



External Relations Department

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SBP's Seminar on Pakistan's Upcoming AML/CFT Mutual Evaluation

State Bank of Pakistan (SBP) on 13th November 2017 organized a 'Compliance Forum Session' for guidance and awareness of financial institutions in implementation of Risk-based approach and alert them regarding upcoming Anti Money Laundering and Combating Financing of Terrorism (AML/CFT) mutual evaluation of Pakistan. Besides presence of senior officials from supervisory departments of SBP, relevant officers from Banks, Developments Finance Institutions (DFIs), Microfinance Banks (MFBs), Exchange Companies and Payment System Operators also participated.

The session was chaired by Executive Director - Banking Policy & Regulations Group who observed that the AML/CFT compliance is a global phenomenon which has implications for economic and trade related activities with rest of the world. He highlighted the importance of implementing AML/CFT regime and need for further improvements in areas of transaction monitoring through sophisticated technology coupled with appropriate human resources for identifying and reporting suspicious transactions under the AML laws. He urged reporting entities to refine their efforts in risk based AML/CFT compliance and prepare well for the upcoming AML/CFT assessment.

In his presentation, the senior officer of the SBP discussed in detail the essential elements of technical compliance and effectiveness of FATF Recommendations in the context of upcoming AML/CFT mutual evaluation of Pakistan. During the session, the requisite actions including preparation of statistics/ responses to FATF assessment criteria came up for discussion and it was observed that the whole process would require dedicated efforts and seamless coordination from all AML/CFT stakeholders. The presentation was followed by Question & Answer session.

In accordance with Asia Pacific Group on Money Laundering (APG) membership rules, every member country is required to undergo a process of Mutual Evaluation/ Assessment to determine the level of compliance with the international AML/CFT standards. Mutual evaluation involves a desk-based review as well as an on-site visit by a team of experts drawn from the member countries to assess a country's AML/CFT systems. Previously, Pakistan has undergone two mutual evaluations in 2005 & 2009 and next mutual evaluation on FATF's revised standards is expected to start in the first quarter of 2018.
