



**WELCOME ADDRESS of the CHIEF EXECUTIVE of the
FINANCIAL SERVICES COMMISSION at AML/CFT
COMPLIANCE & RISK-BASED APPROACH WORKSHOP
FSC HOUSE, EBENE MAURITIUS
08 OCTOBER 2019**

Mr. Guillaume Ollivry – Director of Financial Intelligence Unit

Representative of Industry Associations

Representatives of Management Companies

Representatives of CIS Managers

Distinguished Participants

Ladies and Gentlemen

I am pleased to address you this morning in the context of the AML/CFT Compliance and Risk Based Approach workshop which is focussing on the guidance towards implementing a risk-based approach. We are also taking

this opportunity to brief you about the AML/CFT off-site monitoring questionnaire developed at the level of the FSC.

You would certainly recall that Mauritius has been one of the founding members of the ESAAMLG and we were one of the first countries in the region to develop an AML/CFT regime. However, the regulatory environment remains extremely dynamic, thus making compliance a continuous learning process. Regulatory Compliance, I am convinced, is one of the key strategic imperatives for all financial institutions.

Ladies and Gentlemen,

Following the publication of the Mutual Evaluation Report of Mauritius, we have made considerable progress implementing the recommendations, amending our legislations and regulations to meet the evolved international standards, and completing the National Risk Assessment Exercise. As you are aware, on the basis of the significant progress made, Mauritius has been upgraded on 11 FATF recommendations in May 2019. A second application for re-rating was submitted in March 2019 and Mauritius was further favourably re-rated on 19 recommendations, at the

38th Task Force of Senior Officials Meetings and 19th ESAAMLG Council of Ministers meeting held in early September 2019.

The FATF, the UK, the USA and the ESAAMLG Secretariat have unanimously recognised and congratulated Mauritius for its commitment to resolve its shortcomings and the significant progress made in such a short period of time. The application for the technical compliance re-rating and the recommendation of the ESAAMLG Council of Ministers for the upgrading of the 19 FATF Recommendations has been submitted to the FATF Global Network for Quality and Consistency Review. Following the review, the Second follow-up report of Mauritius with the technical compliance upgrades will be published on the FATF and the ESAAMLG websites.

Ladies and Gentlemen,

At the level of the Commission, we have reinforced our regulatory systems and controls to protect our jurisdiction and mitigate the risks of money laundering and terrorist financing. Emphasis is being placed on a risk-based approach taking into consideration technological developments. We are

also increasing our supervisory capacity to assist the Commission in meeting its mandate.

Ladies and Gentlemen,

The global nature of Money Laundering and Terrorist Financing is reflected in the work of the FATF based on input from experts around the globe. The FATF Recommendations form the basis of international efforts to counter Money Laundering and Terrorist Financing and Mauritius is committed, at the highest level, to implement the recommendations in a way that is tailored towards its own Money Laundering and Terrorist Financing risks exposure.

Accordingly, the completion of the National Risk Assessment Exercise was one of the priorities. The National Risk Assessment has now been completed and the public version of the report has been made accessible, together with the National Strategy for Combatting Money Laundering and the Financing of Terrorism and Proliferation 2019/2022. The AML/CFT National Action plan has also been adopted and is currently being implemented by the all relevant authorities, including the FSC.

The completion of the NRA exercise has been pivotal in the revamping of the FSC's AML/CFT Risk-Based Supervisory Framework, which also takes into account all the recent legislative amendments, as well as, the latest FATF standards. As part of its framework, the FSC will launch tomorrow the Off-site Monitoring questionnaire. My colleagues will be running through the questionnaire and its purpose in further details later today.

Ladies and Gentlemen,

One of the strategic themes, set out in the National AML/CFT Strategy 2019-2022, focusses on the need to consolidate capacity building, training and awareness raising programs, so as to ensure that all stakeholders in the public and private sectors understand and are fully capable of fulfilling their AML/CFT obligations. In this respect, the Commission has been at the forefront.

The Mauritius International Financial Centre conference, hosted last year by the FSC, not only cemented our commitment to raise awareness about ML/FT threats, but also showcased the on-going initiatives to reshape the AML landscape. Earlier this year, our sustained efforts to effectively assist in combatting financial crimes led us to set up the Regional Centre of

Excellence, the main function of which is to deliver capacity building programmes for financial services regulators and law enforcement agencies in the Southern and Eastern African regions.

Today, the FSC is launching Phase 1 of its outreach exercise by firstly convening Management Companies and CIS Managers to this AML/CFT Compliance & Risk-based Approach Workshop. Thereafter, this exercise will be extended to other licensees within the industry.

I am sure this workshop will assist you in designing an effective Anti-Money Laundering Program to support your respective organisations in the fulfilment of your compliance and regulatory obligations.

As part of this series of initiatives to sensitise our licensees about their obligations, we request your full collaboration as we launch the AML/CFT off-site monitoring questionnaire. However, I cannot stress enough the importance of this exercise. This effort aligns directly with the key findings highlighted in the NRA Report, and aims to strengthen capacity and promote understanding of the risk-based approach to supervision.

Ladies and Gentlemen,

It is with your collaboration that Mauritius will continue on its path, at the highest level, to implement the FATF Standards within our regulatory framework.

On this note, I wish you all a very successful workshop and look forward to your deliberations.

Harvesh Seegolam

08 October 2019