

## Pakistan's Compliance with FATF Recommendations

Technical compliance ratings (C – compliant, LC – largely compliant, PC – partially compliant, NC – non-compliant)

Recommendation	Rating	Factor underlying the rating
16. Wire transfers	LC	<ul style="list-style-type: none"> <li>No requirements for batch files to contain information required.</li> <li>For ECs and Pakistan Post, there are no requirements as beneficiary financial institutions to adopt risk-based policies, procedures and controls.</li> </ul>
17. Reliance on third parties	PC	<ul style="list-style-type: none"> <li>Pakistan has no regard to information available on the level of country risk. SBP financial institutions are not covered by strict third party reliance rules.</li> <li>CDNS and Pakistan Post are not covered by the requirements of this recommendation.</li> </ul>
18. Internal controls and foreign branches and subsidiaries	PC	<ul style="list-style-type: none"> <li>No enforceable AML/CFT requirements to give effect to this criterion for CDNS and Pakistan Post.</li> <li>Except for regulated persons, no explicit requirement for all FIs to implement programmes against ML/TF, which have regard to the ML/TF risks and the size of the business.</li> <li>The lack of requirements for all FIs except for regulated persons.</li> </ul>
19. Higher-risk countries	PC	<ul style="list-style-type: none"> <li>There is a lack of requirements for MFBS, CDNS, Pakistan Post and ECs to apply enhanced EDD proportionate to the risk.</li> <li>There is a lack of requirements for Pakistan authorities except for SECP to apply countermeasures proportionate to the risk.</li> </ul>
20. Reporting of suspicious transaction	PC	<ul style="list-style-type: none"> <li>STRs are not required to be reported promptly.</li> </ul>
21. Tipping-off and confidentiality	PC	<ul style="list-style-type: none"> <li>AMLA provides protections for FIs and their officers, but it is unclear this protection extends to directors, the employees or agents of those reporting entities.</li> </ul>
22. DNFBS: Customer due diligence	NC	<ul style="list-style-type: none"> <li>The AMLA does not contain a definition of CDD. There are no other enforceable requirements to give effect to this recommendation.</li> </ul>
23. DNFBS: Other measures	PC	<ul style="list-style-type: none"> <li>Deficiencies with promptly reporting STRs. There are no other enforceable requirements to give effect to this recommendation.</li> </ul>
24. Transparency and beneficial ownership of legal persons	PC	<ul style="list-style-type: none"> <li>There is a lack of ML/TF risk mitigating measures for bearer share and bearer warrant instruments and for nominee shareholders and directors.</li> <li>Absence of requirements for the Registrar and companies themselves to hold beneficial ownership information.</li> <li>Limited provisions in place to provide international co-operation in relation to basic and beneficial ownership information.</li> </ul>
25. Transparency and beneficial ownership of legal arrangements	NC	<ul style="list-style-type: none"> <li>No measures in place to mitigate the ML/TF risk with trust structures and other legal arrangements.</li> <li>Registration of immovable property trusts involves only the registration of the trust deed and not the collection of beneficial ownership information beyond what is in the deed of trust.</li> <li>Trustees themselves are not required to collect beneficial ownership information.</li> </ul>
26. Regulation and supervision of financial institutions	PC	<ul style="list-style-type: none"> <li>Lack of manuals or framework to conduct risk-based supervision.</li> <li>Lack of the requirements for banks, DFIs, MFBS, ECs and modarabas to include within its scope of its fit and proper tests relevant to beneficial owners.</li> <li>CDNS and Pakistan Post are not supervised for AML/CFT requirements.</li> </ul>
27. Powers of supervisors	PC	<ul style="list-style-type: none"> <li>Limited sanctions imposed by the SBP and SECP. CDNS and Pakistan Post are not subject to AML/CFT supervision.</li> </ul>
28. Regulation and supervision of DNFBS	NC	<ul style="list-style-type: none"> <li>No AML/CFT supervisory authorities for DNFBS. No risk-based supervision of DNFBS occurs.</li> </ul>
29. Financial intelligence units	PC	<ul style="list-style-type: none"> <li>The FMU cannot access detailed tax records. The FMU cannot spontaneously or upon request disseminate information and the results of its analysis to provincial CTDs.</li> </ul>
30. Responsibilities of law enforcement and investigative authorities	PC	<ul style="list-style-type: none"> <li>AMLA does not provide for parallel ML/TF investigations when a predicate crime is investigated. There are gaps in relation to powers to take expeditious actions subject to confiscation.</li> </ul>