



TRANSPARENCY INTERNATIONAL-PAKISTAN

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1st June 2015

General Raheel Sharif,
Chief of Army Staff,
Pakistan Army,
Rawalpindi.

Sub: Pakistan financial security is at Risk due to the action of a few Officers of Askari Bank for procuring and using Indian build online Oracle database SW namely "FLEXCUBE" for online transactions. it is prepared by oracle financial services India moreover its HQ is in Mumbai India.

Respected Sir,

Transparency International Pakistan has received a complaint that Pakistan financial security is at risk due to the action of a few Officers of Askari Bank for procuring and using Indian build online Oracle database SW namely "FLEXCUBE" for online transactions, which is prepared by oracle financial services India moreover its HQ is in Mumbai India.

The complainant has made following allegations;

That,

1. Askari Bank is a premier defense orgs bank, under the Fauji Foundation, which is using Indian built online database software namely "Flexcube" for online transactions.
2. Flexcube is a software prepared by Oracle financial services of India.
3. Oracle has its office for Flexcube in Mumbai India.
- 4.
5. The program source code is withheld held by Oracle India itself and not given to bank .
The specific modules of FLEXCUBE selected for implementation include following applications:

Core
CASA (Current, Saving and Term Deposits)
Limits and Collateral Management
Consumer Lending
Local Payments and Collections
Fixed Asset Management
Retail Branch
Trade Finance (LCs & LGs)
Bills and Collections
Treasury:

- o Money Markets
- o OTC Orations
- o Foreign Exchange



- Securities
- Islamic Banking
- Internet and Mobile Banking
- FLEXCUBE XML Interface (For Interfacing with Channels Like ATM, Visa, Po Sect)

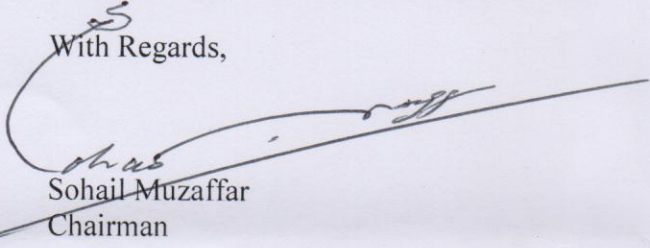
The complaint has been examined. COAS is requested to examine the complaint with following observations of TI Pakistan.

When a banking software is purchased from any international or local supplier the standard practice for such a large scale purchases is that the source code is provided in an escrow account in the country of implementation. Additionally, whenever support services are required for any fault in the software or amendment or improvement access needs to be generated to the developing team eventually. Whether, remotely or locally, an IT software program is such that a developer can easily access any information for which the software is used in the company, so extreme care and high security measures should be in place, however to sensitivity of data no access should ever be granted to live or backup data at any cost.

It is a practice to avoid risk of leakage of financial information to a foreign country, that any country's central bank doesn't permit the access to banking customers database whether live or back up. This aspect, should be examined and verified from SBP.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption.

With Regards,


Sohail Muzaffar
Chairman

Copy forwarded for necessary action as per rules to,

1. Secretary to the Prime Minister, Islamabad
2. Chairman NAB, Islamabad,
3. Chairman, PMIC, Islamabad
4. Federal Minister of Finance, Islamabad
5. Governor State Bank of Pakistan, Karachi
6. Registrar, Supreme Court of Pakistan, Islamabad