

Statement by Minister of Financial Services and Good Governance

(Sitting 16 April 2019)

~~Madam~~ Mr Deputy Speaker Sir,

With your permission, I have two statements to make to the House.

First, I would like to make a statement on the application made by Mauritius for the technical compliance of the re-rating of 12 Financial Action Task Force (FATF) Recommendations, following the publication of the ESAAMLG Mutual Evaluation Report of Mauritius in September last as well as on the outcome of the first Follow-up Report submitted to the ESAAMLG Secretariat with regard to actions being initiated to demonstrate progress towards recommended actions contained in the Mutual Evaluation Report.

~~Mr Madam Speaker~~ Deputy Speaker Sir,

As the House is aware, prior to the publication of the Mutual Evaluation Report, Mauritius had already brought numerous amendments to the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) framework in the Finance (Miscellaneous Provisions) Act 2008. Furthermore, a new set of Regulations, namely the Financial Intelligence and Anti Money Laundering Regulations 2018, was promulgated to be effective as from 01 October 2018, to address FATF requirements regarding Customer Due Diligence, Politically Exposed Persons, Correspondent Banking, Money or Value Transfer Services, New Technologies, Wire Transfers, Reliance on Third Parties, and Internal Control, Foreign Branches and Subsidiaries.

In the light of these changes in the legislative framework, Mauritius submitted to the ESAAMLG Secretariat, its first application for technical compliance re-rating on 12 Recommendations, namely: **Recommendation 9** on Financial Institution Secrecy Laws, **Recommendation 10** on Customer Due Diligence, **Recommendation 12** on Politically Exposed Persons, **Recommendation 13** on Correspondent Banking, **Recommendation 15** on New Technologies, **Recommendation 16** on Wire Transfers, **Recommendation 17** on Reliance On Third Parties, **Recommendation 22** on Customer Due Diligence in the Designated Financial Services and Businesses (DNFBPs), **Recommendation 14** on Money or Value Transfer Services, **Recommendation 18** on Internal Controls, Foreign Branches and Subsidiaries, **Recommendation 27** on Powers of Supervisors, and **Recommendation 32** on Cash Couriers.

The application for technical compliance re-ratings of Mauritius was considered first by the ESAAMLG Secretariat, then by the ESAAMLG Reviewers followed by the Evaluation and Compliance Group (ECG) and finally by the Task Force during the 37th ESAAMLG Task Force of Senior Officials Meeting, which was held from 07 – 12 April 2019 in Arusha, Tanzania.

Mr Madam Speaker Deputy Speaker Sir,

I am pleased to inform the House that 10 of these recommendations have been successfully upgraded from Non-Compliant or Partially Compliant to Largely Compliant or Compliant and one of them from Non-Compliant to Partially Compliant.

Mr Madam Speaker Deputy Speaker Sir,

I wish to further inform the House that whilst the ESAAMLG Secretariat has sought clarifications regarding our submission for re-rating of Recommendation 10 on Customer Due Diligence, which is considered as one of the Big 6 Recommendations, the FATF ruled out in our favour. Accordingly, we have been upgraded from Non-Compliant to Largely Compliant.

Most of the technical compliance ratings that we have been upgraded to, will indeed give more comfort to investors and other stakeholders in both the banking and the non-banking sectors as robust AML/CFT preventive measures, reinforcing the integrity of Mauritius as an international financial services centre.

Mr Madam Speaker Deputy Speaker Sir,

During the Task Force meeting, Mauritius was congratulated by the ESAAMLG Secretariat on the significant progress made in addressing the technical compliance shortcomings and they have encouraged Mauritius to continue the good work. Moreover, Mauritius was supported by the FATF, the United Kingdom, and the United States of America and all the ESAAMLG Member States. The FATF further congratulated Mauritius on its achievements in a so short span of time.

The progress report of Mauritius will now be subject to review by the FATF Global Community for quality and consistency and will be published on

the websites of the ESAAMLG and the FATF once the process is completed, which is expected by early May 2019.

As regards our first Follow-up Report submitted in early February, the ESAAMLG Secretariat has acknowledged that Mauritius has made progress in addressing the recommended actions contained in the Mutual Evaluation Report. The Secretariat has, inter alia, recommended that we address other recommendations which require priority actions and expeditiously continue with the process of implementing the provisions of the existing laws and, where required, to enact other appropriate legislations.

In this respect, I wish to further inform the House that Mauritius has applied for the technical compliance re-rating of other FATF Recommendations, which will be considered at the ESAAMLG Meeting in September 2019.

I thank you, ~~Mr Madam Speaker~~ Deputy Speaker Sir
