



## EUROPE INDIA CHAMBER OF COMMERCE

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**Chairman: Ravi K Mehrotra, CBE Secretary General: Sunil Prasad**

EICC-2020

Brussels, 2 November 2020

Mr. Valdis Dombrovskis  
Executive Vice President and EU Commissioner for Trade  
European Commission  
Rue de la Loi / Wetstraat 200  
1049 Brussels

Dear Executive Vice-President Mr. Dombrovskis,

### **Re: FATF and EU's continued GSP+ trade privilege to Pakistan**

On October 23, the Financial Action Task Force (FATF), the world's top anti-terrorism monitoring group, voted to keep Pakistan on the Grey List for failing to comply with six out of the 27-point action plan handed to it. The FATF decided to retain Pakistan in the grey list at least till the next review, which is due to take place in February 2021. The FATF said that Pakistan needs to carry out reforms in particular to implement targeted financial sanctions and prosecuting sanctions against those financing terrorisms.

The following four areas of strategic deficiencies were identified in a statement issued by FATF:

- Demonstrating that law enforcement agencies (LEAs) are identifying and investigating the widest range of terror financing activity (TF) and that TF investigations and prosecutions target designated persons and entities, and those acting on behalf or at the direction of the designated persons or entities.

- Demonstrating that TF prosecutions result in effective, proportionate and dissuasive sanctions.

- Demonstrating effective implementation of targeted financial sanctions against all 1,267 and 1,373 designated terrorists and those acting for or on their behalf, preventing the raising and moving of funds including in relation to NPOs (non-profit organisations), identifying and freezing assets (movable and immovable), and prohibiting access to funds and financial services

- Demonstrating enforcement against TFS (terror financing sanctions) violations, including in relation to NPOs, of administrative and criminal penalties and provincial and federal authorities cooperating on enforcement cases.

It is reported that even before FATF's plenary meeting from October 21-23, the EU had expressed dissatisfaction with Pakistan's progress on FATF compliance during its last strategic dialogue with Pakistan on 6<sup>th</sup> October. Ironically, though, while the EU strongly supported the FATF's decision to keep Pakistan on the Grey list, the same EU has continued to provide

special trade privileges to the country under GSP+. This, even though Pakistan is known to be home to the largest number of internationally designated terrorists in the world. This bizarre policy mismatch of EU is potentially dangerous not just for the EU but for the global community as Pakistan is one of the highest risk nations as far as terror financing and money laundering for terror is concerned.

Since June 2018, Pakistan made a high-level political commitment to work with the FATF and APG to strengthen its AML/CFT regime and to address its strategic counter terrorist financing-related deficiencies. However, at the same time, Pakistan has continued to finance terror and continues to promote terror notwithstanding the pandemic. Pakistan's Prime Minister Imran Khan has publicly acknowledged the presence of up to 40,000 terrorists in his country and that terrorists from Pakistan have attacked its neighboring countries. The Analytical Support and Sanctions Monitoring Team of the UN Security Council has also reported that around 6,500 Pakistani terrorists belonging to LeT and JeM are operating in Afghanistan. Pakistan's role as epicenter of terrorism has been well documented by numerous international organisations including UN and FATF. It is not a secret that Pakistan provides shelter and support to terrorist and continues to peddle false and motivated narrative on the situation in the Union Territory of Jammu and Kashmir in India. The country seeks to portray its military, financial, logistical support to cross border terrorism against India as a freedom struggle.

Sir, it is not out of context to inform you that something extra-ordinary happened in the Pakistani Parliament on Thursday, the October 29, when a senior Minister of the Pakistani government in a statement, on the floor of the House, acknowledged that Pakistan was responsible for the terrorist attack in Jammu and Kashmir's Pulwama last year in which 40 Indian paramilitary troopers were killed. The sensational statement made in the country's legislature, is an apparent admission of the country's role in sponsoring cross-border terrorism. You will agree that Pakistan has admitted what India has been saying for long – Pakistan is the hub of terrorism and extremism and is a threat to peace in the region.

Again, it is not out of context to state that the country which receives trade privilege from EU has given a call to boycott products from EU's founder member France. There have also been several violent demonstrations against France, orchestrated by Pakistani government, its agencies and religious fundamentalist groups. We are therefore surprised by the logic behind EU's repeated decisions to continue trade support to a country which does not believe in human dignity, freedom of expression, equality and democracy. The National Assembly of Pakistan in a resolution decided to recall its ambassador from France in protest against statement by the French President Mr. Emmanuel Macron. But the only problem is that Pakistan doesn't have an ambassador to France for last three months.

The liberal, democratic, open and secular society of Europe is under attack from terrorists and EU must think if it is worthwhile to continue to support those countries who receive financial and other assistance from EU and still disrespect EU values. Let me add that six years of GSP+ has not helped Pakistan to reform or perform. The country has failed in all parameters and today there is wide-spread public disillusionment and resentment against the government and the Army.


In view of the above, may I request you to review and reconsider continuing the GSP+ privilege to Pakistan, a country which is regarded as an international jihad's tourist resort. Indeed time has come when the question should not be whether Pakistan deserves GSP+

privileges, but whether it is time to impose tough economic sanctions on the country, a failed state that has only served to provide a safe haven to tens of thousands of global terrorists and whose only *raison d'être* is to kill and harm innocent civilians all around the world and destabilise the peaceful democracies like the European Union and India.

It is perhaps high time that institutions like the European Union put their considerable global influence and moral weight in leading a multilateral push for putting Pakistan on the Black List of FATF as it is our belief that despite all time and leniency provided to Pakistan, the country has failed to nudge Islamabad towards abandoning or even lessening its proactive leadership of the global terrorist movement. We hope that you will take a considered view of the above and take the right step soon.

With kind Regards,

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S. H. Khan', written in a cursive style.

Secretary General