



INTERCONTINENTAL TRUST NEWSLETTER

MAY 2020



Intercontinental Trust Ltd

Mauritius on the EU List of High Risk Third Countries

The European Commission issued the list of High Risk Third Countries (the “List”) on 7 May 2020 with Mauritius having been labelled as one of them. This is understood to be a direct consequence of the listing of Mauritius by the Financial Action Task Force (FATF) on its list of “Jurisdictions under Increased Monitoring” earlier this year.

According to the EU, their assessment methodology for the inclusion of countries on the List, has been revised “to take into account information from international organisations and standard setters in the field of AML/CFT, such as FATF public statements, mutual evaluation or detailed assessment reports or published follow-up reports”.

In an interview delivered to the local press, Vincent Degert, the Ambassador of the EU to Mauritius confided that the EU was called upon by its member states as well as the European Parliament to strengthen its supervisory system given their increasing reliance on cross-border financial services. This was the reason why the EU factored in the shortcomings identified by the FATF in their own methodological principles.

What is the current situation with the FATF?

In February 2020, the FATF decided to place Mauritius in the “Jurisdictions under Increased Monitoring” List even if Mauritius is compliant or largely compliant with **35 out of the 40** FATF Recommendations, including the FATF’s “**Big Six Recommendations**” i.e. the criminalisation of the money laundering offence, the criminalisation 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. The FATF was nevertheless of the opinion that the remaining 5 recommendations still had to be tackled by Mauritius.

The Government of Mauritius made a high-level political commitment to address the remaining deficiencies identified by the FATF by latest September 2021. In fact, a first progress report was submitted to the FATF earlier this year, within the agreed timeline, despite the country being under a strict sanitary curfew since 20 March 2020. However, this remains unassessed by the FATF as their process has been suspended in view of the Covid-19 pandemic crisis.

What's next?

It must be highlighted that the List is yet to be submitted to the European Parliament and the EU Council of Ministers for approval, following which, if approved, will then become effective on **1 October 2020**.

The Government of Mauritius has already initiated talks with the European Commission to that effect and has once again reiterated 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.

We will endeavour to keep our valued clients informed of the developments but should you have any questions in the meantime, please liaise with your contact person or send us an e-mail on info@intercontinentaltrust.com

ITL v/s Covid-19

Our Management Team is devoting a lot of its time and resources to minimize the impact of the pandemic crisis on our service level whilst ensuring the well-being of our employees. Our Pandemic Preparedness and Response plan has been activated since the beginning of the lockdown and the following operational changes have since then been implemented:

Work-From-Home (WFH):

Effective as from Friday 20 March 2020, all our employees are working from home. We would like to highlight that our WFH facilities have been tried and tested for a number of years already and that these are fully compliant with our data privacy and data security protocols.

Suppliers:

We have Service Level Agreements with our 3rd party suppliers to ensure that they are adhering to their forthcoming delivery and equipment servicing commitments, even during the lockdown period.

Client Meetings:

Our employees remain primarily reachable by e-mail but client meetings are being conducted through ZOOM. Our Information Technology and Information Security teams are working behind the curtain on the ZOOM administrative portal to ensure best practices and configurations are followed and implemented in order reinforce the security perimeter around the app.

For any additional information please contact us.

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