

FATF Review

Market & Economy

FATF retains Pakistan on grey-list; significant progress across CFT action plan

- As part of the country's on-going compliance with Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT), the FATF (Financial Action Task Force) in its latest evaluation has maintained Pakistan's status under the grey list category.
- During Mar-22 review, Pakistan has now largely or fully complied with 32 out of the 34 actions plans. However, 1 point still remain unaddressed out of the initial 27 items, which relates to TF investigations and prosecutions target senior leaders and commanders of UN-designated terrorist groups. 6 out of the 7 additional items have been complied with well ahead of the Jun-22 deadline.
- FATF has encourage Pakistan to complete remaining 1 out of the 27 action plans initially identified in 2018 and should continue to work to address the 1 remaining item out of the 7 set out in the 2021 action plan.

Pakistan maintain a Grey-list status

As part of the country's on-going compliance with Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT), the FATF (Financial Action Task Force) in its latest evaluation has maintained Pakistan's status under the grey list category.

Pakistan's continued commitment has led to significant progress across a comprehensive CFT action plan...

To recall Pakistan was placed under the monitored jurisdiction back in Jun-18, whereby Pakistan authorities' made a commitment to work with the FATF and APG to strengthen its AML/CFT regime and to address the highlighted deficiencies. Furthermore, in Jun-2021, further 7 new points were added for compliance within 12 months. During Oct-21 review, Pakistan had largely complied with total 30 out of the 34 action plans laid out by FATF of which 26 out of 27 were largely complied which were initially laid out in 2018, while Pakistan was largely complied in 4 out of 7 new action plans given in Jun-2021.

However during Mar-22 review, Pakistan has now largely or fully complied with 32 out of the 34 actions plans. However, 1 point still remain unaddressed out of the initial 27 items. 6 out of the 7 additional items have been complied with well ahead of the Jun-22 deadline.

Analyst

Abdullah Farhan

Abdullah.Farhan@igi.com.pk

Tel: +92 21 111 234 234 Ext: 912

...Pakistan needs to continue to address the one remaining item in its 2021 action plan

FATF identified that Pakistan has made significant progress in completing the required action plans for removal from the list ahead of any relevant deadlines expiring. As per FATF statement “Since June 2018, when Pakistan made a high-level political commitment to work with the FATF and APG to strengthen its Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) regime and to address its strategic counter-terrorist financing-related deficiencies, Pakistan’s continued political commitment has led to significant progress across a comprehensive CFT action plan,”

However, FATF has encourage Pakistan to complete remaining 1 out of the 27 action plans initially identified in 2018 which relates to TF investigations and prosecutions target senior leaders and commanders of UN-designated terrorist groups. FATF further stated that Pakistan should continue to work to address the 1 remaining item out of the 7 set out in the 2021 action plan by demonstrating a positive and sustained trend of pursuing complex ML investigations and prosecutions.

Outlook

Pakistan’s next review is schedule from 12-17 June 2022. Pakistan was assigned 12 months deadline to fulfill 7 additional action plans in Jun-2021. As Pakistan has complied with 6 out of the 7 additional action plans set out in 2021 and 26 out the 27 initially set in 2018, we expect that Pakistan is well positioned to get out of ‘Grey List’ in the next FATF review in Jun-22.

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Research Analyst(s)

Research Identity Number: BRP009

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Day Break

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Contact Details

Equity Sales

Faisal Jawed Khan	Head of Equities	Tel: (+92-21) 35301779	faisal.jawed@igi.com.pk
Zaeem Haider Khan	Regional Head (North)	Tel: (+92-42) 38303559-68	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Zaid Farook	Branch Manager (Stock Exchange) Karachi	Tel: (+92-21) 32462651-52	zaid.farook@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Saad Khan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 810	saad.khan@igi.com.pk
Abdullah Farhan	Senior Analyst	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Aariz Raza	Analyst	Tel: (+92-21) 111-234-234 Ext: 810	Aariz.raza@igi.com.pk
Ajay Kumar	Analyst	Tel: (+92-21) 111-234-234 Ext: 912	ajay.kumar@igi.com.pk
Huzaifa Yaseen	Analyst	Tel: (+92-21) 111-234-234 Ext: 912	huzaifa.yaseen@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600
UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
Fax: (+92-21) 35309169, 35301780

Stock Exchange Office

Room # 134, 3rd Floor, Stock Exchange Building,
Stock Exchange Road, Karachi.
Tel: (+92-21) 32429613-4, 32462651-2
Fax: (+92-21) 32429607

Lahore Office

Shop # G-009, Ground Floor,
Packages Mall
Tel: (+92-42) 38303560-69
Fax: (+92-42) 38303559

Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,
Block- B, Jinnah Avenue, Blue Area
Tel: (+92-51) 2604861-2, 2604864, 2273439
Fax: (+92-51) 2273861

Faisalabad Office

Room #: 515-516, 5th Floor, State Life
Building, 2- Liaqat Road
Tel: (+92-41) 2540843-45
Fax: (+92-41) 2540815

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road
Tel: (+92-68) 5871652-3
Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road
Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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