



**TRANSPARENCY  
INTERNATIONAL-PAKISTAN**

5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,  
Defence Housing Authority, Karachi.  
Tel: (92-21)-35390408, 35390409, Fax: 35390410  
E-mail: ti.pakistan@gmail.com  
Website: www.transparency.org.pk  
**Advisory Committee**

11<sup>th</sup> February 2012

Mr. Muhammad Ali,  
Chairman,  
Securities & Exchange Commission of Pakistan,  
National Insurance Corporation Building,  
Islamabad.

**Sub: Violation of Public Procurement Rules 2004 by OGDCL under assumed exemption from Public Procurement Regulatory Authority Ordinance 2002 and Public Procurement Rules 2004 under Companies Ordinance 1984, with the blessings of SECP – TIP Letters dated 12/11/2011 & 21/12/2011 and SECP reply dated 16/12/2011 & 24/1/2012.**

Dear Sir,

This is with reference to Deputy Director (Enforcement), SECP's letter No. EMD/2333/293/02-779 dated 24<sup>th</sup> January 2012 sent to TI-P on the above subject.

In response to SECP's letter of 24<sup>th</sup> January 2012, TI-Pakistan contacted the Public Procurement Regulatory Authority on 27<sup>th</sup> January 2012, and requested it to issue a clear cut directive for the application of PPRA Ordinance 2002 and the Public Procurement Rules 2004 on OGDCL.

The Public Procurement Regulatory Authority through its letter No. F.1 (76)/DD-II/PPRA/2011 dated 01<sup>st</sup> February 2012 has informed OGDCL about the application of Section 2(j) of the PPRA Ordinance 2002 which is quoted below;


*2(j) "procuring agency" means- ii. any authority, corporation, body or organization established by or under a Federal Law or which is owned or controlled by the Federal Government.*

Public Procurement Regulatory Authority's letter makes it clear that since OGDCL is a corporation established and controlled by the Federal Government, therefore it falls under the ambit of the PPRA Ordinance 2002 and the Public Procurement Rules 2004.

TI-Pakistan therefore requests the SECP to issue directives to the OGDCL and all other Government of Pakistan Corporations, Bodies, Organizations established by the Federal Government, and also registered with SECP under the Companies Ordinance 1984, that Public Procurement Rules 2004 are applicable on them.

TI Pakistan is for across the board application of the PPRA Ordinance 2002 and the Public Procurement Rules 2004.

Regards,

  
Syed Adil Gilani  
Adviser

*Encl. PPRA Letter dt. 1.2.2012*

Copies forwarded for the information of:

1. Chairman, Public Accounts Committee, Islamabad.
2. Chairman, OGDCL, Islamabad.
3. Chairman, NAB, Islamabad.
4. Registrar, Supreme Court of Pakistan, Islamabad.
5. Auditor General, Islamabad.
6. Managing Director, PPRA, Islamabad.

No. F. 1(76)/DD-II/PPRA/2011  
GOVERNMENT OF PAKISTAN  
PUBLIC PROCUREMENT REGULATORY AUTHORITY  
(CABINET DIVISION)

<><><>

Islamabad, the 1<sup>st</sup> February, 2012

SUBJECT: OGDCL has stated that they don't fall under the ambit of PPRA Ordinance, 2002 and Public Procurement Rules, 2004 and SECP's revised opinion.


Reference Transparency International – Pakistan's letter No.Nil dated 27<sup>th</sup> January, 2012 on the above noted subject.

2. It is stated that Public Procurement Regulatory Authority (PPRA) Ordinance 2002 clearly states the ambit of PPRA and status of Ministries, Divisions and Corporations and applicability of Public Procurement Rules 2004. Section-2(j) of the Public Procurement Regulatory Ordinance, 2002 defines the term procuring agency for the applicability of Public Procurement Rules, 2004 as under ; -

- i. Any Ministry, Division, Department or any office of the Federal Government.
- ii. Any authority, corporation, body or organization established by or under a Federal Law or which is owned or controlled by the Federal Government.

3 Section-2 (k) of the Public Procurement Regulatory Authority Ordinance, 2002 states the definition of Public Fund as under: -

- i. "Public Fund" means the Federal Consolidated Fund and the Public Account of the of the Federation and includes funds of enterprises which are owned or controlled by the Federal Government.

  
( Naeem Ahmed )  
Deputy Director-II

✓ Syed Adil Gilani -  
Advisor  
Transparency International Pakistan  
Karachi.

CC:  
Managing Director, OGDCL, Blue Area, Islamabad.