



**Launch of an Artificial Intelligence (AI) Powered  
Due Diligence Platform  
in collaboration with the MRIC**

**Welcome Address by Mr Mardayah Kona Yerukunondu  
Chairperson**

02 February 2023



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

**The Honourable Deepak BALGOBIN**, Minister of Information Technology, Communication and Innovation

**Mr Rajeshsharma RAMLOLL**, Senior Counsel, Solicitor General and Vice Chairperson of the Financial Services Commission

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

Fellow members of the Board of the Financial Services Commission

**Mr Dhanesswurnath THAKOOR**, Chief Executive of the Financial Services Commission

**Dr Kaviraj Sharma SUKON**, Chairperson, Mauritius Research and Innovation Council

**Mr Dick Christophe NG SUI WA** – Chairperson, Information and Communication Technologies Authority

Representatives of the Industry,

Friends of the Press,



Distinguished Guests, including those following virtually

Ladies and Gentlemen,

A very good afternoon to you all.

It is with immense pleasure that I welcome you all to today's event. We are particularly pleased, in addition to Honourable Mahen Kumar Seeruttun, – to have in our midst, also Honourable Deepak Balgobin – Minister of Information Technology, Communication and Innovation. It is the first time that Honourable Balgobin is here at our premises. The Minister should be proud that he is responsible for the subject of innovation in this country. The word 'innovation' itself is a beautiful word.

Our financial services sector, ladies and gentlemen, is undergoing rapid transformational changes through the adoption of disruptive technologies. In this ever-evolving environment, both the regulator and regulatees need to be future-ready. Innovation accordingly is the mantra.

The core mandate of the FSC has remained the same over the past 20 years. This is legislative. What has changed, however, is the gamut of tools which the FSC is using to fulfill its mandate. When the game is tight, players need to play smarter. When the industry is making use of the latest methodologies, regulators must stay ahead. *"You can't solve a problem on the same level that it was created. You have to rise above it."* Albert Einstein.



This brings us to today's event – the launch of an *Artificial Intelligence Powered Due Diligence Platform* in collaboration with the Mauritius Research and Innovation Council – the MRIC. The MRIC operates under the aegis of the Ministry of Information Technology, Communication and Innovation. The Council's vision is 'to shape the Mauritius of tomorrow through research, technology and innovation'. The Council also acts as the apex body that advises Government on matters pertaining to applied research, innovative practices and development issues. This reflects the remarkable strides of the MRIC, since its inception, to instill innovation as an essential driver of economic progress.

One of the 2020/21 Budget measures was for the MRIC to launch the Public Sector Transformation Scheme to encourage innovative start-ups to develop applications that address service delivery processes. It is under this Scheme that the FSC, which is itself interested in research, became a collaborator, by the benevolence of MRIC, in a project funded by the MRIC itself. The project has been developed by a local company. The project consists of operating a machine learning, and AI-powered due diligence platform, to assist the FSC to fight against financial crimes.

If innovation is an ongoing process, I can say that the FSC has been building on it since a few years. This project is aligned with the FSC's overarching strategy to improve the financial ecosystem through the digitalization of its regulatory process. 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.

In this respect, we are becoming increasingly focused on supervisory technology, SupTech in short, to help us:

- facilitate the automation and streamlining of administrative and operational procedures, and
- secondly to develop monitoring tools, supported by technologies such as data analytics and artificial intelligence, in order to provide warning signs.

The FSC partnered with the MRIC as the project pertained to a topic that is relevant to the current FSC AML/CFT strategy. AML/CFT is a constant battle. It is a race against time. It can strike any time. Due diligence remains central to any AML/CFT strategy. Knowing and verifying the identity of customers has become the second nature for players of the financial services industry.

The FSC is now equipped with a prototype of an integrated scoring engine that has been calibrated to fit its needs and is currently being tested. This tool allows for a risk-based score for each due diligence check performed. Some of the elements taken into consideration include, *inter alia*, adverse media reports, sanction lists, type of activities or jurisdictions being dealt with. The scores being indicative, they would help the FSC to manage its resources by assisting in the profiling of the principals of FSC licensees. The platform



will thus allow for a smoother, timely and more accurate risk-screening process.

Since a few years, the FSC has been innovating and successfully implementing SupTech solutions to fulfill its core mandate. I'll briefly touch upon some of those innovative steps.

1. After some 18 months of operations of the FSC One platform, an innovative platform, some 1,760+ applications have been received. The platform has also facilitated the collection of data for the National Risk Assessment for 5 major financial services sectors collecting some 2,440 survey forms. The FSC One platform is being implemented in a modular manner and for 2023, the platform will be used for the online payment of administrative penalty and the online filing of the post-licensing items.
2. Around September 2022, the FSC acquired a blockchain analytical tool to enhance its supervisory and enforcement capabilities in the crypto currency space. This sophisticated tool is expected to help the FSC monitor transactions, conduct risk analysis, perform investigations and ensure compliance in the area of Virtual Assets and Initial Token Offerings, as well as to safeguard against money laundering and financing of terrorism via digital assets.
3. In April this year, the FSC will be launching the National Insurance Claim Database, a repository of all motor insurance claims data, designed, hosted



and administered by the FSC. The system will also have the capacity to decipher and collate motor vehicle insurance claims.

4. With a view to reducing the risks of cyber-attacks, the FSC will shortly adopt a digital ID that will be based on the principle of secured information on the licensees, to be stored in a central secured database and accessible to other stakeholders through a token.

The FSC Mauritius has embarked into a digital transformational journey, not because it is fashion, but out of necessity. 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.

I am going to end by reading bits and pieces of a poem by the Nobel prize winner, Rabindranath Tagore. I found it appropriate.

*Where the mind is without fear and the head is held high*

*Where knowledge is free*

*Where words come out from the depth of truth*

*Where tireless striving stretches the arms towards perfection*

*Where the clear stream of reason has not lost its way*



*Where the mind is led forward by thee  
Into ever-widening thought and action*

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With this, ladies and gentlemen, I wish the FSC and the MRIC a successful launch of the Due Diligence Platform. Innovation is the intelligence of ignorance. In this very spirit of innovation, I also hope for more of such partnerships that benefit the financial sector and economy at large.

Thank you all for your kind attention.

*Mr Mardayah Kona Yerukunondu*

*02 February 2023*

