

**Federal Tax Ombudsman Secretariat
5-A, Constitution Avenue,
Islamabad**

F.No.8/2013-Sr. Advisor (Pt)

Dated: 22.10.2013

Subject: **Allegations of involvement of Mahvash & Jahangir Siddiqui Foundation in share trading, including future and Badla Transactions, in violation of IT Sown Article of Association**

Please refer to Transparency International Pakistan complaint dated June 25, 2013 addressed to the Acting Chairman, Securities and Exchange Commission of Pakistan copies of which were endorsed to a number of fora including Prime Minister's Secretariat, Supreme Court of Pakistan, Wafaqi Mohtasib, National Accountability Bureau and Federal Tax Ombudsman.

2. The copy of complaint endorsed to this Secretariat was sent for comments to Secretary Revenue Division. The Chief Commissioner, RTO, Karachi had examined the complaint and filed the enclosed report to the FBR and the FTO Secretariat.

3. In view of this report, no further action is required on the part of FTO except to monitor action taken by the FBR/RTO, Karachi in this connection.

Encl: As above

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(Yasin Tahir)
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✓ Syed Ali Gilani
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OFFICE OF THE
CHIEF COMMISSIONER-IR
REGIONAL TAX OFFICE-II
KARACHI



No. CC-IR/SO-I/RTO-II/2013-2014/ 994

Dated: 23-08-2013

To

The Member (Legal)
Federal Board of Revenue
Islamabad

Dy. No. 117
Dated: 27/8/13
Time: 10:20 am
Office of the Sr. Advisor FTO Sectt.

SUBJECT FTO FILE NO.08/2013-SR.ADV - ALLEGATION OF INVOLVEMENT OF MAHVASH AND JEHANGIR SIDDIQUI FOUNDATION IN SHARE TRADING INCLUDING FUTURE AND BADLA TRANSACTION IN VOILATION OF ITS OWN ARTICLES OF ASSOCIATION - SUBMISSION OF REPORT REGARDING

Kindly refer to the above noted subject and find enclosed herewith the comments of Commissioner, Zone-III of this RTO vide letter dated 19-08-2012, which are self-explanatory, on a letter dated 25-06-2013 of Transparency International Pakistan and a report of SECP conducted in 2008 regarding violation of law as applicable in the case of the subject Foundation.

The Commissioner has observed that the subject Foundation has made huge investment in the stocks market including buying/ selling of shares of its donors/ related parties and has been declaring gain/loss thereon besides earning dividend income. The Commissioner has also reported that the Foundation has also adjusted/reduced substantial amounts as impairment in value of investment from its revenue.

The Commissioner has therefore proposed that the exemptions granted to the Foundation may be revoked and remedial measures as per law taken for retrieval of revenue.

This office agrees with the views of the Commissioner. The Honourable FTO may kindly be apprised accordingly.

-Sd-
(LUBNA FARRUKH MJRZA)
CHIEF COMMISSIONER

Copy along with enclosures to:

- ✓ Mr. Yasin Tahir, Senior Advisor, FTO Secretariat Islamabad
2. The Commissioner, Zone-III, RTO-II Karachi .
3. Mr. Muhammad Ashfaq, Second Secretary (TO-II), FBR, Islamabad.
4. The Staff Officer-IV(Exemptions), RTO-II Karachi to do the needful for withdrawal of exemptions granted by the Chief Commissioner, RTO Karachi and Chief Commissioner, LTU Karachi.