



9th May 2015

Muhammad Nawaz Sharif,
Prime Minister of Pakistan,
Prime Minister House,
Islamabad

REMINDER

Sub: Delay in the Implementation of TI Pakistan recommendations for Prime
Minister's Strategy to combat Corruption

Dear Sir,

Transparency International Pakistan refers to its letter dated 27.4.2015, which has not been responded.

While considering the Consultant to Prime Minister's Inspection commission Syed Adil Gilani's recommendations for the implement Zero tolerance against Corruption dated 30th January 2015, following Conflict Of Interest recommendation may also be immediately enacted by the government through an ordinance by the Prime Minister.

"The public officer holder as well as spouses, children, of public officer holder are banned from owning or running private businesses anywhere in the country."

The Conflict of Interest law is being recommended, as it has been noted by TI Pakistan that spouses and children of various Parliamentarians, Ministers of Federal and Provincial Cabinets, Secretaries, Govt. offices, Managing Director/ President/ Chairman/ Directors / Managers of PSE are actively involved private business/ estates business etc.

The Prime Minister is may note that the President of China Xi Jinping who has in his recent visit has signed investment with Pakistan agreements worth US \$47 billion, has under his Anti Corruption Campaign, on 4th May 2015, has enacted Bans in Shanghai on Top Officials' Spouses From Running Businesses, Bloomberg News 5 May 20-15 Annex-A.

Quote

Shanghai banned spouses and children of senior officials from private business, making the Chinese financial hub the first to impose such strict controls over the family wealth of Communist Party cadres.

The husbands and wives of ministerial and provincial-level officials are prohibited from starting companies or getting involved in any business operations, according to regulations passed Monday at the Shanghai municipal government's general meeting.



Children of local officials and their spouses cannot conduct business within the municipality, which in China carries the same status as a province.

The controls are among the most concrete announced in China since President Xi Jinping took power in November 2012 and launched an anti-corruption campaign that has ensnared more than 100,000 party officials. In many cases, such as the high-profile prosecution of former domestic security chief Zhou Yongkang, officials have been accused by anti-graft authorities of directing illicit gains to close family members.

Unquote

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 information,

1. Chairman NAB, Islamabad,
2. Chairman, PMIC, Islamabad
3. Srirak Plipat, Director, Asia Pacific Department , Transparency International, Germany,
4. Registrar, Supreme Court of Pakistan, Islamabad

implement it. This is actually a fatal weakness of many of China's santi-corruption mechanisms."

Test Case

The Shanghai regulations were first approved in late February at a meeting of Xi's top reform group. Xi, who was briefly Shanghai party boss before becoming head of the Communist Party, said at the National People's Congress in March that the municipality should be a test case for nationwide controls.

The ban also applies to spouses of senior officials in the local judicial system, heads of the state-owned companies based in the municipality and district party chiefs. Their children and children's spouses are prohibited from operating businesses in the areas or jurisdictions they oversee to avoid potential conflict of interests, according to the rules, which were published on the Shanghai government's official Weibo account.

Relatives of senior officials have great potential for rent-seeking and other forms of corruption, Shanghai deputy party chief Ying Yong said Monday, according to the Weibo posting. The rules aim to make clear that officials need to choose between keeping their jobs and making money in the private sector, Ying said.

'Gathering Dust'

That might be a difficult prospect for many party officials, who make a fraction of their peers in the private sector and their counterparts overseas. China's leaders awarded civil servants their first pay raise since 2006 earlier this year, with Xi seeing his salary rise to 137,000 yuan (\$22,000) a year. U.S. President Barack Obama makes \$400,000.

On the national level, efforts to regulate officials' outside business activities date back to at least 1995, according to Ren. Nearly all of the measures have eventually ended up "gathering dust on the shelves" because they lacked a clear course of implementation and punishment.

"Even if you've got some very detailed mechanism, it might well end up being a piece of blank paper," Ren said.



May 5, 2015 10:23 am

Shanghai Bans Top Officials' Spouses From Running Businesses

Shanghai banned spouses and children of senior officials from private business, making the Chinese financial hub the first to impose such strict controls over the family wealth of Communist Party cadres.

The husbands and wives of ministerial and provincial-level officials are prohibited from starting companies or getting involved in any business operations, according to regulations passed Monday at the Shanghai municipal government's general meeting. Children of local officials and their spouses cannot conduct business within the municipality, which in China carries the same status as a province.

The controls are among the most concrete announced in China since President Xi Jinping took power in November 2012 and launched an anti-corruption campaign that has ensnared more than 100,000 party officials. In many cases, such as the high-profile prosecution of former domestic security chief Zhou Yongkang, officials have been accused by anti-graft authorities of directing illicit gains to close family members.

More details about funding and enforcement are necessary to make sure the Shanghai rules don't become another toothless measure, said Ren Jianming, a governance professor at Beihang University in Beijing.

"Who is going to implement the rules? The municipal disciplinary agency? The municipal party organization? Or the municipal government itself?" said Ren, who has advised the party's graft-busting agency, the Central Commission for Discipline Inspection. "There is this conspicuous lack of clarity on the executive body, and then whether they will have enough resources to