



Financial Services Commission
Mauritius

COMMUNIQUÉ

The Financial Services Commission issues an Interim Direction to ML ADMINISTRATORS LTD with respect to Mr Shakil Fakeermahamod

The Financial Services Commission has today, 26 May 2016, issued an interim direction to ML ADMINISTRATORS LTD to remove Mr Shakil Fakeermahamod as its director and Money Laundering Reporting Officer. The relevant extract of the interim direction is reproduced below:

- 1. The Financial Services Commission (the "FSC") refers to several articles which appeared in the printed and electronic media with regard to the Agusta Westland VVIP chopper deal scam in India. It has also come to the knowledge of the FSC that a televised documentary entitled "Operation Mauritius: India Today tracks mystery man in Agusta money trail" was broadcasted by India Today on 24 May 2016.*
- 2. The media reported the statements purportedly given by one Mr Shakil Fakeermahamod to the reporters of India Today television channel. According to the website of India Today, Mr Shakil Fakeermahamod, had a conversation with its reporters who posed as real estate agents. A transcript of the conversation between Mr Fakeermahamod and the reporters as published on India Today's website is on FSC's records.*
- 3. As per the records of the FSC, Mr Shakil Fakeermahamod is the director and Money Laundering Reporting Officer ("MLRO") of ML ADMINISTRATORS LTD ("MLAL"). Mr Shakil Fakeermahamod stated to have told the reporters that Mr Gautam Khaitan, allegedly the mastermind behind the infamous Agusta Westland VVIP chopper deal scam, "...was advisor of the Financial Services Commission...he was negotiating on the tax treaty with India."*

4. *The above statements are false, misleading and ill-motivated. As per the records, the FSC has neither engaged Mr Gautam Khaitan as adviser, consultant or in any other capacity nor paid any remuneration to him.*
5. *Mr Shakil Fakeermahamod has also allegedly acknowledged the possibility that the proceeds of bribery may be channelled through Mauritian global business structures and further stated, inter alia, “You see how it happened. Now, what they will do afterwards because there's a contract everywhere. Everybody is assigned a responsibility. Now, if some money was given... money from... a public servant... Tyagi...”*
6. *The above statements reflect on the scheming nature and irresponsible behaviour unbecoming of an approved officer of the FSC. The FSC follows international standards and best practices in conducting its regulatory and supervisory roles. The FSC has laid down stringent measures to conduct proper Customer Due Diligence prior to accepting clients and to conduct appropriate verification on the source of funds/wealth. Licensees must have in place clear procedures on how they will identify and verify the identity of their customers and ascertain their source of funds/wealth.*
7. *Pursuant to paragraph 4.1 of the FSC Code on the Prevention of Money Laundering and Terrorist Financing (the “Code”), **“Licensees must, when establishing a business relationship with an Applicant for Business and on an ongoing basis, apply appropriate Customer Due Diligence measures on the business relationship, including identifying and verifying the identity of the Applicant for Business.”***
8. *The Code, inter alia, stipulates **“Conducting ongoing due diligence on the business relationship and scrutiny of transactions throughout the course of the business relationship to ensure that the transactions in which the customer is engaged are consistent with the Licensee’s knowledge of the customer and his business and risk profile (including the source of funds).”***
9. *Furthermore, relating to source of funds/wealth, paragraph 4.2 of the Code stipulates that **“Licensees must therefore take appropriate measures to establish the source of funds for each applicant for business and when third party funding is involved, Licensees must make further enquiries as to the relationship between the person providing the funds and the applicant.***

10. *Licensees must ensure that there is consistency between the information they hold on the applicant for business and the nature of transactions or proposed transactions. Where there is any indication of abnormal or potentially suspicious activity within the context of the product or service being provided, the Licensee must take additional measures to verify the information obtained.”*
11. *From the foregoing, the statements allegedly made by Mr Shakil Fakeermahamod are factually incorrect, misleading and damaging to the good repute of Mauritius as an international financial centre of substance. I have reasons to believe that Mr Shakil Fakeermahamod may have indulged in financial crime and therefore the continuance of Mr Shakil Fakeermahamod as an approved officer of the FSC, holding the position of director and MLRO of MLAL, is detrimental to the interest of the consumers of financial services and the public in general.*
12. *Given the seriousness and gravity of the misleading statements allegedly made by Mr Shakil Fakeermahamod, I am of the view that urgent and immediate actions need to be taken. Therefore, I hereby issue an interim direction to MLAL to remove Mr Shakil Fakeermahamod as director and MLRO of MLAL with immediate effect pending completion of an investigation into the matter.*
13. *In the interests of natural justice, I am providing an opportunity to MLAL and Mr Shakil Fakeermahamod to make written representations, if any, within 7 days, failing which this interim direction will stand confirmed.*
14. *This interim direction is being served on Mr Shakil Fakeermahamod and ML ADMINISTRATORS LTD at the address on the records of the FSC.*

Financial Services Commission
26 May 2016