



**Launch of International Graduate Diploma in  
Financial Crime Compliance**

**Speech of Mr Dhanesswurnath Thakoor,  
Chief Executive of the Financial Services Commission**

**10 February 2022**

**The Honourable Mahen Kumar SEERUTTUN**, Minister of Financial Services and Good Governance,

**Mr Mardayah KONA YERUKUNONDU**, Chairperson of the Financial Services Commission and First Deputy Governor of the Bank of Mauritius,

**Dr. Navin BEEKARRY**, Director General of the Independent Commission Against Corruption

**Mr Sarwansingh PURMESSUR**, Permanent Secretary of the Ministry of Financial Services and Good Governance and Board member of the Financial Services Commission,

Board members of the Financial Services Commission,

**Mr DUVA PENTIAH**, Chairperson of the Open University of Mauritius

**Mr Veeren MANIKION**, Chairperson of the Financial Services Institute

**Dr Kaviraj Sharma SUKON**, Director-General of Open University of Mauritius

**Mr Mohamed KHAN**, Chief Executive of the Financial Services Institute

Heads of Institutions & Members of Associations,

Representatives of the Industry,

Members of the Press,

Distinguished Guests,

Ladies and Gentlemen,

All protocols observed.

I wish you all a very good afternoon.

On behalf of the Financial Services Commission, I am pleased to extend to you, distinguished guests, a very warm welcome, at the launch of this International Graduate Diploma in Financial Crime Compliance.

Ladies and gentlemen

Compliance is a virtue of any respected regulated entity. To achieve compliance, organisations need to adhere to laws, regulations, rules and guidelines. It might appear straightforward, but in practice, things can go easily out of hand. Financial centres over the world are now subject to an increasing number of compliance requirements leading to compliance management taking a prominent role and the emergence of a number of compliance related positions.

For example, in order to be fully compliant with just the AML/CFT requirements, the regulated entities of the FSC are assessed on compliance with 16 parameters divided into 22 sub parameters all totaling of 123 evaluation criteria in line with FIAMLA and FIAML Regulations. For this purpose, it is utmost important for those entrusted with these functions to be adequately trained.

Last year, at this time, we were busy working on the action items to exit from the FATF grey list. And during this process, we learnt a number of valuable lessons. The most important one, in my opinion, is the advocacy of the FATF for regulators to instill a culture of compliance among our regulatees. Drawing analogy from a driver who is speeding, the FATF is of opinion that, while the driver needs to pay a fine for speeding, it is even more important for the driver to be educated so that in future, the driver actually understands the reasons for not speeding. The need to impart financial education to those involved in financial services thus becomes very important.

We have also observed during this process that MLROs and compliance officers make different interpretations of the same rule. This disparity in understanding the exact requirements of the different acts and regulations led to the FSC coming up, during that period, with more than 10 publications on subjects pertaining to Transactions Monitoring, STR, Independent Audits etc. and also conducted about 24 outreach sessions to educate our licencees. Drawing from statistics from our first cycle of on-site inspections, we observed that the overall compliance rate, which was at 62% mid way through the first cycle of inspections rose to 90% at the end of the same cycle, thanks mainly to outreaches and clarification provided.

We inferred that, had there been a certification to gauge the competencies of the MLROs and COs, the compliance rate could have been much higher from the onset.

Further, I must share that, in our endeavour to ensure compliance among our licensees, we lay much emphasis on the competency, honesty and integrity of the officers the FSC approves to hold the positions of compliance functions. While the requirements to be appointed as Compliance Officer are laid down in the FIAML Regulations, the FSC has issued specific standards for the appointment of MLRO or DMLRO. These requirements include:

1. Advanced knowledge of the industry/sector in which the licensee operates;
2. the anti-money laundering framework in Mauritius;
3. the licensee's products and services, including their legitimate uses and their laundering vulnerabilities.
4. A certificate of character

In addition, competence has to be demonstrated by holding relevant qualification(s) from a recognised institution and the MLRO/ Deputy MLRO has to hold relevant experience of at least 5 years in the industry. Once approved, compliance functionalities are called upon to ensure Continuous Professional Development “CPDs” and continuous training in the field of compliance and AML/CFT.

However, we have noted that most compliance functionalities in our sector are seasoned professionals who have learnt their trade “on the job” and are experienced accordingly. The sector, however, has not necessarily, through its people, adapted to the level of sophistication being required in such a changing field.

Drawing a parallel with the IT industry where certification in some key areas such as cybersecurity is a must, we at the FSC, are strong proponents of certification in compliance for the betterment of the financial services industry. The certification programmes need to be comprehensive and adapted to our system. Additionally, as the sector is in rapid evolution, there is a need to have valid CPDs, especially in the emerging areas to ensure continuous development.

At the FSC we are further proposing to amend our competency standards to include certification in compliance, as a minimum requirement for eligibility for the position of MLRO or DMLRO.

Ladies and Gentlemen

We exited the FATF Grey list in October 2021 and the UK Blacklist in November 2021 and we are hopeful to officially exit the EU Blacklist during the course of

this month. Post our exit, we have a story to tell to the world. The FATF calls for sustainability of our systems and procedures and compliance comes to play a key role in this process. We need to showcase Mauritius as a compliant jurisdiction. This will boost the confidence of investors as they would be dealing with highly trained people where adequate systems and procedures are in place to reduce risks of money laundering and terrorist financing. As a mature jurisdiction, we must have our own standards for certification and competency appraisal.

In this vein, ladies and gentlemen, the FSC has already launched public consultation to regulate compliance services. We are confident that certification, such as the programme being launched today, will go a long way towards ensuring competency standards in this area. We will confidently be able to export our services to countries in the region.

Ladies and Gentlemen

I will end with this quote from the “Compliance Bridge”:

“You have to evaluate compliance not as an expense, but as a money saver. Sure managing compliance takes resources, but it is nowhere near as expensive as the costs associated with a breach”.

On this note, I thank you for your attention.

*Dhanesswurnath Thakoor*

*10 February 2022*