US-Africa Partnership on Illicit Finance
National Action Plan of the Republic of Mauritius

Introduction

1.0 Mauritius has, through its Government Programme for years 2015 to 2019, pledged to uphold the rule of law and promote a culture of good governance, accountability and transparency. This is a clear demonstration of the strong political will to fight illicit financial flows in all their forms. Government has put in place the necessary legal and institutional framework to protect its shores from illicit financial flows.

1.1 Mauritius has over the years developed a very robust Anti Money Laundering/Combating the Financing of Terrorism (AML/CFT) legal framework to deal with financial crime, money laundering and terrorism activities/financing, which include namely:

(i) The Dangerous Drugs Act (Mauritius took its first AML measure in 1995 with the adoption of the Dangerous Drugs Act which criminalizes money laundering where the predicate offence relates to drug offences);

(ii) The Financial Intelligence and Anti Money Laundering Act 2002 (FIAMLA), the very purpose of which is to combat AML and CFT;

(iii) The Prevention of Terrorism Act 2002 (PoTA);

(iv) The Prevention of Corruption Act 2002 (PoCA) – which is more geared towards corruption offences in regard to public resources, public duties as well as persons involved on the demand and supply side. The Independent Commission Against Corruption (ICAC) set up under PoCA as an independent agency adopted a 3-pronged approach in the fight against corruption namely – enforcement of the law, prevention of corruption through review of systems and procedures in public bodies and public education and support, i.e a more proactive approach through a programme of prevention and education;

(v) The Convention for the Suppression of the Financing of Terrorism Act 2003 has been transposed in the local legislation;

(vi) The Asset Recovery Act which was passed in 2011 to enable the State to recover assets which are proceeds or instrumentalities of crime or terrorist property, where a person has been convicted of an offence or where there has been no prosecution but it can be proved on a balance of probabilities that property represents proceeds or instrumentalities of an unlawful activity;
(vii) The Good Governance and Integrity Reporting Act 2015 to encourage and foster a culture of integrity and good governance in Mauritius, stimulate integrity reporting in the public and private sectors, encourage positive reports of acts of good governance, disclose and deter malpractices and recover unexplained wealth, and protect and reward persons making genuine disclosures and reports of malpractices.

1.2 The Mauritius AML/CFT framework is in line with the international standards contained in the FATF 40 Recommendations.

1.3 Under the Financial Intelligence and Anti Money Laundering Act 2002 (FIAMLA), a Financial Intelligence Unit (FIU) has been set up to receive, request, analyse and disseminate financial disclosures relating to money laundering and terrorist financing. The Mauritius FIU became a member of the Egmont Group in July 2003 and has since then been exchanging information with other members of the Group.

1.4 The Mutual Assistance in Criminal and Related Matters Act was passed in 2003 to enable the widest possible measure of international co-operation to be given and received by Mauritius promptly in investigations, prosecutions or proceedings concerning serious offences and related civil matters.

Other Actions Taken for the Fight Against Money Laundering

2.0 Mauritius, as an active member of the ESAAMLG, has implemented various recommendations of the FATF following the 2008 Mutual Evaluation to ensure that there is a proper framework in place to fight money laundering. Some of the amendments made in our legal framework are as follows:

(i) The Financial Intelligence and Anti Money Laundering Act 2002 was amended in December 2012, enabling the FIU to issue guidelines to Designated Non-Financial Businesses and Professions (DNFBPs) (gaming business, jewellery, lawyers, accountants, etc) implying that these businesses have an obligation to adhere to the AML/CFT framework set out therein. In September 2014, the FIU issued guidelines to assist the DNFBP stakeholders in complying with their obligations in relation to the prevention, detection and reporting of money laundering, financing of terrorism and proliferation;

(ii) Mauritius is presently working on the National Risk and Threat Assessment (NRTA), (a recommendation of the FATF) to identify Threats, Vulnerabilities and Impacts and the areas which provide the opportunity for money laundering activities.
(iii) Training sessions have been carried out by the FIU to create awareness and enhance cooperation among stakeholders;

(iv) Implementation of the GoAML application, which provides a platform for all stakeholders/reporting entities to submit reports and communicate online with the FIU;

(v) Procedures for Online Access to databases of the Civil Status Office, Social Security Office and Registrar General, National Transport Authority and Registrar of Companies are currently at the finalization stage. The FIU has also initiated procedures to obtain online access to Police databases;

(vi) In order to enhance cooperation and sharing of information, the FIU has signed various Memoranda of Understanding domestically (4) and internationally (25);

(vii) The FIU Mauritius has provided support to various African FIUs by sponsoring them for their membership to the Egmont Group, and has furthermore provided assistance to Madagascar to obtain membership to the ESAAMLG;

(viii) The last meeting of the National Committee for Anti-Money Laundering and Combating the Financing of Terrorism, established under the Financial Intelligence and Anti Money Laundering Act 2002, and which is responsible for promoting coordination among various institutions in the AML/CFT sector, was held in July 2016. The AML/CFT National Committee isconcerting efforts to implement the provisions contained in the relevant legislations and in this context a"National Risks Assessment will be considered as a priority.

3.0 Following the meeting held in Dakar, Senegal on 24 and 25 February 2016 and the conference call held with officials of the US Department of State through the US Embassy in Mauritius, the Republic of Mauritius undertakes to implement a series of actions to prevent combat illicit financial flows. These actions include:

(A) **Promoting Government Transparency**

Mauritius pledges to:

(i) Develop greater inter-agency cooperation between the Financial Intelligence Unit, Mauritius Revenue Authority, Gaming Regulatory Authority and the Police
Department to detect illicit financial flows. A Memorandum of Understanding will be signed between the aforementioned agencies.

(ii) Strengthen working relationship with ESAAMLG and FATF through MOUs to formalize framework to exchange information and for capacity building.

(iii) Install CCTV cameras in all Police Stations, in a phased manner, to ensure that Police Officers discharge their duties in a professional, fair and impartial manner. The measure will aim at enhancing the Police service, prevent malpractices and promote more transparency in administrative procedures. By the end of 2016, ten out of seventy three Police Stations will be equipped with CCTV.

(iv) Implement the e-procurement system for the acquisition of equipment and other logistics which accordingly will promote greater transparency and accountability. This project is already functional but it will be extended on a large scale by the end of 2016.

(B) Combatting corruption and the loss of government revenues to criminal activity

Mauritius pledges to:

(i) Ensure that Gambling Businesses comply with the Financial Intelligence Anti Money Laundering Act and FIU guidelines through more recurrent inspections, tighter and rigorous controls.

(ii) Review on an on-going basis, the Guidance Notes on Anti-Money Laundering and Combatting the Financing of Terrorism (AML/CFT) in the light of the evolving international best practices in this area.

(iii) Setting up of a task force regrouping various stakeholders with the mandate of reducing illicit financial flows.

(iv) Have regular trilateral meetings between the FIU, BoM and the FSC who will be tasked to make an assessment of the current framework and come up with measures that need to be adopted to detect any illicit financial flows.

(v) Adopt an integrated approach in the conduct of investigation into financial frauds and white collar crimes.

(vi) Consolidate existing relationship between enforcement agencies such as the Integrity Reporting Services Agency, the Asset Recovery Unit, Financial Services Commission, Financial Intelligence Unit, the Mauritius Revenue
Authority and other relevant financial institutions with a view to preventing the use or transfer of funds or assets obtained through illegal activities.

(vii) Implement a ‘Road Eyes Pilot Project’ for the Traffic Branch of the Police Department, which will act as a safeguard against corrupt practice, entailing an increase in the number of road eye cameras (from 6 to 50) to minimise risk of corruption at the License Processing Office of the Mauritius Police Force.

(viii) Reinforce the Police Headquarters hotline service to encourage the general public to report cases where proceeds of illegal activities are being injected in the country’s economy.

(ix) Encourage the use of social network for members of the public as well as the private sectors to report cases of money laundering, suspicious transactions or unexplained wealth.

(x) Provide tailor-made training courses to a greater number of Police Officers to enhance their capacity in conducting investigation in financial frauds.

(xi) Monitor constantly the procurement system to mitigate any opportunity of corruption by publishing more information online, standardizing and streamlining processes and facilitating control and oversight over its procurement cycle.

(C) **Combatting impunity and promoting accountability, including through the improvement of civil society and the private sector**

Mauritius pledges to:

(i) Establish a reward program for whistleblowers denunciating any illicit activity.

(ii) Ensure that banks and other financial institutions operating under the purview of the Bank of Mauritius

   (a) strictly apply and adhere to the requirements of the Guidance Notes on AML/CFT issued by the Bank of Mauritius,

   (b) identify the ultimate beneficial owners of legal entities as well as the source of funds as recommended in the Guidance Notes on AML/CFT; and

   (c) apply enhanced due diligence to Politically Exposed Persons in the African Continent and ensuring the legitimacy of the source of funds prior to any dealing.
(iii) Establish a Financial Crime Commission as an apex organization to oversee the various law enforcement agencies engaged in the fight against financial and the white collar crimes, with a view to bringing enhanced synergy and effectiveness.

Ministry of Financial Services, Good Governance and Institutional Reforms

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