a company.</p> <p>Clause 225 states that the financial statements shall give a true and fair view of the state of affairs of the company, and comply with the financial reporting standards notified.</p> <p>Clause 223 the Company Act 2017 requires all the listed and un-listed companies to have their financial statements audited by the auditor of the company.</p> <p>Clause 223 (6) specifies that every company shall send in the form and manner specified audited financial statements together with the auditors' report, directors' report and in the case of a listed company the chairman's review report to every member of the company and every person who is entitled to receive notice of general meeting, either by post or electronically at least twenty-one days before the date of meeting at which it is to be laid before the members of the company, and shall keep a copy at the registered office of the company for the inspection of the members.</p> <p>Clause 223 (7) specifies that a listed company shall simultaneously send a copy of financial statements to each of the Commission, registrar and the securities exchange and shall also post on the company's website.</p> <p>Clause 249 requires that a company's auditor shall conduct the audit and prepare his report in compliance with the requirements of International Standards on Auditing as adopted by the Institute of Chartered Accountants of Pakistan.</p> <p><i>Non-Listed Companies:</i></p> <p>According to Principles of Corporate Governance for Non-Listed Companies as approved by the Securities and Exchange Commission of Pakistan (SECP):</p> <p>The board of the company is responsible for risk oversight, maintaining a sound system of internal controls to safeguard shareholders' investment as well as the company's assets.</p> <p>The board may establish formal and transparent arrangements for applying financial reporting standards e-g Accounting and Financial Reporting Standards and International Financial Reporting Standards as applicable in Pakistan and internal controls principles, and for maintaining an appropriate relationship with the company's auditors.</p> <p>The board may periodically assess the need to establish formal internal controls and risk management function. Moreover, a periodic check on the effectiveness of the company's approach towards internal controls is necessary. Such review may cover all material controls, including financial, operational and compliance controls, and risk-management systems.</p> <p>The board may establish appropriate audit committees with appropriate terms of reference in order to allow a more effective discharge of its duties. The major responsibilities of the audit committee include, but are not limited to, monitoring the integrity of the financial statements, reviewing the company's internal controls, making recommendations to the board in relation to the appointment or removal of the external auditor, and reviewing and monitoring the external auditor's independence and effectiveness.</p> |

Integrity measures for companies participating in public procurement:

According to Rule 7 of Public Procurement Regulatory Authority (PPRA) Code, procurements exceeding the prescribed limit of 10 million PKR shall be subject to an integrity pact, as specified by regulation with approval of the Federal Government, between the procuring agency and the suppliers or contractors.

The supplier company declares in the pact that it has not obtained or induced the procurement through any corrupt business practice. The supplier also declares that it has made full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with Government of Pakistan and accepts full responsibility and strict liability for making and false declaration, not making full disclosure, or misrepresenting any fact.

However, the PPRA code does not require the procurements within the prescribed limit to sign the integrity pact.

References

http://www.na.gov.pk/uploads/documents/1487136261_767.pdf
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[https://www.psx.com.pk/psx/themes/psx/documents/legal-framework/SECP/regulations/listed-companies-\(ccg\)-regu-2017/ListdCmpCodeOfCorpGovern017.pdf](https://www.psx.com.pk/psx/themes/psx/documents/legal-framework/SECP/regulations/listed-companies-(ccg)-regu-2017/ListdCmpCodeOfCorpGovern017.pdf)
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<https://www.secp.gov.pk/wp-content/uploads/2016/08/SECP-approves-principles-of-corporate-governance-for-non-listed-companies-1-1.pdf>
<https://fp.brecorder.com/2017/03/20170303147294/>
<http://www.fmc.com.pk/principles-of-corporate-governance-for-non-listed-companies>
<http://khilji.net.pk/wp-content/uploads/2018/07/Financial-Reporting-under-the-Companies-Act-2017-Your-questions-answered.pdf>
<http://www.ppra.org.pk/doc/code4.pdf>

11. LOBBYING TRANSPARENCY

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|-----------------------|--|
| Indicator number | 11.1 |
| Indicator question(s) | Is there a law or policy that sets a framework for lobbyists and lobbying? |
| activities? Scoring | ● : Not applicable or no data available |
| Response | <p>In general lobbying can happen at two levels: Individuals (Public/Parliamentarians) and Business Corporations. At both levels, it is considered illegal and regulated under different laws in Pakistan. For instance, the Conflict of Interest regulation which is a part of Code of Conduct for public officials prohibits any influence over public officials including Judiciary. Further, lobbying is also prohibited under the Political Parties Order 2002 and regulated by the Election Commission of Pakistan.</p> <p>At the level of Business/Corporations, the Competition Commission of Pakistan oversees all matters related to undue influence and anti-competitive practices that can impact businesses and this is regulated under the Competition Commission Act 2010. Similarly, this is also prohibited under the Pakistan Procurement Rules 2004.</p> <p>Pakistan Mediators Association (PMA) is a body that lobbies on behalf of companies. It must be noted that it's a private entity and not a public authority. PMA has drafted mediation Bye-Laws to regulate and promote mediation activities in Pakistan. The Association has also proposed drafts for The Mediation Act specifically for Sindh, Punjab, Khyber Pakhtunkhwa, and Balochistan to regulate the activities related to lobbying for legislation by respective governments.</p> |
| References | https://www.pma.org.pk/about-pma/ http://www.pma.org.pk/wp-content/uploads/2017/06/Advocacy-and-Lobby.pdf https://hamzaandhamza.com/mediation-law-in-pakistan/ http://www.pma.org.pk/wp-content/uploads/2017/06/byelaws.pdf http://www.pma.org.pk/lobbying-for-legislation/ http://www.pma.org.pk/mediation-laws/ http://www.na.gov.pk/uploads/documents/1495101925_486.pdf |
| Indicator number | 11.2 |
| Indicator question(s) | Is the definition of (i) lobbyists, (ii) lobbying targets, and (iii) lobbying activities clear and unambiguous? Who is covered by the definition (consultant lobbyists/in-house lobbyists/anybody engaging in lobbying activities)? |
| Scoring | ● : Not applicable or no data available |
| Response | There is no sufficient data available |
| Indicator number | 11.3 |
| Indicator question(s) | Is there a mandatory lobbying register? Do disclosure requirements provide sufficient and relevant information on key aspects of lobbying and lobbyists, such as its objective, beneficiaries, funding sources, and targets? |
| Scoring | ● : Not applicable or no data available |
| Response | There is no sufficient data available |
| Indicator number | 11.4 |
| Indicator question(s) | Are there rules and guidelines which set standards for expected behaviour for public officials and lobbyists, for example to avoid misuse of confidential information? |
| Response | <p>There are provisions for public officials who are professionally liable and may lose their service in case of any breaches of their professional duties including misconduct as per the Rules of Business, section on Conduct & Discipline (Chapter V).</p> <p>'Unauthorized communication of official documents or information'</p> <p>The Rules of Business contain a provision to the effect that no information acquired directly or indirectly from official documents or relating to official matters</p> |

shall be communicated by a Government servant to the Press, to non-officials or even officials belonging to other Government offices, unless he has been generally or specially empowered to do so. An infringement may lead to departmental proceedings. It is also an offence under Section 5 of the Official Secrets Act, 1923.

'Premature Leakage of Information to the Press'

Government servants should abstain from communicating to the Press any information even verbally or through discussion relating to official matters or Government policy or which is of a classified nature till such time it has been officially released by appropriate authorities.

'Press Statements and Conferences'

A Press Conference should be held only by a Secretary/Joint Secretary incharge of a Ministry/Division, who alone, besides the Minister, is the spokesman of the Government. The Heads of Departments other than Secretaries/Joint Secretaries, may issue Press Statements as envisaged in Cabinet Division D.O. Letter No. Cord. (I)8/79/58, dated the 18th March, 1959 (Annexure). This should however, be done after obtaining the approval of the Secretary/Joint Secretary concerned. Such prior approval may not be necessary in respect of Press Statements of an informative nature e.g., a railway accident, calling upon displaced persons to file returns/forms, etc.

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| Reference | Government Servants (Conduct) Rules, 1964 – Rule 18 |
| Indicator number | 11.5 |
| Indicator question(s) | Are procedures for securing compliance framed in a coherent spectrum of strategies and mechanisms, including monitoring and enforcement? |
| Response | Not applicable |
| Indicator number | 11.6 |
| Indicator question(s) | Are there documented cases of lobbying misconduct that have been investigated in the past two years? Are there documented cases of sanctions being imposed for non-compliance? |
| Response | No, there are no documented cases of lobbying misconduct |
| Indicator number | 11.7 |
| Indicator question(s) | Have there been noteworthy efforts to promote transparency and integrity related to lobbying in the past two years? Have there been relevant changes to the framework or its implementation? |
| Response | There have not been specific campaigns on promoting transparency and integrity related to lobbying over the past two years. |

12. PARTY AND ELECTION CAMPAIGN FINANCE TRANSPARENCY

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| Indicator number | 12.1 |
| Indicator question(s) | Is there a legal framework regulating the financing of political parties and the finances of candidates running for elected office? |
| Scoring | ● 1: There is a legal framework regulating the financing of political parties and the finances of candidates running for elected office |
| Response | <p>Yes. In 2017 the Parliament of Pakistan passed The Elections Act 2017 to govern different sections of electoral process including the financing of political parties and candidates.</p> <p>The provisions of the Act require the nominated candidates to declare their net assets for the current financial year and previous year and the difference in net assets.</p> <p>The provisions also require the political parties to submit the Election Commission of Pakistan (ECP) their annual financial statements and lists of donors who have donated PKR 100,000 or more to the party. (Chapter XI, Section 211)</p> |
| Reference | http://www.na.gov.pk/uploads/documents/1507210474_138.pdf http://www.na.gov.pk/uploads/documents/1506961151_781.pdf https://www.ecp.gov.pk/PrintDocument.aspx?PressId=55287&type=PDF https://pakvoter.org/code-of-conducts/ https://pakvoter.org/election-laws-and-rules/ |
| Indicator number | 12.2 |
| Indicator question(s) | Are political parties and individual candidates running for elected office required to disclose financial statements for their campaigns detailing itemized income and expenditure, as well as individual donors to their campaign finances? |
| Scoring | ● 1: Political parties (and, if applicable, political candidates) are required to release itemized income and expenditure reports on their campaigns and to disclose donors who contributed to a party's or candidate's electoral campaign, with the threshold of disclosure at 1,000 Euro/USD or less |
| Response | <p>Yes. The provisions of the Elections Act 2017 of Pakistan require the nominated candidates and political parties to declare their net assets for the current financial year and previous year and the difference in net assets. The Act also requires the candidates to declare their personal expenditure detail from statement of liabilities.</p> <p>The Act requires the political parties to submit the Election Commission of Pakistan lists of donors who have donated PKR 100,000 or more to the parties. (Chapter XI, Section 211)</p> |
| Reference | http://www.na.gov.pk/uploads/documents/1507210474_138.pdf http://www.na.gov.pk/uploads/documents/1506961151_781.pdf https://www.ecp.gov.pk/PrintDocument.aspx?PressId=55287&type=PDF https://pakvoter.org/code-of-conducts/ https://pakvoter.org/election-laws-and-rules/ |
| Indicator number | 12.3 |
| Indicator question(s) | Are political parties and, if applicable, individual candidates running for elected office required to disclose annual accounts with itemized income and expenditure and individual donors? |
| Scoring | ● 1: Political parties (and, if applicable, political candidates) are required to release itemized income and expenditure reports on their annual accounts and disclose donors who contributed to a party's or candidate's annual finances, with the threshold of disclosure at 1,000 Euro/USD or less |
| Response | The provisions of the Elections Act 2017 of Pakistan require the political parties to submit their annual financial statements and lists of donors who have donated PKR 100,000 or more to the parties to the Election Commission of Pakistan. |

(Chapter XI, Section 211). However, for political candidates, only current financial year's value of assets and liabilities has to be provided.

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| Reference | http://www.na.gov.pk/uploads/documents/1507210474_138.pdf http://www.na.gov.pk/uploads/documents/1506961151_781.pdf https://www.ecp.gov.pk/PrintDocument.aspx?PressId=55287&type=PDF https://paktvoter.org/code-of-conducts/ https://paktvoter.org/election-laws-and-rules/ |
| Indicator number | 12.4 |
| Indicator question(s) | Are parties' (and, if applicable, candidates') electoral campaign expenditures subject to independent scrutiny? |
| Scoring | <p>● 0.5: The campaign finances of parties and/or candidates for elected office are subject to verification, but available the legal framework fails to guarantee the political independence of the oversight body and/or does not provide the oversight body with sufficient powers and resources to effectively scrutinise the statements and accounts in an effective manner</p> |
| Response | <p>There is no provision in the Elections Act 2017 which requires the political campaign finances to be verified or audited.</p> <p>Though, according to section 234 of the Elections Act 2017, the ECP shall constitute a monitoring team to monitor election campaign of the candidates and political parties and regularly report any violation by a candidate or a political party of any provision of the Act, Rules or the Code of Conduct issued by the Commission which also include the rule on releasing information on campaign finances and donor names.</p> <p>However, ECP is practically not an entirely independent entity since the top ECP officials are not publicly appointed on merit, according to Global Integrity's report on Money Politics and Transparency assessment for Pakistan.</p> <p>The Commission's budget and staff are also not sufficient for comprehensive oversight.</p> |
| Reference | http://www.na.gov.pk/uploads/documents/1507210474_138.pdf http://www.na.gov.pk/uploads/documents/1506961151_781.pdf https://data.moneypoliticaltransparency.org/countries/PK/ |
| Indicator number | 12.5 |
| Indicator question(s) | Are the annual accounts of political parties (and, if applicable, of candidates) subject to independent scrutiny? |
| Scoring | <p>● 0.5: Annual financial statements of parties and/or candidates for elected office are subject to verification, but available the legal framework fails to guarantee the political independence of the oversight body and/or does not provide the oversight body with sufficient powers and resources to effectively scrutinize the statements and accounts in an effective manner.</p> |
| Response | <p>Yes, the annual accounts of political parties are subject to independent scrutiny. As per section 210 of the Elections Act 2017, political parties are required to submit to the ECP within sixty days from the close of a financial year, a consolidated statement of its accounts audited by a Chartered Accountant on Form D containing— (a) annual income and expenses; (b) sources of its funds; and (c) assets and liabilities.</p> |
| Reference | http://www.na.gov.pk/uploads/documents/1507210474_138.pdf http://www.na.gov.pk/uploads/documents/1506961151_781.pdf |

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| Indicator number | *12.6 |
| Indicator question(s) | What is the score in the Money Politics and Transparency assessment produced by Global Integrity? |
| Response | <p>Pakistan scored 37 in Global Integrity's Money Politics and Transparency assessment.</p> <p>According to the published report,</p> <ul style="list-style-type: none"> • "In Pakistan, there is no direct or indirect public funding for parties or candidates. • Contributions to parties are somewhat restricted, but the law ignores candidates in this regard. The reverse holds for campaign expenditures. Candidates are required, in law, to spend less than a specified amount, but party spending is unregulated. • During campaign periods, candidates are required to file financial reports, while parties must submit reports on an annual basis. In practice, not all candidates submit the required reports, and most data is incomplete, without a full list of identifying details for contributors. • Political finance information is not available online, though it can be obtained in hard copy at photocopying cost, or in pdf. • Third party actors are not subject to reporting requirements, though unions and some religious groups do appear to exercise some influence in campaigns. • The top officials of ECP are not appointed in public, completely merit-based processes, and their independence is not guaranteed. The Commission's budget and staff are not sufficient for comprehensive oversight. It performed no audits or investigations after the 2013 elections, and many of its administrative sanctions were ignored by violators. |
| Reference | https://data.moneypoliticstransparency.org/countries/PK/ |
| Indicator number | 12.7 |
| Indicator question(s) | Have political parties and/or candidates been sanctioned for violating political finance rules or non-compliance with disclosure requirements in the past two years, according to publicly available evidence? |
| Response | <p>A number of candidates were disqualified by ECP during the recent General Elections 2018 due to non-declaration of assets. The cases are as follows:</p> <p>Pakistan Tehreek-e-Insaaf (PTI) candidate Fawad Chaudhry's nomination papers were rejected for not mentioning all assets.</p> <p>Former Prime Minister Shahid Khaqan Abbasi's nomination papers were rejected due to not revealing of all assets.</p> <p>Pakistan Peoples Party's (PPP) candidate Manzoor Wassan was disqualified for being iqama holder. (Iqama: an account with either a Swiss or other foreign bank which offers immunity from reporting)</p> <p>Information on relevant sanctions:</p> <p>The Elections Act 2017 of Pakistan imposes a number of sanctions against violating political finance rules or non-compliance with disclosure requirements.</p> <p>According to Chapter XV, Section 234, election expenses will be monitored by ECP's district monitoring teams and the Commission may impose fines in case of violations of the Act or rules.</p> <p>According to Chapter X, Section 174 and 183, in case of failure to file a return of election expenses, the ECP may directly prosecute defaulting candidates for the offence.</p> <p>According to Chapter XII, Section 215 (4), if an enlisted political party fails to comply with the provisions of the Act (which include provisions on election finance), it will be ineligible for symbol allocation for the election.</p> |

According to Chapter X, Section 175 (i), a person is guilty of the offence of illegal practice if he fails to comply with the provisions relating to return of election expenses.

According to Chapter XII, Section 215 (5), if a political party fails to comply with the provision of section 210 relating to disclosure of annual statements, the Commission may after affording it or them an opportunity of being heard, declare it or them ineligible to obtain an election symbol for election to Parliament, Provincial Assembly or a local government, and the Commission shall not allocate an election symbol to such political party or combination of political parties in subsequent elections.

ECP sanctions against non-complying political parties and candidates:

During General Elections 2018, the Election Commission of Pakistan issued show cause notices to as many as 42 political parties for the non-compliance of legal requirement of submitting the statement of their accounts. The ECP warned them of being declared ineligible for issuance of an election symbol for the by-election for the non-compliance.

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| Reference | http://www.na.gov.pk/uploads/documents/1507210474_138.pdf http://www.na.gov.pk/uploads/documents/1506961151_781.pdf https://www.thenews.com.pk/print/373954-failure-to-submit-accounts-ecp-may-obstruct-42-parties-from-by-polls |
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Target 16.6: “Develop effective, accountable and transparent institutions at all levels”

13. TRANSPARENCY AND INTEGRITY IN PUBLIC ADMINISTRATION

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|-----------------------|--|
| Indicator number | 13.1 |
| Indicator question(s) | Is there a law, regulation or Code of Conduct in place, covering public officials, employees and representatives of the national government, that adequately addresses the following issues: a. integrity, fairness, and impartiality; b. gifts, benefits, and hospitality; and c. conflicts of interest? |
| Scoring | ● 1: A law, regulation or Code of Conduct is in place and addresses the aspects mentioned above |
| Response | Yes, the Civil Establishment Code of Pakistan (2007) oversees the entitlements and responsibilities of Federal Government officials. Chapter 9 of the document “Conduct, Efficiency and Discipline” serves as main code of conduct for the Federal Government employees of Pakistan. The section I of the chapter comprehends “The Government Servants (Conduct) Rules, 1964” which covers the aspects of integrity, fairness, gifts and benefits, and conflicts of interest. Besides, ‘The Prevention and Management of Conflict of Interest’ bill has been introduced in the Senate in November 2017. The bill was introduced to provide for the prevention and management of conflicts of interest and to establish clear conflict of interest principles for the Public servants in the Federal Government. The bill is yet to be approved in the National Assembly. |
| Reference | http://www.fab.gov.pk/article/estacode-2007-volume-ii-new.html http://www.fab.gov.pk/images/pdf/Estacode%202007%20Volume%20II%20(New)/Chap9allin+one.pdf http://www.senate.gov.pk/uploads/documents/1508829600_310.pdf |
| Indicator number | 13.2 |
| Indicator question(s) | Is there a law or clear policy in place to address the ‘revolving door’ – the movement of individuals between public office and private sector, while working on the same sector or issue, which may result in conflicts of interest and in former public officials misusing the information and power they hold to benefit private interests? |
| Scoring | ● 1: There is a law or clear policy addressing the ‘revolving door’ |
| Response | The Establishment Code of Pakistan (ESTA CODE), which is a legally binding code applicable to a wide range of public officials, obligates the government servants to not undertake any practice or activity which may result in conflicts of interest between their servants’ duties and their private interests. The Chapter 9 of the Establishment Code of Pakistan, “CONDUCT, EFFICIENCY AND DISCIPLINE”, lays down a framework of rules and regulations known as ‘The Government Servants (Conduct) Rules, 1964’, which addresses the possible ‘conflicts of interest’ between public and private. According to the Code, these rules are applicable to “every person, whether on duty or on leave, within or without Pakistan, serving in a civil capacity in connection with the affairs of the Centre and to the members of an All-Pakistan Service during their employment under the Provincial Governments or while on deputation with any other Government, agency, institution or authority: Provided that the Federal Government may, by a notification in the official Gazette, exempt any class of Government servants from the operation of all or any of these rules.” Source: Rule 2 of Government Servants (Conduct) Rules, 1964 According to Rule 16 of Government Servants (Conduct) Rules, 1964: (1) No Government servant shall, except with the previous sanction of the Government, engage in any trade or undertake any employment or work, other than his official duties. Here the exceptions may include honorary work of a religious, social or charitable nature, occasional work of a literary artistic character, or sports activities or membership of recreation clubs, subject to the |

conditions that the servant's official duties do not suffer and that the occupation or undertaking does not conflict with their obligations as a Government servant.

(2) No Government servant shall associate himself with any private trust, foundation or similar other institution which is not sponsored by the Government.

The Chapter 9 covers other codes of conduct applicable to the government servants addressing the possible 'conflicts of interest' situations between government servants and private/ foreign interests. These codes are follows:

Sl. No. 26 prohibits government servants to do private work in addition to their government jobs.

Sl. No. 27 prohibits the wives of government servants to seek employment in foreign diplomatic missions in Pakistan.

Sl. No. 28 requires all government officials whose spouses have undertaken some private job or are engaged in business and trade to render a certificate to the Secretary of the Ministry/Division or the Head of the Department concerned that the profession, trade or business in which his or her spouse is engaged is in no way under his/her official influence.

Sl. No. 30 prohibits the serving government employees to be associated with private trusts, foundations and similar other institutions which are not sponsored by the government itself. However, the code exempts the judges of the High Courts and Supreme Court of Pakistan.

Sl. No. 77 requires Government servants to restraint in the matter of social contacts with the members of foreign mission in Pakistan or making direct approaches to them.

As per Sl. No. 73, if any officer has any private business to conduct with a foreign mission which would be likely to place him under obligation to that mission or compromise his official position with them in any way, he should make contact with the mission concerned through the Ministry of Foreign Affairs.

The Sl. No. 11 restraints government servants to accept any foreign trips sponsored by commercial firms. If in any case it is not considered desirable to refuse such an offer in public interest prior permission of the Establishment Division and the Ministry of Finance should invariably be obtained for its acceptance.

According to Clause 6 (2) of Civil Servants (Confirmation) Rules, 1993:

A civil servant shall cease to hold lien against a post if he takes up an appointment on selection in an autonomous body under the control of Federal Government, Provincial Government, local authority or private organization.

Sl. No. 31-C of Civil Establishment Code provides that:

Any officer/Government Servant seeking permission to work with a NGO or private organization within Pakistan may be allowed to do so under FR-69 for the period of Extraordinary Leave (EOL) that he/she is entitled to as per Leave Rules. This EOL/permission may not extend beyond five years i.e. the maximum period of EOL for which he/she is eligible under the Leave Rules.

Sl. No. 84-B requires civil servants, who may be desirous of seeking private employment, during LPR or within two years of the date of the retirement, to fill up a proforma.

Finally, the Public Interest of Disclosures Act is meant to provide a mechanism for public interest disclosures to prevent corruption and corrupt practices and protect the persons making such disclosures.

[http://www.fab.gov.pk/images/pdf/Estacode%202007%20Volume%20II%20\(New\)/Chap9allin+one.pdf](http://www.fab.gov.pk/images/pdf/Estacode%202007%20Volume%20II%20(New)/Chap9allin+one.pdf)

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http://www.senate.gov.pk/uploads/documents/1511428090_476.pdf

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| Indicator number | 13.3 |
| Indicator question(s) | Does the law or policy that addresses the 'revolving door' cover all relevant public- sector decision-makers? |
| Scoring | ● 0.5: The law or policy addressing the 'revolving door' covers most relevant public sector decision-makers but fails to include some relevant positions |
| Response | <p>The law does not extensively cover all relevant public sector decision makers specifically the Executive and Legislative branches of the government. The Establishment Code of Pakistan bounds the government servants to avoid any extra responsibility and obligation outside their government service which may result in conflicts of interest between their duties as government servants and their private work. The ESTA CODE excludes Judge of the Supreme Court or of a High Court or Federal Shariat Court or any Court subordinate to the High Court.</p> <p>To bound the judges to avoid extra judicial duties or responsibilities, official or private, there is a separate code known as "The Code of Conduct for Judges of the Supreme Court and the High Courts", which was issued in 2009.</p> <p>However, there are no such codes applicable to the executive and legislative branches of the government.</p> |
| Reference | <p>http://www.fab.gov.pk/images/pdf/Estacode%202007%20Volume%20II%20(New)/Chap9allin+one.pdf</p> <p>http://anf.gov.pk/library/law/pakistan_civil_servants_act_1973_eng.pdf</p> <p>http://www.supremecourt.gov.pk/web/page.asp?id=435</p> <p>https://www.thenews.com.pk/print/420467-time-to-remind-judges-of-their-code-of-conduct</p> <p>https://tribune.com.pk/story/782657/private-employment-govt-rejects-bill-seeking-bar-on-civil-servants/</p> |
| Indicator number | 13.4 |
| Indicator question(s) | Is there a mandatory cooling-off period – a minimum time interval restricting former officials from accepting employment in the private sector that relates to their former position – for members of the government and other relevant high-level decision- makers? |
| Scoring | ● 1: The policy contains a minimum cooling-off period of at least 2 years for certain positions and cases where the new employment of former government members and other high-level decision-makers would result in a conflict of interest |
| Response | <p>Subject to the provisions of section 3 of the ex-Government Servants (Employment with Foreign Governments) (Prohibition) Act, 1966 (XII of 1966), "a civil servant may, during leave preparatory to retirement, or after retirement from Government service, seek any private employment provided that, where employment is sought by a civil servant while on leave preparatory to retirement or within two years of the date of his retirement, he shall obtain the prior approval of the prescribed authority."</p> <p>That means, civil servants are restricted to seek any private employment within two years of their retirement unless the competent authority allow them to do so.</p> |
| Reference | <p>http://establishment.gov.pk/estab/userfiles1/file/Establishment/publication/ESTA%20CODE%20(Edition%202015)/Chapter%201(1).pdf</p> <p>http://anf.gov.pk/library/law/pakistan_civil_servants_act_1973_eng.pdf</p> <p>http://www.fab.gov.pk/images/pdf/Volume1/Chap2.pdf</p> |
| Indicator number | 13.5 |
| Indicator question(s) | Is there a single public body or are there designated authorities responsible for providing advice and overseeing 'revolving door' regulations? |
| Scoring | ● 1: There is a single body, or there are various designated authorities charged with providing advice and overseeing the implementation of the policy |

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| Response | There is no single designated authority responsible for addressing 'revolving door' practices however the concerned Ministry/Division/Department are empowered to impose its authority to penalise the government servant in instances of any misconduct or ask them to disclose their private interests. |
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| Indicator number | 13.6 |
| Indicator question(s) | Are there proportionate and dissuasive sanctions for both individuals and companies that do not comply with the law or policy controlling the 'revolving door'? |
| Scoring | ● 0.5: There are sanctions in the law (or policy) but they are not considered to be proportionate and dissuasive |
| Response | <ul style="list-style-type: none"> According to Rule 5(1) of the Government Servants (E&D) Rules, 1973 covered in Chapter 9 of the Establishment Code of Pakistan: In case where a government servant is accused of subversion, corruption or misconduct including practices related to revolving door, the authorized officer may require him to proceed on leave or, with the approval of "authority", suspend him, provided that any continuation of such leave or suspension shall require approval of the "authority" after every 3 months. Sl. No. 155 of Chapter 9, ESTA CODE further provides that: If the dismissal of a government servant is held to be unlawful, he has to be allowed salary for the period he was kept out of service, reduced by the amount, if any, that he might have earned by way of salary, or as profits, on account of having accepted some employment, or having been engaged in some profitable business, during the above period. At present there is no bar on civil servants who wish to work in donor agencies and with international NGOs. |

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| Indicator number | 13.7 |
| Indicator question(s) | Are the 'revolving door' provisions implemented and enforced in practice? Have there been any developments in the past year that indicate an improvement (or deterioration) in how the 'revolving door' and related conflicts of interests are addressed? |
| Response | <p>Since there is no designated body to oversee the revolving door practices in Pakistan, there is an inconsistency in the mechanism to detect and impose sanctions actions government employees holding at least one job, public or private, other than their government job. As a result, multiple cases have been detected in Pakistan of government employees holding two jobs simultaneously. While there is a comprehensive code of conduct in place to address the misconducts related to the 'revolving door', it appears that the code is more morally binding on the government employees than legally binding.</p> <p>As part of a recent development in terms of legal provisions for the 'revolving door', the Prevention and Management of Conflict of Interest' bill has been introduced in the Senate in November 2017. The bill was introduced to provide for the prevention and management of conflicts of interest and to establish clear conflict of interest principles for the Public servants in the Federal Government.</p> <p>The bill proposes a legal framework to prevent, manage and resolve conflict of interests arising between the private interests and public duties of Public Servants and to provide clear conflict of interest and related post-employment principles for such persons. The bill is yet to approve in the National Assembly.</p> <p>Another recent development is the passage of the Public Interest of Disclosures Act 2017 which is meant to provide a mechanism for public interest disclosures to prevent corruption and corrupt practices and protect the persons making such disclosures.</p> |
| Reference | http://www.senate.gov.pk/uploads/documents/1508829600_310.pdf http://www.senate.gov.pk/uploads/documents/1511428090_476.pdf https://tribune.com.pk/story/1970401/1-govt-servants-two-jobs-crime-cjp/ https://www.dawn.com/news/1354771 https://www.dawn.com/news/1163506 |

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| Indicator number | 13.8 |
| Indicator question(s) | Does the legal framework require high-level public officials and senior civil servants to regularly (at least once per year) declare their interests, including any paid or unpaid positions and financial interests in companies and other entities? |
| Scoring | ● 0.25: The legal framework requires high-level public officials and senior civil servants to declare their interests but either does not require this on at least an annual basis or does not specify how regularly declarations are required |
| Response | <p>The Establishment Code of Pakistan requires the government servants to proactively disclose their interests, including any paid or unpaid positions and financial interests in companies and other entities on at least an annual basis.</p> <p>As per the Chapter 9 (Sl. No. 155) of ESTA Code, in cases where a government servant, who is dismissed on account of having accepted some employment or having been engaged in some profitable business, is reinstated retrospectively following a court's decision, the Ministry/Division/Department may obtain from the concerned government servant a solemn declaration to the particulars of their employment, or engagement in profitable business, during the period of absence from duty, and the amount earned by way of salary from such employment or as profits in such business.</p> <p>Gaps in the disclosure requirement:</p> <p>Due to no requirement of proactive annual disclosure for the government servants, the servants do not feel obligated to declare and avoid any undertaking or employment that could result in conflicts of interest or revolving door.</p> <p>Further, while there is no designated authority to oversee revolving door practices, the concerned Ministry/Division/Department can impose only its limited authority to penalise the government servant in instances of any misconduct or ask them to disclose their private interests.</p> |
| Reference | http://www.fab.gov.pk/images/pdf/Estacode%202007%20Volume%20II%20(New)/Chap9allin+one.pdf http://www.fab.gov.pk/images/pdf/Volume1/CH1.pdf http://anf.gov.pk/library/law/pakistan_civil_servants_act_1973_eng.pdf |
| Indicator number | 13.9 |
| Indicator question(s) | <p>Do the interest disclosure requirements cover officials of all branches of government</p> <p>– executive, the legislature, the judiciary, and civil service as well as other relevant public bodies?</p> |
| Scoring | ● 0.25: the interest disclosure applies to one branch of government |
| Response | <p>The interest disclosure requirement is only applicable to the civil servants and exempts other branches of government.</p> <p>There is no legally bound requirement on government employees to proactively disclose their interests, including any paid or unpaid positions and financial interests in companies and other entities on at least an annual basis.</p> <p>However, in cases where a government servant, who is dismissed on account of having accepted some employment or having been engaged in some profitable business, is reinstated retrospectively following a court's decision, the Ministry/Division/Department may obtain from them a solemn declaration to the particulars of their employment, or engagement in profitable business, during the period of absence from duty, and the amount earned by way of salary from such employment or as profits in such business.</p> |
| Reference | http://www.fab.gov.pk/images/pdf/Estacode%202007%20Volume%20II%20(New)/Chap9allin+one.pdf http://www.fab.gov.pk/images/pdf/Volume1/CH1.pdf http://anf.gov.pk/library/law/pakistan_civil_servants_act_1973_eng.pdf |

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| Indicator number | 13.10 |
| Indicator question(s) | Does the legal framework require high-level public officials and senior civil servants to regularly (at least once per year) declare their income and assets? |
| Scoring | ● 1: The legal framework requires high-level public officials and senior civil servants to declare their income and assets at least once per year. |
| Response | <p>According to clause 12 (2) of Government Servants (Conduct) Rules, Establishment Code of Pakistan, every Government Servant shall submit to the Government an annual declaration of income, assets and expenses for the financial year, ending on 30th June, through the usual channel, showing any increase or decrease of property as shown in the declaration under sub-rule (1) or the last annual return.</p> <p>According to clause 12 (3) of Government Servants (Conduct) Rules, declaration of Assets Proforma shall be opened in the concerned section each year and entered into the relevant database in the month of December showing any increase or decrease of property or, as the case may be, the last annual return.</p> <p>According to clause 13 of Government Servants (Conduct) Rules, a government servant shall, as and when he is so required by Government by a general or special order, furnish information as to his assets disclosing liquid assets and all other properties, immovable and movable, including shares, certificates, insurance policies, jewelry [and expenses during any period specified by such order in the form specified therein].</p> <p>The rules also require that all assets owned by the officer & his family members (as defined in Rule 3(1) (c) of Conduct Rules 1964) should be declared. Assets acquired by major children dependents & others where funds have been provided by the officer are also to be declared. Further, the assets owned partly or acquired on "Hire purchase Agreement" or instalment should also be declared.</p> <p><i>Other Acts:</i></p> <p>The Voluntary Declaration of Domestic Act 2018 and Assets Declaration Ordinance 2019 are two other acts which were enacted by the current Government of Pakistan to provide for voluntary declaration of undisclosed assets, sales, and expenditures on or before the thirtieth day of June, 2018 and 2019 respectively.</p> <p>The Voluntary Declaration of Domestic Act 2018 and Assets Declaration Ordinance 2019 have been passed to address the issue of large-scale non-reporting and under-reporting of assets in Pakistan. However, these acts don't impose any requirement of assets and income disclosure on annual or less-than-annual basis.</p> <p>The Election Act 2017 also requires every member of an Assembly and Senate to submit to the Election Commission of Pakistan (ECP), on or before 31st December each year, a copy of his statement of assets and liabilities including assets and liabilities of his spouse and dependent children as on the preceding thirtieth day.</p> |
| Reference | <p>http://www.fab.gov.pk/images/pdf/Estacode%202007%20Volume%20II%20(New)/Chap9allin+one.pdf</p> <p>http://download1.fbr.gov.pk/Docs/20186131562119310VoluntaryDeclarationofDomesticAssetsAct,2018.pdf</p> <p>http://download1.fbr.gov.pk/Docs/20195251351512475AssetsDeclarationOrdinanceGazettecopy.pdf</p> |

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| Indicator number | 13.11 |
| Indicator question(s) | Do the income and asset disclosure requirements cover officials of all branches of government –executive, the legislature, the judiciary, and civil service as well as other relevant public bodies? |
| Scoring | ● 0.5: the asset and income disclosure applies to high-level officials from the executive, legislature, judiciary and civil service/other public bodies |
| Response | <p>The asset and income disclosure requirements apply to civil servants and Parliamentarians but exempt the judges and officials of executive branch of the government.</p> <p>The clauses pertaining to income and asset disclosure requirement in Government Servants (Conduct) Rules apply to the government and civil servants only.</p> <p>The Voluntary Declaration of Domestic Act 2018 and Assets Declaration Ordinance 2019 also exempt holders of public office, their spouses and dependent children from the requirement of asset and income declaration.</p> <p>The Foreign Assets (Declaration and Repatriation) Act, 2018 also applies to all citizens of Pakistan except holders of public office, their spouses and dependent children.</p> <p>There is no requirement on annual or less-than-annual disclosure of assets and income for the judges and parliamentarians.</p> <p>Only the Election Act 2017 required every nominee to declare their assets and liabilities and of the assets and liabilities of their spouse and dependent children as on the preceding thirtieth day of June. The Act also requires every member of an Assembly and Senate to submit to the Election Commission of Pakistan (ECP), on or before 31st December each year, a copy of his statement of assets and liabilities including assets and liabilities of his spouse and dependent children as on the preceding thirtieth day.</p> <p>The limited coverage of all these acts has restricted across the board accountability at the top-tiers of the Government of Pakistan.</p> |

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| Indicator number | 13.12 |
| Indicator question(s) | Does the framework require that information contained in interest declarations and income and asset disclosures be made publicly accessible? |
| Scoring | ● 0.25: Only limited information from either interest declarations or income and asset disclosure forms has to be made publicly accessible |
| Response | <ul style="list-style-type: none"> • According to Government Servants (Conduct) Rules, the assets and liabilities annually declared by public servants in Pakistan are kept confidential, which may be meant to protect the right to privacy. • According to Clause 138 of the Elections Act, 2017, the Commission shall publish in the official Gazette the statements of assets and liabilities received by it and any person may obtain copies of a statement of assets and liabilities on payment of prescribed fee. <p>Since the information is not freely accessible, if anyone wants to get access to any kind of information content of the candidates' nomination forms, they would have to go through cumbersome procedures in addition to paying hundreds of rupees fee to get the deal done.</p> <ul style="list-style-type: none"> • According to the Clause 137(2) of Election Act 2017, the Commission, on the first day of January each year through a press release, shall publish the names of Members who failed to submit the requisite statement of assets and liabilities within the period specified. • The legislative framework, however, doesn't require that information contained in declarations of interests made by public officials, if any, be made publicly accessible. |

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| Indicator number | 13.13 |
| Indicator question(s) | Does the legal framework establish an oversight body that is provided with sufficient political independence and legal powers to scrutinise income and asset disclosures? |
| Scoring | ● 1: The legal framework provides for an independent oversight mechanism with sufficient independence and powers to scrutinise income and asset declarations |
| Response | <p>The government bodies, which govern income and asset disclosure in Pakistan, are:</p> <ul style="list-style-type: none"> • National Accountability Bureau (NAB) • Election Commission of Pakistan (ECP) • Federal Board of Revenue (FBR) <p>FBR is also in contact with relevant authorities including NADRA, land record authorities, and District Collectors for the purpose of inquiry.</p> <ul style="list-style-type: none"> • Judiciary system <p>The legal framework of the country provides sufficient independence and legal powers to these institutions to scrutinise income and asset disclosures even though it is not utilised in practice.</p> |
| Reference | http://www.na.gov.pk/uploads/documents/1506961151_781.pdf https://www.ecp.gov.pk/Documents/laws2017/Election%20Act%202017.pdf https://www.fbr.gov.pk/pr/fbr-advises-people-to-declare-their-undisclos/132060 https://fp.brecorder.com/2019/05/20190527480908/ https://fp.brecorder.com/2019/03/20190331459987/ |

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| Indicator number | 13.14 |
| Indicator question(s) | Does the law or policy contain dissuasive and proportionate sanctions for failure to comply with interest and income and asset disclosure requirements? |
| Scoring | ● 0.5: The law or policy contains sanctions covering interest and/or income and asset disclosures, but in neither area are such sanctions dissuasive and proportionate |
| Response | <p>According to Sl. No. 23-A (2)(v) of Establishment Code of Pakistan, "it is the responsibility of Ministries/Divisions/Departments/Corporations/Autonomous Bodies to take disciplinary actions against the defaulting officers/officials who do not submit declarations (of assets, income, and interest) by the prescribed date or within fifteen days thereof."</p> <p>Since there is no clear definition of the penalty / sanctions against the government servants in case of their failure to disclosure, as the sanctions are just labelled as 'disciplinary actions' to be taken by the concerned Ministries/Divisions/Departments, the sanctions cannot be considered dissuasive and proportionate.</p> <p>The sanctions against assets and income declaration are more dissuasive for Parliamentarians, however. According to the Clause 137(3) of Election Act 2017, the Election Commission of Pakistan (ECP) shall, on the sixteenth day of January, by an order suspend the membership of a Member of an Assembly and Senate who fails to submit the statement of assets and liabilities by the fifteenth day of January and such Member shall cease to function till he files the statement of assets and liabilities.</p> <p>According to the Clause 137(4) of Election Act 2017, where a Member submits the statement of assets and liabilities under this section which is found to be false in material particulars, he may, within one hundred and twenty days from the date submission of the statement, be proceeded against for committing the offence of corrupt practice.</p> |

According to the Clause 174 of Election Act 2017, any person guilty of the offence of corrupt practice shall be punished with imprisonment for a term which may extend to three years or with fine which may extend to one hundred thousand rupees or with both.

There is no requirement of proactive declaration of interest for the Parliamentarians, thus, there are no sanctions against them regarding interest declaration.

There are no legal requirements on the officials of executive branch of the government to proactively declare interests, assets, and income on annual or less-than-annual basis; thus, there are no sanctions against them in the country's legal framework in case of failure of disclosure.

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| Reference | http://www.na.gov.pk/uploads/documents/1506961151_781.pdf https://www.ecp.gov.pk/Documents/laws2017/Election%20Act%202017.pdf https://fp.brecorder.com/2015/03/201503271165566/ https://gulfnews.com/uae/declare-your-undisclosed-assets-or-face-imprisonment-pakistani-expats-warned-1.64833205 |
| Indicator number | *13.15 |
| Indicator question(s) | Have there been cases in the past two years of sanctions being imposed on elected or high-level public officials or senior civil servants for failing to file declarations of their interest declaration or their assets and income declaration, or for intentionally providing false or incomplete information in their disclosure, according to publicly available evidence? |
| Response | <p>In July 2017, as per the verdict of Supreme Court on Panama Papers case, the former Prime Minister Pakistan, Nawaz Sharif, was disqualified from holding public office in on failing to disclose his employment in the Capital FZE company UAE, and his un-withdrawn receivables constituting assets from Capital FZE in his 2013 nomination papers. Shortly afterwards, PM Nawaz Sharif stepped down from his post.</p> <p>Additional Information: -</p> <p><i>Election Act 2017:</i></p> <p>The Election Act 2017 required every nominee to declare their assets and liabilities and of the assets and liabilities of their spouse and dependent children as on the preceding thirtieth day of June. As per the provisions of the Act, the Returning Officer may conduct a summary enquiry and may reject a nomination paper if he is satisfied that the candidate has submitted a declaration or statement which is false or incorrect in any material particular.</p> <p><i>Clause 137 of Election Act 2017:</i></p> <ul style="list-style-type: none"> • Every member of an Assembly and Senate shall submit to the Commission, on or before 31st December each year, a copy of his statement of assets and liabilities including assets and liabilities of his spouse and dependent children as on the preceding thirtieth day of June. • The Commission shall, on the sixteenth day of January, by an order suspend the membership of a Member of an Assembly and Senate who fails to submit the statement of assets and liabilities by the fifteenth day of January and such Member shall cease to function till he files the statement of assets and liabilities. <p><i>Caretaker Government:</i></p> <p>According to Clause 230(3) of Election Act 2017, the Prime Minister, Chief Minister or a Minister or any other members of a Caretaker Governments shall, within three days from the date of assumption of office, submit to the Commission a statement of assets and liabilities including assets and liabilities of his spouse and dependent children as on the preceding 30th day of June on Form B and the Commission shall publish the statement of assets and liabilities in the official Gazette.</p> |

Tax Amnesty Scheme:

Another recent development is announcement of Tax Amnesty Scheme. The scheme is not compulsory but any official of any government branch can avail amnesty on tax by declaring their undisclosed assets and income. The scheme is meant to tax the undisclosed assets and income.

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| Reference | http://www.na.gov.pk/uploads/documents/1506961151_781.pdf https://www.ecp.gov.pk/Documents/laws2017/Election%20Act%202017.pdf https://www.brecorder.com/2019/08/05/515716/ecp-asks-parliamentarians-to-submit-assets-statements/ https://fp.brecorder.com/2015/03/201503271165566/ https://www.thenews.com.pk/print/487483-fbr-sets-up-structure-to-implement-benami-act https://www.dawn.com/news/1348191 |
| Indicator number | 13.16 |
| Indicator question(s) | How do you evaluate the effectiveness of the disclosure mechanism for interests, assets and income? Is there a disclosure requirement for gifts and hospitality received by public officials and civil servants (if applicable)? Have there been any developments in the past two years that indicate an improvement or a deterioration of the disclosure mechanism? |

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| Response | <p>According to the Sl. No. 5 of Government Servants (Conduct) Rules, 1964, the public officials and civil servants are required to promptly report the gift and hospitality they receive as per the following procedure:</p> <ul style="list-style-type: none">• If the Chief of Protocol or his representative has been attached to a visiting dignitary or a foreign delegation, it shall be his responsibility to supply a list of the gifts together with the names of the recipients to the Cabinet Division.• In the case of other delegations or visiting dignitaries with whom the Chief of Protocol is not associated, the Ministry sponsoring the visit shall be responsible to supply the details of gifts received and the list of recipients to the Cabinet Division and the Ministry of Foreign Affairs.• In the case of outgoing delegation or visits abroad of our VIPs, it shall be the responsibility of the Ambassador of Pakistan in the country concerned to report the receipt of the gifts together with the name of the recipient to the Cabinet Division through the Ministry of Foreign Affairs.• The gifts cannot be evaluated on the basis of the prices prevailing in Pakistan. They shall be evaluated on the basis of the price prevailing in the country of the origin.• The present limits fixed for retaining the gifts by the recipients of all categories are raised to Rs.1000.• If a recipient wants to retain gift worth more than the limit mentioned above, he may be allowed to do so on payment of the difference after evaluation of a gift. It shall first be offered for sale to the person who received it from a foreign dignitary. |
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Interests, assets, and income:

No authority to oversee disclosure of interests: Since there is no designated authority to oversee revolving door practices, the concerned Ministry/Division/Department can impose only its limited authority to penalise the government servant in instances of any misconduct or ask them to disclose their private interests.

No proactive disclosure of interests: Government employees are not legally required to proactively disclose their interests on at least an annual basis.

Proactive disclosure of assets and income: The legal framework requires high-level public officials and senior civil servants to declare their income and assets proactively at least once per year.

Application coverage for Interest disclosure: The requirement is only applicable to the civil servants and exempts other branches of government. On the other hand, the asset and income disclosure requirements apply to civil servants and Parliamentarians but exempt the judges and officials of executive branch of the government.

Publishing declarations of interests, income, and assets: Only limited information from either interest declarations or income and asset disclosure forms has to be made publicly accessible.

- The assets and liabilities annually declared by public servants in Pakistan are kept confidential. (Government Servants Conduct Rules)
- The Election Commission of Pakistan (ECP) shall officially publish the statements of assets and liabilities. (Elections Act, 2017). However, since the information is not freely accessible, anyone who wants to get access to any kind of information would have to go through cumbersome procedures in addition to paying hundreds of rupees fee to get the deal done.
- The Election Commission of Pakistan (ECP), on the first day of January each year, shall publish the names of Members who failed to submit the requisite statement of assets and liabilities within the period specified. (Elections Act, 2017).
- The legislative framework, however, does not require that information contained in declarations of interests made by public officials, if any, be made publicly accessible.

Other developments in disclosure mechanism:

The Election Act 2017 requires every nominee to declare their assets and liabilities and the assets and liabilities of their spouse and dependent children as on the preceding thirtieth day of June. As per the provisions of the Act, the Returning Officer may conduct a summary enquiry and may reject a nomination paper if he is satisfied that the candidate has submitted a declaration or statement which is false or incorrect in any material particular.

The Act also requires every member of an Assembly and Senate to submit to the ECP, on or before 31st December each year, a copy of his statement of assets and liabilities including assets and liabilities of his spouse and dependent children as on the preceding thirtieth day of June

Another development is announcement of Tax Amnesty Scheme. The scheme is not compulsory but any official of any government branch can avail amnesty on tax by declaring their undisclosed assets and income. The scheme is meant to tax the undisclosed assets and income.

Another recent development is the passage of the Public Interest of Disclosures Act 2017 which is meant to provide a mechanism for public interest disclosures to prevent corruption and corrupt practices and protect the persons making such disclosures.

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| Reference | http://www.na.gov.pk/uploads/documents/1506961151_781.pdf https://www.ecp.gov.pk/Documents/laws2017/Election%20Act%202017.pdf https://fp.brecorder.com/2015/03/201503271165566/ https://www.thenews.com.pk/print/487483-fbr-sets-up-structure-to-implement-benami-act |
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14. FISCAL TRANSPARENCY

| Indicator number | 14.1 | | | | | | | | | | | | | | |
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| Indicator question(s) | Is there legislation or policy in place requiring a high degree of fiscal transparency? | | | | | | | | | | | | | | |
| Scoring | ● 0.5: The legal framework requires some degree of fiscal transparency and the release of 6 of the key budget documents | | | | | | | | | | | | | | |
| Response | <p>The Fiscal Responsibility and Debt Limitation Act, 2005 requires the Federal Government to be laid the following statements of economic, fiscal and debt policy before the National Assembly each year:-</p> <p>a) annual budget statement</p> <p>b) medium term budgetary statement;</p> <p>c) fiscal policy statement; and</p> <p>d) debt policy statement:</p> <p>As part of the budget preparatory process, each Principal Accounting Officer (PAO) will present their budget proposals to the Priorities Committee (comprising Finance Division, Planning, Development and Reform Division, and Economic Affairs Division).</p> | | | | | | | | | | | | | | |
| Reference | <p>https://www.internationalbudget.org/open-budget-survey/tracker/</p> <p>http://www.finance.gov.pk/frdla2005_amended_2016.pdf</p> <p>https://fp.brecorder.com/2014/08/201408101211376/</p> <p>http://www.finance.gov.pk/budget_call/BCC_2019_20.pdf</p> | | | | | | | | | | | | | | |
| Indicator number | 14.2 | | | | | | | | | | | | | | |
| Indicator question(s) | What is the country's score and rank in the most recent Open Budget Survey, conducted by the International Budget Partnership (IBP)? | | | | | | | | | | | | | | |
| Response | <p>Pakistan has a transparency score of 28 (out of 100) in the Open Budget Index 2019.</p> <p>The country ranks at 93 out of 117 countries.</p> | | | | | | | | | | | | | | |
| Reference | a) https://www.internationalbudget.org/open-budget-survey/ | | | | | | | | | | | | | | |
| Indicator number | 14.3 | | | | | | | | | | | | | | |
| Indicator question(s) | Are key budget-related documents published in practice? | | | | | | | | | | | | | | |
| Response | <p>According to the Open Budget Control criteria 2019, these are key budget related documents and their availability status:</p> <table border="1"> <thead> <tr> <th>Type of Document</th><th>Name of the Document</th></tr> </thead> <tbody> <tr> <td>Pre Budget Statement</td><td>Published for Internal Use Only (FY 2018)</td></tr> <tr> <td>Executive Budget Proposal and Supporting Documents</td><td> <ul style="list-style-type: none"> Published and Publicly Available (FY 2018) Comprehensiveness score (46/100) </td></tr> <tr> <td>Enacted Budget and Supporting Document</td><td> <ul style="list-style-type: none"> Published and Publicly Available (FY 2018) Comprehensiveness score (45/100) </td></tr> <tr> <td>Citizen's Budget</td><td> <ul style="list-style-type: none"> Not Produced (FY 2018) </td></tr> <tr> <td>In Year Report</td><td> <ul style="list-style-type: none"> Published and Publicly Available (FY 2018) Comprehensiveness score (43/100) Data and statistics published by Pakistan Bureau of Statistics </td></tr> <tr> <td>Mid Year Report</td><td> <ul style="list-style-type: none"> Not produced (FY 2017) </td></tr> </tbody> </table> | Type of Document | Name of the Document | Pre Budget Statement | Published for Internal Use Only (FY 2018) | Executive Budget Proposal and Supporting Documents | <ul style="list-style-type: none"> Published and Publicly Available (FY 2018) Comprehensiveness score (46/100) | Enacted Budget and Supporting Document | <ul style="list-style-type: none"> Published and Publicly Available (FY 2018) Comprehensiveness score (45/100) | Citizen's Budget | <ul style="list-style-type: none"> Not Produced (FY 2018) | In Year Report | <ul style="list-style-type: none"> Published and Publicly Available (FY 2018) Comprehensiveness score (43/100) Data and statistics published by Pakistan Bureau of Statistics | Mid Year Report | <ul style="list-style-type: none"> Not produced (FY 2017) |
| Type of Document | Name of the Document | | | | | | | | | | | | | | |
| Pre Budget Statement | Published for Internal Use Only (FY 2018) | | | | | | | | | | | | | | |
| Executive Budget Proposal and Supporting Documents | <ul style="list-style-type: none"> Published and Publicly Available (FY 2018) Comprehensiveness score (46/100) | | | | | | | | | | | | | | |
| Enacted Budget and Supporting Document | <ul style="list-style-type: none"> Published and Publicly Available (FY 2018) Comprehensiveness score (45/100) | | | | | | | | | | | | | | |
| Citizen's Budget | <ul style="list-style-type: none"> Not Produced (FY 2018) | | | | | | | | | | | | | | |
| In Year Report | <ul style="list-style-type: none"> Published and Publicly Available (FY 2018) Comprehensiveness score (43/100) Data and statistics published by Pakistan Bureau of Statistics | | | | | | | | | | | | | | |
| Mid Year Report | <ul style="list-style-type: none"> Not produced (FY 2017) | | | | | | | | | | | | | | |

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| Year End Report | <ul style="list-style-type: none"> • Published Late (FY 2016) Data and Statistics published by Economic Survey of Pakistan, Ministry of Finance |
| Audit Report | <ul style="list-style-type: none"> • Published for Internal Use only (FY 2016), Hard Copy only |

Reference <https://www.fbr.gov.pk/feedback/131345>
http://www.finance.gov.pk/budget/Annual_Budget_Statement_2018_19.pdf
http://finance.gov.pk/budget/Budget_in_Brief_2019_20.pdf
http://finance.gov.pk/survey/chapters_19/Economic_Survey_2018_19.pdf
<https://www.dawn.com/news/1484868>
<https://www.internationalbudget.org/open-budget-survey/>

15. PUBLIC PROCUREMENT

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| Indicator number | 15.1 |
| Indicator question(s) | Does the law clearly define up to what threshold(s) single-sourced purchases of goods, services and public works are allowed? |
| Scoring | ● 0.75: Thresholds concerning the single-sourcing of goods, services and public works are clearly defined by a decree (or a similar administrative standard) |
| Response | <p>There exists a public procurement framework as promulgated under Public Procurement Regulatory Authority (PPRA) Ordinance 2002. PPRA Procurement Code is a legally binding document, which is a collection of Public Procurement Law, Rules and Regulations, and policy guidelines issued from time to time.</p> <p>The PPRA rules define following threshold concerning the single-sourcing of goods, services and public works as announced by Finance Division.</p> <p>Monetary Limits (single tender): Less than Rs.40, 000/- (Equivalent to US\$ 260/- or Euro 231/-)</p> <p>However, for Pakistan's Missions abroad, the PPRA's Board has approved the increase in financial limit for single tender procurement as under: -</p> <p>Monetary Limits for Pakistan's Missions abroad (single tender): Up to US\$ 2,000/- or Euro 1,500/-.</p> <p>Besides, according to Rule 42(a), single source contracting is allowed for petty purchases where the object of the procurement is below the financial limit of twenty-five thousand rupees.</p> <p>According to sub-clause (iv) of Rule 42(c), a procuring agency shall only engage in direct contracting for repeat orders not exceeding fifteen per cent of the original procurement.</p> |
| Reference | http://www.ppra.org.pk/doc/code4.pdf |
| Indicator number | 15.2 |
| Indicator question(s) | What are exceptions in the legal framework for public procurement that allow for single-sourced contracting above these thresholds? |
| Scoring | ● 0.5: The law provides exceptions that may be vulnerable to misuse. |
| Response | <p>Rule 42 (a) of PPRA Code: For petty purchases, the single source selection method above the threshold can be justified providing that procuring agencies convinced of the inadequacy of the threshold. In that case the agency may approach the Federal Government with proper justifications for enhancement of the threshold.</p> <p>Rule 42 (c) of PPRA Code: The exemptions for procurement above threshold can be applicable for repeat purchases not exceeding fifteen per cent of the original procurement, emergency cases, and cases where only one consultant is qualified.</p> <p>Rule 21 of PPRA Code authorizes the Federal Government to exempt the procurement of object or class of objects in the national interest from the operation of PPRA Ordinance or PPRA rule or regulation based on the PPRA's recommendations. This is a general rule which is also applicable to the cases of single source procurement above the thresholds.</p> |
| Reference | http://www.ppra.org.pk/doc/code4.pdf http://www.ppra.org.pk/Rules.asp |

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| Indicator number | 15.3 |
| Indicator question(s) | Does the legal framework require that information on public procurement above certain thresholds be published? |
| Scoring | ● 1: The legal framework requires tender announcements and contract award information to be released and procurement contracts to be published in full text (possibly with partial redactions) |
| Response | <p>The Rule 12 of PPRA Code requires procurements over one hundred thousand rupees and up to the limit of two million rupees to be advertised on the Authority's website and, if deemed necessary by the procuring agency, advertised in print media. For procurement opportunities over two million rupees, the rule requires advertising on the Authority's website, in at least two national dailies with wide circulation, one in English and the other in Urdu, and on the procuring agency website (if operational) where it shall remain available until the closing date for the submission of bids.</p> <p>According to the PPRA guidelines, following desirable minimum information is to be provided in the tender notices:</p> <ol style="list-style-type: none"> 1. Name of procuring agency. 2. Tender number (for identification) 3. Procurement Title (indicating type and quantity). 4. Contact person (for seeking bidding documents). 5. Last date for obtaining bidding documents and its price (if any). 6. Closing time and date as well as place for receiving bids. 7. Time and Place of public opening of bids (Bids must be opened on the closing date). 8. Amount of bid security (%age of bid price). 9. Time period for performance of contract. |
| Reference | http://www.ppra.org.pk/doc/code4.pdf http://www.ppra.org.pk/ |
| Indicator number | 15.4 |
| Indicator question(s) | Are bidders required to disclose their beneficial owners? |
| Scoring | ● 0: There is no requirement for Bidders to disclose beneficial owners |
| Response | <p>There are no requirements for beneficial ownership disclosure and group structures in PPRA Rules (World Bank). In Pakistan's national context, the issue of beneficial ownership came to the fore after Panama Papers leaks that claimed that children of former Prime Minister Nawaz Sharif indirectly owned stakes in many companies. The Washington-based lender said the beneficial ownership has been an important element of international good practice and its omission has implications for the efficiency of other parts of the legal framework.</p> |
| Source: | https://tribune.com.pk/story/1927547/2-world-bank-highlights-serious-flaws-pses/ |
| Indicator number | 15.5 |
| Indicator question(s) | Are there legal provisions, regulations or policies in place for bidders to file complaints in case they suspect irregularities at any stage of the procurement process? |
| Response | <p>Rule 48 of the PPRA code 2004 has required all the federal procuring agencies to constitute a committee comprising of odd number of persons, with proper powers and authorizations, to address the complaints of bidders that may occur prior to the entry into force of the procurement contract.</p> <p>According to the rule, any bidder may lodge a written complaint concerning their grievances not later than fifteen days after the announcement of the bid</p> |

evaluation report. The committee then has to investigate and decide upon the complaint within fifteen days of the receipt of the complaint.

The complaint mechanism allows bidders unsatisfied with the decision of the committee to lodge an appeal in the relevant court of jurisdiction.

The rule also requires the procuring agencies to provide information on their grievances redressal committees as per a specified format. The PPRA's website lists the name of all the public procuring agencies which have constituted Grievances Redressal Committee along with the name, designation, and contact details of the respective office bearers of each Committee. Aggrieved bidders can use this information to approach relevant procuring agency.

Shortcomings:

However, the grievances redressal arrangement doesn't warrant suspension of the procurement process merely on the lodging of a complaint.

Secondly, the PPRA's grievances redressal mechanism operates at a single tier only as it lacks an independent forum or ombudsman to address the complaints of bidders. That could lead to adverse selection of contractors, delays in award of contracts, and other adverse consequences.

Thus, although appellant bodies are established to hear appeals against decisions of these Committees, this mechanism is not functioning according to international standards as the office bearers of these committees, which are also the officials/ executives of the respective procurement agencies, are to deal with complaints against their own co-workers. As a result, it is very difficult to ensure justice and neutrality of the final decision.

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| Reference | http://www.ppra.org.pk/ http://www.ppra.org.pk/Rules.asp |
| Indicator number | 15.6 |
| Indicator question(s) | Which information and documents related to public procurement and other relevant government contracts (such as privatizations, licenses etc.) are published proactively and are available in full text? Are any of these documents published online through a central website or database? |
| Response | <p>As Per Rule 35 of PPRA Code 2004, federal procuring agencies are required to publish Evaluation Report on the authority's website and their own website (if available) for each contract's results, which should cover the following minimum information in PPRA's pre-specified format:</p> <p>Name of Procuring Agency</p> <p>Method of Procurement</p> <p>Title of Procurement</p> <p>Tender Inquiry No</p> <p>PPRA Ref. No. (TSE)</p> <p>Date & Time of Bid Closing</p> <p>Date & Time of Bid Opening</p> <p>No of Bids Received</p> <p>Criteria for Bid Evaluation</p> <p>Details of Bid(s) Evaluation (Basis for Rejection / Acceptance for each bidder)</p> <p>Lowest Evaluated Bidder</p> |
| Reference | http://www.ppra.org.pk/doc/elv.pdf |

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| Indicator number | *15.7 |
| Indicator question(s) | To what extent does the country use electronic procurement that is open, provides the public with access to procurement information and opportunities to engage in the procurement process? |
| Response | <p>Electronic Public Procurement is not yet fully established in Pakistan. However, some federal procuring agencies such as Pakistan Petroleum Limited and SUPARCO have e-Procurement portals developed and functional.</p> <p>Other than the above, the PPRA website has the online portal to enable Online Tender Submission for bidders.</p> <p>PPRA has also developed an e-GP implementation strategy including tentative model SOPs, Standard Bidding Documents (SBDs), and contract forms to support the design phase for the implementation of e-procurement system once approved by the Federal Government.</p> |
| Reference | <p>http://www.ppra.org.pk/epro.asp</p> <p>https://eprocurement.ppl.com.pk/</p> <p>http://www.eprocurement.suparco.gov.pk/</p> |

16. WHISTLE-BLOWING AND REPORTING MECHANISMS

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| Indicator number | 16.1 |
| Indicator question(s) | Is there a legal framework to protect whistleblowers from the public and the private sector who report reasonable belief of wrongdoing? |
| Scoring | ● 0.5: The law provides protection for whistleblowers from either the public or the private sector |
| Response | The Whistleblower Protection and Vigilance Commission Act, 2019 is a legal framework but it covers only public sector [Clause 2(g)]. The clause 9 of the Act related to Exemption from Disclosure which has 10 sub-section but it does not specifically name any institute or organizations. |
| Reference | http://www.na.gov.pk/uploads/documents/1556805307_895.pdf |
| Indicator number | *16.2 |
| Indicator question(s) | Does the law provide for broad definitions of whistleblowing and whistleblower? |
| Scoring | ● 0.5: The law does not contain a definition of whistleblowing or whistleblower, or the definition is very narrow |
| Response | Whistleblower information or whistleblowing covers complaint against a public office. It does not include reporting of wrongdoing which is of concern to or threaten the public interest 2(g). Moreover, the Whistleblower definition is quite broadly defined 2(j). |
| Reference | http://www.na.gov.pk/uploads/documents/1556805307_895.pdf |
| Indicator number | *16.3 |
| Indicator question(s) | Does the law provide sufficient protection for whistleblowers? |
| Scoring | ● 1: The law does provide strong protection for whistleblowers. |
| Response | The law provides sufficient protection to the whistleblower including hiding the identity and retaliatory actions covered in clause 14 and 2 (d). |
| Reference | http://www.na.gov.pk/uploads/documents/1556805307_895.pdf |
| Indicator number | *16.4 |
| Indicator question(s) | Does the law provide for adequate and diverse disclosure procedures? |
| Scoring | ● 0.5: The law fails to address some important aspects |
| Response | The confidentiality and anonymity of the whistleblower is protected along with a timely investigation. However, the whistle-blower is not informed about the outcomes of the results neither he can comment on it. Furthermore, disclosure to the Media is not covered in the law. |
| Indicator number | 16.5 |
| Indicator question(s) | Does the law provide for adequate remedies for whistleblowers? |
| Scoring | ● 0.5: The law fails to address several important aspects, and only provides for one of the following: compensation rights, the reversal of the burden of proof, and the right to a new supervisor or department |
| Response | The law protects a whistleblower from several harms. (Ref: clause 12) But there is no such clause about compensation rights covering attorney and mediation fees as well as compensation or any change in status or pain and suffering, or the right to transfer to a new supervisor/department. |

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| Indicator number | 16.6 |
| Indicator question(s) | Is there an independent authority responsible for the oversight and enforcement of whistleblowing legislation? |
| Scoring | ● 0.5: There is an independent authority, but its mandate to oversee and enforce whistleblowing legislation is limited |
| Response | Clause 3 of the Whistleblower Protection and Vigilance Ordinance, 2019 mandates the establishment of Whistleblowers Protection and Vigilance Commission. The Commission is an independent body formed by the government and responsible for the oversight and enforcement of whistleblowing legislation. |

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| Indicator number | *16.7 |
| Indicator question(s) | Where an independent authority to oversee and enforce whistleblowing legislation exists, does it have sufficient powers and resources to operate effectively? |
| Response | The Whistleblower Protection and Vigilance Commission shall have all the powers of a Civil Court and its powers and functions are mentioned in Clause 10 of the Act. However, it does not provide advice or support to whistleblower. About raising public awareness to encourage the use of whistleblower, the Act does not say anything. Under Clause 15, the commission shall submit an annual report to the government. However, the act does not specifically mention whether the report shall be published. |

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| Indicator number | 16.8 |
| Indicator question(s) | Is there a law/policy that establishes a dedicated reporting mechanism for witnesses and victims of corruption (such as a hotline or a secure and anonymous electronic post box)? Does the law provide the body charged with operating it with sufficient independence and powers to investigate the reports it receives? |
| Scoring | ● 1: The law/policy creates a dedicated reporting mechanism for witnesses and victims of corruption. The body charged with operating it is provided with sufficient independence and powers to investigate the reports it receives |
| Response | <p>In the context of Pakistan, several agencies have established various reporting mechanisms for victims of corruption as well as whistleblowers. For instance, Federal Investigation Agency (FIA) has a dedicated complaint cell for reporting and investigating issues related to corruption including cyber-crimes under the auspices of The Anti-Corruption and Economic Crime Wing.</p> <p>Moreover, Federal Board of Revenue (FBR) has established Integrity Management Cell (IMC) to facilitate general public/ taxpayers for filing of complaints against corrupt practices of officers/officials of FBR.</p> |

Complaints can be lodged using any of the following modes:

By directly calling helpline at 111-772-772 for information.

By visiting field offices of Inland Revenue & Pakistan Customs.

By sending an email at complaints@fbr.gov.pk

By filing complaint on FBR online portal.

By submitting either a hard copy of the complaint through post or meeting in person with Secretary (IMC), FBR (HQ), Constitution Avenue, Islamabad.

Besides that, the Competition Commission of Pakistan (CCP), learning from the experiences of UK's Competition Market Authority and the EU has introduced a whistleblower hotline through which individual can help in the fight against cartels and other anti-competitive practices.

Also, multiple efforts have been launched at provincial level as well, noteworthy ones are launch of Report Corruption App by Punjab ACE (Anti-Corruption Establishment) to eradicate corruption and create deterrence for public servants

and their accomplices involved in criminal misconduct and corrupt practices. This application provides an easy and accessibility approach for Citizens to report corruption and provide evidence of corruption with or without disclosing their identity.

In February 2020, the Government of Sindh also launched helpline 1414 to fight corruption during a press briefing by Sindh Provincial Minister for Industries, Commerce and Anti-Corruption Establishment, Ikramullah Dharejo.

The Government of Khyber Pakhtunkhwa province has also launched a central hotline with whistleblower mechanisms. Besides that, it also has a fully functional Khyber Pakhtunkhwa Chief Minister Online Complaint & Redressal Cell.

References:

<http://www.fia.gov.pk/en/complaints.php>
<https://www.fbr.gov.pk/fbr-sets-up-new-unit-for-filing-of-complaints-against-corrupt-practices-of-officersofficials-of-fbr/131997>
<https://www.dawn.com/news/1513322>
<https://arynews.tv/en/anti-corruption-helpline-launched-sindh/>
<https://fp.brecorder.com/2019/07/20190729501131/>
<https://ace.punjab.gov.pk/>
<http://www.pakp.gov.pk/2013/acts/the-khyber-pakhtunkhwa-whistleblower-protection-and-vigilance-a-commission-act-2016/>
<http://www.crckp.gov.pk/About>

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| Indicator number | 16.9 |
| Indicator question(s) | Does such a dedicated reporting mechanism for witnesses and victims of corruption exist in practice? |
| Response | The clause 12 of the Act provides authority and powers to the Commission to protect the identity of a Whistleblower. While Clause 3(4) refers that the Commission shall be functionally independent and the government shall ensure its freedom. |
| Indicator number | 16.10 |
| Indicator question(s) | Is data and information regarding the operation and performance of such reporting mechanisms (in compliance with relevant privacy and data protection laws) published? |
| Response | The law is relatively new in Pakistan and no such data is available so far. |
| Indicator number | 16.11 |
| Indicator question(s) | Is there evidence that relevant state bodies have taken active steps to promote public awareness of this reporting mechanism? |
| Response | There are no publicly known recent cases of victims and witnesses using this mechanism for their protection due to a lack of awareness and faith in the system. |
| Indicator number | 16.12 |
| Indicator question(s) | Have there been prominent cases in the past two years where wrongdoing and corruption were unveiled by a whistleblower or through a reporting mechanism? |
| Response | Whistleblower Protection and Vigilance Commission Act 2019 is a new law in Pakistan. It is yet to be fully enforced. There is no data available on cases filed by whistleblowers under this law. |

Target 16.10: “Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements”.

17. PROTECTION OF FUNDAMENTAL FREEDOMS

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| Indicator number | 17.1 |
| Indicator question(s) | What is the country’s score and rating in Freedom House’s Freedom in the World Rating? |
| Response | Pakistan has been categorized as a ‘Partly Free’ country. Aggregate Score – 38/100 (2020) |
| Reference | a) https://freedomhouse.org/report-types/freedom-world |
| Indicator number | 17.2 |
| Indicator question(s) | What is the country’s rank and score in the most recent World Press Freedom Index, issued by Reporters Without Borders? |
| Response | Pakistan ranks at 145 among 180 countries in 2020 and scored 45.52 in World Press Freedom Index. |
| Reference | a) https://rsf.org/en/ranking |
| Indicator number | 17.3 |
| Indicator question(s) | Does the legal framework contain any provisions that threaten or undermine the ability of journalists, bloggers researchers, human rights advocates and other civil society actors to exercise their fundamental rights, to uncover and report on all forms of corruption, and to hold leaders accountable? |
| Response | No, the legal framework in the country does not contain anything that undermines the ability of journalist, bloggers, researchers, human rights activist and civil society to exercise their fundamental rights. However, Pakistan Press Freedom Report 2017, criticized the following restrictions imposed by the government: a) Pakistan government for spending millions of rupees to broadcast and publish advertisements warning citizens that misuse of Article 19 of the Constitution could subject them to fines or imprisonment. b) “Journalists Welfare and Protection” bill requires media organizations to get approval from the government before deputing a journalist for duty in a sensitive area. (Ref: Section 6) the draft bill gives government the authority to ban media organizations for up to three months and to impose fines of up to twenty million PKR. |
| Reference | http://www.cpd-pakistan.org/wp-content/uploads/2015/08/Right-to-Information-and-Media-Laws-in-Pakistan1.pdf |
| Indicator number | 17.4 |
| Indicator question(s) | Are any policies or practices in place that undermine the ability of journalists, bloggers researchers, human rights advocates and other civil society actors to exercise their fundamental rights, to uncover and report on all forms of corruption, and to hold leaders accountable? |
| Response | In Pakistan, during past thirteen years, the information and media milieu have completely changed. Prior to 2002, the country did not have any law to provide freedom of information to the people. Similarly, there were only state-run/controlled electronic media available in the country. However, President General Musharraf introduced the Freedom of Information Ordinance, 2002 along with various media related laws/regulations in 2002. The promulgation of the Pakistan Electronic Media Regulatory Authority (PEMRA) Ordinance, 2002, allowed private sector to own electronic media outlets like satellite TV and FM radio stations in Pakistan. |
| Reference | http://www.cpd-pakistan.org/wp-content/uploads/2015/08/Right-to-Information-and-Media-Laws-in-Pakistan1.pdf |

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| Indicator number | 17.5 |
| Indicator question(s) | Have there been documented cases of killings, kidnappings, enforced disappearances, arbitrary detentions, torture or attacks against journalists, associated media personnel, trade unionists, human rights and civil society advocates or other people who investigated, uncovered and advocated against corruption in the previous two years? |
| Response | <p>The UN Working Group on Enforced or Involuntary Disappearances has more than 700 pending cases from Pakistan.</p> <ul style="list-style-type: none"> • Freedom Network (FN) released its Press Freedom Barometer 2018 monitored from May 1, 2017 to April 1, 2018 to mark May 3 International Press Freedom Day. Based on actual events, FN noted that at least 157 cases of attacks and violations were documented across all four provinces, Islamabad and tribal areas. "That's an average of about 15 cases of violations a month – one every second day. The violations included killing of journalists, abductions, kidnappings, physical attacks and injuries, arrests, threats and specific cases of harassment," it said. <p>(http://www.fn.pk.org/chronicles-of-shame-the-changing-threat-patterns-and-demographics-of-pakistani-media-landscape/)</p> <ul style="list-style-type: none"> • Deedar Ali Shabrani, a writer, poet and journalist working with Dharti TV, has not been seen or heard from since he was taken from his home on 16 December 2017, raising fears that he may have been subject to an enforced disappearance. Deedar Ali Shabrani is known to have been critical of the Pakistan government's policies toward his native province and for highlighting concerns of enforced disappearances in Sindh province. • Ahmed Noorani, Pakistani journalists and activists demonstrate against an attack in Karachi, Pakistan on October 28, 2017. Noorani, a senior journalist from a local newspaper, was beaten by unknown attackers on motorbikes on October 26. (http://www.pakvoices.pk/timeline-2017-attacks-journalists-bloggers/) • A Pakistani journalist was kidnapped by masked men in Lahore. Gul Bukhari was freed several hours after being abducted, her family said. There had been outrage from colleagues. She had been on her way to work when she was stopped late at night in the city's army-controlled cantonment area. <p>(https://www.bbc.com/news/world-asia-44382719)</p> <ul style="list-style-type: none"> • A female broadcast journalist who went missing more than two years ago returned home on Friday safe and sound – much to the surprise of the family. Zeenat Shahzadi, who was affiliated with a private TV channel, went missing on August 19, 2015 while travelling to her office in an auto-rickshaw in Lahore <p>(https://tribune.com.pk/story/1536720/1-missing-lahore-journalist-zeenat-shehzadi-recovered-two-years/)</p> |
| Reference | <p>https://www.amnesty.org/download/Documents/ASA3380912018ENGLISH.PDF</p> <p>http://www.fn.pk.org/chronicles-of-shame-the-changing-threat-patterns-and-demographics-of-pakistani-media-landscape/</p> |
| Indicator number | 17.6 |
| Indicator question(s) | Have there been cases of attacks against NGOs, journalists, and others advocating or reporting on corruption adequately investigated and resolved in the past two years? Were perpetrators identified and held accountable? |
| Response | There is a shrinking space for civil society in general in Pakistan. Government has made the registration NGOs and INGOs difficult which has hampered people's ability to hold government and powerful to account. |

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| Indicator number | 17.7 |
| Indicator question(s) | Have there been documented cases of government censorship, including of online communication, or of undue political interference that limits people's ability to inform and express themselves online in the past two years? |
| Response | The controversial Pakistan Electronic Crime Bill (PECB) became law in September 2017. Its provisions contain vague language that could permit authorities broad powers to censor online content in the name of preserving national security. The law also provides for as long as three years' imprisonment for disseminating information with "dishonest" intent or which is deemed to harm an individual's reputation. |
| Reference | https://nation.com.pk/15-Nov-2017/pakistan-ranks-not-free-for-6th-consecutive-year-in-freedom-on-the-net-report |

18. ACCESS TO INFORMATION

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| Indicator number | 18.1 |
| Indicator question(s) | Does the legal framework (including jurisprudence) recognize a fundamental right of access to information? |
| Scoring | ● 1: There is a full constitutional recognition of a public right of access to information |
| Response | Article 19A of the Constitution of Pakistan. Every citizen shall have the right to have access to information in all matters of public importance subject to regulation and reasonable restrictions imposed by law |
| Reference | http://na.gov.pk/uploads/documents/1333523681_951.pdf |
| Indicator number | 18.2 |
| Indicator question(s) | Does the right of access to information apply to all materials held by or on behalf of public authorities in any format, regardless of who produced it? |
| Scoring | ● 0.5: The right applies to materials held by or on behalf of public authorities, but there are exceptions for "internal documents" or databases |
| Response | <p>Section 2(v) "information" means information based on record; (x) "record" means a public record as defined in section 6;</p> <p>(xii) "right of access to information" means the right of access to information accessible under this Act which is held by or under the control of any public body and includes the right of access to information, documents or record in digital or printed form, as the case may be; 6 Subject to the provisions of section 7, the following record of all public bodies is hereby declared to be the public record, namely: - (a) policies and guidelines; (b) transactions involving acquisition and disposal of property and expenditure undertaken by a public body in the performance of its duties and functions; (c) information regarding grant of licences, allotments and other benefits, privileges, contracts and agreements made by a public body; (d) final orders and decisions, including decisions relating to members of public; and (e) any other record which may be notified by the Minister-in-charge of the Federal Government as public record for the purpose of this Act.</p> |
| Reference | https://www.rti-rating.org/country-data/by-indicator/5/ |
| Indicator number | 18.3 |
| Indicator question(s) | To which branches and bodies does the right of access apply? |
| Scoring | ● 1: The right of access applies, with no bodies excluded, to 1) executive branch; 2) the legislature; 3) the judicial branch; 4) state-owned enterprises; 5) other public authorities including constitutional, statutory and oversight bodies (such as an election commission or an information commission); and 6) private bodies that perform a public function or that receive significant public funding |
| Response | <p>Yes, it does apply to bodies mentioned.</p> <p>Section (ix), "public body" means-</p> <p>(a) any Ministry, Division, attached office, including autonomous Government;</p> <p>(b) any Federal and any municipal or local authority set up established by or under Federal law;</p> <p>(c) the National Assembly and the Senate including the secretariats, committees and members;</p> <p>(d) any statutory corporation or other body corporate or institute set up or established or owned or controlled or funded by the Federal Government;</p> <p>(e) any court, tribunal, commission or board under the Federal law;</p> <p>(f) any incorporated or unincorporated body of the Federal Government functioning under the control or authority of another public body or wherein one or more public bodies own or have controlling interest or provide substantial funding;</p> |

(g) any other organisation which undertakes a public function, to the extent of that function; and

(h) a non-governmental organisation which directly or indirectly receives or has received public funds, subsidy, tax exemption, piece of land or any other benefit involving public funds and any other non-governmental organisation or body registered under any law for the time being in force;

However, the Attorney General has not been included

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| Reference | http://www.na.gov.pk/uploads/documents/1506960942_594.pdf |
| Indicator number | 18.4 |
| Indicator question(s) | Are there clear and reasonable maximum timelines for responding to a request, regardless of the manner of satisfying the request? |
| Scoring | ● 1: Timeframe is 10 working days (or 15 days, or two weeks) or less |
| Response | <p>Section 14(1) Subject to the provisions of this Act, a public body shall be required to respond to a request as soon as possible and in any case within ten working days of receipt of the request.</p> <p>(2) The period stipulated in sub-section (1) may be extended by maximum of further ten working days where it is necessary when the request requires a search through a large number of records or records located in different offices or consultation is required with third parties or other public bodies.</p> <p>(3) Information needed to protect the life and liberty of any individual shall be provided within three working days</p> |
| Reference | http://www.na.gov.pk/uploads/documents/1506960942_594.pdf |
| Indicator number | 18.5 |
| Indicator question(s) | Are exceptions to the right of access consistent with international standards? |
| Scoring | ● 0.5: 5 or 6 points |
| Response | According to the RTI Law of Pakistan, notings on files, minutes of meetings, and intermediary opinion are declared confidential by Minister-in-charge, provided on condition of confidentiality. |
| Reference | https://www.rti-rating.org/country-data/by-indicator/29/ |
| Indicator number | 18.6 |
| Indicator question(s) | Is a harm test applied to all exceptions, so that disclosure may only be refused when it poses a risk of actual harm to a protected interest? |
| Scoring | ● 0.25: Harm test is applied to all but 3 exceptions |
| Response | The Harm test is not applied to the following 3 cases namely i) records of banks relating to customers (does not specify private), ii) relating to defence forces, and iii) relating to crime. |
| Reference | https://www.rti-rating.org/country-data/by-indicator/30/ |
| Indicator number | 18.7 |
| Indicator question(s) | Is there a mandatory public interest override so that information must be disclosed where this is in the overall public interest, even if this may harm a protected interest? Are there 'hard' overrides (which apply absolutely), for example for information about human rights, corruption or crimes against humanity. |
| Scoring | ● 0.25: The public interest test only applies to some exceptions |
| Response | According to RTI legislation of Pakistan, the Minister-in-charge of the Federal Government must provide reasons when declaring confidential as to why harm overrides public interest. The Minister shall have to record reasons as to why the harm from disclosure of information outweighs public interest and further that information pertaining to allegation of corruption and violation of human rights shall not be excluded. |
| Reference | https://www.rti-rating.org/country-data/by-indicator/31/ |

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| Indicator number | 18.8 |
| Indicator question(s) | Is there an independent Information Commission, or a similar oversight body, with whom requestors have the right to lodge an external appeal? |
| Scoring | ● 0.5: An Information Commission or a similar oversight body exists, but either lacks the power to review classified documents or lacks inspection power |
| Response | According to section 20(1) of RTI Act of Pakistan, the Information Commission shall have all the powers to conduct inquiries in relation to an appeal and shall have the powers of a civil court in respect of the following matters:- (i) summoning and enforcing the attendance of witnesses and compelling them to give oral or written evidence on oath; and (ii) requiring public bodies to produce records pertaining to the appeal. However, the Commission lacks power to carry out inspections. |
| Reference | rti-rating.org/country-data/by-indicator/41 |

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| Indicator number | *18.9 |
| Indicator question(s) | Does the law/policy on access to information contain minimum standards on mandatory proactive (automatic, without having to be requested) publication of information? |
| Scoring | ● 1: if the law on access to information (or another relevant law) contains requirements on the mandatory automatic publication of certain information |
| Response | <p>According to Section 5(1) of Federal RTI law of Pakistan, the principal officer of each public body shall ensure that the following categories of information and record are duly published subject to reasonable restrictions based on limited resources: -</p> <p>a) description of the public body's organisation and functions, duties, powers, important policies and decisions which have been adopted, decision-making process, statutory rules and regulations, etc., and any services it provides to the public, including a directory of its employees, indicating their duties and functions and their respective remunerations, perks and privileges;</p> <p>b) the conditions upon which members of the public can acquire any license, permit, consent, approval, grant, allotment or other benefits of whatsoever nature from any public body.</p> <p>c) detailed budget of the public body, including proposed and actual expenditures, original or revised revenue targets, actual revenue receipts, revisions in the approved budget and the supplementary budget;</p> <p>d) the methods whereby information in the possession or control of the public body may be obtained and the prescribed fee required along with the name, title and contact details of the designated officials;</p> <p>e) reports including performance reports, inquiry and investigation reports, audit reports, and evaluation reports;</p> <p>(f) such other matters which the principal officer of the public body deems fit to be published in the public interest.</p> |
| References | http://www.na.gov.pk/uploads/documents/1506960942_594.pdf http://kp.gov.pk/uploads/2016/02/3._Right_to_Information_Act,_2013_.pdf |

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| Indicator number | 18.10 |
| Indicator question(s) | What is the country's score in the Right-To-Information Rating? (http://www.rti-rating.org/country-data/) |
| Response | Pakistan ranked 32 out of 128 countries and scored 105 out of 150 in the Right-To-Information Rating. |
| Reference | a) http://www.rti-rating.org/country-data/ |

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| Indicator number | 18.14 |
| Indicator question(s) | Have there been any developments in the past two years that suggest an improvement or deterioration in the framework for public access to information and/ or its implementation? |
| Response | <p>Pakistan improved its position in global RTI rating from 91 in 2017 to 33 in 2018. Starting with Khyber Pakhtunkhwa and Punjab provinces in 2013, all the provinces in Pakistan except Baluchistan have now adopted strong RTI laws. The federal government has also promulgated The Right of Access to Information Bill 2017.</p> <p>A noteworthy feature of these acts is setting up of Information Commissions to institutionalize an effective enforcement mechanism of RTI. Prime Minister Imran Khan has constituted a three-member commission to review the Access to Information Act 2017.</p> |
| Reference | <p>http://www.na.gov.pk/uploads/documents/1506960942_594.pdf</p> <p>https://www.pakistantoday.com.pk/2018/11/09/pm-constitutes-3-member-commission-to-review-information-act-2017/</p> |

19. OPEN GOVERNMENT DATA (OPTIONAL)

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| Indicator number | *19.1 |
| Indicator question(s) | What is the country's rank and score in the most recent edition of the Open Data Barometer, produced by the World Wide Web Foundation (http://opendatabarometer.org/data-explorer)? |
| Response | Pakistan scored 6.23 out of 100 and was ranked 85 out of 92 countries in 2015 Open Data Barometer produced by the World Wide Web Foundation. The country scored 19 out of 100 in the readiness of states, citizens, and entrepreneurs to secure the benefits of open data; scored only 2 out of 100 in terms of the extent to which key government data is published; and scored zero in terms of the impact of the limited data released by the government. |
| Reference | https://opendatabarometer.org/data-explorer/?_year=2015&indicator=ODB&lang=en |
| Indicator number | *19.2 |
| Indicator question(s) | What is the country's score in the most recent available Open Data Index, produced by Open Knowledge International (http://index.okfn.org/place)? |
| Response | <p>Pakistan scored 30% and was ranked at 61st place in the 2015 Open Data Index, produced by Open Knowledge International.</p> <p>Breaking down the score, Pakistan performed comparatively well in terms of openness location data sets and government budget - 55% each. The country scored poorly in terms of openness of government spending (10%), company registrar (0%), land ownership (0%), election results (0%), and legislations (10%). The lack of openness in these domains identifies major shortcomings which need to be addressed in the implementation of country's anti-corruption framework.</p> |
| Reference | http://2015.index.okfn.org/place/pakistan/ |

RECOMMENDATIONS

Recommendations under Target 16.4

- A revision in the National Accountability Ordinance (NAO) is much needed. For instance, Section 25 (a), 'Voluntary return – plea bargain' allows the Chairman NAB to discharge, before or after the commencement of trial, any person accused of any offense if he/ she returns the assets or gains acquired through corrupt practices. Stringent penalties must be enforced to discourage corruption.
- Institutional watchdogs must be independent and accountable at the same time.
- The Securities and Exchange Commission of Pakistan (SECP) has recently notified additional provisions in the Anti-Money Laundering and Countering Financing of Terrorism Regulations, 2018. The focus of the new provisions has been enhanced towards high-risk areas. However, there is a need to implement Simplified Due Diligence (SDD) for low risk customers as well.

Recommendations under Target 16.5

- It is essential that the Ministry of Planning, Development & Reform (MoPDR) together with the provincial governments develop indicators to measure progress against corruption and gather data on bribery and other forms of corruption. MoPDR is also encouraged to use existing data sources on bribery and corruption such as the Corruption Perception Index and Global Corruption Barometer, which are surveys conducted by Transparency International.

- There is a need for a completely autonomous and an independent anti-corruption Agency. The Government should strengthen ACA and build capacity of its employees, professional expertise and specialized training particularly at investigation level.
- Election Commission has a code of conduct for internal democratic governance of Political Parties, but it needs to strictly implement it.
- The political parties must have independent audits and share their funding resources, financial spending and audit reports via the internet or otherwise, for public scrutiny.

Recommendations under Target 16.6

- With respect to 'revolving door' policy, a comprehensive code of conduct appears to be more morally binding on the government employees than legally binding. Stronger enforcement mechanisms need to be in place. Moreover, proactive disclosure must be incorporated and shall cover all public bodies.
- On the subject of Public Procurement, a requirement on disclosure of beneficial owners should be mandated to ensure fiscal transparency.
- The government must oblige its ministries and departments regarding establishment and utilization of fully functional e-procurement portals.

- At present, The Whistle-blower Protection and Vigilance Commission Act covers whistleblowing complaint against a public office. It shall also include reporting of wrongdoing which is of concern to or threaten the public interest. Moreover, the Act shall also incorporate provisions on securing compensation rights for whistle-blowers.
- Mechanisms should be designed to engage any civil society organization or member of the public who wishes to participate during budget formulation. Public Participation is severely lacking as reflected in OBS 2019.
- The Pre-Budget Statement, Audit Report and Year-End should be published online in a timely manner.

Recommendations under Target 16.10

- It's a welcoming step that the Right to Information Commissions have been set up at federal and provincial levels across the country with strong laws. However, the respective governments must strive to ensure their proper functioning and ask respective ministries and government departments to appoint their PIOs (Public Information Officers)
- The government shall ensure that civil society and media has the freedom and space to actively speak against corruption without reprisals and should strive to create an enabling environment for freedom of speech and expression
- The government needs to embrace and facilitate adoption of the concept of Open Government Data. It should fulfil its commitment regarding Open Government Partnerships (OGP) where it failed to submit the Action Plan and is currently designated as 'Inactive'.

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