

Pak action against terror funding not satisfactory: FATF body

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ALMOST THREE months after Pakistan was placed on the Financial Action Task Force (FATF) grey list for failing to curb terror funding, Pakistan's recent action against terror financing, particularly on the "legal" front, was found to be "unsatisfactory", according to a review by the Asia Pacific Policy Group (APPG).

The APPG examines cases of all countries on the grey and black lists and reports to the FATF.

Official sources said that a review held on September 11-12 in Jakarta observed that "not much has been achieved by Pakistan, especially on the legal side (like freezing of assets, attachment of funds, militant groups infrastructures etc)."

The APPG also reviewed Pakistan on its compliance with the 26-point action plan, which Islamabad, in February this year,

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had submitted to the FATF to choke the funding of militants groups, including Mumbai attack mastermind Hafiz Saeed-led Jamaat-ud-Dawa (JuD) and its affiliates.

The development, officials said, comes as a major setback for newly elected Pakistan Prime Minister Imran Khan, who was hoping that the inter-governmental body will be lenient in the review given Islamabad's commitment to the 26-point action plan spanning over a period of 15 months.

APPG, according to official sources, will report the unsatisfactory performance by Pakistan to the FATF, at its plenary in Paris in October 2018.

Sources also said that another review for Pakistan will be held in December this year following which a final evaluation report will be prepared. "For Pakistan, the first

deadline is January 2019 failing which they may face more heat. By then, Pakistan will have to publish updated lists of persons and entities proscribed under the Anti-Terrorism Act and the UN-designated entities," the official explained.

Being on the grey list may hurt Pakistan's economy as well as its international standing as it faces the risk of being downgraded by multilateral lenders like the IMF, World Bank, ADB etc. And further, reduction in risk-rating by Moodys, S&P and Fitch, which may lead to a fall in the stock market, said the official.

The process to include Pakistan in the list began in February 2018 when the FATF approved the nomination for monitoring under its International Cooperation Review Group (ICRG) commonly known as Grey List. The resolution against Pakistan was moved by the US which says Islamabad is not doing enough to comply with anti-terrorist financing and anti-money launder-

ing regulations.

New Delhi has been lobbying hard with the US for the monitoring of Pakistan while highlighting the funding of terrorist activities. India in the past also shared dossiers and evidence regarding the involvement of Pakistan's officials on deputation at missions in India and elsewhere in peddling fake currency and planning attacks on Indian assets on foreign soil.

"We had highlighted Islamabad's complicity in funding foreign terror networks at various international fora," said a senior government official.

Pakistan was on the watch-list between 2012 and 2015 as well but only for money laundering. FATF is an inter-governmental body established in 1989 to set standards and promote effective implementation of legal, regulatory and operational measures to combat money laundering, terrorist financing and other related threats to the integrity of the international financial system.