

Pakistan's Foreign Policy

MONEY LAUNDERING

Pakistan's Policy:

The Anti-Money Laundering Act, 2010 (the Act) is the primary law governing the prevention of money laundering and combatting the financing of terrorism. The Act as federal legislation is applicable across Pakistan. Under the Anti-Money Laundering Act, the Federal Board of Revenue is responsible for ensuring that designated non-financial businesses and professions (DNFBPs) including real estate agents, dealers in precious metals and stones, and FBR-supervised accountants comply with anti-money laundering and counter financing of terrorism obligations. Financial institutions, lawyers, law firms, notaries and non-FBR-supervised accountants are supervised by other competent authorities and self-regulatory bodies.

Impact on Pakistan's Economy:

Only in March 2017, the US State Department International Narcotics Control Strategy Report had reported that the international community loses hundreds of billions of dollars every year to trade-based money laundering alone, and it identified China, Russia, Mexico and India as the four top sources of illegal financial outflows, this practice is costing Pakistan about 10 billion dollars a year. Needless to mention that money laundering facilitates corruption and can destabilise economies of susceptible countries around the globe. It also compromises the integrity of legitimate financial systems and institutions and provides organized crime the funds it needs to conduct further criminal activities. Money laundering damages financial sector institutions critical for economic growth, promoting crime and corruption that slow economic growth, reducing efficiency in the real sector of the economy. Most global research focuses on two major money-laundering sectors: drug trafficking and terrorist organizations.

Sentiment in Pakistan:

Many politicians have centred their campaigns around accusing their opponents of money laundering. Pakistani Prime Minister Nawaz Sharif was disqualified on account of money laundering. Many in the general population argue that only those brought in the public's eye are convicted of money laundering. The current Prime Minister of the country, Mian Shahbaz Sharif and his son Hamza Shehbaz both face money laundering charges and the public have time and time again demanded that both be held accountable for their alleged crimes.