**Terror financing grey zone**

[Syed Ishrat Husain](https://dailytimes.com.pk/writer/syed-i-husain/)

November 22, 2020

“The government of Pakistan has signalled its commitment to complete the rest of its action plan. But it is clear even though Pakistan has made progress; it needs to do more, Pakistan cannot stop now. It needs to continue to carry out reforms, in particular to implement targeted financial sanctions and prosecute and sanction those financing terrorism.”

To date, Pakistan has made progress across all action plan items and has now largely addressed 21 of the 27 action items. CITING “STRATEGIC deficiencies” and non-compliance with six key markers in its 27-point action plan on terror-financing and money-laundering, Paris-based global watchdog Financial Action Task Force (FATF) said Pakistan will continue to remain on its grey list.As all action plan deadlines have expired, the FATF strongly urges Pakistan to swiftly complete its full action plan by February 2021.  FATF President Dr Marcus Pleyer said at the conclusion of a virtual meeting in Paris on October 23, 2020.

Pakistan was first placed on the FATF grey-list between 2012 and 2015, and has been on it again since 2018, for supporting terror financing. The country has done little to address and allay the concerns of the FATF.The grey list is normally meant to force governments into tightening their legal regimes against money laundering and terrorist financing in order to get off it. But for Pakistan, it has become a way to indefinitely escape the blacklist. Avoiding the blacklist has become a goal in itself for the government.

As they say, better late than never, the Pakistani government is finally moving in the right direction, it must fulfil the remaining conditions of the Paris-based Global Financial Action Task Force.

Since June 2018, when Pakistan was last placed on the grey list, Pakistan has had the benefit of three extensions for complying with 27 points. In February 2020, FATF gave Pakistan a four-month grace period to complete implementation of its 27-point action plan against money laundering and terrorist financing.Pakistan has so far successfully managed to avoid the blacklist due to diplomatic support from China, Turkey, Malaysia, Saudi Arabia and other Middle East countries.

In February, 2020, the FATF gave Pakistan a four-month grace period to complete the 27-point plan. It extended the deadline by three months due to the postponement of its plenary following the Covid19 outbreak.The FATF had issued the action plan after placing Pakistan on the grey list in June 2018. Recently, the task force’s International Cooperation Review Group noted that Pakistan had complied with 21 points.The FATF listing makes it extremely difficult for Pakistan to get financial aid from the IMF, the World Bank and the European Union.Pakistan’s political commitment has led to progress in a number of areas in its action plan, including risk-based supervision and pursuing domestic and international cooperation to identify cash couriers. Pakistan should continue to work on implementing its action plan to address its strategic deficiencies, including by:

Demonstrate that law enforcement agencies are identifying and investigating the widest range of terror financing activity which target designated persons and entities, and those who act on the behalf/direction of the designated persons or entities.

Demonstrate that terror financing prosecutions result in effective, proportionate and dissuasive sanctions.

Demonstrate effective implementation of targeted financial sanctions against all…designated terrorists and those acting for or on their behalf; preventing the raising and moving of funds including in relation to non-profit organisations; identifying and freezing assets; and prohibiting access to funds and financial services.

Demonstrate enforcement against violation of terror financing sanctions…of administrative and criminal penalties and provincial and federal authorities cooperating on enforcement cases”.

In August, Pakistan imposed financial sanctions on 88 banned terror groups and their leaders, including 26/11 Mumbai attack mastermind and Jamaat-ud-Dawa chief Hafiz Saeed, and Jaish-e-Mohammed chief Masood Azhar.

The US Department of the Treasury has designated Hafiz Saeed as a Specially Designated Global Terrorist. He was listed under the UN Security Council Resolution 1267 in December 2008.On July 17, last year Hafiz Saeed whom the US has placed a USD 10 million bounty, was arrested in the terror financing cases.On July 3, the top 13 leaders of the banned JuD, including Saeed and Naib Emir Abdul RehmanMakki, were booked in nearly two dozen cases for terror financing and money laundering under the Anti-Terrorism Act, 1997.

On Thursday November 19, 2020, an anti-terrorism court convicted JamatudDawa leader Hafiz Saeed in another case of terror financing, sentencing him to five and a half years’ imprisonment. Hafiz Saeed is already in jail serving two sentences of five-and-a-half-years each, handed down to him in February this year, which means he will not serve any extra jail time.

“Since the convict has already been convicted by this court vide judgment on February 12, 2020, so the punishment awarded to him in this case shall also run concurrently with punishment in said cases,” said the court order.

Hafiz Saeed had been arrested in the past, and on several occasions put under house arrest, but Wednesday was the first time he had been sentenced. Several previous cases against him were dismissed by Pakistani courts, and officials had said there was not enough evidence to tie him to the Mumbai attack. India and the United States call Hafiz Saeed the mastermind of the Mumbai attack, which killed more than 160 people. For years, Pakistan had been under intense international pressure to take action against him and the radical Islamist group he founded, Lashkar-e-Taiba.

A total of 41 cases have been registered by the CTD against the Jamaat-ud-Dawa (JuD) leaders. According to the CTD, JuD was financing terrorism from the massive funds collected through non-profit organisations and trusts including Al-Anfaal Trust, DawatulIrshad Trust, Muaz Bin Jabal Trust, etc. These non-profit organisations were banned in April, 2019. In September 2018, Pakistan’s Supreme Court rejected an appeal by the federal government against an interim order of the Lahore High Court which allowed Hafiz Saeed’s (JuD) and Falah-i-Insaniyat Foundation (FIF) charities to continue their social work. FIF owned 369 ambulances, had helped 72,000 persons to charity hospitals and treated 6, 00,000 patients in 2017.

Jamaat-ud-Dawa’s network also includes 300 seminaries and schools, hospitals, a publishing house and ambulance service, JuD and FIF have about 50,000 volunteers and hundreds of other paid workers. The high court had restrained the government from interfering with the social welfare organisations of Saeed and also allowed legal activities of JuD and FIF.

As they say, better late than never, the Pakistani government is finally moving in the right direction, it must fulfil the remaining conditions of the Paris-based Global Financial Action Task Force.