

Scenario 205

PUBLIC VOICES FOR PANAMA-LEAKS

After the Panama Leaks, PML[N] government and especially Nawaz Sharif in person, started showing extreme panic rarely witnessed during their on-going regime since 2013. Instead of coming clean on the money trail of his family's huge alleged offshore and foreign assets, the prime minister wanted the people to believe that all has been owed to some divine help and the business acumen of his exceptionally talented kids.

Till that time, PM Nawaz Sharif had graciously offered to set up a commission to examine the Panama Leaks that his henchmen had declared an international conspiracy against their dear leader. ***'Can it impartially probe the mega financial scandal that goes beyond the Panama Leaks spanning more than two decades'***; was the key question of those days. Thus with no clarity about its mandate, the credibility of the proposed commission remained questionable.

Referring to Zahid Hussain's essay in daily '**Dawn**' dated **13th April 2016**:

"Most of the opposition parties have rightly rejected the proposal and it is not surprising that several former judges, including two former chief justices, have declined to head the probe. It would certainly not be a judicial commission as claimed by the prime minister.

Going by past experience, one can hardly hope for any impartial inquiry into the scandal."

The real issue involved in the whole exercise was the money trail that allegedly could lead to the prime minister himself and his family. Although PM Sharif in his address to the nation on 5th April 2016 had flatly denied any wrongdoing but the trace of earlier investigations had contradicted his tall claims of innocence.

FIA's INVESTIGATION REPORT:

An investigation report of 1995-96 compiled by the FIA had given details of the apartments allegedly owned by the Sharifs and foreign bank accounts said to be worth \$70m. That report also made some disclosures about the family's offshore accounts and that how the assets were multiplied manifold by two sons of the PM who were hardly of 20 years age then.

The said FIA's report was widely published in foreign newspapers, especially in the UK, but quickly termed as 'malicious' by the Sharifs and they had threatened to sue the papers but that day never see the dawn. Zahid Hussain held in his essay referred above:

'The financial scandal was just the kind of charge-sheet Sharif's predecessor Benazir Bhutto faced when she was ousted from power in 1996.'

Most of the allegations of tax evasion, money laundering and default on bank loans were not new but it was the first time that Sharif and his family were being called in docks of the public court through versatile media.

[It was the London-based **Observer** that first published FIA's report in 1998; the newspaper maintained that it had confirmed the veracity of the charges through its own sources before publishing the explosive story.

Other British newspapers followed suit. It was the first time the detail of massive wealth that Sharif and his family had amassed abroad came to the surface.]

The intelligentsia were not surprised that the rise of Sharif's family as one of the biggest business groups in the country coincided with his soaring political fortunes. The family owned only a small steel mill in Lahore before the late military dictator Gen Ziaul Haq appointed Sharif Punjab's finance minister in 1981.

When Sharifs returned to power in February 1997, the FIA investigation was terminated on grounds that it was politically motivated; the administration also tried to erase the evidence of the money trails involved. Sharifs had no courage to follow the British PM David Cameron who laid bare his entire assets and his tax returns following the information about inheritance from his father.

In Pakistan, there was not even an indication of an independent and transparent inquiry into the allegations raised in Panama Leaks – but the

rulers always blow the trumpet of 'democracy' which in fact never prevailed in the country.

The fact remains that Nawaz Sharif was not the only politician who amassed wealth offshore and invested in foreign lands; many more leaders like Zardari and Ishaq Dar were in the list. With runaway income securely stashed in offshore tax havens they never played fair; no matter whether it was ill-gotten wealth or money just taken away to evade taxes; they were experts in robbing their poor people and Pakistan.

There is no rule of law in Pakistan; laws are only for the poor. Ideally, the NAB, FIA and FBR could have acted immediately after the leaks but all know that it was [and is] the rogue bureaucracy which made Sharifs and Zardaris more corrupt while, side by side, filling their own coffins too; how could they dare to stand against a sitting ruler.

With skeletons in their own cupboard, the PPP didn't push for Sharif's head. The Panama Papers were not just about tax evasion; not even about money – it was a manifestation of open corruption of Pakistani political system that allowed the rich and powerful to gut away with plunder. Still the practice is going on; there seems to be no chance of any reform.

Little History of Corruption in Pakistan's Politics till Panama Leaks: Before general elections of 1977, as per Representation of the People Act of 1976, the ceiling on election-related expenses had been set at Rs:40,000 for a National Assembly seat, and Rs:25,000 for the provincial assembly – reason cited was the '*rising cost of living*'.

President Ghulam Ishaq Khan's ordinance of 4th October 1988 raised these ceilings to Rs:500,000 and Rs:300,000 respectively. The ordinance was promulgated two days before nine political parties announced an electoral alliance to be called the *Islami Jamhoori Ittehad* [IJI], to field candidates against the PPP on almost all seats. The said alliance came four days before the notification for the elections, and five days before the nomination of candidates was set to begin.

President GIK's ordinance of October 1988 was in fact the earliest official acknowledgement that the cost of doing politics was about to rise very steeply. With 1,167 candidates running for National Assembly seats in 1988, and 3,408 candidates in the contest for provincial seats, the total expenditures to be incurred in campaigning alone went over Rs:1.6 billion, officially assuming each candidate spent only up to the ceiling allowed by the law. Of course, in reality the amounts spent were far in excess - this was a considerable sum of money by the standards of that time.

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By 2002, the ceilings had risen to Rs:1.5 million for a National Assembly seat, and Rs:1m for a provincial seat. The ceiling on election expenses was an eye-wash only. It represented only the entry cost into the game. The cost of doing politics in Pakistan started rising very sharply since the transition to civilian rule in 1988. The price of a litre of petrol increased by a factor of 10 but the cost of the entry ticket into politics went up by a factor multiplied by 37 those days.

Nawaz Sharif represented the new generation. His elder Mian Sharif, along with his uncles, had started as humble owners of a small steel mill, Ittefaq Foundry, until they were picked up by Gen Ziaul Haq on recommendations of the then military Governor of Punjab named Gen Jilani in the early '80s. In the 1990 elections that brought him to the stage of national politics for the first time, Nawaz Sharif was one of four contenders for the IJI's candidate for prime minister.

The '**abc News Point**' dated **13th April 2015** published an article titled as "**Top 10 List of Most Corrupt Politician Leaders of Pakistan**" saying:

'Corruption has routed down in Pakistani government institutions so deep that it cannot be eliminated easily following the stakes of powerful bureaucrats and corrupt politicians.....'

'Anti-corruption institutions have badly failed to stop this or even reduce the ongoing dishonesty and frauds.'

'The economy of Pakistan has collapsed completely due to high rate corruption and criminal negligence of relevant authorities.'

The paper gave a list of ten top politicians of Pakistan who had been reportedly involved in this misconduct. In descending order the names were:

10: Rana Sanaullah Khan; 9: Mushahid Ullah Khan; 8: Hanif Abbasi; 7: Raja Pervaiz Ashraf; 6: Fazalur-Rehman; 5: Shahbaz Sharif; 4: Yousuf Raza Gilani; 3: Altaf Hussain; 2: Nawaz Sharif; 1: Asif Ali Zardari.

[The said paper had given certain paragraphs for each name but the allegations levelled therein were not of specific nature. Seldom any case reference was given and no date, amount, mode of alleged corruption etc were cited.]

That's why the author keep reservations to agree with the above list.]

During four weeks since the Panama Papers leaks on 3rd April 2016, PM Nawaz Sharif twice addressed the nation. In his first address, the prime minister's tone was defensive, as he insisted he was guilty of no legal wrongdoing. In his second speech, by contrast, his body language was aggressive as he called on the Chief Justice of Pakistan [CJP] to head a commission of inquiry.

PM Sharif offered formation of judicial commission in his televised address **on 5th April 2016** but it remained an eye wash. An official committee devised TsOR which mainly contained that:

'Judicial Commission would start probe from the first corruption case in Pakistan and descend down till Sharifs'

It was not acceptable to any sane person. All political parties had rejected those TsOR unanimously.

On 22nd April 2016; another offer appeared from the PM during his speech before the nation; requesting the SC for setting up a commission headed by a serving judge. This offer was different from the previous one wherein a retired judge was to lead the inquiry.

Corruption is institutional in Pakistan, from top to bottom. Nawaz Sharif's request to the CJP to head the inquiry commission to examine the allegations emerging from the Panama Papers was welcomed by those who considered the National Accountability Bureau [NAB] with the then existing set-up as ultimate evil.

The PML[N] government opted to launch a delaying action by trying to manipulate an independent probe; its botched efforts to turn the issue into a blame-game match through a counter-offensive against its political rivals started damaging its image in media, civil society, and public. Somewhere along the line, Pakistan needed truth to move forward.

On 28th April 2016; Imran Khan addressed the media in Lahore saying that neither did ICIJ apologise for including the PM's name in Panama Papers nor removed it till then at least. Imran also took to Twitter where he posted the statement of ICIJ Director Gerard Ryle, saying:

"The lie about ICIJ retracting on Sharif offshore accounts and apologising also stands exposed in ICIJ statement."

Gerald Ryle's statement was:

"As I understand from reading the report, it is claiming that ICIJ has issued an apology and withdrawn all mention of the PM being in the data. Let me be clear. The PM's name is in the data, in reference to his children."

Further, Imran posted a series of tweets on the micro-blogging website, accusing the Sharif family for allegedly starting a propaganda campaign against political opponents using tax money. Khan said that: ***"....to hide their own corruption, Sharifs have launched a massive propaganda campaign against political opponents funded by taxpayer money."***

The PTI Chairman further questioned the National Accountability Bureau [NAB] for not taking action against the premier and his family for using public money in an attempt to clear their image on the media and in front of the world. He also accused the premier of launching a smear campaign against the Shaukat Khanum Memorial Cancer Hospital [SKMCH] in response to the accusations of acquiring illegal money in Panama leaks against the Sharif family.

PAK MEDIA BLASTED SHARIFs:

Taking a moment away from the sensationalism that surrounds Panama Leaks, it was essential to distinguish between the different sets of personalities whose names appeared in Panama Leaks. The list of Pakistani citizens, who were named in Panama Leaks, could be divided into three distinct categories:

- Political leaders who held public offices;
- Non-political public office holders;
- Private Citizens of Pakistan.

The fact remained that having equity stake in an offshore company does not, per se, violate any provision of Pakistani laws. Specifically, Article 18 [Right to Trade / Business] of the country's Constitution guarantees every Pakistani the freedom to carry out a lawful business for profit, and enjoy its

fruits, within the contours prescribed by law. As an extension, every citizen of Pakistan can invest in, or own, an offshore company in Panama, so long as the same is done through lawfully generated income, which has been duly taxed by the relevant governmental authorities, and has been remitted through the proper banking channels.

However, it was also a fact that the glaring inconsistencies, amidst statements issued by the PM Nawaz Sharif himself, his family members Maryam Safdar and Hussain Nawaz, justified a deeper probe into their financial matters. Even away from the factual inconsistencies, the Prime Minister, who used to pay no more than a few thousand rupees in taxes, while living in perhaps the largest mansion of Asia, had much to answer for in terms of the law as well as political responsibility.

On 1st May 2016; Saad Rasool, in his column appeared in an English daily '**The Nation**' framed certain key questions in the given developments:

- *Was the money, through which offshore Panama companies were owned, generated through lawful means, during the years that the Prime Minister paid virtually nominal taxes on NIL statements?*
- *Did the Prime Minister truthfully fulfil the disclosure requirements, for himself and his family members, under the mandate of Pakistan's tax and electoral laws?*
- *Did he violate the Constitutional oath of his office, which required him, inter-alia, to "always" act in the interest of "well-being and prosperity of Pakistan", when he allowed his family wealth to reside outside of Pakistan's taxable jurisdiction?*
- *Has he been "**sagacious, righteous, non-profligate, honest and ameen**" in terms of Art 62 & 63 of Pakistan's Constitution?*
- *Did the Prime Minister, being representative of the people, owe a 'moral' responsibility to fully disclose his family's assets to the constituents and voters?*
- *How he advocated foreign and domestic businessmen to invest in Pakistan, and be subject to the domestic tax laws, when his own family kept all his businesses worth billions out of Pakistan?*

In a similar way, a Judge of the Lahore High Court [LHC], Justice Farrukh Irfan Khan, was also responsible for demonstrating that his mention in Panama Leaks did not fall foul of the relevant tax laws, his Constitutional oath, or the Judicial Code of Conduct. No doubt, prior to becoming a Judge, Justice Irfan was a successful lawyer; had the right to legally invest his lawfully earned income in an offshore entity in Panama but was required to demonstrate that the income was lawfully generated, tax was paid on it

and he legally invested it abroad through banking channels – ***but judges are sacred cows in Pakistan.***

During the same spill of time, PM Nawaz Sharif's government requested the Chief Justice of Pakistan [CJP] to form a judicial commission to investigate revelations in the Panama Papers. But the move could not impress the opposition.

In their five-point declaration, the opposition groups rejected the government-proposed ToRs for the Judicial Commission in its current form. The opposition political parties provided their input on the ToRs and after consultations had agreed to form a committee to finalise the working terms; no time-frame was announced.

But astonishingly, despite having individually called PM Nawaz Sharif to step down, the opposition parties failed to develop a consensus on the matter. PPP's leader Qamar Zaman Kaira admitted before the media that though the prime minister failed to perform his moral responsibilities after revelations of Panama Leaks but the PPP would not demand PM's resignation – it was said on Zardari's instructions.

Meanwhile, the CJP Jamali formally reviewed the PML[N] government's letter which requested the CJP to nominate judges of the apex court for an inquiry commission to investigate the Panama Leaks; TORs forwarded by the government were also discussed but the matter remained within the benches with no cogent results.

On 2nd May 2016; the leaders of Pakistan's opposition parties met to formulate a joint strategy against the PML[N] government. They demanded the law ministry to amend the working terms in consultation with the opposition. However, the government was reluctant to demonstrate flexibility in this regard and rejected the opposition's demand. The opposition parties had rejected the government's TsOR, accusing the government of not taking them into confidence before finalising the terms.

After a marathon meeting between the opposition parties including the PPP, PTI and others at the residence of Aitzaz Ahsan, leader of the opposition in the Senate, they agreed to form a committee which was tasked to finalise the Terms of References (TsOR) for probe.

On 3rd May 2016; after two days of brainstorming session in the parliament, the opposition parties finally brought [with consensus] the '*terms of reference*' [TsOR] to probe into the affairs concerning the

Panama Papers Leaks. Most leading opposition groups agreed that the public clamour for accountability over the disclosure of influential Pakistanis holding offshore accounts in international tax havens should begin from PM Nawaz Sharif and his family.

The specific call was made as part of a five-point declaration, jointly presented by the PPP's Qamar Zaman Kaira and PTI's Shah Mehmood Qureshi on 2nd May evening. PPP leader Aitzaz Ahsan, while talking to the media in Islamabad, explained that:

- *"The process of accountability must start to probe into the [Panama] leaks, starting with the prime minister and his family. PM Nawaz would reveal details of the wealth held abroad by himself, his wife and family – and results will have to be made public as soon as these are gathered.*
- *For this inquiry, a commission led by the CJP may submit its report in three months.*
- *The probe should reveal the origin, reasons, sources and ambitions and the income tax returns filed on the premier's assets.*
- *The inquiry of other peoples' assets — thought to be in excess of 200 as named in the Panama Papers, may be completed within a year's time.*
- *A special Panama Papers Inquiry and Trial Act should be introduced to carry out the probe and the TsOR introduced should include recommendations for a forensic audit."*

On the earlier demand of the prime minister's resignation, the opposition was not on the same page. The opposition had already rejected the TsOR introduced by the government to probe the matter of offshore wealth.

In Pakistan, the law titled as ***Protection of Economic Reforms Act of 1992*** was designed to protect the transfer of foreign currency abroad and to avoid scrutiny and it was originally put in place to protect the interests of foreign investors - but the ***'cloak of immunity'*** only covers scrutiny from tax authorities, and not proceeds of crime, being investigated by law enforcement personnel.

Moreover, the ***'complete cloak of secrecy'*** was lifted in 1999 by Ordinance XXI; all accounts opened before 1999 continued to enjoy immunity from scrutiny, but the text of the ordinance suggests otherwise. Some corporate lawyers held an opposite explanation. They argued:

"...all the authority needed to carry out an investigation of this sort is already there within the existing legal framework in Pakistan; no new laws are needed, not even a judicial commission.

The bigger issue here is money laundering; not tax evasion. How did they get this money? That is the thing of interest."

In reality, the right law was the **Anti Money Laundering Act [AMLA] 2010**; amended in February 2016 and which had successfully been invoked in the Axta Case of Karachi. AMLA's Schedule keeps a long list of **'predicate offences'** which include **'dishonest or fraudulent removal or concealment of property'** as well as three sections of the Prevention of Corruption Act [1947]. One of those relates to **declaration of assets**, and the other is **'Possession of Property disproportionate to known sources of income'**.

In addition, the agencies don't need a treaty to have exchange of financial information; the Financial Monitoring Unit [FMU] can send request, outside bilateral agreements, to any FMU in the world, and it is normally honoured to eradicate money laundering menace.

*[In 2007, NAB's investigation in the Minwala case involving purchase of Boeing aircraft by PIA found that it was defective. NAB went all the way across to Jersey, stood before a court and said **'this money that you are dealing with is money that belongs to the government of Pakistan'**.*

The foreign authorities cooperated and held that money for a long time, but then NAB suddenly disappeared. That's a separate story.]
Daily '**Dawn**' dated **6th May 2016** is referred.

ACROSS THE BORDER ACCOUNTABILITY:

On 9th May 2016; in a veiled reference to the Panama Papers saga, Pakistan's Army Chief Gen Raheel Sharif stressed on the need for an **"across-the-board accountability"** and for corruption to be uprooted to ensure the nation's prosperity. The General said during his visit to the Signal Regimental Centre in Kohat that:

"Across-the-board accountability is necessary for the solidarity, integrity and prosperity of Pakistan. Pakistan's armed forces will

fully support every meaningful effort in that direction, which would ensure a better future for our next generations.

The ongoing war against terrorism and extremism being fought with the backing of entire nation cannot bring enduring peace and stability unless the menace of corruption is uprooted."

The statement came in the wake of the Panama Papers revelations shrouding the PM's family among many other prominent political figures holding off-shore wealth. PM Nawaz rejected any allegations of money laundering, claiming that his children had legitimate businesses abroad.

On 10th May 2010; Army Chief Gen Raheel Sharif called on PM Nawaz Sharif and discussed efforts to improve security situation in the country. However, the fact was that the meeting was aimed at reviving civil-military relations following the Panama Papers revelations. The meeting was facilitated by Punjab Chief Minister Shahbaz Sharif and federal interior minister Ch Nisar Ali Khan as well as some Corps Commanders and retired military officers.

On 12th May 2016; the opposition parties finalized a list of questions they wanted Prime Minister Nawaz Sharif to answer when he would attend the ongoing session of the National Assembly on 13th May.

The premier agreed to come to the house after the opposition parties said they would not end their ongoing boycott of both houses of parliament unless Nawaz Sharif clarified his family's position on revelations in the Panama Papers that his three children had secret offshore holdings. The opposition also wanted the PM to disclose in the house his family's sources of wealth, their properties and bank accounts abroad and the taxes they had paid over the past 30 years.

The questions were prepared in a meeting of the opposition parties chaired by Leader of Opposition in the Senate Barrister Aitzaz Ahsan two days earlier. After opposition lawmakers staged a walkout from the National Assembly on 11th May 2016, MPs from the PPP, PTI, MQM and JI joined Senator Ahsan in his chamber in the Parliament House to thrash out the questions.

The questionnaire was later handed over to Leader of the House in the Senate Raja Zafarul Haq when the upper house was in session. While speaking to the media outside the Parliament House, Senator Ahsan said **'Premier Nawaz should answer these seven 'simple' questions.**

The questions have been given to the prime minister in advance so that he could come to the house prepared.'

On 13th May 2016; the CJP Anwar Zaheer Jamali declined the government's request to form a **'toothless judicial commission'** to probe revelations that had surfaced in the Panama Leaks.

As discussed in detail earlier, about a month back the PML[N] government had sent a letter to the Registrar SC, requesting if the chief justice could constitute a high-level judicial commission to investigate the veracity of the allegations against the premier and his family. In response to the government's request, SC's reply was:

"The formation of a commission under the Pakistan Commission of Inquiry Act 1956 [Act VI of 1956], looking to its limited scope will result in the constitution of a toothless commission, which will serve no useful purpose.

*.....Also that the terms of reference [TsOR] of the proposed commission are so **'wide and open that it may take years'** for the commission to conclude proceedings."*

The Supreme Court also asked the government to **"reconsider and resolve the issue of formation of the commission under proper legislation"** after which the decision on the modalities of the inquiry commission could be taken.

Terms of Reference: Formally withdrawing their demand for the prime minister's resignation in light of the Panama Leaks, nine opposition parties had come to an agreement upon a draft of the terms of reference [TsOR] for the judicial commission's consideration. They wanted a three-member judicial commission headed by the CJP but set up through an act of parliament, aimed at FIRST holding an inquiry against the PM and his family members; to be completed within three months initially.

Earlier, the government had rejected the TsOR draft of the opposition mainly for the reason that their TsOR were not focused on eliminating corruption but to target the prime minister in person. It was obvious that the government had deliberately kept the TsOR wide and complex to prolong the investigation without any conclusion. Such a blunt and candid response from the CJP had further limited Sharif's options.

PM SPEAKS IN PARLIAMENT:

On 16th May 2016; Prime Minister Nawaz Sharif was going to make his first appearance in parliament since the Panama Papers revelations about his family's offshore holdings caused a political upheaval in the country. The PM aimed at tackling the uncompromising opposition parties which wanted the beleaguered premier to answer seven tricky questions about his family's wealth, but he was unlikely to accept the then on-going turmoil as his fault.

On that day [**16th May 2016**]; the PM Nawaz Sharif's address on the Parliament floor mainly stressed upon:

"We have returned every penny that we acquired through loans. My father rebuilt our broken Ittefaq Foundries with our hard-work and dedication.... Those who fly around the world in helicopters and planes may also tell this house about their journey through time [the phrase was pointed towards Imran Khan].

My life is like an open book. I have nothing to hide. My family lost more than it earned. I want to tell those resorting to mud-slinging, that I provided land for several welfare projects.

Our hands are clean..... We also want the reality behind those getting their loans waived off to become public [this phrase was pointed towards PTI's MNA Jehangir Tareen].

We intend to continue the progress for the country and we want to continue this development."

Brutus – You Too: On the same day [**16th May 2016**]; Former CJP Chaudhry approached ECP against PM Nawaz Sharif to seek his assets details for years 2008-15. CJP Chaudhry was Chairman of his own newly-formed Pakistan Justice Democratic Critic Party [PJDCP]. Former CJP's counsel Sh Ahsan Uddin alleged that:

'The prime minister does not fulfil the criteria mentioned in the Article 62 and 63 of the Constitution after he was exposed by Panama Papers for hiding assets in the offshore companies.

We would submit an application for the disqualification of the prime minister once we received the asset details."

Meanwhile, the former CJP also submitted an application to the secretary National Assembly to witness NA proceedings as PM Nawaz was due to make his first appearance in parliament since the Panama Leaks.

On the parliamentary floor, regarding allegations of loan write-off, PM Nawaz Sharif said his family paid off every single penny which was acquired through bank loans. ***"My father rebuilt our broken Ittefaq Foundries with hard work and dedication. I can say with pride that I found my family to be hard working and dedicated."***

The prime minister did not shy away from casting jibes at PTI's Imran Khan during his address without naming him saying that:

"The parliament must ponder upon introducing a concrete system of accountability. The house should undertake consultation, which shall plug the loopholes and refrain anyone from levelling baseless allegations against politicians."

When politicians are defamed, democracy too gets defamed. Since this matter has come to the fore, it should be resolved once and for all.

Our hands are clean as we have always faced accountability and are still ready for any sort of accountability. We also want the reality behind those getting their loans waived off to become public."

Criticising PM Nawaz for his failure to speak the truth or respond to allegations in the backdrop of Panama Leaks, Imran Khan placed the concerned documents before the parliamentarians inside and openly waved the same before the media outside the parliament while saying:

"According to your [Nawaz Sharif] own tax declaration of 2011, your daughter Maryam Safdar is dependent on you and this makes you an owner of the property. I have documents proving that Maryam is the owner of at least two offshore companies."

Referring to the allegations upon him of concealing assets offshore, Imran Khan had brought with himself his sale-deed and other documents that he had sold the property in London, and advised the premier that he could have done the same.

PM Nawaz Sharif and his family repeatedly denied any wrongdoing, saying the assets mentioned in the leaked papers were legally acquired through the family's network of businesses and industries in Pakistan, Saudi Arabia and elsewhere.

[A week earlier, opposition lawmakers had walked out of both the Senate and the National Assembly, demanding the prime minister come to parliament to answer their questions.]

Taking advantage of a receptive opposition in the assembly, the PM N Sharif recounted his and his family' successes once more while asserting [*amongst other tall claims*] that he and his wife were not named in the Panama Leaks – and that the general populace were standing behind him. Over the PM's non-reply address, the opposition's walkout was a natural reaction. Next day, when Khursheed Shah and Imran Khan addressed the assembly, the PM stayed away.

Nawaz Sharif though seriously took the challenge of Panama Leaks and addressed the nation twice on all Pakistani TV channels live but went into overdrive by drafting its own wishful terms of reference [TsOR] for a judicial inquiry by the Supreme Court. The PM's speeches and referral to the Supreme Court failed to pacify the storm in the media and to soften the political milieu, too.

At last, the prime minister, having been sobered by the Supreme Court's refusal to create a judicial commission on the dotted lines, agreed to address the National Assembly and work with the opposition to decide the TsOR of a parliamentary commission to probe the offshore companies. The debate in the National Assembly was a pleasant change from the brawls that Pakistanis witnessed for the past several weeks; calls for the prime minister's resignation ceased though temporarily.

By claiming that no money was transferred from Pakistan to purchase properties in London through offshore companies, the PM had thrown the ball in the opposition's court to prove. But the opposition were no kids as the Panama Leaks' journalists had placed all the documents on internet; even otherwise Section 9 of the NAB Ordinance was clear that onus of proving innocence lied with the PM and his family.

PML[N] spokesmen asserted that the properties acquired in London in the 1990s were not owned by Nawaz Sharif or his immediate family but by the extended family. Maryam Safdar claimed that the PM's speech in National Assembly [NA] rendered the opposition 'speechless'; greatly overoptimistic she was – and also miss-guided by her cronies too.

Shaikh Rashid claimed that cracks were developing in the ruling party to force Nawaz to quit; his outburst nonetheless indicated that efforts were afoot to weaken the PM's hold over the power and party.

The prime minister didn't address in any way the seven questions the opposition had posed. The opposition had unanimously concluded that the speech prime minister delivered in the parliament discussed a lot of things which even they had not talked about. But the PM did not answer seven listed questions; probably he did not have the answers.

The opposition was asking questions about the London flats but matters of Jeddah and his Dubai wealth had also surfaced till then. Following the announcement from Opposition Leader Khurshid Shah, the joint opposition, including the Imran Khan-led PTI, *Jamaat-e-Islami* [JI], MQM and other opposition parties, staged a walkout from the National Assembly while raising slogans.

Opposition walked out and the Pakistan's national TV [PTV] blacked out coverage of Imran Khan's speech in National Assembly that day. Opposition leader Khursheed Shah held that:

"We presented seven simple questions and we wanted their clarification to be that simple as well. But the prime minister has increased our questions from seven to 70.

We thought the issue would be resolved by answering these seven questions, instead counter allegations have been levelled."

The fact remained that PM Nawaz Sharif underplayed the significance of the NA session that day by coming to the chamber one hour after the session had begun; he was expected to defend himself gracefully. Finally, the opposition deemed it appropriate to say outside parliament what they should have said inside. Neither side showed the country's only sovereign authority the respect it deserved.

This time again, PM Nawaz Sharif missed the chance of becoming a heroic statesman by simply announcing his decision to step down for so long as it took to resolve the Panama Leaks affair. The earlier chance he missed was on 22nd April 2016 when he sought to win sympathy of the nation with a narrative on live TV address about his family's achievements – even the PML[N] supporters were not convinced.

Sharifs' advisors might have guided that stepping aside could be taken as acceptance of guilt but then it was not the case. **In politics, public perception of a politician's moral duty is more important than his actual guilt or innocence.** The PML[N] government preferred to play unfair by raising slogans of the system's derailment which was not the fact in issue whatsoever.

See the other count; most members of intelligentsia held that Nawaz Sharif's much-awaited speech in the National Assembly was as **unconvincing as his two previous addresses to the nation.** The PM looked under tremendous pressure as he could not respond to questions posed by the opposition about the wealth of his family members and the money trail leading to the upmarket Mayfair properties in London.

That day the beleaguered PM Nawaz Sharif could rescue himself due to the opposition's irresponsible decision to walk out instead of responding to his speech in the house. They chose to take the battle outside parliament and to TV talk shows, making a public spectacle of a serious political issue. It was a miserable show of political gimmicks from both sides while the populace wanted cogent outcome.

From both sides, the gladiators involved in demonising each other did not realise that they were condemning the entire political elite as a batch of self-servers. Result: it encouraged the Khakis to give a call to save the people from clutches of the bumbling politicians – **but this time they, the Establishment, preferred to remain silent spectators.**

Thus the military establishment kept distanced itself from the government on the Panama leaks issue and secured a tactical gain by advocating across-the-board accountability; the government and the military were NOT on the same page AND no one even claimed so.

On 18th May 2016; in the National Assembly, Opposition Leader Khurshid Ahmed Shah said that:

"Prime Minister Nawaz Sharif had no need to address the assembly if his name was not mentioned in Panama Papers. By addressing the assembly, the premier raised many more questions, and did not answer the seven questions we had put forth; we got different statements from him every time. Who or what should we believe?"

Shah reminded the house that the opposition had intentionally not indulged in calling anyone a thief or going back to politics of the '90s, as such

remarks only weaken the democratic government and benefit **'other interests'**. Khurshid Shah posed very cogent questions that:

"We were told that money was taken abroad in 1972, when Ittefaq Foundry was being privatised, and was invested in a new venture named Gulf Steel. [Gulf Steel's mention was made for the first time during the prime minister's address on 16th May 2016.]

We question the source of the money transferred abroad, as the premier had earlier stated that they had lost everything when privatisation took hold during Zulfikar Bhutto's government.

If you had nothing at that time, and your name was not in the list of Pakistan's 22 richest families, then should we not question how you obtained and transferred the funds.

In 23 years, 12 companies owned by you paid only Rs:1 million in tax; the information comes from the documents which you presented, and submitted to this house. In 14 years, you only paid income tax amounting to Rs:0.6 million."

It did not even amount to Rs:40,000 per annum; explained Shah. The premier himself presented these figures, raising more questions over the prime minister's tax history. In 1994 he paid Rs:2,000 in tax, in 1995 he paid no taxes and 1997 he paid Rs:50,000 in tax; while officially an MNA used to pay around Rs:50,000 in tax based on his salary.

On the same day of **18th May 2016**; DR Mubashir Hassan, the finance minister in Zulfikar Ali Bhutto's cabinet from 1971 to 1974, said that PM Nawaz Sharif's family did not send money 'legally' to start their business in Dubai during those years. Talking to a TV channel after Nawaz Sharif's speech in parliament, Dr Hassan claimed that:

"The PM is lying; *they the Sharifs were neither granted permission nor did they seek any; although they came to meet him once but he refused to see them.*

In those days it was impossible to send money legally without the State Bank's approval.

If they smuggled money or did money laundering, then it is a different case but they did not get State Bank's consent for sending money abroad."

PM Nawaz Sharif had claimed in his speech of 16th May in the Parliament that in 1972 the then government had '***nationalised the Ittefaq Foundry without giving [his family] a single penny***' in return for the machines and land or as compensation. The PM said further that:

"During those days his father, like other industrialists and businessmen, went to Dubai and set up the Gulf Steel Mill. The mill was inaugurated by the then ruler of Dubai.

In April 1980, this mill was sold for 33.37 million dirhams."

The latest disclosure about Imran Khan's offshore company also landed him in a political puzzle and provided the PML[N] hawks with an effective whip with which to beat its main opponent in the public and the Parliament.

However, no wrongdoing surfaced against the PTI leader but the very fact that he failed to declare it while bashing others for owning offshore companies exposed him to the allegation of being a hypocrite. Amusingly, the PPP went unblemished in that offshore saga – perhaps due to its universal policy of compromise [*muk-muka*].

Referring to Zahid Hussain's analysis and opinion in daily '**Dawn**' dated **18th May 2016;**

*"Nawaz Sharif is also feeling increasing heat from the military that is fast assuming the role of arbiter. The tension has been mounting since the army chief Gen Raheel Sharif made a rare public statement calling for **across-the-board accountability**. The [PMLN] government saw it as a warning.*

The two finally met last week but it did not bring an end to the rumours. In a highly confidential one-on-one meeting, the General urged the PM to urgently resolve the crisis....."

PM Nawaz Sharif was left with fewer options – no one was sure how he could break the siege. Next day; I A Rehman wrote in the '**DAWN**' dated **19th May 2016** that:

"Regardless of the damage done to the cause of Pakistan's democracy by the Panama Leaks, much greater harm has been done by the poor quality of the ongoing debate.One does not know who advised them against hauling up the entire opposition under the Protection of Pakistan Act."

PML[N]'s **GGB [Galum Galoch Brigade** – a group hurling frequent abuses] always declared that **'the prime minister was not bound to answer the opposition's questions'**. One of his loyalists went to the extent of **'defending his right to ignore parliament'** by declaring that he was too busy to attend its [*time-wasting*] sessions.

The frequent renounce in such exchanges between the ruling alliance and the opposition remained **'they are more corrupt than us'**. No serious politician anywhere solicited public support by presenting himself as the lesser evil. Little thought was given to the huge losses the state and the people were suffering because the entire administration had been paralysed for days and weeks. In the words of I A Rehman again:

"The political authority continues to be exploited by anti-people and anti-reason mandarins in the bureaucracy by pushing measures such as the Cyber Crime Bill and the Orange Line Train project.

*The [PMLN] rulers have no time to prevent human rights defenders from getting killed or stop the **jirgas** from punishing girls and women, or to address the plight of small farmers and the large workforce in the informal sector.*

The Christians in a Punjab town are told to abandon their faith if they wish to stay in their traditional homes and no one in authority has the time to go for the criminals."

Next day; PM Nawaz Sharif proposed a committee to finalise TsOR to investigate Panama leaks: "

I would recommend formation of a committee in the House which would finalise comprehensive TsOR. So that those involved in embezzlement of funds may come to the fore. The committee will have my complete cooperation. It can thus settle this matter once and for all."

Imran Khan himself presented documents of his London flat in the Parliament saying that he had brought all the details while adding:

"The prime minister should also present the details of his offshore companies. Nawaz Sharif made no mention of Maryam Nawaz, who was the sole owner of two offshore companies. From 1981 to 1993, Nawaz Sharif's monthly income was only Rs:22,600.

The prime minister must show the purchase agreement of Mayfair flats allegedly purchased in 2005. The Sharif family bought the first flat in London in 1993 and the fifth in 2004."

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Imran Khan was showing the documentation of his flat purchased in 1983 to the media while grinding PM Nawaz Sharif.

The fact remained that the prime minister's daughter, Maryam Safdar, was unemployed at that time, which meant Nawaz Sharif bought the companies in his daughter's name. The prime minister in his tax return had declared that he gifted Rs:20.4 million to his daughter Maryam Safdar while she was dependent on him but the Panama Leaks documents showed that she was the owner of two companies.

When the prime minister was addressing the lower house of parliament, the opposition parties in the upper house of Parliament staged a walkout owing to the prime minister's absence from the house as earlier demanded by the opposition.

Till then it was clear that Panama Leaks were there to stay as a permanent feature of Pakistan's political discourse and mud-slinging. Much like earlier allegations raised in the infamous Air Marshal Asghar Khan Case, or the Memo-Gate, or Zardari's \$ 60 million parked in Swiss accounts, the Panama Leaks made regular appearance in Pakistan's media and daily live talk-shows. With each passing day, the Panama Leaks continued to attract tense political rhetoric and counter-accusations. While many wanted to see the Leaks' eventual conclusion, severe political divide started in Pakistan amidst hurling accusations at each other; a new political culture was emerging in the country.

The intelligentsia pondered that even away from hyper-technical legalities of international monetary transactions and family assets, how one could justify that a politician who paid only a few thousand rupees in domestic taxes, could afford the lifestyle of Sharifs? With how much labour or business Zardari amassed his wealth that was stashed in Swiss accounts or Surrey Palace or French villas?

Leaving politicians apart, how any Pakistani could honestly argue that **Arsalan Iftikhar, a proven cheating doctor by back-ground, rose from rags to riches, independent of his father CJP Chaudhry's illegal influence [and might be in connivance with and knowledge], of course?**

On 20th May 2016; all senators in the Pakistani Parliament's upper house unanimously approved a motion calling for the formation of a 12-member committee to draft Terms of Reference [TsOR] probing Panama Leaks, as Senate Chairman Raza Rabbani staged a walkout in protest.

Chairman Rabbani walked out of the Upper House after Law Minister Zahid Hamid moved a motion which had not been discussed with him prior to the session. A day earlier, Hamid had moved a motion in the National Assembly [NA] envisaging the formation of an eight-member committee instead of the previously agreed upon 12-members. The motion caused uproar in the House, with opposition lawmakers furious over the change. Eventually, the motion was reverted to reflect a 12-member committee.

Chairman Rabbani maintained that keeping the Al-Jihad Trust Case in view, if the NA takes up a motion regarding corruption before the Senate, it is necessary to consult with the Senate Chairman before moving it in the Upper House. He did not endorse the motion and staged a walkout while leaving Barrister Javed Abbasi to handle the House proceedings as presiding officer.

Barr Abbasi put forth the resolution, which was unanimously endorsed by the senators. The motion maintained that the committee would consider options for inquiring into issues raised by the Panama Papers including:

- Offshore companies
- Transfer of funds from Pakistan originating from corruption, commission or kickbacks
- Written off bank loans

The motion also held that the said committee would determine the priority level of each option. The formulation of TsOR and a timeline for submission was also decided. It was also determined that a report must be submitted to the Parliament within two weeks.

Meanwhile, after 3 hour-long joint opposition parties meeting, it was announced that *Muttahida Qaumi Movement* [MQM] would also be a part of opposition's six-member inquiry committee; the MQM was earlier excluded from the committee on flimsy grounds. MQM Senator Barrister M Ali Saif represented the MQM party in place of a member of another mini-party headed by Aftab Ahmed Sherpao of Khyber PK.