

Pak. faces flak over terror funding

Maulana Masood Azhar

Even as it faced a Chinese veto on designating Masood Azhar a terrorist at the United Nations Security Council, India scored a major victory at the Financial Action Task Force that looks into terror financing that held its plenary in Buenos Aires this week.

Pakistan has failed to penalise or curb the activities of any of the terror groups [designated by the UNSC]. India raised the issue at the International Cooperation Review Group (ICRG) in Argentina. Other countries supported India and now Pakistan has to submit a compliance report during the next session in February 2018, Home Ministry and External Affairs Ministry officials confirmed to *The Hindu*.

The win for Indian negotiators was significant, said an MEA official, as it came even as China vetoed the latest bid to have Jaish-e-Mohammad chief Masood Azhar designated at the UNSC.

“China tried hard to defend Pakistan during the FATF proceedings,” the official said, “But unlike at the UN, two speaking countries are needed to block consensus, and China was isolated there.”

February deadline

According to the directive of the FATFs' International Cooperation Review Group (ICRG), Pakistan has been asked to report again in February on action taken against designated terror groups such as the Lashkar-e-Taiba and its off-shoots Jamaat-ud Dawa and Falah-i-Insaniyat.

Also for the first time, Pakistan's Central Bank, the State Bank of Pakistan (SBP), has been asked specifically to report on its work in shutting off the finances to the groups. A report on “SBP's enforcement activity as it relates to ensuring compliance of the statutory regulatory orders [on terror financing] and penalising non compliance” has been demanded, according to the ICRG report.

During previous FATF sessions, India had raised the funding of the groups and leaders like 26/11 mastermind Hafiz Saeed, who openly addressed rallies and raised funds in Pakistan as well as LeT commander Zaki-Ur Rahman Lakhvi, who received bail in the Pakistani trial court hearing the Mumbai attacks case.

In addition, volunteers of the Falah-i-Insaniyat Foundation (FIF), also run by Hafiz Saeed, have travelled to Syria and other countries on alleged “charity missions”, all of which is proscribed by the UN Security Council 1267/1373 rules.

While officials concede the 37-member FATF is a voluntary group, without much power to enforce its ruling, it works through “peer pressure” and “naming and shaming” countries into compliance on terror finance by putting them on “grey lists and black lists”.

“Pakistan is obviously not immune to their orders, and is also facing growing pressure from the US to cooperate,” an MEA official privy to the process told *The Hindu*.

Saeed detention

In January this year, Pakistani authorities detained Hafiz Saeed in Lahore — an action understood to have been taken to avoid any negative reference at the FATF in February. During that session

India raised the issue of another front of the JuD, the Tehreek-e-Azaadi Jammu and Kashmir (TAJK). Pakistan banned the TAJK barely days before the FATF's next plenary in Spain in June 2017.

Officials in New Delhi and Washington said they hope the FATF move will ensure that Pakistan curtails activities of all groups under the scanner, and keep Hafiz Saeed in detention for the foreseeable future.

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