

**Dozen laws to be amended to meet FATF requirements**

ISLAMABAD: Pakistan on Friday decided to introduce major amendments to at least a dozen of its laws over the next six months to remain in continuous compliance with requirements of the Financial Action Task Force (FATF).

The decision was taken at a meeting of the National Executive Committee (NEC) — the country's highest body on money laundering and matters related to the FATF — presided over by Adviser to the Prime Minister on Finance and Revenue Dr Abdul Hafeez Shaikh.

The meeting was also attended by Minister for Economic Affairs Hammad Azhar, who heads the National FATF Coordination Committee of civil and security institutions, Communications Minister Murad Saeed and heads of relevant ministries and national institutions, according to a statement issued by the Ministry of Finance.

The meeting finalised a plan for compliance with FATF standards by June 2020 and targets were set for further legislation and procedural upgradations by various agencies and institutions.

It was agreed that about 12-13 laws and sub-ordinate legislations would have to be amended by June this year to complete the overall legal framework in line with the standards of the FATF. On the basis of this legal framework, Pakistan's performance would be judged, also to be supported by the International Monetary Fund, for full compliance in the next plenary of the FATF in October.

***Anti-Money Laundering and Foreign Exchange Regulation Act cleared by Senate committee***

This will be in addition to the Anti-Money Laundering and Foreign Exchange Regulation Act which was cleared by the Senate Standing Committee on Finance on Friday and would now formally go through the customary passage by parliament.

Informed sources said the top in the list of new legislations would be the Anti-Terrorism Act that was already pending with parliament, followed by the Mutual Legal Assistance Act for exchange of legal cooperation among various countries.

The sources said the United Nations (Security Council) Act of 1948 would be fully adopted by Pakistan in its updated form under which punishment for terrorist entities and individuals proscribed by the UNSC would be enhanced to Rs200 million and 10-year rigorous imprisonment from its existing fine of just Rs1 million. The Criminal Procedure Code would also be amended to meet international standards.

Also, the Companies Act of 1984 would be amended to provide enabling provisions for compliance with FATF standards.

In addition, a number of sub-ordinate legislations would be upgraded to enable the Securities and Exchange Commission of Pakistan (SECP) and other federal and provincial agencies to cover the activities of their respective areas.

The meeting also decided that about 20,000 remaining non-profit or non-governmental organisations would be further scrutinised over a period of one year —with a target of screening of 25 per cent NPOs each quarter — in coordination with the federal and provincial agencies and regulators. This will lead to creation of a national registry of all the NPOs and NGOs operating in any of the four provinces, Azad Jammu and Kashmir and Gilgit-Baltistan or the federal territory. As such, only the scrutinised NPOs and NGOs would then be allowed to raise public funds or collect donations etc.

The updated laws would also empower the Federal Board of Revenue (FBR), the SECP and Ministry of Finance to regulate chartered accountants and related professions, Pakistan Post and National Savings under a supervisory board.

The meeting was told that consultants funded by the World Bank had provided enabling rules for sectoral regulators which would have real time interface to trigger any suspicious transactions or activities and report to the Financial Monitoring Unit.

These laws would provide enabling legal framework to bring all the unregulated sectors of economy under a proper regulatory framework in line with FATF standards. The FBR would be legally empowered to be a regulator for real estate sector, gems and jewellery, diamonds and precious stones.

Likewise, the Ministry of Law and the Pakistan Bar Council would be legally empowered to play the role of regulator for lawyers, legal advisers and law firms. Similarly, chartered accountants, cost and management accountants, financial consultants and all those relating to accounts groups would come under the regulatory domain of the SECP.

An official statement said the meeting was informed about the steps taken by various civil and security agencies to check money laundering and positive outcome achieved so far. An official told Dawn that Dr Shaikh also apprised the meeting of his interactions with world's leading financial institutions and leaders during his recent visit to Davos who were appreciative of Pakistan's robust progress over a short period of time.

The meeting discussed measures to make Pakistan's presence at the coming plenary of the FATF in Paris on Feb 16-21 and agreed to further coordinate integrated efforts to achieve positive outcome, the statement said. The meeting appreciated the support provided by the friendly countries in Pakistan's efforts to comply with FATF action plan and stressed the need for aggressive coordination with such friends for further cooperation.