



GOVERNMENT OF PAKISTAN  
**NATIONAL COUNTER TERRORISM AUTHORITY**  
ISLAMABAD  
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No.17-RA(TF/ML)/CFT/2016(02)

Islamabad, the 2<sup>nd</sup> November 2020

Chairman, Federal Board of Revenue, Islamabad  
Director General, Financial Monitoring Unit, Karachi  
Director General, Federal Investigation Agency, Islamabad  
Director General, Anti-Narcotics Force, Rawalpindi  
Director General IB, Islamabad  
Directorate General ISI, Islamabad  
Directorate General MI, Islamabad  
Inspector General of Police, Punjab, Sindh, KP & Balochistan, ICT, GB, AJK  
Addl. Inspector General of CTDs, Punjab Sindh, KP & Balochistan  
Home Secretary, Government of Punjab, Sindh, KP, Balochistan, AJK & GB  
Chief Commissioner, ICT, Islamabad

**Subject: Directive on Investigating Wide Range of TF Activities – Focus on Narco-Trafficking & Proceeds of Smuggling**

Pakistan's National Risk Assessment (NRA) supplemented by subsequent threat directives/guidelines provide a context in which authorities take actions to mitigate the risks of financing of terrorism. Pakistan has significantly enhanced its understanding of TF risks and the investigating agencies have focused on all key TF risk areas, identified in NRA and the subsequent assessments, albeit posing varying level of threats. As a consequence, the authorities have continued to initiate risk-based TF investigations in line with the growing and dynamic understanding of the TF risks. The terrorist financing threats have been looked primarily in relation to the threats based on the direction of financial flows, sources, and channels.

2. In this backdrop, it is imperative that the authorities continue to focus on wide range of TF activities including all possible sources of funding of terrorism/ terrorist organizations and channels used for transfer or movement of funds. However, keeping in view the risk situation and dynamics of TF investigations, the Law Enforcement Agencies (LEAs) must also continue to investigate the following risk areas in order to effectively target TF activities while conducting TF investigations by LEAs:

**Narco-Trafficking:**

Pakistan is considered as the transit country for opium and its derivatives produced in neighboring Afghanistan. NRA identifies narco-trafficking as one of the risk factors. The narcotics/drugs trafficking or levy on drug trafficking is a source of income of various terrorist organizations operating from Afghanistan. The TF risk assessment and transnational risk profiles highlight narco-related funding activity for a number of terrorist organizations.

The enforcement actions by the LEAs also reveal that terrorists/ terrorist organizations use narco-related funds for their activities inside Pakistan. While LEAs have investigated cases against narco-trafficking in line with NRA/transnational risk profiles, the use of drug trafficking proceeds to support the terrorist organizations and their funding remains critical and must continue to be targeted in TF investigations. These investigations should also reflect upon enhanced inter-agency coordination, particularly between ANF, Customs, CTDs and other federal and provincial authorities.

- ANF shall continue to carry out initial checks in all narco related seizures in accordance with its SOP on "Countering Financing of Terrorism linked with Drug Trafficking" circulated to all regional directorates on 09-11-2018.
- ANF shall continue to exchange information and seek assistance from provincial CTDs in the light of multilateral MOU during initial investigations.
- In case of any TF suspicion or linkages found during initial ANF investigations, the case shall be referred to provincial CTDs for detailed TF investigations.
- Customs shall also evaluate seizures related to narcotics on the similar pattern, liaise with provincial CTDs and share information in the light of multilateral MOU. CTDs will conduct detailed TF investigations where required.
- CTDs to coordinate with provincial excise departments and other related authorities for seeking information on seizures related to narcotics and conducting investigations where required.
- TF investigations involving narcotics must include analysis of seizure cases by:
  - identifying individuals or networks involved including local facilitators/carriers
  - cross-border linkages including point(s) of origination & point(s) of destination



- movement history of substance/goods
- settlement of financial flows including detection of formal or informal channels
- history of importer/exporter transactions including any records with the financial institutions and reported transactions with Financial Monitoring Unit, etc.
- International cooperation of the authorities in respective jurisdictions and assistance of UNODC may be sought wherever necessary.

**Proceeds of Smuggling including Natural Resources:**

Proceeds of smuggling including natural resources remains a risk area for TF funding. In transnational risk profile, this activity has been associated with a number of terrorist organizations operating from Afghanistan, due to rich availability of natural and mineral resources in the country. It is imperative that the LEAs particularly in the provinces bordering Afghanistan maintain its focus on the proceeds of smuggling including natural resources and pursue TF investigations in this risk area while keeping in view transnational dimensions. These investigations should also reflect upon enhanced inter-agency coordination, particularly between Customs, provincial CTDs and other federal and provincial authorities as under:

- The Investigation officers of Customs shall continue to conduct initial probes in order to ascertain any TF linkages including:
  - involvement of any trans-national terrorist network
  - links with UN designated/domestically proscribed entities and individuals
  - source of funding/smuggling
  - the end user of the smuggling proceeds
  - travel history of the arrested person(s).
  - financial linkages including formal or informal channels
- Customs shall continue to exchange information and seek assistance from provincial CTDs in the light of multilateral MOU during initial investigations.
- Customs shall continue to refer potential cases having TF links to provincial CTDs for further investigations.
- Dynamics of Afghan transit trade and bonded carriers shall be considered to detect illicit trade activities which may have links with TF.

- Customs shall seek international cooperation from Afghanistan or any other concerning jurisdiction in relation to imports/exports or transit trade in order to ascertain any ML/TF linkages, where required.
- CTDs KP and Balochistan in particular (provinces bordering Afghanistan) shall remain associated with the Customs investigation teams for detecting any TF linkages in the proceeds of smuggling including natural resources.
- CTDs to also coordinate with provincial minerals, mines, forest and any other concerning department for sifting of seizures related to smuggling of natural resources.
- Depending upon the circumstances smuggling of natural resources may vary from minerals to marble, lapis, precious metals & gem stones, dry fruits, livestock, timber, betel nuts, etc.

3. Notwithstanding the above, the LEAs shall continue risk-based investigations of all key TF risk areas identified in the NRA and NACTA's specific Directives issued from time to time. LEAs and other authorities shall take into account all possible sources of their funding and channels for movement/transfer of funds, formal and informal, inwards or outwards, in line with the TF risks. The risk areas include cash smuggling, illegal MVTs, donations, extortion, misuse of NPOs, kidnapping for ransom, etc.

4. This Directive is forwarded for compliance and necessary action. The Directive may be disseminated to all concerned departments and entities for strict compliance.



**(Mohammad Iqbal)**

Director General (CFT)

051-9217117

Copy to:

- i. Secretary, M/o Interior Islamabad.
- ii. Secretary, M/o Foreign Affairs Islamabad.
- iii. Secretary, M/o Finance Islamabad.
- iv. Director General, FATF Secretariat, Islamabad.
- v. Chief Secretary, Government of Punjab, Sindh, KP, Balochistan, AJK & GB
- vi. PS to National Coordinator, NACTA.
- vii. Office Copy.