

# Another shade of grey

While Pakistan stays on FATF list, India must push for justice in cross-border terror attacks

Pakistan's hopes of being let off the Financial Action Task Force's grey list were dashed once again, as the 39-member grouping decided to keep it on the list, and even add more tasks. Eventually, Pakistan missed the mark by one crucial action point out of 27 – being judged deficient in prosecuting the senior leadership of UN-proscribed terror groups. The FATF works closely with the UN Security Council's listings of terror groups as it evaluates countries on their efforts in anti-money laundering/countering the financing of terrorism (AML/CFT); Pakistan's failure to convict JeM chief Masood Azhar and others appeared to tip the balance against it. The Pakistani government publicly protested the decision, pointing out that many countries that had largely completed the action plans handed to them have been delisted in the past. Pakistan, which was on the FATF's "increased monitoring lists" from 2009-2015, was taken off the grey list in 2015 in a similar manner (before it was relisted in 2018). Pakistani leaders have predictably lashed out at India for "lobbying" for its continued listing, while others have hinted that the decision stems from a refusal to allow the U.S. the use of its bases after America's pull-out from Afghanistan. At FATF hearings, the Imran Khan government said it had introduced and amended terror financing laws, which have enabled the prosecution of more than 30 UN-proscribed leaders and their associates, for terror financing. While it is unclear how many of those are actually serving jail time, the convictions and prison terms, between 15-30 years are a break from the past, when Pakistani authorities would hold these leaders on charges under international pressure, and subsequently release them. By making this the sticking point, the FATF, which works on the principle of mutual compliance, has made it clear that Pakistan must complete the prosecution of all proscribed leaders of groups including the LeT, JeM, al-Qaeda, and the Taliban. By adding six more items to the list on amending its Money Laundering Act and cracking down on other businesses involved in money laundering and terror financing, the FATF has indicated that Pakistan could remain on the grey list for at least another one to two years.

For India, Pakistan's continuance on the list is some comfort, even as it awaits true justice delivered to leaders of groups such as the LeT and JeM for attacks, including Mumbai 26/11, Parliament (2001) Pathankot and Pulwama, and not just terror financing. However, the processes of FATF, that has taken a justifiably hard line in Pakistan's case, must be checked for overreach, as India faces its Mutual Evaluation Report, that has been delayed due to the pandemic. New Delhi should expect that Pakistan will push for a critical investigation of India's AML/CFT regime, and with the FATF announcing a new focus on "extreme right-wing terrorism (ERW)", it is clear that there will be more political aspects to its technical scrutiny of countries in the future.