

**Welcoming Remarks and Introduction by
Mr. Dhanesswurnath Thakoor – Chief Executive, FSC**

Date: Friday, 17th March 2023

Venue: Mapou Auditorium, FSC House

Mr. Phineas Moloto, FSC Consultant on AML/CFT

Mr. Shahed Hoolash – Chairman of Mauritius Finance

Mr. Samade Jhummun – Chief Executive Officer of Mauritius Finance

Mr. Vinod Bussawah – Chief Operating Officer of Mauritius Finance

Distinguished Members of the Mauritius Finance

Distinguished Representatives of Local Agencies and of the Industry

Ladies and Gentlemen

All protocol observed.

A very Good Morning to you all.

It is my pleasure to address you today, at this outreach session on AML/CFT Preventive Measures organized by the FSC. I would like to extend my warm appreciation to Mr. Phineas Moloto, who will be facilitating the workshop, for travelling to Mauritius to share

with us his extensive knowledge and rich experience in the area of AML/CFT. Mr. Moloto has more than ten years of practical AML/CFT experience gained from participating in the ESAAMLG and FATF works in his capacity as technical advisor and assessor. Mr. Moloto has assessed more than 15 countries AML/CFT Mutual Evaluations including Mauritius.

Ladies and Gentlemen,

Ongoing Actions

About a year ago, we all applauded our exit from the FAFT Grey List and the message that emerged was “never again”. We will do all that is required for us to be **far far** away from that cursed list. This calls for sustainability of our processes which in turn translates, in my opinion, with the word “Ongoing” – **Ongoing Actions, Ongoing Dialogue, Ongoing Feedback and Ongoing Cycles.**

Mauritius has, at the highest level, committed to the Financial Action Tasks Force (FATF) and the Eastern and Southern African Anti Money Laundering Group (ESAAMLG) to sustain its efforts to fully implement the FATF Recommendations on money laundering, terrorist financing and counter proliferation financing. To honor our unwavering commitment, a series of measures have been successfully implemented and others are underway to continuously build a robust regime in the fight against money laundering, terrorism and proliferation financing. The fact that Mauritius is now compliant or largely compliant on all of the 40 FATF Recommendations is not a coincidence but the result of the hard work, I must underscore here both of public and private sector, and

commitment of the Government of Mauritius to be in full compliance with the international standards.

ML and TF threats not only threaten our national security but also compromise the stability and efficiency of our financial system. Fighting financial crimes is, therefore, not the sole responsibility of the supervisors and law enforcement agencies. The private sector remains a critical partner in any country's AML/CFT regime. As you are aware, the private sector can be misused and abused by criminals and are best positioned to become aware of the transactions that comprise the criminal offences. The FATF Standards provide us with powerful guidance and tools in this fight and to achieve our common objectives.

AML/CFT preventive measures relate to the requirements for the private sector to have appropriate measures in place to ensure their products and services are resistant to ML and TF. At the next mutual evaluation exercise, Mauritius will be assessed on the extent to which its financial institutions are adequately applying AML/CFT preventive measures commensurate with their risks and report suspicious transactions. Against this background, our priority remains to facilitate an effective implementation of the FATF Recommendations. I want to stress on the importance of the public and private sector to work together not only to meet the FATF Standards and demonstrate a high level of effectiveness of our AML/CFT regime but, more importantly, to protect and defend our jurisdiction from these external threats. The fight against money laundering and financing of terrorism is an important task to promote financial integrity and building investors' trust.

Trust and confidence are necessary for the growth and prosperity of our financial services sector.

Ladies and Gentlemen,

Most of you, gathered today, are fulfilling the role of compliance officers and money laundering reporting officers. The importance of compliance officers and MLROs in combatting financial crimes cannot be understated. You act as the guardians to your financial institutions in detecting or identifying financial crimes like money laundering and terrorism financing. Putting in place the necessary compliance programme is not enough. Efforts should be placed in enforcing the programme across the financial institutions. This means you must thoroughly understand your institution and be aware of areas where possible regulatory breaches may occur.

Ladies and Gentlemen,

Ongoing Dialogue

As I highlighted earlier, AML/CFT is the responsibility for each and every one of us. Collaboration and cooperation between regulators, law enforcement agencies and the private sector underpin an effective system to combat money laundering. In this respect, the FSC maintains a close engagement with its licensees to ensure continuous compliance with AML/CFT measures and implementation of remedial actions. The ongoing dialogue has enabled the FSC to address identified concerns from the industry. This has in turn helped licensees in improving their compliance with the AML/CFT legislative framework within a reasonably short period of time.

In order to remain in conformity with international standards, the FSC engages with its counterparts through the inter agency cooperation and various sub-committees amongst others. It offers an opportunity for the FSC and the private sector representatives to exchange best practices and engage each other on how best to implement AML/CFT standards and consider the challenges. On a quarterly basis, the FSC meets with the Mauritius Finance through the sub-committee of AML/CFT under the joint committee between the FSC and Mauritius Finance. Through the sub-committee, the FSC apprises the Mauritius Finance on draft guidance and/or consultation papers, findings of the supervisory cycles and outcomes of thematic reviews conducted, for the members to have insight and provide their feedback as well as discuss any AML/CFT related challenges. The FSC takes cognizance of the issues raised and takes necessary actions with the aim of providing guidance where required.

Ladies and Gentlemen,

Ongoing Feedback

At the level of the FSC, we believe in public-private partnership as an essential component to building a robust financial system that guards against illicit activities and support a flourishing economy. The FSC continuously provides guidance and up to date information on money laundering and terrorist financing risks and obligations to its licensees through various outreach sessions.

In line with our objective of strengthening our communication with our licensees, the FSC plans and updates its outreach efforts by taking into account gaps identified during the offsite reviews and onsite inspections. The FSC has also devised feedback and evaluation forms, which are provided to participants post the outreach sessions. This allows the FSC to evaluate the effectiveness of the sessions, assess the knowledge and understanding acquired by the attendees as well as identify areas for improvement. All these initiatives are part of our quest to promote continued open dialogue, thereby ensuring a sustainable system.

Ladies and Gentlemen,

Ongoing Cycle

Allow me to touch on the recent development both at national and institutional level. Together with the Ministry of Financial Services and Good Governance, the competent AML/CFT authorities have embarked on the review of the National Risk Assessment in September 2022 with the assistance of the World Bank. This exercise will allow Mauritius to identify and assess emerging key risks and vulnerabilities that fuels financial crimes and bring in the necessary reforms to further strengthen our national AML/CFT regime in response to these new and emerging risks. Of course, this exercise is being carried out in close partnership with the private sector through the participation in the data collection exercise and focus group discussions for a sound identification and understating of the risks. I seize this opportunity to thank our licensees for the submission of the responses to the NRA questionnaires and for their continued collaboration.

It is expected that the exercise will be completed mid of this year with the publication of the key findings. In line with existing practice, the FSC will conduct a series of outreach to disseminate the key findings with the aim of ensuring a common understanding of the risks facing our sector. I would like here to emphasize on the word ‘understanding’ which is crucial. I will leave this to our resource person to explain on the importance of ‘having a common shared understanding’ of the ML and TF risks and the need for strong and appropriate application of Customer Due Diligence, internal control and reporting requirements during his presentation today.

Ladies and Gentlemen,

The fact that we are gathered today bears testimony to our responsiveness to our ultimate, common objective to reduce the harms caused by criminals and preventing the financial system from being abused. I, once again, thank you all for accepting the invitation and participating in this outreach. I hope it will enhance your knowledge and bring added value in your day to day work. We need to go beyond the minimum requirements and have in place systems and controls that are fit for purpose to address the risks we face and furthering our common objectives.

On this note, I wish you all a fruitful session and leave you in the capable hands of our AML/CFT expert, Mr. Moloto.

I thank you for your attention.