

FATF Grey list/EU Blacklist: A glimmer of light on the Mauritian horizons

At the latest FATF Plenary session held on 21-25 June 2021, the FATF confirmed that Mauritius has substantially completed its action plan at a technical level. An onsite visit will be arranged by the delegates of the FATF as soon as possible, Covid-19 conditions permitting, to assess the implemented measures outlined in the progress report submitted by Mauritius in April 2021.

The results of the visit will be reported in October 2021 when a final decision regarding the removal of Mauritius from the FATF Grey list will be taken based on the findings of the onsite inspection.

This announcement comes in at an opportune time when the country is already grappling with the economic impact of the covid-19 crisis. It also sends out a strong signal that Mauritius is steering in the right direction and indubitably reinforces its position as a jurisdiction of substance and repute. We remain confident that the FATF inspection team will validate the progress that Mauritius has achieved so far and that the country will be removed from the FATF Grey List. Furthermore, the European Commission had already provided confirmation that the country's delisting from the FAFT Grey list will automatically entail its removal from the list of High Risk Third Countries (commonly referred to as the "EU Blacklist").

We will endeavor to keep our valued clients informed of the situation in due course.

Background:

Mauritius has had its fair share of challenges since May 2020 when the European Union took the decision to place the country on its list of High Risk Third Countries (commonly referred to as the "EU Blacklist") which took effect as from 1 October 2020. It 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" (commonly referred to as the "FATF Grey List") in February 2020.

Over the past year, the Mauritian government has made it a priority to ensure that the country reinforces its existing legal and supervisory framework in a bid to address the deficiencies identified by the FATF at the earliest. The country worked relentlessly to ensure the implementation of its action plan, by:

1. implementing risk-based supervision plans effectively for The Financial Services Commission and relevant Designated Non-Financial Business and Professions (DNFBP) supervisors and increase the diversity of STR filing, especially among higher risk sectors;
2. ensuring the access to accurate basic and beneficial ownership information by competent authorities in a timely manner;
3. demonstrating that law enforcement agencies have capacity to conduct money laundering investigations, including parallel financial investigations and complex cases;
4. implementing a risk-based approach for supervision of its NPO sector to prevent abuse for Terrorist Financing purposes; and
5. demonstrating the adequate implementation of targeted financial sanctions through outreach and supervision.