

FATF group to review Pakistan's performance today

ISLAMABAD: A four-member Pakistani delegation will be witnessing on Monday a review in Paris of its performance by an expert group of the Financial Action Task Force (FATF) on its compliance with global guidelines against terror financing and money laundering.

The Asia-Pacific Group (APG), an associate firm of the Paris-based FATF, will present Pakistan's report and responses to five specific queries it was asked last month to the International Country Risk Guide (ICRG) — Political Risk Services (PRS) group. The FATF plenary and its various group meetings will be held from Feb 18 to 22.

"Pakistan is not a member of the ICRG-PRS group and hence it will not formally participate in the meeting," a senior government official said, explaining that the APG was taking the Pakistani delegation along to be present on the sidelines for any input if required on the spot. The APG and the Pakistani team had a preliminary session on Sunday to review Pakistan's updates.

Diplomatic efforts under way to counter New Delhi's moves to tarnish Islamabad's image

The Pakistani delegation is led by Finance Secretary Arif Ahmed Khan and comprises the director general of the Financial Monitoring Unit (FMU), a director of the foreign affairs ministry and a legal expert. The delegation would separately engage with members of the FATF and ICRG for diplomatic efforts to counter Indian moves to tarnish Pakistan's image by propagating allegations of its involvement in the recent killing of its paramilitary personnel in India-held Kashmir.

Officials said Pakistan had responded to five questions provided to it in the Sydney meeting of the FATF last month on the insistence of India. Pakistan has reported that its institutions raised about 8,500 suspicious transaction reports (STRs) until September 2018 period of that year, which showed a 75 per cent increase in such reports over the comparable period a year before. This was only possible with identification of information based on best international practices and effective utilisation of latest technology.

Pakistan has also responded to targeted financial sanctions and asset freezing of identified organisations and measures to block flow of funds to banned/proscribed organisations like Jaish-e-Mohammad, Lashkar-e-Taiba, Falah-i-Insaniyat Foundation, etc, under the UN resolutions.

Responding to another question related to the leading persons of proscribed organisations, Pakistan said that it had prepared a list of such suspected people as required under the UN resolutions and cases had been registered against them under the Anti-Terrorism Act.

Also, Pakistan has reported in response to another question that airports and border management facilities had been developed to block currency smuggling and money laundering as required under the international standards. Moreover, lists have also been prepared regarding financial service providers and an updated list of banned organisations has been shared with the relevant authorities.

Sources said Pakistan had submitted bankable reports on all the five points which were raised during the FATF meeting in January and shared them with the APG, but declined to share some specific information demanded by India relating to the alleged presence of proscribed organisations and their specific activities.

An official said Pakistan had made satisfactory progress on all the 27 actions required under the FATF and had fully complied with the five specific questions it was asked in writing after the Jan 8-10 meetings in Paris. He said Pakistan would have to fully comply with the remaining 22 actions progressively until September to meet all the 27 points.

The official said the FATF had showed confidence over Pakistan's performance regarding the measures taken and actions planned even during the January meetings, but it was India that kept on raising questions on the basis of which a questionnaire was later transmitted to Islamabad.

A broader examination of the full compliance with international commitments will take place at another meeting in May — possibly in Sri Lanka or Sydney. During the May and September meetings later this year, regulators and law enforcement agencies will be expected to demonstrate results in the form of investigations, prosecutions, convictions, supervisory actions, sanctions with resulting impacts on compliance by financial institutions, implementing cross-border currency and border controls and enforcement of the regulatory regime at borders.

The National Counter Terrorism Authority will be expected to enhance coordination with law enforcement agencies and counter-terrorism departments, coupled with effective implementation on the UN Security Council sanctions.

In June last year, Pakistan made a high-level political commitment to working with the FATF and APG to strengthen its AML/CFT regime and to address its strategic counter-terrorism financing-related deficiencies by implementing an action plan to accomplish these objectives. The successful implementation of the action plan and its physical verification by the APG will lead the FATF to clear Pakistan out of its grey list or else move into the black list by September 2019.

Khaleeq Kiani