



TRANSPARENCY INTERNATIONAL-PAKISTAN

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8th June 2013

Brig (R) M. Musaddiq Abbasi.
DG (A&P) NAB HQ,
National Accountability Bureau,
Islamabad.

Sub: TIP Request to NAB for progress on JS Group Azgard Insider Trading Case

Dear Sir,

Transparency International Pakistan on 10 April 2013 had sent to Chairman SECP a complaint received with copy of the SECP investigation Report of April 2009, on the allegations of Insider Trading in Azgard Nine limited shares trade by JS Global Capital Ltd in 2007/2008, and a copy was also forwarded to the Chairman NAB.

SECP started taking action under Section 17 of SECP Ordinance 1969 against few of the companies/individuals involved in the Insider Trading in Azgard Nine limited shares trade.


According to the press reports, on 24th April 2013, NAB has contacted SBP, NBP and SECP for the reports on the actions taken by them against those who were found actively involved as per SECP investigation Report of April 2009.

In the Financial Daily of 8th June 2013 (**Annex-A**), it is reported that National Accountability Bureau (NAB) has asked the State Bank of Pakistan (SBP) to clarify the position of insider trading offence committed by M/S JS Bank. Quoted below are extracts.

"As per inquiry report received by NAB from Security and Exchange Commission of Pakistan (SECP), the JS Bank has clearly been implicated and contrary State Bank maintains the position quoting SECP in opposite. NAB has also sought and explanation from the SECP for omitting to include M/s JS Bank in its writ petition filed in the court of Session Judge Karachi South. SECP has also been asked to explain why it misguided the State Bank of Pakistan by making a false statement that JS Bank was not involved in insider trading, and that since SECP report to NAB contradicts the letter SECP sent to the State Bank of Pakistan; wherein, in the former letter clearly indicates involvement of M/S JS Bank in inside trading and in the latter, exonerates M/S JS Bank, one of the two letters obviously makes a false assertion. NAB has sought an explanation of SECP in this regard."

In order to update TIP records and also inform TI on the status of this mega scam and the relevant quarters, NAB is requested to kindly provide the copies of the NAB communication with SBP and SECP regarding the State Bank action/non action against those who were found actively involved as per SECP investigation Report of April 2009.

Yours sincerely ,


Syed Adil Gilani
Adviser

The Financial Daily

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8 JUNE 2013

JS Bank, Associated Companies **NAB takes note of 'insider trading'**

ISLAMABAD: The National Accountability Bureau (NAB) has asked the State Bank of Pakistan (SBP) to clarify the position of insider trading offence committed by M/s JS Bank.

As per inquiry report received by NAB from the Security and Exchange Commission of Pakistan (SECP), the JS bank has clearly been implicated and contrary State Bank maintains the position quoting SECP in opposite. NAB has also sought an explanation from the SECP for omitting to include M/s JS Bank in its writ petition filed in the court of Session Judge Karachi South. SECP has also been asked to explain why it

misguided the State Bank of Pakistan by making a false statement that JS Bank was not involved in insider trading.

Under the awareness and prevention regime of NAO, the Bureau has issued a letter to both the Governor of State Bank of Pakistan and Chairman SECP.

Since SECP report to NAB contradicts the letter SECP sent to the State Bank of Pakistan; wherein, in the former letter clearly indicates involvement of M/s JS Bank in inside trading and in the latter, exonerates M/s JS Bank, one of the two letters obviously makes a false assertion. NAB has sought an explanation of SECP in this regard.