

FATF action plan

THE finance secretary has warned that Pakistan risks coming under sanctions if the action plan given to the Financial Action Task Force is not implemented in full. Considering that he was present at the latest meetings of the global terror-financing watchdog held in Paris, and personally witnessed the proceedings, his warnings need to be taken seriously.

The prime minister has struck the right note in emphasising the National Action Plan once again and issuing the necessary orders to seize the assets and halt the operations of proscribed outfits. In the days to come, the resolve behind this move will be tested, and it is important that the government's focus not be diluted as it moves ahead to clamp down on banned outfits here.

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The finance secretary's remarks suggest that Pakistan had a difficult time at the Paris meetings of FATF last month. Eight organisations were named in the FATF press release issued afterwards. This is unusual, because while these groups have always been at the heart of Pakistan's dealings with FATF, they had never been named previously.

Pakistan on FATF's grey list: what, why, and why now?

Apparently in the run-up to the Paris meetings, Pakistan had submitted a terror risk assessment matrix to the Asia Pacific Group, the regional grouping of FATF to which Pakistan belongs. In that, it had designated the eight named groups as 'low risk', and this created problems in the Paris meeting. India seized the opportunity and tried to rally countries to put Pakistan on the blacklist with immediate effect; it took strenuous diplomatic pushback from the government to pre-empt that move.

Having narrowly averted being blacklisted in February, the government must not allow history to repeat itself. The same steps have been taken by previous governments as well, only to be allegedly stymied by the powerful handlers that these groups have.

The presence of these groups drove Pakistan towards a difficult position internationally and imposed a steep economic cost as the country's financial system was flagged as being open to risk of terror financing. The grey listing, as it is known in FATF parlance, was lifted with great difficulty and much wrangling back in 2015 against Pakistan's commitments of further action against these groups. However, whatever action was taken was clearly not enough, and the country slipped back onto the grey list.

Today, we face the prospect of being put on the blacklist if concrete steps are not evident to what will undoubtedly be a sceptical FATF audience in June. These groups and their existence on Pakistani soil have become much more than a nuisance and an embarrassment.

It is quite clear that none of them should have any presence here. The finance secretary's remarks need to be absorbed fully and earnest action against proscribed groups must be taken immediately to eliminate the scourge once and for all.

Editorial