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Money Laundering in Pakistan and the Ways to Curb It

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Abstract:

Organized crimes cause serious threat to the peace, prosperity and stability of Pakistan. Money laundering is one such crime that causes havoc for the development of the country. It is an evil rampant in society that must be eliminated from the country at any cost.

This research article deals with the introduction of money laundering as an organized crime in Pakistan and the measures taken by the Pakistani government to curb this menace of money laundering.

1. Money Laundering-A Rampant Evil

It is said that where there is goodness; there is also the sign of evil lurking somewhere in the society. If human beings are capable of performing good deeds, they are also prone to committing grave crimes which are not only destructible but can also harm the peace, prosperity and stability of a country or a nation. Organized crimes pose a serious threat to the peace, development and progress of a country. They also possess the capacity to harm human rights across the globe. No country is immune from the harmful effects of these crimes which include drug trafficking, money laundering, kidnapping for ransom, arms trafficking and smuggling. With the advancement in technology and frequent mobility of people across the borders, the criminals have become more active and rapid in spreading the disease of their crimes not only at national level but also on the international fronts.

One such crime which has caused havoc for the government and the people of Pakistan is money laundering. This crime is very rampant in Pakistani society and has embedded its roots deeply in the state. The term money laundering originates from America describing the Mafia's attempts to launder illegal money through cash intensive washing saloons in the 1930s. This illicit money was controlled by criminal organizations. International Monetary Fund (IMF) and World Bank estimates in 2000 that 2-4% of the total world gross national product (GDP) arises from illegal money. The basic aim of money launderers is to reserve and store the illicit money in banks and other storage units under false accounts and names and afterwards make them appear legal in various markets by applying different techniques.

The illicit money reserved via money laundering is used in initiating various crimes in the country such as terrorism, drug trafficking, arms trafficking, kidnapping for ransom, human trafficking and smuggling. Money launderers used their money to fund these criminal activities in Pakistan. Pakistani soil is bleeding with terrorist activities and suicide bombing which is carried out by the criminals who are against the prosperity and peace of Pakistan. All the money used in making and buying weapons, bombs and other items used in these terrorist activities are generated from the illicit reserves of money launderers. These money launderers have their connections with the criminals and they fund and support them financially in order to carry out various criminal activities. In the same way, arms and drugs are also smuggled across the border with the help of the illicit money of money launderers. Mostly drugs and arms are exported to Afghanistan, India and other neighboring countries which are then used for carrying out certain criminal activities across the border. Moreover, money launderers are also involved in the crimes such as kidnapping and extortion. In order to increase their bank balance, they kidnap the young children of rich families and take ransom from them. Such crimes are really a nuisance for Pakistan and are damaging its peace enormously.

Money laundering is a rampant evil in Pakistan that must be eradicated from the soil of the country as soon as possible, otherwise it will completely destroy the peace and solidarity of the country and its people.

2. Counter Measures against Money Laundering

The government of Pakistan has taken several measures to uproot this deadly menace of money laundering from Pakistani soil. The concerned institutions of the country such as NAB and FIA are working day and night to punish the perpetrators of this gruesome crime. Some of the efforts done by the government in this regard are as follows:

2.1. Police and Judicial Cooperation

Money laundering can easily be eradicated from the counter by following the principle of availability whereby each member of the state has complete access to all the information regarding the whereabouts of money launderers and their reserves because without this cooperation, it becomes very difficult to locate the criminal activities of the money launderers.

2.2. International Cooperation

In order to curb the menace of money laundering from Pakistan, we need to cooperate with the international organizations which are involved in eradicating such crimes internationally. The proper way to uproot these crimes lie in promoting cooperation bilaterally, regionally and internationally. TOC gives adequate basis for this cooperation.

2.3. Technical Assistance

It is the responsibility of developed countries to provide technical assistance to under developed countries in order to combat the transnational organized crime. Without building their capabilities and capacities, it is futile to think that the world can win the war against money laundering.

2.4. Harmonization of Asylum and Visa Laws

One of the priority concerns regarding the elimination of money laundering is to develop an action plan against such criminals. The government should keep a vigilant eye on these criminals and should stop them from going to other countries and hiding their illicit money across the border. The visa laws should be made complex so that these money launderers cannot run outside the country in the times of trouble.

2.5. Multidisciplinary Measures

Multidisciplinary measures are required to control the crime of money laundering. There should be a proper eye on the criminal activities of the money launderers and it is the duty of the government to restrict their financial reserves and economic sources.

2.6. Reporting Suspicious Financial Transactions

The crime of money laundering is rapidly increasing across the globe. It is the need of the hour that duties should be imposed on professionals to report any suspicious financial transactions made by their clients. The reporting requirements should extend to banks, lawyers, teachers and accountants.

2.7. Other Initiatives

Other specific initiatives to improve cross border cooperation include raising awareness, issuing international arrest warrant, issuing international evidence warrant, registering online database of stolen vehicles, reporting missing persons and persons on the run.

3. Conclusion

Money laundering is an organized crime that has damaged and destroyed the peace, prosperity and stability of Pakistan. It is the duty of the government as well as of each and every citizen of Pakistan to try on the individual as well as collective level to curb the menace of money laundering from Pakistan.

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