Defence & Security · GS - III

Examine the role of the Financial Action Task Force (FATF) in combating cross-border terrorism and terrorist financing. Discuss the challenges India faces in securing international cooperation against terrorist networks.

EXAM YEAR	PAPER	SUBJECT
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MARKS	WORD LIMIT
10	~150 words

Answer Hint

Explain FATF standards, financial sanctions and international cooperation; assess challenges involving safe havens, opaque funding, jurisdictional limitations and inconsistent enforcement; suggest intelligence sharing, evidence-based diplomacy and stronger financial monitoring.

Model Answer

Cross-border terrorism threatens national security and international stability, requiring cooperation beyond conventional military and diplomatic measures. The Financial Action Task Force (FATF) establishes international standards to combat money laundering and terrorist financing, encouraging countries to strengthen financial monitoring, implement targeted sanctions and prosecute offenders.

The controversy surrounding Jaish-e-Mohammed chief Masood Azhar highlights these challenges. India plans to raise the issue at the FATF plenary after Afghanistan’s Taliban authorities rejected Pakistan’s claim that Azhar is present in Afghanistan. Azhar was designated a global terrorist by the United Nations Security Council in 2019.

However, FATF cannot directly arrest terrorists or adjudicate disputes over their whereabouts. Its effectiveness depends on national implementation, reliable intelligence and international cooperation. Terrorist networks can exploit informal transfers, digital payment systems, front organisations and jurisdictional gaps.

India should pursue evidence-based diplomacy, strengthen financial intelligence, improve cooperation with international partners and advocate consistent enforcement of UN sanctions. Ultimately, combating terrorist financing requires measurable action, transparent investigations and accountability, rather than formal commitments alone.

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