

Mehtab Haider

## **Pakistan submits compliance report to FATF**

ISLAMABAD: Pakistan on Tuesday submitted the final report to the global finance watchdog to show its compliance with anti-money laundering and counter-terrorist financing laws.

Minister for Economic Affairs Hammad Azhar told media that the country submitted its compliance report before the joint group of the Financial Action Task Force (FATF). “There will be a response from them and then (there will be) face-to-face meeting,” said Azhar, who is also team leader of the country on FATF.

Pakistani authorities are expecting that the FATF may grant another relaxation probably up to June 2020 in its upcoming plenary review meeting as the present February deadline is too short a period for Pakistan to comply with all 27 action plans.

However, sources said the FATF had already granted an extension till February 2020 in a meeting in October this year. The task force kept the country on its grey list for an extended period up to February 2020 and warned that Islamabad would be put on the blacklist if it did not comply with the remaining 22 out of 27 points related to anti-money laundering and counter-terrorist financing.

The first formal response from the FATF is awaited till this month-end. “The face to face meeting is expected to be held in Sydney in early January 2020 where Pakistani delegation will be given opportunity to defend its submitted compliance report,” a source said. Later, FATF’s plenary review meeting will take place in February 2020 in Paris to decide the fate of the country.

Pakistan successfully managed to escape falling into the blacklist due to the diplomatic support from China, Turkey, Malaysia, Saudi Arabia and Middle East countries. The joint working group of the FATF declared Pakistan as largely compliant on 10 points, but the FATF plenary meeting accepted Islamabad’s compliance only on five points out of 27 action plans.

The FATF said all deadlines in the action plan have now expired. While noting recent improvements, the FATF again expressed serious concern over the overall lack of progress by Pakistan to address its terrorist financing (TF) risks, including remaining deficiencies in demonstrating a sufficient understanding of its transnational TF risks, and more broadly, the country’s failure to complete its action plan in line with the agreed timelines and in light of the TF risks emanating from the jurisdiction.

Pakistan has only largely addressed five of 27 action items, with varying levels of progress made on the rest of the action plan. The FATF strongly urged the country to swiftly complete its full action plan by February 2020.

“Should significant and sustainable progress not be made across the full range of its action plan by the next plenary, the FATF will take action, which could include the FATF calling on its members and urging all jurisdictions to advise their FIs (financial institutions) to give special attention to business relations and transactions with Pakistan,” the FATF said in a previous statement.