It gives me great pleasure to be present here today on the occasion of the Fourth Annual Seminar of the Mauritius FIU on “Combating Money Laundering: New Developments and Perspectives”. I am equally pleased to address you and share with you Government’s commitment and will to combat the scourge of money laundering and its negative impact on the economy and society at large.

The theme of today’s seminar is very much in line with Government’s continued determination to adhere to international standards in the fight against money laundering while enhancing our strategic positioning as a centre for regional business expansion in Africa and beyond.

Ladies and Gentlemen,

As you know, Mauritius has already ratified and acceded to a number of United Nations conventions, namely

(i) the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna Convention)

(ii) the United Nations Convention against Transnational Organized Crime (Palermo Convention)

(iii) the UN Convention against Corruption (Merida Convention)
(iv) the International Convention for the Suppression of the Financing of Terrorism.

On the domestic front, relevant legislation are now in place, the major ones being:

(i) the Financial Intelligence and Anti Money Laundering Act 2002
(ii) the Financial Intelligence and Anti Money Laundering Regulations 2003
(iii) the Convention for the Suppression of the Financing of Terrorism Act 2003
(iv) the Prevention of Corruption Act 2002.

The most recent legislation which I had the priviledge of piloting in the National Assembly is the Asset Recovery Act 2011 which completes the chain of requirements under FATF Recommendations on legislative systems or criminal justice measures for an effective AML/CFT framework. As you may be aware, the Enforcement Authority is the DDP’s office and the Act became operational early this year.

Furthermore, Government agreed in 2007 that our AML/CFT system be assessed by the IMF under the Financial Sector Assessment Program (FSAP). The assessment report was subsequently submitted to the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and endorsed by its Council of Ministers as a Mutual Evaluation of Mauritius AML/CFT system. ESAAMLG, as you are aware, is an associate member of the Financial Action Task Force, i.e. an FATF - Style Regional Body, of which Mauritius is a founder member.

The FSAP Report made a number of recommendations, namely:-

(i) Ensure that the crime of money laundering apply to all serious crimes and that the following acts and activities constitute predicate offences to money laundering: Trafficking in adult human beings and adult migrant smuggling; Sexual exploitation; Illicit arm trafficking; Illicit trafficking in stolen goods and other goods;
Counterfeiting and piracy of products; Environmental crime; theft; Piracy; Smuggling; Insider trading and market manipulation;

(ii) Amend FIAMLA s3 to include reference to financing of terrorism;

(iii) Extend the STR reporting obligation to the real estate sector;

(IV) Clarify whether the scope of FIAMLA s10(2)(c) legally provides for the FIU to issue guidance on indicators of suspicious transactions to assist financial institutions and DNFBPs to meet their reporting obligations;

(V) Ensure that all the material elements of the money laundering offence listed in the Vienna and Palermo Convention are covered by including the concealment or disguise of “true nature, source, location, disposition, movement or ownership of or rights with respect to proceeds”.

Ladies and Gentlemen,

Government has, subsequently, taken significant steps to address most of the recommendations of the Mutual Evaluation report by either enacting new or making amendments to existing legislation. The Finance (Miscellaneous Provisions) Act in 2009 amended the Financial Intelligence and Anti Money Laundering Act (FIAMLA) Act 2002 to amend, among others, the definition of ‘crime’ in FIAMLA to take an all-crime-approach, to amend section 3 of FIAMLA to make reference to the financing of terrorism, to 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 under the Jewellery Act to AML/CFT obligations.

The enactment of the Economic and Financial Measures (Miscellaneous Provisions) Act in July 2011 has empowered the Financial Intelligence Unit to issue AML/CFT guidelines to members of the relevant professions or occupations. Amendments have also been brought to the Customs Act with respect to the implementation of Special Recommendation IX of the FATF. The latest development as already mentioned earlier is the enactment of the Asset Recovery Act in 2011 which prescribes the procedure 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.

More recently, in February 2012, the FATF has revised the 40+9 recommendations. By revising the FATF Recommendations, the FATF has significantly improved the clarity of the Standards. They are more cohesive, less duplicative, and better take into account the challenges that countries face with implementation which were lessons learned during the last round of FATF mutual evaluations. They are also better targeted and allow for more flexibility in lower risk situations. All of this makes the standards easier to understand and will facilitate their implementation.

The ESAAMLG Task Force of Senior Officials, chaired this year by the Director of Mauritius FIU himself, has already endorsed the new FATF recommendations for adoption by the Council of Ministers of ESAAMLG at its next plenary meeting in Mozambique in August, 2012. The new FATF standards (the FATF Recommendations) are applied by over 180 countries, through a global network of regional bodies such as ESAAMLG as well as the IMF and the World Bank.

Ladies and Gentlemen,

There is no doubt that Government of Mauritius is committed to adhere to the new 40 FATF Recommendations and to work towards their implementation once the new methodology of assessment is established.

In the meantime there is a new area where we need to focus on the crusade against money laundering and terrorist financing, that is, training. This can range from awareness creation about AML/CFT frameworks to understanding sophisticated techniques used by money launderers as well as assessing risks.

Here I thank and commend the FIU for its pioneering work, although AML/CFT training is not one of its core functions. As mentioned by the Director of FIU in his welcoming remarks, the new risk-based approach embodied by the new FATF recommendations and the need for FIU to carry out strategic analysis, will no doubt prompt the FIU to carry on with further training activities the more so that it is the only central agency in Mauritius that interfaces with operators, professionals and other people exposed to the risks of money laundering. It is also constantly interfacing with other FIUs worldwide be it at the level of the Egmont Group, FATF and ESAAMLG. It is therefore uniquely placed to identify new risks and patterns which it can communicate to others in a preventative role.
Ladies and gentlemen,

Your presence here today demonstrate that Mauritius gives the most serious consideration to the development of clean business opportunities and the protection of the integrity of our financial system. There may be a number of obstacles on our way and we must always remember that while the cost of money laundering control may impact on individual businesses, the benefits accrue to the country and society at large. With these words, I declare the FIU Fourth National Seminar officially open and wish you fruitful deliberations.

I thank you for your kind attention.