



KAMARAJ IAS ACADEMY
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Financial Action Task Force

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Why is in news? FATF removes Pakistan from 'grey list' after four years

The financial Action Task Force (FATF) has removed Pakistan from its grey list after four years.

This inglorious grey listing has adversely impacted Pakistan's imports, exports, and remittances and limited its access to international lending.

Pakistan has been on the Paris-based watchdog's grey list for deficiencies in its **counter-terror financing and anti-money laundering regimes** since June 2018.

Financial Action Task Force:

The Financial Action Task Force (on Money Laundering) (FATF), is an **intergovernmental organisation** founded in **1989** on the initiative of the G7 to develop policies to **combat money laundering and terrorism financing**.

Headquarters: Paris, France

The objectives of FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.

FATF is a "policy-making body" that works to generate the necessary political will to bring about national legislative and regulatory reforms in these areas.

FATF monitors progress in implementing its Recommendations through "peer reviews" ("mutual evaluations") of member countries.

Since 2000, FATF has maintained the **FATF blacklist** (formally called the "Call for action") and the **FATF greylist** (formally called the "Other monitored jurisdictions").

The blacklist has led financial institutions to shift resources and services away from the listed.

This in turn has motivated domestic economic and political actors in the listed countries to pressure their governments to introduce regulations that are compliant with the FATF.

Currently, **Iran and North Korea are in the black list**.

Countries in the grey list are: Albania ,Barbados, Burkina Faso, Cambodia, Cayman Islands, Jamaica, Jordan, Haiti, Malta, Mali, Morocco, Myanmar (Burma), Nicaragua, Panama, Philippines, Senegal, South Sudan , Syria, Trkiye, Uganda, Yemen and Zimbabwe .

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