

# **Republic of Mauritius**

**Ministry of Finance and Economic Empowerment**

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**National Anti-Money Laundering**

**&**

**Combating the Financing of Terrorism**

**Strategy 2009-2012**

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August 2009

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## ACRONYMS

<b>AML</b>	Anti Money Laundering
<b>BoM</b>	Bank of Mauritius
<b>CFT</b>	Combating the Financing of Terrorism
<b>ECAMLA</b>	Economic Crime and Anti Money Laundering Act 2000
<b>ESAAMLG</b>	Eastern and Southern Africa Anti Money Laundering Group
<b>FATF</b>	Financial Action Task Force
<b>FIAMLA</b>	Financial Intelligence and Anti Money Laundering Act 2002
<b>FIU</b>	Financial Intelligence Unit
<b>FSAP</b>	Financial Sector Assessment Programme
<b>FSC</b>	Financial Services Commission
<b>ICAC</b>	Independent Commission Against Corruption
<b>MOU</b>	Memorandum of Understanding

## **PREFACE**

Mauritius is a member of the Eastern and Southern Africa Anti Money Laundering Group (ESAAMLG) since 1999. One of the seven objectives of the ESAAMLG Three Year Strategy Plan requires each member country to develop a National AML/CFT Strategy. This paper, the Mauritius National AML/CFT Strategy 2009-2012 has been drafted in this context in consultation with the members of the National AML/CFT Committee and other relevant Mauritian authorities.

This Paper describes:

- The background to this National Strategy;
- the AML/CFT vision and mission statement of Mauritius;
- strategic objectives and their expected outputs;
- strategies to achieve these objectives; and
- the review and monitoring process of the National Strategy

## BACKGROUND

1. By signing the Memorandum of Understanding of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) in 1999, Mauritius endorsed the 40+9 recommendations of the Financial Action Task Force (FATF) and committed itself to implement these recommendations. In line with its commitment Mauritius has taken significant steps to implement its anti-money laundering and combating the financing of terrorism (AML/CFT) framework. An overview of the AML/CFT legal framework and institutional set up is outlined below.

### *Legal framework*

2. Mauritius took its first AML measures in 1995 with the adoption of the Dangerous Drugs Act which criminalized money laundering where the predicate offence relates to drug offences. It then introduced a more comprehensive AML legislation in June 2000, namely the Economic Crime and Anti Money Laundering Act (ECAMLA) in its first attempt to implement the international FATF standards. The Economic Crime Office was set up and was endowed with the functions of intelligence gathering as well as that of investigating economic offences, including money laundering. The ECAMLA was repealed in 2002 and a new AML/CFT legislation was introduced, namely the Financial Intelligence and Anti Money Laundering Act 2002. Mauritius also enacted the Prevention of Terrorism Act 2002 which criminalizes terrorist financing offences and the Prevention of Corruption Act, which established the Independent Commission against Corruption (ICAC) with the specific mandate to investigate corruption and money laundering offences.
3. Mauritius underwent a first AML/CFT assessment under Financial Sector Assessment Programme in 2002/3. In response to the recommendations made by the FSAP team a series of new legislation was enacted to reinforce the legal and institutional AML/CFT framework. These included the Anti-Money Laundering (Miscellaneous Provisions) Act, the Convention for the Suppression of the Financing of Terrorism Act, the Mutual Assistance in Criminal and Related Matters Act and the Financial Intelligence and Anti Money Laundering Regulations 2003.

4. The regulatory framework in the financial services sector underwent significant review and new laws were enacted to meet international standards and modernize the regulation of financial services in Mauritius. In October 2004, the Government of Mauritius introduced new banking laws, namely the Bank of Mauritius Act 2004 and the Banking Act 2004 in order to amend and consolidate the laws relating to the business of banking and other financial institutions.
5. In the non-bank financial services sector, with the enactment of the Securities Act 2005, Insurance Act 2005 and the Financial Services Act 2007 the regulation of the non-bank financial services sector was enhanced and refined for optimum regulation.

#### *Institutional framework*

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 Customs department of the Mauritius Revenue Authority, the Drugs Assets Forfeiture Office and the Courts. The Bank of Mauritius and the Financial Services Commission supervise the banking and non banking institutions for AML/CFT purposes. The Ministry of Finance and Economic Empowerment also provides direction on economic policy parameters that underpin AML/CFT legislation.
7. The National Committee for Anti-Money Laundering and Combating the Financing of Terrorism, which was established under the Financial Intelligence and Anti Money Laundering Act 2002, is responsible for promoting coordination among the FIU, investigatory authorities, supervisory authorities, and other relevant institutions with a view to improving the effectiveness of existing policies to combat money laundering and the financing of terrorism.

### *The way forward*

8. In September/October 2007 Mauritius underwent a second FSAP assessment of its anti-money laundering and countering the financing of terrorism régime. The National Strategy 2009-2012 takes account of the recommendations contained the Mutual Evaluation Report of Mauritius (MER Recommendations) which was adopted by the ESAAMLG Council of Ministers in August 2008. The Mauritius MER has been published on the website of the ESAAMLG.
  
9. It is to be noted that the process for implementing the MER recommendations has already begun. The Trafficking in Persons Act and the Prevention of Terrorism (International Obligations) Act have been enacted. The Bank of Mauritius has amended its AML/CFT Guidance Notes while the Financial Services Commission is currently reviewing its AML/CFT Codes. The Financial Intelligence and Anti-Money Laundering Act has been amended to, among others, enhance the existing provisions relating to the money laundering and terrorist financing offences and to subject land promoters, property developers and estate agents as well as dealers to AML/CFT preventive measures. Amendments have also been brought to the Customs Act with respect to the implementation of Special Recommendation IX of the FATF. Mauritius has moved from a disclosure system to a declaration system for incoming and outgoing cross-border transportation of foreign currencies or bearer negotiable instruments of an amount exceeding Rs 500,000 or its equivalent in foreign currency.

## NATIONAL AML/CFT STRATEGY 2009-2012

### *A Introduction*

10. In defining its National AML/CFT Strategy Mauritius has taken into account the FATF Guidance on Capacity Building for Mutual Evaluations and Implementation of the FATF Standards within Low Capacity Countries (FATF LCC Guidance). It therefore considers that a phased and sequential approach should be adopted to implement the recommendations contained in the AML/CFT detailed assessment report.
11. The National Strategy sets out the road map for Mauritius over the next three years to implement the FATF core and key recommendations as defined in the FATF LCC Guidance. The National Strategy will as a first step focus on making good the deficiencies identified in the in the following areas:
- Legal framework- criminalization of money laundering and terrorist financing, provisional measures/confiscation and freezing and confiscating terrorist assets (R.1, R.3, ,SR.II AND SR.III)
  - FIU (R.13, SR.IV & R.26)
  - Preventive measures (R.5, R.10)
  - Regulation and supervision (R.23) and
  - International cooperation (R.35, R.36, R.40,SR.I & SR.V)
12. The table A and B below sets out the ratings of Mauritius against the FATF core and key recommendations respectively.

**Table A: Compliance ratings with Core Recommendations**

FATF Rec.	R.1	SR.II	R.5	R.10	R.13	SR.IV
Rating	PC	LC	PC	LC	PC	PC

**Table B: Compliance ratings with Key Recommendations**

FATF Rec.	R.3	SR.III	R.4	R.26	R.23	R.35	R.36	R.40	SR.I	SRV
Rating	PC	NC	C	LC	PC	PC	LC	LC	PC	LC



**B** *Vision statement*

*An internationally recognized jurisdiction with a clean and transparent financial services centre committed to the sustained development of Mauritius.*

**C** *Mission Statement*

*To enhance national, regional and international initiatives to combat money laundering and terrorist financing through effective implementation of AML/CFT standards.*

**D** *Strategic objectives*

13. The National Strategy has identified four strategic objectives:

- 1 Strengthening the AML/CFT legal framework
- 2 Enhancing national coordination efforts
- 3 Consolidate capacity building and training programmes
- 4 Promoting regional and international cooperation on AML/CFT matters

## *E Strategy to achieve the strategic objectives*

### **Strengthening the AML/CFT legal framework**

#### Expected output

Effective implementation of the core and key recommendations as defined by the FATF.

#### Strategy

- Amend all relevant existing legislation as per the MER recommendations in consultation with all relevant members of the National AML/CFT Committee.
- Ratify all the relevant UN Conventions on drug trafficking, money laundering, combating the financing of terrorism, the fight against corruption.
- Implement the relevant UN Resolutions on money laundering and terrorist financing
- Devise an implementation plan which sets out definite time lines and identifies the role and tasks of all relevant members of the National AML/CFT Committee for effectively implementing the MER recommendations in their respective areas of responsibility.
- Identify technical assistance requirements and seek assistance as may be required to ensure effective implementation of the MER recommendations.
- Develop a review and monitoring mechanism for the implementation plan.
- Consult and engage with the private sector to ensure effective implementation of the MER recommendations.

### **Enhancing national coordination efforts**

#### Expected output

Better operational coordination between national competent authorities

### Strategy

- Implement a standing forum for supervisory, professional oversight and law enforcement authorities to focus on operational issues that falls outside the work of the AML/CFT National Committee.
- Supervisory, professional oversight, law enforcement authorities and FIU to enter into bilateral MOU and engage in outreach meetings.

### **Consolidate capacity building and training programmes**

#### Expected output

Sustainable and effective national AML/CFT institutional and human power development.

### Strategy

- Provide further training on the Mauritius AML/CFT framework and money laundering and terrorist financing typologies.
- Identify other training needs in supervisory, FIU and law enforcement authorities.
- Implement a training programme in response to the training needs identified in the supervisory, FIU and law enforcement authorities.
- Recruitment of more staff where required.
- Collaborate with ESAAMLG on research and analysis of typologies projects.

### **Promoting regional and international cooperation on AML/CFT matters**

#### Expected output

Provision of expeditious and effective international cooperation in AML/CFT matters.

*Strategy*

- collaborate with international and regional bodies in the fight against money laundering and terrorist financing.
- enhance existing mechanisms and develop new channels to respond to requests for assistance in AML/CFT matters in an effective and timely manner
- Supervisory and law enforcement authorities to enter into bilateral MoUs with their relevant foreign counterparts.

*F Implementation, Review and monitoring of the National Strategy*

14. The National AML/CFT Committee will develop an implementation plan essentially focused on the implementation of the core and key recommendations as a first step to implement the MER recommendations. The implementation plan will identify implementation constraints where applicable.
15. The National AML/CFT Committee shall be responsible for monitoring and reviewing the implementation of the National Strategy.
16. Members of the National AML/CFT Committee will report to the Committee on the progress made on their respective implementation plan.
17. The National Committee will report to the Minister of Finance and Economic Empowerment on the progress in implementing the National Strategy. Any constraint that impedes the implementation process will also be brought to the attention of the Minister.
18. Mauritius will submit annual progress reports on the implementation of its National Strategy to the ESAAMLG Secretariat a month before the meetings of the Council of Ministers. The annual progress report will also identify implementation constraints, if any.