**FATF Grey list**

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August 25, 2022

Factually, the Financial Action Task Force (FATF) grey list hints at increased monitoring of the listed state providing it with a time frame to overcome the strategic deficiencies. The FATF monitoring is accompanied by a negative portrayal internationally. In particular, any country on the grey list suffers economically as foreign investors are reluctant for business ventures. Pakistan being on the FATF grey list for the third time since 2008 on account of ‘Money laundering and Terror Financing’ had to face criticism globally. Initially, Pakistan was given a 27-point action plan and later a 7-point plan to comply with the FATF’s standards. Pakistan has taken steps to address the issues pertaining to money laundering. The ‘Anti-Terrorism Act 1997’ has been amended and regularized in line with the UN and FATF standards. In 2019, the country’s National Assembly passed a “Money Laundering Act.” A Special Cell under the DGMO (Director General of Military Operations) was also established. The cell facilitated linkages between different institutions. In addition, Federal Board Revenue (FBR) efforts to monitor jewellers and real estate agents by DNFBP (Designated Non-Financial Business and Professions) led to strict compliance. A special cell to combat human trafficking (via the Tokhram border) was introduced by Federal Investigation Agency (FIA). Besides, the number of ‘anti-Benami zones’ in the country is being enhanced. At present anti-Benami zones are working in Islamabad, Lahore and Karachi. The new zones planned will operate in Hyderabad, Multan, Faisalabad and Peshawar. Pakistan’s political commitment to curb money laundering and terror financing has produced concrete results. Pakistan has completed 26 of the 27 action items in its 2018 action plan. The investigation of 800 money laundering cases was completed in 13 months. Alice G. Wells, US Principal Assistant Secretary of State for South and Central Asia admired Pakistan for condemning Hafiz Saeed. Pakistan’s anti-terrorism court has convicted Sajid Mir in a terror financing case. Pakistan also made an entry in FATF’s good books by designating United Nations Security Council 1267 and 1373-based terror groups.

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On 11 August 2022, the National FATF Coordination Committee held a meeting at the Ministry of Foreign Affairs (MoFA), Islamabad. Minister of State for Foreign Affairs, Hina Rabbani Khar chaired the meeting. The meeting looked at the progress of the legal and administrative actions undertaken to improve Pakistan’s Anti-Money Laundering and Countering Financing of Terrorism (AML / CFT) regime. Pakistan’s Foreign Minister Bilawal Bhutto Zardari during a recent interaction with the Director of the Executive Committee of the Regional Anti-Terrorist Structure of Shanghai Cooperation Organization (SCO-RATS), Ruslan Mirzaev referred to the importance of regional platforms and coordinated efforts in countering terrorism and extremism; through regional platforms, common approaches need to be developed amidst the security challenges regionally. Ruslan Mirzaev is on an official visit to Pakistan.

Terror Financing in Pakistan traces its roots back to the days of Afghan jihad and the Capitalist-Communist ideological divide. In the aftermath of the Soviet withdrawal from Afghanistan, the next development which brought the US and Afghanistan into the global limelight was the War on Terror (WoT). The war was fought in neighbouring Afghanistan to dismantle the Al-Qaeda terrorist outfit. Pakistan being a neighbour of Afghanistan was a direct affectee of the war. In the WoT, Pakistan was the US frontline state ally. Pakistan’s leadership adopted a firm resolve against terrorism. The people of Pakistan rejected militancy in all its forms and manifestations. However, Pakistan’s fight against terrorism resulted in security challenges, wherein the terrorists attacked soft targets in the country. The terrorist attack on Army Public School, Peshawar was the saddest day in the history of humanity. Tehrik-i-Taliban Pakistan (TTP) was behind the attack. The losses inflicted upon the Pakistani nation and their resoluteness to fight back are impeccable. The children have continued with their education, and their resilience is unbeatable.

Pakistan’s economy has suffered badly due to terrorism. Meanwhile, Pakistan’s economic cooperation with China, in the backdrop of the China-Pakistan Economic Corridor (CPEC) could be termed as a ray of hope. CPEC, a leader in regional integration, is reflective of defying the odds and moving forward. With economic connectivity, South Asia’s trade with Central and East Asia will boost economic cooperation, and the region’s vulnerability to extremist tendencies will die down.

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