

27 actionable plans: FATF sets another tight deadline for Pakistan

ISLAMABAD: Pakistan will have to comply with 27 actionable plans of the Financial Action Task Force (FATF) by December 15, including sharing evidence for effective implementation against eight mentioned prescribed entities and their affiliates by tracing and freezing their assets.

The FATF has placed this condition to comply with the United Nations Security Council Resolution (UNSCR) 1267 and 1373 and Pakistan will have to implement it by May 2019. In case of noncompliance and having no progress, Pakistan could be placed into blacklist or kept into existing grey list for another year anytime during January to September 2019 with far-reaching consequences.

The FATF is scheduled to meet in Sydney from January 5 to 7, 2019 to review the progress report on 670 observations raised by the Asia Pacific Group (APG) — a regional body of FATF — for showing concerns over unsatisfactory report.

The recently-held APG mission has also given a deadline of mid of next month to dispatch compliance report, which will be taken up by the FATF in coming January's first week meeting at Sydney.

Pakistan's progress report and APG's response during October 2018 visit reads out that the regional body of FATF known as APG asked Pakistan to share an explanation of which law enforcing agencies/security intelligence agencies hold information on 1,267 and 1,373 designated persons and entities and their affiliates including Daesh, Al-Qaeda, Falahe-e-Insaniyat (FIF), Jamat-ud-Dawa (JuD), Jaish-e-Mohammad (JeM), Haqqani Network (HQN) and persons affiliated with Taliban. Alone on this one major outcome, the APG team raised 18 observations and sought a detailed response from the Financial Monitoring Unit (FMU) by December 15, 2018.

The Pakistani side in its written reply told the APG both moveable and immoveable assets of JuD and FIF as well as their welfare services had been seized. In this regard, Punjab, the largest province of the country, has seized 190 assets belonging to JuD and FIF which includes 82 madrasas/marakaz, 70 hospitals/dispensaries, 25 educational institutions, and 13 office centers.

The KP has seized five madrassas and eight masjid seized by the Auqaf Department and two offices sealed in Peshawar related to JuD and FIF. One dispensary in Haripur, and one office, one madrassa, one dispensary and one hospital along with ambulance were sealed by the police in Manshera, one vehicle of FIF and three offices of JuD were sealed in Abbottabad, one office of JuD and one dispensary were sealed by the police in Dera Ismail Khan.

The medical facilities and ambulances services of FIF were seized and handed over to the Pakistan Red Crescent Society. The educational institutions were controlled and managed by the respective provincial governments.

The government appointed administrators for overseeing operations of the institutions taken over by the government. All identified bank accounts of entities/individuals listed under UNSC 1267, UNSC-1373 read with UNSC (Pakistan) Act 1948 and entities/individuals prescribed under Anti Terrorism Act (ATA) 1997 have been frozen.

Details in this regard show that overall 122 banks accounts have been frozen under UNSC 1267 having deposits of around Rs1 billion approximately \$9.5 million since 2001. In pursuance of UN Resolution 1373, the Ministry of Interior has prescribed 66 organizations/entities under ATA 1997.

An amount of Rs3.6 million has been frozen in respect of eight accounts of prescribed organizations. Overall, the Nacta circulated a list of prescribed individuals under Schedule 4 of ATA 1997. The banks have reported freezing of 4470 bank accounts amounting to around Rs43.2 million.

The APG showed dissatisfaction with the performance report and asked Pakistan to furnish a reply on 18 points including sharing details of inter-agency activities to identify persons and entities acting on behalf of or at the direction designated persons or entities. The APG also sought details of teams/cases which are actively tracing and freezing their assets both moveable and immovable. What results have been obtained and also provide to each provincial police agency.

What enforcement actions have been taken by LEAs (law enforcing agencies) to prevent the raising and moving of funds as well as any activities designated to evade effective implementation?

What is the procedure for LEAs to enforce prohibitions (UN Act SROs) that forbid the raising and moving of funds? Please provide an explanation of process to go from detection to enforcement of UN Act SRO provisions. Pls do the same for the ATA prohibition on providing funds to prescribed entities/persons.

What do LEAs have to demonstrate to prove “willful” provision of funds/assets to designated person or entities? What is the standard of proof? Which ministry/agency is responsible for sanctioning in cases where it can be shown that there was contravention of the prohibition in the UN Act SRO?

What checks are in place to ensure freezing of all assets? How do the authorities identify persons or entities acting on behalf of or at the direction of designated persons or entities? What actions have the authorities taken to ensure there is no evasion?

Who is controlling the ambulances and medical facilities? Pakistan Government or Red Crescent Society? Has an MoU been finalized and signed with the Red Crescent Society? Whether the staff and management of the seized assets are still the same? Please provide the copies of order by virtue of which the assets of FIF have been handed over to Red Crescent Society after seizure?

Are you able to evidence information about the assets and other economic resources identified listed persons and entities in other provinces since June 2018? Please provide information about the legal status of JuD, FIF (registered legal person or legal arrangement or so on) and what consequential action has been taken by SEC and other registering authorities since listing under UNSCR 1267?

What action is taken against persons on behalf of JuD and FIF who have been identified since the freezing and taking over of assets/ What has happened to the properties seized of JuD and FIF?

When contacted, spokesman for the Ministry of Finance Sunday replied that the government had not yet taken decision on the composition of delegation for attending the next FATF meeting in Australia.

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