



STATE BANK OF PAKISTAN
Human Resources Department
Karachi

HRD (SC-2/Corporate/ LMU / 2227/2016

June 3, 2016

Mr. Sohail Muzaffar,
Chairman,
Transparency International-Pakistan
5-C, 2nd Floor, Khayaban-e-Ittehad,
Phase-VII, DHA,
Karachi.

Dear Sir,

**Complaint against SBP for committing Contempt of Court of the
Supreme Court Order in CRP 193/2013 announced on 5-1-2013**

1. Please refer to your letter No. TL16/1504/17A dated 15th April, 2016 regarding the captioned subject.
2. In this regard, it is submitted that the services of SBP Officials are placed with FMU on deputation basis as per details given in your letter except Mr. Kasif, whose particulars are not available on SBP/Financial Monitoring Unit (FMU) record;
3. FMU was set-up under the Anti Money Laundering (AML) Ordinance - 2007 as an independent Unit in State Bank of Pakistan. The General Committee in its meeting held on 7th March, 2008 delegated administrative control of FMU to the Governor SBP to ensure its smooth and effective functioning. FMU has largely been manned by SBP employees mainly in the middle and top tier on deputation basis, however, the onus / decision of hiring the services of employees on deputation basis or on regular basis lies with FMU and/or the MOF.
4. Recently in May, 2015, SBP reiterated to MOF to repatriate the services of two of its officers, however, Ministry of Finance strongly recommended to retain the services of the officers by FMU as they were well versed with the AML/CFT Regime and represented the country at different international forums since their association with Unit. It was further communicated that Pakistan's National Risk Assessment had begun that required formulation of an Action Plan to redress identified weaknesses/shortcomings before completion of Pakistan's next Mutual Evaluation (ME) on AML/CFT in the year 2018.
5. FMU being a newly established small set-up, requires highly skilled and well versed officers to perform the AML/CFT functions at the FMU. It is in our knowledge that Twelve (12) of the Officials already working with FMU have been hired directly from the market through competitive process as required in the FMU Staff Rules. The positions are regularly advertised as and when they fell vacant. However, few of the top positions are filled in through deputation from the SBP due to the officers' track record in dealing with such portfolios. The sensitivity of the information which is shared by the banks with FMU, and that shared by the FMU with law enforcement agencies also needs tactful handling at highest level. Sensitive financial data is also shared with international organizations in compliance with AML/CFT treaties signed by the country with different countries and to remove its name from the grey list of the Financial Action Task Force (FATF) on money laundering.

Contd..P/2

6. It is worth noting that not a single officer has drawn a salary or emoluments of Rs. 2 million per month therefore the allegation is baseless.
7. The Order of the Honorable Supreme Court mainly discussed the absorption into the cadre on SBP employees on deputation in FMU cannot be applied. Further the status of FMU employees are not civil servants. Therefore the complainant's own interpretation of an Order of the Honorable Supreme Court passed is not valid in the present scenario.
8. It may be noted that the officers on deputation were placed for the fixed term thus did not opt for permanent absorption in FMU. Their terms were revised on the strong recommendations of Finance Division. Furthermore, it was reinforced that a non-civil servant cannot be conferred the status of civil servant. It defines that 9(1) of Sindh Civil Servants (appointment /promotion and leave rules-1974) did not empower the Government or any other authority to appoint a Civil Servant or any other person by transfer to other cadre, service or post without his eligibility, qualification and conditions laid down in service rules.
9. On the basis of the facts narrated above, you are requested to withdraw your complaint.

Regards,


Yours truly,


(Yasser Ali Durrani)
Joint Director - HRD

The Governor is requested to kindly examine the above complaint, and if the allegations are found correct, recall the SBP Officers immediately-in order to comply with S.R.O. 37 (KE)/2010 and also the Supreme Court of Pakistan judgment in the review petition CRP 193/2013 dated - 5.2.2013.

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

Copies forwarded for the information with request to take action under their mandate to:

1. Secretary to Prime Minister, Islamabad.
2. Chairman, NAB, Islamabad.
3. Mr. Waqar Masood, Secretary incharge FMU, Ministry of Finance, Islamabad, with request to take immediate action to advertise hiring of all Senior Management Service positions in FMU
4. Registrar, Supreme Court of Pakistan, Islamabad.