

BEFORE THE ELECTION COMMISSION OF PAKISTAN

PRESENT:

Mr. Sikandar Sultan Raja, Chairman
Mr. Nisar Ahmed Durrani, Member
Mr. Shah Mohammad Jatoi, Member

Case No. 4(4)/2014-Conf.

In re: **COMPLAINT UNDER ARTICLE 6 OF THE POLITICAL PARTIES ORDER, 2002.**

Mr. Akbar Sher Babar S/O Abdul Majeed Babar, House No.10, Street No.77
sector E-11/2, Islamabad.

.....Applicant/Petition

Versus

Pakistan Tehreek-e-Insaf

.....Respondent

For the Petitioner/Applicant

:

Petitioner in person alongwith Barrister
Ahmed Hassan and Badar
Iqbal Chahudary, Advocate High Court.

For the Respondent

:

Anwar mansoor, Advocate Supreme
Court alongwith Shah Khawar Advocate
Supreme Court , Advocate Naveed
Anjum and jawad Abdul Nasir

Date of Hearing

21-06-2022

ORDER

SIKANDAR SULTAN RAJA, CHAIRMAN:- Brief facts of the case are that a complaint was filed by the complainant Akbar Sher Babar before the Election Commission of

Pakistan "the Commission" on 14, December, 2014 against the Respondent Pakistan Tehreek-e-Insaf ('PTI') under Article 6 of the Political Parties Order, 2002 read with Rule 6 of the Political Parties Rules, 2002 and all other enabling provisions of law, for mismanagement, and mis-use of party funds and other illegal matters in the party. The commission initiated proceedings on this case in January, 2015. In the meanwhile, the similar matter was taken up in the year 2016 by the August Supreme Court of Pakistan on the petition filed by Muhammad Hanif Abbasi against Imran Khan Niazi. The judgment was pronounced on 15th December, 2017 which is reported in PLD 2018 Supreme Court 189. The Hon'ble Supreme Court after laying down the legal principles and distinction between "prohibited source" and "foreign aided party" under the Constitution of Pakistan and the Political Parties Order 2002, directed the ECP to scrutinize the accounts of political parties, including PTI, in the pending matter before it. The Commission conducted several hearings from January, 2015 to March, 2018. During these hearings, the Commission came to the conclusion that scrutiny of the assets and liabilities of the respondent party requires to be undertaken by a Committee, therefore, a Scrutiny Committee was constituted to scrutinize the foreign funding case of PTI in case No. 4(4)/2014-Confd (Akbar Sher Babar Vs. PTI) vide order dated 29-03-2018 in line with complaint and judgment of the August Supreme Court *supra*. The Commission also framed the Terms of Reference (TORs) for Scrutiny Committee on 11-04-2018. It was specifically mentioned in the TORS that committee shall identify the prohibited funds in the light of the allegations contained in the complaint filed by the complainant/petitioner Akbar Sher Babar in terms of Article 6 of the Political Parties Order, 2002 read with Rule 6 of the Political Parties Rules, 2002 and directions contained in the judgement dated 16-12-2017 passed in CP.NO. 35 of 2016. The committee vide its TORs dated 11-04-2018, was also empowered to get clarification from the parties qua the prohibited foreign funding. Several directions were also issued to the scrutiny committee for finalizing the scrutiny and submission of report to the Commission which was delayed by the committee on the basis of non -availability of complete record by both the parties, frequent change of counsels and un- avoidable circumstances beyond the control of the scrutiny committee.

2. The scrutiny committee submitted final report and the Commission fixed the matter for regular hearing on with notices to both the parties.

3. On appearance before the commission in compliance with the notice dated, the Counsel for the Petitioner Akbar Sher Babar appeared and argued that his client is one of the founding members of the respondent party since its inception in 1996 besides that he also contested General Election in 1997 from NA-197 (Quetta/Chaghi constituency) and remained Central Information Secretary of the respondent party from 2002 to August, 2007. He added that Petitioner has also held the position of Central Senior Vice President for Information and Media Management from July, 2011 to September, 2011 and also remained a member of the Central Executive and core Committees. The Counsel for the complainant stated that he had highlighted internal mismanagement, misuse of party funds and other illegal activities of the respondent party. He also indicated failure of the party leadership to account for the source of its funds in accordance with Political Parties Order, 2002 and fundamental principles as enshrined in Article 17(3) of the Constitution of Islamic Republic of Pakistan "the Constitution". The counsel further underlined violation of Article 5 of Political Parties Order, 2002 ("the PPO") by not allowing Members of the Party to have access to the record of the party. He has further added that record of contributions/donations in terms of Article 6 of Political Parties Order, 2002 has not been maintained properly. It was also stated that the party has failed to submit correct statement of accounts in terms of Article 13 of PPO,2002 which resulted in submission of false certifications at the footnotes of the annual statements of assets and liabilities submitted in the commission from FY- 2008-09 to 2012-13. Moreover, the counsel stated that these Offences/violations as pointed out by the complainant were also confirmed by the third party Auditor. He added that the report of third party audit raised a number of objections which were highlighted in para 12 and 13 of the complaint and were ignored by the respondent party. The complainant prayed that the scale and amount of party funds deposited in the personal bank accounts of PTI employees/leaders responsible for dealing with funds of the party may be investigated. He further argued that running the affairs of PTI, particularly the funds donated/donations collected or received

from USA, Canada, UK, Australia and other countries must be probed / examined and review legitimacy of moneys received from PTI NA, LLC USA (Limited liability Company) registered in the US, Paypal Canada and other external sources and its compatibility with the relevant laws) may be examined. He further argued that ECP may proceed in the matter under Article 6 of the PPO, 2002 read with Rule 6 of the Political Parties Rules, 2002 ("PPR") and declare/determine that PTI and its leadership is liable to be charged under Article 14 and 15 of the PPO, 2002 Order. He further stated that they have provided documents alleging illegal funding from different countries to the ECP and the Supreme court. He further argued that all the documents and records provided by PTI are not authenticated, verifiable and credible, because original record and documents were not provided. He also stated that photocopies provided by the respondent are not verified/certified, signed or stamped. He further expanded that donor lists are not signed, stamped and certified documents & records submitted by PTI are incomplete. He also alleged that Bank Statements of International Companies/Entities of PTI are also not provided. He emphasized that the Petitioner had also submitted the list of cash deposited to Chairman office worth of Rs. 25.61 million (Rupees Twenty-Five Million Six Hundred Ten Thousand Only) from 2009 to 2012 with no source and details. He further added that there are certain local suspicious donations which need to be investigated as to whether these came from a proper channel or otherwise. He also added that Bank Statements disclosing the name of depositor as Abdul Sammad Babar (CNIC 3520014034067), (Bank A/C 0008-130501-001 1/B from Gulberg Br. Lhr), (Mobile number 0322-4990733) whereas the donor Lists provided by PTI, exactly the same amounts are stated to have been donated by Mr. Umer Farooq Gorli. He argued that the information shared by PTI is not complete as it only shows the list of individuals who purchased the membership books whereas the actual list of new contributing members is not shared. He contended that the source and details of the PTI members who have contributed PKR 6.97 million (Rupees Six Million Nine Hundred Seventy Thousand Only) is not provided. He also highlighted that the list of donors in the UK provided by the respondent did not actually provide the name of the donors but instead incorrect description had been provided such as "Donations by Pakistani Individuals" or incomplete names had been given such as "Khan", "Butt", "Raja", "Dar" etc. Accordingly, he added that the sources and details of the

donations were unverifiable. He also argued that the list of donors in the USA provided by PTI does not actually provide the details and names of the donors. He added that Incorrect details had been provided such as "Membership contribution / Cash ticket sale" or "Custom Account" or "Ticket sale Los Angeles" etc . He elaborated that the refusal of PTI to acknowledge few bank accounts is in violation of the Scrutiny Committee's directive dated 25th April 2018 whereby PTI was required to provide details of all funds maintained by PTI i.e. party funds, disaster funds etc. He also stated that in the audited accounts of FY-2012-13 PTI had disclosed bank account in KASB Bank Limited Gulberg Branch, Lahore, however, its bank statement was not provided for perusal. The counsel has also highlighted other transactions in different Bank accounts. During arguments he further added that PTI disclosed only two Bank Branches in the audited accounts from FY- 2009 to 2012 where its bank account(s) existed as follows:

- KASB Bank Limited (Blue Area, Islamabad) – 3 Bank Accounts
- Habib Bank Limited - CDA Civic Centre, Islamabad – 3 Bank Accounts.

4. He further elaborated that in the year 2013 PTI disclosed two more Bank Branches in the audited accounts United Bank Limited – Jinnah Avenue, Islamabad and KASB Bank Limited – Gulberg Branch, Lahore. He also submitted that photocopies and unverified bank statements of 24 bank accounts were provided by PTI. He also added that number of bank deposits were identified in the foreign currency (USD) bank statements for FY 2009 to FY 2012 for which the PTI had not provided the source and details of **USD 205,938(Two Hundred Five Thousand Nine Hundred Thirty-Eight Only Dollars only)**. He drew attention of the Commission, towards foreign funding amounting to **PKR 737.65 million (Rupees Seven Hundred Thirty-Seven Million Six Hundred Fifty Thousand Only) / USD 774,315 (Seven Hundred Seventy Four Thousand Three Hundred Fifteen** and an amount of **PKR 414 million** had not been justified by the Respondent. He further added that **PKR 14.3 million** foreign currency transfers converted into Pak Rupees (PKR) had no source and details provided by PTI. He further argued that suspected foreign currency transfers converted into Pak Rupees amounting in total to **PKR 287.3** had also not been accounted for. He argued that UBL Bank Account No 074188300400 was used to receive foreign currency transfers converted into Pak Rupees (PKR) for which no source / details were provided by PTI. He argued that total

amount deposited & transferred in this bank account was **PKR 21.07 million**. He further submitted that respondent (PTI) had registered a company in USA titled PTI USA, LLC (Registration No. 6160) under Foreign Agent Registration Act (FARA) in the USA. He elaborated that this Company had transferred as per FARA record **USD 579,000** to Respondent (PTI) during the perusal period. However, according to the documents submitted by PTI the total amount transferred to PTI was **USD 549,000**. Further added by the counsel that the funds collected by PTI USA, LLC and transferred to PTI Pakistan included prohibited funding by 44 business entities/companies amounting to **USD 41,010**. He emphasized that PTI (Respondent) has registered another company in USA titled as PTI USA, LLC (Registration No. 5975) under Foreign Agent Registration Act (FARA) and it had transferred as per FARA record **USD 1,998,700** to PTI Pakistan during the perusal period. He further elaborated that according to the documents submitted by PTI the total amount transferred to PTI comes to **USD 1,964,500**. He added that the funds collected by PTI USA, LLC and transferred to PTI Pakistan contained prohibited funding by **221 business entities/companies/foreign individuals**. He also highlighted that the Petitioner had provided evidence to the Scrutiny Committee regarding funding from various countries of Middle East including Saudi Arabia, Qatar, UAE, Bahrain and Kuwait. However, during perusal it was noted that PTI had only admitted to receiving funding of PKR 106,867 from Bahrain through Mr. Ahmed Saeed in FY 2013; apart from this amount PTI had not declared any funding from PTI members or other sources from Middle East. He further argued that there is a possibility of several other such transactions and these transactions had names of the Party Leaders in the description in the Bank Statements.

5 The counsel for the petitioner complainant has submitted reply/review to the Report of the Scrutiny Committee during hearing before the Commission. The crux of the review of Scrutiny Committee Report is given below which has also been discussed in detail by the financial experts of the complainant;

- Counsel for the petitioner in his reply stated that at **page 87, Para 49.10 sub-para (i)** "An amount of **US Dollars 3,368,750 (Three Million, Three Hundred and Six Eight Thousand and Seven Hundred and Fifty only)** which was remitted through both the PTI NA LLC-6160 & LLC-5975 into PTI Accounts is being

maintained with UBL & HBL. Counsel for the petitioner in his reply pointed out that, In sub-para (iii) it is stated that "the Scrutiny Committee did not have access to the Bank Statements of Accounts that were maintained by PTI's LLCs in USA therefore, the Committee was unable to make any further comment on the sources of funds. He also pointed out that the Scrutiny Committee admitted that there is no "Source and Details" of US Dollars 3,368,750 (Three Million, Three Hundred and Six Eight Thousand and Seven Hundred and Fifty only) as "the Scrutiny Committee did not have access to the Bank Statements of Accounts that were maintained by two PTI's LLCs in USA. He further added that respondent has admitted the stance and refused to provide bank statements of accounts maintained abroad as per the directives of the Scrutiny Committee dated 25 April 2018 and repeated successive orders of the Scrutiny Committee PTI concealed Bank Statements of the two PTI LLCs registered in the USA, Respondent has also refused to share bank statements of the bank accounts maintained abroad in other countries. Bank of America Accounts maintained by PTI in U.S.A. for PTI NA LLC No. 5975 and 6160: 488037228011, 488028507602, and 488037228024. PTI Canada-CIBC Bank Account No. 228428706. PTI Australia-Insaf Australia Incorporated (Australian Business Number 45838549859) from the ANZ (Australia and New Zealand Banking Group Limited) bank account number 00102012397479527102. PTI UK – Lloyds Bank (Sort Code 30-92-90), Account Number 00191424 and Account Number 26675768. He pointed out that the money received from the internationally incorporated PTI Companies, such as PTI NA LLCs (5975 and 6160) are prohibited at two levels/stages, foremost, the PPO, 2002 prohibits receipt of monies from any person other than individual Pakistanis, hence receipt of money from entities incorporated abroad are illegal and prohibited under law and the amount of USD 3,368,750 received in PTI NA LLCs (5975 & 6160) includes funding of an amount USD 169,187 from 349 foreign Companies and USD 44,209 from 88 individuals of foreign origin.

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- He added that On page 79-80, para 49.4, sub-para (a & b) "Material Downloaded from FARA," the "Report" reveals that:

3.2.1 PTI NA LLC (6160) – Page 79 – Para 49.4(a)

- a Number of Companies 119 and amount USD 61,880
- b Number of Persons seem to be Foreign Origin 47 and amount USD 25,080

3.2.2 PTI NA LLC (5975) – Page 80 – Para 49.4(b)

- a Number of Companies 230 and amount USD 107,307
- b Number of contributors appear to be foreign origin 41 and amount USD 19,129

- He added that the list of donors provided by PTI remain unverifiable due to non-provision of information through which the donors could be identified and verified including CNIC numbers, address, contact details (Para 6.9, Page 24 of Perusal Report Dated 13, July 2021).

Prohibited/Foreign Funding from Romita Shetty (Indian National) and Nasser Ahmad (Amounts Received from Misc. Region, Page 216, Annex L of Scrutiny Committee Report)

- He added that an amount of USD 29,980 (Scrutiny Committee Report Annexure- Amounts Received from Misc. Region, Page 216, Annex L of Scrutiny Committee Report and reference PTI UBL Account – FARA 29 and Bank Statement Page No. 20 were received from Romita Shetty (Indian National) and Nasser Ahmad
- ***On page 85 and 86 sub-para (b) titled “Donations and Contributions Received from within and outside Pakistan.”***

The total amount received in PKR is 836,897,508 (Rupees Eight Hundred and Thirty-Six Million, Eight Hundred and Ninety-Seven Thousand and Five Hundred and Eight Only). Out of PKR 836,897,508, Rs.25.61 million (Rupees Twenty -Five Million Six Hundred Ten Thousand Only) was collected in cash without source and details in Chairman Office. (Reference Volume 4, Provision of Information, Page 209, 210, 181, 136, 137, 15, 16). The total amount received in Dollars amounts \$ 1,598,922 (One Million, Five Hundred and Ninety-Eight Thousand and Nine Hundred and Twenty-Two Only). There is no “Source and Details” of PKR

836,897,508 and \$ 1,598,922 as the Committee states in sub-para i (4) and ii (5) of page 85 and 86 respectively; "the Committee did not have information pertaining to these transactions, it is unable to make any further observation."

- **On page 88, Para 49.11- Remittances from UAE, sub-para (ii)** the "Report" identifies two companies registered abroad that remitted a total of \$ 2,171,465 (Dollars Two Million, One Hundred and Seventy-One Thousand, Four Hundred and Sixty-Five Dollars only) in PTI Accounts maintained with UBL as per the following details:

- a. **Wootton Cricket Limited, Dubai – US Dollars 2,121,500**

- b. **Bristol Engineering Services FZ LLC, Dubai – US Dollars 49,965**

- *The learned Counsel also highlighted that On page 88 & 89, Para 49.12- Remittances from UK*, sub-para (ii) identifies the following funds remitted in PTI UBL accounts that fall in the category of Foreign/Prohibited Funding and/or donations without sources and details:

- a. PTI UK, Westwood Gardens Barnes, London – US Dollars 24,605

- b. PTI UK, Staffordshire – UK Pounds 92,875

- c. SS Marketing UK Pounds 1,741 *

- He has stated that the Donations made by SS Marketing was not disclosed by the Scrutiny Committee but revealed during the scrutiny of the records requisitioned through the State Bank of Pakistan and shared with the petitioner (Reference: (HBL 6020090633103 Bank Statement Page 118)

- **On page 89, Para 49.13- Remittances from Europe Region**, sub-para (ii) identifies the following funds remitted in PTI UBL accounts that fall in the category Foreign/Prohibited Funding and/or without sources and details:

- a. PTI Finland, Karim Saadat Euro 27,260

- b. E Planet Trustees PTC, Zurich USD 100,000

- c. PTI, Norway PKR 1,816,393

- **On page 90, Para 49.15- Remittances from Australia, sub-para (ii)** identifies Rs.12,875,175 (Rupees Twelve Million Eight Hundred Seventy-Five Thousand One Hundred Seventy-Five only) were remitted in PTI HBL

accounts that fall in the category of Foreign/Prohibited Funding and/or without sources and details.

- **On page 91, Para 49.17- Remittances from Canada, sub-para (i & ii),** "USD 25,174 and Pak. Rupees 434,000 were remitted to PTI Accounts being maintained with Bank Islami/KASB (Defunct) and UBL (for USD) and HBL (for Pak. Rupees) that fall in the category of Foreign/Prohibited Funding and/or without sources and details:

| Bank | Branch | Account No. | Date | Details | Credit | BS Page No |
|------|-------------------------|---------------------|-----------|--|----------------|------------|
| HBL | CDA Civic Centre Br | 0602-00906331-03 | 21-Nov-11 | National Fruits Processing Factory Chak No. 10 NB Bhalwal | 10,500 | 101 |
| HBL | CDA Civic Centre Br | 0602-00906331-03 | 30-Jan-12 | Funds Transfer 4816371146540130 from HBL 1072- 7900198003 Through internet banking Funds transfer by M/S VINCO INT | 10,000 | 110 |
| HBL | CDA Civic Centre Branch | 0602-79010514-03 OF | 09-Jan-13 | M/s Young Sports LFT 0114000253/13 | 32,500 | 1350 |
| HBL | CDA Civic Centre Branch | 0602-79010514-03 OF | 09-Jan-13 | M/s Young Sports LFT 0114000283/13 | 52,000 | 1350 |
| HBL | CDA Civic Centre Branch | 0602-79010514-03 OF | 09-Jan-13 | M/s Young Sports LFT 0114000290/13 | 13,000 | 1350 |
| | | | | Total | 118,000 | |

a. PTI Canada

USD 25,174

b. PTI Canada

PKR 434,000

- **On page 91, Para 49.18- Miscellaneous Remittances, sub-paras (i & ii),** an amount of USD 3,782 were remitted to PTI Accounts being maintained with UBL that fall in the category of Foreign/Prohibited Funding and/or without sources.

Local Prohibited Funding

- He added that On page 92, Para 49.19 – Comparison of PTI Bank Statements Revealed/Concealed from the Election Commission of Pakistan:

| Year | No of Bank Accounts as per Form I | No of Bank Accounts as per SBP | Number of PTI Bank Accounts Concealed from ECP |
|---------|-----------------------------------|--------------------------------|--|
| 2008-09 | 2 | 7 | 5 |
| 2009-10 | 2 | 9 | 7 |
| 2010-11 | 2 | 15 | 13 |
| 2011-12 | 2 | 16 | 14 |
| 2012-13 | 4 | 18 | 14 |

- The detailed comparative table is at page 94 and detailed list of bank accounts is at Annexure-P (Page 221) of the Scrutiny Committee Report. The Scrutiny committee did not consider the dormant Bank Accounts, which were not revealed by PTI in its Audited Financial Statements submitted before the Honourable Election Commission of Pakistan.
- He added that a sum of PKR **598.89** million() were transferred to this bank the from UBL 204418243 and KASB IBNPK 23PLCO0000008103501001 between 25 Jan 2013 to 9 May 2013. He has also mentioned that the bank statements related to the bank accounts "Disaster Fund, Party's Fund etc are also not provided by the Respondent. He further highlighted that an amount of PKR 78,121,000 was transferred to these undisclosed bank accounts from the accounts requisitioned by the Committee through the State Bank of Pakistan. He also added that various transactions of amount Rs.24,021,000 (Rupees Twenty Four Million Twenty One Thousand Only) have been identified with the bank account which are maintained with Bank Alfalah Limited, Township Branch, Lahore. Counsel in his reply also pointed out that PTI shared the names of signatories of 15 bank accounts in the documents submitted before the Hon. Election Commission of Pakistan. However, bank signatories of 13 PTI bank accounts which were not shared with the Commission and have been concealed by the Respondent. It also includes two accounts in United Bank Limited. He further in his reply contented that it is revealed from the

record requisitioned through the State Bank of Pakistan and endorsed by the Scrutiny Committee Report that funds have also been received in foreign currencies and had been remitted into PTI accounts which were not disclosed by PTI in the documents submitted by it before the Commission. The amounts received in foreign currency included donations received from prohibited sources and from Pakistani nationals. The donations in foreign currencies from prohibited/foreign sources are listed in Para 5.1 of the Report submitted by the Scrutiny Committee. On page 92-93, Para 49.19, sub-para (c) shows that "from FY-2009-10 to 2013, PTI has under reported an amount of Pak. Rupees 310,440,444."

6. Learned counsel for the Respondent PTI appeared and argued the matter in length along with his technical experts. Counsel submitted that his arguments are based on the Report of the Scrutiny Committee and the reply filed by the Respondent with the Scrutiny Committee. In his entire arguments and distinction drawn between the foreign aided and prohibited sources, the Counsel relied upon the Supreme Court Judgment of Muhammad Hanif Abbasi vs Imran Khan Niazi & Ors. PLD 2018 SC 189. He while referring to para-40 of the judgement, argued that the Federal Government is the competent forum to affirm whether a Political Party is a Foreign Aided Party in terms of Order 2(c) of PPO. He stated that with the order of Supreme Court of Pakistan, the ECP constituted a Scrutiny Committee vide order dated 29.03.2018, with specific Terms of Reference (TORs) framed on 11.04. 2018. He argued that the Committee on its own also approached the State Bank of Pakistan to inquire about the local bank accounts of PTI. He further added that the Scrutiny Committee Report exhibited flaws and deficiencies such as unappreciated evidence of source of funds, mis-interpretation of the law, lack of expertise to analyze Financial Statements. He argued that the Scrutiny Committee deprived the Respondent of the basic principles of due process and fair trial. He further stated that it is a case of "Prohibited Funding" not of "Foreign Funding. He also added that the Supreme Court in the *Muhammad Hanif Abbasi's* case at page-230 analyzed these provisions and held that Article 17(2) pertains to the restriction upon a Political Party to uphold the sovereignty and integrity of Pakistan. He added that in case a Party operates in a manner prejudicial to the sovereignty or integrity of Pakistan, the Federal Government

shall refer the matter to the Supreme Court for a declaration. He further added that the Supreme Court clearly held that if a Political Party falls within the definition of Article 2(c)iii of PPO,2002 (which is not the case of the Petitioner or ECP), then it shall attract the provisions of Order 15 of the PPO,2002 for which only the Federal Government under Article 17(2) and Order 15 of the PPO,2002 is satisfied that a Political Party is Foreign aided Party (as defined under Oder 2(c)iii. He contended that there is only one precedent wherein the issue of sources of Political Parties funding and the consequence have been discussed in case titled "Benazir Bhutto versus Federation of Pakistan" reported in PLD 1988 SC 416. He further stated that this is a case of first impression and no such scrutiny has taken place for any other party even though it was the mandate of ECP to do so. He added that the Commission shall give a show cause notice to the party to explain whether it is prohibited source or not in terms of PPR,2002. He further said that these funds will be confiscated if the ECP is satisfied that funds received are from prohibited sources. He stated that interpretation of Article 6(3) of PPO,2002 is exhaustive and cannot be construed liberally and Article 6(3) of PPO,2002, has specific prohibitive titles i.e. foreign government, multinational, domestically incorporated public or private company, firm, trade or professional associations. He submitted the definitions of foreign Government, multinational companies before the Commission and also interpreted Article 6 of PPO 2002. He added that a Foreign Government, is any Government, which is not the Government of Pakistan and multinational companies by nature are not necessarily internationally incorporated companies and are companies which have a sister or parent concern in another country or more than two countries. In support, he referred to the definition under Black Law's Dictionary and placed reliance on 1998 PTD (Trib) 2975 and 2015 SCC OnLine Bom 3708 . He also argued that the word "OR" used between multinational and domestically incorporated public or private company was disjunctive and did not cover public or private companies incorporated abroad for which he has referred to three judgements reported in PLD 1969 SC 267, PLD 2012 SC 1089 @ page 1106, PLD 2019 Sindh 585 @ 594 . He further said that a foreign company, which is not a multinational company, is not covered in these prohibitive clauses, neither is a single owned company nor a trust is covered under these prohibitions and there was no requirement under the PPO,2002 and PPR,2002 to provide CNIC/NICOP or any other

identification (including telephone number). He emphasized that the only requirement was that audited accounts by the Chartered Accountant were to be filed in FORM I. He added that PTI filed audited accounts audited by Quality Control Review QCR, "A" rated Chartered Accountancy firm and the source of the funds were detailed under Note 8 and the money that was received by PTI Pakistan was reconciled. He pointed out the requirement of CNIC/NICOP was only inserted by ECP in 2019 and this was not retrospective. He added that a Statutory body is not competent to provide penalty overriding the statute and the courts can neither add or subtract, in the penal provisions. Moreover, he elaborated that the new law i.e. Elections Act, 2017 and the PPO, 2002 has a stark distinction in respect of prohibited sources of funds. He also highlighted that Foreign nationals cannot make contribution to a political party while political parties are allowed to take donations from dual nationals. He added that names cannot indicate nationality of a person unless there is conclusive evidence to prove the nationality. In support of his arguments he referred judgements of apex courts reported in PLD 2014 Khi 218 & 1984 SCMR 1178, PLD 2016 Lah 857, PLD 2013 Isl 34, PLD 2012 Lah 488, 2012 MLD 731, PLD 2011 Lah 423, 2011 CLD 1361, 2008 YLR 785, 2007 SCMR 410, 2000 SCMR 1694, 1992 MLD 193, 1987 MLD 855. He also added that no Definition exists in Black Law Dictionary regarding foreign National and the findings of scrutiny committee in respect of this is totally incorrect approach. He further argued while referring case title Syed Mehmood Akhtar Naqvi vs. Federation of Pakistan reported in PLD 2012 SC 1089 that the Constitution of Pakistan does not allow dual citizenship prohibiting dual nationals from holding high elected offices to the Parliament, being prohibited by Article 63(1)(c) of the Constitution. He also added that by obtaining dual nationality, where allowed, a citizen does not cease to be citizens of Pakistan, unless such citizens renounce their citizenship so Pakistanis who are settled abroad and hold dual nationality are not "foreigners" under Article 2(c)(iii) and contributions from those dual nationals would not make the political party a foreign aided political party. He further extended his arguments and submitted that prior to any complaint, consolidated audited accounts were filed by PTI (Respondent) as per the requirement of PPO, 2002 (Article 6(3) and Article 13) and PPR, 2002 (Rule 4) in FORM – I and Submission of documents to the ECP was as per law and customary practice. He emphasized that no objection or further requirement was ever raised by ECP

until Notification of 2019. He added that additional record in the shape of 13 volumes (list on the unnumbered page after pg.109 of Scrutiny Committee Report) properly stamped and verified were presented to the Scrutiny Committee and provided all the data with clear lists of the source of funds. He further argued that the Complainant failed to submit any accurate, complete, verifiable or credible documents as per the finding of the Scrutiny Committee (Pg 78 & Pg 81 para 49.5). He added that Ahsan & Ahsan came in only for the purpose for corrective measures and this procedure was not a regular audit or a special audit and in this connection engagement Letter dated 09.09.2013 and letter by Chartered accountant dated 10.06.2017 is evident. He also added that instructions issued by the respondent for Ahsan & Ahsan clearly indicates that their task was not an audit. He added that the Scrutiny Committee, itself found that this report cannot be considered a Special Audit Report as it was not prepared as per the International standards of accounting as it was not an audit at all. He further added that scrutiny committee has entirely rejected the claims of the complainant on the grounds that petitioner did not provide any verifiable, credible evidence for any allegation. He added that Respondent never changed the Audit firm as alleged by the complainant however partner was changed. He further argued that the Audit has been done by the respondent in accordance with the standards approved by the ICAP and that *Munif & Ziauddin* are an 'A' rated QCR Audit firm and their reports are professional in line with the approved standards. He also added that the Scrutiny Committee is not competent to comment on the audit report unless there is incorrect accounting and accounts have been reconciled every year and there is no accounting mistake. He also added that without analyzing the audited accounts, verified and credible, the Scrutiny Committee has incorrectly stated that they have carried out the analysis forensically and the Scrutiny Committee has also not considered the audited accounts at all. He added that no accounts were forensically analyzed as no report to the same has been attached. He also argued that the scrutiny committee on the contrary gave findings in respect of presence of deviation in figures but gave no explanation as to how they reached that conclusion by mis-reading the law and extended its scope to include a wider definition of "prohibited source". He objected on some legal points that the laws of Pakistan will be applicable upon the political parties of Pakistan. He argued that the Scrutiny Committee has placed reliance upon those

standards which are not a part of the Pakistani legislation for the political parties. He further argued that the Scrutiny Committee, failed to acknowledge one key aspect that the amount collected in USA by agents of PTI were by the instructions issued by the respondent on numerous platforms, on the site, in letters etc. He stated that the Agents were required to collect the funds in accordance with Article 6(3) of PPO,2002 and were bound to send it to Pakistan and If the agents collected funds beyond the authority and instruction of the principal, the principal cannot be declared liable. He submitted that as per the laws of agency when agents went beyond the authority given by the principal, the principal is not bound by such actions under section 228 of the Contract Act 1870. He clarified that the funds received from the Agents in USA (PTI USA LLC), to PTI Pakistan are all reflected in the audited accounts and are also reconcilable and received from non-prohibited sources, from Pakistani or dual Pakistani nationals. He further added that at that time there was no requirement of CNIC or NICOP record, (until 2019), therefore, PTI did not list the same but the agents gave notarized Sworn Statements, stating that no fund has been sent to PTI Pakistan from any prohibited source. He objected to certain points in Scrutiny Committee report that points which are mentioned as "*raising activities*" – not "receiving" "*Seem to be Pakistan Origin*" – "*Seems to be foreign origin as apparent from their names*" – He stated that this finding is based on no evidence and no penal consequence can be attracted without any proof and no conclusive finding.. He further added that the scrutiny committee with the approval of the ECP approached the state bank of Pakistan for information regarding accounts of PTI (Respondent) which was beyond the scope and TORs of the committee as these were local accounts and SBP gave details of those accounts which were either expenditure accounts where no funds were being collected by PTI (Respondent) or were accounts unknown to PTI and nor were opened with the consent or knowledge of PTI. He added that no amount came from these accounts to the actual PTI account and there is nothing "received" from these accounts either. He prayed that in light of the above this report to the extent that PTI's accounts were not reconcilable is liable to be rejected. In support of his submissions, he placed reliance on Pld 1952 Lahore 578, PLD 1966 AJK 38, 1973 SCMR 140, PLD 1998 SC1263, 2015 PCRLJ 1299, 2013 SCMR 1511, 2015 PTD 472, PLD 2015 SC 380, PLD 1963 (WP) 474 Lahore, 1977 SCMR 371, VOL 20/NO.3/ 1960, 269 US.385(1926), 2010

SCMR 1108(SC) , PLD 2005 SC 418 , 2005 SCMR 1408 , PLD 1989 Karachi 499, 2009 CLC 291 (DB)

7. After detailed legal arguments, the technical expert appeared on behalf of respondent and submitted report in respect of reconciliation of amounts and argued in detail regarding accounts maintained by PTI. According to him, Political Parties Order, 2002 does not provide any guidance for maintenance of books of account by a political party and also does not specify any accounting framework and format for consolidated statement as mentioned in Article 13 of PPO, 2002 and rule 4 of PPR,2002. He further argued that PPO 2002 only provides "source of funds" in Article 13 and Rule 4 but does not provide guidance on type and extent of information/data to be provided and disclosed along with the audited accounts. He added that due to lack of this guidance in PPR, 2002, for a political party to maintain a complete bio data of a contributor is not tenable. He added that even if complete bio data is maintained then verification of contributors cannot be done by NADRA. He argued that in case of LLC 5975, the list of contributors downloaded from FARA has no mention of contribution of each contributor but the Committee, to assign an amount to each contributor, has taken average amount of USD 467 by dividing the total contribution with total numbers of contributors on the list. The average figure has been multiplied with numbers of specific group of contributors as categorized by the Committee to arrive at the total contribution made by each category of contributors. He further argued that the scrutiny Committee has stated amount of USD 25,080 under presumed category of "Seems to be Foreign Origin" only on the basis of names of contributors without having any evidence to prove its assertion. He also contended that the SC categorized amount of USD 61,880 under the category "possible companies" without having any evidence as to the corporate status of the business mentioned therein. He further argued that most of these alleged "possible companies" are individual businesses owned by Pakistanis for example Al-Madina Auto & Repair Body shop, Ea-Daily Shop, ABI Mobile Apps, Neurosurgery Radiology courses, Desi Entertainment, Al Shafey Rent -A- Car etc. He also added that in response to the collection of amounts from foreign country mentioned at page 19 (para 21(d) and (e) of the scrutiny committee report) the reconciliation of total collected fund with an amount remitted to Pakistan through proper banking channels are given below:

LLC 5975
Date

| Particulars | Note | 2010 | 2011 | 2012 | 2013 |
|---------------------------|--------------|------|---------|---------|-----------|
| Opening | A | - | 1043 | 171,322 | 10,078 |
| Fund Raised | B | 1043 | 321,379 | 425,677 | 2,262,507 |
| Total fund available | C = A +B | 1043 | 322,422 | 596,989 | 2,272,585 |
| Fund Remitted to Pakistan | D | - | 115,000 | 410,000 | 1,988,500 |
| Expenses in USA | E | - | 36,100 | 176,911 | 184,693 |
| Closing | F= C - (D+E) | 1043 | 171,322 | 10,078 | 99,392 |

8. He added that in response to the non-provision of bank statements for LLC 6160 & LLC 5975, both the LCCs are required to maintain records including bank statements for a period of at least three years, pursuant to FARA Act and the banks in USA are required to maintain record for a period of five years only, while bank of America with which bank accounts of both LLCs are being maintained, has a policy of keeping bank statements of customers for a period of seven years. He argued that considerable amount of time has elapsed so the bank statements for both LLCs are no longer available in their record for the subject years and Respondent is unable to provide for the perusal of commission. He also elaborated that the analysis of material downloaded from FARA is also purpose-less as the fund raised unless received by a political party from prohibited source, will have no implication from the perspective of Elections laws. He contended that scrutiny committee has overstated the amount received from LLC 6160 & LLC 5975 by the amount of USD 69,940 and USD 785,310 respectively on account of multiple entries amounting to USD 817,880.

| Date | Scrutiny report | PTI Report | Remarks |
|------------------|-----------------|------------|--|
| 26-02-13 | 40,000 | - | As the LLC-6160 Opened on 26-03-2013 so how it can send fund on the date when it did not exist. The SC has to explain. These amounts do not pertain to financial year 2013 so the SC has to rectify and delete these amounts |
| 15-07-13 | 14,970 | - | |
| 17-07-13 | 14,970 | - | |
| Total overstated | 69,940 | - | |

Duplicate entries;

| LLC 5975 Date | Scrutiny Committee Report | PTI Record | Remarks |
|------------------|---------------------------------|------------|---|
| 12-11-10 | - | 50,000 | Due to oversight of the SC, these two amounts have not been taken into account. |
| 11-04-11 | - | 50,000 | |
| 12-05-11 | 14,975 | 15,000 | \$25 bank charges difference |
| 26-02-13 | - | 40,000 | Due to oversight of the SC, these two amounts have not been taken into account. |
| 01-05-13 | 12,000 | | The amounts do not pertain to this LLC. The SC need to clarify |
| 01-05-13 | 5,455 | | |
| 03-07-13 | 90,000 | | |

| Date | Scrutiny Committee Report | PTI Report | Remarks |
|------------------|---------------------------------|---------------|---|
| 2011-2012 | 409,880 | | Multiple entries have been taken twice by the SC which needs to be corrected. For detail refer Anx III (i) & Anx III (ii) of PTI reply on page 97-100 |
| 2012-2013 | 408,000 | | |
| Total | 940,310 | 155,000 | |
| Total overstated | 785,310 | | (940,301 – 155,000) |

He also added that Respondent has submitted year wise notarized lists of contributors for the amount received from both these LLCs which have not been considered and reproduced by the Scrutiny Committee. He also submitted that the amounts so received from UAE, UK, Europe, Denmark, Australia, Japan, Canada & other countries did not come from prohibited sources and in cases where names of companies appear, the amounts collected in actual fact from individuals have been routed through the bank accounts of these companies and these Companies have been used only for the transfer

of non-prohibited funds collected from overseas Pakistanis. He added that Article 6(3) of PPO,2002 assigns contribution from multinationals or domestically incorporated companies, as prohibited and the companies identified in para from 49.11 to 49.18 in scrutiny committee report are neither multinationals nor domestically incorporated. He added that Muniff Ziauddin & Co., Chartered Accountants was issued satisfactory QCR rating by ICAP during the period under examination. QCR rating issued by ICAP provide authentic evidence of the quality of the firm and only 120 out of total of 691 firms have QCR rating (17.37% out of total firms). Further added that the State Bank of Pakistan also maintains a panel of auditors which are issued ratings in three categories i.e., Category 'A', Category 'B' and Category 'C'. Only 14 firms are included in Category 'A' which are eligible to conduct audit of all banks and development financial institutions. Muniff Ziauddin & Co., Chartered Accountants are included in Category 'A'. In response to Record requisitioned from State Bank Of Pakistan and reference para 49.19 of Scrutiny Committee Report, the expert added that upon comparison between receipts as per audited financial statements (Form-1) and aggregation of credits based on bank statements directly acquired through SBP (column 2 of the comparative table), a difference of Rs. 310,440,444/- (Rupees Three Hundred Ten Million Four Hundred Forty Thousand Four Hundred Forty-Four Only) (understatement) is pointed out by the Committee. He also added that total receipts based on data obtained through SBP amounts to Rs.1,642,673,817/- (Rupees One Billion Six Hundred Forty Two Million Six Hundred Seventy Three thousand Eight Hundred Seventeen only) and in comparison he pointed out that audited financial statements from 2008 to 2013 shows receipts of amounts to Rs. 1,332,233,368/- (Rupees One Billion Three Hundred Thirty-Two Million Two Hundred Thirty-Three Thousand Three Hundred Sixty-Eight only) and understatement by an amount of Rs.310,440,444/- (Rupees Three Hundred Ten Million Four Hundred Forty Thousand Four Hundred Forty-Four Only) He also pointed out following errors in the scrutiny committee report and also elaborated in detail about the banks transactions which is given below;

- A) All the credits in the bank statements were summed up directly and double counted amounts transferred from one bank account to another (IBFT) and cheques returned. Double counting/overstatement on this account amount to Rs.

252,846,657/- (Rupees Two Hundred Fifty Two Million Eight Hundred Forty Six Thousand Six Hundred Fifty Seven Only) (IBFT: Rs. 239,404,966/- and Cheques Returned: Rs. 13,441,691/)

- B). The financial year 2009 was taken, from January 1, 2009 instead of from July 1, 2008. As a result, receipts understated amounted to Rs.19,809,161/- (Rupees Nineteen Million Eight Hundred Nine Thousand One Hundred Sixty-One Only).
- C) Flat conversion rate was used to convert US Dollar credits/receipts in defunct KASB/Bank Islami. Receipts resultantly were understated by Rs.2,918,629/- (Rupees Two Million Nine Hundred Eighteen Thousand Six Hundred Twenty-Nine Only)
- D). Funds amounting to Rs. 29,644,725/- (Rupees Twenty-Nine Million Six Hundred Forty-Four Thousand Seven Hundred Twenty-Five Only) relating to Swat Disaster Relief Fund, created for funding of flood affectees of Swat, received in defunct KASB/Bank Islami – account number 8129572001 were included, however, this account did not relate to PTI. Revised receipts as a result of the above, amount to Rs. 1,389,312,594/- (Rupees One Billion Three Hundred Eighty-Nine Million Three Hundred Twelve Thousand Five Hundred Ninety-Four Only), thus there is a difference of Rs. 57,079,228/- (Rupees Fifty-Seven Million Seventy-Nine Thousand Two Hundred Twenty-Eight Only) resultantly.
- E) Rs.57,079,228/- (Rupees Fifty-Seven Million Seventy-Nine Thousand Two Hundred Twenty-Eight Only) represents the collections by provincial chapters in the disbursement accounts which were opened only for expenditure purposes in which no amounts were to be collected as donations or contributions as per policy of PTI. Donations or contributions which amount to Rs.57,079,228/- (Rupees Fifty-Seven Million Seventy-Nine Thousand Two Hundred Twenty-Eight Only) were collected in those accounts and utilized locally, which were not transferred to the main accounts maintained by the central finance board. He further added that the respondent party

did not have the access to the bank statements as no one from the central finance board was a signatory to those accounts, resultantly, activity in those accounts was not ascertainable by the accounting team which was responsible to record transactions and compile the data for financial statements. IBFT from main accounts has been quite sporadic with few transactions as explained for each bank account separately. This was a lapse in internal controls due to disorganized finance function at provincial centers.

F). All the donations or contributions collected in these disbursement accounts were from local sources except for an amount of Rs. 1,157,320/- (Rupees One Million One Hundred Fifty-Seven Thousand Three Hundred Twenty Only) which was received from overseas Pakistanis.

G). He also added that reference to Para 49.8(b)(i)(1) of the report submitted by the Scrutiny Committee, the Committee disclosed that during the objected period in US Dollars 1,598,922/-, were received in the Party's Bank Account in Pakistan through cash deposits and bank to bank transfers within Pakistan, which is entirely false as no dollar amounts were directly deposited into this account within Pakistan, rather, amounts were received through bank transfers from overseas chapters for which all the details have been provided since it was a declared account for which all the transactions have been duly accounted for, in the audited financial statements.

H). He also argued that total of 26 bank accounts data was acquired through SBP in which a table (below) has been presented before the commission, wherein he has disclosed accounts pertaining to Respondent's party and disowned few accounts. Detail is given below;

| S NO | Name of bank | Audited | Disbursement | Not belong to PTI | No-transaction | Total | Comments |
|------|--------------|---------|--------------|-------------------|----------------|-------|---|
| 1 | HBL | 4 | 4 | 2 | 1 | 11 | +1 (Audited) KASB Gulberg Lahore |
| 2 | KASB | 2 | 2 | 1 | 1 | 6 | |
| 3 | UBL | 2 | | - | | 2 | |
| 4 | MCB | | 2 | 2 | | 4 | |

| | | | | | | | |
|---|-----|---|---|---|---|----|---|
| 5 | NBP | | | 1 | | 1 | expenditure account not taken by Scrutiny Committee |
| 6 | BOK | | | | 1 | 1 | |
| 7 | BOP | | 1 | | | 1 | |
| 8 | | 8 | 9 | 6 | 3 | 26 | |

J). He also argued that remittances from UAE, Europe, Denmark were received in UBL accounts, for which no additional account was identified from the data acquired through the State Bank of Pakistan. These details include;

- a) Amounts received from LLC 6160 and LLC 5975. (Annex-A and B, pages 1-44 of volume submitted to ECP)
- b) Amounts received from UK (Annex-C page 45-49 of volume submitted to ECP)
- c) Amounts received from Canada (Annex-D page 70-93 of volume submitted to ECP)
- d) Amounts received from Australia (Annex-E page 94-101 of volume submitted to ECP)
- e) Amounts received from Japan (Annex -F page 102-105 of volume submitted to ECP)

He added that Respondent Party has identified discrepancies in the amounts identified by the Scrutiny Committee where there was overstatement (in case of LLC 6160, LLC 5975) but also understatement (in case of UK, Canada and Australia)

H). He also pointed out that in case of Bank Alfalah Limited account maintained in Township Branch Lahore, the Respondent explained that it was our disbursement account and IBFT amounted to Rs. 37,088,448/- (Rupees Thirty-Seven Million Eighty-Eight Thousand Four Hundred Forty-Eight Only) while Rs. 12,482,655/- (Rupees Twelve Million Four Hundred Eighty-Two Thousand Six Hundred Fifty-Five Only) were local contributions and donations which were used locally and which were not transferred to the center. This account was consolidated in 2014. A total contribution/ donation of Rs.69,561,883/- (Rupees Sixty Nine thousand Five Hundred

Sixty One Thousand Eight Hundred Eighty Three Only) has been collected in the disbursement accounts after inclusion of Bank Alfalah Limited.

J). He also highlighted that for MCB account number 0171116361000707 titled PTI Election Commission KPK (serial 3 of the perusal report table para 8.5– page 38), he has explained that this account was opened and closed within a year. Only an amount of Rs.8 million (Rupees Eight Million Only) was transferred as an advance in two tranches for which complete liquidation occurred by August 15, 2013. No donation or contribution was received in this account.

9. Arguments heard from both the parties and record perused.

10. Before discussing the details of the case, we deem it appropriate to refer to the relevant Provisions of the Constitution and law which are reproduced below;
Article 17 of the Constitution of Islamic Republic of Pakistan.

17. Freedom of association

17. (1) Every citizen shall have the right to form associations or unions, subject to any reasonable restrictions imposed by law in the interest of sovereignty or integrity of Pakistan, public order or morality.

(2) Every citizen, not being in the service of Pakistan, shall have the right to form or be a member of a political party, subject to any reasonable restrictions imposed by law in the interest of the sovereignty or integrity of Pakistan and such law shall provide that where the Federal Government declares that any political party has been formed or is operating in a manner prejudicial to the sovereignty or integrity of Pakistan, the Federal Government shall, within fifteen days of such declaration, refer the matter to the Supreme Court whose decision on such reference shall be final.

(3) Every political party shall account for the source of its funds in accordance with law

Article 6 of the Political Parties Order, 2002.

6. Membership fee and contributions. -

(1)

(2) The contribution made by members or supporters of any party shall be duly recorded by the political parties

(3) Any contribution made, directly or indirectly, by any foreign government, multinational or domestically incorporated public or private company, firm, trade or professional association shall be prohibited and the parties may accept contributions and donations only from individuals.

(4) Any contribution or donation which is prohibited under this Order shall be confiscated in favour of the State in the manner as may be prescribed.

Rule 6 of the Political Parties Rules, 2002.

6. Confiscation of prohibited funds:

Where the Election Commission decides that the contributions or donations, as the case may be, accepted by the political parties are prohibited under clause (3) of Article 6, it shall, subject to notice to the political party concerned and after giving an opportunity of being heard, direct the same to be confiscated in favour of the State to be deposited in Government Treasury or sub-Treasury in the following head of the account:

"3000000-Deposits and Reserves-B-Not Bearing interest, 3500000-

5

***Departmental and Judicial Deposits, 3501000-Civil Deposits, 3501010.
Deposits in connection with Elections".***

11. The importance of formation of political parties is provided in the Constitution which play a pivotal role in democratic political culture. The Constitution impinges upon the formation of Political parties as fundamental right and also places certain restrictions and responsibilities. The political parties are enlisted in the Commission after fulfilment of legal requirements including the submission of consolidated statements of accounts duly audited by a chartered accountant annually in the prescribed format. The respondent political party like all other political parties had been submitting such statements annually. The scrutiny of the statements of assets and liabilities has been undertaken by a committee constituted by the Commission. The parties and their counsels have been provided the report of the scrutiny committee based on which they have submitted their written replies/reviews. Technical experts from both the sides have also appeared and assisted the Commission with their written Reports. The whole case revolves around the issue of alleged receiving of prohibited funds from different sources by the Respondent party. Sufficient material is available on record. The following questions are formulated;

1. What is the legal value of funds transfer made by Mr. Arif Naqvi through Wootton Cricket Limited and whether it comes under the ambit of prohibited funding?
2. What is the legal value of donations and contributions from Bristol Engineering Services, Dubai, UAE and whether it comes under the ambit of prohibited funding?
3. Whether the donations and contributions from E Planet Trust and SS Marketing UK are admissible under law and are not prohibited?
4. What is the legal status of fundraising and transfer of funds made by PTI USA LLCs- 6160 & 5975, PTI Canada Corporation and PTI Private Limited UK to PTI accounts in Pakistan and whether these donations and contributions come under the term prohibited funding?

5. What is the legal status of donations and contribution from Foreign Nationals?
6. What is the legal status of donations and contributions from Foreign Companies?
7. What is the status of Bank Accounts disowned by PTI?
8. What is the legal status of donations and contributions received by Four PTI Employees in their personal Accounts?
9. What is the extent of liability of Form-1 certificates Signed by Chairman PTI?
10. Whether the word 'and' and 'or' are interchangeable with each other or it shall be read as disjunctively in terms of Article 6 (3) of PPO,2002?
11. To what extent Election Commission of Pakistan has the power to get information from any agency with regard to the contributions/donations and funding through prohibited source(s)?
12. Where the law requires a thing to be done directly whether it can be done indirectly?

12. In response to Question No.1 in order to answer this question, the Commission has ventured the UAE Federal Laws regarding the “fund-raising activity, and its procedure as to whether it is carried out through traditional or digital methods. The Law restricts fund raising by entities classified by law as charitable and humanitarian organizations. The laws of UAE do not allow, natural persons to host, organize or carry out any fund-raising activity”. For fund raising in the said country, prior permission is required and failure to obtain prior permission results in violation of UAE's Federal Laws. As per information obtained from various Banks through State Bank of Pakistan, Mr. Arif Naqvi through accounts of M/s Wootton Cricket Limited being operated from Dubai, UAE has transferred US\$ 2,121,500/- (US Dollars Two Million One Hundred Twenty One Thousand Five Hundred Only) to PTI Bank Account in Pakistan as detailed below:

**Table: Detail of Funds Transferred from UAE Based Company
(Wootton Cricket Limited)**

| S.No. | Details/Particulars of Sender | Date | Amount US\$ |
|--------------|--|------------|------------------------|
| 1 | Wootton Cricket Limited P.O Box 504905 Dubai | 28.02.2013 | \$ 324,000.00 |
| 2 | Wootton Cricket Limited P.O Box 504905 Dubai | 14.03.2013 | \$ 1,300,000.00 |
| 3 | Wootton Cricket Limited P.O Box 504905 Dubai | 02.04.2013 | \$ 497,500.00 |
| Total | | | \$ 2,121,500.00 |

13. Further, it has been revealed that Wootton Cricket Limited is registered in Cayman Islands as company. As per the available reports the Cayman Islands are considered the 5th largest banking Centre in the world and considered tax haven for **type exempt (taxes) companies**. Companies and individuals move businesses offshore due to favorable conditions, including tax avoidance, relaxed regulations, or asset protection. Although offshore institutions can also be used for illicit purposes, they aren't considered illegal. As per industry protocols the offshore can mean any location abroad, any country, territory, or jurisdiction.

14. From the perusal of information available on record, an amount of US\$ 2,121,500/- was transmitted by M/s Wootton Cricket Limited, a Cayman Islands based offshore company from its accounts held in Dubai, UAE to PTI Pakistan accounts in Islamabad. The affidavit from Mr. Arif Masood Naqvi who was Chief Executive of Abraaj Capital Ltd is on record provided by the Respondent party, wherein Mr. Naqvi has admitted that these funds were transferred by him from account of M/s Wootton Cricket Limited, another company owned by him, to PTI accounts in Pakistan. The Wootton Cricket Limited P.O Box 504905 Dubai, has its registered address at Dubai International Financial Centre, Gate Village 8, 3rd Floor, P.O. Box 504905, Dubai, United Arab Emirates, which establishes the fact that it was operating under the umbrella of Abraaj Group from same premises. The Commission has procured the information of the companies which shows that Mr. Arif Naqvi is being tried by US Courts on **criminal charges of securities fraud, wire fraud and conspiracy charges** (<https://www.reuters.com/article/us-abraaj-usa->

[crime-idUSKCN1RN2P5](#)). As per reports, currently Mr. Arif Naqvi is in custody in UK and facing extradition request from US authorities. On examination of record and information available, reveals that "on April 11,(2018) (<https://www.thenationalnews.com/business/markets/us-court-filing-alleges-230m-fraud-by-abraaj-founder-arif-naqvi-1.848153>) the Securities and Exchange Commission filed a civil law suit against the defunct private equity firm and Abraaj founder and CEO Arif Naqvi for fraud and the alleged misappropriation of more than \$230 million from Abraaj's health-care fund. As a result of an audit by some investors in the Abraaj Growth Markets Health Fund, including the Bill & Melinda Gates Foundation, Seattle, the Abraaj group was forced into liquidation in June (2018)". The indictment charges state that "the defendants enriched themselves at the expense of their investors and business partners; and caused hundreds of millions of dollars in losses to investor-victims". The Grand Court of the Cayman Islands, Financial Services Division while hearing the Cause No: FSD 111 of 2018 (RMJ), in the matter of the Companies Law (2018 Revision) and in the matter of Abraaj Investment Management Limited before the Honorable Mr. Justice McMillan in open court on September 11, 2019 issued a winding up order, to be read as

"And upon hearing counsel for the Company; It is ordered that:

"The Company be wound up by the Court under the provisions of the Companies Law (2018Revision) (the "Companies Law")".

15. The Abraaj Group has collapsed and is in liquidation due to accusations of fraud. It is important to add that Mr. Mustafa Abdel Wadood and Mr. Sev Vettivetpillai both the Executives of Abraaj Group (<https://www.wsj.com/articles/ex-abraaj-executive-pleads-guilty-to-racketeering-fraud-11561742457>), have admitted guilt to wire fraud, securities fraud, racketeering, and conspiracy as part of plea bargain with the US authorities. The Constitution of Pakistan allows every citizen to form a political party, it makes it mandatory upon the political party to operate in a lawful manner, ensure compliance with the Laws and account for the source of its funds. In this case PTI did not give due consideration and was not

watchful for complying with the regulating Laws and making full and complete disclosure of source of its funds. From the above discussion it appears that PTI Pakistan knowingly received and accepted donations from a company which was being operated by a business tycoon who was involved in a criminal fraud. The party was given ample opportunities from April, 2018 to December 2021 to make complete disclosure since the cognizance of the case by this Commission. However, the party continued to hide and conceal the facts about source of its funds. It was only when Commission confronted the party with evidence about the receipt of donations by PTI Pakistan from Wootton Cricket Limited, the party presented Affidavit (undated photocopy) on March 14 2022, signed by Mr. Arif Naqvi, CEO Abraaj Group. Through this Affidavit Mr. Naqvi admits that *“he voluntarily participated in personally providing and from others, collecting party (PTI) fund, contributions and donations...from within the jurisdiction of UAE”*. As discussed above the collection of donations by companies and natural persons by any means and for any purpose, other than registered permissible category charities, is prohibited under UAE Laws (<https://u.ae/en/information-and-services/charity-and-humanitarian-work/ways-of-doing-charity-in-the-uae/donating-and-raising-funds>) . The position taken by Mr. Arif Naqvi is not consistent with UAE Laws. Therefore, the Pakistan Tehreek e Insaf was willing recipient and beneficiary of prohibited money to the tune of US\$ 2,121,500/- funneled to its accounts by Mr. Arif Masood Naqvi using Wootton Cricket Limited as a “conduit account” for funneling of funds. Withholding of complete disclosure by PTI about the real donors and contributors indicates that M/s Wootton Cricket Limited was used as vehicle for funneling of Prohibited Money through “conduit contributions”. Indeed, these funds were given by someone whose identity both Mr. Arif Naqvi in his affidavit *ibid* and PTI have chosen not to disclose. These transfers into accounts of PTI were made from the accounts of M/s Wootton Cricket Limited by Mr. Arif Naqvi from his company account and are hit by prohibition of funding by companies to political parties as per Pakistani Laws. The details of the transactions have not been disclosed by the Respondent party and have committed acts of willful concealment, misstatement and misrepresentation of

facts. On the basis of available evidence on record, these transactions are hit by prohibition under Pakistani Laws on donation by these Companies to PTI. The transfer of funds to the account of a PTI Pakistan from any other country, unless from a Pakistani individual is unlawful.

16. In response to Question No.2, examination of record reveals that M/s Bristol Engineering Services LLC, a UAE based company, transferred an amount of US\$ 49,965/-to PTI accounts in Pakistan. Mr. Majid Bashir, the owner of the company has admitted this in his affidavit (undated photocopy) which has been submitted by Respondent along with his reply to the Scrutiny Committee Report before the Commission. According to the affidavit the owner has made these contributions to PTI through the account of his UAE based company. As mentioned above, the UAE Laws do not allow natural persons and companies to engage in any type of fundraising activities. The UAE Laws only allow registered charities with prior permission to raise funds only for charitable purposes. The contributions made by Bristol Engineering Services are illustrated below.

Table: Detail of Funds Transferred from UAE Based Companies

| S.No. | Details/Particulars of Sender | Date | Amount US\$ |
|--------------|--|------------|---------------------|
| 1 | Bristol engineering services FZ LLC Dubai (Government Business ID) 20072 Office No. 104 EIB BLDG # 1 Dubai UAE | 11.03.2013 | \$ 49,965.00 |
| Total | | | \$ 49,965.00 |

It is evident from the record that above mentioned amount of \$49,965.00 has been donated by a UAE based company. The details of the transactions have not been disclosed by the Respondent party and have committed acts of willful concealment, misstatement and misrepresentation of facts. On the basis of available evidence on record, these transactions are hit by prohibition under Pakistani Laws on donation by these Companies to PTI. The transfer of funds to the account of a PTI Pakistan from any other country, unless from a Pakistani individual is unlawful.

17. In response to Question No.3; Record reveals that PTI has received funds into its accounts in form of donations for an amount of US\$ 100, 000/- from a Zurich, Switzerland based entity operating as E Planet Trustees PTC ASTRUSTEES FOR EPLANET TRUST 2 BLAST ZURICH Bahnhofstrasse 45 Ch/UBS/0206-00111549. E Planet Trustees is a Private Company Trust and as per available information is a Cayman Islands based company. Receipt and acceptance of US\$ 100,000/- from a Private Company Trust is therefore hit by prohibition of funding to political parties. Similarly, PTI received funds into its accounts donations for an amount of US \$ 1,741/- from S.S. Marketing, a Manchester-UK based Private Limited Company, Company # 09403330. Receipt and acceptance of US \$ 1,741/- from a Private Limited Company is hit by prohibition of funding to political parties.

18. In response to Question No.4 arguments have been advanced by both the parties regarding formation of LLCs in USA. As per research carried out by the International Institute for Democracy and Electoral Assistance (IDEA) (<https://www.idea.int/data-tools/question-view/527>) , out of 180 countries, 126 have put in place Legislations and Laws on prohibition of donations to political parties by companies and foreign interests. Pakistan is included in the list of the countries which have imposed restrictions and prohibitions on donations to political parties by companies and foreign nationals. Political Parties in Pakistan can accept donations only from individuals holding Pakistani citizenship. PTI has formed companies in USA, Canada and UK for fundraising purposes. The donations and contributions collected by these companies were transferred to PTI accounts in Pakistan. Fundraising activities carried out by each company are being discussed below.

a) Fundraising in USA:

The Federal Laws in USA prohibit contributions, donations, expenditures (including independent expenditures) and disbursements solicited, directed received or made directly or indirectly

by or from foreign nationals in connection with any federal, state or local elections. Foreign nationals are also prohibited from, directly or indirectly, making political donations as it is a violation of federal law to knowingly accept such donations from a foreign national. The detailed study of USA system which governs registration of Limited Liability Companies (LLC) in USA, reveals that LLCs are registered under State statutes. ***“A Limited Liability Company (LLC) is a business structure allowed by state statute. Each state may use different regulations...”***

19. PTI with express approval of Chairman PTI opted for opening of following two Limited Liability Companies:
- i. **PTI USA LLC-6160:** The Chairman PTI Pakistan appointed PTI USA LLC-6160; a California based Limited Liability Corporation, as its Registered Agent with FARA. It was also certified that PTI USA LLC-6160 registered with FARA shall ensure compliance with all Foreign Agent Registration Act (FARA) and Inland Revenue Services-IRS (USA) rules and regulations. Examination of registration documents reveals that the LLC was to operate as per Certificate of Incorporation (state laws), By-laws and laws of State of California. The Company was managed by Board of Directors which were responsible for supervision, direction and control of the business and affairs of the Company. The finances of the Corporation were to be managed by a Treasurer, funds to be kept in a Bank Account and a detailed description of all transactions were to be recorded.
 - ii. **PTI USA LLC-5975:** The Chairman PTI undertook through the letter “To Whom it May Concern” on February 15, 2010, which stated that PTI Pakistan registered PTI USA LLC as its agent with FARA. The letter stipulates that the LLC will comply with all USA rules and regulations and comply with FARA and IRS regulations in place of LLC 6160. As per Certificate of Formation of this Limited Liability Company LLC 5975 was incorporated by Corporate Section State of Texas on February 09, 2010. The Limited Liability Company was

organized under the Texas Business Organizations Code. The LLC was to be run by a Governing Authority/ Managers.

20. The legal stipulation in USA allows an agent to act on behalf of foreign principal for political fund raising but within the ambit of US Federal and State Laws relating to registration, taxation and reporting. Indeed, the PTI's agents in California (PTI USA LLC-6106) and Texas (PTI USA LLC-5975) opted for formation of LLCs and got them registered in respective states. They also got these companies enlisted with Inland Revenue Service of US Department of Treasury under Section 501(c)(4). This category includes charitable, churches and religious organizations, private foundations, political organizations and other Non-Profits {other than permissible categories under Section 501(c)(3)}. The Section 501(c)(4) lays down Basis for Exemption for Political Educational Organizations which requires that "**organizations operate primarily in promoting in some way the common good and general welfare of the people of the community**". US Code Section 501(c)(4) refers to a section of the U.S. federal income tax code concerning social welfare organizations. Corporations that have been granted 501(c)(4) status by the Internal Revenue Service are exempt from federal income tax. However, unlike 501(c)(3) organizations, donations to 501(c)(4) entities are not tax-deductible for the individual or corporation making the donations.

21. The PTI through its Agents in USA got both the LLCs registered in respective States of Incorporation, IRS and FARA, as obligation under US Laws. Hence irrespective of finer motive, the platform opted by PTI agents was to run LLCs as Non-Profit business entities, as distinct entities from charitable organizations to meet the stipulations of USA laws. However, this act is in direct violation of Pakistani Laws (Article 6(3) of PPO 2002) which disallows any fund collection from sources other than "individuals". Therefore, the impression given by the respondent that without LLCs, fund raising was impossible in USA is suppressed and disallowed "abinitio". This also makes the whole debate over the interpretation of terms such as "receipt" and "accept" irrelevant because all

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amounts raised by LLCs are considered in departure of Article 6(3) of PPO 2002 to the extent of funds raised by the PTI agents in USA. Here, it cannot be ignored that the agents while fund raising did not discriminate between "individuals" and "entities" and "Pakistani Origin Americans and Foreign Nationals". To identify and record accurate sources of funds received (donations and contributions) in USA by PTI Agents was obligatory on PTI as per Article 17 of the Constitution of Pakistan. The list of donations available on record for both the LLCs and illustrates that PTI received and accepted donations from 351 companies and 34 foreign nationals. Hence, the PTI agents did not follow the Pakistani laws which permit receiving funds from individuals' Pakistani citizens and prohibits contributions from foreign nationals. In the absence of a database reflecting nationality of donors, the scrutiny committee report was constrained to identify list of donors who "appear to be Pakistani" on the basis of nomenclature-based identity check. PTI as a foreign principal should have been vigilant and more careful in this regard. Instead the PTI knowingly **received and accepted the donations** collected by its USA based Agents through these **conduit companies** through fundraising which were also contributed by foreign companies and foreign nationals as per report of the Scrutiny Committee.

22. During review of the documents on record, it was also observed that both the PTI USA LLCs have not adhered to the principles of International Financial Reporting Standards (IFRS) (<https://www.iasplus.com/en/standards/ifrs/ifrs1>) which "requires that financial statements be prepared using four basic principles: clarity, relevance, reliability, and comparability". The Financial Statements and record of both the LLCs do not detail and describe the collections and donations received by them. This practice of recording accounting transactions is not consistent with Accounting and Reporting Standards and not covered under US-Generally Accepted Accounting Principles (US-GAAP).

23. In this case, it is evident that PTI planned, established and administered fundraising campaigns through US based LLCs which were aimed at collection of

donations and contributions from USA residents and US based companies. Both the LLCs did comply with USA's State and Federal Laws governing registration of Companies with respective States, IRS under Section 501 (C) (4) and FARA as a USA based Agent of a Foreign Principal. Though compliance with USA's State and Federal Laws was made by both the USA based Agents and Foreign Principal (PTI), however PTI ignored that they are also required to ensure compliance with Pakistan's Laws regulating funding of a political party operating in Pakistan. These laws clearly lay down prohibitions on funding of political parties by companies and foreign nationals. The Constitution of Pakistan under Article, 17 also makes it mandatory to declare and disclose source of funds. Both the LLCs were USA based registered companies. These companies through fundraising campaigns received and transferred donations and contributions made by US citizens including dual nationality holders (Pakistani Origin), foreign nationals and foreign based companies. The PTI in capacity of a Foreign Principal in this case knowingly received and accepted such donations and contributions which were transferred to its Bank accounts in Pakistan by its USA based companies. The details of donations and contributions collected and transferred by each company are as under:

| PTI USA LLC-6160 | | |
|--|--------------------------|-------------------|
| Funds collected through donations and contributions and transmitted to PTI | | |
| Date | To Whom | Amount US\$ |
| April, 2013 | Pakistan Tehreek e insaf | \$ 384,000 |
| May, 2013 | Pakistan Tehreek e insaf | \$ 165,000 |
| Total | | \$ 549,000 |

Table: Collection/donation collected by LLC 6160 from Companies and Foreigners

| S.No | Details | Contributors # | Amount (US\$) | Reference |
|--------------|------------------|----------------|---------------|-----------|
| 1 | Foreign National | 21 | 16,205 | A) |
| 2 | Companies | 120 | 54,755 | B) |
| Total | | | 70,960 | |

A) Foreign National Donor- LLC-6160

| Sr # | DATE | NAME | AMOUNT | NATIONALITY |
|-------|------------|-------------------|-----------|---------------|
| 1. | 25-03-2013 | Lisa C | \$ 1,250 | Not-Pakistani |
| 2. | 03-04-2013 | Yasmin Saika | \$ 100 | Not-Pakistani |
| 3. | 03-04-2013 | Charles S Haines | \$ 100 | Not-Pakistani |
| 4. | 07-04-2013 | Nate Rizvi | \$ 100 | Not-Pakistani |
| 5. | 07-04-2013 | Larisa parfenteva | \$ 100 | Not-Pakistani |
| 6. | 12-04-2013 | Charanjit Singh | \$ 50 | Not-Pakistani |
| 7. | 18-04-2013 | Isabelita | \$ 250 | Not-Pakistani |
| 8. | 18-04-2013 | Sheikh Salamat | \$ 250 | Not-Pakistani |
| 9. | 24-04-2013 | Fatima Bapumia | \$ 100 | Not-Pakistani |
| 10. | 24-04-2013 | Ali A Pitafi | \$ 300 | Not-Pakistani |
| 11. | 26-04-2013 | Meena Pashtoon | \$ 100 | Not-Pakistani |
| 12. | 26-04-2013 | Mazhar Rishi, | \$ 125 | Not-Pakistani |
| 13. | 4/26/2013 | Samia Rishi | \$ 125 | Not-Pakistani |
| 14. | 27-04-2013 | Smieha Chaudhary | \$ 80 | Not-Pakistani |
| 15. | 27-04-2013 | Tauseef R.Butt | \$ 125 | Not-Pakistani |
| 16. | 27-04-2013 | Varsha Luthra | \$ 125 | Not-Pakistani |
| 17. | 29-04-2013 | Chieves | \$ 75 | Not-Pakistani |
| 18. | 29-04-2013 | Murad Ansari | \$ 5,000 | Not-Pakistani |
| 19. | 06-05-2013 | Beenish Faridi | \$ 250 | Not-Pakistani |
| 20. | 09-05-2013 | Aftab Kamyana | \$ 100 | Not-Pakistani |
| 21. | 20-04-2013 | AMYN J. Merchant | \$ 7,500 | Not-Pakistani |
| Total | | | \$ 16,205 | |

Donation/contribution from companies (LLC-6160)

6160-Exhibit-D-20170717-11

| S.NO. | DATE | DONOR NAME | AMOUNT \$ |
|-------|------------|----------------------------------|-----------|
| 1. | 22-03-2013 | Samkund LLC | \$ 1,000 |
| 2. | 28-03-2013 | Healing Hands of Virginia PLLC | \$ 1,000 |
| 3. | 29-03-2013 | Auto Junction INC. | \$ 1,000 |
| 4. | 29-03-2013 | Virginia Health and wellness PC | \$ 500 |
| 5. | 02-04-2013 | Vocalinkz | \$ 50 |
| 6. | 02-04-2013 | Microshop trading Ltd. | \$ 1,000 |
| 7. | 03-04-2013 | Compcare LLC | \$ 100 |
| 8. | 03-04-2013 | Hoovertel | \$ 100 |
| 9. | 04-04-2013 | Avon Store | \$ 75 |
| 10. | 05-04-2013 | Focus Auto Ltd. | \$ 50 |
| 11. | 05-04-2013 | Probist INC | \$ 100 |
| 12. | 05-04-2013 | OPM Supplies INC I(Khalid Saeed) | \$ 120 |
| 13. | 05-04-2013 | A+ wireless | \$ 500 |
| 14. | 06-04-2013 | Nex G Mobility | \$ 150 |
| 15. | 06-04-2013 | Betty Home Improvements | \$ 500 |

| | | | | |
|-----|------------|---------------------------------------|----|-------|
| 16. | 07-04-2013 | Hammad Al Deham Trading LLC | \$ | 100 |
| 17. | 08-04-2013 | Shan Packaging | \$ | 50 |
| 18. | 08-04-2013 | Etrav Ltd | \$ | 50 |
| 19. | 08-04-2013 | JJ Technology | \$ | 100 |
| 20. | 08-04-2013 | Logo Arena | \$ | 200 |
| 21. | 09-04-2013 | 53 RD Street CORP | \$ | 500 |
| 22. | 10-04-2013 | AZ Pak Friends | \$ | 5,000 |
| 23. | 11-04-2013 | Azaan INC. DBA MACS Corner | \$ | 300 |
| 24. | 12-04-2013 | King Auto Repair & Body Shop inc. | \$ | 200 |
| 25. | 14-04-2013 | Click n Collect Limited | \$ | 50 |
| 26. | 14-04-2013 | MyPrime Trading | \$ | 50 |
| 27. | 14-04-2013 | Al-Madina Auto & Repair Body Shop | \$ | 150 |
| 28. | 15-04-2013 | Grocery Logistics | \$ | 50 |
| 29. | 16-04-2013 | Pioneer Traders | \$ | 100 |
| 30. | 16-04-2013 | Phone World | \$ | 350 |
| 31. | 16-04-2013 | The William Washington ltd | \$ | 500 |
| 32. | 17-04-2013 | Ea-daily Shop | \$ | 50 |
| 33. | 17-04-2013 | Ayan Bangash LLC | \$ | 100 |
| 34. | 17-04-2013 | Towards a Better Understanding of the | \$ | 100 |
| 35. | 17-04-2013 | Tahira akram M.D INC. | \$ | 120 |
| 36. | 18-04-2013 | A H T Refrigeration | \$ | 50 |
| 37. | 18-04-2013 | ABI Mobile Apps | \$ | 100 |
| 38. | 18-04-2013 | Chemquest International INC | \$ | 200 |
| 39. | 18-04-2013 | G's Gas LLC | \$ | 200 |
| 40. | 18-04-2013 | Irfa INC | \$ | 200 |
| 41. | 18-04-2013 | Spectrum Diagnostics Imaging INC | \$ | 350 |
| 42. | 18-04-2013 | MK Raja Cab Co | \$ | 500 |
| 43. | 18-04-2013 | MIDWEST CRICKER CONFERENCE | \$ | 500 |
| 44. | 18-04-2013 | Helen Tiwah Owusu-Akotokorkor | \$ | 500 |
| 45. | 18-04-2013 | Kanza Salon INC | \$ | 1,000 |
| 46. | 18-04-2013 | Midwest Trading Group INC | \$ | 1,000 |
| 47. | 18-04-2013 | Reja Alkhair Cab INC | \$ | 1,000 |
| 48. | 19-04-2013 | Neurosurgery | \$ | 50 |
| 49. | 19-04-2013 | UniformOne | \$ | 100 |
| 50. | 19-04-2013 | Wali Real Estate LLC | \$ | 100 |
| 51. | 20-04-2013 | Pediatrics of Sarasota INC | \$ | 200 |
| 52. | 21-04-2013 | Bargain Bay | \$ | 55 |
| 53. | 21-04-2013 | Sohail Khan LTd. | \$ | 150 |
| 54. | 21-04-2013 | Sleep-O-Pedic Mattress | \$ | 150 |
| 55. | 21-04-2013 | Anwar Foundation | \$ | 300 |
| 56. | 21-04-2013 | Amjad & Majed INC. DBA Khan BBQ | \$ | 500 |
| 57. | 21-04-2013 | B & M Plastic INC | \$ | 500 |
| 58. | 21-04-2013 | Prime Entertainment INC | \$ | 1,000 |
| 59. | 22-04-2013 | Strategy Insight Inc. | \$ | 100 |
| 60. | 22-04-2013 | Impressions Textiles | \$ | 300 |

| | | | |
|------|------------|-----------------------------------|-----------|
| 61. | 23-04-2013 | Mehpak Limited | \$ 60 |
| 62. | 23-04-2013 | NAS International | \$ 65 |
| 63. | 23-04-2013 | KA Services (UK) ltd | \$ 100 |
| 64. | 23-04-2013 | Penn Stat Inc | \$ 250 |
| 65. | 24-04-2013 | Klik Print Pty Ltd | \$ 50 |
| 66. | 24-04-2013 | Bright Traders | \$ 60 |
| 67. | 24-04-2013 | King Sweets Inc | \$ 500 |
| 68. | 24-04-2013 | Advance Medical Equipment INC | \$ 1,000 |
| 69. | 24-04-2013 | Iqra Inc | \$ 1,055 |
| 70. | 25-04-2013 | Chadds Ford Dental Village | \$ 100 |
| 71. | 25-04-2013 | Xenia Solutions | \$ 100 |
| 72. | 25-04-2013 | Chicago Staging | \$ 500 |
| 73. | 25-04-2013 | Magic Toyz Ltd | \$ 1,500 |
| 74. | 26-04-2013 | BestBuys LLC | \$ 100 |
| 75. | 26-04-2013 | Radiology Courses | \$ 100 |
| 76. | 26-04-2013 | Café Descartes Company | \$ 200 |
| 77. | 26-04-2013 | Brighter Smiles LLC | \$ 500 |
| 78. | 27-04-2013 | Power LAN Inc | \$ 50 |
| 79. | 27-04-2013 | Ali T Enterprises | \$ 100 |
| 80. | 27-04-2013 | Dot Vision Systems Ltd | \$ 100 |
| 81. | 27-04-2013 | Octave Education Limited | \$ 100 |
| 82. | 27-04-2013 | Simco Parts | \$ 100 |
| 83. | 27-04-2013 | Marverick Creative Concept LLC | \$ 225 |
| 84. | 27-04-2013 | HME Executive Coach. INC | \$ 500 |
| 85. | 27-04-2013 | Jalil Khan M.D P.A (Pri-Med Care) | \$ 1,500 |
| 86. | 27-04-2013 | Midway Airport Hotel Partnership | \$ 100 |
| 87. | 27-04-2013 | Arable Enterprises | \$ 100 |
| 88. | 27-04-2013 | Desi Entertainment | \$ 100 |
| 89. | 28-04-2013 | Pro-Rider Leather Inc. | \$ 815 |
| 90. | 29-04-2013 | From Euro | \$ 14,277 |
| 91. | 30-04-2013 | NIF Telecoms | \$ 100 |
| 92. | 30-04-2013 | Taha Plus UK Limited | \$ 300 |
| 93. | 30-04-2013 | The Sinus Node Limited | \$ 500 |
| 94. | 01-05-2013 | Tan-zar Ltd. | \$ 50 |
| 95. | 01-05-2013 | Boom Imports | \$ 150 |
| 96. | 02-05-2013 | A One Solutions FZC | \$ 50 |
| 97. | 03-05-2013 | Globolink's d Usman | \$ 50 |
| 98. | 03-05-2013 | LinuxIoT | \$ 50 |
| 99. | 03-05-2013 | Cruz Web | \$ 100 |
| 100. | 03-05-2013 | Allies Security Services | \$ 125 |
| 101. | 04-05-2013 | Shireen Inc | \$ 50 |
| 102. | 05-05-2013 | NYS. USA | \$ 50 |
| 103. | 05-05-2013 | Level 7 Tennis Academy | \$ 100 |
| 104. | 05-05-2013 | My Phone Repairs INC | \$ 200 |
| 105. | 05-05-2013 | XpressteX | \$ 200 |
| 106. | 05-05-2013 | LinkSense GmbH | \$ 500 |
| 107. | 06-05-2013 | CyberQuest Solutions | \$ 50 |
| 108. | 06-05-2013 | Stylo Group Ltd | \$ 50 |
| 109. | 06-05-2013 | Al Iqra Online Education Services | \$ 100 |

| | | | | |
|-------|------------|----------------------------|----|-----------|
| 110 | 06-05-2013 | INTL BS INC | \$ | 600 |
| 111 | 06-05-2013 | ITeation | \$ | 1,000 |
| 112 | 07-05-2013 | DaakMan | \$ | 100 |
| 113 | 07-05-2013 | Proven Project Manager | \$ | 100 |
| 114 | 07-05-2013 | C. Solx LLC | \$ | 200 |
| 115 | 08-05-2013 | Best Buy Electronics Ltd | \$ | 100 |
| 116 | 08-05-2013 | Al Shafey Rent a Car | \$ | 500 |
| 117 | 09-05-2013 | The Tuition Centre Limited | \$ | 100 |
| 118 | 01-06-2013 | Reversal | \$ | 1,203 |
| 119 | 06-05-2013 | Sassi Couture | \$ | 100 |
| 120 | 26-04-2013 | Marble Ville | \$ | 200 |
| Total | | | | \$ 54,755 |

Table: Collection/donation by LLC 5975 and transmitted to PTI

| Fundraising Events from Feb 2010 to June 2013 | | |
|---|--------------------|-----------|
| Particulars | \$ Amount | Reference |
| Donations and Contributions | \$ 2,344,882 | |
| Expenses | \$ 327,132 | |
| Balance | \$ 2,017,750 | |
| Number of Contributors | 5,026 | |
| Funds transmitted to Pakistan | \$1,976,500 | |
| Foreign nationals | 13 | A |
| Number of Companies | 231 | B |

A)

Foreign National of LLC-5975

| sr # | Name | Origin |
|------|---------------------|---------------|
| 1 | Inder Dosanjh | Not-Pakistani |
| 2 | Renee Rashid | Not-Pakistani |
| 3 | Meenaz Merchant | Not-Pakistani |
| 4 | Mukesh Kanda | Not-Pakistani |
| 5 | Veeral Lal | Not-Pakistani |
| 6 | Jerrica Delatorre | Not-Pakistani |
| 7 | Michael Lane | Not-Pakistani |
| 8 | Muhammad Kit am | Not-Pakistani |
| 9 | John Guerin | Not-Pakistani |
| 10 | Cyma Ashraf | Not-Pakistani |
| 11 | Abubakar Vakil | Not-Pakistani |
| 12 | Murtaza Lokhandwala | Not-Pakistani |
| 13 | SAULAT BAI | Not-Pakistani |

B) Foreign Companies of LLC-5975

| S.NO. | Company Name |
|-------|---------------------------|
| 1. | Executive Brokerage |
| 2. | Barry C. Schneps |
| 3. | Alam Z Khan TTE |
| 4. | Lab USA In coporation |
| 5. | Lab USA In coporation |
| 6. | Hakim enterprises |
| 7. | Cross Island Service |
| 8. | Fasa Contracting Inc. |
| 9. | Metalocke Industries Inc |
| 10. | Blue Star Contracting |
| 11. | Snober Enterprises |
| 12. | Alpha Restoration |
| 13. | United Pak construction |
| 14. | 786 Auto Service Center |
| 15. | Friendly Ride Inc. |
| 16. | Old Northern Auto Body |
| 17. | Old Northern Auto Body |
| 18. | Darts Contracting Co. |
| 19. | Freedom Line LTD |
| 20. | Bio-Chem Technology Lab |
| 21. | Alam Z Khan TTE |
| 22. | Iqbal Trust |
| 23. | Roy Smoke Plus |
| 24. | IMGC Global . LLC |
| 25. | Iqbal Trust |
| 26. | Nexlogic Technologies |
| 27. | Ecopy America |
| 28. | Ecopy America |
| 29. | Ecopy America |
| 30. | Goldrock Holding LLC |
| 31. | 3S International Travel |
| 32. | Zytek Corp |
| 33. | Curry Village Foods. |
| 34. | Hastest |
| 35. | Eventbrite |
| 36. | Preventive Medicine |
| 37. | Snoblaze Corporation |
| 38. | Sabnaz Int. |
| 39. | Century 21 Town & Country |
| 40. | Inpatient Care |
| 41. | Naheeda # 1 Inc. |
| 42. | Peter Mcnees Smale |
| 43. | PIA Marketing Inc. |
| 44. | New Wave Travel |
| 45. | Advance Cardiovascular |
| 46. | Healing Hands of Virginia |

| | |
|-----|-------------------------------|
| 47. | Old Northern Auto Body |
| 48. | Crystal Classic Coach |
| 49. | MSP Contracting LLC |
| 50. | Peak Performance |
| 51. | Mid West Medical Group |
| 52. | Ashi Saloons, INC-Katy |
| 53. | OSD Management LLC |
| 54. | Cellular Xperts |
| 55. | Khawar & Sons inc |
| 56. | Reco Gas |
| 57. | Tax Magic |
| 58. | Saratoga Dental |
| 59. | Khen Inc. |
| 60. | Hospital Consulting |
| 61. | Malik Investments Ltd. |
| 62. | Calval Appraisal Services INC |
| 63. | A-1 Towing |
| 64. | 1656477 Alberta Ltd. |
| 65. | 1656477 Alberta Ltd. |
| 66. | 1346274 Alberta Ltd. |
| 67. | 1346274 Alberta Ltd. |
| 68. | 1376915 Alberta Inc. |
| 69. | Nexlogic Technologies Inc. |
| 70. | AZ Pak Friends |
| 71. | Checkers Truck stop Inc |
| 72. | Lab USA Incorporation |
| 73. | Pasha & Associates Inc |
| 74. | First Medical Care |
| 75. | Pulmonary ICU Medical PLLC |
| 76. | Tallahassee Drilling Inc |
| 77. | 1052595 Alberta LTD |
| 78. | Pakam & DBA Dish Link |
| 79. | w & O Ahmar LLC |
| 80. | Dish Express LLC |
| 81. | Sofara LLC |
| 82. | Shafique INC |
| 83. | Hop in 3 |
| 84. | Falcon Cricket Club |
| 85. | Rana Enterprises |
| 86. | Affinity Plus |
| 87. | Mevrick Creative concepts |
| 88. | Safaiyaz Enterprises |
| 89. | NYC USED CAR SALES |
| 90. | Abis Teleservices |
| 91. | Accounts Direct Limited |
| 92. | Ace Software Solutions |
| 93. | Advanca, Inc |

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|------|------------------------------------|
| 94. | Agua E Solutions |
| 95. | American Medical Products. |
| 96. | Apex General Contractor, Inc |
| 97. | arc executive cars |
| 98. | Arcavion Inc. |
| 99. | Art and More |
| 100. | Asif Sattelite |
| 101. | Autobase Essex Ltd |
| 102. | Badr313 |
| 103. | bargains2all06 |
| 104. | Bio-Instrumentation Techno |
| 105. | Boom Imports |
| 106. | BOOM SPORTS |
| 107. | Bright Traders |
| 108. | Carnisse Taxicentrale |
| 109. | cellularzz can inc |
| 110. | cherrytree |
| 111. | colorfashion2013 |
| 112. | complete medical equipment Inc |
| 113. | Corporeal America Inc. New York |
| 114. | CottonNSilk ' |
| 115. | Crystal Voip |
| 116. | Crystallised Trading Limited |
| 117. | Dambutik |
| 118. | rough Ontario M1P4Z3 Canada |
| 119. | DINGDONG LLC |
| 120. | Ebigbuys.com |
| 121. | Ecommi.com |
| 122. | Edouard DUPLAN |
| 123. | ELANOTIONS.COM |
| 124. | Electronic Trading Lines (ETLINES) |
| 125. | Evertop Accessories |
| 126. | Fatima's Kitchen |
| 127. | FAZMA DIGITAL LIMITED |
| 128. | Fone4u |
| 129. | FRETBAY S.A |
| 130. | From Australian Dollar |
| 131. | From British Pound |
| 132. | Ftech Solutions |
| 133. | Gastroenterologist |
| 134. | GS GMBH |
| 135. | 61 PLASHET GROVE |
| 136. | HAYA DIGITAL |
| 137. | Hi Tech Communciation |
| 138. | IGIVU LLC |
| 139. | IMS International |
| 140. | Indiegogo.com |
| 141. | InfoSol Technologies |
| 142. | Intergi |

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|------|------------------------------------|
| 143. | INTERNET PRESENCE MAKER |
| 144. | INTLBSINC 22 Andover Drive |
| 145. | Iqra Inc. 2165 Arnold Drive |
| 146. | sauga Ontario |
| 147. | IT-Heights Canada, Inc |
| 148. | ItraderOOI |
| 149. | Khalil Cyber Services |
| 150. | LA Insure.net, DBA, Afridi In: |
| 151. | Leather Corp. |
| 152. | LEXCROFT SOLUTIONS LIMITED |
| 153. | sauga Ontario L5M 7Y9 Canad |
| 154. | Lounge Art |
| 155. | loyal services limite |
| 156. | mian group |
| 157. | 132 Bassett St |
| 158. | My care products |
| 159. | MyClassroom Limited |
| 160. | NAS International |
| 161. | NEXT POINT COMPUTER |
| 162. | Noon Enterprises |
| 163. | Online Business |
| 164. | Online Trading |
| 165. | Ontario Health Care Networ |
| 166. | Organization for Human Development |
| 167. | OufiTel |
| 168. | Out Of Box Ltd. |
| 169. | Paktraders Inc |
| 170. | PayPal |
| 171. | Peacock bedding |
| 172. | Pesticon Pest Control |
| 173. | PrimeTech Solutions Inc. |
| 174. | Prince Uncle 25 Seminole Drive |
| 175. | Printing Xpert |
| 176. | Professional-Uniforms.com |
| 177. | PTI-KSA |
| 178. | Quality Crafted Leather |
| 179. | Quasaro Express |
| 180. | Radical Technologies |
| 181. | Revel Leather |
| 182. | Reversal |
| 183. | RiseTel LLC |
| 184. | Shaz Enterprise S.L |
| 185. | Silicobide Ltd. |
| 186. | Site Masters International |
| 187. | Sleep-O-Pedic Mattress |
| 188. | Spiderz Web International FZE |
| 189. | Spiral click web technologies |
| 190. | Stylo Homes |
| 191. | Sunny Gifts Limited |

| | |
|------|---|
| 192. | Super Trades |
| 193. | Swift Car Services Limited 2d DYNE ROAD KILBURN |
| 194. | SysTec-Bar |
| 195. | taxi cab |
| 196. | TDA |
| 197. | terfex |
| 198. | Texpertz Photography |
| 199. | The Tuition centre Limited |
| 200. | therugmerchants |
| 201. | THREADING CLASSES |
| 202. | Thread-Mills |
| 203. | Utopia Towels |
| 204. | V Cycle Clothing Ltd |
| 205. | VIGILANT TRADERS LTD |
| 206. | Woven Colors |
| 207. | www.BroExperts.com |
| 208. | Xtreme |
| 209. | Your Quran Class |
| 210. | Yourgadget2025 |
| 211. | youtext.ca |
| 212. | Yuave Limited |
| 213. | ZOXTECH FZE |
| 214. | Zulfiya Inc |
| 215. | Zulfiya Inc |
| 216. | capital One |
| 217. | BOA Visa |
| 218. | Bank of America |
| 219. | bank of america visa |
| 220. | CHASE SAPHIRE |
| 221. | americsn express |
| 222. | debit |
| 223. | Master card |
| 224. | Master Card |
| 225. | BBVA COMPASS |
| 226. | bank Of America |
| 227. | Wells Fargo Visa |
| 228. | Sab Merchant |
| 229. | Mastercard |
| 230. | Master Card |
| 231. | Grillicious |

24. In material deviation from the established financial principles, PTI's LLC 5975, instead of recording amounts donated by each contributor, just mentioned their names. Agent of PTI -LLC 5975, decided to withhold complete disclosure and reported list of contributors who donated \$50 and above as per online record available on FARA website. If average of donors and contributors is made which comes @ \$ 467/- per contributor, the amount contributed, received and accepted by PTI Pakistan from US based companies (231) and foreign nationals (13) comes to US\$ 107,877/- and US\$ 6,071/- (US\$ 113,948) respectively. Similarly, PTI USA LLC 6160 out of US\$ 549,000/-, received and accepted donations and contributions from 120 companies and 21 foreign nationals for US\$ 54,755/- and US\$ 16,205, total of US\$ 70,960/- respectively.

25. In view of above, PTI through USA registered Companies LLC-6160 and LLC 5975, received and accepted donations for US\$ 549,000/- and US\$ 1,976,500, respectively from these companies, total of which comes to US\$ 2,525,500/-. The party in contravention of Article 17 of the Constitution of Pakistan has failed to make full disclosure and account for source of funding. PTI knowingly received and accepted donation from and through USA based companies which violates the provisions of Article 6 (3) of Pakistan Political Order 2002.

b) Fundraising in Canada:

26. From the examination of record it transpires that Pakistan Tehreek-e-Insaf Canada Corporation # 4451121 was registered with Corporation Canada under Canada Business Act Part 2, on October 23, 2007. The Pakistan Tehreek-e-Insaf Canada, Corporation # 4451121, as per procedure is a Federal company having Canada-wide jurisdiction. The Federal companies must comply with provincial legislation wherever they are operating. They are required to register in the province(s) of operation. The procedure further stipulates that a Federal company must file an annual return with Corporations Canada every year on the anniversary date of incorporation of the company. An annual general meeting of the shareholders and directors must also be held or, in lieu of the annual general meeting, shareholder and director resolutions may be prepared to be signed by all parties. Additionally, an annual report must be filed with

the Corporate Registrar(s) in any province(s) where the company is registered". The Canadian Federal Accountability Act (2006) Part 1,“(d) totally ban contributions by corporations, trade unions and associations to candidates and the nomination contestants of a registered party during an election period”.

27. On further examination of record pertaining to Pakistan Tehreek-e-Insaf Canada it reveals that the Corporation was dissolved by Corporations Canada (Section.222) on 10-07- 2016 under Canada Corporations Act - Part II, for not uploading “Annual Filings” from 2013 to 2015 (three years). During the incorporation period and as per financial analysis of submissions made by the complainant, respondent and bank statements obtained through SBP, the Pakistan Tehreek-e-Insaf Canada an incorporated entity as Corporation # 4451121 in Canada has transferred to PTI's accounts in Pakistan following funds:

A) Table: Funds Transferred by PTI Canada to PTI Pakistan Account (KASB and MCB)

| S.No | Sendor Details | Date | Amount US\$ |
|--------------|--|------------|------------------|
| 1 | PTI candada 1609 73 WIDDI COMBE Hill Blvd Etobicoke on CA M9R4B3 | May-10 | 2,934.00 |
| 2 | PTI candada 1609 73 WIDDI COMBE Hill Blvd Etobicoke on CA M9R4B3 | Oct-10 | 9,146.70 |
| 3 | PTI candada Operating as moment for justice 1609 73 WIDDI COMBE Hill Blvd Etobicoke on CA M9R4B3 | 23.06.2009 | 12,369.63 |
| 4 | PTI candada Operating as moment for justice 1609 73 WIDDI COMBE Hill Blvd Etobicoke on CA M9R4B3 | 23.06.2009 | 724.29 |
| Total | | | 25,174.62 |

B) Funds Transferred in US\$ to PTI Account by PTI Canada

| Table: Funds Transferred by PTI Canada to PTI Account at KASB (Defuct) US\$ Account# 0008-103501-126 | | | |
|--|------------|------------|-------------|
| Sr # | Details | Date | Amount US\$ |
| 1. | PTI Canada | 04.07.2008 | 9,500.00 |
| 2. | PTI Canada | 23.07.2008 | 1,000.00 |
| 3. | PTI Canada | 13.08.2008 | 5,060.50 |
| 4. | PTI Canada | 25.09.2008 | 11,049.23 |
| 5. | PTI Canada | 20.10.2008 | 10,405.06 |
| 6. | PTI Canada | 21.11.2008 | 10,266.00 |
| 7. | PTI Canada | 17.10.2008 | 19,975.00 |
| 8. | PTI Canada | 13.02.2009 | 9,985.00 |

| | | | |
|-------------|------------|------------|------------|
| 9. | PTI Canada | 05.03.2009 | 8,898.69 |
| 10. | PTI Canada | 12.03.2009 | 9,985.00 |
| 11. | PTI Canada | 22.04.2009 | 12,192.97 |
| 12. | PTI Canada | 01.06.2009 | 19,985.00 |
| 13. | PTI Canada | 01.06.2009 | 11,905.97 |
| 14. | PTI Canada | 17.06.2009 | 754.45 |
| 15. | PTI Canada | 23.06.2009 | 19,985.00 |
| 16. | PTI Canada | 13.08.2009 | 2,885.00 |
| 17. | PTI Canada | 08.10.2009 | 18,274.89 |
| 18. | PTI Canada | 25.11.2009 | 13,664.89 |
| 19. | PTI Canada | 22.01.2010 | 8,985.00 |
| 20. | PTI Canada | 10.02.2010 | 3,699.55 |
| 21. | PTI Canada | 29.04.2010 | 6,409.02 |
| 22. | PTI Canada | 30.06.2010 | 6,985.00 |
| 23. | PTI Canada | 18.08.2010 | 3,802.00 |
| 24. | PTI Canada | 15.09.2010 | 19,985.00 |
| 25. | PTI Canada | 08.10.2010 | 44.00 |
| 26. | PTI Canada | 28.12.2010 | 8,965.00 |
| Total (B) | | | 254,647.22 |
| Total (A+B) | | | 279,821.84 |

| S.No | Details | Date | Amount (Rs.) |
|-------|-------------------------|------------|--------------|
| 1 | Mian abu Bakar (Sendor) | 03.01.2012 | 825,000 |
| 2 | PTI Canada | 20.12.2012 | 756,186 |
| 3 | PTI Canada | 05.06.2013 | 100,000 |
| 4 | PTI Canada | 05.06.2013 | 1,900,000 |
| Total | | | 3,581,186 |

28. The Commission repeatedly kept on emphasizing upon PTI to make full disclosure about source of funding. However, PTI taking shelter of Canadian Privacy Laws continued to deny this Commission full access to the source of its accounts. The party throughout held that these funds were donated by PTI Canada which is a non-profit entity. In none of its disclosures PTI shared information that the PTI Canada is registered in Canada as Corporation. By not making full disclosure the PTI has committed acts of willful concealment, misstatement and misrepresentation of facts.

29. In view of above, it is evident that Pakistan Tehreek-e-Insaf, Canada, was registered as a Corporation in Canada has transferred to PTI accounts an amount of US\$ 279,821.84/- in its US \$ Account being maintained with KASB (Defunct) and Rs. 3,581,186/- (Rupees Three in Pak Rupee Account with the same Bank. These funds were transferred by a Canada based Corporation and are hit by provisions of Article 6(3) of PPO,2002 related to prohibition of funding to political parties by companies.

c) Funding from UK:

30. From further perusal and examination of record it reveals that PTI got incorporated, Pakistan Tehreek-e-Insaf UK, PTI UK, Company Number 07381036, with Registrar of Companies for England and Wales as Private Limited Company on September 20, 2010 at Companies House Cardiff, UK. The Pakistan Tehreek-e-Insaf UK, PTI UK, Company Number 07381036 was incorporated under section 9 (Requirements for registration), Part 2 — Company formation, Companies Act 2006 (c. 46). During the course of hearing through its submission PTI stated that its Non-Profit chapter in UK collected donations and transferred funds to PTI. Whereas, the Charity Commission for England and Wales, in campaigning and political activity guidance for charities (CC9), states that “a charity cannot exist for a political purpose, which is any purpose directed at furthering the interests of any political party, or securing or opposing a change in the law, policy or decisions either in this country or abroad in the political arena, a charity must stress its independence and ensure that any involvement it has with political parties is balanced. A charity must not give support or funding to a political party, nor to a candidate or politician. A charity may give its support to specific policies advocated by political parties if it would help achieve its charitable purposes. The principles of charity campaigning and political activity are the same, whether the activity is carried out in the United Kingdom or overseas. An organisation which has some purposes which are not charitable is not eligible to be a charity, even if its other purposes are charitable... Whilst it is perfectly legitimate for a group of people to set up such an organisation, for instance to pursue purely political purposes, it will not be eligible for registration as a charity”.

31. From the above discussion it transpires that a Charity (No-Profit entity) cannot collect or give political donations for political purposes within UK or overseas. Therefore, as per UK Laws PTI registered Pakistan Tehreek-e-Insaf is a Public Limited Company and was not a charity (Non-Profit entity). The UK Laws regulating conduct of Charities and Companies do not permit both type of entities to engage or fund political activities within UK or overseas. Only UK registered companies are allowed to donate to a Political Party subject to a resolution by its shareholders authorizing the company to make donation(s) to a political party. Though, it is permissible, under specific and for a properly regulated purpose, for a UK based Private Limited Company to make donations to a political party but Pakistani Laws do not permit any type of funding by a Pakistani or overseas incorporated company. Therefore, by not making full disclosure the PTI Pakistan has committed acts of wilful concealment, mis-statement and mis-representation of facts.

32. As per record submitted by the complainant and the respondent and obtained by the Commission through State Bank of Pakistan, the PTI received and accepted following amounts transferred by this UK based company in its accounts.

| Sr # | Year | Amount (GBP) |
|--------------|-----------|------------------|
| 1. | 2008-2009 | £ 27,086 |
| 2. | 2009-2010 | £ 32,736 |
| 3. | 2010-2011 | £ 19,000 |
| 4. | 2011-2012 | £ 226,666 |
| 5. | 2012-2013 | £486,777 |
| Total | | £ 792,265 |

33. As mentioned above the British regulations on donations and fundraising for a foreign political party requires donor groups to register as non-profit institutions, with no paid staff; all the money collected has to reach the entity, it is raised for through a legal bank account. These laws also require that donors get independently audited details of the expenses made from the money they donate. Pakistan Tehreek-e-Insaf's continued its reluctance to share details and make full disclosure about the total funds

raised; Banking details of PTI UK and means and methods of remittances and transfers made to PTI Pakistan raises questions on the PTI's financial operations within UK and in Pakistan. In the absence of proper accounting records and source of funds the Commission is constrained to hold that PTI did not maintain the required financial transparency which is mandatory under UK and Pakistani Laws.

34. In view of the above, the Pakistan Tehreek-e-Insaf, UK, is registered as a Public Limited Company in UK. This Public Limited Company has transferred funds to PTI accounts in Pakistan amounting to Pounds Sterling £ 792,265/- These funds were donated by UK based companies are hit by prohibition contained in Article 6 (3) of PPO,2002 on funding to political parties by Pakistani Laws.

35. In response to Question No.5, after perusal of record and report obtained from NADRA the question has been answered and the details with reference to donations and contribution by foreign nationals to PTI accounts is given below:

a) Transfers from Singapore:

An amount of US \$ 27,500 was transferred by Mr. Nasser Aziz and Romita Shetty through their account being operated from Singapore. Further examination of case and profiles (including verification of nationality status from NADRA) of both the donors by this Commission, has revealed that Mr. Nasser Aziz is USA national of Pakistani Origin (dual National), while, Ms. Romita Shetty is a US based business women of Indian origin. Both the individuals have made joint contributions to PTI account. The donation of US\$ 13,750/- by Ms. Romita Shetty falls under the category of prohibited-contribution under Article 6(3) of PPO,2002 made by a foreign national.

b) Donations Received by PTI USA LLCs from Foreign Nationals:

For identification of foreign nationals, this Commission approached NADRA and relied upon the available information. On the basis of analysis of both the sets of

information following lists of foreign nationals was prepared who contributed to PTI during fundraising events by both the LLCs:

i) **PTI USA LLC-6160** received donations from following foreign nationals:

| Sr # | DATE | NAME | AMOUNT | NATIONALITY |
|-------|------------|-------------------|-----------|---------------|
| 1. | 25-03-2013 | Lisa C | \$ 1,250 | Not-Pakistani |
| 2. | 03-04-2013 | Yasmin Saika | \$ 100 | Not-Pakistani |
| 3. | 03-04-2013 | Charles S Haines | \$ 100 | Not-Pakistani |
| 4. | 07-04-2013 | Nate Rizvi | \$ 100 | Not-Pakistani |
| 5. | 07-04-2013 | Larisa parfenteva | \$ 100 | Not-Pakistani |
| 6. | 12-04-2013 | Charanjit Singh | \$ 50 | Not-Pakistani |
| 7. | 18-04-2013 | Isabelita | \$ 250 | Not-Pakistani |
| 8. | 18-04-2013 | Sheikh Salamat | \$ 250 | Not-Pakistani |
| 9. | 24-04-2013 | Fatima Bapumia | \$ 100 | Not-Pakistani |
| 10. | 24-04-2013 | Ali A Pitafi | \$ 300 | Not-Pakistani |
| 11. | 26-04-2013 | Meena Pashtoon | \$ 100 | Not-Pakistani |
| 12. | 26-04-2013 | Mazhar Rishi, | \$ 125 | Not-Pakistani |
| 13. | 4/26/2013 | Samia Rishi | \$ 125 | Not-Pakistani |
| 14. | 27-04-2013 | Smieha Chaudhary | \$ 80 | Not-Pakistani |
| 15. | 27-04-2013 | Tauseef R.Butt | \$ 125 | Not-Pakistani |
| 16. | 27-04-2013 | Varsha Luthra | \$ 125 | Not-Pakistani |
| 17. | 29-04-2013 | Chieves | \$ 75 | Not-Pakistani |
| 18. | 29-04-2013 | Murad Ansari | \$ 5,000 | Not-Pakistani |
| 19. | 06-05-2013 | Beenish Faridi | \$ 250 | Not-Pakistani |
| 20. | 09-05-2013 | Aftab Kamyana | \$ 100 | Not-Pakistani |
| 21. | 20-04-2013 | AMYN J. Merchant | \$ 7,500 | Not-Pakistani |
| Total | | | \$ 16,205 | |

ii) **PTI USA LLC-5975** received donations from following foreign national

| sr # | Name | Origin |
|------|---------------------|---------------|
| 1 | Inder Dosanjh | Not-Pakistani |
| 2 | Renee Rashid | Not-Pakistani |
| 3 | Meenaz Merchant | Not-Pakistani |
| 4 | Mukesh Kanda | Not-Pakistani |
| 5 | Veeral Lal | Not-Pakistani |
| 6 | Jerrica Delatorre | Not-Pakistani |
| 7 | Michael Lane | Not-Pakistani |
| 8 | Muhammad Kit am | Not-Pakistani |
| 9 | John Guerin | Not-Pakistani |
| 10 | Cyma Ashraf | Not-Pakistani |
| 11 | Abubakar Wakil | Not-Pakistani |
| 12 | Murtaza Lokhandwala | Not-Pakistani |

36. PTI during fundraising campaigns received and accepted donations from 34 foreign nationals amounting to US \$ 35,651/-. These donations fall under the prohibited category of funding of a Political Party by foreign nationals under Article 6(3) of PPO,2002.

37. In response to Question No.6; During fundraising campaigns PTI received and accepted donations from following foreign and Pakistani companies:

a. Foreign Companies:

- i. Dunpec Pty Ltd, an Australia based Private Limited company, donated an amount of Rs. 504,250/- (Rupees Five Hundred Four Thousand Two Hundred Fifty Only)
- ii. PTI USA LLC 6160 and LLC 5975 received donations from following companies:

| Summary of Collection received from Companies through LLCs | | | | | |
|--|------------|------------------|------------------------------------|------------------|------------------|
| LLC-5975 | | | | LLC-6160 | |
| Sr. No. | Origin | No. of Companies | Amount (Basis of average of \$467) | No. of Companies | Amount |
| 1 | USA | 167 | \$ 77,989 | 98 | \$ 51,030 |
| 2 | UK | 28 | \$ 13,076 | 15 | \$ 3,150 |
| 3 | Canada | 13 | \$ 6,071 | - | - |
| 4 | Australia | 5 | \$ 2,335 | 2 | \$ 225 |
| 5 | India | 2 | \$ 934 | 2 | \$ 150 |
| 6 | Pakistan | 1 | \$ 467 | 1 | \$ 50 |
| 7 | UAE | 5 | \$ 2,335 | 2 | \$ 150 |
| 8 | Finland | 1 | \$ 467 | - | - |
| 9 | France | 1 | \$ 467 | - | - |
| 10 | Germany | 1 | \$ 467 | - | - |
| 11 | Ireland | 2 | \$ 934 | - | - |
| 12 | KSA | 1 | \$ 467 | - | - |
| 13 | Netherland | 1 | \$ 467 | - | - |
| 14 | Sweden | 1 | \$ 467 | - | - |
| 15 | Spain | 2 | \$ 934 | - | - |
| Total | | 231 | \$ 107,877 | 120 | \$ 54,755 |

b. Pakistani Companies:

- i. Anwar Brothers, a Faisalabad company donated an amount Rs. 78,000/-
- ii. Zain Cotton Pvt. Ltd, a Faisalabad based company donated an amount of Rs.10,000/-
- iii. M/s Young Sports, a Sialkot based company donated an amount of Rs. 97,500/-

38. As per the above mentioned details, the PTI received and accepted donations from 351 foreign based companies (LLCs -6160 & 5975) an amount of US \$ 162,632/-, Rs. 504,250/- (Dunpec Pty Ltd Australia) and from 03 Pakistan based companies an amount of Rs. 185,500/-. Total receipts from companies in terms of US \$ comes to \$162,632 and Pak Rs. 689,750/-. These donations fall under the prohibited category of company funding of a Political Party under Article 6(3) of PPO,2002.

39. In response to Question No.7; During the course of arguments before this Commission, PTI has provided a list of accounts spread over three categories which includes "Declared", "Unknown" and "Not Pertain to PTI". The Commission, in order to determine the factual position examined the State Bank of Pakistan Regulations and Banking Bylaws, a set of rules, procedures and regulations governing opening of Bank Accounts. For opening of Accounts for a Political Party, the Banks have separate section which deals with these matters. Broad features and stipulations are as under:

a. Account Opening Procedure: For opening of an account in respect of Political Parties require following documents.

- i. Notification of Enlistment of Political Party with ECP
- ii. Constitution of the Political Party
- iii. Notification of Intra-Party Election
- iv. List of Office bearers
- v. Formal request by the Party on Letter Head duly signed by an authorized party office bearer

- vi. Duly filled in Account Opening form clearly indicating the Title of Account and list of signatories
- vii. Compliance with rest of the codal formalities with the respective banks as per their account opening procedure.

40. Once the banking by- Laws are fulfilled and complied with by the Political Party the Bank issues a title to the person who makes requisition for opening of account. In the case of PTI after fulfillment of banking requirements, a title of account i.e., customer name "Pakistan Tehreek-e-Insaf" was granted by the bank along with numbered Account. PTI being in full knowledge of the above Banking Regulations and Procedures, PTI ANX-VI (a) at Page # 104, in Para-wise reply /objections on the report submitted by Scrutiny Committee submitted following statement on the accounts and **Accepted and Declared its Ownership** of the following eight (08) bank accounts and decided to put thirteen accounts in the list of "Unknown" and "Not Pertain to PTI".

(i) **Declared accounts of PTI: (Annex-II)**

| Declared Accounts as per PTI ANX-VI (a) | | | |
|---|---|-----------|------------------|
| Sr # | Name of Bank | Region | Account No. |
| 1. | Bank Islami, (KASB Defunct) | Islamabad | 0008-103501-001 |
| 2. | Bank Islami, (KASB Defunct) EJ-SAVING US \$ | Islamabad | 0008-103501-126 |
| 3. | Habib Bank Limited | Islamabad | 0602-00906331-03 |
| 4. | Habib Bank Limited | Islamabad | 0602-79010231-03 |
| 5. | Habib Bank Limited | Islamabad | 0602-79008361-10 |
| 6. | Habib Bank Limited | Islamabad | 0602-79010514-03 |
| 7. | United Bank Limited | Islamabad | 0741-88300400 |
| 8. | United Bank Limited | Islamabad | 204418243 |

41. The Party has denied ownership of the bellow mentioned accounts by stating them as "**Unknown Accounts**" and "**Not Pertain to PTI**".

(ii) **UNKNOWN BANK ACCOUNTS**

| Sr # | Name of Bank | Region | Account No. |
|------|------------------------|-----------|-------------------|
| 1. | Muslim Commercial Bank | Lahore | 0274-707631000701 |
| 2. | Muslim Commercial Bank | Lahore | 100-8010007141 |
| 3. | KASB | Islamabad | 0008-124361-001 |
| 4. | KASB | Karachi | 19109377001 |
| 5. | KASB | Peshawar | 0005-127746-001 |

| | | | |
|-----|--------------------|----------|-------------------|
| 6. | Habib bank Limited | Karachi | 0012-79001822-03 |
| 7. | Habib bank Limited | Karachi | 0012-79002038-03 |
| 8. | Habib bank Limited | Peshawar | 0959-79112838-03 |
| 9. | Habib bank Limited | Karachi | 0012-79002394-03 |
| 10. | Bank of Khyber | Peshawar | CD 01605-00-3 |
| 11. | Bank of Punjab | Quetta | 06010089194500017 |

(iii) ACCOUNTS NOT PERTAINING TO PTI

| Sr # | Name of Bank | Region | Account No. |
|------|--------------------|-----------|------------------|
| 12. | Habib Bank Limited | Islamabad | 0602-79013919-80 |
| 13. | KASB | Islamabad | 0008-129572-001 |
| | | | |

42. Pakistan Tehreek e Insaf has disowned the ownership of above mentioned thirteen (13) accounts. Whereas, as per disclosure made by respective Banks through State Bank of Pakistan for each of the above accounts; the accounts were opened with title of account in the name of PTI after complying with all banking requirements. As these accounts have now been disowned by PTI, therefore, all these accounts come under the category of illegitimate/fake accounts (benami accounts). Further examination of PTI's submissions before the Supreme Court of Pakistan and the Election Commission of Pakistan, indicate that the contention of the respondents is devoid of any force due to the reason that inter-bank transfers have been found to be made by PTI in their declared accounts from the accounts which the respondent disowned and are termed as "unknown, not pertaining to PTI and not disclosed as per PTI ANX-VI (a)".

43. The review and analysis carried out by the Commission has brought forward the following facts:

A- UNKNOWN ACCOUNTS: As per account opening details provided/obtained from each Bank indicate that all the below mentioned accounts were opened and operated by PTI's office bearers.

1. Muslim Commercial Bank- Lahore, Account No. 0274-707631000701:

The account was opened and operated by **Mian Mehmood ur Rashid**, President PTI Lahore. Account Title was PTI Lahore. From this Account an amount of Rs. 16.182 million was withdrawn and an amount of Rs. 20.372 million was deposited in this account.

2. Muslim Commercial Bank- Lahore, Account No.100-8010007141:

The account was opened and operated by **Mian Mohammad Farooq**, PTI General Secretary Punjab. Account Title was PTI Punjab. The authorization and request letter with names of signatories was signed by Mr. Imran Khan, Chairman PTI. From this Account an amount of Rs. 15.097 million was withdrawn and an amount of Rs. 15.149 million was deposited in this account

3. Bank Islami (KASB) - Islamabad, Account No. 0008-124361-001: The account was opened with PTI Federal Capital Title of Account. However, as per Bank account opening documents are not available. From this Account an amount of Rs. 0.769 million was withdrawn and an amount of Rs. 1.154 million was deposited in this account.

4. Bank Islami (KASB) - Karachi, Account No. 19109377001: The account opening record was burnt during riots due to assassination of Benazir Bhutto in December 2007. No record for opening of this was available with the Bank. From this Account an amount of Rs. 600 was withdrawn and an amount of Rs. 3,120/- was deposited in this account.

5. Bank Islami (KASB) - Account Peshawar, No. 0005-127746-001: The account was opened and operated by **Mr. Asad Qaiser**, President PTI Peshawar with Mr. Shah Farman and Imran Shehzad. Title of Account was PTI NWFP. From this Account an amount of Rs. 2.111 million was withdrawn and an amount of Rs. 2.127 million was deposited in this account.

6. Habib bank Limited- Karachi, Account No. 0012-79001822-03: The account was opened and operated by **Mr. Imran Ismael**, President PTI Sindh, with Samar Ali Khan and Muhammad Najeeb Haroon. Account Title was PTI Sindh. From this Account an amount of Rs. 7.667 million was withdrawn and an amount of Rs. 9.215 million was deposited in this account.
7. Habib bank Limited-Karachi, Account No. 0012-79002038-03: The account was opened and operated by **Mr. Imran Ismael**, President PTI Sindh, with Samar Ali Khan and Muhammad Najeeb Haroon. Account Title was PTI Sindh PS-113. From this Account an amount of Rs. 39.471 million was withdrawn and an amount of Rs. 40.224 million was deposited in this account.
8. Habib bank Limited –Peshawar, Account No. 0959-79112838-03: The account was opened and operated by **Mr. Asad Qaiser**, President PTI KP with Mr. Muhammad Ashfaq and Mr. Mohsin Wadud. Title of Account was PTI. From this Account an amount of Rs. 0.782 million was withdrawn and an amount of Rs. 0.860 million was deposited in this account.
9. Habib bank Limited – Karachi, Account No. 0012-79002394-03: The account was opened and operated by **Mrs Seema Zia**, PTI Women Wing Sindh, with Mrs. Roshna. Account Title was PTI Women Wing Sindh. From this Account an amount of Rs. 300 was withdrawn and an amount of Rs. 1.077 million was deposited in this account.
10. Bank of Khyber – Peshawar, Account No. CD 01605-00-3: Bank of Khyber has not provided any details about this account. From this Account an amount of Rs. 665/- was withdrawn and an amount of Rs. 3,469/- was deposited in this account.

11. Bank of Punjab - Quetta, Account No. 6010089194500017: The account was opened and operated by **Mr. Qasim Khan Suri**, President PTI Baluchistan with Syed Abdul Wahab and Mr. Dawood Khan. Title of Account was PTI. From this Account an amount of Rs. 5.350 million was withdrawn and an amount of Rs. 5.556 million was deposited in this account.

B- NOT PERTAINING TO PTI ACCOUNTS:

1. Habib Bank Limited- Islamabad, Account No. 0602-79013919-80: HBL created a system generated link account for investment made by Principal Account No. 0602-79008361-10. From this Account an amount of Rs. 51,750 was withdrawn and an amount of Rs. 15.051 million was deposited in this account.
2. KASB- Islamabad, Account No. 0008-129572-001: The account was opened on the request Mr. Imran Khan, Chairman PTI with Account Title of PTI Disaster Fund. Signatory of the account included Mr. Imran Khan, Chairman PTI Mr. Sardar Azhar Tariq Khan, Col (Rtd) Younas Ali Raza and Mr. Saifullah Khan Niazi. From this Account an amount of Rs. 26.329 million was withdrawn and an amount of Rs. 33.099 million was deposited in this account.

C- Account Not Mentioned by PTI:

1. KASB- Lahore, Account No. 000-135461-001: The Account was opened with Title of PTI national campaign office. Account opening details were not provided by the Bank. From this Account an amount of Rs.698.812 million was withdrawn and an amount of Rs.749.391 million was deposited in this account.

D- ACCOUNT NOT DECLARED BY PTI:

1. Habib Bank Limited- Islamabad, Account No. 0602-79008361-10: The US\$ account was opened on the request **Mr. Imran Khan**, Chairman PTI with Account Title of PTI. Signatory of the account included Mr. Imran Khan, Chairman PTI Mr. Sardar Azhar Tariq Khan, Col (Rtd) Younas Ali Raza and Mr. Saifullah Khan Niazi. From this Account an amount of US\$ 51,750/- was withdrawn and an amount of US\$ 51,750/- was deposited in this account.

2. Habib Bank Limited- Civic Centre Islamabad, Account No. 0602-79010231-03: The Account was opened on the request **Mr. Imran Khan**, Chairman PTI with Account Title of PTI. Signatory of the account included Mr. Imran Khan, Chairman PTI Mr. Sardar Azhar Tariq Khan, Col (Rtd) Younas Ali Raza and Mr. Saifullah Khan Niazi. From this Account an amount of Rs. 84.141 million was withdrawn and an amount of Rs. 86.890 million was deposited in this account.

E- TRANSACTIONS BETWEEN DECLARED AND DISOWNED ACCOUNTS:

(a) As per information on record an amount of Rs.11,916,092/- was transferred from HBL Freedom Account Civic Centre Islamabad, A/c # 0602-79010231-03, not declared by PTI, to the Declared Accounts of PTI maintained at HBL A/c # 0602-00906331-03 and the same were received. These transactions indicate that the respondent was in full knowledge about this account and has been making transactions and stance of the Respondent denying the Account, as Unknown, cannot be entertained being illegal, in contravention of State Bank Regulations and standard banking practices.

| TRANSFER FROM ACCOUNTS (DEBIT) | | | | | RECEIPT IN ACCOUNTS (CREDIT) | | | | |
|--------------------------------|------------------------------------|--|------------|--------------|------------------------------|----------------------------------|--|------------|--------------|
| Sr # | Category | Account Detail | Date | Amount (Rs.) | Sr # | Category | Account Detail | Date | Amount (Rs.) |
| 1 | Not Disclosed by PTI in ANX-VI (a) | HBL FREEDOME ACCOUNT CDA CIVIC CENTRE 0602-79010231-03 | 02.11.2011 | 2,100,000 | 1 | Declared Account, as per PTI # 3 | HBL FREEDOM ACCOUNT, CDA CIVIC CENTRE 0602-00906331-03 | 02.11.2011 | 2,100,000 |
| 2 | Not Disclosed by PTI in ANX-VI (a) | HBL FREEDOME ACCOUNT CDA CIVIC CENTRE 0602-79010231-03 | 08.12.2011 | 1,000,000 | 2 | Declared Account, as per PTI # 3 | HBL FREEDOM ACCOUNT, CDA CIVIC CENTRE 0602-00906331-03 | 08.12.2011 | 1,000,000 |

| | | | | | | | | | |
|---|------------------------------------|--|--------------|-------------------|---|----------------------------------|--|--------------|-------------------|
| 3 | Not Disclosed by PTI in ANX-VI (a) | HBL FREEDOME ACCOUNT CDA CIVIC CENTRE 0602-79010231-03 | 08.12.2011 | 436,927 | 3 | Declared Account, as per PTI # 3 | HBL FREEDOM ACCOUNT, CDA CIVIC CENTRE 0602-00906331-03 | 08.12.2011 | 436,927 |
| 4 | Not Disclosed by PTI in ANX-VI (a) | HBL FREEDOME ACCOUNT CDA CIVIC CENTRE 0602-79010231-03 | 04.01.2012 | 500,000 | 4 | Declared Account, as per PTI # 3 | HBL FREEDOM ACCOUNT, CDA CIVIC CENTRE 0602-00906331-03 | 04.01.2012 | 500,000 |
| 5 | Not Disclosed by PTI in ANX-VI (a) | HBL FREEDOME ACCOUNT CDA CIVIC CENTRE 0602-79010231-03 | 15.03.2012 | 1,163,967 | 5 | Declared Account, as per PTI # 3 | HBL FREEDOM ACCOUNT, CDA CIVIC CENTRE 0602-00906331-03 | 15.03.2012 | 1,163,967 |
| 6 | Not Disclosed by PTI in ANX-VI (a) | HBL FREEDOME ACCOUNT CDA CIVIC CENTRE 0602-79010231-03 | 17.04.2012 | 1,133,172 | 6 | Declared Account, as per PTI # 3 | HBL FREEDOM ACCOUNT, CDA CIVIC CENTRE 0602-00906331-03 | 17.04.2012 | 1,133,172 |
| 7 | Not Disclosed by PTI in ANX-VI (a) | HBL FREEDOME ACCOUNT CDA CIVIC CENTRE 0602-79010231-03 | 15.02.2013 | 2,915,000 | 7 | Declared Account, as per PTI # 3 | HBL FREEDOM ACCOUNT, CDA CIVIC CENTRE 0602-00906331-03 | 15.02.2013 | 2,915,000 |
| 8 | Not Disclosed by PTI in ANX-VI (a) | HBL FREEDOME ACCOUNT CDA CIVIC CENTRE 0602-79010231-03 | 15.02.2013 | 1,947,026 | 8 | Declared Account, as per PTI # 3 | HBL FREEDOM ACCOUNT, CDA CIVIC CENTRE 0602-00906331-03 | 15.02.2013 | 1,947,026 |
| | | | Total | 11,196,092 | | | | Total | 11,196,092 |

(b) An amount of Rs.1,069,157 was transferred from HBL Current Account # 0012-79002038-03 to the Declared Accounts of PTI maintained at HBL A/c # 008-103501-001. These transactions indicate that the respondent was in full knowledge about this account and has been making transactions and stance of the Respondent denying the Account, as Unknown, cannot be entertained being illegal, in contravention of State Bank Regulations and standard banking practices.

| TRANSFER FROM ACCOUNTS (DEBIT) | | | | | RECEIPT IN ACCOUNTS (CREDIT) | | | | | |
|--------------------------------|------------------------|--|------------|--------------|------------------------------|----------------------------------|--|------------|--------------|------------------|
| Sr # | Category | Account Detail | Date | Amount (Rs.) | Sr # | Category | Account Detail | Date | Amount (Rs.) | |
| 1 | Unknown as per PTI # 7 | HBL , CURRENT ACCOUNT 0012-79002038-03 | 28.03.2012 | 1,069,157 | 2 | Declared Account, as per PTI # 1 | DEFUNT KASB BANK, current Account, Branch 0008 Islamabad, 0008-103501-001, CURRENT ACCOUNT | 28.03.2012 | 1,069,157 | |
| | | | | Total | | | | | Total | 1,069,157 |

(c) The total amount deposited and withdrawn from the accounts during the period from 1st July 2009 to 30th June 2013, which are termed as **UNKNOWN /NOT PERTAINED** to PTI are tabulated hereunder: -

| Amount Received in 13 Accounts (11 Unknown, 2 not pertain) as per PTI during 2008-2013 | | |
|--|---------------|-------------------|
| Year | Receipt (Rs.) | Withdrawals (Rs.) |

| | | |
|--------------|--------------------|--------------------|
| 2008-2009 | 7,977,578 | 5,160,690 |
| 2009-2010 | 9,638,032 | 8,934,564 |
| 2010-2011 | 43,159,126 | 41,746,042 |
| 2011-2012 | 94,914,452 | 87,406,438 |
| 2012-2013 | 60,098,530 | 54,710,079 |
| Total | 215,787,718 | 197,957,814 |

44. In response to Question No.8; The complainant in his complaint raised objections regarding the scale and amount of party funds deposited in the personal bank accounts of PTI employees/leaders responsible for dealing with funds of the party may be investigated. As per the minutes of meeting of PTI financial board held on 1st July, 2011, the financial board of PTI authorized PTI employees (four) to receive donations on behalf of PTI whether coming from Pakistan or outside Pakistan. Information obtained from the respective Banks through State Bank of Pakistan about the Bank Accounts opened and operated by four PTI Employees reveals:

- i. Mr. Tahir Iqbal- CNIC 13503-0531080-3, Bank Islami (KASB) No. 0008-551388-001: In this account Rs. 4.715 million was deposited, whereas his monthly salary was approximately Rs. 28,000/PM. An amount of Rs.3.035 million was beyond sources of his income.
- ii. Mr. Muhammad Numan Afzal- CNIC-33303-8741547-1, Bank Islami (KASB) No. 0008-607567-001: In this account Rs. 0.893 million were deposited, whereas his monthly salary was approximately Rs. 35,000/PM. An amount of Rs.0.753 million was beyond sources of his income.
- iii. Mr. Muhammad Arshad- CNIC 38403-6840581-5:
 1. Bank Islami (KASB) No. 0008-623784-001: In this account Rs. 0.840 million were deposited, whereas his monthly salary was approximately Rs. 42,000/PM. An amount of Rs.0.630 million was beyond sources of his income.

2. Habib Bank Limited Account No.06027901021503: In this account Rs. 0.959 million was deposited. An amount of 0.959 million was beyond sources of his income.

iv. Mr. Muhammad Rafiq- CNIC 54303-1904185-3:

1. Bank Islami (KASB) No. 0008-549957-001: In this account Rs. 4.725 million were deposited, whereas his monthly salary was approximately Rs. 23,000/PM. An amount of Rs.3.345 million was beyond sources of his income.

2. Habib Bank Limited Account No.06027900335601: In this account Rs. 2.379 million was deposited. An amount of 2.379 million was beyond sources of his income.

45. As per information obtained from the respective Banks an amount of Rs. 11.104 million was deposited in accounts of the above PTI employees which was beyond their known sources of income. This evidence establishes the fact that donation meant for PTI were received by PTI employees in their accounts as authorization given by PTI's Finance Board dated July 01, 2011. Same fact was recorded by Scrutiny Committee in its Report at 42.3, page 64.

46. In response to Question No.9 after perusal of record, to the extent of liability of Form-1 certificates Signed by Chairman PTI, it is added that Mr. Imran Khan signed and submitted Accounts (Form-1) of Pakistan Tehreek-e-Insaf to ECP in terms of Article 13(2) of PPO,2002. Each Certificate certifies that the Party was operating as per Pakistani Statutes and made declaration about the accounts for the source of its funds as mandated under Article 17 (3) of the Constitution of Pakistan. Being Head of the Political Party and as Chairman it was obligatory on Mr. Imran Khan to ensure that all the disclosures and submissions are made to the Election Commission strictly in accordance with the Laws. On the basis of record available before us, this Commission is constrained to hold that Mr. Imran Khan failed to discharge his obligations as mandated under the Pakistani Statutes. The Chairman PTI has for successive five years (2008-09 to 2012-13) under review and examination has

submitted Form-1 and signed a Certificate which is not consistent with accounting information before us which has been gathered and compiled on the basis of information obtained from Banks through State Bank of Pakistan. Mr. Imran Khan for the five years under review has filed submissions which were grossly inaccurate and wrong. Even during the course of Scrutiny and Hearing by this Commission, PTI continued to conceal and withhold complete and full disclosure of source of its funds.

47. In response to Question No.10, the learned counsel for the Respondent party raised a legal argument that the word 'or' mentioned in between multinational and domestically incorporated companies in Article 6(3) of PPO,2002, shall be read disjunctively and the fund raising through limited liability Companies abroad are not prohibited. The learned counsel further elaborated that contributions and donations from domestically incorporated private and public companies are prohibited. This commission is of the view that the word "or" and "And" are interchangeable and may be read vice versa. Funding of a political party by a foreign company is prohibited under article 6(3) of the Political Parties Order 2002 since funding have been limited only to individuals. The Honorable Supreme Court of Pakistan in a judgement reported in PLD 2019 SC 201, comprising of 7 judges, has held that;

13. *There can be no escape from the fact that in common parlance 'and' is used in the conjunctive sense, while 'or' is employed in the disjunctive sense. It is equally true that in legislative instruments, the words 'and' and 'or' may in certain circumstances be interchangeable. In this behalf, reference may be made to the passage from the Maxwell on Interpretation of Statutes, 12th Edition at page 232, wherein it is stated as follows:*

"In ordinary usage, "and" is conjunctive and "or" disjunctive. But to carry out the intention of the legislature it may be necessary to read "and" in place of conjunctive "or", and vice versa. (emphasis supplied)

In Bindra's Interpretation of Statutes 7th Edition at page 537, it is stated as follows:

"Conjunctive and disjunctive words. -- The word "and" in a statute may be read as "or" and vice versa, whenever the change is necessary to effectuate the obvious intention of the Legislature. The Courts should, however, have recourse to this exceptional rule of construction only when the conversion of the words "and" and "or" one into the other, is necessary to carry into effect the meaning and the intention of the Legislature; or produces unintelligent or absurd result. ..."

(emphasis supplied)

14. Thus, it appears that no doubt occasionally 'and' may be used disjunctively and 'or' conjunctively. Both can be used interchangeably. However, such a course of action is only permissible in order to give effect to the clear and obvious intention of the legislature or to avoid absurdity, unreasonableness or redundancy. In every eventuality 'or' cannot necessarily be read as 'and' or vice versa, nor is there a prohibition on the legislature or the framers of the Constitution to employ 'or' in its common parlance i.e. "disjunctively".

48. In response to Question No.11 the Commission is a constitutional body constituted under Article 218(2) of the constitution. The commission is the appropriate forum to ask for information from any agency and the source of donations and contributions of political parties in terms of Article 17(3) of the Constitution. The August Supreme Court in case title as Muhammad Hanif Abbasi versus Imran Khan Niazi reported in PLD 2018 page 189 in para 45 of the judgement held that election commission is empowered to get information from any source regarding donation and contributions of political parties to ascertain that funds have not been collected from prohibited source. Para 45 of the judgement is reproduced below;

"Undoubtedly, the ECP is not a Court or a Tribunal as argued by the learned counsel for PTI. However, he conceded that ECP is an administrative authority and in terms of Article 17(3) of the Constitution it is the forum to which political parties are obliged to and must account for the sources of

their funds. Besides being a limb of the executive that is charged with the duty to conduct and oversee elections in the country, we find that the ECP must necessarily possess the power to collect facts, information and data that enable it to properly and effectively perform such duty. Such a capability represents the constitutional and inherent legal power of the ECP. Therefore, in exercise of its powers under Article 6 of the PPO read with Rule 6, the ECP has all the necessary authority to ask for and collect the requisite information and facts that enable it to decide and determine whether the contributions or donations accepted by a political party are prohibited under Article 6(3) supra. Without such power, we are of the opinion that the ECP's power to decide as to whether a political party is receiving contributions or donations from sources prohibited under Article 6(3) ibid would for all practical intents and purposes be rendered redundant, nugatory and ineffective. Such a result would be against the clear command of Article 17(3) of the Constitution and the provisions of the PPO and the Rules."

49. In response to Question No.12, Article 6(3) of PPO,2002, expressly prohibits any contribution made directly or indirectly by any foreign government, multinational or domestically incorporated public or private company, firm trade or professional associations and contributions and donations from individuals are permissible only. The intention of legislature is clear because if domestically incorporated public and private limited companies are prohibited from funding political parties then the donation or contribution by foreign companies is also prohibited and as discussed under Question No 10, the 'or' used in Article 6 (3) of PPO,2002 is to be read conjunctively and not disjunctively. The August Supreme Court in its judgements reported in PLD 2018 SC 189, PLD 2003 SC 979 and PLD 1970 SC 98 held that what cannot be done directly cannot be allowed to be done indirectly. The relevant paras are reproduced under;

"55. It is settled law that where the law requires something to be done in a particular manner, it must be done in that manner. Another important canon of law is that what cannot be done directly cannot be done indirectly." (PLD 2018 SC 189).

"Apart from the above if the plea of the petitioners is accepted, it would amount to frustrating the age old established principle that a person cannot get indirectly what he has failed to get directly..... At the cost of repetition, it may be stated that the age old principle is that what is not permitted to be done directly cannot be achieved through circumvention of law by indirect means." (PLD 2003 SC 979)

To subsequently impute dishonesty and to prosecute and punish a person for availing an amnesty scheme would violate the solemn assurance of immunity given by the law and the & that is thereby entailed. What cannot be done directly cannot also be done indirectly or collaterally. [Farzand Ali v. Province of West Pakistan (PLD 1970 SC 98)

50. The Commission is satisfied that the contributions and donations have been received by the respondent party from prohibited sources:

| Sr # | Description | Amount | Reference Para |
|----------------------|---|---------------------|----------------|
| 1. | Funds Transferred from UAE Based Company (Wootton Cricket Limited) | \$ 2,151,500 | |
| 2. | Bristol engineering services FZ LLC Dubai | \$ 49,965 | |
| 3. | E planet Trustees | \$ 100,000 | |
| 4. | S.S. Marketing | \$ 1,741 | |
| 5. | Funds collected through LLC-6160 donations and contributions and transmitted to PTI | \$ 549,000 | |
| 6. | Funds collected through LLC-5975 donations and contributions and transmitted to PTI | \$ 1,976,500 | |
| 7. | PTI Canada Corporation # 4451121 | \$ 279,822 | |
| 8. | Mrs. Romita Shetty (Singapore) | \$ 13,750 | |
| Total Dollars | | \$ 5,122,278 | |
| 9. | Dunpec Pty Ltd, Australia | PKR 504,250 | |

| | | | |
|------------------|--|------------------------|--|
| 10. | Anwar Brothers | PKR 78,000 | |
| 11. | Zain Cotton Pvt. Ltd. | PKR 10,000 | |
| 12. | M/s Young Sports | PKR 97,500 | |
| 13. | PTI Canada Corporation # 4451121 (Pak Rupees) | PKR 3,581,186 | |
| 14. | Amount Received in 13 Accounts (11 Unknown, 2 not pertain) as per PTI during 2008-2013 | PKR 215,787,718 | |
| Total PKR | | PKR 220,058,654 | |
| 15. | PTI UK Reg # 07381036 | £ 792,265 | |

- a) PTI Pakistan knowingly and willfully received donations from Wootton cricket limited registered in Cayman island which was operated and owned by a business tycoon Mr. Arif Masood Naqvi the owner of Abraaj Group. The Respondent party was willing recipient of prohibited money of US \$ 2,121,500.
- b) PTI Pakistan knowingly and willfully received donations from Bristol Engineering services UAE based company, an amount of US \$ 49,965/- into its accounts in Pakistan which are hit by prohibition in violation of Pakistani Laws.
- c) PTI Pakistan knowingly and willfully received donations from E-Planet Trustees a Cayman island Pvt registered company trust, based in Zurich Switzerland, and SS Marketing, Manchester a UK based Pvt. Company. From both the companies an amount of US \$ 101,741/- into its accounts in Pakistan which are hit by prohibition and in violation of Pakistani Laws.
- d) PTI Pakistan knowingly and willfully received donations through PTI USA LLC-6160 and PTI USA LLC-5975 US \$ 2,525,500/-. From both the companies the amounts received into its accounts of PTI Pakistan are hit by prohibition and in violation of Pakistani Laws.
- e) PTI Pakistan knowingly and willfully received donations through PTI Canada Corporation and PTI UK Public Ltd Company an amount of US \$ 279,822/- and GBP £ 792,265/- respectively. Similarly, an amount of PKR 3,581,186/- was also donated by PTI Canada Corporation to PTI Pakistan. From both the companies the amounts received into its accounts of PTI Pakistan are hit by prohibition and in violation of Pakistani Laws.
- f) PTI Pakistan knowingly and willfully received donations from Dunpec Pty Ltd .an Australia based company and from Anwar Brothers, Zain Cotton and Young Sports

(Pakistan based companies) a total amount of PKR 689,750. From both the companies the amounts received into its accounts of PTI Pakistan are hit by prohibition and in violation of Pakistani Laws.

- g) PTI Pakistan through fundraising campaigns carried out by PTI USA LLC-6160 and PTI USA LLC-5975 was recipient of donations from 34 foreign Nationals and 351 foreign based companies. The foreign nationals Collection of donations and contributions from foreign national and companies are hit by prohibition and in violation of Pakistani Laws.
- h) PTI Pakistan has also been found to be beneficiary of donations by Ms. Romita Shetty , a US based business woman of Indian origin. An amount of US \$ 13,750/- donated by Ms. Romita Shetty is hit by prohibition on donations by foreign nationals and in violation of Pakistani Laws.
- j) PTI through its submission before the Commission has accepted ownership of only eight (08) accounts while it declared 13 accounts under the category of Unknown accounts and not pertain to PTI account. The data obtained from SBP reveals that all the 13 accounts disowned by PTI were opened and operated by senior PTI management and Leadership at Central and Provincial level. In this regard it is further added that PTI failed to mention and disclose three accounts which were also being operated by senior leadership of the Party. Non-disclosure and concealment of 16 bank accounts by PTI which is a serious reporting lapse at the part of PTI leadership and in violation of Article 17 (3) of the Constitution of Pakistan.
- k) The Chairman of PTI for financial year 2008-09 to 2012-13 (Five Years) has submitted Form-I which were found to be grossly inaccurate on the basis of the financial statements obtained by this Commission from SBP and other material available on record.

Therefore, in view of the material available on the record and above discussion, the matter falls within the ambit of Article-6 (3) of PPO, 2002. Hence, the Commission directs that a notice may be issued to the Respondent party in terms of Rule-6 of PPR 2002, as to why the aforementioned prohibited funds may

not be confiscated. The office is also directed to initiate any other action under the law, in the light of this order of the Commission.