



**EASTERN AND SOUTHERN AFRICA
ANTI-MONEY LAUNDERING GROUP**

REPUBLIC OF MAURITIUS

**ANTI -MONEY LAUNDERING &
COMBATING THE FINANCING OF TERRORISM
MUTUAL EVALUATION REPORT
EXECUTIVE SUMMARY**

December 2008

The AML/CFT Assessment of Republic of Mauritius was undertaken by the International Monetary Fund under the Financial Sector Assessment Program (FSAP). In line with the ESAAMLG Mutual Evaluations Procedures the Detailed AML/CFT Report and the Executive Summary were discussed and adopted by the Task Force of Senior Officials in March 2008 and approved by the Council of Ministers in August 2008.

EXECUTIVE SUMMARY

Key Findings

1. **It was apparent to the mission that significant steps have been taken by the Mauritian authorities in recent years to enhance the AML/CFT framework.** These steps mean that Mauritius is well placed to capitalize on its national strategy to diversify its economy into global financial services by taking advantage of its linkages with both African and long standing arrangements with the larger Asian economies. Additionally, the Republic of Mauritius intends to offer new products in Islamic financial services and wealth management. In this dynamic environment, it will be important to conduct a review of the AML/CFT risks associated with such global business.

2. **In recent years, a National Committee for Anti-Money Laundering and Combating the Financing of Terrorism has been formed, chaired by a senior representative from the Ministry of Finance and Economic Development.** In addition, the FIU's functions were revised and the Bank of Mauritius' functions have been enhanced, and the Financial Services Commission (FSC) and the Independent Commission Against Corruption (ICAC) have been established. Now that the legislative and institutional framework is in place, it will be important for these and other key stakeholders to focus on implementing the framework. A key element in this also will be greater coordination and cooperation among the various national authorities. The recently established Bank of Mauritius and FSC Coordination Committee is one example of the necessary integrated approach to AML/CFT.

3. **Areas of further coordination and cooperation would include: more rapid filing of suspicious transaction reports (STRs) by reporting entities; improved quality of information provided in STRs; and more rapid exchange of information between intelligence, evidence gathering, and prosecution services.** Extensive and targeted training will assist in achieving a more integrated national system.

Legal Systems and Related Institutional Measures

4. **Mauritius took its first AML measures in 1995 with the adoption of the Dangerous Drugs Act (DDA) which criminalized money laundering**

where the predicate offense relates to drug offenses. It then adopted a threshold approach with the money laundering offense applying to crimes in its first AML-specific law, the Economic Crimes and Anti-Money Laundering Act of 2000 (ECAMLA), which was subsequently replaced by the Financial Intelligence and Anti-Money Laundering Act of 2002 (FIAMLA). The ML offenses under the DDA and the FIAMLA broadly meet the standard, but the scope of Mauritius' fight against money laundering is narrowed by the limited number of predicate offenses.

5. Over the last years, Mauritius took important legislative steps to fight terrorism and terrorist financing with the adoption of the Prevention of Terrorism Act, the Convention for the Suppression of the Financing of Terrorism Act, and by implementing Regulations issued by the Prime Minister.

6. **Several authorities play a key role in the AML/CFT framework:** the Financial Intelligence Unit (FIU), the Independent Commission Against Corruption (ICAC), which is the primary authority for the investigation and prosecution of corruption and ML cases, the Police (central Crime Investigation Division, CID, and the Anti-Drugs and Smuggling unit, ADSU), the Attorney General's Office, the Drugs Assets Forfeiture Office (DAFO) and the Courts. The Ministry of Finance and Economic Development also provides direction on economic policy parameters that underpin AML/CFT legislation.

7. **The FIAMLA and the DDA make provision for a range of provisional and confiscation measures that enable the authorities to attach and, upon conviction, remove tainted property from the hands of the criminals.** Under both Acts, Mauritius placed the onus on the convicted person to establish that his or her possessions are not the proceeds of crime. In spite of the reversed burden of proof, no assets have been successfully confiscated.

8. **The investigative and prosecutorial authorities have the necessary powers to execute their respective functions,** but communication between the ICAC and the other authorities is rendered impossible due to the stringent confidentiality requirements set out in the Prevention of Corruption Act.

9. **The FIU has taken significant steps to enhance its operational capabilities over the last few years.** It exercises its functions pursuant to the FIAMLA. As a member of Egmont, the FIU is active in sharing information within that Group and in fostering FIUs in the region.

10. **The FIU's operational processes, including analysis, are professional.** The FIU is able to consult with the necessary authorities, seek assistance in performing its functions, and has access to a wide range of external data sources, including law enforcement (except ICAC). However, such access is not available on-line. The FIU has appropriate electronic receipt, storage, and analysis platforms and software, although most reports are still provided on paper forms.

11. **While the Director manages the daily operations of the FIU, a separately appointed Board maintains an administrative role.** Its role includes giving consent to disseminations of STRs, which raises an issue concerning the autonomy of the FIU, although to date this has not arisen. The FIU's effectiveness is reduced by some external factors, including the low level of STRs it receives, long delays in receiving the reports from reporting entities and lack of feedback from law enforcement authorities.

12. **In early 2007 Mauritius adopted a disclosure system for cross border physical transportation of currency.** The system is in the process of being implemented.

Preventive Measures – Financial Institutions

13. **There is a wide range of financial institutions operating in Mauritius.** Institutions are subject to regulation by the Bank of Mauritius or the FSC. The Bank of Mauritius is responsible for the banks and other nonbank deposit-taking institutions (mostly leasing companies), together with cash dealers. The FSC is responsible for certain other financial sector institutions. Currently, the majority of financial institutions is supervised for AML/CFT by one of the two above regulators. It was apparent to the mission that significant steps have been taken by the Mauritius authorities in recent years to enhance the AML/CFT framework applicable to financial institutions even though certain financial institutions, such as the 120 cooperative credit unions, are not included in the framework. The banking legislation, the FIAMLA Regulations and underlying Guidance

Notes/Codes, which are enforceable, provide the basic framework on customer verification and record keeping to be followed by regulated institutions.

14. **The Bank of Mauritius is a professional and well-organized supervisory body which devotes considerable efforts to ensure that appropriate AML/CFT measures are applied by the institutions that it regulates.** The BOM has issued Guidance Notes on AML/CFT and conducted on-site inspections to all the institutions it regulates. It appeared to the mission that compliance by regulated firms with the Guidance Notes was good. Shell banks cannot be established in Mauritius.

15. **The FSC was established much more recently than the Bank of Mauritius and has issued AML/CFT Codes to insurance and investment institutions.** Some of these institutions have been subject to on-site inspections. The FSC has encouraged institutions to put in place AML/CFT counter measures. New legislation brought into force during the mission provides the FSC with specific on-site inspection powers and a greater range of potential sanctions for breaches of the Codes. It was apparent to the mission that the FSC intend to use the explicit and wider powers in the new legislation. The FSC's reports following on-site inspections since 2002 highlight weaknesses and make recommendations to address weaknesses. The FSC had issued directions to licensees with poor AML/CFT standards but the mission noted that some licensees lacked robust AML/CFT systems.

Preventive Measures – Designated Non-Financial Businesses and Professions

16. **The full range of DNFBPs operate in Mauritius.** There are a number of global business licensees which are administered by local management companies (trust and company service providers) both of whom are regulated by the FSC. Apart from the FSC licensees, there are no effective AML/CFT supervisory regimes in the other DNFBP sectors.

17. **STR reporting obligations apply across the range of DNFBPs covered by the AML/CFT legal framework, but real estate agents and jewelers are not included.** While the FIAMLA places a general requirement for DNFBPs for customer verification and record keeping, the lack of regulatory prescription, other than for the FSC supervised TCSPs, means

that the balance of the DNFBP sector is not subject to effective CDD, record keeping, and internal control requirements. There is a prohibition on large cash payments beyond 500,000 rupees (approximately US\$16,500) which limits the risk in the jewelry sector. Large scale, high-value real estate developments and sales are being actively promoted to international investors, and CDD and reporting considerations are only partially addressed through the practice of requiring investors to establish accounts within the Mauritian banking system.

Legal Persons and Arrangements & Non-Profit Organizations

18. **Mauritius has achieved a good standard of transparency concerning the beneficial ownership and control of legal persons and legal arrangements.** Competent authorities are able to have timely access to current information on beneficial ownership. While bearer shares were permissible until 2001, they are not permissible under the Companies Act 2001. Companies created under former legislation were required to relinquish bearer shares by the end of 2001 or be struck off the register of companies.

19. **Non-profit organizations must register with the Registry of Associations but there has been no risk assessment of the sector for AML/CFT purposes nor has there been any outreach in this regard to the 8,000 NPOs.** International payments are not monitored by the Registrar or any other authority, although the Registrar does review annual statements of account filed by the NPOs.

National and International Co-operation

20. **A national Committee on Anti-Money Laundering was established with a view to creating a platform between all the relevant authorities in the fight against ML and TF.** The Bank of Mauritius and the FSC are able to cooperate with their foreign counterparts.

21. **With the Mutual Assistance in Criminal and Related Matters Act 2003 (MACRM Act) and the Extradition Act 1970, Mauritius adopted comprehensive laws that enable it to provide a wide range of measures at the request of a foreign State.** Both ML and TF are extraditable offenses

Table 1: Ratings of Compliance with FATF Recommendations

Forty Recommendations	Rating	Summary of factors underlying rating ¹
Legal systems		
1. ML offense	PC	<ul style="list-style-type: none"> • Some of the relevant requirements of the Vienna and Palermo Conventions have not been implemented in the FIAMLA nor in the DDA (concealment and disguise of the “true nature, source, location, disposition, movement or ownership of, or rights with respect to proceeds”); • 8 out the 20 categories of designated offenses are not predicate offenses in Mauritius: Trafficking in adult human beings and adult migrant smuggling; Sexual exploitation of adults; Illicit arm trafficking; Illicit trafficking in stolen goods and other goods; Counterfeiting and piracy of products; Environmental crime; Theft; Piracy; Smuggling; Insider trading and market manipulation; • A conviction for the ML offense under the DDA requires prior conviction for the predicate; • Lack of effective implementation.
2. ML offense—mental element and corporate liability	LC	<ul style="list-style-type: none"> • Effective implementation was not established.
3. Confiscation and provisional measures	PC	<ul style="list-style-type: none"> • No provisions were made in the DDA and the Acts dealing with the fight against terrorism and terrorist financing for the confiscation of property of corresponding value; • Unclear whether instrumentalities and property derived from an offense may be confiscated; • No provision was made under the FIAMLA to enable the confiscation of property owned by third parties; • No provision was made under the DDA to enable the confiscation of property owned by third parties who are not

¹ These factors are only required to be set out when the rating is less than Compliant.

		<ul style="list-style-type: none"> family members of the convicted person; There are no measures in the DDA to ensure the protection of the rights of bona fide third parties; Lack of effectiveness (no assets forfeited so far).
Preventive measures		
4. Secrecy laws consistent with the Recommendations	C	<ul style="list-style-type: none"> This recommendation is fully met.
5. Customer due diligence	PC	<ul style="list-style-type: none"> Not all financial institutions are covered, some institutions regulated by FSC have not implemented the Codes fully; Some elements are not included in law or regulation (some provisions on when to undertake CDD, verifying the beneficial owner, determining the natural persons who ultimately own or control the customer, ongoing due diligence); The Guidance Notes/Codes do not require CDD information to be kept up to date and relevant or require consideration of whether an STR should be made if an institution cannot obtain CDD information. The Guidance Notes/Codes do not limit delay to the verification of identity when this is essential not to interrupt the normal course of business and do not require consideration to be given to making a suspicious transaction report when CDD requirements cannot be complied with.
6. Politically exposed persons	PC	<ul style="list-style-type: none"> Not all financial institutions are covered, some institutions regulated by FSC have not implemented the Codes fully; The Guidance Notes do not apply the definition of PEPs in all circumstances (e.g. family and associates in all circumstances beneficial owners and obtaining their source of wealth and funds of beneficial owners) and do not require senior management approval for persons who become a PEP after the commencement of a relationship; The Codes do not cover close associates and beneficial owners – including

		obtaining their source of wealth and funds.
7. Correspondent banking	PC	<ul style="list-style-type: none"> The Guidance Notes contain do not require financial institutions to determine the respondent's reputation from publicly available information; to gather information on whether a respondent has been subject to an investigation or regulatory action; senior management approval to be obtained for new correspondent relationships; for the respective AML/CFT responsibilities of the correspondent and respondent to be documented for institutions in payable – through accounts to satisfy themselves adequate CDD obligations have been performed on customers with direct access to the accounts of the correspondent financial institution.
8. New technologies & non face-to-face business	PC	<ul style="list-style-type: none"> Not all financial institutions are covered, some institutions regulated by FSC have not implemented the Codes fully; The Guidance Notes and Codes do not require institutions to have policies in place to prevent the misuse of technological developments.
9. Third parties and introducers	LC	<ul style="list-style-type: none"> Not all financial institutions are covered, some institutions regulated by FSC have not implemented the Codes fully; The Guidance Notes and Codes do not require the necessary information to be obtained by financial institutions; or that all introducers should be regulated and supervised and subject to the relevant FATF Recommendations.
10. Record-keeping	LC	<ul style="list-style-type: none"> Not all financial institutions are covered, some institutions regulated by FSC have not implemented the Codes fully. The provisions on record keeping in law or regulation and the Guidance Notes and Codes do not contain points of detail across a number of the Criteria. Law or regulation does not require the necessary records for institutions other than those regulated by the Bank of

		<p>Mauritius to be kept by all financial institutions for longer than five years if requested by a competent authority, account files or business correspondence, are not required to be maintained; there is no requirement for the timely basis in respect of which all customer and transaction records are available.</p>
11. Unusual transactions	PC	<ul style="list-style-type: none"> • Not all financial institutions are covered, some institutions regulated by FSC have not implemented the Codes fully; • The regulations, Guidance Notes and Codes contain provisions on complex, unusual large transactions, but the Guidance Notes do not include the need to examine the background and purpose of such transactions, and neither the Guidance Notes nor the Codes require findings to be available for competent authorities and auditors for five years.
12. DNFBP-R.5, 6, 8-11	NC	<ul style="list-style-type: none"> • Unlike the situation with banks and financial institutions (which include FSC supervised TCSPs) FIAMLA's general measures to prevent ML or FT , customer identification and record keeping have not been given any specificity and hence lack practical effect in the FIAMLA Regulations or other regulatory requirements; • Prescribed obligations for CDD, PEPs, non face to face transactions, risks associated with new technology, use of intermediaries/introducers, documentation of review of complex or unusual transactions, and record keeping obligations in FIAMLA do not extend beyond the management companies and qualified trustees licensed and supervised by the FSC; • The shortcomings identified in the legal CDD requirements placed on the FSC's licensees in the Insurance and Securities sectors equally apply to Management Companies and Qualified Trustees (refer recs 5,6, 8-11 in Section 3);

		<ul style="list-style-type: none"> Local real estate agents, including IRS developers selling high value property to overseas purchasers, are not subject to sufficient legal obligation to undertake appropriate CDD or record keeping requirements; Casinos' record keeping provisions to not meet the standard as they do not enable individual customer transactions to be recreated or held for the 5 year period; The GRA has yet to issue any Regulatory Guidance on AML/CFT obligations, pursuant to its rule making powers;
13. Suspicious transaction reporting	PC	<ul style="list-style-type: none"> Not all categories of FI are subject to STR reporting obligation: Concerns regarding the low level of reporting and delays in reporting to the FIU; Unclear that the FIMALA reporting obligation extends to individuals, in their capacity of director, employee, agent or other legal representatives of a reporting institution
14. Protection & no tipping-off	C	<ul style="list-style-type: none"> This Recommendation is fully met.
15. Internal controls, compliance & audit	PC	<ul style="list-style-type: none"> Not all financial institutions are covered, some institutions regulated by FSC have not implemented the Codes fully; The Guidance Notes and Codes provide strong elements on internal control; The Guidance Notes and Codes do not contain requirements on ongoing training on ML/FT techniques, methods and trends or on screening procedures when hiring new employees;
16. DNFBP-R.13-15 & 21	PC	<ul style="list-style-type: none"> The reporting obligation does not extend to real estate agents, including promoters involved in development and selling of high value properties to foreign buyers; The shortcomings for the Codes for the Insurance and Securities sectors – requirements for on going training, recruitment and audit equally apply to the FSC's codes for management

		<ul style="list-style-type: none"> companies (Section 3.8.3 refers) Shortcomings in the CDD requirements for non FSC supervised DNFBPs weaken the capacity of such businesses /professions to identify potentially suspicious transactions; The FIU's statistics indicate a possible level of under-reporting of STRs; Unclear that the FIMALA reporting obligation extends to individuals, in their capacity of director, employee, agent or other legal representatives of a reporting institution Except for the FSC's Codes that apply to the TCSP sector, no AML/CFT Guidance has been issued to assist the remaining DNFBP categories of the requirements for internal controls, audit or staff screening and training; Except for the FSC's role with TCSPs, there is no designated authority or mechanism to advise DNFBPs of high risk jurisdictions. Auditing profession concerns regarding tipping off
17. Sanctions	LC	<ul style="list-style-type: none"> Breaches of the FSC's Codes have been subject, until mid way through the assessment, to a narrow range of sanctions (directions and revocations). There were some implementation issues at financial institutions visited by the mission. Until mid way through the mission, the whole the sanctions framework in respect of the Codes is not effective, proportionate and dissuasive, and they are not broad and proportionate to the severity of a situation; the new framework which came into effect mid way through the mission, could not be judged for effectiveness.
18. Shell banks	C	<ul style="list-style-type: none"> This Recommendation is fully met.
19. Other forms of reporting	C	<ul style="list-style-type: none"> This Recommendation is fully met.
20. Other NFBP & secure transaction techniques	C	<ul style="list-style-type: none"> This Recommendation is fully met..
21. Special attention for higher	PC	<ul style="list-style-type: none"> Not all financial institutions are covered,

risk countries		<p>some institutions regulated by FSC have not implemented the Codes fully;</p> <ul style="list-style-type: none"> • The regulations, Guidance Notes and Codes contain strong provisions on enhanced due diligence and non-equivalent jurisdictions, but there is no requirement to examine the background and purpose of transactions that have no apparent or lawful purpose, and for written findings to be available to competent authorities.
22. Foreign branches & subsidiaries	NC	<ul style="list-style-type: none"> • Not all financial institutions are covered. • The Codes contain no provisions on the application of AML/CFT standards to branches and subsidiaries of Mauritius institutions; • Despite a very positive approach to consolidated supervision by the Bank of Mauritius, the requirements of Recommendation are not met by law, regulation or other enforceable means.
23. Regulation, supervision and monitoring	PC	<ul style="list-style-type: none"> • Insurance intermediaries, have not been subject to on-site inspections sanction available to the FSC and the lack of application of these powers means that the non-banking/cash dealer framework is not effectively implemented; • Providers of money transfer services and money or currency changing services are licensed and subject to on-site inspections but the provisions are not explicit and the legal framework does not include providers of value transfer services; • Some types of financial activity covered in the FATF definition, such as lending and financial leasing business, are not covered in the AML/CFT framework by law, regulation or other enforceable means, while other institutions are not subject to either AML/CFT or regulatory oversight (such as credit cooperatives).
24. DNFBP—regulation, supervision and monitoring	NC	<ul style="list-style-type: none"> • Lack of designated supervisory or monitoring authority for AML/CFT purposes for the non FSC and GRA

		<ul style="list-style-type: none"> supervised sectors The casino sector has yet to be subject to effective regulation and supervision; Professional sectors are not regulated or supervised for AML/CFT purposes; There is no effective on-going monitoring for AMLCFT risk for the local real estate sector; The FRC has yet to implement any effective inspections and MIPA is under resourced to carry out other than a cursory monitoring role. Shortcomings in the current implementation of TCSP monitoring and supervision.
25. Guidelines & Feedback	LC	<ul style="list-style-type: none"> Whilst the FSC has provided appropriate guidance to the global TCSP sector, there is a lack of any guidance to the other categories of DNFBP. The FSC's Guidance for Management Companies lack specific indicators for FT. The FIU 's provides limited, value added feedback to the reporting sectors on the STRs it receives, in part because of the limited feedback it receives from the investigatory authorities, in particular ICAC which considers itself constrained by the confidentiality provisions of POCA.
Institutional and other measures		<ul style="list-style-type: none">
26. The FIU	LC	<ul style="list-style-type: none"> Concern exists over FIAMLA's legal framework that potentially limits the Director's operational autonomy to disseminate because of the way in which it prescribes the respective roles of the Board and Director. Similar concern over the documentation of the Board's arrangements and role in appointing staff to the FIU. In terms of practice no evidence of undue external influence was noted. The FIU's written guidance to reporting institutions to fulfill their reporting obligations needs to be updated to reflect all the categories of institutions,

		<p>businesses and professions that are subject to the FIAMLA reporting obligation.</p> <ul style="list-style-type: none"> • The FIAMLA s10(2) is currently interpreted to limit the scope of the FIU to provide guidance on ML/FT indicators. Accordingly reporting institutions not subject to monitoring by a designated AML/CFT supervisory authority such as the BOM or FSC, do not have assistance on ML/FT indicators specific to their sectors. (For assessment of AML/CFT Guidance provided by non-FIU authorities see R.25.1) • Statistics indicate under reporting from various sectors and general tardiness in reports being provided to the FIU – this limits its access to timely financial information. • Lack of on-line access to many data sources and relatively lengthy process in obtaining information from Police and some other authorities. • Lack of feedback from Police plus lack of legal gateway with ICAC limits the FIUs access to useful feedback as to the value of their cases and work – and to this potential source of information. • No gateway for disclosure of Customs Currency Disclosure information to the FIU • Legal obstacles prevent the FIU from obtaining further information with respect to non STR related requests from the authorities • Current practice re dissemination on ML split between ICAC and Police appears to cause a level of confusion and demarcation and possible potential duplication between the investigatory authorities.
27. Law enforcement authorities	LC	<ul style="list-style-type: none"> • The role of the Fiscal Unit (Central CID) is not entirely clear and the relevance of the Unit in the AML framework was not established.
28. Powers of competent	LC	<ul style="list-style-type: none"> • The process by which the investigative

authorities		<p>authorities may be granted orders for disclosure seem unnecessarily lengthy.</p> <ul style="list-style-type: none"> • The timing of attachment measures does not always seem to be appropriate, with orders for attachment being requested or being granted too late.
29. Supervisors	PC	<ul style="list-style-type: none"> • The Bank of Mauritius has powers to monitor and ensure compliance but the on-site inspection and sanctions powers available to the FSC were narrow until part way through the onsite visit; • The FSC did not have adequate powers of enforcement and sanction until part way through the onsite visit; the new framework which came into effect mid way through the mission, could not be judged for effectiveness. • Not all financial institutions are regulated for AML/CFT purposes and subject to onsite inspections
30. Resources, integrity, and training	PC	<ul style="list-style-type: none"> • Once the Bank of Mauritius has completed its current restructuring its staff complement will be complete. • Further training on the Mauritius' AML/CFT framework and on money laundering as well as terrorist financing trends and typologies should be provided to all authorities involved in the fight against money laundering and terrorist financing. • Compliant for the FIU. • Partially compliant for the police, ICAC, prosecution and judges – need for further training on ML and TF trends and typologies and on AML/CFT measures and for further requirements on integrity and ethics for ICAC, prosecution and judges.
31. National co-operation	PC	<ul style="list-style-type: none"> • Formal communication and exchange of information between ICAC and the other relevant authorities is prohibited; lack of regular engagement by the FIU with the appropriate supervisory or professional bodies other than the FSC and BOM.
32. Statistics	LC	<ul style="list-style-type: none"> • No statistics available from the DPP

33. Legal persons–beneficial owners	LC	<ul style="list-style-type: none"> Timely access to beneficial ownership and control information is not available for category one and category two global business license holders through law enforcement as court orders may take up to four weeks to obtain in an urgent case.
34. Legal arrangements – beneficial owners	LC	<ul style="list-style-type: none"> Timely access to beneficial ownership and control information is not available for all legal persons through law enforcement as court orders may take up to four weeks to obtain in an urgent case; on onsite inspections, the FSC is not reviewing information on trusts held by management companies in certain circumstances.
International Cooperation		
35. Conventions	PC	<ul style="list-style-type: none"> The relevant provisions of the Vienna and Palermo Conventions have not been fully implemented.
36. Mutual legal assistance (MLA)	LC	<ul style="list-style-type: none"> There are concerns that Mauritian authorities have not appointed dedicated staff that are appropriately trained in AML/CFT issues to specifically handle mutual legal assistance requests. There are concerns on the efficiency of processes, particularly with regard to the time needed to obtain, where relevant, the necessary judge’s order where a country requires the assistance urgently. No provision for avoiding conflict of jurisdiction.
37. Dual criminality	LC	<ul style="list-style-type: none"> It is recommended that money laundering and offenses relating to terrorist financing be specifically mentioned in the First Schedule.
38. MLA on confiscation and freezing	LC	<ul style="list-style-type: none"> No provision for the establishment of a Asset Forfeiture Fund.
39. Extradition	LC	<ul style="list-style-type: none"> There are concerns about the ability of the Mauritian authorities to handle extradition requests in a timely and effective manner
40. Other forms of co-operation	LC	<ul style="list-style-type: none"> No information provided by the criminal justice area

Nine Special Recommendations		<ul style="list-style-type: none"> •
SR.I Implement UN instruments	PC	<ul style="list-style-type: none"> • The ICSFT has only been partly implemented. • The procedures in place for UNSCR 1267 and 1373 are not fully in line with the standard and UNSCR 1267 is not implemented in a satisfactory manner.
SR.II Criminalize terrorist financing	LC	<ul style="list-style-type: none"> • The TF offense is broad, however: • Not all the relevant UN Conventions have been ratified and fully implemented; • The YF offense does not cover funding of individual terrorists; • A link with the specific terrorist act seems necessary to apply the TF offense; • Overall effectiveness was not established.
SR.III Freeze and confiscate terrorist assets	NC	<ul style="list-style-type: none"> • The procedures in place are not effective and would not enable the freezing without delay funds and other assets of persons designated under UNSCR 1267. Dissemination to the financial institutions may take up to a few weeks upon amendment of the UNSC consolidated list; • There are no effective procedures in place to freeze without delay terrorist funds or other assets of persons designated in the context of UNSCR 1373; • There are no effective procedures in place to examine and, if appropriate, give effect to freezing actions initiated by other jurisdictions; • There are no effective systems for communicating actions taken under UNSCR 1373 and actions initiated by other jurisdictions; • Lack of clear guidance; • There are no effective and publicly-known procedures for considering de-listing requests; • There are no effective and publicly-known procedures for unfreezing; • There are no effective procedures in place to ensure the protection of the

		<ul style="list-style-type: none"> rights of bona fide third parties; No dissemination mechanism under UNSCR 1373; Lack of overall effectiveness.
SR.IV Suspicious transaction reporting	PC	<ul style="list-style-type: none"> Not all categories of FI are subject to STR reporting obligation Unclear that the FIMALA reporting obligation extends to individuals, in their capacity of director, employee, agent or other legal representatives of a reporting institution.
SR.V International cooperation	LC	<ul style="list-style-type: none"> Although there have not been many requests for assistance in this regard there is a concern about the ability of the Mauritian authorities to handle requests relating to the financing of terrorism in a timely and effective manner. Although there have not been any requests for extradition regarding terrorist financing, there is a concern about the ability of the Mauritian authorities to handle such requests in a timely and effective manner.
SR.VI AML/CFT requirements for money/value transfer services	NC	<ul style="list-style-type: none"> Banks and cash dealers are regulated by the Bank of Mauritius and subject to on-site inspections but the legal provisions covering money transfer services are not explicit and the legislation does not cover value transfer service providers: The Bank of Mauritius Guidance Notes require some enhancements; The sanctions framework needs to unambiguously apply to MVT service operators.
SR.VII Wire transfer rules	PC	<ul style="list-style-type: none"> While the Bank of Mauritius has implemented the legislative framework to cover wire transfers to date, this legislative framework does not explicitly cover all non-banks or the ability to sanction. The Guidance Notes do not include a requirement that, in some cases, the beneficiary financial institution should consider restricting or terminating its business relationship with financial institutions that fail to meet SR.VII standards.

SR.VIII Nonprofit organizations	NC	<ul style="list-style-type: none"> No review of adequacy of laws to ensure that NPOs are not being misused for terrorist financing by virtue of their activities; no outreach conducted to NPOs; no sanctions applied to NPOs for failure to comply with the provisions of the relevant laws; record keeping requirements is for a period of three years only; no gateways for sharing non-public information with domestic ministries and authorities.
SR.IX Cross Border Declaration & Disclosure	PC	<ul style="list-style-type: none"> Very limited outbound disclosure system; no gateways for disclosure of information to the FIU or to foreign customs services; currently no ability to check passengers against the UN 1267 lists.