



Pakistan to remain on FATF grey list

Why in news?

Recently Financial Action Task Force has once again decided to keep Pakistan on its grey list of countries.

Why it was kept in grey list now?

- FATF grey list represent a country is in higher risk of money laundering and terrorism financing.
- After being removed from grey list in 2015, it was once again kept in June 2018 and given 27-point action list to fulfil.
- Now FATF reported that Pakistan is yet to accomplish three points in the 27-point action list.
- It has only partially addressed those three points which are related to curbing the terror financing.

What are the points left unaddressed by Pakistan?

- FATF said that Pakistan should continue to work on implementing left out points in the action plan.
- They are:
 1. Demonstrating that Terror Funding (TF) investigations and prosecutions target persons and entities who act on behalf or at the direction of the designated persons or entities;
 2. Demonstrating that TF prosecutions result in effective, proportionate and dissuasive sanctions;
 3. Demonstrating effective implementation of targeted financial sanctions against all the designated terrorists;
- It also said that Pakistan has made significant progress in its commitment & hence it was not downgraded to blacklist.
- It has advised Pakistan to complete the remaining tasks by June 2021, when

the FATF will meet again to vote on the issue.

What was the response from Pakistan?

- Its former Interior Minister has protested against the FATF decision and suggested that FATF should be sued in International Court of Justice.
- He said that other countries which nearly completed the points mentioned in their task lists was dropped from the grey list.
- He also cited a recent report which mentioned that between 2008-2015 and 2018-the present, Pakistan lost \$38 billion because of its presence in the grey list.

How does this affect Indo-Pak relations?

- FATF decision coincides with the recent engagements between India and Pakistan since 2016.
- A recent talk between top officials of India mentions that ceasefire agreement at the LoC needs to be observed strictly.
- Also joint statements by the senior officials of both the countries commit to resolve core issues through dialogue.
- Pakistan response to FATF directive of prosecuting terrorists and terror financiers is driven by its own interests.
- If it can address cross-border terrorism- which is India's main grievance, it gives fillip to our relation.

Source: The Hindu



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