**FATF: A reality check**

[**Najm us Saqib**](https://nation.com.pk/Columnist/najm-us-saqib)

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The perception of a country especially in the contemporary digitised world may not betray the reality if the objective is to earn credibility and goodwill. With the advent of social media and new technological tools, it has become increasingly difficult for any country to keep hoodwinking the world for longer periods of time. Gone are the days of Goebbels who believed in repeating a lie multiple times for it to be taken as a true fact.

A case in point is the perception of the Financial Action Task Force (FATF) in countries like Pakistan. Instead of being seen as a global money laundering watchdog with a noble cause, the Organisation is perceived as a threat to the world’s weaker economies particularly those with correspondingly weaker internal financial control systems. It is hard to believe how and why the policymakers of a country would try to avoid or fear a free of cost forensic-audit-system instead of taking advantage of it? The FATF action plans need to be seen positively and considered good for all countries. Wouldn’t it be advisable to see the FATF as an instrument of checks and balances aiming at rectifying certain areas in the internal dynamics of a country rather than the hanging Sword of Damocles?

[90% of US adults to be eligible for jab by April: Biden](https://nation.com.pk/30-Mar-2021/90-percent-of-us-adults-to-be-eligible-for-jab-by-april-biden)

The last week of February brought good news for Pakistan. The FATF President Marcus Pleyer announced, ‘To date, Pakistan has made progress across all action plan items and has now largely addressed 24 of the 27 action items’. As all action plan deadlines have expired, the FATF strongly urged Pakistan to swiftly complete its full action plan before June 2021. The fact that Islamabad has only made ‘progress’ in 24 items does not mean these two dozen items have been addressed completely. The use of the word ‘largely’ also keeps a window open for the Organisation to come back to Pakistan on these 24 items whenever it deems appropriate. The ending note does not only talk about the completion of the remaining 3 items, it also emphasises on completing the ‘full action plan’. Getting out of the grey list, therefore, entails not only adhering to the laid down procedure within the FATF but also the completion of the entire action plan (read all 27 items).

[Israel's currency value falls to lowest rate against USD in over 4 months](https://nation.com.pk/30-Mar-2021/israel-s-currency-value-falls-to-lowest-rate-against-usd-in-over-4-months)

Pakistan is not the only country being watched by the FATF. This inter-governmental body monitors all countries of the world to make sure that they implement its standards effectively and completely while holding non-compliant countries accountable for omissions. More than 200 countries and jurisdictions are committed to implementing the FATF recommendations and standards to ensure a coordinated global response to prevent organised crime, corruption and terrorism. Celebrating the 30th anniversary of FATF in April 2019, the watchdog adopted an open-ended mandate to deal with the menace of money laundering, terrorist financing and proliferation of weapons of mass destruction, thus, effectively covering all areas of immediate concern. Sadly, Pakistan is not a member of this 37-member strong organisation. Hence, to counter arguments put forward by ‘not-so-friendly’ elements in FATF, Pakistan has to rely on the gracious support of China, Turkey and Malaysia to be heard sympathetically on its non-compliance.

[US to weigh sanctions after Iran, China ink $400b deal](https://nation.com.pk/30-Mar-2021/us-to-weigh-sanctions-after-iran-china-ink-dollar-400b-deal)

India’s role and efforts to malign Pakistan in the FATF would indeed make sense to the political scientists of South Asia. However, the reasons for Pakistan falling into FATF’s web have hardly anything to do with the Indo-Pak rivalry. It was not India that stopped Pakistan from passing and promulgating certain related laws in pursuance of internationally proclaimed legal norms. Neither was it some international lobby that hypnotised Islamabad, thus, rendering it unable to timely legislate or pay attention to the global calls. The reasons for not acting timely to the global calls range from incapacity and ignorance to flawed governance to the sheer neglect to strengthen internal financial control systems. The irony is that certain countries act fast to avoid a possible blacklisting by the FATF instead of putting their act together in the first place and stay away from any grey areas.

The FATF member states are fully aware of the South Asian rivalry. Hence, the argument that India does not want Pakistan to be out of the woods holds no water. FATF would like Pakistan to comply with its action plan regardless of the latter’s differences with India. There is an urgent need, therefore, to focus on ‘compliance’ to the FATF demands rather than hinging on India-specific squabbling. On the other hand, the importance of grooming acquaintances and making new friends in the international arena may not be overlooked. Dr Marcus Pleyer of Germany, who assumed the position of President of the FATF last year, has succeeded China’s Xiangmin Liu. A cordial invitation from the Foreign Minister could be extended to Dr Pleyer to pay an official visit to Pakistan to see for himself how serious Islamabad was in complying with all the 27 conditions. The acceptance of such an invitation by the esteemed German dignitary should not be an issue as Pakistan’s Ambassador in Berlin, being a young and energetic career Officer, is well equipped to bring the President of FATF to Islamabad before June.

[Shab-e-Barat being observed with religious zeal across country](https://nation.com.pk/30-Mar-2021/shab-e-barat-being-observed-with-religious-zeal-across-country)

In addition, efforts are needed for Pakistan to be heard directly at the FATF instead of handing in its mouthpiece to friends as today’s friends might be tomorrow’s foes and vice versa. Hence, getting out of the grey list through addressing all the 27 items ‘completely’ should not be the only objective to achieve. Wriggling out of the grey list does not necessarily mean Pakistan would receive lifetime immunity from being infected by any future economic or political virus generated by the FATF. Continuous vigilance is required to develop a sustainable policy to avoid all future FATF related embarrassments. Secondly, there is no harm in looking into the reasons as to why Pakistan is not a member of this powerful organisation and how a country like Hong Kong got its membership and not Pakistan? The criteria of membership must reveal certain other related facts like why Pakistan could not get even an observer status in the FATF as Indonesia did? Meanwhile, June is not far enough and the clock is ticking.