



SECP

Through courier

EMD/MISC/D-I/01 - 625

February 7, 2013

Syed Adil Gilani
Advisor
Transparency International Pakistan
5-C, 2nd Floor,
Khayaban-e-Ittehad
Phase VII, DHA
Karachi

Subject: Your letter dated January 26, 2013.

Dear Sir,

1. Reference is made to your letter dated January 26, 2013.
2. In this regard, I am directed to inform you that Transparency International Pakistan ("TIP") through its letter dated December 26, 2012, communicated that "CCP took notice and it is reported that a two member committee of the Competition Commission of Pakistan has come up with evidence on how the urea market has been rigged by few players." By stating this, TIP, is confirming that Competition Commission of Pakistan ("CCP") is the appropriate forum to regulate any type of anti-competitive activity in the market and it has already taken notice of the complaint under relevant provisions of the law. The same position was reaffirmed by the, Securities and Exchange Commission of Pakistan ("SECP") vide its letter dated January 7, 2013, informing TIP that the issues regarding pricing of fertilizer sector products are principally dealt under the competition laws, which are administrated by CCP.
3. You shall appreciate that SECP has taken suitable action in respect of IPPs, as the matter relating to booking of alleged factitious cost in the corporate accounts came under the purview of laws administrated by the SECP. As such, SECP is of the considered view that the said complaint related to Fertilizer sector falls within the ambit of CCP. Therefore, CCP may kindly be approached, being the appropriate forum and germane regulator, who is already examining the said complaint.
4. Moreover, it is pointed out that Human Right Cell of Supreme Court of Pakistan has also ordered SECP to submit a report on TIP's letter dated December 26, 2012. Therefore, the matter has become sub-judice before Supreme Court of Pakistan.
5. We would once again like to inform you that SECP is working proactively for the growth of corporate culture, by effectively implementing requisite regulations and enforcement of respective laws, rules, regulations etc. for the protection of investors and stakeholders within the corporate framework. Issuance of Chemical Fertilizer Industry (Cost Accounting Records) Order 2012 in this regard makes the stance of SECP clear, with respect to regulatory checks on the said industry.

It is hoped that the above mentioned facts and information address your concerns and apprehension.

Thanking you,

Shahzad Afzal Khan
Joint Director

SECURITIES & EXCHANGE
COMMISSION OF PAKISTAN

NIC Building, 63 Jinnah Avenue,
Islamabad, Pakistan