



## NATIONAL RISK ASSESSMENT ON MONEY LAUNDERING AND TERRORIST FINANCING

The FIU will be meeting with all AML/CFT stakeholders shortly to continue its work on National AML/CFT Risk Assessment ahead of the next Mutual Evaluation of the AML/CFT framework of Mauritius scheduled for June 2015/16.



Courtesy of FATF/GAFI.

The Financial Action Task Force (FATF) revised its 40 recommendations in 2012 and, in particular, set up in Recommendation 1 the principle of risk-based approach in AML/CFT. The interpretive note to Recommendation 1 states that countries should take appropriate steps to gain a common understanding among all relevant authorities and stakeholders on the level and nature of ML/TF risk faced by them.

A risk assessment allows countries to identify, assess and understand their money laundering and terrorist financing risks. Once these risks are properly recognised, countries can apply AML/CFT measures efficiently that correspond to the level of risks, thereby allocating more resources to areas of higher risk and simplifying measures for areas of lower risk.

The National Risk Assessment is also an initial basis used by Mutual

Evaluation assessors for understanding the risks specific to a country. The Mutual Evaluation for Mauritius is scheduled in the coming year and it is therefore essential to rope in all domestic AML/CFT stakeholders to prepare a National AML/CFT Risk Assessment for Mauritius. On 25 September 2014, the Ministry of Finance and Economic Development agreed for the Financial Intelligence Unit to undertake and to lead the National Risk Assessment with the support of all members of the National Committee on AML/CFT. The Mauritius FIU has set up a small unit for the task ahead and will soon engage with the other stakeholders in respect of statistics collection.

### DIRECTOR'S NOTE

The FIU is pleased to issue its third Quarterly Information Bulletin and the first one for 2015. An important development in AML/ CFT efforts in Mauritius occurred in the aftermath of the last General Elections when the FIU was brought under the ambit of the new Ministry of Financial Services, Good Governance and Institutional Reforms. Additionally, the FIU Annual Report 2013 was laid at the National Assembly on 22 December 2014. Furthermore, it has been announced in the President Speech of 27<sup>th</sup> January 2015 that Government will relentlessly fight fraud, corruption and financial crime and to that effect, a Financial Crime Commission will be set up to act as an apex body to oversee the ICAC, the Financial Intelligence Unit and the enforcement department of the Financial Services Commission.

In this issue, we evoke (i) the National Risk Assessment on Money Laundering and Financing of Terrorism that all countries must conduct under Recommendation 1 of the FATF (ii) the role of the FIU in AML/CFT compliance of designated non-financial businesses and professions (DNFBPs) in Mauritius. As readers will appreciate, AML/CFT compliance or regulation is not a core function of the FIU but the Mauritius FIU has been called to play that role for Dealers under the Jewellery Act and for Agents in Land and/or Building or Estate Agencies/Land Promoters and Property Developers.

We hope that you will find the contents of this third issue insightful and we welcome your comments on following email address: [qibfeedback@fiumauritius.org](mailto:qibfeedback@fiumauritius.org)

Dev BIKOO

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## ISSUANCE OF GUIDELINES TO DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS (DNFBPs)

The Mauritius FIU has issued Guidelines in September 2014 to assist Designated Non-Financial Businesses and Professions (DNFBPs) in complying with their obligations in relation to the prevention, detection and reporting of money laundering and financing of terrorism and pursuant to Section 10(2) (ba) of the Financial Intelligence and Anti-Money Laundering Act (FIAMLA) 2002, as amended. These guidelines provide 'measures to combat money laundering or financing of terrorism that are in force in jurisdictions having standards comparable to Mauritius'. They are addressed to (i) Accountants, Auditors and Member Firm; (ii) Law Practitioners (Barristers,

Attorneys, Notaries and Law firm, foreign law firm, joint law venture, foreign lawyer); (iii) Gambling Business, (iv) Dealers under the Jewellery Act; and (v) Agents in Land and/or Building or Estate Agencies/Land Promoters and Property Developers.

Failure to comply with Guidelines issued under Section 10(2)(ba) of the FIAMLA entails a penalty not exceeding MUR 50,000 for each day on which such breach occurs as from the date on which the breach is notified or otherwise comes to the attention of the Mauritius FIU and such penalty may be recovered by the Director as if it were a civil debt.

The Mauritius FIU has set up a small

Compliance Unit which became operational in late September 2014 following the recruitment of a Head of Compliance.

»»» An electronic copy of the Guidelines can be accessed at [www.fiumauritius.org](http://www.fiumauritius.org)

## USE OF GOAML SOFTWARE TO COMMUNICATE WITH OTHER AML/CFT STAKEHOLDERS

The UNODC goAML software has been deployed at the FIU since 21 January 2014. The goAML web platform allows the 22 commercial banks authorised to operate in Mauritius to submit suspicious transaction reports (STRs) via that system. In addition, the banking institutions may exchange information electronically with the FIU through a secured component of the goAML system, known as the Message Board, which allows quicker communication between parties from within the system.

As at date, only banking institutions are using the goAML Web Portal to submit suspicious transaction reports and exchange information with the FIU. The Customs and Excise Department of the Mauritius Revenue Authority (MRA) is now able to submit Cross Border Declarations (under section 131A of the Customs Act), via the goAML Web Portal.

In the early months of 2015, the FIU will trigger action for the use of the goAML software for communicating with other AML/CFT stakeholders such as ICAC, Police and Enforcement Authority (Asset Recovery Office), Bank of Mauritius and the Financial Services Commission. The ultimate objective of the Mauritius FIU is to connect all reporting institutions and AML/CFT stakeholders to the goAML application using the goAML Web Portal.



Courtesy of UNODC.



## ANNUAL REPORT 2013

The Annual Report of the Financial Intelligence Unit for 2013 was laid at the National Assembly on 22 December 2014.

The Annual Report 2013 highlights the performance of the Mauritius FIU in respect of its core and non-core functions during that year. For the core functions, the overall performance was remarkable with the Key Performance Indicator (KPI) reaching a figure of 82%. The Chairman, Mr L.C.L.K.S. Sam Soon, in his message stresses that, "Regardless of the many challenges the FIU faced in 2013, its determination to fulfil its duties never faded."

The total number of case originators, which comprises both STRs and Non-STRs disclosures, increased by 53% from 378 in 2012 to reach 578 in 2013. This significant increase reflects to some extent the 'defensive reporting' of STRs associated with the Ponzi schemes that came to light during the period. For the year 2013, the Mauritius

FIU also sent a total of 490 disseminations compared to 205 in 2012. The number of requests from overseas FIUs was 66 in 2013 while requests from Mauritius FIU to its foreign counterparts reached 199. In addition, a Memorandum of Understanding was signed with the Enforcement Authority to ensure smooth implementation of the provisions of the Asset Recovery Act.

Funding was also received from Government to install a new software developed specifically by the United Nations Office on Drugs and Crimes office, namely the UN goAML. The implementation reached a final phase towards the end of 2013.

"Facing the tight situations in 2013 and re-vamping the FIU to meet challenges from new requirements under the revised Recommendation 29 issued by the FATF in

2012 would not have been possible without the support of the dedicated staff of the FIU," says the Director, Mr Dev Bikoo.

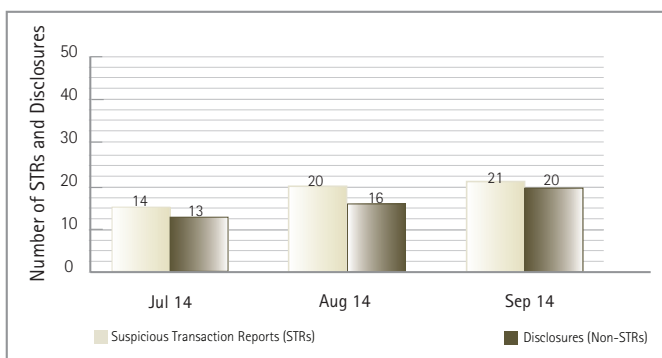
Among the priorities of the Mauritius FIU for 2014 are the acceleration of the recruitment process, moving into additional office space adjacent to current premises, completion of work relating to the issue of guidelines and AML/CFT compliance for Designated Non-Financial Businesses and Professions (DNFBPs) and the holding of national seminars/workshops on important themes relating to strategic analysis, AML/CFT compliance by DNFBPs and FATF/Egmont standards.

»» The full report is available on the Mauritius FIU website: [www.fiumauritius.org](http://www.fiumauritius.org)

## STR TRENDS

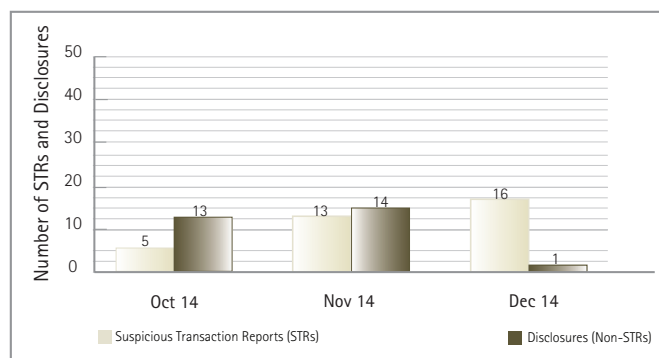
In the third quarter of 2014, the number of Suspicious Transaction Reports (STRs) and Disclosures submitted to the Mauritius FIU reached a total of 104, of which 27 were received in July, 36 in August and 41 in September. In the fourth quarter, a total of 62 STRs and Disclosures were received, including 18 in October, 27 in November and 17 in December. The input of the FIU is made up of paper STRs and goAML STRs (currently for banks only) as well as other disclosures including those from other domestic AML/CFT stakeholders and foreign FIUs.

Total Number of Suspicious Transaction Reports (STRs) and Disclosures (Non-STRs) received from 01 Jul 2014 - 30 Sep 2014



Third Quarter

Total Number of Suspicious Transaction Reports (STRs) and Disclosures (Non-STRs) received from 01 Oct 2014 - 31 Dec 2014



Fourth Quarter



▲ The Director and the Head of Compliance of the Gambia Financial Intelligence Unit and the Mauritius FIU staff.

## MAURITIUS FIU COMMITMENT TO AFRICA

The Mauritius FIU continues its commitment to Africa by hosting a four-day training session (27-30 October 2014) for two senior officers of the Gambia Financial Intelligence Unit, namely Mr Yahya Camara, Director and Mr Malick Sanyang, Head of Compliance.

Additionally, a delegation of four persons from the Financial Intelligence Center of Ethiopia, including its Deputy Director, have visited the Mauritius FIU between 16 and 18 December 2014 for an intensive training in Information technology, strategic analysis, development of Standard Operating Procedures and Guidelines for DNFBCs.



▲ The Deputy Director of the Ethiopian FIC receiving a Certificate of Participation for the FIU Orientation Course conducted by Mauritius FIU.

## COMESA WORKSHOP TO DEVELOP CAPACITY BUILDING ACTION PLAN FOR FIUs IN THE REGION

As part of its Maritime Security Programme (MASE) supported by the European Union, the Common Market for Eastern and Southern Africa (COMESA) organised a workshop on 26 - 28 November 2014 in Mahé, Seychelles, with participants from Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Seychelles, Somalia and Tanzania. The Mauritius FIU presented a Report on Assessment of Capacity Gaps of FIUs in the Eastern and Southern Africa and Indian Ocean (ESA-IO) Region. Presentations were also made on the major elements of a successful strategic plan and on developing action plans for individual countries. In the case of Mauritius, COMESA was requested to support (i) training in Strategic Analysis, (ii) National Risk Assessment and (iii) the adoption of the full enterprise version of the UNODC goAML software.

## CROSS-BORDER AML/CFT NEWS

### RISK-BASED APPROACH FOR THE BANKING SECTOR

The FATF published its Risk-Based Approach guidance for the Banking Sector in October 2014. The guidance outlines the principles involved in applying a risk-based approach to AML/CFT as well as assists countries, competent authorities and banks in the design and implementation of a risk-based approach to AML/CFT through general guidelines and practical examples. The document will also support the effective implementation and supervision of national AML/CFT measures, by focusing on risks and on mitigation measures, but also support the development of a common understanding of what the risk-based approach to AML/CFT entails. This document targeting countries and their competent authorities, as well as practitioners in the banking sector, is available at: [www.fatf-gafi.org](http://www.fatf-gafi.org)