



**Financial Services Commission  
Mauritius**

**Talk by Professor Jason Sharman**

on his report on **“Shell Companies - Launderers Anonymous”**

**Welcoming Speech of FSC Chief Executive, Ms Clairette Ah-Hen**

FSC House, Thursday 14<sup>th</sup> February 2013

Professor Jason Sharman;

Ladies and gentlemen;

Good afternoon,

It is indeed a great honour and pleasure for me to welcome you all at the FSC House and in particular Professor Jason Sharman from Australia, who has accepted to talk to us this afternoon about his report on ["Shell Companies - Launderers Anonymous"](#) .

I am sure Professor Sharman needs no introduction, nevertheless allow me to recognise his achievements and contribution to knowledge in the regulation of global finance, especially relating to money laundering, tax, corruption and international financial centres. Professor Sharman is the renowned author of several books and various articles. His work has been featured in refereed journals as well as in major media outlets like the Economist and the New York Times. He has worked as a consultant with the World Bank, Asian Development Bank, Commonwealth Secretariat, Financial Action Task Force, the Asia-Pacific Group on Money Laundering, Pacific Islands Forum and in the private sector.

I would also like to recognize the collaboration of STEP (Society of Trust and Estate Practitioners) with FSC and to thank them for their support to the FSC to host this talk by Professor Sharman today.

Many of you here today have contributed in making the financial services an important pillar of the Mauritian economy by attracting international investors to operate from our Jurisdiction through global business companies. Today the number of companies holding Global Business Licences runs in the thousands, with varying degree of business complexity and value added services, with shareholding representing both high net worth individuals as well as institutional investors. I must add here that we have a much lower number of

corporations when compared with many other island jurisdictions - close or far. In the number game, we are often reminded about this lower figure. However, we need to remind ourselves that this is by design, a policy choice made by our Jurisdiction to have businesses which will contribute to the sustainable economic development and employment of the young people here in Mauritius. We also need to remind ourselves that more clients mean more business as well as more risks associated with money laundering if we do not have a robust Due Diligence system. Therefore it is crucial that we exercise a rigorous client acceptance process to protect the reputation of the jurisdiction.

The FSC's vision, as you know, is to be an internationally recognised financial supervisor committed to the sustained development of Mauritius as a sound and competitive Financial Services Centre. We, at the FSC, are very conscious that such a vision cannot be achieved without the right balance between the need for strong regulations and business development. In order to enhance financial supervision and greater transparency in our financial system, legislation was amended to enable the FSC to sign the IOSCO MMOU last May 2012, to exchange information with public sector agencies and to reinforce collaboration with its counterpart international regulators in the fight against financial crime and malpractices. In March 2012, we further strengthened our codes on the Prevention of Money Laundering & Terrorist Financing intended for Management Companies, Investment Businesses and Insurance Entities by harmonising and coming up with a single comprehensive AML-CFT Code for all our licensees.

Last December, further legislative amendments were passed to implement the remaining AML-CFT recommendations from the last IMF/World Bank Financial Sector Assessment Program, consistent with FATF principles. I am sure that Professor Sharman's work - investigating the effectiveness and diffusion of anti-money laundering - will be a valuable tool for us when we next analyse the changes made recently and decide what is to be done to take us to the next level as a trusted and well regulated Jurisdiction.

As you can see, we are leaving no stone unturned in preserving the good repute of our Jurisdiction, but we know this is not enough. In Mauritius, we have a two tier system of supervision whereby the onus to maintain financial integrity lies with both the regulator and service providers. Management Companies, through Money Laundering Reporting Officers (MLROs), are required to conduct all preliminary compliance checks while the FSC retains responsibility for overall supervision and enforcement measures.

Therefore, in line with our supervisory duties and to promote public understanding of the financial system, we have been running dialogue sessions with our stakeholders - *forums like today*. This is one way for us to find stakeholders, who may wish to collaborate with us to solve various dilemmas facing the Mauritius IFC and for our licensees, service providers and other institutions to share ideas and gather further knowledge and information from eminent speakers like Professor Sharman.

Another major challenge faced by financial centres is ensuring that their reputation is not infringed by identification with financial crime and other abusive practices. The FSC is committed to forge a robust regulatory framework to maintain the reputation of the Mauritius Jurisdiction and to create an environment of transparency, stability, certainty and predictability so that investors and the international business community are encouraged to set up their investment business here in Mauritius.

I hope, we can count on your utmost collaboration and cooperation to make this happen.

Without further ado, please let me welcome Professor Jason Sharman to the podium.

## CV - Professor Jason Sharman

Professor Jason Sharman graduated with his PhD in Political Science from the university of Illinois at Urbana-Champaign in 1999, before going on to work at American University in Bulgaria and the University of Sydney. In 2007 he took up a position at Griffith University. Sharman is a former Director of the Centre for Governance and Public Policy and in 2012 he was awarded an ARC Future Fellowship. Sharman's research is currently focused on money laundering and tax havens, as well as sovereignty and empires.

### Research Interests

International Political Economy

Offshore financial centres

Corruption and money laundering

International Relations theory

Empires and sovereignty

### Publications

#### Books

J.C. Sharman, Michael Findley and Daniel Nielson, *Global Shell Games: Experiments in Transnational Relations* (Cambridge: Cambridge University Press, forthcoming 2013).

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#### Refereed Journal Articles

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J.C. Sharman and Hun Joon Kim, "Accounts and Accountability: Corruption, Human Rights and Individual Accountability Norms," *International Organization* (forthcoming 2014).

J.C. Sharman, "International Hierarchy and Contemporary Imperial Governance: A Tale of Three Kingdoms," *European Journal of International Relations* (forthcoming 2013).

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J.C. Sharman and Jacqui True, "Anglo-American Followers or Antipodean Iconoclasts? The 2008 TRIP Survey of Australia and New Zealand," *Australian Journal of International Affairs* 65 (April 2011), 143-161.

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