



Financial Services Commission
Mauritius

COMMUNIQUÉ

Recent media reports involving Mr. Alvaro de Oliveira Madaleno Sobrinho

Following recent press articles involving Mr. Alvaro de Oliveira Madaleno Sobrinho (Mr. Sobrinho), the Financial Services Commission (the “Commission”) wishes to convey the following:

1. The Commission received the following applications:
 - a. AS African Asset Management Ltd (*formerly known as Alvaro Sobrinho African Asset Management Limited*) on 18 August 2015 for a Category 1 Global Business Licence, CIS Manager Licence and for an Investment Adviser (Unrestricted) Licence on 14 March 2016;
 - b. ASA Fund on 18 August 2015 for a Category 1 Global Business Licence and authorisation to operate as a Collective Investment Scheme and on 17 March 2016 to be converted into a Closed-End Fund;
 - c. PASET Fund on 18 August 2015 for a Category 1 Global Business Licence and authorisation to operate as a Collective Investment Scheme and on 17 March 2016 to be converted into a Closed-End Fund; and
 - d. Alvaro Sobrinho Africa Ltd on 29 September 2016 for an Investment Banking Licence.
2. All the applications were supported by all necessary documents including constitutive documents; customer due diligence on promoters, beneficial owners, shareholders and directors; prospectus; administration agreement, amongst others.
3. The Commission processed and scrutinised the applications as per the established procedures and practices followed in such cases. The scrutiny of Mr Sobrinho revealed the following:

‘In June 2011, Alvaro Sobrinho, President of the Banco Espirito Santo de Angola, was suspected in the Portuguese investigation to 48 million illegally transferred from Banco Nacional de Angola (BNA) to the main national banks through the BES. Three Portuguese businessmen are also being investigated by the Judicial Police (PJ).

The authorities began to investigate the fraud scheme in Luanda in 2010 after found more than 90 million was diverted from BNA through the BES London, the money was deposited to several accounts in Portugal. Alvaro Sobrinho and other Portuguese businessmen who are under suspicion would be the beneficiaries of the transfer. The money was diverted to various companies' accounts and offshore companies.

According to expresso.sapo.pt, November 15, 2011; Alvaro Sobrinho was released on bail by the Central Criminal Court, with a deposit of half a million euros and the prohibition of contact three other defendants in the same process, but his two lawyers, Arthur Marques and Paula Godinho, will appeal against coercion measures in the Court of Appeal of Lisbon. According to the source, the object of investigation is connected to the alleged case of money laundering to a transfer of US\$ 4.5 million made by Alvaro Sobrinho, president of BES Angola, to the account of a Portuguese businessman, Pinto de Mascarenhas.'

4. The Commission requested the Management Company for an enhanced due diligence to be conducted on Mr. Sobrinho, and requested the applicants to provide their comments with respect to the adverse opinion.
5. The following documents were submitted:
 - a. Summary of criminal proceedings dated 23 May 2013 carried out against Mr. Sobrinho both in Angola and Portugal;
 - b. Notice of Clearance from the Public Prosecution Service Attorney General's Office of Angola dated 8 November 2011 declaring that the State of Angola had no wish to pursue any legal action against Mr. Sobrinho.
6. Based on the submissions and on being satisfied that the applications were in order, the Commission granted the following licences:
 - a. Category 1 Global Business Licence and CIS Manager Licence on 28 August 2015 and an Investment Adviser (Unrestricted) Licence on 22 March 2016 to AS African Asset Management Ltd;
 - b. Category 1 Global Business Licence and authorisation to operate as a Collective Investment Scheme on 28 August 2015 and an authorisation to be converted into a Closed-End Fund on 23 March 2016 to ASA Fund;
 - c. Category 1 Global Business Licence and authorisation to operate as a Collective Investment Scheme on 28 August 2015 and an authorisation to be converted into a Closed-End Fund on 23 March 2016 to PASET Fund ; and
 - d. Investment Banking Licence on 25 November 2016 to Alvaro Sobrinho Africa Ltd.

(Hereafter collectively referred to as the "Licensees")

7. The Commission subsequently received information that Mr. Sobrinho was subject to an enquiry in relation to money laundering in Portugal in 2015. The Commission requested the management company for comments and an update on the matter. The management company submitted a French and English translated document from the Lisbon Court of Appeal dated 7 July 2016. The Lisbon Court of Appeal revoked the decision of The Tribunal Central D’Instruction Penale and ordered the lifting of the freezing of asset of Mr. Sobrinho.
8. It has been reported in February 2017 that *“the ongoing investigation by the Portuguese Criminal Investigation and Penal Action Department (DCIAP) has reportedly uncovered a pattern of unsecured loans by BESA [...] and the recipients of these loans without collaterals belonged to the Espirito Santo Group, to companies linked to Alvaro Sobrinho [..].”*

“Former DCIAP prosecutor Orlando Figueira was [...] arrested by PJ Police on suspicion that he “received bribes up to a million euros” to ensure lawsuits involving on high-ranking figures in Angola was archived. According to reports, Figueira is believed to have ordered the closure of as many as 10 cases – including that of former president of BES Angola, Alvaro Sobrinho [...]”

The report suggests that the prosecutor himself is being prosecuted for wrong doings in relation to his decision not to proceed in various cases, *inter alia*, including a case involving Mr. Sobrinho.

9. In view of the foregoing, the Licensees have been requested not to start operations without the prior clearance of the Chief Executive. So far none of the Licensees have commenced business operations.
10. The Commission is closely monitoring the matter.

Financial Services Commission, Mauritius
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