

## COMMUNIQUE

### European Commission List of High Risk Third Countries

The Government of Mauritius has taken note of the list of High Risk Third Countries issued by the European Commission on 07 May 2020. It must be highlighted that the list is not yet final and needs to be submitted to the European Parliament and the EU Council of Ministers for approval, following which it will then become effective on **1 October 2020**.

Unlike in the past when there were always fruitful consultations in line with EU practice prior to any major decision being taken, the present decision is contrary to the spirit of dialogue and partnership which binds Mauritius and the EU. As soon as we took cognizance of the proposed listing of Mauritius through a press article published on 05 May 2020, Mauritius initiated actions to open a dialogue with the European Commission.

We understand that the EU listing is a direct consequence of the listing of Mauritius by the Financial Action Task Force (FATF) on its list of "Jurisdictions under Increased Monitoring". It must be recalled that the Government of Mauritius has, in February 2020, given a high level political commitment to the FATF to implement the Action Plan within agreed timelines and is taking all necessary measures to honour its commitment.

It must be highlighted that under the FATF Action Plan, Mauritius does not have technical compliance issues. The Anti-Money Laundering and Combatting the financing of terrorism (AML/CFT) legal framework has been extensively revamped and as at date, Mauritius is largely compliant or compliant with 35 out of the 40 Recommendations as compared to 14 largely compliant or compliant ratings at the time of the publication of its Mutual Evaluation Report in September 2018. More importantly, Mauritius has achieved the FATF expectations with respect to what the FATF has termed the "Big Six Recommendations" that is, the criminalization of the money laundering offence, the criminalization of the terrorism financing offence, the implementation of a framework for targeted financial sanctions, customer due diligence, record keeping and the reporting of suspicious transactions.

In its public statement the FATF, has identified the areas in which Mauritius has to demonstrate an increase in the level of effectiveness of its AML/CFT system. This situation is not unique to Mauritius. Other countries including FATF members, which have been assessed so far have yet to achieve a high or substantial level of effectiveness in the same areas.

Mauritius reiterates its commitment to implement the FATF Action Plan at the earliest. In fact, despite the sanitary curfew prevailing in Mauritius since 20 March 2020, the Mauritian Authorities delivered on their commitment and a first progress report was sent to the FATF on the agreed date. Regrettably, the FATF process has been halted due to the Covid 19 situation and the progress report could not be assessed.

Mauritius has obtained technical assistance from the EU funded AML/CFT Global Facility and the German Government through the German Development Agency, the GIZ to support the implementation of the FATF Action Plan. Even during the sanitary curfew, Mauritius has continued to work extensively with the technical assistance providers.

The Government of Mauritius reiterates its high level political commitment to implement the action plan of the FATF at the earliest so as to exit the FATF and the EU lists and reassures the global investment community that Mauritius remains a credible and trusted jurisdiction.