INTERNATIONAL THE NEWS

Recommendations from FATF

Page NO.07 Col No.01

Pakistan just talked the talk as the visit of the Asia Pacific Group of the Financial Action Task Force (FATF) concluded last week. Despite Pakistani authorities detailing the measures they had taken against money laundering, the APG delegation left without making an official statement. Privately, the delegation raised around 14 significant concerns about the limitations in the country's regime to tackle the practice. Pakistan presented its action plan as well as details that it had arrested around 1,466 accused in 1,111 cases in the last three years, which would seem to be a significant number, but apparently was not enough to satisfy the visiting delegation. This raises a number of concerns about the effectiveness of our strategy to tackle the issue. Foremost would be poor coordination between the centre and the provinces, and the absence of an inter-ministerial focus group. The FATF group also raised concerns over why a number of terrorist groups, banned by the UN, have not faced action, the Jamaatud Dawa being of special concern. The group also pointed to the absence of money-laundering cases relating to terrorism as evidence that Pakistan has done little in the right areas.

Pakistan risks being put on the blacklist if it does not comply with the recommendations of the APG. Much of this seems like a terribly unnecessary charade. It also seems like an indictment of our own home-grown anti-terrorism policies. The promise to combat money laundering relating to terrorism was made to the public in the National Action Plan, but it has been clear that little has been done to combat terrorist finance, and only around Rs11 million has been confiscated under these regulations.

The APG is set to submit a report to the FATF on Pakistan's progress. One of the key concerns will be over the demand that Pakistan should be able to act on the requests of foreign countries to freeze illegal assets and extradite those involved in terrorist finance. This is a controversial demand that Pakistan would have had more room to manoeuvre on if it had been doing its bit. It now has a 10-point action plan to comply with very soon. With the next FATF visit scheduled for October, there is not much time available for the country to keep playing the waiting game. Already facing a foreign exchange crisis, Pakistan would find itself in much deeper trouble if it were to be blacklisted. Hopefully, this will not happen. For now, it remains to be seen how the government moves to implement the APG's recommendations.