

Our Correspondent

FATF measures

While Pakistan is likely to remain on the FATF greylist for now, the latest meeting of the group has reduced the danger of being placed on the blacklist. This is good news for Pakistan after its latest compliance report was received with cautious satisfaction. Pakistan received support from friendly countries, such as China, Turkey and Malaysia; this support will be crucial towards moving the country out of the greylist when the time comes. For now, Pakistan's performance can be improved, despite the fact that voices in the taskforce are beginning to soften towards the country. The Pakistani delegation faced tough questioning from the Indian delegation, but are said to have been able to respond well to most of the questions.

Nonetheless, the FATF has continued to call on Pakistan to do more to prosecute those involved in terrorism, terror finance and money laundering. With the recently released Asia-Pacific Group (APG) report confirming Pakistan's poor conviction rates for either offence, the country will continue to need to do more to satisfy its international critics of its improving compliance with international standards on money laundering and terrorist finance. Without showing compliance on most of the metrics, the country will fail to get out of the greylist. The good news is that Pakistan has shown progress on 36 of the recommendations, which has led to the satisfactory evaluation of the country's performance. Pakistan has also moved to establish a Real Estate Regulatory Authority to curb black money in the real-estate sector, which would also lead to proper compliance with the APG recommendations. The authority will ensure that property is not transferred in the name of any terrorist organisation or banned outfit. The authority will not look into the issue of taxing the sector and is supposed to be there just to ensure the registration of all real-estate companies and compliance with documentation requirements.

Pakistan has also conducted around 167 inspections to ensure compliance in securities brokers, non-banking financial companies, insurance companies and non-profit organisations. While India has been egging on Pakistan's FATF troubles, our position also suffered after relations with the US administration weakened. Pakistan has also now been more active in writing to foreign countries, including Afghanistan, China, and the UK, over terror financing inside their borders. There is no doubt that Pakistan's fight against terror includes a fight against terror finance. But the country's international actions will show that it is playing a strong hand after improving matters at home. For now, there are positive signs on the FATF front.