AXIOS

Pakistan is back on anti-terrorism financial watchlist

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After days of speculation, the Financial Action Task Force (FATF), which tracks countries suspected of engaging in terrorist financing and money laundering, added Pakistan to its terrorist financing watch list.

Why it matters: Adding Pakistan to the list is a more effective way of urging the state to change its policy of sponsoring terrorist groups than cutting off aid immediately. And Pakistan has until June to improve on its anti–money laundering activities.

After three years on the international watchdog's list, Pakistan was taken off in 2015 for improving its standards, especially around financial transactions. Yet, Lashkar-e-Taiba and its affiliates remain at large in Pakistan, violating conditions laid out by the Obama administration for removing Pakistan from the list.

The Trump administration has now taken a hardline approach and lobbied for Pakistan's reinclusion, with the support of the UK and Germany. The decision was made after China and the Gulf Cooperation Council (GCC) withdrew their opposition. Turkey, however, remains opposed.

But, but, but: This still doesn't address the bigger issue plaguing the region, which is the continued funding of terrorism by Saudi Arabia.

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