

# "FATF: Terror from ISIL and AQ-Linked Groups in J&K" | Jammu & Kashmir | 21 Sep 2024

### Why in News?

Recently, the <u>Financial Action Task Force (FATF)</u> released its <u>Mutual Evaluation Report on India.</u> highlighting the terrorism threats India facing, particularly from <u>Islamic State of Iraq and the Levant (ISIL)</u> <u>and Al-Oaeda-</u>linked groups active in and around Jammu and Kashmir.

## **Key Points**

- <u>Regional insurgencies in the Northeast</u> and <u>Left-Wing Extremist groups</u> also pose terrorism risks, the report highlighted.
- While the country emphasizes prevention and disruption of terrorist financing, more effort is required to conclude prosecutions and convict terrorist financiers.
- FATF: FATF is the global <u>money laundering</u> and <u>terrorist financing</u> watchdog set up in 1989 out of a <u>G-7</u> meeting of developed nations in Paris.
  - Objective:
    - Initially, its objective was to examine and develop measures to combat money laundering.
    - After the 9/11 attacks on the US, the FATF in 2001 expanded its mandate to incorporate efforts to combat terrorist financing.
    - In April 2012, it added efforts to counter the financing of proliferation of <u>Weapons of Mass Destruction (WMD)</u>.

#### FATF Recommendations:

- In April 1990, less than one year after its creation, the FATF issued a report containing a set of Forty Recommendations intended to provide a comprehensive plan of action needed to fight against money laundering.
- In 2004, the FATF published a Ninth Special Recommendations, further strengthening the agreed international standards for combating money laundering and terrorist financing the 40+9 Recommendations.
- **In 2012**, the FATF revised its recommendations and expanded them to deal with new threats such as the financing of proliferation of WMD.
- Over **200 jurisdictions** around the world have committed to the FATF Recommendations through the global network of nine **FATF-Style Regional Bodies (FSRBs) and FATF memberships.**

#### **FATF's Recommendations**

- Pending Trials: India needs to expedite the conclusion of pending money laundering trials and improve its handling of crimes like <u>human trafficking</u> and drug-related offences.
- **Targeted financial sanctions**: India must improve its framework to ensure the freezing of funds and assets without delay and streamline communication regarding sanctions.
- Domestic Politically Exposed Persons (PEPs): India needs to define domestic PEPs under its anti-money laundering laws and implement risk-based enhanced measures for them.



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