



Shining through the grey clouds: FATF whitelists Mauritius

At its Plenary held on the 19-21 October, the Financial Action Task Force (FATF) approved the removal of Mauritius from the list of “Jurisdictions under Increased Monitoring” commonly referred to as the “FATF Grey List”. This decision followed the recommendation put forward by the International Co-operation Review Group (ICRG) of the FATF, which was satisfied of the progress made by Mauritius in combatting money laundering and terrorist financing and of the completion of its Plan of Action during the on-site inspection conducted on the 13-15 September.

Now that Mauritius has been whitelisted by the FATF, the country awaits its imminent delisting from the EU List of High Risk Third Countries (also referred to as the “EU Blacklist”).

It will be recalled that Mauritius was placed in the FATF Grey List in February 2020, as a result of strategic deficiencies identified in its AML/CFT framework. The European Union ultimately followed suit in May 2020 and took the decision to include the country on the EU Blacklist effective as from 1 October 2020. In 2020, Mauritius made a high-level political commitment to work with the FATF and the Eastern & Southern Africa Anti-Money Laundering Group (ESAAMLG) to strengthen the effectiveness of its AML/CFT regime and since then, the Government moved beyond rhetoric and pledges; it worked relentlessly alongside key stakeholders and the relevant representatives of the private sector to address the various deficiencies.

At the June 2021 Plenary, the FATF commended the progress achieved by the country and took note of the key reforms made to its AML/CFT framework, as follows:

1. conducting outreach to promote understanding of ML and TF risks and obligations;
2. developing risk-based supervision plans effectively for the Financial Services Commission;
3. ensuring access to accurate basic and beneficial ownership information by competent authorities in a timely manner; and
4. providing training for law enforcement authorities to ensure that they have the capability to conduct money laundering investigations.



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Concurrently, Mauritius made an application earlier this year, for the re-rating of FATF Recommendations 8, 24 and 33 by the ESAAMLG and these were upgraded as follows:

- Recommendation 8 (Non-Profit Organisations): from Non-Compliant to Largely Compliant
- Recommendation 24 (Transparency and Beneficial Ownership of Legal Persons): from Partially Compliant to Largely Compliant
- Recommendation 33 (Statistics): from Partially Compliant to Compliant

Mauritius is now Compliant or Largely Compliant in 39 out of the 40 FATF Recommendations on Technical Compliance, with only Recommendation 15 (New Technologies) rated as Partially Compliant.

Mauritius has had its fair share of challenges over the past year and its delisting from the FATF Grey list and subsequent removal from the EU Blacklist will certainly dispel the clouds of uncertainty that hovered over the jurisdiction. Contrary to general belief, the challenges posed by the inclusion of Mauritius on the FATF Grey List have not been entirely detrimental and unbeneficial to the country. If anything, they have helped it emerge as a resilient jurisdiction that prioritizes transparency and adherence to international best practices and where the public and private sectors work in unison to support the very foundations of the economy.

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