Pakistan in Watch List for Terror Financing – II

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What are the demands before Pakistan?

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- Pakistan in co-operation with the FATF, will have to finalise an action plan by June to counter deficiencies in its financial system with respect to the financing of terrorism.
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- If this is not completed, then Pakistan will be put on a watch list by the FATF.
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- This will significantly increase regulatory scrutiny of Pakistan-related transactions and increase transaction costs for the external sector in that country.
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- An increase in costs and in the risk profile of Pakistan-related transactions will impose significant economic pain, and raise incentives to fix terror financing within the Pakistani system.
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What is the role of India in this move?

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- According to Initial reports Pakistan's usual backers China and Saudi initially supported Pak in FATF.
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- But this support petered out when a second and unscheduled vote was called by the US.
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- Even though the move has been led by the US, India made a strong diplomatic efforts through its sustained pressure on leading countries to act on terror.

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- India’s diplomatic offensive has progressively demanded greater accountability from Pakistan for its actions, or lack of them, against the spread of terror.
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- India also plans to use its moves to ensure China and Saudi Arabia do not abandon their current position on Pak over demands of FATF.
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What are India’s diplomatic initiatives on counter terrorism?

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- Indian government has claimed success to its efforts with regard to addressing terrorist threats to national security.
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- India announced an Indo-Canada bilateral framework on countering violent extremism, as was an institutionalised dialogue between the national security advisors of the two countries.
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- India included the crucial clause that no country should allow its territory to be used for terrorist and violent extremist activities.
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- Peace and reconciliation in Afghanistan also a goal of India alongside the “dismantling of infrastructure of support to terrorism from across borders of Afghanistan”.
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Source: Business Standard

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