

MAURITIUS EXITS FATF GREY LIST

In a move that is likely to reinstate the country's position as an International Financial Centre of good repute, the Financial Action Task Force (FATF) has announced the removal of Mauritius from the list of "Jurisdictions under Increased Monitoring" (commonly referred to as the "FATF Grey List") at its Plenary held on 19-21 October 2021.

The global inter-governmental standards setting body was all praise for the significant progress achieved by Mauritius in addressing the strategic Anti Money-Laundering and Counter Financing Terrorism (AML/CFT) deficiencies and implementing concrete, sustainable measures to reinforce the existing framework. The on-site visit from FATF delegates in September, together with the recommendation put forward by the International Co-operation Review Group (ICRG) have clearly worked in the country's favour and going forward, Mauritius will no longer be subject to the FATF's increased monitoring process. Amid this proud moment, the country reiterates its unflinching commitment to work with the Eastern & Southern Africa Anti-Money Laundering Group (ESAAMLG) to further consolidate its AML/CFT regime.

As such, the recent positive re-rating of the following recommendations by the ESAAMLG shows that Mauritius is on the right track to becoming a jurisdiction with unmatched compliance capabilities:

- 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; and
- Recommendation 33 (Statistics) from Partially Compliant to Compliant.

Further to the above, the country is now Compliant or Largely Compliant in 39 out of the 40 Financial Action Task Force (FATF) Recommendations on Technical Compliance with only Recommendation 15 (New Technologies) rated as Partially Compliant.

These milestones are yet another manifestation of the coordinated effort from the Government and private stakeholders in order to present Mauritius as a conducive jurisdiction, confident in its compliant legislations and driven by new product offerings.

As Mauritius steps closer to a highly anticipated exit from the EU List of High Risk Third Countries (also referred to as the "EU Blacklist"), we are confident that these welcome updates will dispel all remaining doubts about our economy's resilience.

We endeavour to keep you updated in this regard. Should you require any further information pertaining to the above, please do not hesitate to contact us.

A look into Mauritius' inclusion in the FATF Grey List/EU Blacklist

In light of the Financial Action Task Force (FATF) adding Mauritius to its "Grey List" in February 2020, the European Union (EU) identified Mauritius as a high-risk third country with deficiencies in its AML/CFT regime and subsequently included the country on the EU List of High Risk Third Countries (also referred to as the "EU Blacklist") in May 2020, effective as from October 2020.

Since then, Mauritius made a high-level political commitment to work with the FATF and the ESAAMLG to review the effectiveness of the framework in place and provide revisions wherever needed.

Contact us

Perigeum Capital Ltd

Level 4, Alexander House, 35 Cybercity, Ebene 72201, Mauritius

E: info@perigeum.mu Tel: (230) 402 0890 Fax: (230) 402 0891 BRN: C15132257 Website: www.perigeumcapital.com

The June 2021 FATF Plenary session highlighted Mauritius' effort in having substantially completed its action plan at a technical level and we recall the key reforms adopted which warranted an onsite visit by the delegates of the FATF:

- 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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