

## PRESS RELEASE

### Launch of an AI Powered Due Diligence Platform

The Financial Services Commission, Mauritius (FSC), in collaboration with the Mauritius Research and Innovation Council (MRIC), is pleased to announce the launch of an Artificial Intelligence (AI) Powered Due Diligence Platform on Thursday 02 February 2023, at the FSC House. The event was held in the presence of the Honourable Mahen Kumar Seeruttun, Minister of Financial Services and Good Governance, the Honourable Deepak Balgobin, Minister of Information Technology, Communication and Innovation, Dr Kaviraj Sukon, Chairperson of the MRIC, Professor Theesan Bahorun, Executive Director of the MRIC, Mr Mardayah Kona Yerukunondu, Chairperson of the FSC and First Deputy Governor of the Bank of Mauritius, and Mr Dhanesswurnath Thakoor, Chief Executive of the FSC.

The event was also virtually attended by over 250 participants, both local and international.

The Honourable Mahen Kumar Seeruttun, highlighted in his keynote address that *“the launch of the AI Platform, is an announcement to the world that we are constantly re-engineering our processes and regulatory environment in order to establish and conduct business in Mauritius”*. Moreover, the platform is set to provide our supervisors with data of higher granularity, diversity and velocity than could ever be imagined and that so, in real-time. Mr Seeruttun outlined that the *“due diligence process will become more efficient by automating some of the steps and relieving the task of data collection from due diligence teams thus allowing them to focus on other more critical tasks”*. He emphasised that, for the regulator, *“the platform will enhance the credibility and promote trust in regulatory activity which are essential ingredients for a competitive and successful International Financial Centre.”*

The Honourable Deepak Balgobin underlined in his speech that *“today’s event, marks a new turn for our public service, especially in the sector of financial services which constitutes a key pillar of our economy.”* He mentioned that the Government is endeavouring, through the Ministry of Information Technology, Communication and Innovation and the MRIC, to establish the right ecosystem for Mauritius to embrace innovation. He added that *“with this project bringing AI to the forefront of mechanisms designed to enhance the security of processes in this sector, we are demonstrating that innovation is critical to ensure trust, resilience and sustainability in this sector.* He mentioned that *“the financial services industry has entered the AI, a journey that started with the advent of the internet and has taken organisations through several stages of digitalisation. The decision for financial institutions to adopt AI will be accelerated by technological advancement.”*

The Executive Director of the MRIC, Professor Theesan Bahorun highlighted in his speech that *“there is growing pressure on financial institutions to remain competitive, and this is leading them to undertake major transformation efforts – moving from complex traditional environments to more efficient operations and creating more responsive compliance processes that can meet evolving local and international regulations.”* He mentioned that the AI platform that has been developed in the project, will help to ensure that established legal regulatory framework and international standards/regulations are being followed and observed for effective mitigation of money laundering risks. He concluded that *“Financial innovation is a fascinating journey. Crucial in this regard is adequate regulation, and supervision, of governance, risk management, and transparency. These are quintessential elements of a well-functioning financial system that passes the litmus test of the public’s trust”.*

Mr Mardayah Kona Yerukunondu, the Chairperson of the FSC, in his welcoming address mentioned that *“the FSC Mauritius has embarked into a digital transformational journey, not because it is fashion, but out of necessity. This project is aligned with the FSC's*

*overarching strategy to improve the financial ecosystem through the digitalisation of its regulatory process”. He observed that as financial services players are becoming more tech-savvy, regulators have no other choice than to implement technology-based solutions to close the regulatory and supervisory gaps. He further underlined that “As we strive to be an International Financial Centre of trust and of good repute we are gearing ourselves with the means to do so. We remain a credible financial services regulator through investment in our people and infrastructure. We have the vision to develop our innovative system or to seek out for customized off-the-shelf software when required, as we are doing through our partnership with the MRIC.”*

The AI Powered Due Diligence Platform aims at moving due diligence processes into a real-time surveillance based on a risk scoring system and is aligned with the FSC’s overarching strategy to improve the financial ecosystem through the digitalising of the regulatory process.

*03 February 2023*

#### **About the FSC**

***The FSC is the integrated regulator for the non-banking financial services sector and global business.***

***The vision of the FSC is to be an internationally recognised Financial Supervisor committed to the sustained development of Mauritius as a sound and competitive Financial Services Centre.***

***In carrying out its mission, the FSC aims to promote the development, fairness, efficiency and transparency of financial institutions and capital markets in Mauritius; suppress crime and malpractices so as to provide protection to members of the public investing in non-banking financial products; and ensure the soundness and stability of the financial system in Mauritius.***