

Introduction

In line with the requirement of the Finance and Audit Act which was amended in March 2015, the Ministry of Financial Services and Good Governance (MFSSGG) has prepared its Annual Report on Performance for the financial year 2022/2023.

The Report has been structured as per the guidelines issued by the Ministry of Finance and provides information on the Ministry in line with the spirit of performance-based budgeting. It is the firm belief of the Ministry that transparency and accountability are the basis of good governance that ultimately leads to efficient and effective performance.

This report gives an overview of the Ministry's main roles/functions and evaluates its key actions, major projects, programmes and measures planned for the year. It also provides a Statement on the revenue and expenditure for the financial year 2022/2023.

The structure of the Annual Report is as follows:

Part I: About the Ministry

Part I sets out the vision, mission, overview of the Ministry, its roles and functions including those of the major agencies under the purview of the Ministry and a gender statement.

Part II: Ministry Achievements & Challenges

Part II describes mainly the major achievements, status on the achievements of budget measures and key actions for the financial year 2022/2023. It also includes an Implementation Plan giving the Status of Actions taken and planned on the Comments/Recommendations of the Director of Audit on the examination of accounts and records for financial year 2020/2021.

Part III: Financial Performance

Part III provides the financial highlights for the year, an overview of major changes in financial year 2022/2023 and statements of revenue and expenditure.

Part IV: Way Forward

Part IV highlights the trends and challenges and the strategic directions of the Ministry

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LIST OF ABBREVIATIONS

AML/CFT	Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation
DoA	Director of Audit
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
ESG	Environmental, Social and Governance
IFC	International Financial Centre
FATF	Financial Action Task Force
FIAMLA	Financial Intelligence and Anti Money Laundering Act
FIU	Financial Intelligence Unit
FRC	Financial Reporting Council
FSC	Financial Services Commission
FSCC	Financial Services Consultative Council
IRSA	Integrity Reporting Services Agency
ML/TF	Money Laundering and Terrorist Financing
MoFEPD	Ministry of Finance, Economic Planning and Development
NCCG	National Committee on Corporate Governance
NIC	National Insurance Company Ltd
NICG	NIC General Insurance Co Ltd
NPFL	National Property Fund Limited
SEM	Stock Exchange of Mauritius
SICOM	State Insurance Company of Mauritius Ltd
TR	Terrorist Financing
VAITOS	Virtual Assets and Initial Token Offering Services
VASP	Virtual Asset Service Provider

Statement of the Permanent Secretary



I am pleased to present the sixth Annual Report on Performance of the Ministry of Financial Service and Good Governance for the financial period 2022/2023. This report encapsulates, *inter alia*, a year marked by notable achievements, ambitious targets and formidable challenges, all of which have been met with unwavering commitment and dedication.

In my statement in the Annual Report for the last financial year, I underscored the exceptional circumstances which unfolded on the Ministry of Financial Services and Good Governance, notably, Mauritius's delisting from the FATF List and its removal from the UK and EU List of High-Risk Countries which were momentous milestones that fortified Mauritius's standing as a robust and reputable jurisdiction.

The financial year 2022/2023 was once again marked by significant achievements in the AML/CFT arena. During the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Meetings, held in September 2022, Mauritius was upgraded on FATF Recommendation 15: New Technologies. With this technical compliance upgrade, Mauritius now ranks among the top-tier jurisdictions that are deemed 'compliant' or 'largely compliant' with all 40 FATF Recommendations.

On top of this achievement, Mauritius hosted prestigious international events, including the Organisation of African, Caribbean and Pacific States (OACPS) Conference in January 2023 and the FATF Africa/Middle East Joint Group Meeting in May 2023. In addition, Mauritius made substantial contributions to the global effort by providing invaluable technical assistance to foreign jurisdictions, sharing experiences and lessons learned in the battle against illicit

financial flows. These accomplishments significantly bolstered Mauritius' visibility as a crucial hub in the fight against money laundering and terrorism financing in Africa.

In November 2022, we celebrated the 30th Anniversary of the establishment of the Mauritius International Centre (IFC). To further enhance and sustain the appeal of the Mauritius IFC, we have initiated a comprehensive promotional campaign across multiple countries, including the United Kingdom, Germany, South Africa, India and Egypt. In the Global Financial Centres Index 2022, the Mauritius IFC has demonstrated remarkable progress, climbing from 92nd to 81st place.

On the Good Governance front, the Office of the Public Sector Governance (OPSG), has carried out a series of comprehensive reviews aimed at addressing recurring shortcomings highlighted by the Director of Audit. Furthermore, the National Committee on Corporate Governance (NCCG) is playing a significant role in shaping and advancing corporate governance standards in Mauritius.

This Annual Report is testament to the collective efforts of our dedicated team, valued partners and unwavering support of our stakeholders. As we move forward, we remain committed to fostering financial integrity, good governance and responsible corporate practices.

I, wholeheartedly, thank and congratulate my Minister, the Hon Mahen Kumar Seeruttun, under whose able leadership we have been able to achieve so much in such a short span of time. I also thank my staff for believing in me and providing all the assistance required for what we have achieved together. I rely on their continued collaboration to support the agenda of the Ministry.

Sarwansingh PURMESSUR
Permanent Secretary

1.1 Vision and Mission

The Ministry of Financial Services and Good Governance was established in December 2014 with a view to giving a new impetus to the financial services sector and transform it into a competitive and reputable International Financial Centre, anchored on principles of good governance and best practices. This Ministry also ensures coordination for the sustainability and effectiveness of the country's efforts to combat money laundering, terrorism financing and proliferation financing which contributes to strengthen our AML/CFT regime, thereby reinforcing our financial system which is one of the resilient pillars of the Mauritian economy.

The Ministry also provides guidance and support for the enforcement of good governance practices in order to further imbibe the national values of good governance in Mauritius.

Training and sensitisation on good governance, to promote its advocacy and practice are also undertaken by the Ministry.

Vision

Our vision is to make Mauritius a clean and transparent jurisdiction of substance and repute offering high standard financial services at the national, regional and international level.

Mission

To reinforce the position of Mauritius as a competitive and reputable International Financial Centre anchored on principles of Good Governance, a robust Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation Framework and global best practices.

Values

Good public governance needs excellent leadership, management and human resources. This Ministry encourages public officers to exercise good governance as well as uphold and safeguard the following values in exercising public duty:

<i>Fairness</i>	<i>We promote an inclusive and fair workplace which fosters respect of all our fellow employees.</i>
<i>Transparency</i>	<i>We ensure transparency and disclosure of our activities.</i>
<i>Integrity</i>	<i>We have an unimpaired character demonstrated by a well-ordered private and public life devoid of moral or material corruptibility.</i>
<i>Impartiality</i>	<i>We have an ethical standard that requires neutrality, objectivity and equality of opportunity in accessing public resources and services.</i>
<i>Responsibility</i>	<i>We deliver our very best in all we do, holding ourselves accountable for results.</i>

1.2 Objectives



1.3 Institutions under aegis of Ministry

The following Institutions/Organisations operate under the aegis of the Ministry:

A. Statutory Bodies & Committees

➤ **Financial Services Commission (FSC)**

The FSC is the Regulator for the non-banking Financial Services sector and the Global Business sector in Mauritius. Established in 2001 under the Financial Services Act, the FSC has the mandate to license, regulate, monitor and supervise the conduct of business activities in these sectors.

➤ **Financial Intelligence Unit (FIU)**

The FIU was established under section 9 of the Financial Intelligence and Anti Money Laundering Act (FIAMLA) in August 2002. It is the central Mauritian agency for the request, receipt, analysis and dissemination of financial information regarding suspected proceeds of crime and alleged money laundering offences as well as the financing of any activities or transactions related to terrorism to relevant authorities. The FIU is mandated to fulfil the following core functions:

- (i) the classic intelligence agency function pursuant to section 10 of the FIAMLA, performed by the Financial Investigative Analysis Division (**FIAD**) of the FIU;
- (ii) the Asset Recovery function, pursuant to the Asset Recovery Act performed by the Asset Recovery Investigations Division (**ARID**); and
- (iii) the AML/CFT supervisor function for designated non-financial businesses and professions (DNFBPs), namely, real estate agents including land promoters and property developers, dealers in precious metals and stones as well as the three branches of the legal professional (notaries, barristers and attorneys), fulfilled by the **FIU Compliance Division**.

➤ **Integrity Reporting Services Agency (IRSA)**

The IRSA is a body corporate established under the Good Governance and Integrity Reporting Act 2015 to promote transparency, good governance and integrity in Mauritius. Agencies, body corporates and statutory corporations in Mauritius have the duty to report suspicions of unexplained wealth to IRSA and assist it in its enquiries.

➤ **Financial Reporting Council (FRC)**

The FRC was established in 2005 under the Financial Reporting Act 2004. The objects of the Council are to promote high quality reporting of financial and non-financial information by Public Interest Entities (PIEs), promote the highest standards among licensed auditors, enhance the credibility of corporate reporting, and promote quality in accountancy and audit services.

➤ **National Committee on Corporate Governance (NCCG)**

The Financial Reporting Act (FRA) 2004 has been amended through The Finance (Miscellaneous Provisions) Act 2020 to establish the National Committee on Corporate Governance as a ‘body corporate’. One of the objectives of the NCCG is to promote the organisation of workshops, seminars and training in the field of corporate governance. The NCCG collaborates with the Financial Services Institute on training and organising events. Furthermore, members of the NCCG Committee regularly intervene as guest speakers for FSI training on the Code.

B. Department

➤ **Office of Public Sector Governance (OPSG)**

The OPSG is operating under the aegis of the Ministry since November 2019. The OPSG is the technical arm for good governance and institutional reforms and is responsible for the provision of services related to good governance practices, management consultancy, financial and organisational reviews in public sector organisations comprising Ministries/ Departments, State-Owned Enterprises and Local Authorities. The OPSG is also responsible for the establishment and monitoring of Audit Committees in Ministries and Departments.

C. State-Owned Companies:

➤ **State Insurance Company of Mauritius Ltd (SICOM)**

The SICOM stands proudly today as one of the leading Insurance and Financial Services companies in Mauritius. With an established presence in the economic landscape of Mauritius since 1975, SICOM Group presently includes the State Insurance Company of Mauritius Ltd, SICOM General Insurance Ltd (SGIN), SICOM Financial Services Ltd (SFSL), SICOM Global Fund Ltd and SICOM Management Ltd. Since its creation, SICOM has been dynamic and has continuously expanded its range of activities to increase the value and profitability of the Company. Over the years, SICOM branched from General & Life Insurances, Individual and Group Pension Businesses, different Loan Schemes, Education Schemes and Medical Schemes, into other financial services. It also operates in Deposit Taking, Unit Trust Management, Leasing, Trustee, Actuarial Consultancy Services and Global Business.

➤ **National Insurance Company Ltd (NIC) & NIC General Insurance Co Ltd (NICG)**

The NICL and NICG were set up by the Government and licensed by the Financial Services Commission of Mauritius in 2015 to take over the former British American Insurance and to undertake long term and general insurance businesses. Pursuant to section 110B of the Insurance Act 2005, the undertakings of BAI Co. (Mtius) Ltd were transferred to these entities, including its portfolio of policies, clients, workforce, distribution channels, systems, intellectual property and over 45 years of insurance capability and expertise in local and overseas markets.

While NICL offers a broad range of innovative life insurance products as well as pension and savings products to its customers, NICG offers a broad range of health, motor and travel insurance plans for individuals and corporates.

➤ **National Property Fund Ltd (NPFL)**

The NPFL was set up in May 2015 to recover the assets of the former BAI Group and to repay policyholders of the Super Cash Back Gold fund and investors of the former Bramer Asset Management Ltd. `

➤ **Financial Services Institute Company Ltd (FSI)**

The FSI is an autonomous Training Institute set up by the Government of Mauritius with a mission to design, develop, market and execute highest quality training for capacity building in the Financial Services sector.

D. Private Owned Companies:

➤ **Stock Exchange of Mauritius Ltd (SEM)**

The SEM was incorporated on 30 March 1989 under the Stock Exchange Act 1988 as a private limited company responsible for the operation and promotion of an efficient and regulated securities market in Mauritius and became a public company on 06 October 2008. SEM operates two markets, namely, the Official Market and the Development and Enterprise Market. Over time, the SEM acted as a powerful value-creation platform for listed companies and has played an important role in the democratisation process of the Mauritius economy by enabling more than 100,000 retail investors to participate in the growth story of a number of listed flagship local companies and today, a triple-digit-number of securities, including both local and foreign securities, are listed on the SEM.

1.4 Gender Statement

The Gender Policy of the Ministry was formulated with the enlistment of a Consultant and was validated in March 2018. The Gender Policy contains an Action Plan for gender mainstreaming at the level of the Ministry as follows:

GOALS	ACTIVITIES
GOAL 1: <i>Supporting and Enabling Work Environment</i>	Network with Ministry of Gender Equality to facilitate advocacy for greater commitment and engagement among staff towards the promotion of gender equality.
	Advocate for financial resources to be available and the budget for the Ministry/Institution makes provision for gender mainstreaming programme.
	Celebrate days of significance, including International Women’s Day e.g. an in-house discussion for Gender Issues.
	Develop an advocacy campaign for the review of existing Mission, Vision and Strategic Directions of Ministry and stakeholders and propose amendments to reflect gender sensitivity.
GOAL 2: <i>Promote Understanding of The Linkage</i>	Invite gender experts to discuss the tenets of the National Gender Policy Framework and the Gender Policy Statement and advise on specific issues to be addressed.
	Organize an in-house discussion on gender and the role of men in the process of gender mainstreaming.
GOAL 3: <i>Promote Staff Capacity Building and Development</i>	Appoint a Gender Focal Point and set up a Gender Cell
	Develop an Action Plan for MFSGG
	Organise training sessions for staff and stakeholders
	Facilitate research and documentation on Gender and Governance/Financial Services
	Collect gender disaggregated data
GOAL 4: <i>Strengthen Women’s Leadership Role</i>	Discuss with management on the facilities provided to women to meet their practical gender needs.
	Provide facilities to women in vulnerable situations to reconcile productive and reproductive roles.
	Discuss with management to integrate women in decision making instances.
GOAL 5: <i>Set up an effective Monitoring and evaluation Mechanism</i>	Set up a Gender Coordinating Committee to oversee implementation of Gender Policy
	Hold quarterly meeting of the GCC and monthly monitoring meetings of the Gender Cells
	Develop gender responsive Monitoring and Evaluation Mechanism and Indicators
	Review accountability mechanism
	Develop gender assessment tools to evaluate programme at all levels
	Discuss with Finance Department for the utilization of Gender Responsive Budgeting
	Discuss with Human Resource Department for the introduction of gender equity concerns in staff performance evaluation and measurement.

The Ministry has sponsored the setting up of the Association of Women in Investment and Finance which was launched on 08 March 2022. The objective of the Association is to give a voice to women in the sector and also help them to break the glass ceiling. One of their initiatives for the year 2023 was to have a workshop to launch the Africa Reform for Investment and Sustainable Economies (RISE) Report entitled “Bridging the Gap in Investment and Finance Sector in Mauritius”, as well as the first Finance Charter in Africa, funded by the EU Africa Rise. The workshop was held on 02 February 2023.

As at **30 June 2023**, the staff at the Ministry, excluding the officers on contract and on secondment, comprised **59 females** and **34 males**, i.e. a total of **93** staff members. The staffing structure, as at 30 June 2023, was as follows:

	TOTAL	 36.6%	 63.4%
Top Management Salary ≥ Rs 110k	3	(100%) 3	(0%) 0
Middle Management Rs47k < Salary < Rs110k	22	(50%) 11	(50%) 11
Support & Others Salary ≤ Rs47k	68	(29.4%) 20	(70.6%) 48

1.5 Key Legislations

- Anti-Money Laundering and Combatting the Financing of Terrorism (Miscellaneous Provisions) Act 2020;
- Asset Recovery Act 2011;
- Captive Insurance Act 2015;
- Financial Intelligence and Anti-Money Laundering Act 2002;
- Financial Reporting Act 2004;
- Financial Services Act 2007;
- Good Governance and Integrity Reporting Act 2015;
- Insurance Act 2005;
- Ombudsperson for Financial Services Act 2018;
- Securities Act 2015;
- Variable Capital Companies Act 2022; and
- Virtual Assets and Initial Token Offerings Services Act.

1.6 About our People



A. Staff on Pensionable and Permanent Establishment

The Ministry is headed by the Permanent Secretary, who is supported by a pool of officers.

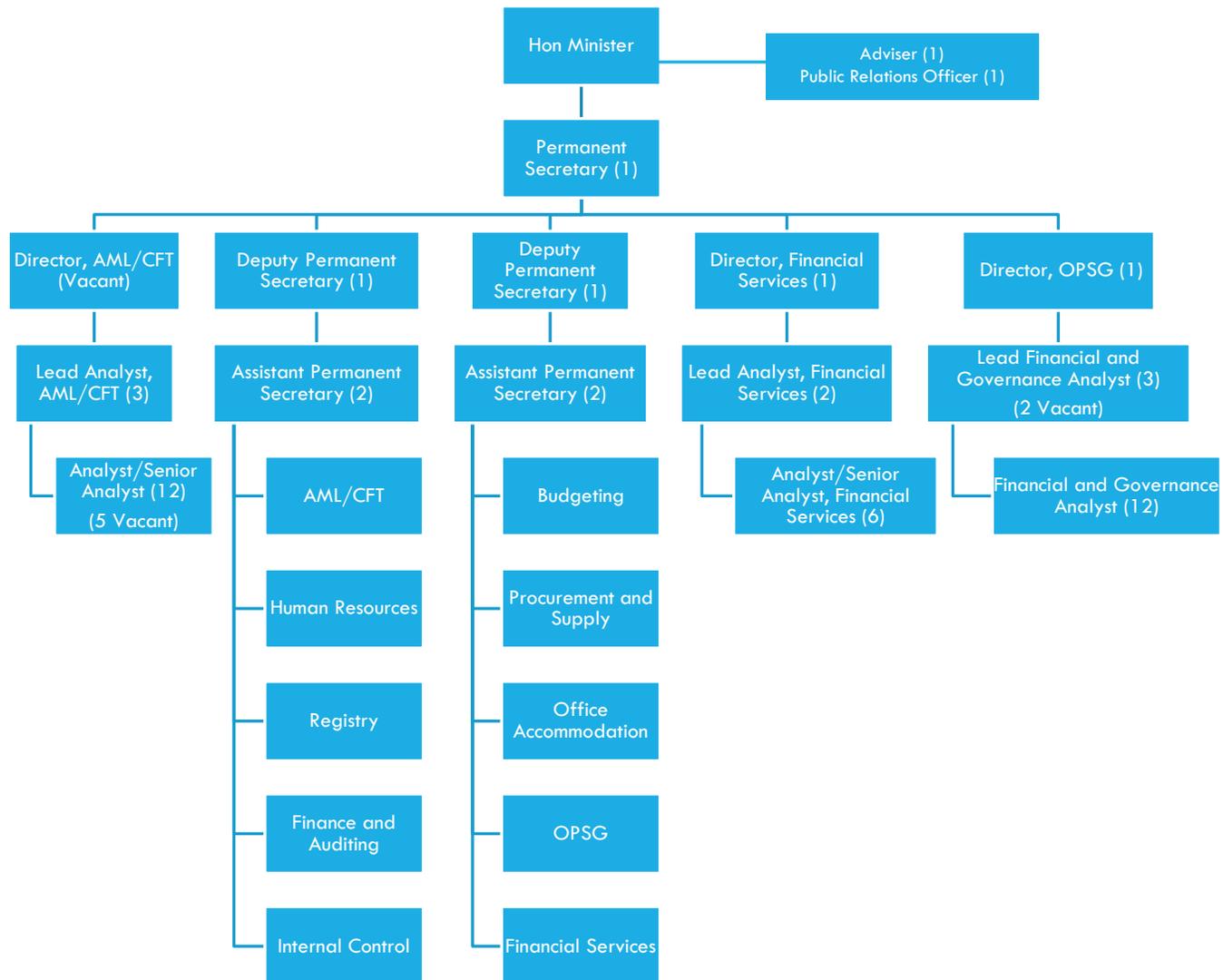
GRADE	FUNDED POSITION	NUMBER IN POST
Permanent Secretary	1	1
Deputy Permanent Secretary	2	2
Assistant Permanent Secretary	4	4
Assistant Manager, Financial Operations	1	1
Principal Financial Operations Officer	1	1
Financial Operations Officer/Senior Financial Operations Officer	1	-
Assistant Financial Operations Officer	1	0
Procurement and Supply Officer/Senior Procurement and Supply Officer	1	1
Assistant Procurement and Supply Officer	1	1
Assistant Manager, Internal Control	1	1
Manager Human Resources	1	1
Senior Human Resource Executive	1	1
Office Management Executive	1	1
Office Management Assistant	6	5
Office Supervisor	1	1
Management Support Officer	14	12
Confidential Secretary	3	4
Assistant System Analyst/Senior Assistant System Analyst	-	1
Word Processing Officer	3	3
Head Office Auxiliary	1	1
Office Auxiliary/Senior Office Auxiliary	8	9
Receptionist/Telephone Operator	1	1
Driver	2	2
Director, AML/CFT	-	-
Lead Analyst, AML/CFT	3	3
Analyst/Senior Analyst, AML/CFT	15	11
Director, Financial Services	1	1
Lead Analyst, Financial Services	2	2
Analyst/Senior Analyst, Financial Services	6	3
Lead Financial and Governance Analyst	4	3
Director, Office of Public Sector Governance	1	1
Financial and Governance Analyst/Senior Financial and Governance Analyst	12	12

Note: 2 MSOs on Leave without Pay

B. Senior Staff of the Ministry

GRADE	NAME
A. ADMINISTRATION	
Permanent Secretary	Mr Sarwansingh PURMESSUR
Deputy Permanent Secretary	Mr Navindsing JUGMOHUNSING
Deputy Permanent Secretary	Mrs Ushalini SHEWRAJ
Assistant Permanent Secretary	Mrs Narvada PULTOO
Assistant Permanent Secretary	Mr Neelesh BEEROO
Assistant Permanent Secretary	Mr Senvy CURPEN-NAICK
Assistant Permanent Secretary	Miss Shelena JOGEE
Manager, Human Resources	Mrs Bibi Zaheda SOREEFAN
Assistant Manager, Financial Operations	Mrs Raazianaz BUSROPUN-LALLMAHOMED
B. FINANCIAL SERVICES UNIT	
Director, Financial Services	Mr Kresh SEEBUNDHUN
Lead Analyst, Financial Services	Mrs Dovinassy PILLAY-NAIKEN
Lead Analyst, Financial Services	Miss Khema Deepti BEESOON
C. AML/CFT UNIT	
Lead Analyst, AML/CFT	Mrs Marie Laura Kareen LAROCHE
Lead Analyst, AML/CFT	Mr Avinash DREEMPAUL
Lead Analyst, AML/CFT	Mr Yuvrajsingh BETCHOO
D. OFFICE OF PUBLIC SECTOR GOVERNANCE	
Director, Office of Public Sector Governance	Mr Satianand BANSHI
Lead Financial and Governance Analyst	Mr Edison NARAINEN
Lead Financial and Governance Analyst	Ms Padminnee SUNASSEE
Lead Financial and Governance Analyst	Mrs Shameema Bibi PATEL

ORGANISATIONAL CHART OF THE MINISTRY AS AT 30 JUNE 2023



C. Officers on Contract

As at 30 June 2023, the Ministry also comprised officers who were employed on contract or were on secondment, as provided hereunder:

GRADE	NUMBER IN POST
Adviser on Information Matters	1
Public Relations Officer	1
Intern, Service to Mauritius	1

D. Officers on Secondment

GRADE	NUMBER IN POST	REMARKS
Senior Analyst	1	On secondment from FSC
Analyst	1	On secondment from FSC
Driver	1	On secondment from FRC

PART II – MINISTRY’S ACHIEVEMENTS AND CHALLENGES

2.1 MAJOR ACHIEVEMENTS FOR FINANCIAL YEAR 2022/2023

2.1.1 Anti-Money Laundering and Combatting the Financing of Terrorism

Mauritius is technically “Compliant” or “Largely Compliant” to all the 40 Financial Action Task Force Recommendations, reinforcing its position as a jurisdiction of substance anchored on a robust Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation (AML/CFT/CPF) Framework.

Despite these achievements, Mauritius has continued to maintain its momentum in the fight against money laundering and terrorism financing and re-affirmed its position as a jurisdiction of substance.

Over the years, the Ministry of Financial Services and Good Governance has undertaken comprehensive actions, achieved commendable results and pursued its initiatives in the fight against money laundering, terrorism and proliferation financing.



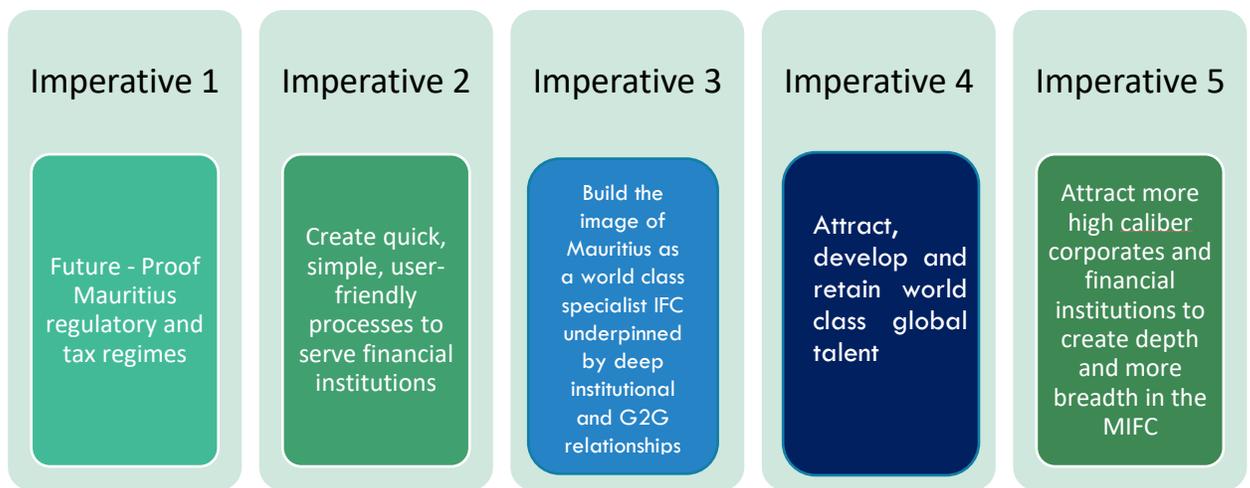
The main milestones and achievements of Mauritius in the AML/CFT arena for the financial year 2022/2023 are as follows:

- Joining the top-tier jurisdictions which are “compliant” or “largely compliant” to all the 40 FATF Recommendations following the upgrade in FATF Recommendation 15 in September 2022;
- Hosting the international prestigious conference, namely, the Organisation of African, Caribbean and Pacific States (OACPS) Conference in January 2023 and FATF Africa/Middle East Joint Group Meeting in May 2023. These events provided an opportunity for Mauritius to raise its visibility as a key hub in combating Money Laundering/Terrorist Financing (ML/TF) in Africa; and
- Provision of technical assistance to foreign jurisdiction including Tunisia, Jordan, Zambia and the Democratic Republic of Congo, with the objective to share experience gained and lessons learned in the fight against illicit financial flows.

2.1.2 Financial Services

2.1.2.1 Main Achievements

- The Blueprint Report on Innovating and Transforming the Mauritius IFC of 2030 (*issued in 2018*) highlights the strategies to establish Mauritius as an International Financial Centre and a jurisdiction of substance and repute focused on its contribution to the economic growth within a growing international pressure. The Blueprint recommendations have been completed at 65%.
- 5 Sub committees were set up under the Financial Services Consultative Council (FSCC) to review the recommendations under the 5 imperatives and assess the relevance of the initial recommendations. Accordingly, each Expert Group have reviewed their Imperatives as follows:



- On ease of doing business, the following were achieved in FY 2022/2023:
 - A Memorandum of Cooperation was signed between the Financial Services Commission and the Mauritius Police Force (MPF) in October 2022 which establishes a mechanism for mutual cooperation between the FSC and the MPF in the performance of their respective mandates.
 - The FSC issued an FAQ on Moneylending Licence on 8 February 2023 to clarify on the applicability of the moneylenders licence for global business companies. The licence will only be applicable to companies conducting moneylender activity in Mauritius.
 - The FSC, in collaboration with the Mauritius Research and Innovation Council, launched the Artificial Intelligence Powered Due Diligence Platform. It has enhanced the credibility and promote trust in regulatory activity.



- On addressing the skills gap in the financial services sector:
 - A survey was carried out in April 2022 identify the human resource and skills gap being faced by operators.
 - Two career fairs were organised in June and July 2022, which brought together key players of the financial services sector and provided a platform for job seekers to learn more on career opportunities available in the sector. The career fairs were attended by over 7,000 participants.
 - The Financial Services Fund organised a Financial Literacy week in Rodrigues in August 2022 to inform the public at large and youngsters about financial products and the opportunities in the financial services and fintech sectors.
 - A Financial Education Programme on Family Office & Wealth Management was held in March 2023 at the FSC house and free awareness programmes on VAITOS and Fintech were provided by the FSI.
 - The Ministry worked in close collaboration with the local representatives of the International Organisation for Migration to explore on how the Mauritian Diaspora could be used to address the skills gap in the Financial Services Sector. Our Ministry also participated in their Technical Working Group on Diaspora Engagement.

- Consultation has been ongoing with stakeholders and operators for the development of a National Strategy to increase the adoption of FinTech in Mauritius across all sectors of the economy so that we can promote and position Mauritius as a FinTech Hub for the region. Furthermore, a financial literacy campaign, as well as a two-day workshop was organised to raise awareness on VAITOS and on Developments in Fintech and Blockchain.
- The Ministry has been participating closely with other Ministries in the discussions and negotiations on various investments promotion and protection agreements (IPPAs) with Pakistan, the Double Taxation Avoidance Agreement (DTAA) with Botswana, the Economic Partnership Agreement between the EU and ESA countries (Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe) and the African Continental Free Trade Agreements (AfCFTA).
- Safyr Capital Partners issued the first-ever healthcare Green Bond in Mauritius on 15 May 2023, following the issue of the Guideline for Corporate and Green Bond by FSC in April 2022.
- The Insurance Act has been amended to extend the prescribed delay from 2 to 5 years for claim applications to be made by unfortunate victims of hit and run accidents.
- In September 2022, the NIC launched 9 new products, including the NIC Prosperity Plan, the NIC Wedding Plan, the NIC Holiday Plan, the NIC Pilgrimage Plan, the NIC Child Investment Plan, the NIC A+ Educational Plan, the NIC Regular Income Annuity Plan, the NIC Retirement Plan and the NIC Funeral Care Plan.



2.1.2.2 Overview of the Financial Services Sector

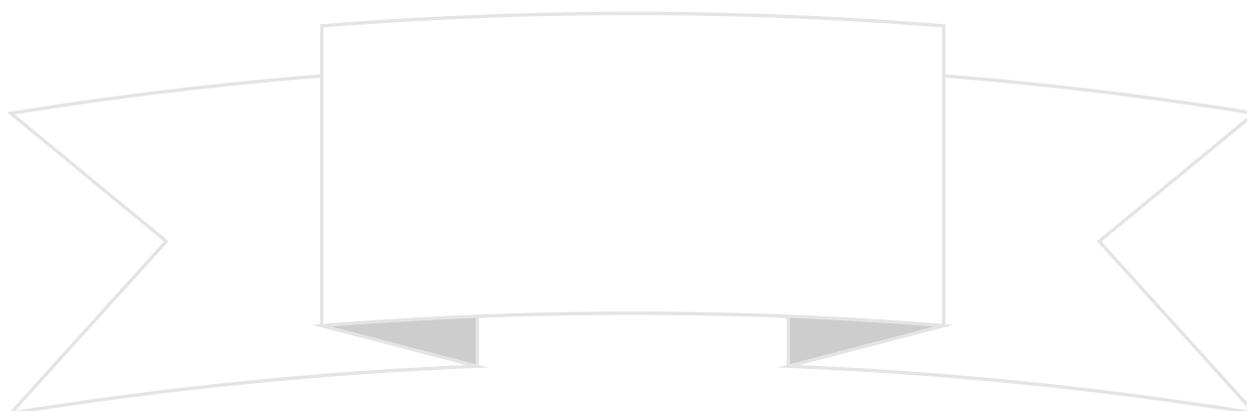
FINANCIAL & INSURANCE ACTIVITIES				
	2020	2021	2022	2023 (Forecast)
Growth rate (%)	4.0	4.2	4.2	3.9
Contribution to GDP (%)	14.1	13.9	13.5	13.5

2.1.2.3 Promotion of the Financial Services Sector

During the financial year 2021/2022, missions have been organised to UK, Germany, South Africa, India and Egypt to, *inter alia*, promote the Mauritius IFC.

2.1.2.4 Rankings and Accolades

- The Mauritius IFC has improved its ranking by 11 places in the 33rd edition of the Global Financial Centres Index (GFCI) by 11 places which was published on 23 March 2023.
- Mauritius has improved from 92nd position to 81st position in the GFCI ranking and also gained 1st place to 8th in the Africa & Middle East region.

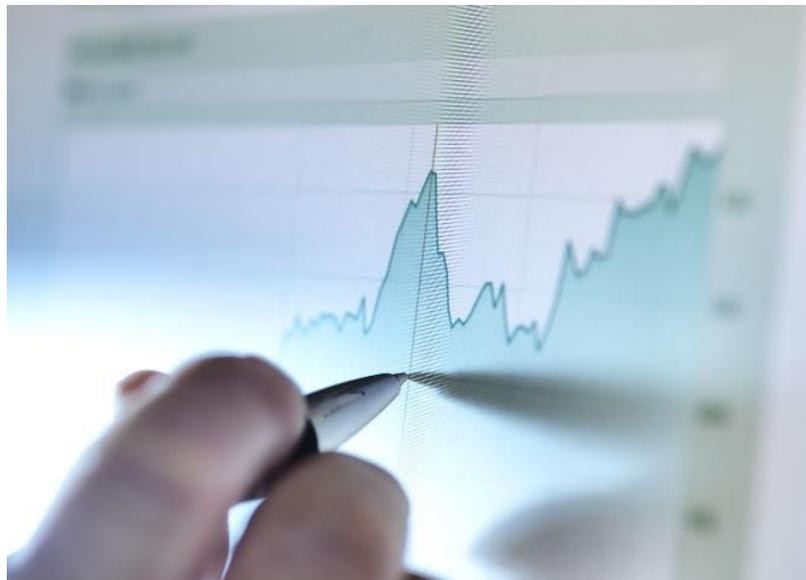


2.1.3 Public Sector Governance

The OPSG has completed the following 14 assignments in the Financial Year 2022/2023, including 8 reviews which were drawn from the Director of Audit (DoA) Report on the accounts of the financial year 2019/20, and one from 2020/21 DoA Report. The other 5 Reviews were from Direct Request from Ministries/Depts.

SN	DETAILS OF REVIEW
1.	Financial Reporting and Governance Practices at National Heritage Fund (DoA FY 2019/20)
2.	Financial Reporting and Governance Practices at Mauritius Society for Animal Welfare (DoA FY 2019/20)
3.	Financial Reporting and Governance Practices Mauritius Tamil Cultural Centre Trust Fund, Ministry of Arts and Cultural Heritage (DoA FY 2019/20)
4.	Financial Reporting and Governance Practices at Professor Basdeo Bissoondoyal Trust Fund, Ministry of Arts and Cultural Heritage (DoA FY 2019/20)
5.	Review of the management and monitoring procedures of Capital Grants for social housing Project, Ministry of Social Integration and National Security and Solidarity (DoA FY 2019/20)
6.	Review of the Monitoring of Capital Projects by the Infrastructure Management Unit, Ministry of Education, Tertiary Education, Science and Technology (DoA FY 2019/20)
7.	Financial Reporting and Governance Practices at Media Trust, Prime Minister's Office (DoA FY 2019/20)
8.	Review on the lapses in Revenue Collection and Ineffective Recovery Arrears at the Registrar-General Department, Ministry of Finance, Economic Planning and Development. (DoA FY 2019/20)
9.	Inquiry on the Repairs and Servicing of VVIP Car, Ministry of National Infrastructure and Community Development
10.	Restructuring of the Pharmacy Department, Ministry of Health and Wellness
11.	Enquiry on Acquisition of Tractors and Trailers-Cargo Handling Corporation Ltd, Prime Minister's Office
12.	Review of the Operations of the Land Use Division at Min of Agro-Industry and Food Security
13.	Financial Review at National Land Transport Authority, Ministry of Land Transport and Light Rail (DoA FY 2020/21)
14.	Report on On-Call & In-Attendance Allowance at the Department of Civil Aviation

- The OPSG also has the responsibility of reviewing and monitoring the effectiveness of established Audit Committees in Ministries and Departments. The Office has successfully established Audit Committees in Ministries/Departments. The monitoring of the operations of the Audit Committees (ACs) is an ongoing process and is carried out through quarterly reports submitted by the ACs.
- A Handbook providing guidance on the setting up and operation of Audit Committees was prepared by the OPSG. The Handbook sets out the fundamental principles relating to the roles, membership and operation of Audit Committees in Ministries/Departments. The Audit Committee Handbook was approved by Government on 19 May 2023 and was circulated by the OPSG to all ACs of Ministries and Departments for guidance in effectively fulfilling its role and responsibilities.



2.2 Status of Implementation of Budget Measures (FY 2022/2023)

Budget para	Budget Measure	Status Update
136(d)	The Financial Services Commission will revamp its framework to enable Re-Insurance companies to set up operations in Mauritius.	Procurement exercise was ongoing at the level of the Financial Services Commission for consultancy services to revamp the re-insurance framework.
137	To continue the overhauling of the financial services sector, the Government will adapt its legislative framework to converge the domestic and the global business regime.	The Financial Services Commission was working on a proposed framework in consultation with the Mauritius Revenue Authority, Corporate and Business Registration Department and Mauritius Finance.
140	To cater for specialist trainings in the sector, the Financial Services Institute will become an awarding body.	The Financial Services Institute was exploring the possibility of partnering with a foreign university.
231	To finance the implementation of our sustainability roadmap: - (a) A Carbon Credit trading framework will be prepared (b) An Environmental, Social and Corporate Governance (ESG) framework will be developed; and (c) An inaugural Sustainable Bond will be issued.	The Ministry secured funds amounting to USD 200,000 with the African Development Bank to finance the design and implementation the ESG Framework for the Mauritius IFC. The Ministry was awaiting signature of the Finance Agreement by MoFEPD. The first Corporate Green Bond was approved by the Financial Services Commission and was issued on 25 January 2022 by CIM Financial Services Ltd for the sum of MUR 500 million.
B (2)	To consolidate the position of Mauritius as an international financial centre - (a) the current requirement for high-net worth individuals and families will be reviewed to a minimum portfolio of USD 5 million per management family office; and (b) holders of Global Headquarters Administration licence will be provided work and residence permits for 5 executives and the latter's dependents.	This measure has been implemented and the Rules of the FSC have been amended, accordingly.

2.3 Status on Implementation of Key Actions

DELIVERY UNIT	MAIN SERVICE	KEY PERFORMANCE INDICATOR	ACTUAL 2022/23
AML/CFT Unit	Enhancing the level of compliance and effectiveness of the AML/CFT/CPF framework	Number of trainings and outreach activities carried out to upskill officers on AML/CFT matters (including the FATF assessors training)	34
Financial Services Unit	Formulate policies and strategies to enhance competitiveness of the jurisdiction	(a) Implementation of the Blueprint recommendations	49%
		(b) Number of innovative financial products introduced	2
Office of Public Sector Governance	Conduct financial and organisational reviews in public sector organisations	Number of reviews carried out in public sector organisations	14

2.4 Risk Management, Citizen-Oriented Initiatives & Good Governance

2.4.1 Risk Management

In line with Circular Number 8 of 2021 issued by the Ministry of Finance, Economic Planning and Development on the “*Guidelines for the establishment of Risk Management in the Public sector*”, the Ministry has, in collaboration with the Internal Control Unit, which falls under the purview of MOFEPD, formulated its Risk Management Policy and Risk Management Framework (RMF) on 04 October 2022.

A Risk Management Committee has been set up at the level of the Ministry, comprising of different Head of Sections (Risk Owners), to ensure effective implementation of the controls put in place with a view to managing identified risks effectively and consistently across the Ministry.

2.4.2 Citizen Oriented Initiatives

Complaints and queries pertaining to the Ministry are handled in an effective and timely manner. Appropriate guidance and assistance are provided to the citizens through the Citizen’s Support Portal, as and when required. Furthermore, complaints of financial services nature are being dealt with by the Office of the Ombudsperson for Financial Services.

2.4.3 Good Governance

So as to make Mauritius jurisdiction a choice for ESG investments there was an urgent need to develop an Environmental Social and Corporate Governance framework so as to position the country as a sustainable IFC. There is an increasing demand for accountability and transparency given the increasing impact of companies on society.

Mauritius, with its commitment to sustainable finance and responsible business practices, serves as a shining example of how ESG principles can be effectively implemented. By embracing ESG, Mauritius showed that it was not only mitigating risks and enhancing financial performance but also contributing to the well-being of its citizens and the preservation of its environment.

2.5 Implementation Plan – Director of Audit Comments

In line with the Government decision that Ministries/Departments should set up an Audit Committee with a view to minimising the number of audit queries, an Audit Committee has been set up at the Ministry of Financial Services and Good Governance since 2017.

The composition of the Audit Committee during the Financial Year 2022/2023 was as follows:

NAME	DESIGNATION	ROLE IN AUDIT COMMITTEE
Mrs U. Shewraj	Deputy Permanent Secretary	Chairperson
Mr A. Dreepaul	Lead Analyst, AML/CFT	Member
Mr S. Curpen Naick	Assistant Permanent Secretary	Member
Mrs N. Matarooa	Office Management Assistant	Secretary

The shortcomings noted in the Reports of the Director of Audit for the FY 2020/2021 and FY 2021/2022 were discussed at the level of the Audit Committee and a close follow up was carried out on the issues reported, for instance, the ones in the table below:

SN	ISSUES (REPORT REF)	DOA COMMENTS/PROPOSED MEASURES	STATUS OF ACTIONS TAKEN/ IMPLEMENTATION DATE
1	<i>Report of the Director of Audit for FY 2020/2021 (released in February 2022)</i>		
	<p>Inadequate Oversight of the Ministry on the SOE under its aegis - <i>Assets Disposal</i></p> <p>(Page 246)</p>	<p>In January 2020, the NPFL appointed a Transaction Adviser (TA) to dispose of the assets transferred to the SOEs. It was noted that the NICL was also engaged in the disposal of its assets. Assets disposal information was kept in a fragmented manner at the Ministry, as it did not have a database regarding the details of all the assets held and sold to date including the purchasers and purchase consideration and the commission paid to the TA. Oversight exercised by the Ministry on the disposal of state-owned assets was thus limited.</p>	<p>Information regarding assets of the NPFL are kept separately. A database was created in FY2021/2022 and was updated on a regular basis.</p>
2	<i>Report of the Director of Audit for FY 2021/2022 (released in February 2023)</i>		
	<p>Audit Committee Charter (Para 3.12 of Report 2019)</p> <p>(Page 241)</p>	<p>No mention was made in the Charter for the mandate of an Audit Committee (AC). The span of time for the appointment of AC members on an annual basis was considered too short. It was recommended that the mandate for the AC should be explicitly stated in the charter and that the term of office for AC needs to be reviewed.</p>	<p>In August 2022, Government approved a new Audit Committee Charter (ACC) which included the mandate and provided for the appointment of Audit Committee members on a two-year basis. Audit Committees across the Ministries/Departments have already started applying the provisions contained in the new Charter. Moreover, the ACC has been incorporated in the Audit Committee Handbook approved by Government on 19 May 2023.</p>

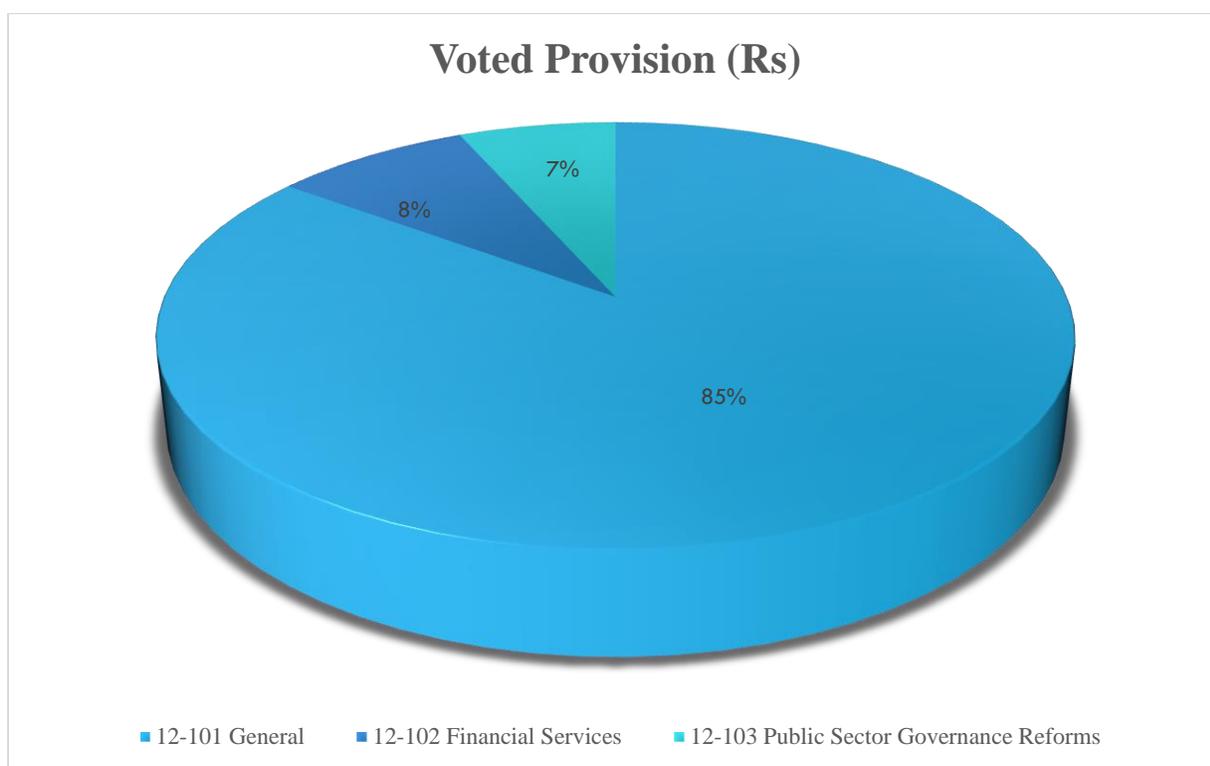
PART III – FINANCIAL PERFORMANCE

3.1 Financial Highlights

An amount of Rs312 Million was appropriated to the Ministry's Vote for FY 2022/2023. The Ministry's Budget was categorised under 3 sub-Heads where funds have been allocated as follows:

Sub-Head	Details	Voted Provision (Rs)
12-101	General	267,6M
12-102	Financial Services	23,6M + 2.4 M(MOFEPD)
12-103	Public Sector Governance Reforms	20,8M

The budget of Rs312 M allocated to the Ministry for the Financial Year 2022/2023 is represented in the diagram below:



3.2 Analysis of Major Changes

For FY 2022/2023, the Ministry was allocated a budget of Rs312 Million as compared to Rs256 M for FY 2021/2022, representing a 21.9% increase.

(i) Compensation of Employees

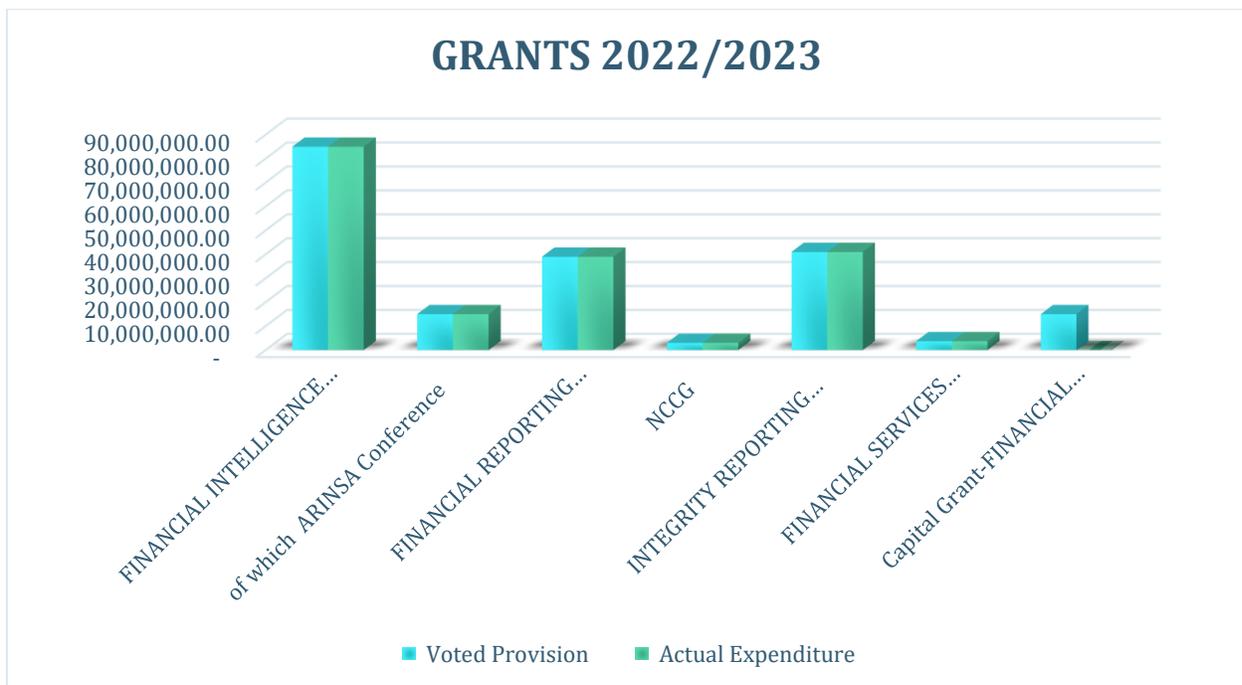
Funds allocated were insufficient to meet the payment of salaries, allowances and travelling benefits. Additional funds had to be reallocated from savings from other items of expenditure from the Ministry’s other sub-heads. Moreover, nearly all funded vacancies have been filled except for the post of Director of the AML/CFT unit.

(ii) Goods And Services

Savings of approximately Rs15.0 M could be generated as Expenses i.c.w Fintech City could not be materialised, and Expenses i.c.w *Observatoire* of Virtual Asset were not effected as the project was carried out by the FSC. For the Financial Year 2022/2023, two main events were organised by the Ministry, namely the OACPS Workshop on Tax Governance and Anti-money Laundering Terrorist held in January 2023 and the FATF Africa Middle -East Joint meeting held in May 2023.

(iii) Grants

The amount allocated to Extra Budgetary units falling under the aegis of the Ministry and contribution to International Organisations was Rs190,200,000, representing 60.96% of the Voted provision. The total amount released was Rs186,697,000 (Extra Budgetary Units) and Rs 3,491,712 (Contribution to ESAAMLG). There was also a capital grant of Rs 15,000,000 in favour of FIU which remained unspent.

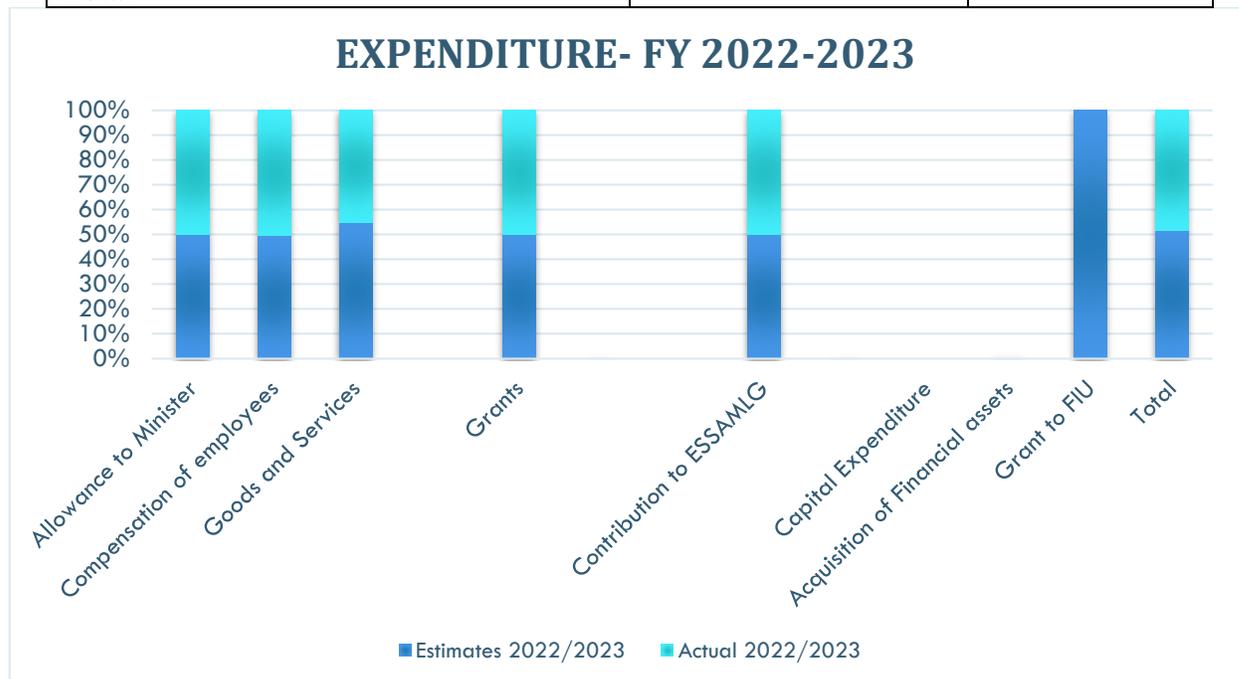


It may be noted that there is no item of revenue at the Ministry.

3.3 Statement of Expenditure

The actual expenditure at the end of Financial Year 2022/2023 was Rs291,537,132 representing 93.44% of the voted provision of Rs 312 Million.

HEAD/SUB-HEAD OF EXPENDITURE	ESTIMATES 2022/2023	ACTUAL 2022/2023
Recurrent Expenditure		
Allowance to Minister	2,400,000	2,400,000
Compensation of employees	65,200,000	66,661,699
Goods and Services	39,200,000	32,286,721
Grants	186,700,000	186,697,000
Contribution to ESSAMLG	3,500,000	3,491,712
Capital Expenditure		
Acquisition of Financial assets	-	-
Grant to FIU	15,000,000	-
Total	312,000,000	291,537,132



Trends and Challenges

The financial services sector currently faces several trends and challenges. These include:

4.1 Major Trends

4.1.1 AML/CFT

The following is currently carrying out the following activities:

- the National Risk Assessment, including the different sectoral risk assessment, to identify the ML/TF risks associated in its ecosystem. In addition, the Ministry will conduct a review of its Non-Profit Organization TF risk assessment and will perform a Proliferation Financing risk assessment as required by the FATF. In parallel, risk assessment of Legal Persons and Legal Arrangements are being conducted to assess the risks associated with misuse of legal structures.
- introduction of AML/CFT Legislations to further consolidating the AML/CFT/CPF obligations, adhering to the new requirements of FATF and best practices, as well as addressing any gap identified during the National Risk Assessment.
- enlistment of an independent expert to carry out a mid-term review of the AML/CFT Framework. The review will assess the technical compliance and effectiveness of the AML/CFT Framework of Mauritius in line with the FATF Standards.
- A FATF Standards training along with an Assessors Training program will be carried out in collaboration with the ESAAMLG Secretariat. These trainings will enable the staff of different AML/CFT institutions to have a deeper understanding of the FATF Recommendations and the revised FATF methodology used to assess technical compliance and the level of effectiveness. They will also empower the staff with necessary skills to be better prepared for future mutual evaluations.

4.1.2 Financial Services

- A Public Private Committee comprising MFSGG, EDB and Business Mauritius and private operators is working on a Report on a public private platform for the financial services sector.
- Following an announcement in the Budget Speech 2022/2023 in the Financial Services Institute is working towards becoming an awarding body.
- A funding of USD 200,000 (Rs 9 million) has been received from African Development Bank (AFDB) to develop a national ESG Framework, targeted towards impactful investment in Mauritius and Africa.
- The Financial Services Commission is working on the development of a National Insurance Claims Insurance Database portal to facilitate the processing of claims. A Bonus Malus mechanism being developed by the Ministry of Land Transport and Light Rail would be integrated therein.

4.2 Major Challenges

4.2.1 Human Resources

During the financial year, the OPSG had to operate with limited resources in terms of manpower. The next financial year will be more challenging as the OPSG will be called upon to carry out multitude reviews, including governance reviews in 35 Statutory Bodies as well as formulate modern and up to date solutions to public sector organizations.

4.2.2 Performance Improvement and Turn around Plans

The OPSG will need to propose Performance Improvement Plans following recommendations made in consolidated Audit Reports on Local Authorities and Statutory Bodies. The OPSG will also have to assist Statutory Bodies and Local Authorities to come up with Turn-around Plans in line with best practices.

Strategic Direction

- ✚ The Ministry of Financial Services and Good Governance's actions and initiatives have positioned Mauritius as a global player in the fight against financial crimes and as an international financial centre of repute. Looking forward, the Ministry's ongoing and forthcoming initiatives showcase a steadfast commitment to continuous improvement and resilience. The comprehensive risk assessment exercises, the AML/CFT (Miscellaneous Provisions) Bill, and the mid-term review by an independent expert will ensure that Mauritius remains vigilant against emerging risks. Moreover, the FATF Standards/Assessors Training will empower the AML/CFT institutions with the necessary skills and knowledge for the upcoming mutual evaluations.
- ✚ So as to further develop Mauritius as a jurisdiction a choice for ESG investments, the Ministry is currently developing an Environmental Social and Corporate Governance framework so as to position the country as a sustainable international financial centre. There is an increasing demand for accountability and transparency given the increasing impact of companies on society. It is expected that the upcoming ESG framework will bridge the meet those demands.
- ✚ Mauritius, with its commitment to sustainable finance and responsible business practices, serves as a shining example of how ESG principles can be effectively implemented. By embracing ESG, Mauritius, through the Ministry of Financial Services and Good Governance, will not only mitigate risks and enhance financial performance but also contribute to the well-being of its citizens and the preservation of its environment.

A. Information Visit – Eu Global Facility Best Practices in Risk-Based Supervision of Non-Profit Organisations



In July 2022, the EU AML/CFT Global Facility, in collaboration with the MFSGG, hosted a study visit in Mauritius on the best practices in Risk-Based Supervision of Non-Profit Organisations (NPOs).

B. National Risk Assessment Refresher Course

In September 2022, a refresher course on the different National Risk Assessment Modules was conducted by the World Bank Experts, to provide each team with a recap of the NRA concept and introduce the module, that it will be assessing as well as demonstrate the NRA tool.

C. Virtual Workshop on the Offsite Monitoring Questionnaire for the Virtual Service Asset Providers

On 05 October 2022, the workshop emphasized the need for risk-sensitive supervision and monitoring of compliance with AML/CFT requirements by financial institutions, Designated Non-Financial Businesses and Professions, and Virtual Asset Service Providers. Specifically, it aimed to enhance the Risk Based Supervision Framework for VASPs by incorporating updates, particularly in relation to the Offsite Monitoring Questionnaire for VASPs. The objective was to strengthen the regulatory oversight by adopting a risk-based approach, effectively addressing the unique challenges and vulnerabilities associated with VASPs, and ultimately ensuring a robust AML/CFT compliance framework within the virtual asset space.

D. Experience Sharing Session with the United Kingdom and Mauritian Authorities with respect to the Regulatory and Supervisory Framework for Virtual Assets

On 07 October 2022, Mauritius and UK co-organised the workshop to continuously improve the capacity of its officers for the implementation of the legislative framework to combat

illicit financial flows, protect investors and preserve the financial stability without suffocating innovation.

E. FATF Plenary

The Ministry made arrangements for officers from different institutions to participate in the virtual FATF Plenary Meetings, which were held in October 2022 and February 2023.

F. The Malta Workshops - Designing and Implementing a Beneficial Ownership Registry for Legal Entities Session

The Ministry coordinated with relevant stakeholders to attend the second virtual edition of the Malta Workshops over 5 days from 17 to 21 October 2022, which was organized by the Ministry of Foreign and European Affairs and Trade of Malta in collaboration with Financial Transparency Advisors GmbH.

The Malta Workshops comprised a series of hybrid workshops, directed at officials from countries around the world, as well as international experts on AML/CFT from organizations such as the World Bank, the United Nations, the European Commission, the European Central Bank, the European Banking Authority, and the Financial Action Task Force.

The objective of the Workshop was mainly attributed to the Anti-Money Laundering/Combating of Terrorism (AML/CFT) agenda on the international stage, new trends and typologies identified on a continuous basis, which all countries are expected to take into account and address through national regulatory, legal and criminal AML/CFT measures.

G. Virtual Workshop on The Digital Onboarding

The workshop held on 29 November 2022 delved into Core Issues 3.3 and 3.6, addressing the clarity and understanding of AML/CFT obligations and ML/TF (Money Laundering/Terrorist Financing) risks among financial institutions, Designated Non-Financial Businesses and Professions (DNFBPs), and Virtual Asset Service Providers (VASPs). The focus is on advancing regulatory efforts related to digital onboarding processes. This involves the development of comprehensive guidelines to ensure that stakeholders have a clear understanding of their AML/CFT obligations while utilizing digital platforms for onboarding. By aligning with evolving digital technologies, the workshop aims to foster effective compliance with AML/CFT regulations, mitigate ML/TF risks, and streamline onboarding procedures within the digital realm.

H. Visite de Travail auprès de la République de Maurice sur le Processus ICRG du GAFI

A delegation from the “*Cellule Nationale des Renseignements Financiers*” of the Democratic Republic of Congo (DRC) was on a study visit in Mauritius from 16 to 19 January 2023, with the objective to learn from the experience acquired by Mauritius in the implementation of the FATF Action Plan with regard to the de-listing from the FATF list of ‘*Jurisdiction Under Increased Monitoring*’

I. OACPS Workshop on Tax Good Governance and AML and TF



A workshop on “*Tax Good Governance, Anti-Money Laundering and Countering the Financing of Terrorism*” was co-organized by the Secretariat of the OACPS and the Ministry of Financial Services and Good Governance from 26 January to 01 February 2023.

J. Onsite Training on TFS and Supervision

An on-site training on Targeted Financial Sanctions (TFS) and Supervision was organized by this Ministry in collaboration with the Inter-Agency Coordination Committee (ICC) and the Financial Services Commission (FSC)

The primary goal of the training was to enhance the knowledge and capabilities of staff members of competent authorities in Mauritius to effectively combat financial crimes and strengthen the AML/CFT/CPF framework. The training covered crucial topics such as case studies and practical exercises on targeted financial sanctions and proliferation financing, risk-based supervision, and transaction monitoring.

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