



21 July 2013

Mr. Ishaq Dar,
Federal Minister of Finance,
Government of Pakistan,
Islamabad

Sub; Illegal remunerations drawn by Civil Servants as nominated members in the Board of Directors of Public sector Enterprises, and Listed companies

Dear Sir,

Transparency International Pakistan received a complaint that almost all the Civil Servants who are nominated to represent Federal Government or Provincial Governments on the Boards of Public Sector Enterprises, viz. corporations, authorities and Companies are drawing remunerations and not depositing it in the exchequer's account which is against the government rules.

The complainant has reported;

1. That Civil Servants are nominated on the Boards of Public Sector Enterprises, and are not depositing the remunerations they are receiving, in the exchequer's account.
2. That they are also nominated on the Board of hundreds of private sector listed companies on the strength of major shareholders viz. Habib Bank, Fauji Fertilizer, UBL, Hubco etc.
3. That according to rules, when Civil Servants are sent on government duties, they are only entitled for TD, DA allowances, as they are being paid for performing any duty assigned to them, in form of monthly salary and allowances.
4. That in some companies, these nominated directors have been drawing nearly Rs 85,000 per meeting of the Board and Board's Committees, and have been getting Rs 4 to 5 hundred thousand from 5-6 meeting per month (committee meetings are separately held mostly on the same day as Board's meeting are held so as to facilitate out of station board members).

Transparency International Pakistan requests the Minister to order that all Civil Servants who are representing government on boards of Public Sector Enterprises, as well as in private listed companies to declare all such income for last 5 years, and deposit it in the exchequer's account.

The Minister is also requested to issue orders that strict compliance of this rule shall be observed in all ministries, and also that SECP shall amend its Corporate Governance Rules for PSEs, to include that government nominated directors will be given TA and DA according to their entitlement only.



TI Pakistan is striving to have transparency in procedures and Rule of Law in Pakistan, which is the only way to eliminate corruption and have good governance in country.

With Regards,

Syed Adil Gilani
Adviser,

Copies forwarded for information and appropriate action under the mandate vested, to,

1. Secretary to the Prime Minister, for information of the Prime Minister, Islamabad.
2. Minister of Interior, Islamabad
3. DG NAB (A & P) Chairman, NAB, Islamabad.
4. Registrar, Supreme Court Pakistan.