

**Mauritius: Report on the Observance of Standards and Codes—  
FATF Recommendations for Anti-Money Laundering and  
Combating the Financing of Terrorism**

This Report on the Observance of Standards and Codes on the FATF Recommendations for Anti-Money Laundering and Combating the Financing of Terrorism for Mauritius was prepared by a staff team from the International Monetary Fund, using the assessment methodology adopted by the FATF in February 2004 and endorsed by the Executive Board of the IMF in March 2004. The views expressed in this document, as well as in the full assessment report, are those of the staff team and do not necessarily reflect the views of the government of Mauritius or the Executive Board of the IMF.

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MAURITIUS

**Report on Observance of Standards and Codes (ROSC)—FATF Recommendations for  
Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)**

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September 2, 2008

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**ACRONYMS**

<b>AML/CFT</b>	-	Anti-Money Laundering and Combating the Financing of Terrorism
<b>BOM</b>	-	Bank of Mauritius
<b>CID</b>	-	Crime Investigation Division
<b>CDD</b>	-	Customer Due Diligence
<b>DDA</b>	-	Dangerous Drugs Act
<b>DNFBP</b>	-	Designated Non-Financial Businesses and Professions
<b>ESAAMLG</b>	-	Eastern and Southern Africa Anti-Money Laundering Group
<b>FATF</b>	-	Financial Action Task Force
<b>FIAMLA</b>	-	Financial Intelligence and Anti-Money Laundering Act of 2002
<b>FIU</b>	-	Financial Intelligence Unit
<b>FSC</b>	-	Financial Services Commission
<b>FT</b>	-	Financing of Terrorism
<b>ICAC</b>	-	Independent Commission Against Corruption
<b>MACRM</b>	-	Mutual Assistance in Criminal and Related Matters Act 2003
<b>ML</b>	-	Money Laundering
<b>NPO</b>	-	Non Profit Organization
<b>PEP</b>	-	Politically Exposed Person
<b>POCA</b>	-	Prevention of Corruption Act
<b>ROSC</b>	-	Report on Observance of Standards and Codes
<b>STR</b>	-	Suspicious Transaction Report
<b>UNSCR</b>	-	United Nations Security Council Resolution

## A. Introduction

1. This Report on the Observance of Standards and Codes for the FATF 40 Recommendations for Anti-Money Laundering (AML) and 9 Special Recommendations on Combating the Financing of Terrorism (CFT) were prepared by the IMF Legal Department.<sup>1</sup> The report provides a summary of the AML/CFT measures in place in Mauritius and of the level of compliance with the FATF 40+9 Recommendations, and contains recommendations on how the AML/CFT system can be strengthened. The assessment is based on the information available at the time of the mission from September 24 to October 9, 2007 and was conducted using the 2004 Assessment Methodology. The Detailed Assessment Report (DAR), on which this document is based was adopted by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) plenary on March 18, 2008. The views expressed here, as well as in the full assessment report, are those of the staff team and do not necessarily reflect the views of the government of Mauritius or the Executive Board of the IMF.

## B. Key Findings

2. **Significant steps have been taken by the Mauritian authorities in recent years to enhance the AML/CFT framework:** A National Committee for Anti-Money Laundering and Combating the Financing of Terrorism has been formed to ensure coordination amongst relevant authorities; the Financial Intelligence Unit's (FIU) structure was revised, in particular by converting the previous role of the External Review Committee to a board structure; the Bank of Mauritius (BOM) functions have been enhanced to include the authority to issue guidelines and revoke banking licenses where a bank has been convicted by a court of an offence relating to AML/CFT; and the Financial Services Commission (FSC) – the regulator the securities, insurance and trust and company service provider sectors – and the Independent Commission Against Corruption (ICAC) have been established. Now that the legislative and institutional framework is largely in place, it will be important for these and other main stakeholders to focus on implementing the framework. This will require greater coordination and cooperation among the various national authorities, in particular, a more effective exchange of information between intelligence, evidence gathering, and prosecution services. The recently established BOM and FSC Coordination Committee is one example of an effective integrated approach to AML/CFT supervision. Extensive and targeted training will assist in achieving a more integrated national system.

3. **Mauritius is pursuing a national strategy to diversify its economy into the provision of global financial services by taking advantage of its linkages with both**

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<sup>1</sup> The assessment team consisted of: Ms. Joy K. Smallwood, Ms. Nadine Schwarz, Mr. Andrew Gors (all LEG), Mr. Richard Walker (The Guernsey Financial Services Commission) and Ms. Poovindree Naidoo (Financial Intelligence Centre, South Africa, ESAAMLG active observer).

**African and Asian economies.** Additionally, Mauritius intends to offer new products in Islamic financial services and wealth management. In this dynamic environment, it will be important for the authorities to conduct a review of the money laundering and financing of terrorism (ML/FT) risks in order to ensure that the AML/CFT framework adequately mitigates the ML/FT risks that may arise from the diversification of the local economy.

4. **ML and FT both constitute crimes under Mauritian law: ML was criminalized in 1995 (with respect to the proceeds of drug offenses) and 2000 (with respect to the proceeds generated by other crimes) but in a way which only partially meets the standard.** The scope of the ML offenses, and in particular the range of predicate offenses, is too narrow to enable the authorities to fight ML in an effective way. FT was criminalized in 2003 but suffers from minor shortcomings in its coverage.

5. **The majority of, but not all, financial institutions operating in Mauritius is subject to basic AML/CFT requirements, including customer verification and record keeping, and supervision.** Cooperative credit unions are not yet included in the AML/CFT framework. The Guidance Notes issued by the BOM and the FSC provide detailed provisions on the AML/CFT procedures required to be followed by financial institutions, with some minor omissions. The BOM and the FSC have conducted a large number of onsite inspections; the BOM has sanctioned for AML/CFT deficiencies and the FSC's powers to sanction were considerably enhanced due to legislative changes which occurred during the onsite visit.

6. **The regulatory and supervisory framework applicable to designated financial businesses and professions (DNFBPs) is deficient.** While most of the DNFBPs are subject to general requirements on customer identification and reporting of suspicious transactions, only trust and company service providers were effectively monitored for compliance with AML/CFT measures at the time of the assessment.

### C. Legal Systems and Related Institutional Measures

7. **Over the last few years, Mauritius has taken a number of important legislative steps to fight money laundering and terrorist financing.** It adopted its first AML measures in 1995 with the adoption of the Dangerous Drugs Act (DDA) which criminalized money laundering where the predicate offense relates to drug offenses. It then adopted a threshold approach with the money laundering offense applying to crimes in the Economic Crimes and Anti-Money Laundering Act of 2000 (ECAMLA), which was subsequently replaced by the Financial Intelligence and Anti-Money Laundering Act of 2002 (FIAMLA). The range of ML offenses under the DDA and the FIAMLA is not fully in line with the standard as only about half of the designated categories of offenses are covered. Mauritius has also addressed terrorist financing (TF) with the adoption of the Prevention of Terrorism Act (POTA), the Convention for the Suppression of the Financing of Terrorism Act, and the promulgation of

implementing regulations, but the TF offense does not cover the funding of individual terrorists and a link with a specific terrorist act appears to be necessary to secure a conviction for TF.

8. **Several authorities play a key role in the AML/CFT framework:** the FIU, the ICAC, which is the primary authority for the investigation and prosecution of corruption and ML cases, the police (Central Crime Investigation Division, CID, and the Anti-Drugs and Smuggling Unit), the Attorney General's Office, the Drugs Assets Forfeiture Office and the Courts. The Ministry of Finance and Economic Development also provides direction on policy parameters that underpin AML/CFT legislation.

9. **The FIAMLA and the DDA provide for a range of provisional and confiscation measures that enable the authorities to attach and, upon conviction, confiscate proceeds of crime.** The legislation places the onus on the convicted person to establish that his or her possessions are not the proceeds of crime. Notwithstanding these measures, no property has been successfully confiscated.

10. **The FIU exercises its functions pursuant to the FIAMLA and has taken significant steps to enhance its operational capabilities over the last few years.** The FIU has appropriate electronic receipt, storage, and analysis platforms and software. As a member of the Egmont Group, the FIU is active in sharing information with other member FIUs and in helping build FIU capacity within the region. While the Director manages the daily operations of the FIU, a separately appointed Board maintains an administrative role. Its role includes giving consent to disseminations of STRs, which raises an issue concerning the autonomy of the FIU, although to date this has not arisen. The FIU's effectiveness, however, is compromised by some external factors, including the relatively low level of STRs it receives, often lengthy delays in receiving reports from reporting entities and lack of feedback from law enforcement authorities on the quality of the FIU's disseminations.

11. **The investigative and prosecutorial authorities have the necessary powers to execute their respective functions,** but communication between the ICAC and the other authorities is virtually impossible due to the stringent confidentiality requirements set out in the Prevention of Corruption Act (POCA).

12. **In early 2007, Mauritius adopted a disclosure system for cross-border physical transportation of currency.** At the time of the mission, the system was in the process of being implemented with a limited outbound disclosure system in place and limited legal gateways of disclosure to the FIU or to foreign customs services.

#### **D. Preventive Measures—Financial Institutions**

13. **There is a wide range of financial institutions operating in Mauritius.** Institutions are subject to regulation by the BOM or the FSC. The BOM is responsible for the banks and other nonbank deposit-taking institutions (mostly leasing companies), together with cash

dealers. The FSC is responsible for investment, insurance and trust and company service institutions. Significant steps have been taken by the Mauritius authorities in recent years to enhance the AML/CFT framework applicable to financial institutions even though certain financial institutions, such as the 120 cooperative credit unions, or administering or managing of client funds are not included in the framework. The banking legislation, the FIAMLA Regulations and underlying Guidance Notes and Codes, which are enforceable, provide the basic framework on customer verification and record keeping to be followed by regulated institutions but more provisions on when to undertake customer due diligence, verifying the identity of the beneficial owner, including determining the natural persons who ultimately own or control the customer, and ongoing due diligence should be included in law or regulation.

14. **The BOM is a professional and well-organized supervisory body which devotes considerable efforts to ensure that appropriate AML/CFT measures are applied by the institutions that it regulates.** The BOM has issued Guidance Notes on AML/CFT and has conducted on-site inspections of all the institutions it regulates. It appeared to the mission that compliance by regulated firms with the Guidance Notes was good. Shell banks cannot be established in Mauritius.

15. **The FSC was established much more recently than the BOM and has issued AML/CFT Codes to insurance and investment institutions.** A number of these institutions have been subject to on-site inspections. The FSC has encouraged institutions to put in place AML/CFT counter measures in line with the FSC's requirements for customer due diligence, record keeping and internal controls. New legislation brought into force during the mission's on-site visit provides the FSC with specific on-site inspection powers and a greater range of potential sanctions for breaches of the Codes. The FSC had issued directions to licensees with poor AML/CFT standards but the mission noted that some licensees nevertheless lacked robust AML/CFT systems.

#### **E. Preventive Measures—Designated Non-Financial Businesses and Professions**

16. **The full range of DNFBPs operate in Mauritius.** There are a number of global business licensees which are administered by local management companies (trust and company service providers) both of whom are regulated by the FSC. Apart from the FSC licensees, there are no AML/CFT supervisory regimes in the other DNFBP sectors. Suspicious transaction reporting obligations apply across the range of DNFBPs covered by the AML/CFT legal framework, but real estate agents and jewelers are not included. While the FIAMLA places a general requirement on DNFBPs for customer identity verification and record keeping, the lack of regulatory prescription, other than for the FSC supervised trust and company service providers, means that the balance of the DNFBP sector is not subject to effective CDD, record keeping, and internal control requirements.



## **F. Legal Persons and Arrangements & Non-Profit Organizations**

17. **Mauritius has achieved a good standard of transparency concerning the beneficial ownership and control of legal persons and legal arrangements.** Competent authorities are able to have timely access to current information on beneficial ownership to most legal persons but access to beneficial ownership information for global business companies is slower as a court order is required. While bearer shares were permissible until 2001, they are no longer permissible under the Companies Act 2001. Companies created under former legislation were required to relinquish bearer shares by the end of 2001 or be struck off the register of companies.

18. **Non-profit organizations (NPOs) must register with the Registry of Associations but there has been no risk assessment of the sector for AML/CFT purposes nor has there been any outreach in this regard to the 8,000 NPOs.** International payments are not monitored by the Registrar or any other authority, although the Registrar reviews NPOs' annual statements of account.

## **G. National and International Co-operation**

19. **A national Committee on Anti-Money Laundering and Combating the Financing of Terrorism was established with a view to creating a platform between all the relevant authorities in the fight against ML and FT.** The BOM and the FSC are able to cooperate with their foreign counterparts.

20. **With the Mutual Assistance in Criminal and Related Matters Act 2003 (MACRM Act) and the Extradition Act 1970, Mauritius adopted comprehensive laws that enable it to provide a wide range of measures at the request of a foreign State.** Both ML and FT are extraditable offenses. The length of time to process requests could not be determined.

FATF 40+9 Recommendations <sup>2</sup>	Key Assessor Recommendations
<b>1. Legal System and Related Institutional Measures</b>	
<b>Criminalization of Money Laundering (ML)</b> <b>R.1 – PC</b> <b>R.2 – LC</b>	<ul style="list-style-type: none"> <li>• Ensure that the ML offense also covers the concealment or disguise of “true nature, source, location, disposition, movement or ownership of or rights with respect to proceeds;”</li> <li>• Ensure that the following constitute predicate offenses to ML: Trafficking in adult human beings and adult migrant smuggling; Sexual exploitation; Illicit arm trafficking; Illicit trafficking in stolen goods and other goods; Counterfeiting and piracy of products; Environmental crime; Theft; Piracy; Smuggling; Insider trading and market manipulation; and embezzlement where it constitutes a serious offense due to the large amounts of funds involved;</li> <li>• Ensure appropriate implementation of s. 188 of the Criminal Code and reconsider the implementation of the Palermo Convention;</li> <li>• For clarity’s sake, explicitly provide in the DDA that the property covered by the ML offense covers all assets of every kind, whether corporeal or incorporeal, moveable or immoveable, tangible or intangible, and legal documents or instruments evidencing title to, or interest in such assets;</li> <li>• Ensure that a conviction for ML under the DDA may also be secured in the absence of a prior conviction for the predicate offense;</li> <li>• Consider lowering the level of proof required under the DDA;</li> <li>• Ensure that all authorities involved in the investigation, prosecution and trial of ML cases are fully educated and trained on the specificities of the offense.</li> </ul>
<b>Criminalization of Terrorist Financing (TF)</b> <b>SR.II – LC</b>	<ul style="list-style-type: none"> <li>• Ratify and implement the 1980 Convention on the Physical Protection of Nuclear Material, the 1991 Convention on the Marking of Plastic Explosives for the Purpose of Detection and the 1999 International Convention for the Suppression of Acts of Nuclear Terrorism;</li> <li>• Ensure that the FT offense also applies to the direct or indirect provision or collections of funds by any means with the unlawful intention that they be should be used or in the knowledge that they are to be used in full or in part by an individual terrorist;</li> <li>• Ensure that the FT offense does not require funds to be linked to a specific terrorist act;</li> </ul>
<b>Confiscation, freezing, and seizing of proceeds of crime</b> <b>R.3 – PC</b>	<ul style="list-style-type: none"> <li>• Provide for the confiscation of property of corresponding value under the DDA and the POTA;</li> <li>• Ensure that instrumentalities and property derived from the offense may be forfeited;</li> <li>• Enable confiscation under FIAMLA to take place even when the property subject to confiscation is owned by third parties;</li> <li>• Enable confiscation under the DDA to take place even when the property subject to confiscation in owned by third parties who are not family members;</li> <li>• Provide protection for the rights of bona fide third parties in line with the requirements of the Palermo Convention;</li> <li>• For clarity’s sake, amend s. 52 POCA on premises and business places that ICAC may search, and material that ICAC may seize;</li> </ul>

<sup>2</sup> **Compliant (C)**: the Recommendation is fully observed with respect to all essential criteria. **Largely compliant (LC)**: there are only minor shortcomings, with a large majority of the essential criteria being fully met. **Partially compliant (PC)**: the country has taken some substantive action and complies with some of the essential criteria. **Non-compliant (NC)**: there are major shortcomings, with a large majority of the essential criteria not being met. **Not applicable (NA)**: a requirement or part of a requirement does not apply, due to the structural, legal or institutional features of a country.

<p><b>Freezing of funds used for terrorist financing</b> SR.III – NC</p>	<ul style="list-style-type: none"> <li>• Reconsider the mechanisms set out to implement UNSCR 1267;</li> <li>• Ensure that all financial institutions under the purview of the FSC are immediately informed of all changes to the 1267 consolidated list;</li> <li>• Ensure that all persons and entities designated under UNSCR 1267 are considered as terrorists and their assets immediately frozen;</li> <li>• Establish clear mechanisms: for the implementation of UNSCR 1373; to examine and, where appropriate, give effect to the actions initiated under the freezing procedures of other jurisdictions;</li> <li>• Communicate to the financial sector all actions taken under the freezing mechanism, including in cases other than the 1267 lists;</li> <li>• Provide adequate guidance to all persons or entities that may hold targeted assets on their obligations under the freezing mechanisms;</li> <li>• Set out public procedures for: considering de-listing requests; unfreezing in a timely manner the funds or other assets inadvertently affected by the freezing measures; access to funds in accordance with UNSCR 1452; challenging freezing measures;</li> <li>• Take measures to ensure protection of bona fide third parties' rights;</li> <li>• Ensure effective monitoring of compliance with the freezing obligations .</li> </ul>
<p><b>The Financial Intelligence Unit and its functions</b> R.26 – LC</p>	<ul style="list-style-type: none"> <li>• Ensure that the Director of the FIU has the ultimate authority to undertake all actions in the exercise of all the functions provided to him under the FIAMLA;</li> <li>• Review and amend, where necessary, s. 81 of POCA to allow ICAC to provide feedback to the FIU;</li> <li>• Provide all reporting sectors with more specific indicators of ML/TF based on sector and Mauritian characteristics;</li> <li>• Implement ways to improve the FIU's access to timely information;</li> <li>• Provide the FIU with access to the disclosures of cash and monetary instrument disclosures received by Customs;</li> </ul>
<p><b>Law enforcement, prosecution and other competent authorities</b> R.27 – LC R. 28 – LC</p>	<ul style="list-style-type: none"> <li>• Reconsider the division of ML cases (other than drug-related) within the Central CID and, if the division is maintained, ensure that the respective roles, functions and powers of both units are clearly defined;</li> <li>• Ensure that attachments orders may be provided on a timely basis;</li> <li>• Ensure that all the relevant authorities involved in the investigation, prosecution and trial of ML cases based on STRs have a common understanding of the purpose and use of the FIU reports as intelligence (as opposed to evidence) as sufficient to initiate &amp; focus investigations, and to obtain disclosure orders;</li> <li>• Provide further training on the AML/CFT framework and on ML and TF trends and typologies to all relevant authorities;</li> <li>• Bring the wording of s. 19(1) (0) of the POCA in line with that of s. 45(2) (a) and 46(1) (a) of the POCA on initiation of ICAC-led investigations.</li> </ul>
<p><b>Cross Border Declaration or disclosure</b> SR IX– PC</p>	<ul style="list-style-type: none"> <li>• Apply the disclosure system to outbound transportation of currency;</li> <li>• Revise the Customs law or regulations in order to provide legal gateways for information sharing with the FIU and international customs authorities;</li> <li>• Add “transit passengers” within the ambit of s. 131 of the Customs Law to cover this specific risk;</li> </ul>
<b>2. Preventive Measures: Financial Institutions</b>	
<b>Risk of ML or TF</b>	
<p><b>Customer due diligence, including enhanced or reduced measures</b> R.5 – PC R.6 – PC R.7 – PC</p>	<ul style="list-style-type: none"> <li>• The AML/CFT framework should be extended to cover the full range of financial institutions (including cooperative credit unions);</li> <li>• Law or regulation should be amended to require financial institutions to verify the identity of the beneficial owner for customers that are legal persons or legal arrangements;</li> <li>• Determine the natural persons who exercise ultimate effective control;</li> </ul>

<p><b>R.8 – PC</b></p>	<p>and require financial institutions to conduct ongoing due diligence on the business relationship;</p> <ul style="list-style-type: none"> <li>• Amend the Guidance Notes and Codes to require financial institutions to ensure that CDD information is kept up to date and relevant and that where a financial institution is unable to comply with the CDD requirements it should consider making a suspicious transaction report;</li> <li>• The FSC should consider how to introduce an enforceable obligation on financial institutions on the CDD requirements for existing customers;</li> <li>• Amend the Guidance Notes and Codes to extend the PEP provisions to beneficial owners who are PEPs and to require senior management approval when a person becomes a PEP after the establishment of the relationship;</li> <li>• Amend the Guidance Notes so that financial institutions determine the respondent's reputation from publicly available information; gather information on whether a respondent has been subject to an investigation or regulatory action; and so that senior management approval is obtained for new correspondent relationships in accordance with R 7;</li> <li>• Amend the Guidance Notes and Codes to require institutions to have policies in place to prevent the misuse of technological developments, and amend the Guidance Notes to include ongoing due diligence to address the specific risks of non-face to face business.</li> </ul>
<p><b>Third parties and introduced business</b> <b>R.9 – LC</b></p>	<ul style="list-style-type: none"> <li>• The Guidance Notes and Codes should be amended so that financial institutions obtain all rather than some of the necessary information from third parties and so that all introducers are regulated and supervised and subject to the relevant FATF Recommendations.</li> </ul>
<p><b>Financial institution secrecy or confidentiality</b> <b>R.4 – C</b></p>	
<p><b>Record keeping and wire transfer rules</b> <b>R.10 – LC</b> <b>SR.VII – PC</b></p>	<ul style="list-style-type: none"> <li>• Require in law or regulation the maintenance of account files and business correspondence following the termination of an account or business relationship; require that customer and transaction records are available on a timely basis and so that institutions not regulated by the BOM are required to maintain transaction records for longer than five years if requested by a competent authority;</li> <li>• Amend the banking legislation to include explicit provisions on wire transfers providers into legislation, which allow sanctions to be beyond question.</li> </ul>
<p><b>Monitoring of transactions and relationships</b> <b>R.11 – PC</b> <b>R.21 – PC</b></p>	<ul style="list-style-type: none"> <li>• Amend the Guidance Notes to require institutions to examine as far as possible the background and purpose of complex, unusual large transactions and transactions that have no apparent economic or lawful purpose and to set forth their findings in writing;</li> </ul>
<p><b>Suspicious transaction reports and other reporting</b> <b>R.13 – PC</b> <b>R.14 – C</b> <b>R.19 – C</b> <b>R.25 – LC</b> <b>SR.IV – PC</b></p>	<ul style="list-style-type: none"> <li>• Require all categories of businesses that undertake financial activities to report suspicious transactions;</li> <li>• Consider total exemption of STRs from court proceedings;</li> <li>• Include in s. 14(1) of the FIAMLA a reference to individuals in their role of acting as director(s), agent, employee or other legal representative of any bank, financial institution, cash dealer or member of a relevant profession or occupation;</li> <li>• Improve the quality of STR reporting by engaging more with the professional associations and the gambling industry.</li> </ul>
<p><b>Internal controls, compliance, audit and foreign branches</b> <b>R.15 – PC</b> <b>R. 22 – NC</b></p>	<ul style="list-style-type: none"> <li>• Require, in the Codes, institutions to maintain an adequately resourced audit function;</li> <li>• Require, in the Guidance Notes and Codes, institutions to put in place screening procedures to ensure high standards when hiring employees and to provide ongoing employee training on ML/FT techniques, methods and trends;</li> <li>• Include, in the Codes, provisions on the application of AML/CFT</li> </ul>

	measures to branches and subsidiaries of Mauritius financial institutions.
<b>Shell banks R.18 – C</b>	
<b>Supervisory and oversight system—competent authorities and SROs</b> <b>Role, functions, duties and powers (including sanctions)</b> R. 17 – LC R.23 – PC R.25 – LC R.29 – PC	<ul style="list-style-type: none"> <li>• FSC: Use the wider powers of sanction available under the new Financial Services Act to demonstrate the enforceability of the Codes;</li> <li>• BOM: Consider whether its range of sanctions is sufficiently broad;</li> <li>• FSC: Enforce the new Financial Services Act and the insurance and securities legislation;</li> <li>• License or register persons providing value transfer services, and monitor compliance with AML/CFT requirements;</li> <li>• BOM: Continue with plans to recruit more staff.</li> <li>• FSC: Consider whether more staff and additional training are necessary in order to administer the Financial Services Act appropriately.</li> <li>• Stock Exchange of Mauritius: Continue with plans to continue investigatory capacity;</li> <li>• FSC: Ensure that similar investigatory capacity is in place during the monitoring of the Stock Exchange.</li> <li>• BOM and FSC: Maintain statistics routinely on on-site inspections, sanctions and formal requests for assistance.</li> </ul>
<b>Money value transfer services</b> <b>SR.VI – NC</b>	<ul style="list-style-type: none"> <li>• Include, in the banking legislation, money and value service providers;</li> <li>• MVT service operators should be required by enforceable means to maintain a list of agents;</li> <li>• Implement the recommendation on the sanctions under R 17.</li> </ul>
<b>3. Preventive Measures: Non-Financial Businesses and Professions</b>	
<b>Customer due diligence and record-keeping</b> R.12 – NC	<ul style="list-style-type: none"> <li>• Undertake a co-coordinated and inclusive risk assessment to identify and agree the ML/TF risks and vulnerabilities;</li> <li>• Extend CDD and record keeping provisions of the current AML/CFT regulations to all the DNFBP categories;</li> <li>• Real estate agents should be included in the FIAMLA definition.</li> </ul>
<b>Suspicious transaction reporting</b> R.16 – PC	<ul style="list-style-type: none"> <li>• The categories of DNFBP sector not supervised by the FSC should have rules laid down covering elements of training, policy and procedures, recruitment and internal controls;</li> <li>• Amend FIAMLA s. 3 to include reference to FT</li> <li>• Extend the STR reporting obligation to the real estate sector.</li> </ul>
<b>Regulation, supervision, monitoring, and sanctions</b> R.24 –NC R.25 – LC	<ul style="list-style-type: none"> <li>• Clarify the role of the various professional bodies with respect to FIAMLA s18(4) and their monitoring and supervision of compliance with AML/CFT requirements.</li> <li>• Designate an authority or body to oversee AML/CFT matters with respect to real estate agents and dealers in precious metal and stones (jewelers).</li> <li>• Designate an appropriate authority(s) to develop and provide guidance on AML/CFT requirements to sectors not regulated by the FSC.</li> <li>• Consider providing a level of administrative sanction power to the disciplinary authorities described in FIAMLA s18(4) for failure to comply with any guidance issued by the appropriate authorities</li> </ul>
<b>Other designated non-financial businesses and professions</b> R.20 – C	
<b>4. Legal Persons and Arrangements &amp; Nonprofit Organizations</b>	
<b>Legal Persons—Access to beneficial ownership and control information</b> R.33 – LC	<ul style="list-style-type: none"> <li>• Make information on beneficial ownership and control of all legal persons (and not only of those required to have publicly available information at the Company Registrar’s Office) available in a timely fashion.</li> </ul>
<b>Legal Arrangements—Access to beneficial ownership and control information</b> R.34 – LC	<ul style="list-style-type: none"> <li>• Make information on beneficial ownership and control of all legal arrangements available in a timely fashion .</li> <li>• FSC: Conduct onsite reviews of trust files during inspections of management companies.</li> </ul>
<b>Nonprofit organizations</b>	<ul style="list-style-type: none"> <li>• Provide training to the regulator on AML/CFT measures, supervisory</li> </ul>

<p><b>SR.VIII – NC</b></p>	<p>techniques, and on ML/FT typologies;</p> <ul style="list-style-type: none"> <li>• Conduct a review to ensure that NPOs are not at risk of being misused for FT;</li> <li>• Conduct outreach to the NPOs to educate them on the FT risk;</li> <li>• Apply sanctions for failure to comply with the provisions of the Registration of Associations Act more systematically;</li> <li>• Require, in the Registration of Associations Act, record keeping for five years instead of three; and,</li> <li>• Provide legal gateways in the Registration of Associations Act to allow for information sharing both domestically and internationally.</li> </ul>
<p><b>5. National and International Cooperation</b></p>	
<p><b>National cooperation and coordination</b> <b>R.31 – PC</b></p>	<ul style="list-style-type: none"> <li>• FIU: engage in more bilateral and outreach meetings with the professional bodies;</li> <li>• FIU: consider implementing a standing forum for supervisory, professional oversight and law enforcement authorities to focus on operational issues that would fall outside the work of the AMLCFT committee;</li> <li>• Ensure that ICAC may communicate and exchange information with other relevant authorities for the purposes of their respective investigations by amending Section 81 of the POCA;</li> </ul>
<p><b>Conventions &amp; UN Resolutions</b> <b>R.35 – PC</b> <b>SR.I – PC</b></p>	<ul style="list-style-type: none"> <li>• Implement fully the Vienna and Palermo Conventions in line with the recommendations made under R 1 and 3, the ICSFT and UNSCR 1267 and 1373 in line with the recommendations made under SR II and III;</li> </ul>
<p><b>Mutual Legal Assistance</b> <b>R.36 – LC</b> <b>R.37 – LC</b> <b>R.38 – LC</b> <b>SR.V – LC</b></p>	<ul style="list-style-type: none"> <li>• Ensure that mutual legal assistance is rendered in a timely fashion;</li> <li>• Consider establishing an asset forfeiture fund into which confiscated property under the MACRM Act could be deposited;</li> <li>• Amend its legislation to provide for instances of conflicts of jurisdiction.</li> </ul>
<p><b>Extradition</b> <b>R.39 – LC</b> <b>R.37 – LC</b> <b>SR.V – LC</b></p>	<ul style="list-style-type: none"> <li>• The offenses of money laundering and terrorist financing should be specifically mentioned in the First Schedule.</li> </ul>
<p><b>6. Other Issues</b></p>	
<p><b>Resources &amp; Statistics</b> <b>R.30 – PC</b> <b>R.32 – LC</b></p>	<ul style="list-style-type: none"> <li>• Provide further training on Mauritius' AML/CFT framework and ML/TF typologies to all authorities.</li> </ul>

## **H. Authorities' Response**

21. The authorities in Mauritius have taken cognizance of the recommendations made by the IMF/WB FSAP team. These recommendations are being examined by the respective authorities and necessary actions would be taken, where appropriate, both in the short and long term, to enhance the institutional and legislative framework for Mauritius to be in line with latest international standards and best practices. Technical Assistance is being sought of to look into the amendments that need to be brought to our legislation in order to improve on areas highlighted by the FSAP Team Report. Further to the recommendations made in the Report, the Bank of Mauritius has, on its part, already revised its Guidance Notes issued to its licencees. The Financial Services Commission, on its part, is currently working on a new comprehensive document which will result into a single code on AML/CFT for all its licencees. The new code will enhance the provisions of the existing ones.