

## **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**