FIU MAURITIUS
Our Vision Statement:

To protect integrity of our financial system and contribute to the safety of our citizens through deterrence of Money Laundering and Terrorist Financing

Our Mission Statement:

To be the leader in financial intelligence works in the region and be recognized worldwide as an FIU that adheres to international standards
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FIU Mauritius: Its Evolution since its Inception in August 2002
1.0 FIU Mauritius: Its Evolution since its Inception in August 2002

“Establishing an FIU is an important step in combating financial crime.”
International Monetary Fund (2004)

It is now increasingly recognized that an effective and robust AML/CFT framework that meets international standards should have five major elements. First, the legal system must criminalize money laundering and terrorist financing and provide for the seizure, confiscation and forfeiture of assets of criminals and imposes integrity standards. Secondly, financial institutions have to fulfill a number of obligations in respect of customer identification, due diligence checks, record-keeping and reporting of suspicious transactions. Thirdly, a Financial Intelligence Unit (FIU) must exist as a specialized agency to receive, analyze and disseminate suspicious transaction reports to investigators or prosecutors. Fourthly, international co-operation between regulators, law enforcement, judicial authorities and FIUs is vital and, lastly, there should be a mechanism for preventing, detecting and suppressing the financing of terrorism and terrorist acts worldwide.

The Mauritian FIU was established under Part III (Sections 9 to 13) of the Financial Intelligence and Anti-Money Laundering Act, 2002 which was proclaimed on 10th June, 2002, following the abolition of the Economic Crime Office which was acting as both a FIU and an investigator. However, it became fully operational on the 8th August, 2002 and since then it has had significant achievements on both the domestic, regional and international fronts.

Following latest legislative amendments, more focus has been brought to the role of the FIU. Its functions are now defined as follows:

a. **Collecting, Processing, Analyzing and Interpreting Financial Disclosures**

   The core function of the FIU is to collect, process, analyse and interpret all information disclosed to it and obtained by it under the relevant enactments regarding money laundering and terrorism financing.

b. **Issuing Guidelines**

   The FIU is also responsible for issuing guidelines to banks, financial institutions, cash dealers and members of the relevant professions or occupations on the manner in which a suspicious report shall be made and additional information supplied to the FIU.
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c. Informing, Advising and Co-operating with Investigatory and Supervisory Authorities and other Law Enforcement Agencies.

d. Exchanging Information with Overseas Financial Intelligence Units or Comparable Bodies

e. Undertaking and Assisting in Research Projects
   The FIU is also responsible for conducting and assisting in research studies in order to identify the causes of money laundering and terrorist financing and its consequence

The FIU’s Information Process

The diagram below encapsulates the central role of the FIU which is to receive STRs from reporting institutions, evaluating and analysing them and disseminating "intelligence packages" to investigators and supervisors.

1. STRs from Reporting Institutions
2. Requests from Supervisory Bodies
3. Requests from Investigatory Bodies
4. Requests from Other Institutions
5. Requests from Foreign FIUs
6. Others

- Public & Private Databases
- Police & Customs
- Overseas FIUs
- Law Enforcement Bodies
- Supervisory Bodies
- Overseas FIUs
- Overseas Law Enforcement Bodies
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Structure and Organization of the FIU

Mauritius adopted an administrative-type of FIU where disclosures of suspicious financial transactions are, in the first instance, received by the FIU and after analysis, the relevant information is passed on to law enforcement bodies for further action or to supervisory bodies for any regulatory action they may deem fit.

This preferred FIU model for Mauritius reflects to a large extent the growing role of financial services in the economy and our strategic positioning as a centre for global business. Indeed it is a model in which the FIU is a “neutral,” technical, and specialized intermediary for the reporting parties, creates greater trust between reporting institutions and their clients as well as with the FIU. The FIU on its part is actively engaged in consolidating this trust through an effective management of confidentiality of information in its possession and the professionalism of its staff in carrying out financial investigative analysis.

Internal Organization

The first year of operations of the FIU was marked by a number of rapid developments which were managed despite limited staff and physical space. However, by August 2003 it became evident that the organisation structure would have to be reviewed to ensure the proper development of the organisation to produce top quality financial intelligence packages and become a model of intelligence analysis for other law enforcement agencies. The structure of the FIU at that time was two-pronged with a large Technical department and a Corporate Affairs Division. It had also an Assistant Director who headed the Technical Department and who deputized for the Director, as shown below.

Types of FIUs

The wide variety of arrangements for FIUs may be summarized under four general headings: the administrative-type FIU, the law-enforcement-type FIU, the judicial- or prosecutorial-type FIU, and the “mixed” or “hybrid” FIU.

Administrative-type FIUs

Administrative-type FIUs are usually under the supervision of an administration other than the law-enforcement or judicial authorities. They sometimes constitute a separate agency, placed under the substantive supervision of a ministry or administration. The main rationale behind such a model is to establish a “buffer” between the financial sector and the law-enforcement authorities in charge of financial crime investigations and prosecutions.

Law-enforcement-type FIUs

In some countries, the emphasis on the law-enforcement aspects of the FIU led to the creation of the FIU as part of a law-enforcement agency. Under this model, the FIU will be close to other law-enforcement units, benefiting from their expertise and sources of information. In return, information received by the FIU can be accessed more easily by law-enforcement agencies and can be used in any investigation, thus increasing its usefulness.

Judicial or prosecutorial-type FIUs

This type of FIU is established within the judicial branch of the state and most frequently under the prosecutor’s jurisdiction. Instances of such an arrangement are found in countries with a continental law tradition, where the public prosecutors are part of the judicial system and have authority over the investigatory bodies, allowing the former to direct and supervise criminal investigations.

“Hybrid” FIUs

This last category encompasses FIUs that contain different combinations of the arrangements described previously. This hybrid type of arrangement is an attempt to obtain the advantages of all the elements put together.

Some FIUs combine the features of administrative-type and law-enforcement-type FIUs, while others combine the powers of the customs office with those of the police.
FIU Mauritius: Its Evolution since its Inception in August 2002

First Organization Chart of FIU Mauritius

- Board
- Director
- Assistant Director

Corporate Affairs Division
- Fin / Admin. Manager
- Acct / Admin. Assistant
- Office Secretary
- Driver / Attendant
- General Assistant

Technical Department
- Information Technology
- Financial Investigative Analysis
- Legal
- Senior Financial Intelligence Analyst
  - Financial Intelligence Analyst
  - Research Intelligence Officer
  - System Administrator
  - Field Intelligence Officer
  - IT Assistant
- Assistant Financial Intelligence Analyst
- Legal Officer
Human Resources

Since the beginning of its operations in 2002, the FIU has emphasized on capacity building by focusing mainly on its human resources. In that respect, the FIU recognizes that the nature of its work requires high intellect, impeccable integrity and solid commitment. Consequently, every effort was made to select staff on the basis of these qualities, promoting therefore excellence. As of July 2012, our institution had 26 employees with women make up 54% of our workforce.

Training

Training and development of a conducive working environment are crucial in achieving organizational excellence. To this end all staff of the FIU have had to undergo a special training on their first day of appointment, directed towards the promotion of professionalism, security awareness and protection of information. Overseas training were also provided to selected staff to broaden their outlook and provide them with international exposure.
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A Review of our AML/CFT Legal Framework

In 2002, the Economic Crime and Anti-Money Laundering Act (ECAMLA), which was the first AML specific legislation, was repealed. From 2002 onwards, a series of legislations have been enacted to ensure that Mauritius have an effective AML/CFT legal framework in place. The main legislations dealing with money laundering in Mauritius are the Financial Intelligence and Anti Money Laundering Act (FIAMLA) 2002, Anti-Money Laundering (Miscellaneous Provisions) Act 2003 and the Financial Intelligence and Anti Money Laundering Regulations 2003. The FIAMLA provides for (1) the establishment of a Financial Intelligence Unit; (2) the offences of money laundering; (3) the reporting of suspicious transactions; and (4) the exchange of information in relation to money laundering.

Establishment of the Financial Intelligence Unit
The Financial Intelligence Unit (FIU) is established under section 9 of the FIAMLA 2002. It is the central agency in Mauritius responsible for receiving, requesting, analyzing and disseminating to the investigatory and supervisory authorities, disclosures of financial information concerning suspected proceeds of crime and alleged money laundering offences as well as the financing of any activities or transactions related to terrorism. The FIU Mauritius became operational on 8th August, 2002.

Money Laundering Offence
With regard to the criminalization of money laundering in Mauritius, section 3 of FIAMLA provides that any person who engages in a transaction that involves property which is, or in whole or in part directly or indirectly represents the proceeds of any crime or receives, is in possession of, conceals, disguises, transfers, converts, disposes of, removes from or brings into Mauritius any property which is, or in whole or in part directly or indirectly represents, the proceeds of any crime, where he suspects or has reasonable grounds for suspecting that the property is derived or realized, in whole or in part, directly or indirectly from any crime, shall commit an offence. The definition of crime under FIAMLA has been amended by the Finance (Miscellaneous provisions) Act in 2009.
Prior to this amendment, crime had the same definition as in the criminal code. Offences like larceny are not crime under the criminal code and therefore did not constitute crime for the purposes of FIAMLA. However, this definition has been amended to enlarge its scope i.e. to extend the number of offences falling within the definition of crime for the purposes of FIAMLA. Crime, now, means an offence punishable by penal servitude (for example swindling) or by imprisonment for a term exceeding 10 days or by a fine exceeding Rs 5,000 (for example simple larceny) and it includes an activity carried on outside Mauritius and which, had it taken place in Mauritius, would have constituted a crime. It also includes an act or omission which occurred outside Mauritius but which, had it taken place in Mauritius, would have constituted a crime.

Penalty
A person who is found guilty of a money laundering offence under FIAMLA may on conviction be liable to a fine not exceeding Rs 2 million and to penal servitude for a term not exceeding 10 years. In addition, the Intermediate Court, which has jurisdiction to try offences under the FIAMLA, may impose a forfeiture order under sections 7 and 8(2) of FIAMLA.

Financing of Terrorism
Concerning the financing of terrorism, the main pieces of legislations are the Convention for the Suppression of the Financing of Terrorism Act 2003, the Prevention of Terrorism Act 2002, the Prevention of Terrorism (Special Measures) Regulations 2003, the Prevention of Terrorism (Special Measures) (Amendment) Regulations 2003 and the FIAMLA. Section 4 (1) of the Convention for the Suppression of the Financing of Terrorism Act 2003 makes the financing of terrorism an offence in Mauritius. This section provides that any person who, by any means whatsoever, wilfully and unlawfully, directly or indirectly, provides or collects funds with the intention or knowledge that it will be used, or having reasonable grounds to believe that they will be used, in full or in part, to commit in Mauritius or abroad an offence in breach of an enactment specified in the Third Schedule of the Act or an act of terrorism, shall commit an offence. It is important to note that for an act to constitute an offence under section 4(1), it shall not be necessary that the funds were actually used to carry out the offence in breach of the enactment specified in the Second Schedule of the Act or the act of terrorism, as the case may be. Any person who commits an offence under subsection 4(1) shall, on conviction, be liable to penal servitude for a term of not less than 3 years.

Reporting of ‘Suspicious Transaction’
Section 14 of FIAMLA imposes a legal obligation on banks, financial institutions, cash dealers or members of the relevant professions or occupations to report to the FIU any transaction which they have reason to believe may be a ‘suspicious transaction’. The term ‘member of the relevant profession or occupation’ has been defined in section 2 of FIAMLA as an accountant, an attorney-at-law, a barrister, a chartered secretary, a notary and it includes any person licensed to operate a casino, gaming house Category A, interactive gambling, totalisator or as a bookmaker under the Gambling Regulatory Authority Act. This definition was amended in 2009 by the Finance (Miscellaneous provisions) Act to include any dealer under the Jewellery Act and any Land Promoter and Property Developer, Agent in Land, Building or Estate Agent, under the Local Government Act 2003.
Moreover, the term ‘suspicious transaction’ has been given a broad definition under the Act. It means a transaction which –

(a) gives rise to a reasonable suspicion that it may involve -
   (i) the laundering of money or the proceeds of any crime; or
   (ii) funds linked or related to, or to be used for, terrorism or acts of terrorism or by proscribed organisations, whether or not the funds represent the proceeds of a crime;

(b) is made in circumstances of unusual or unjustified complexity;

(c) appears to have no economic justification or lawful objective;

(d) is made by or on behalf of a person whose identity has not been established to the satisfaction of the person with whom the transaction is made; or

(e) gives rise to suspicion for any other reason.

Under section 14(1) of FIAMLA reporting entities have to report any suspicious transactions forthwith to the FIU. Failure to make a report under section 14(1) is an offence under FIAMLA and the applicable penalty is a fine fine not exceeding Rs 1 million and to imprisonment for a term not exceeding 5 years.

**Tipping Off**

After making a suspicious transaction report to the FIU, no person, directly or indirectly involved in the reporting of a suspicious transaction is allowed to inform anyone, including the client, about the contents of a suspicious transaction report or even disclose to him that he/she has made such a report. It shall amount to an offence under FIAMLA.

**Exchange of Information and Co-operation**

As regards the exchange of information between the FIU and other competent authorities, FIAMLA provides a framework for both domestic and international exchange of information. In relation to the domestic exchange of information, section 13(1) of the FIAMLA specifies that where the Director considers information on any matter should be disseminated to the investigatory or supervisory authorities, he shall refer the information to the Board which can either consent to such dissemination or refer the information back to the Director with a view to determining whether further supporting information can be found which would justify a subsequent reference to one of the investigatory or supervisory authorities. The FIU may also, under section 21 of FIAMLA, pass on information, which does not of itself justify a dissemination to any of the investigatory authorities under section 13 of the Act, to supervisory or investigatory authorities, where it becomes aware of any information which may be relevant to their respective functions. Moreover, section 22 of the Act provides that where, at any time in the course of the exercise of its functions, any supervisory authority receives, or otherwise becomes aware of any information suggesting the possibility of a money laundering offence or suspicious transaction, the supervisory authority shall forthwith pass on that information to the FIU. To-date the Mauritius FIU has signed four MOUs with domestic authorities. Moreover, FIAMLA provides for the establishment of a National Committee for AML/CFT under section 19A of FIAMLA, with a view to promote co-operation among the FIU, investigatory authorities, supervisory authorities and other institutions.
FIU Mauritius: Its Evolution since its Inception in August 2002

As far as international exchange of information is concerned, section 20 of FIAMLA empowers the FIU to exchange information with overseas FIUs and “comparable bodies”. Under section 20(1) of FIAMLA, the FIU is the only body in Mauritius which may seek recognition by any international group of overseas financial intelligence units which exchange financial intelligence information on the basis of reciprocity and mutual agreement. With a view to promote sharing of information with foreign FIUs, the FIU has signed a 21 MoUs with its overseas counterpart including FINCEN of USA, AUSTRAC of Australia, FINTRAC of Canada and FIC of South Africa. However, an important principle underlining all exchange of information is having safeguards to maintain appropriate confidentiality of information.

Protection of Information
Confidentiality is the cornerstone of any successful FIU. According to section 30(1), the Director, every officer of the FIU, the Chairperson and members of the Board shall take an oath of confidentiality before they begin to perform their duties. They should maintain during and after their relationship with the FIU the confidentiality of any matter relating to the relevant enactments. Section 30(2) further provides that no information from which an individual or body can be identified and which is acquired by the FIU in the course of carrying out its functions shall be disclosed except where disclosure appears to the FIU to be necessary to enable it to carry out its functions, or in the interests of the prevention or detection of crime, or in connection with the discharge of any international obligation to which Mauritius is subject, or pursuant to an order of a Judge. Any breach of this section shall be punishable by a fine not exceeding Rs 1 million and to imprisonment for a term not exceeding 3 years.

Other key legislations in the AML/CFT Framework
Mauritius has left no stone unturned in establishing an effective AML/CFT legal framework as required under the FATF 40+9 Recommendations. The Prevention of Corruption Act (POCA) 2002 provides for the establishment of the Independent Commission Against Corruption, which is the primary authority responsible for the investigation of money laundering cases. Moreover, the Dangerous Drugs Act 2000 empowers the Police to investigate Money Laundering offences related to drug offences under section 39 of the Act. In addition to section18(1)(a) of FIAML, the enactment of the Bank of Mauritius Act and the Banking Act in 2004, empowers the Bank of Mauritius to issue AML/CFT guidelines to its licensees. Furthermore, the Financial Services Act (FSA) 2007 empowers the Financial Services Commission to issue AML/CFT guidelines to its licensees under the FSA, the Securities Act and the Insurance Act. The Finance (Miscellaneous provisions) Act as already mentioned above amended FIAML in 2009 to implement the recommendations of the Mutual Evaluation Report 2008. More recently, in 2011, two important changes were made to the AML/CFT legal framework. Firstly, the Economic and Financial Measures (Miscellaneous Provisions) Act 2011 was enacted to amend FIAML to empower the FIU to issue AML/CFT guidelines to members of relevant professions or occupations among other. Secondly, the enactment of the Asset Recovery Act 2011, which came into operation in February this year, ensured that our AML/CFT framework is now complete. The purpose of this Act is to enable the State to recover assets which are proceeds or instrumentalities of crime or terrorist property. According to the Act, the “Enforcement Authority” shall be the Director of Public Prosecutions.
Looking Back on our first Decade of Operations
2.0 Looking Back on our First Decade of Operations

“FIUs are an essential component of the international fight against money laundering, the financing of terrorism, and related crime. Their ability to transform data into financial intelligence is a key element in the fight against money laundering and the financing of terrorism.”

International Monetary Fund (2004)

2.1 Our Results in Figures

2.1.1 Case Originators

Cases for analytical work and dissemination emanate from Suspicious Transaction Reports (STRs) submitted by reporting institutions defined in FIAML 2002 but also from disclosures (Non-STRs) coming from non-reporting institutions like supervisory bodies, investigatory bodies, foreign FIUs and from others which may include anonymous letters or even Government departments. For the period August 2002 to July 2012, the FIU received 2041 cases for analysis and interpretation.

2.1.1.1 Suspicious Transaction Reports (STRs)

Financial investigations conducted by FIUs are backed by the AML/CFT legal system of their country through, among others, a requirement to report suspicious transactions. For example, financial institutions as well as with members of relevant professions have a role to play in Mauritius’ efforts to prevent money laundering and terrorism financing. Since these entities, are among the first, to come into contact with financial transactions that may be potentially linked to money laundering or terrorist financing, they are required under Section 14 of the FIAML (2002) to file a report with the FIU-Mauritius when they have reasonable grounds to believe that such transactions are related to the ML/TF offence.

Chart 1

Number of Suspicious Transaction Reports (STRs) from August 2002 - July 2012

Chart 1
Looking Back on our First Decade of Operations

The FIU received a total of 1220 Suspicious Transaction Reports (STRs) from reporting institutions during the period August 2002 to July 2012. Even though, this number has been fluctuating annually- except for period 2004-2007 where the increase has been relatively steady, the overall progression shows that it is on the rise. This rise, though not constant, can be mostly attributed to almost systematic awareness creation campaigns among reporting entities, initiated by the Unit, to eliminate the poor reporting culture that prevailed among obligators.

2.1.1.2 Disclosures (Non-STRs) from Non-Reporting Entities

Disclosures received emanated from investigatory bodies (ICAC, Police, Enforcement Directorate and MRA-Customs), supervisory bodies (BOM and FSC), ministries, anonymous letters and overseas FIUs. A total of 821 disclosures were sent to the FIU during the period under review.

2.1.2 Dissemination Reports

Whenever the Mauritius-FIU has reasonable grounds to believe that certain information would be relevant to an investigation of money laundering or terrorist financing activity, it discloses its findings to Investigatory bodies as well as overseas FIUs, which can investigate further. In addition to transmitting intelligence for investigation, FIUs is also in a position to assist other agencies in the country to accomplish their mission by providing them with useful financial information. Among the main potential recipients of FIU intelligence are supervisory bodies like the Bank of Mauritius, the Financial Services Commission and the Gambling Regulatory Authority.

Dissemination reports can take various forms namely, Statutory Reports (SRs) which are analytical reports on new case disclosures; updates on cases that have already been disclosed known as Further Statutory Reports (FSRs) as well as the disclosure of information through Intelligence Reports (IRs) or Further Intelligence Reports (FIRs) when supplementary information is sent further to the IR. In that respect, the FIU disseminated a number of reports over the last ten years. However, it is worth noting that while most dissemination reports related to individual STRs or disclosures, some were associated to various STRs or/and disclosures.
Looking Back on our First Decade of Operations

2.1.3 Convictions

Number of Persons convicted for offences under Section 3 and Section 5 of FIAMLA in ICAC cases before the Intermediate Court from January 2009 to June 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Convictions</th>
<th>Number of Convictions linked to a Dissemination Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>2010</td>
<td>19</td>
<td>13</td>
</tr>
<tr>
<td>2011</td>
<td>22</td>
<td>18</td>
</tr>
<tr>
<td>2012</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>

As it can be noted, 44 out of a total of 55 convictions are linked with a dissemination report of the FIU, i.e. the FIU has contributed in 80% of convictions.

2.1.4 Information Sharing

“One of the most important functions of an FIU is the unfettered exchange of financial data and intelligence with other FIUs.”

International Monetary Fund (2004)

Launderers and terrorists quickly modify their operations to avoid detection by exploiting gaps between national systems. As such, a truly global network requires a constant application of AML/CFT standards which will ensure that these criminals do not have access to the financial resources they need to survive and grow. While international mechanisms to combat money laundering and terrorism financing have been set up, it has been noticed that such mechanisms can only be effective if countries work jointly at information sharing.

During the past ten years, the FIU has, based on Section 20 of the FIAMLA (2002) as well as on the principles of reciprocity and mutual agreement which are imposed by the Egmont Group, continued to support and extend efforts directed towards the international exchange of financial intelligence with counterpart FIUs. Below is a map showing the countries from which our FIU has received information but also the countries to which it has passed on intelligence.
Looking Back on Our First Decade of Operations

Countries with which FIU Mauritius exchanged information over the past decade

Signing of MoUs

While some FIUs, like FIU Mauritius, are authorized by law to exchange information with other FIUs without the need for an agreement between them, others as a matter of law or policy, have to enter into a Memorandum of Understanding (MoU) to share financial intelligence. In that respect, our FIU has signed, as listed and illustrated below, a number of MoUs on exchange of information with its foreign counterparts during the past years.
Looking back on our First Decade of Operations

List of MoUs signed by FIU Mauritius

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Overseas Authorities</th>
<th>Date of Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 South Africa</td>
<td>Financial Intelligence Centre (FIC)</td>
<td>29 August, 2003</td>
</tr>
<tr>
<td>2 Australia</td>
<td>Australian Transaction Reports &amp; Analysis Centre (AISTRAC)</td>
<td>29 October, 2003</td>
</tr>
<tr>
<td>3 Principality of Monaco</td>
<td>Service d’Information et de Contrôle sur les Circuits Financiers (SICCFIN)</td>
<td>29 June, 2004</td>
</tr>
<tr>
<td>4 Kingdom of Thailand</td>
<td>Anti-Money Laundering Office (AMLO)</td>
<td>28 October, 2004</td>
</tr>
<tr>
<td>5 Belgium</td>
<td>Financial Intelligence Processing Unit (CTIF-CFI)</td>
<td>14 November, 2005</td>
</tr>
<tr>
<td>6 Canada</td>
<td>Financial Transactions and Reports Analysis Centre (FINTRAC)</td>
<td>12 June, 2006</td>
</tr>
<tr>
<td>7 France</td>
<td>Traitement du Renseignement et Action contre les Circuits Financiers Clandestins (TRACFIN)</td>
<td>18 October, 2006</td>
</tr>
<tr>
<td>8 Cayman Islands</td>
<td>Financial Reporting Authority (CAYFIN)</td>
<td>5 December, 2006</td>
</tr>
<tr>
<td>9 United Kingdom</td>
<td>Serious Organised Crime Agency (SOCA)</td>
<td>29 May, 2007</td>
</tr>
<tr>
<td>10 Netherlands Antilles</td>
<td>Meldpunt Ongebruikelijke Transacties Van de Nederlandse Antillen/ FIU Netherlands Antilles</td>
<td>30 May, 2007</td>
</tr>
<tr>
<td>11 Republic of Indonesia</td>
<td>Indonesian Financial Transaction Reports and Analysis Centre</td>
<td>31 May, 2007</td>
</tr>
<tr>
<td>12 India</td>
<td>Financial Intelligence Unit - India (FIU-IND)</td>
<td>11 February, 2008</td>
</tr>
<tr>
<td>13 Nigeria</td>
<td>Nigerian Financial Intelligence Unit (NFIU)</td>
<td>20 October, 2009</td>
</tr>
<tr>
<td>14 Senegal</td>
<td>Cellule Nationale de Traitement des Informations Financières</td>
<td>20 October, 2009</td>
</tr>
<tr>
<td>15 Malaysia</td>
<td>Unit Perisikan Kewangan, Bank Negara Malaysia (UPWBNM)</td>
<td>20 October, 2009</td>
</tr>
<tr>
<td>16 Egypt</td>
<td>Egyptian Money Laundering Combating Unit (EMLCU)</td>
<td>3 March, 2010</td>
</tr>
<tr>
<td>17 Qatar</td>
<td>Qatar Financial Information Unit (QFIU)</td>
<td>30 June, 2010</td>
</tr>
<tr>
<td>18 Luxembourg</td>
<td>Financial Intelligence Unit, Luxembourg</td>
<td>15 March 2011</td>
</tr>
<tr>
<td>19 USA</td>
<td>Financial Crimes Enforcement Network (FinCEN)</td>
<td>15 March 2011</td>
</tr>
<tr>
<td>20 Bermuda</td>
<td>FIA, Bermuda</td>
<td>15 March 2011</td>
</tr>
<tr>
<td>21 Malawi</td>
<td>FIU, Malawi</td>
<td>18 April 2012</td>
</tr>
</tbody>
</table>
Looking back on our First Decade of Operations

2.2 Domestic Involvement

The fight against money laundering and terrorist financing require the involvement of multiple national agencies in various aspects of prevention, detection and prosecution. The contribution of each agency is hence directly related to the success of its work with its AML/CFT domestic partners. As such, our FIU always believed that cooperation among agencies at national level was essential to stop criminals and enable the alignment of national AML/CFT priorities and a more effective AML/CFT strategy.

Cooperation with local partners

- AML/CFT National Committee

In recognition of vital importance of domestic co-operation and co-ordination, a National Committee on AML/CFT was set up following amendments made in 2003 to the Financial Intelligence and Anti-Money Laundering Act in 2003. This is in line with Recommendation 31 of the FATF which clearly states, that policy makers, the FIU, law enforcement, and supervisors and other competent authorities should have effective mechanisms in place which enable them to cooperate, and where appropriate, coordinate domestically with each other concerning the development and implementation of policies and activities to combat money laundering and terrorist financing.

The FIU is a member of the National Committee on AML/CFT and has, since then, been involved in instruction and awareness-creation on AML/CFT issues.

- Signing of MoUs

Since its creation, the FIU has strongly believed in domestic cooperation and information exchange to improve the AML/CFT combat. In addition to its involvement in the works of the National Committee on AML/CFT, the FIU has sought to establish MOUs with domestic partners. In this context it has over the years entered into bilateral Memorandum of Understandings with almost all of its AML/CFT partners to formally recognize the cooperation that exist between them. Domestic MOUs include those signed with the Bank of Mauritius (2009), the Mauritius Revenue Authority (2007), the Registrar of Companies (2006) and the Financial Services Commission (2004).
Looking back on our First Decade of Operations

Signing of MoU between the Bank of Mauritius and the FIU in 2009

Creation Awareness
To obtain compliance with the AML/CFT reporting obligations, there needs to be in place a set of measures intended to foster improvements in the flow and quality of reports without resort to sanctions, such as awareness raising and training. Since its creation, the FIU understood this need and ensured, despite its limited resources and the fact that AML/CFT training is not one of its core functions, that not only reporting institutions but also the public in general and its local partners be sensitized on AML/CFT issues.

Intelligence and senior bankers and the Director of the FIU during the workshop “Role and Workings of The FIU”
Looking back on our First Decade of Operations

The types of training provided by FIU Mauritius varied over time so as to meet the needs of its stakeholders. At the beginning of its operations for instance, it concentrated its training on basic reporting requirements, general awareness creation and confidence building. In that respect, it provided its first training to Senior Officials of the Customs and Police on “Role and Function of the FIU” respectively in March 2003. Moreover, on 28th May, 2003, it held its first national seminar and a workshop on the following day on the theme ‘Combating Money Laundering and Terrorist Financing’.

At a later stage, the FIU began to offer more specialized training that was tailored to specific sectors or even to specific reporting institutions or local partners. For instance, specific training sessions were dispensed to banks, offshore companies, members of professional bodies as well as customs officers. Such targeted training programs focused on specific indicators of suspicious transactions in the selected sector and were presented with related case studies.

In 2006, the Unit carried its first national survey on Money Laundering and Terrorist financing and presented a preliminary survey report at its third annual seminar “Working Together to Fight Money Laundering and Terrorist Financing”.

The last national seminar organized by the FIU was held at the Hennessy Park Hotel on 28th June, 2012. With the theme “Combating Money Laundering: New Developments and Perspectives”, the seminar had the objective of sensitizing reporting institutions and professionals at large of the implications of the new FATF standards in respect of the operations of the FIU. It also gave participants insights into the newly enacted Assets Recovery Act, 2012 and functions of the Enforcement Authority which is now operational. Lastly the seminar provided an opportunity to understand the Indo-Mauritian cooperation in AML/CFT and the AML/CFT in India.

The Director of the FIU during a presentation at the 4th National Seminar held on 28th June, 2012
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The Seminar was open to Senior Officials of financial institutions and offshore management companies including Compliance and Money Laundering Reporting Officers as well as other professionals who needed to be alert and knowledgeable of latest developments and challenges in combating money laundering and terrorist financing to protect the integrity of our financial system.

Below is a list of all seminars/workshops organized by the FIU over the years.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>August, 2009</td>
<td>Workshop on “Strengthening Operational Relationships with Banks”</td>
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<tr>
<td>April, 2006</td>
<td>National Seminar on “Working Together to Fight Money Laundering and Terrorist Financing”</td>
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<tr>
<td>March, 2005</td>
<td>Workshop for Bankers on “Suspicious Transactions Reporting Mechanism and Trends and Patterns based on Suspicious Transactions Reports”</td>
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<tr>
<td>February, 2005</td>
<td>Presentation on AML/CFT at the Compliance Workshop of the Civil Service Mutual Aid Association</td>
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<tr>
<td>February, 2005</td>
<td>Presentation on “AML/CFT Framework and Strategy of Mauritius” at a workshop organised by the FSPA</td>
</tr>
<tr>
<td>September, 2004</td>
<td>National Seminar and Workshop organised by the FIU on “Addressing the Risks of Money Laundering and Terrorist Financing” and “Meeting the Expectation Gap”</td>
</tr>
<tr>
<td>May, 2004</td>
<td>Presentation at the ESAAMLG Strategy Workshop held in Mauritius on “AML/CFT Strategy Paper”</td>
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<tr>
<td>May, 2004</td>
<td>Presentation to Officials of Horwath Mauritius &amp; Direct Plus on “AML/CFT: Reporting Culture!”</td>
</tr>
<tr>
<td>April, 2004</td>
<td>Presentation to Officials of KPMG on “AML/CFT Strategy and the Role of the FIU” and “Brief Overview of FIAMLA”</td>
</tr>
<tr>
<td>January, 2004</td>
<td>Training organised jointly by the FIU and the Bar Council to barristers on “Nouvelles Responsabilités de la Profession du Droit dans la Lutte Contre le Blanchiment”</td>
</tr>
<tr>
<td>November, 2003</td>
<td>Presentation to members of the Mauritius Bankers Association Committee on Fraud and Intelligence and senior bankers on “Role and Workings of The FIU”</td>
</tr>
<tr>
<td>October, 2003</td>
<td>Presentation at the ACCA’s Continuous Professional Development for Accountants’ Conference held in Mauritius on “AML/CFT Framework and the Role of the FIU”</td>
</tr>
<tr>
<td>October, 2003</td>
<td>Workshop on “Basic Analysis and Money Laundering Investigative Training” jointly with FinCEN</td>
</tr>
<tr>
<td>September, 2003</td>
<td>Presentation to Senior Officials of SICOM on “AML/CFT Framework and the Role of the FIU”</td>
</tr>
<tr>
<td>September, 2003</td>
<td>Presentation in the conference organised by the Ministry of Economic Development, Financial Services and Corporate Affairs on “The Implementation of FSAP’s Recommendations in Respect of AML/CFT”</td>
</tr>
<tr>
<td>May, 2003</td>
<td>National Seminar on “Combating Money Laundering and Terrorist Financing” with the support of the FSPA</td>
</tr>
<tr>
<td>March, 2003</td>
<td>Training to Senior Officials of the Customs and Police on “Role and Function of the FIU” on respectively</td>
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2.3 Regional Involvement

Even though it has been argued that the distinction drawn between regional and international cooperation is artificial, it is believed that countries in the same region, compared to others, tend to share the same concerns and issues. As such, it is better for neighbouring countries to handle common problems through collective and concerted efforts rather than acting in isolation. With regards to the African region, the FIU Mauritius has been playing a leading role of in AML/CFT developments in the region over the past years by participating in discussions on strategy, training or awareness-creation and supporting activities of international organizations as well as those of the ESAAMLG.

Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)

The Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) was launched in 1999 with the purpose of combating money laundering through the implementation of the FATF Recommendations. As such, it has to coordinate its fight against money laundering with other international organisations, study regional typologies, develop institutional and human resource capacities to deal with these issues, and coordinate technical assistance where necessary.

Memorable Events within the ESAAMLG

Since the beginning of its operations, our FIU has been actively participating in all ESAAMLG’s meetings as well as in its operations including mutual evaluations and the development of AML/CFT frameworks in its member countries. The FIU has also been representing the Egmont Group as an Observer at the ESAAMLG meetings besides contributing to the activities of the latter. Moreover, the Director of the FIU had the honor to chair the 9th meeting of ESAAMLG Task Force of Senior Officials held in Tanzania on 14-17 March, 2005 and co-chaired part of the Task Force of Senior Officials meeting held in Livingstone in August, 2005.

ESAAMLG Meetings in Mauritius

Last year, Mauritius hosted the 22nd ESAAMLG Task Force of Senior Officials Meetings from 1st to 7th September 2011 and the 11th Council of Ministers Meeting on 8th September 2011 at the International Conference Centre, Grand Baie. The meetings were successful on all fronts and it was possible for other ESAAMLG members (Botswana, Comoros, Kenya, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Seychelles, Tanzania, Uganda, Zambia and Zimbabwe) to see the progress made by Mauritius following the mutual evaluation of its AML/CFT system in 2007/2008. Representatives from all 15 member countries attended the meetings along with representatives from the following Cooperating Nations, Organizations and Observers: Alliance for Financial Inclusion, AUSTRAC, Commonwealth Secretariat, East African Community Secretariat, FATF, IMF, United Nations, United States/US Department of the Treasury, United States/US Department of the Treasury, UNODC and the World Bank.
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During the meetings, the Director of FIU Mauritius was appointed Chairman of the Task Force of Senior Officials of the ESAAMLG for one year and he was also elected as Chairman of the newly set FIU Forum of ESAAMLG for three years.

Training of FIUs in the Region/Visiting FIUs


Mentorship

The Director of the FIU also participated over the past years in the mentorship programme of the Intergovernmental Action Group against Money Laundering in West Africa (GIABA) designed to assist in the systematic and rapid development of new FIUs in West Africa. In that respect, our FIU helped a number of countries like Gambia, Côte d’Ivoire Benin, Mali and Burkina Faso.

Sponsorship for the Egmont Group

Furthermore, the position of FIU Mauritius as the African Representative on the Egmont Group also entailed involvement in outreach activities of the Group by focusing on sponsoring the admission of new members in the region and beyond. Along this line, our FIU successfully sponsored the admission of a number of African FIUs in Egmont namely FIU-Malawi (2009), National Unit for the Processing of
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The Mauritius FIU is now co-sponsoring the admission of the FIUs of Namibia, Benin, Seychelles and Madagascar in the Egmont Group.

Resource Persons from FIU Mauritius

The contribution of the FIU to AML/CFT development in Africa extended beyond ESAAMLG member countries. Indeed, the FIU also collaborated with international institutions like the IMF, World Bank and UNODC, particularly in their regional activities.

For example, during 2005 the Director of the FIU was called upon to participate as a UNODC resource person for a Training Seminar organised jointly by the Egmont Group, UNODC and Groupe Inter-Gouvernemental d’Action Contre le Blanchiment en Afrique (GIABA) where he made presentations on “Establishment of a Financial Intelligence Unit” and “The Egmont Environment”. Prior to that, the Director was invited by the IMF as a resource person for its workshop on FIUs organised jointly with the Joint African Institute, Institute, a partnership of the African Development Bank, the International Monetary Fund and the World Bank. In 2008, the director also formed part of a panel of experts invited by the World Bank to make presentations to the Malagasy official on AML/CFT matters.

3.4 International Involvement

The role of the FIU at the international level is reflected mainly in its contribution to the meetings of the Working Groups of the Egmont Group and as spokesperson of Africa on the Egmont Committee. As a full-fledged member of the Egmont Group, the FIU also collaborates with other members in the global fight against money laundering and terrorist financing.

Egmont Group

Egmont is the standard setting group for FIUs in the world and its main goal is to provide a forum for FIUs to improve support of their respective national anti-money laundering programmes. This includes expanding and systematizing the exchange of financial information, improving the capabilities of FIU personnel and fostering better communication among FIUs through the application of technology. It was set up in 1995 and its membership is now 131.

Memorable Events with the Egmont Group

- Admission of FIU Mauritius

The admission of FIU Mauritius as a member of Egmont Group in less than a year after the start of its operations was hailed as a major achievement by many international observers. By March, 2003 the
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FIU had carried up the necessary organisation build-up to pass a verification status by the U.S. FinCEN, our sponsor for admission to the Egmont Group and to receive the endorsement of its Legal Working Group.

The Mauritian FIU was admitted to the Egmont Group on 23rd July, 2003 at the plenary meeting held in Sydney, Australia. Being the first country on the continent to have set up an FIU, it was elected as the first regional representative of African FIUs on the Egmont Committee.

- Egmont Meetings in Mauritius

Mauritius hosted the Egmont Working Group and Committee Meetings in Mauritius on 28th February-4th March, 2010, the first such event to be organized in sub-Saharan Africa. This event was seen as a culmination of our commitment to combat money laundering and terrorist financing effectively through our membership of the Egmont Group.

Participants at the Egmont Committee and Working Group Meetings in Mauritius from 28th February to 3rd March, 2010 at the Grand Baie International Conference Centre

The meeting was successful on all fronts, that is, in terms of participation, regional evolvement and even appointment of a new Chairman for the Egmont Group. It was attended by 136 foreign delegates from 50 Egmont Group FIUs, one Candidate FIU and four International Organizations.

Sponsorship of FIU-India

The FIU Mauritius showed tremendous interest in sponsoring the admission of the Indian FIU (FIU-IND) which was set up in June, 2005. Although Liechtenstein initiated the process prior to our admission to the Egmont Group, the FIU Mauritius played a lead role because of our strong economic and cultural ties with India. FIU-IND was admitted as a member of the Egmont Group in May, 2007 at the Heads of FIU’s meeting in Bermuda.
The Future Role of FIU
3.0 The Future Role of FIU

The FIU is part of, and plays a central role in, a country’s AML/CFT operational network, and provides support to the work of other competent authorities. Following the revision of the FATF Recommendations in February 2012, the core functions of the FIU are being enhanced and in particular, it will have to play a key role in the new risk-based approach adopted by the FATF. Its core functions remain the receipt of STRs and disclosures, analysis and dissemination. The receiving and analysis functions of the FIU now cover information relating to money laundering, terrorist financing, associate predicate offences and proliferation of weapons of mass destruction. Moreover, the interpretive note to Recommendation 29 places much emphasis on the analysis function, including both operational and strategic, and provides that the FIU should be able to obtain and use additional information from reporting entities as needed to properly perform its analysis. Moreover, the new standards require that in order to conduct proper analysis, the FIU should have access to the widest possible range of financial, administrative and law enforcement information. This should include information from open or public sources, as well as relevant information collected and/or maintained by, or on behalf of, other authorities and, where appropriate, commercially held data.

As pointed above, the analysis function, now, includes the conduct of strategic analysis. Strategic analysis uses available and obtainable information, including data that may be provided by other competent authorities, to identify money laundering and terrorist financing related trends and patterns. This information is then used by the FIU or other state entities in order to determine money laundering and terrorist financing related threats and vulnerabilities. Strategic analysis may also help establish policies and goals for the FIU, or more broadly for other entities within the AML/CFT regime.

As regards, operational independence of the FIU, the new standards makes it clear that FIU should be operationally independent, including the authority and capacity to make an autonomous decision on the analysis and dissemination of specific information. Moreover, the FIU should have adequate resources to conduct its mandate effectively and be free from undue influence or interference. Furthermore, the interpretive note also incorporates more detail into the standard in such areas as access to and dissemination of information, information security, confidentiality, and membership in the Egmont Group.

In addition, the new Recommendation 40 aims at enhancing international co-operation in AML/CFT matters with a view to effectively combat money laundering internationally. The core aspect of international cooperation, as described in the interpretive note, is the cooperation in the exchange of information for AML/CFT purposes, between FIUs, between financial supervisors, between law enforcement authorities, and also recognizing that effective cooperation may necessitate exchange of information among non-counterparts. However, an important principle underlining all exchange of information is having safeguards to maintain appropriate confidentiality of information. One
The Future Role of FIU

Specific aspect of this is that exchanged information should be used only for the purpose for which the information was sought or provided, and prior authorization should be obtained from the requested party by the requesting party before the information may be passed on to any other person.

To conclude, we will say that the Mauritius FIU plays and will play a key role in the AML/CFT framework of Mauritius. The future roles of the FIU remain challenging. However, the Mauritius FIU will endeavor to meet all new challenges in order to consolidate its position as a leader in financial intelligence works in Mauritius and the region and to be recognized worldwide as a modern FIU that meets international standards.