

COMMUNIQUÉ

FATF - LIST OF JURISDICTIONS UNDER INCREASED MONITORING

On 21 February 2020, Mauritius was placed on the list of “Jurisdictions under Increased Monitoring” by the Financial Action Task Force (FATF). The FATF recognises that Mauritius has taken measures to enhance the transparency of legal persons by amending the legal framework to require legal persons to disclose beneficial ownership information and improve the processes for identifying and confiscating proceeds of crimes.

Mauritius has also made significant efforts to increase the level of effectiveness of its Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) system by completing its National Risk Assessment, enhancing domestic coordination and international cooperation, developing and implementing an AML/CFT risk-based supervision framework for financial institutions and the implementation of the United Nations targeted financial sanctions related to terrorism and proliferation. Mauritius has taken a high level commitment to implement the Action Plan.

As at date, Mauritius has been able to address 53 out of the 58 Recommended Actions identified in the Mutual Evaluation Report (MER) to improve the level of effectiveness of its AML/CFT system. The FSC, during this ‘increased monitoring’ phase, will continue to and actively work with the Government, industry stakeholders and the FATF to address the remaining action items and is committed to resolve same swiftly within or before the agreed timelines. The FATF does not call for the application of enhanced due diligence to be applied to jurisdictions such as Mauritius, which are placed on the “Jurisdictions

under Increased Monitoring” list. The FATF does, however, encourage its members to take into account the information presented on that jurisdiction in their risk analysis.

Following the publication of the list by the FATF, there have been apprehensions amongst market participants as to whether the inclusion of Mauritius in the list would impact on the registration of Foreign Portfolio Investments (FPIs) in India. The FSC engaged with its Indian counterpart, namely the Securities and Exchange Board of India (SEBI) to clarify the matter. This was followed by a Press Release issued by the SEBI underscoring that FPIs from Mauritius continue to be eligible for registration in India.

The FSC is prioritising its work in order to address all of the action points recommended for the Global Business sector ahead of the set timeline. This work is focussed on demonstrating the implementation of risk-based supervision of the global business sector by way of a comprehensive onsite inspection schedule and taking enforcement action against non-compliance.

Mauritius remains wholly committed to uphold the integrity of the domestic and international financial system.

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