

# COMPETITION COMMISSION OF PAKISTAN

## Revised Guidelines on “Reward Payment to Informants Scheme”

### INTRODUCTION

The Competition Commission of Pakistan (the Commission) has introduced a scheme of reward payment to be known as “Reward Payment to Informants Scheme”. The objective of the Scheme is uncovering and taking action against cartel activity in particular, and all prohibited activities, in general. These guidelines are being issued pursuant to regulation 56 of the Competition Commission (General Enforcement) Regulations, 2007, read with regulation 41 thereof.

### 2. Definitions

- (i) In these guidelines, unless there is anything repugnant in the subject or context, —
  - (a) “Commission” means the Competition Commission of Pakistan established under the Ordinance.
  - (b) “Informant” means a person who furnishes information regarding contravention of section 4 of the Ordinance, of which cognizance is to be taken by the Commission and includes a ‘whistle-blower’ i.e. an employee who reports to the Commission, his employer’s illegality.
  - (c) “Ordinance” means the Competition Ordinance, 2007.
  - (d) “Scheme” means the Reward Payment Scheme for Informants.
- (ii) The words and expressions used in these guidelines, and not defined herein, shall have the meanings respectively assigned to them in the Ordinance or the rules and regulations prescribed under the Ordinance.

### 3. Salient features of the Scheme

(1) Salient features of the Scheme are as under:--

The Scheme involves the payment of rewards for an amount ranging from a minimum of Rs. 200,000 and maximum of five million rupees.

(2) The rewards paid shall be calculated by reference to the usefulness of the information provided, seriousness of the cartel, efforts made by the informant, and level and nature of the informant's contribution/cooperation.

(3) The reward shall be paid subject to the condition that the information provided by the informant is accurate, verifiable and useful in the Commission's anti-cartel enforcement work.

(4) The informant's identity shall be kept secret, unless he agrees to give evidence

In subsequent proceedings.

(5) The payment of any reward shall be made in four stages --

(i) initial token payment upon receipt of information after assessing generally the value/materiality of information given;

(ii) upon conclusion of enquiry prima facie confirming the violation;

(iii) upon the violation being eventually established to the Commission's satisfaction, on the basis of information received, and the issuance of the Commission's Order in this respect; and

(iv) upon recovery of the penalty i.e. substantial portion of reward.

- (6) The Scheme is aimed at those at the periphery of cartel activity, rather than those directly involved, who can benefit from lenient treatment.

#### **4. Time frame for reward payment**

At the first stage, the payment of reward shall be made within a period of 30 days from the date of receipt of complete information. For the remaining 3 stages, the payments shall be made within six months of issuance of the enquiry report or passing of the order and recovery of the penalty (as the case may be), subject to receipt of claim from the informant.

#### **5. Informing the Commission**

- (i) The initial contact with the informant may be on phone or otherwise, but without disclosure of his name, if he is hesitant to reveal his identity at the very start.
- (ii) After initial assessment of the information provided, meeting with the informant shall be arranged to seek further details, and at that stage, the identity of the informant would be naturally disclosed.
- (iii) The officers designated to deal with the informants shall ensure that any information provided is carefully safeguarded and handled, with a view to protecting the informant's identity from disclosure, if so requested by the Informant.
- (iv) The Commission may designate specially trained officers to deal with the informants.
- (v) It would be in the interest of the informants that they approach the Commission before they had obtained all the information which they might potentially have access to.

- (vi) The Commission may discuss with the Informant in advance the possible risks in obtaining the information and as to how such risks can be reduced?
  - (vii) It shall be within the discretion of the Commission not to accept the intended information provided by the informant and it shall also be within the discretion of the Commission to grant the financial reward claim, based on the veracity and usefulness of the information supplied.
  - (viii) The Scheme shall not apply to officials of the Commission and their relatives.
-