Pakistan should focus on ‘hawala’ transfers to stem corrupt fund flows

Islamabad: Pakistani authorities should tighten supervision of traditional cash transfer methods as part of a wider overhaul of financial sector regulation to stem outflows of corrupt money, a British think-tank said. Pakistan Prime Minister Imran Khan was elected to power last year on an anti-corruption platform and vowed to bring home billions of dollars from foreign construction workers who have helped build modern-day Singapore but remain all but invisible to many in the affluent city-state.

So far, the SBP's prescriptive supervision style has succeeded in bringing (anti-money laundering) to the attention of banks but has not necessarily encouraged banks to develop a solid understanding of red flags and risk factors related to proceeds of crime, including corruption,” they said. Pakistan should sharpen its focus on the money exchange and transfer companies, especially "hawala" money transfer businesses that work under a system that allows customers to rapidly move large sums across borders outside the scrutiny of regulators.

China rebukes US over warship sail-by in Taiwan Strait

Beijing: China said yesterday it had lodged a protest with Washington after two US warships sailed through the Taiwan Strait amid rising tensions between the two powers. The US Navy said the USS Preble, a destroyer, and USS Chafee, a guided-missile frigate, conducted a routine transit “in accordance with international law and a free and open Indo-Pacific,” the navy said.

The US Navy will continue to fly, sail and operate anywhere international law allows,” US warships periodically conduct “freedom of navigation” exercises in the narrow waterway separating the Chinese mainland and Taiwan, triggering angry responses from Beijing every time. Beijing views any ships passing through the strait as essentially breaching its sovereignty, while the US and many other nations view the route as international waters open to all.

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The transit also comes as the US, Japan, South Korea and Australia kicked off operation “Pacific Vanguard” near Guam, bringing together more than 3,000 sailors from the four countries. Drills will focus on “live fire exercises, defensive counter-air operations, anti-submarine warfare, and replenishment at sea,” the US 7th Fleet said. In April, Beijing said its navy warned off a French warship that had entered the Taiwan Strait and lodged an official complaint with Paris. China sees Taiwan as part of its territory to be reunified, despite the two sides being ruled separately since the end of a civil war on the mainland in 1949. The US diplomatically recognizes China over Taiwan, but remains the island’s chief military ally and arms supplier.

For the Guam naval drills, Australia has contributed two frigates, Japan two destroyers and South Korea one destroyer. The USS Blue Ridge, the 7th Fleet’s flagship, will lead the operation from the US side. Home to more than 160,000 people, Guam was at the centre of nuclear tensions between Washington and Pyongyang in 2017, with North Korea threatening to hit the US territory with “enveloping fire.” — AFP