

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 has prepared its Annual Report on Performance for the fiscal year 2021/22.

The Report has been structured as per the guidelines issued by the Ministry of Finance, Economic Planning and Development 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 form 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 2021/22.

The structure of the Annual Report is as follows:

Part I: About the Ministry

Part I sets out the Vision, Mission and Overview of the Ministry as well as its roles and functions, including that of the major agencies under the purview of the Ministry along with a gender statement.

Part II: Ministry Achievements & Challenges

Part II describes mainly the major achievements, the status on the achievements of budget measures and the key actions for the financial year 2021/22. 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 2020/21.

Part III: Financial Performance

Part III provides the financial highlights for the year, an overview of the major changes in financial year 2020/21 and the statements of revenue and expenditure.

Part IV: Way Forward

Part IV highlights the trends and challenges as well as the strategic directions of the Ministry.

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LIST OF ABBREVIATIONS

AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
BOM	Bank of Mauritius
CPF	Countering Proliferation Financing
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
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
GRA	Gambling Regulatory Authority
IRSA	Integrity Reporting Services Agency
MIFC	Mauritius International Financial Centre
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
OECD	Organization for Economic Cooperation and Development
PIE	Public Interest Entity
SEM	Stock Exchange of Mauritius
SICOM	State Insurance Company of Mauritius Ltd



I am pleased to present the fifth Annual Report on Performance for the Ministry of Financial Service and Good Governance. The report reflects, inter alia, the numerous achievements, targets and challenges for the financial period 2021/2022.

In my statement in the Annual Report for the last financial year, I highlighted the exceptional circumstances which unfolded on the Ministry of Financial Services and Good Governance regarding the listing of the Mauritius in the FATF List of Jurisdictions under Increased Monitoring and the European Union (EU) list of high-risk third countries and the huge amount of work that was in front of us as the reputation of our country was at stake.

At the same time, given this challenge, the Ministry could rely on the unflinching support of all its staff as well as all relevant stakeholders who, with great motivation and dedication, made it possible for Mauritius to be out of both lists.

Indeed, after the de-listing of Mauritius from the FATF List on 21 October 2021, the country was successively removed from the UK and EU List of High-Risk Countries. The removal of Mauritius from these lists is considered as a major milestone in reinforcing the reputation of Mauritius as a robust and reputable jurisdiction.

I have also to mention that at the end of the last financial year, Mauritius was rated as 'Compliant' or 'Largely Compliant' on 39

out of the 40 FATF Recommendations on technical compliance. The only recommendation that was still rated as "Partially Compliant" was Recommendation 15 - New Technologies. Following the passing of the Virtual Asset and Initial Token Offering Services Act in December 2021, we made an application to the ESAAMLG for the re-rating of that Recommendation in February 2022. At the last ESAAMLG meeting held in September 2022 in Livingstone, Zambia, Mauritius was upgraded to "Largely Compliant" on this FATF Recommendation. I can proudly say that our Country is now "Compliant" or "Largely Compliant" on all the 40 FATF Recommendations and we are the 1st in Africa.

With these accolades, Mauritius is now being cited as a role model and numerous requests are being made to share our experiences with other countries, particularly, members of the ESAAMLG. We are positively considering these requests.

The challenge now is to sustain what we have achieved. To do so, the Ministry has set up a full-fledged permanent technical AML/CFT Unit headed by a Director to follow up on all the FATF standards and address any changes that would require adaptation to our laws or methods of work.

It has also been good to note that despite the daunting challenges facing the sector with on one side being on the Grey List of the FATF and on the other side the country fighting the COVID 19 pandemic, it has shown a positive growth rate of 4.6% and has contributed 13.1% to the GDP during the last financial year. This has proved that

the financial services sector in Mauritius is a resilient and promising one.

Now, in order to sustain this growth, the Ministry is working in close collaboration with the private sector to come up with new products and carry out promotional activities. The objective is to double the contribution of the financial services sector to the economy by 2030.

On the Good Governance front, the Office of Public Sector Governance is pursuing with its mandate to draw issues from the Reports of the National Audit Office and the Public Accounts Committee and work in close collaboration with the Ministries/Organisations where glaring mismanagements have been reported to advise on how best these could be addressed.

The Ministry had also organized, in collaboration with the Mauritius Institute of Directors and the National Committee on Corporate Governance, the 1st Annual

Corporate Governance Conference. In tandem with the NCCG, the Ministry also came up with the 1st Corporate Governance Scorecard for Mauritius. This tool is viewed as a precursor for increased Corporate Governance culture in both the public and private sectors. The Ministry aims at developing the next Corporate Governance Conference into a regional platform of excellence in Good Governance.

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

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 the 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 most resilient pillars of the Mauritian economy.

1.1 Vision and Mission

Vision

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 transform Mauritius into a Financial centre of excellence anchored on principles of good governance, global best practices and high ethical standards.

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.

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

1.2 Objectives of the Ministry

In line with the Government's objective to establish Mauritius as an International Financial Centre of substance as well as to instill a culture of good governance, the Ministry's priority mandates are to:

- ❖ establish good governance practices and ensure that it permeates in all spheres of the Mauritian society in order to combat fraud, corruption and malpractices.
- ❖ ensure the development and effective regulation of the financial services sector in Mauritius.
- ❖ position Mauritius as a centre for private placements, trading of bonds and other financial instruments.
- ❖ ensure judicious utilisation of funds by public sector organisations.
- ❖ engage into the transformation of public sector organisations and ensure greater transparency, accountability and efficiency.
- ❖ adapt and coordinate the implementation of policy measures in line with internationally recognised standards to combat money laundering and the financing of terrorism and proliferation.
- ❖ position Mauritius as an attractive capital-raising platform through stock exchanges for international and African focused financial products.
- ❖ position Mauritius as a centre for private placements, trading of bonds and other financial instruments.

1.3 INSTITUTIONS UNDER THE AEGIS OF THE MINISTRY

The following Departments/organisations operate under the aegis of the Ministry:

A. STATUTORY BODIES & COMMITTEES

➤ Financial Services Commission (FSC)



The FSC is the integrated regulator for the non-banking financial services sector and global business. Established in 2001, the FSC is mandated under the Financial Services Act 2007 and has, as enabling legislations, the Securities Act 2005, the Insurance Act 2005, the Private Pension Schemes Act 2012 and the Virtual Assets and Initial Token Offerings Services Act 2021 to license, regulate, monitor and supervise the conduct of business activities in these sectors.

In carrying out its mission, the FSC aims to:

- ❖ promote the development, fairness, efficiency and transparency of financial institutions and capital markets in Mauritius;
- ❖ suppress crime and malpractices so as to provide protection to members of the public investing in non-banking financial products; and
- ❖ ensure the soundness and stability of the financial system in Mauritius.

➤ 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.

The FIU is mandated to fulfil the following core functions:

- (i) Pursuant to section 10 of the FIAMLA, the **Financial Investigative Analysis Division (FIAD)** of the FIU performs the classic intelligence agency function;
- (ii) Pursuant to the Asset Recovery Act, the **Asset Recovery Investigations Division (ARID)** carries out Asset Recovery function; 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), is 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 National Committee on Corporate Governance (NCCG) is established under the Financial Reporting Act 2004.

The main objects of the NCCG are:

- (a) to establish principles and practices of corporate governance;
- (b) to promote the highest standards of corporate governance; and
- (c) to promote public awareness about corporate governance principles and practices.

➤ **Insurance Industry Compensation Fund (IICF)**



The IICF was established under section 88 of the Insurance Act 2005. The Compensation Fund is organised into sub-funds, including the Hit and Run sub-fund which is operational since 1st January 2016. The contribution to this sub-fund is derived from Insurance companies which deduct a nominal fee from their respective insurance policy holders in relation to motor vehicles. It provides for the payment of compensation to persons suffering from personal injury in road traffic accidents (or their heirs in case of death) where the tortfeasor or one of the vehicles which caused the injury is untraceable. The amount of compensation to be paid to the victims or the heirs is prescribed in the Second Schedule to the Insurance (Industry Compensation Fund) Regulations 2015. The IICF is managed and administered by a Managing Committee appointed by the Minister of Financial Services and Good Governance.

B. DEPARTMENT

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

The OPSG operates under the aegis of the Ministry since November 2019. The OPSG is the technical arm for Good Governance 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 is 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), 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 (NICL) & 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 BAI and to undertake long term and general insurance businesses respectively. While NICL offers a broad range of innovative life insurance products as well as pension and savings products to its customers, the 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. One of the main objectives of the company is to repay policyholders of the Super Cash Back Gold and investors of the former Bramer Asset Management Ltd of the former BAI Group.

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



The FSI is a Training Institute set up under the Ministry with the mission to design, develop, market and execute highest quality training for capacity building in the Financial Services sector. The FSI has diversified its portfolio of training to include capacity building, amongst others, in the

following areas:

- (i) Fintech Ecosystem
- (ii) Financial Crime Compliance
- (iii) Virtual Assets
- (iv) Digital Currencies with Blockchain Technology
- (v) Information Security for Data Privacy

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. SEM subsequently 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 Mauritian economy by enabling more than 100,000 retail investors to participate in the growth story of a number of listed flagship local companies. 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 activities undertaken by the Ministry are based on those identified under the Action Plan for gender mainstreaming, which are 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 staff at the Ministry comprises 47 females and 34 males. The staffing structure is as follows:

Staff in Post	Number	Female	Male
Top Management (Salary ≥ Rs 110,000)	2	-	100%
Middle Management (Rs47,000 ≤ Salary < Rs110,000)	19	47.4%	52.6%
Support & Others (Salary < Rs47,000)	60	63.3%	36.7%
Overall	81	58%	42%

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
- ❖ Insurance (Amendment Act) 2015
- ❖ Ombudsperson for Financial Services Act 2018
- ❖ Securities Act 2005
- ❖ Securities (Amendment) Act 2021
- ❖ Stock Exchange Act 1988
- ❖ Variable Capital Companies Act 2022
- ❖ Virtual Asset and Initial Token Offering Services Act 2021



A. STAFF ON PENSIONABLE AND PERMANENT ESTABLISHMENT

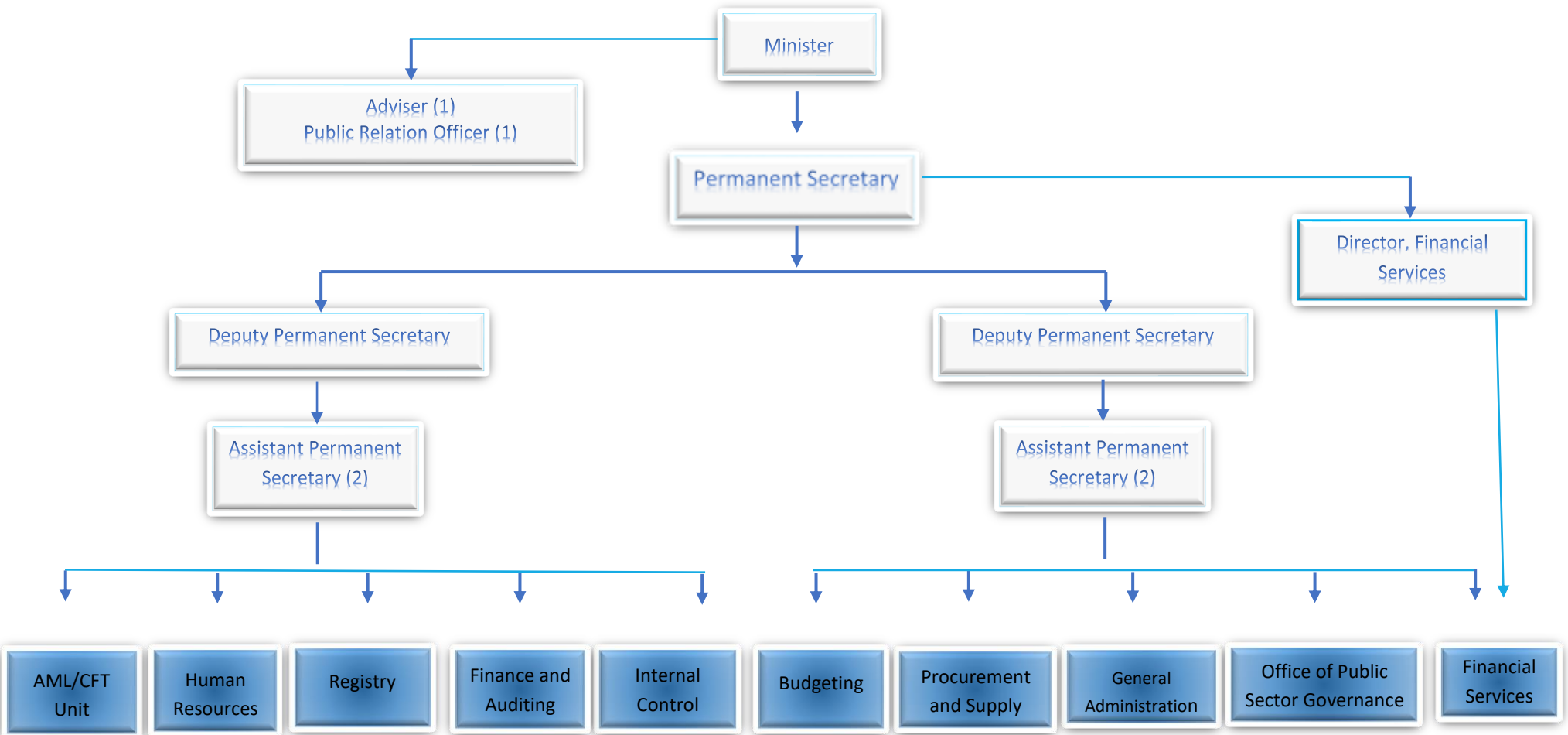
The Ministry is headed by the Permanent Secretary, who is supported by a pool of officers.

Grade	Funded Position	Number in Post
Permanent Secretary	1	1
Deputy Permanent Secretary	2	2
Assistant Permanent Secretary	4	4
Analyst/Senior Analyst	2	0
Assistant Manager, Financial Operations	1	1
Financial Officer/Senior Financial Officer	1	1
Assistant Financial Officer	1	1
Procurement and Supply Officer/Senior Procurement and Supply Officer	1	1
Assistant Procurement and Supply Officer	1	1
Assistant Manager, Internal Control	-	1
Manager Human Resources	1	1
Senior Human Resource Executive	1	1
Office Management Executive	1	1
Office Management Assistant	6	6
Office Supervisor	1	1
Management Support Officer	13	12
Confidential Secretary	3	4
Assistant System Analyst/Senior Assistant System Analyst	-	1
Word Processing Officer	3	1
Head Office Auxiliary	1	1
Office Auxiliary/Senior Office Auxiliary	8	8
Receptionist/Telephone Operator	1	1
Driver	2	1
Director, AML/CFT	1	-
Lead Analyst, AML/CFT	2	2
Analyst/Senior Analyst, AML/CFT	14	13
Director, Financial Services	1	1
Lead Analyst, Financial Services	2	-
Analyst/Senior Analyst, Financial Services	4	-
Lead Financial and Governance Analyst	4	4
Financial and Governance Analyst/Senior Financial and Governance Analyst	12	12
Senior Accounting Technician	1	1

B. SENIOR STAFF OF THE MINISTRY

A. ADMINISTRATION	
Permanent Secretary	Mr Sarwansingh PURMESSUR
Deputy Permanent Secretary	Mr Navindsing JUGMOHUNSING
Deputy Permanent Secretary	Mrs Ushalini SHEWRAJ
Assistant Permanent Secretary	Mrs Parvashi Devi MAHARAHAJE
Assistant Permanent Secretary	Mrs Narvada PULTOO
Assistant Permanent Secretary	Mr Neelesh BEEROO
Assistant Permanent Secretary	Mr Senvy CURPEN-NAICK
Manager, Human Resources	Mrs Bibi Zaheda SOREEFAN
Assistant Manager, Financial Operations	Mrs Raazianaz BUSROPUN-LALLMOHAMED
B. FINANCIAL SERVICES UNIT	
Director, Financial Services	Mr Kresh SEEBUNDHUN
Financial Services Manager	Mrs Dovinassy PILLAY-NAIKEN
C. AML/CFT UNIT	
Manager	Mrs Yonesha SAHYE
Lead Analyst, AML/CFT	Mrs Marie Laura Kareen LAROCHE
Lead Analyst, AML/CFT	Mr Avinash DREEMPAUL
D. OFFICE OF PUBLIC SECTOR GOVERNANCE	
Officer-in-Charge/ Lead Financial and Governance Analyst	Mr Satianand BANSHI
Lead Financial and Governance Analyst	Mr Edison NARAINEN
Lead Financial and Governance Analyst	Ms Padminee SUNASSEE
Lead Financial and Governance Analyst	Mrs Shameema Bibi PATEL

Organisational Chart of the Ministry indicating the Staffing Position at the Ministry as at 30 June 2021



C. OFFICERS EMPLOYED ON CONTRACT IN AN ADVISORY CAPACITY

Grade	Number in post
<i>Manager, Financial Services</i>	1
<i>Assistant Manager, Financial Services</i>	1
<i>Analyst, Financial Services</i>	2
<i>Adviser on Information Matters</i>	1
<i>Intern, Service To Mauritius</i>	3

D. OFFICERS ON SECONDMENT

GRADE	No. in Post
<i>Manager, posted in the AML/CFT Unit (from Financial Services Commission)</i>	1
<i>Driver (from Financial Reporting Council)</i>	1

2.1 MAJOR ACHIEVEMENTS FOR FINANCIAL YEAR 2021/2022



2.1.1 ANTI-MONEY LAUNDERING AND COMBATTING THE FINANCING OF TERRORISM (AML/CFT)

(a) Delisting of Mauritius

The Financial Action Task Force (FATF) and the European Commission have recognised that Mauritius has made significant progress in strengthening the effectiveness of its AML/CFT framework. Mauritius was, accordingly, delisted from the List of Jurisdictions under Increased Monitoring (commonly referred to as the FATF Grey List) in October 2021 and is no longer subject to increased monitoring by the FATF. Subsequent to the delisting from the FATF Grey List, Mauritius was also delisted from the UK List and EU List of High-Risk Third Countries in November 2021 and March 2022, respectively.

(b) Technical Compliance

Mauritius has revamped its AML/CFT regime in line with the FATF Recommendations and other international benchmarks. These reforms have further culminated in achieving three additional technical compliance upgrades, in October 2021, with respect to Recommendations 8, 24 and 33. As a result, our jurisdiction is 'Compliant' or 'Largely Compliant' to 39 out of the 40 FATF Recommendations, as at 30 June 2022.

(c) Risk Assessment of Virtual Assets (VAs) and Virtual Asset Service Providers (VASPs)

In line with the FATF Recommendation 15, Mauritius conducted a risk assessment exercise in order to identify, assess and understand the ML/TF risks faced by the country in relation to VAs and VASPs. The risk assessment report constitutes a fundamental tool to guide competent authorities, businesses and financial institutions in the implementation of appropriate control measures. In addition, the assessment has laid the foundation for the enactment of a legislation on VAs/VASPs.

(d) Comprehensive Legislation on Virtual Assets

Mauritius has, in its quest for maintaining the integrity of its jurisdiction, enacted a new comprehensive legislation to regulate the business activities and supervise virtual asset service providers and issuers of initial token offerings. The enactment of the Virtual Asset and Initial Token Offering Services Act (VAITOS) 2021 has addressed the technical deficiencies previously identified by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and contains necessary provisions to curb the risk of money laundering and terrorism financing with respect to the use of new technologies. The VAITOS Act 2021 was promulgated and came into effect on 07 February 2022.

(e) Increased visibility of Mauritius as a global player in the fight against illicit financial flows

Mauritius has, following its delisting from the List of Jurisdictions under Increased Monitoring, ahead of the set deadlines, repositioned itself on the global scene as a reputable international financial centre. To further promote Mauritius as a transparent and credible jurisdiction, several workshops/conferences have been organised at the global and regional levels for the exchange of good practices and experiences relating to AML/CFT. In this endeavour, Mauritius has benefitted from the collaboration of other international players in the field of AML/CFT, such as the EU AML/CFT Global Facility and the ESAAMLG.

2.1.2 FINANCIAL SERVICES

(a) Insurance Wrapper and Variable Capital Companies

With a view to further enhancing the competitiveness of the financial services sector and diversifying the product base of the Mauritius International Financial Centre (Mauritius IFC), a set of measures were announced in the Budget Speech 2020/2021 in line with the recommendations of the 10-Year Blueprint, namely, the introduction of an Insurance Wrapper and Variable Capital Companies.

With the introduction of a regulatory framework for the Insurance Wrapper by the Financial Services Commission, amendments have been made to the Insurance Act and Regulations. The appropriate amendments have been brought through the Finance (Miscellaneous Provisions) Act 2022 in order to implement this new financial product.

Furthermore, the introduction of the Variable Capital Companies Act complements the available type of funds structuring in Mauritius and provides more flexibility by allowing the setting up of sub-funds and Special Purpose Vehicles, within the same entity, facilitating the segregation and ring-fencing of assets and liabilities of each of the sub entities.

(b) Peer-to-Peer Lending Rules

The Ministry has, in collaboration with the Financial Services Commission (FSC), launched the Peer-to-Peer Lending Rules on 17 September 2021 with a view to providing an adequate licensing and regulatory framework for operators of automated Peer-to-Peer (P2P) Lending platforms, within the non-banking sector of Mauritius.

(c) Launching of the Mauritius IFC - Website and Logo

To build on the momentum gathered from the delisting of Mauritius from the FATF list, the Mauritius IFC initiative was revamped and given a new dimension through the launching of a dedicated website and logo. The website and the logo provide a strong identity for the promotion of our jurisdiction as a leading Financial Centre and as a focal point for international investors.

(d) Human Resource & Skills Gap Survey of the Financial Services Sector

As announced in the Budget Speech 2017/2018, a Blueprint for the financial services sector was commissioned by the Government of Mauritius. One of the key recommendations under the Blueprint is to retain, attract and develop world-class global talent. In this context, the Ministry conducted a survey in April 2022 to identify the human resource and skills gap being faced by operators. The survey was conducted with the collaboration of the Mauritius Finance, the Mauritius Bankers Association and the Mauritius Insurers Association. The results of the survey would provide the basis to design relevant courses with a view to filling the skill gaps identified in the sector.

(e) Webinar on Job Opportunities in the Mauritius IFC

With a view to addressing the shortage of skills in the financial services sector, the Ministry together with the Ministry of Labour, Human Resource Development and Training and Mauritius Finance coordinated their efforts to apprise around 192 graduates on career opportunities in the sector and upskilling courses being offered, through a webinar, for eventual employment in the sector.

(f) Engagement Session on Job Opportunities in the Mauritius IFC

The webinar on job opportunities was followed by an active engagement session, which was organised by the Ministry in collaboration with the Mauritius Finance and the Financial Services Institute on 23 June 2022. The objective of the session was to engage in person with potential candidates while providing them the opportunity to secure a job on the spot. An outreach session was also conducted in the Press with respect to a Career and Job Fair for the financial sector.

(g) Dubai Expo 2020

In early December 2021, the Mauritius Finance & Investment Week was officially launched in Dubai with the hosting of the first Business Forum themed '*Mauritius as an Investment Hub for Africa*', which was a prelude to a series of business events and meetings. The Ministry emphasized on the strategy to position Mauritius as the ideal financial and business hub for Africa and underlined the advantages of the Mauritius International Financial Centre as a competitive platform to structure, administer and manage businesses to and from Africa. Emphasis was also laid on the Government agenda to position Mauritius at the forefront of Africa as a development partner by actively supporting the progress and prosperity of the Continent.

2.1.3 PUBLIC SECTOR GOVERNANCE

The Office of Public Sector Governance (OPSG), the technical arm for Good Governance of the Ministry, provides consultancy services relating to Good Governance practices, management reviews, financial and governance reviews in public sector organisations comprising Ministries/Departments, Parastatal Bodies, State-Owned Enterprises (SOEs) and Local Authorities.

The OPSG has completed the following assignments in the Financial Year 2021/2022:

- ❖ Re-engineering of the Fisheries Protection Service;
- ❖ Review of Revenue Management System at the Mauritius Police Force;
- ❖ Review Grant in Aid Formula - Local Authorities at the Ministry of Local Government and Disaster Risk Management;
- ❖ Grant Administration for Schemes Livestock Production and Development Programmes at the Ministry of Agro-Industry and Food Security;
- ❖ Enquiry on the School Net II Project;
- ❖ Enquiry on Allegations of Mismanagement at Road Development Authority;
- ❖ Special Audit Review on Project Management at National Development Unit;
- ❖ Allegations of Misallocation of Royalties by the Mauritius Society of Authors;
- ❖ Enquiry on Lapses in Contract Management and Grant Disbursements at the Ministry of Youth Empowerment, Sports and Recreation;
- ❖ Inquiry on Unspent Budget at the Ministry of Information Technology, Communication and Innovation and its Departments for the Year 2018/19;
- ❖ Financial Reporting and Governance Practices at Mauritius Museums Council;
- ❖ Financial Reporting and Governance Practices at National Heritage Fund; and
- ❖ Financial Reporting and Governance Practices at Mauritius Society for Animal Welfare.

Furthermore, the OPSG has the responsibility of reviewing and monitoring the effectiveness of Audit Committees in Ministries and Departments so as to provide an oversight of the internal control systems, financial reporting and audit processes, compliance with laws and regulations as well as assessing and managing risks, amongst others.

2.1.4 SCORECARD FOR CORPORATE GOVERNANCE

The Corporate Governance Scorecard for Mauritius was launched on 28 October 2021. The objective of the Scorecard is to improve the overall corporate governance practices in Mauritius by achieving the following:

- ❖ to provide an objective and systematic tool to analyse and measure adherence to corporate governance practices across organisations in Mauritius;
- ❖ to enable organisations to assess their corporate governance practices and identify their strengths and weaknesses; and

- ❖ to enable regulatory bodies, the National Committee on Corporate Governance and other stakeholders (including investors and the society at large) to identify not only good corporate governance practices in Mauritius but also highlight any areas requiring improvement.

2.1.5 CITIZEN ORIENTED INITIATIVES

With a view to providing assistance in handling complaints and queries of financial services nature as well as providing guidance to citizens, the Citizen Support Portal has been fully incorporated into the Ministry's Complaint Management Process. Complaints addressed on the Ministry's Portal are being dealt with in a timely manner. Thirteen (13) complaints of financial services nature were transferred by the Citizens Advice Bureau to the Office of the Ombudsperson for Financial Services.

The Citizen Support Unit has, in collaboration with the Ministry of Information Technology, Communication and Innovation, started the implementation of the Government Chatbot project, an intelligent virtual assistant and a state-of-the-art solution to respond to citizens' queries. The Central Informatics Bureau targeted around 10,000 questions to feed in the Chatbot, whereby each Ministry was required to provide around 300-350 questions in English, French and Creole. The Ministry of Financial Services and Good Governance provided 301 Questions and Answers to the Citizens Support Unit to feed in the Government Chatbot in the three languages.

2.2 STATUS ON IMPLEMENTATION OF BUDGET MEASURES (FY 2021/2022)

Budget para	Budget Measure	Status Update
208	The AML/CFT Core Group is being given legal force under the FIAMLA.	The FIAMLA has been amended through the Finance Act 2021 to make the AML/CFT Core Group a legal entity.
211(a)	Introduction of a new Securitisation Bill.	Scope of draft Bill completed and to be followed by procurement exercise for Consultancy Services.
211(c)	Introduction of a new Securities Bill.	Bidding exercise in process for the enlistment of a consultant.
211(d)	Enactment of a new legislation for virtual assets.	The Virtual Asset and Initial Token Offering Services Bill was passed by the National Assembly on 10 December 2021 and came into effect on 07 February 2022.

Budget para	Budget Measure	Status Update
		Further to the coming into force of the VAITOS Act, seven (7) subsidiary Rules thereunder have been developed with the collaboration of a British law firm, and circulated to the public for comments/views. The closing date of the public consultation was 15 June 2022.
211(i)	Implementation of a digital centralised information exchange system to facilitate motor insurance claim recoveries.	Procurement exercise already initiated for the development and implementation of the National Insurance Claim Database.
211(j)	Launch of the FSC One Platform as an online licensing portal as from 1st July 2021.	FSC One Platform launched on 12 August 2021. 616 licences processed on the online portal as at 30 June 2022.
211(k)	Introduction of rules for the setting up of Special Purpose Acquisition Companies (SPAC).	Draft SPAC rules reviewed and restricted consultation ongoing.

2.3 STATUS ON IMPLEMENTATION OF KEY ACTIONS

Key Action	Key Performance Indicator (KPI)	Target 2021/2022	Actual as at 30 June 2022	Status
Formulate and implement AML/CFT policies and strategies	Number of FATF recommendations (out of 40) for which Mauritius obtained a positive re-rating	39	39	Following significant measures taken to address deficiencies identified in its Mutual Evaluation Report, Mauritius was re-rated Compliant with Recommendation 33 and Largely Compliant with Recommendations 8 and 24 at the 42 nd ESAAMLG Task Force of Senior Officials held in September 2021. Mauritius is now technically compliant with 39 out of 40 recommendations of FATF.
	Number of strategic deficiencies (identified by FATF) addressed	5	5	Mauritius was delisted from the FATF List of Jurisdictions under Increased Monitoring on 21 st October 2021.

Key Action	Key Performance Indicator (KPI)	Target 2021/2022	Actual as at 30 June 2022	Status
Formulate policies and strategies to enhance competitiveness of jurisdiction	Number of innovative financial products launched	2	2	(1) Enactment of Virtual Asset and Initial Token Offering Services Act (Feb 2022) (2) Enactment of Variable Capital Companies Act (April 2022)
Provide management consultancy, financial and organisational reviews in public sector organisations	Number of reviews carried out in public sector organisations	10	13	

2.4 RISK MANAGEMENT

2.4.1 RISK MANAGEMENT FRAMEWORK

The Risk Management Process describes the various processes used to identify, assess, manage, monitor and report on all material risks within the Ministry. The risk management process takes the probability and potential impact of risks into account. In line with Circular Number 8 of 2021 issued by the Ministry of Finance, Economic Planning and Development on the “Guidelines for establishment of Risk Management in the Public sector”, the Ministry has, in June 2022, started the process for putting in place a Risk Management Framework at the level of the Ministry. In this respect, a presentation was held at the Ministry by officers from the Internal Control Cadre to facilitate the process for the establishment and implementation of the Risk Management Framework.

2.4.2 ANTI-CORRUPTION COMMITTEE

The Anti-Corruption Committee of the Ministry had been set up to identify and assess Corruption Risks and recommend measures to mitigate such risks. The Anti-Corruption Committee held meetings and consultations with the ex-officio member of

the Committee from the Independent Commission Against Corruption, who provided support and guidance and devised a Corruption Risk Assessment (CRA) on overtime, which contained recommendations that converged towards the design of an Application for Overtime Form which has been implemented at the Ministry since 27 June 2022.

2.4.3 INTERNAL CONTROL UNIT

The Internal Control Unit operates independently to assist management in accomplishing the objective of evaluating and improving risk management processes based on an agreed plan with the Ministry.

For the Financial Year 2021/2022, the aim of the plan was to evaluate and monitor the adequacy and effectiveness of the accounting and internal control systems. The unit established an audit universe, and potential audits were evaluated using certain risk factors and ranked from the highest risk to the lowest risk. The objectives of these audits were to determine compliance with the applicable rules and regulations of the Ministry.

Eight audit assignments were completed and follow up is still ongoing

2.5 AUDIT COMMITTEE

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 for the Financial Year 2021 – 2022 was as follows:

Role in Audit Committee	Name	Designation
Chairperson	Mrs G. Ramnauth	Deputy Permanent Secretary
	Mrs U. Shewraj <i>(w.e.f. January 2022)</i>	Deputy Permanent Secretary
Members	N. Pultoo (Mrs)	Assistant Permanent Secretary
	Mrs P. Maharajah <i>(w.e.f. January 2022)</i>	Assistant Permanent Secretary
	Mrs B. Bappoo-Parmar	Assistant Manager, Financial Services
Secretary	Mrs L. Gobeen-Pertaub	Office Management Assistant

2.5.1 IMPLEMENTATION PLAN - DIRECTOR OF AUDIT COMMENTS

The shortcomings noted for the Ministry in the Report of the Director of Audit for the Financial Year 2020/2021 have been discussed at the level of the Audit Committee. A close follow up is being carried and the actions/measures undertaken to address these shortcomings are shown in the following table:

Issues (Para in DOA Report)	DOA Comments & Proposed Measures	Status of Actions taken/ Implementation Date
<i>Non-Submission of a Report on Performance of The Ministry</i>	A scrutiny of the records of the Ministry revealed that it prepared a draft version of the Annual Report for financial years 2019-20 and 2020-21. As of 31 October 2021, it had not yet submitted a finalised version of the report to the Ministry of Finance, Economic Planning and Development (MOFEPD).	The Annual Reports for FY2019-20 and FY2020-21 have been submitted to the MOFEPD on 27 January 2022.
<i>Non-Compliance regarding Key Performance Indicators (KPI)</i>	As per the Circular Letter No 42 of 2020 issued by the Ministry of Public Service, Administrative and Institutional Reforms, two Corruption Risk Assessment (CRA) have to be conducted per year by Ministries/Departments. However, only one CRA exercise on “use of public vehicles” was conducted for the financial year 2020/2021. The Ministry would implement 75 per cent of the CRA on “use of public vehicles” as well as one on “overtime” by end of the financial year 2021/2022.	The CRA on “use of public vehicle” was completed in February 2021. The Ministry finalised a CRA on ‘Overtime’ in March 2022. Thus, 100% of the CRA has been completed.
<i>Inadequate Financial Oversight of the Ministry on its Statutory Bodies</i>	The three State-Owned Entities, namely National Property Fund Limited, National Insurance Company (Life), and National Insurance Company (General) (NICG), had submitted their Financial Statements for the four financial years 2015/2016 to 2018-19 to the Corporate and Business Registration Department in December 2020.	The Financial Statements for FY2019/2020 and FY2020/2021 could not be audited prior to capital injection of Rs 11.9 billion in September 2020 as there would have been a significant assets gap. As such, an extension for submission of Financial Statements was sought from Registrar of Companies and FSC. Henceforth, it would be ensured that all the deadlines are respected as per the Companies Act 2001 and Financial Services Act 2007.

Issues (Para in DOA Report)	DOA Comments & Proposed Measures	Status of Actions taken/ Implementation Date
<p><i>Late submission of Financial Statements for Audit</i></p>	<p>As of 25 January 2022, the Financial Intelligence Unit (FIU) had not yet submitted its Financial Statements to NAO for audit for financial years 2019-20 and 2020-21. The last Financial Statements audited relates to financial year 2017-18.</p>	<p>FIU submitted the Financial Statements for FY2018-19 to NAO on 26 November 2021 and those for FY2019-20 and FY2020-21 on 6 June 2022.</p>
	<p>The National Committee on Corporate Governance (NCCG) submitted its Financial Statements for the financial years 2015-16 and 2016-17 on 3 December 2018, while those for 2017-18 and 2018-19 were submitted on 12 November 2020.</p>	<p>The Financial Statements for FY2020-21 were submitted to the NAO on 13 December 2021. The Audited Financial Statements for FY2020-21 have been submitted to the Minister on 30 June 2022.</p>
<p><i>Non-compliance of the Financial Services Commission (FSC) with the provisions of the Statutory Bodies (Accounts & Audit) Act (SBA)</i></p>	<p><u>Performance Agreement -</u> The Financial Services Commission (FSC) did not comply with the provisions of Section 4A (2) of the SBA which requires the FSC to mutually agree and have in place a Performance Agreement with the Ministry and which shall include key performance indicators on the targeted output of the Statutory Body. No such Performance Agreement was seen.</p>	<p>A Performance Agreement was signed between the FSC and the Ministry in June 2022.</p>
	<p><u>Annual Estimates -</u> According to Section 4(B)(1) of the SBA, the FSC had to submit to the Minister by the 28 February in every year, estimates of income and expenditure, both recurrent and capital, prepared on a 3-financial year rolling basis, the estimates for the first year of every such period of three financial years requiring approval by the Minister. Estimates in the prescribed format were not seen filed at the Ministry.</p>	<p>The FSC did submit its Annual Estimates for the FY ending 30 June 2022 on 23 February 2021 . The Annual Estimates for FY2022-23 was submitted on 28 February 2022 in line with the provision of the SBA.</p>
	<p><u>Annual Report and Audited Financial Statements -</u> For both the financial years 2018-19 and 2019-20, the FSC did not submit its Annual Report and Financial Statements within statutory deadlines.</p>	<p>Actions have been taken and the Annual Reports, including financial statements, for FY2018-19 and FY2019-20 were laid in the National Assembly on 26 October 2021. For the FY2020-21, the reports and statement were tabled on 29 March 2022.</p>

Issues (Para in DOA Report)	DOA Comments & Proposed Measures	Status of Actions taken/ Implementation Date
<i>Non-compliance with the Provisions of the Financial Services Act (FSA)</i>	<p><u>Financial Services Fund (FSF) –</u></p> <p>The Managing Committee of the FSF (established under the FSA) did not submit a copy of the yearly report of its activities together with its audited accounts, to the Minister and the FSC within statutory deadlines, as required under section 70 of FSA. For the last three financial years, these were submitted after the statutory deadlines.</p>	<p>The Annual Report for the year ended 31 December 2021 was submitted to the Ministry on 25 April 2022 and the Minister has taken note thereof on 05 May 2022.</p>
Special Funds – Late Submission of Financial Statements not submitted for Audit and Audited Financial Statements not laid before the National Assembly	<p>The Recovered Assets Fund operating under the aegis of the Ministry submitted its Financial Statements for audit for the financial years 2018-19 and 2019-20 on 17 February 2022.</p> <p>As of 20 December 2021, it had also not laid its audited Financial Statements for the financial year 2017-18 before the National Assembly, although it was certified by NAO on 11 September 2019.</p>	<p>The Financial Statement for the financial year 2017-18 was laid at the National Assembly on 27 January 2022.</p> <p>The Audited Financial Statements of the Recovered Assets Fund for the years ended 30 June 2019, 30 June 2020 and 30 June 2021 were tabled at the National Assembly on 07 June 2022.</p>
<i>Inadequate Oversight of the Ministry on the SOE under its aegis.</i>	<p><u>Assets Transfer –</u></p> <p>Since 2015, the assets transfer exercise under the responsibility of a Special Administrator (SA) appointed by the FSC was still not completed. According to the Ministry, most of the assets were transferred. However, no assurance was provided by the Ministry that all the assets held locally and overseas that ought to be transferred were in fact transferred to the NPFL and its related Companies.</p> <p><u>Assets held Overseas –</u></p> <p>The Ministry could not provide an updated status on the details of assets held overseas and that had to be transferred by the SA as mandated by law.</p> <p>According to the Ministry, it was envisaged to appoint a private Consultant to trace all assets held overseas despite that same had to be attended to by the SA.</p>	<p>All the assets identified by the SA have been duly transferred to the NICL (Life), NICG (General) and NPFL.</p> <p>All the assets held overseas and identified by the SA have either been transferred to the NICL/NPFL or sold by the SA and the proceeds thereof have been remitted to the NICL/NPFL.</p>

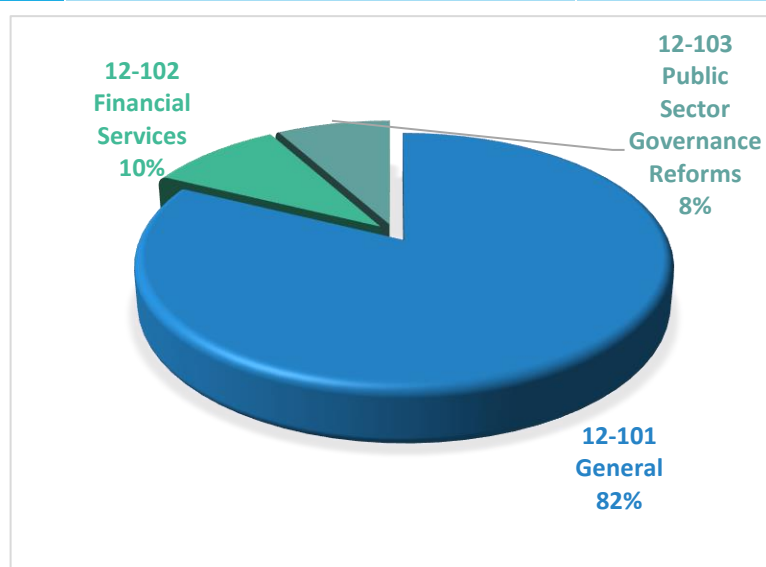
Issues (Para in DOA Report)	DOA Comments & Proposed Measures	Status of Actions taken/ Implementation Date
	<p><u>Assets Disposal –</u></p> <p>In January 2020, the NPFL appointed a Transaction Adviser (TA) to dispose of the assets transferred to the SOEs. It was noted that the NICL was also engaged in 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><u>NPFL</u></p> <p>Information regarding assets of the NPFL and NIC are being kept at the level of the Ministry. Same is being updated on a quarterly basis.</p> <p><u>NIC</u></p> <p>A Project Supervision Committee at the level of the Ministry supervises the implementation of the restructuring plan of the NIC. Same includes the optimum use of its assets and any major developments reported to Government.</p>

PART III - FINANCIAL PERFORMANCE

3.1 FINANCIAL HIGHLIGHTS

An amount of Rs 256 million was appropriated to the Ministry's Vote for the financial year 2021/2022. The Ministry's Budget is categorized under 3 sub-Heads where funds have been allocated as follows:

Sub-Head	Details	Voted Provision (Rs)
12-101	General	210,620,000
12-102	Financial Services	24,610,000
12-103	Public Sector Governance Reforms	20,770,000



3.2 ANALYSIS OF MAJOR CHANGES

For Financial Year 2021/2022, the Ministry was allocated a budget of Rs 256 M as compared to Rs 210 M for Financial Year 2020/2021, representing a 21.9% increase.

❖ **Compensation of Employees**

Following the implementation of the PRB Report 2021, 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, some funded vacancies had not yet been filled.

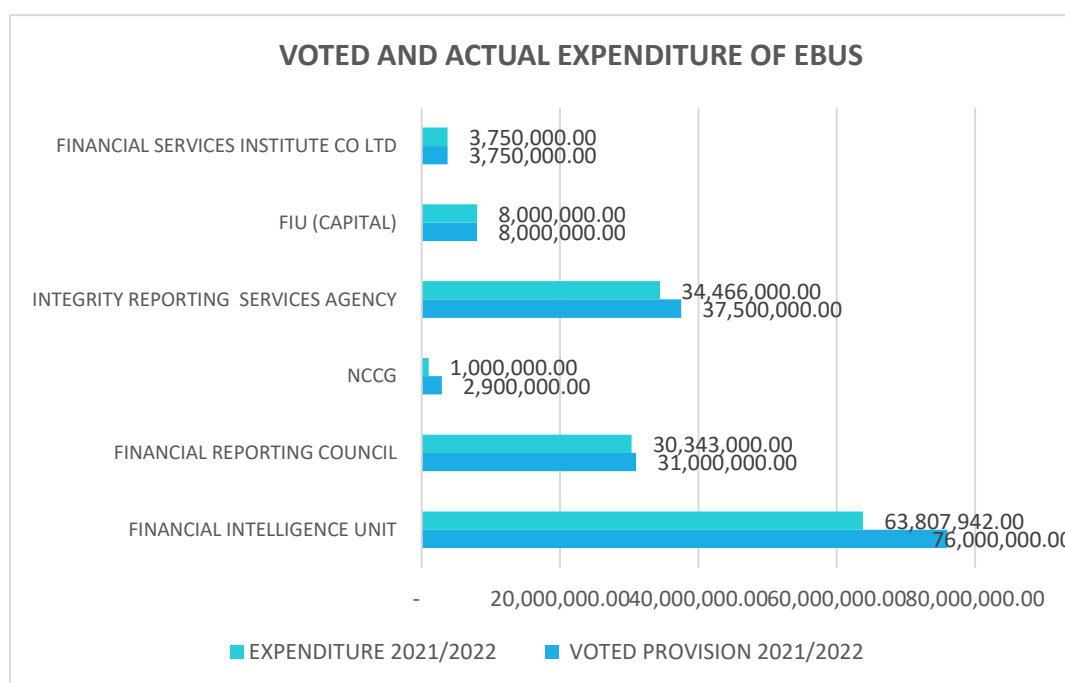
❖ **Goods and Services**

Savings of approximately Rs 6.0 M could be generated as a Consultant for AML/CFT Matters could not be hired due to high financial proposal by the international bidder. The provision for the rental of office space was not fully spent as the Office of the Public Sector Governance could not be relocated in Financial Year 2021/2022.

❖ **Grants**

The amount allocated to Extra Budgetary Units falling under the aegis of the Ministry was Rs 159,150,000 representing 62.2% of the Voted provision. The total amount released was Rs 141,366,942 and is as follows:

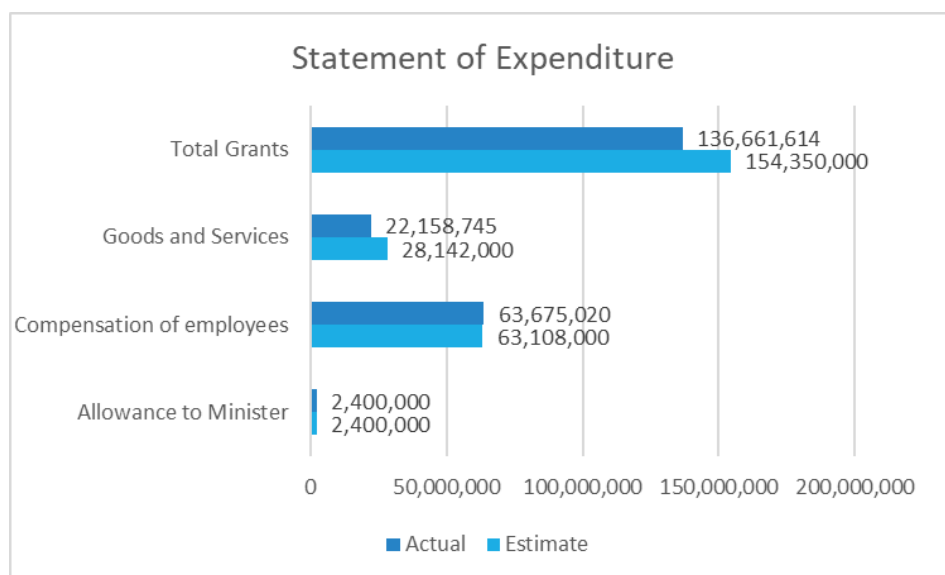
GRANTS	VOTED PROVISION 2021/2022 (Rs)	EXPENDITURE 2021/2022 (Rs)
FINANCIAL INTELLIGENCE UNIT (FIU)	76,000,000.00	63,807,942.00
FINANCIAL REPORTING COUNCIL	31,000,000.00	30,343,000.00
NATIONAL COMMITTEE ON CORPORATE GOVERNANCE (NCCG)	2,900,000.00	1,000,000.00
INTEGRITY REPORTING SERVICES AGENCY	37,500,000.00	34,466,000.00
FIU (CAPITAL)	8,000,000.00	8,000,000.00
FINANCIAL SERVICES INSTITUTE CO LTD	3,750,000.00	3,750,000.00



3.3 STATEMENT OF EXPENDITURE

The actual expenditure at the end of Financial Year 2021/2022 was Rs 232,895,379, representing 90.97% of the voted provision of Rs 256 million.

HEAD/SUB-HEAD OF EXPENDITURE	ESTIMATES 2021/2022 (Rs)	ACTUAL 2021/2022 (Rs)
Recurrent Expenditure		
Allowance to Minister	2,400,000	2,400,000
Compensation of employees	63,108,000	63,675,020
Goods and Services	28,142,000	22,158,745
Total Grants	154,350,000	136,661,614
Capital Expenditure		
Acquisition of Non-financial assets	-	-
Acquisition of Financial assets	-	-
Grant to FIU	8,000,000	8,000,000
Total	<u>256,000,000</u>	<u>232,895,379</u>





4.1 MAJOR TRENDS

The Blueprint Report for the Financial Services sector has set the roadmap to double the contribution of the MIFC to the Mauritian Economy. The Ministry would pursue its efforts in implementing the recommendations made in the Report to enhance the resilience of our financial services sector.

During the last financial year, the Ministry succeeded in exiting the FATF List of Jurisdictions under Increased Monitoring in October 2021 ahead of the set timeline, the United Kingdom List of High-Risk Countries in November 2021 and European Union List of High-Risk Third Countries in March 2022.

It is the opportune time to fully exploit the benefits of these positive outcomes by reinforcing and repositioning the Mauritius IFC as a reputable and credible jurisdiction and building on its wide experience and expertise gathered over the last decades.

Emphasis would also be laid on sustaining the reforms undertaken so far to strengthen the legislative, regulatory, institutional and enforcement frameworks to adhere to the highest international norms and standards.

4.1.1 ENHANCED PRODUCTS AND OFFERINGS

Emphasis would be laid on the introduction of innovative products and offerings and their enabling frameworks through legislation, rules and guidelines. Constant development and innovation would be required to provide new products and offerings to adapt to change and keep in pace with our competitors while adding substance to the Mauritius IFC to meet investors' objectives and expectations. Innovative technology and products offerings are essential to sustain the competitiveness of our jurisdiction.

4.1.2 ADHERENCE TO INTERNATIONAL STANDARDS

The Ministry shall continue to collaborate with key international organisations, such as the FATF, ESAAMLG and OECD to maintain the professional standards based on international norms and best practices. Mauritius will maintain its high-level dialogue with the EU and its Member States so that they are kept abreast of our commitments

towards AML/CFT compliance to protect the integrity of the financial services sector including the global business sector with a view to upholding the reputation of Mauritius as a robust and credible jurisdiction.

4.2 MAJOR CHALLENGES

4.2.1 EVOLVING GLOBAL MONEY LAUNDERING AND TERRORIST FINANCING RISKS

AML/CFT/CPF regimes continuously face evolving global money laundering, terrorist and proliferation financing risks. Accordingly, the relevant authorities need to keep abreast of the new standards and guidelines as well as international best practices to formulate strategies and policies for preventing and addressing these risks.

4.2.2 FINANCIAL SERVICES SECTOR

The Mauritius IFC is also facing challenges in various fields, the main one being the emergence of new competitors like Rwanda and Kenya in the region and India, namely, the GIFT City. Mauritius also faces fierce competition from established jurisdictions like Singapore, Dubai, the Netherlands and Luxemburg, amongst others.

The introduction of a Global Minimum Tax and taxation of the digital economy are other potential issues that need to be considered.

The overall strategy for the forthcoming years aims at further consolidating the Mauritius IFC as a reputable jurisdiction and increasing the contribution of the financial services sector to the national economic growth and prosperity.

4.2.3 AFRICA STRATEGY

Africa represents a massive market with huge potential for growth, employment creation and overall revenue generation to alleviate poverty and achieve the sustainable development goals through enhanced quality of life.

With the ratification of the African Continental Free Trade Agreement (AfCFTA) coupled with the Mauritius-China Free Trade Agreement and the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) with India, Mauritius will strive to promote its jurisdiction as the preferred gateway to Africa and access its markets. Emphasis would be laid on attracting global investors to invest in Africa

through the Mauritius platform, more particularly in green and impactful infrastructure projects for the overall development of Africa through cross border investments.

4.2.4 ESG FRAMEWORK

Green and Impact Investments are the key focus of major international investors. An Environment, Social and Governance (ESG) Framework would be developed to benchmark projects, more particularly infrastructure projects, to attract these international investors who are more concerned with addressing climate change and re-orienting economies. It is expected that with the development of an ESG Framework, the Mauritius IFC would be able to mobilise sustainable private investments to finance, and to construct and manage public infrastructure to ensure that future growths are as sustainable as possible.

4.2.5 FINTECH

The digital transformation of the financial services sector is of paramount importance to build up its resilience. A FinTech Strategy is being developed to promote innovation in the sector. The Ministry is aiming to set up a FinTech City for attracting FinTech companies and startups by providing a set of incentives for them to relocate in Mauritius. The ultimate objective is to make the digital economy more inclusive and affordable while at the same time promoting an entrepreneurship culture.

4.2.6 DIGITAL AND VIRTUAL ASSETS

The enactment of the Virtual Asset and Initial Token Offering Services (VAITOS) Act in February 2022 is yet another step to address the FATF Recommendation 15 to regulate virtual asset activities through establishment of a virtual asset ecosystem.

The VAITOS Act would be leveraged to promote and establish Mauritius in the field of virtual asset management under an enabling framework which is both certain and reliable. The objective is to attract international investors to trade through the Mauritius platform when dealing in these types of assets.

4.3 STRATEGIC DIRECTION

The Ministry of Financial Services and Good Governance will, based on the strategic direction 2021-2024, -

- ✚ Sustain the AML/CFT/CPF reforms and enhance the measures in place to combat Money Laundering, Terrorism Financing and Proliferation Financing;
- ✚ Reinforce the AML/CFT/CPF eco-system, both in terms of infrastructural and human capabilities, to deal with the evolving threats and to comply, at all times, with the global regulatory standards and best practices;
- ✚ address the evolving threats and vulnerabilities in the AML/CFT/CPF Landscape including the updating of the National Risk Assessment exercise as well as assessing the Terrorism Financing and Proliferation Risks;
- ✚ Consolidate capacity building, training and awareness programs to keep pace with the latest developments and ensure that our relevant institutions are fully capable of fulfilling their AML/CFT obligations;
- ✚ Enhance the national coordination and cooperation among all AML/CFT stakeholders;
- ✚ Enhance collaboration with stakeholders locally and internationally to strengthen the position and image of Mauritius as a competitive and reputable International Financial Centre;
- ✚ Introduce innovative financial products and services to sustain our competitive edge;
- ✚ Empower the Financial Services Institute to become a reference for the offering of training in the Sector;
- ✚ Collaborate with training institutions, locally and internationally, which can offer certification in specific areas such as fund administration, asset and wealth management or private banking, amongst others;
- ✚ Provide incentives for FinTech companies to create a FinTech Hub;
- ✚ Improve access to capital for FinTech startups;
- ✚ Promote Good Governance in Ministries and Departments through conduct of sensitisation programmes; and
- ✚ Carry out Financial and Governance reviews in public sector bodies to bring improvement in service delivery.

4.4 EVENTS/ACTIVITIES IN FY 2021/22

A. LAUNCHING OF ASSOCIATION OF WOMEN IN INVESTMENT AND FINANCE



On 8 March 2022, the Ministry collaborated in the launching of the **Association of Women in Investment and Finance**. The event was marked by a panel discussion on innovation in Investment and Finance.

B. TOOLKIT ON THE MAURITIUS INTERNATIONAL FINANCIAL CENTRE FOR AMBASSADORS & HIGH COMMISSIONERS



The Toolkit on the Mauritius International Financial Centre was launched on 13 April 2022 at the seat of the Ministry of Foreign Affairs, Regional Integration and International Trade, in Port Louis. The Toolkit has been designed to support the distinguished High Commissioners and Ambassadors in their committed endeavours to showcase the unique attractiveness and competitiveness of the Mauritian jurisdiction to the international community.

C. ANNUAL CORPORATE GOVERNANCE CONFERENCE



The Ministry in collaboration with the Mauritius Institute of Directors, the National Committee on Corporate Governance and the Office of Public Sector Governance organised an Annual Corporate Governance Conference on 21 April 2022. This flagship event brought together business sector leaders and regulatory institutions for an annual exchange of insights, intelligence and ideas that will drive governance excellence in the coming years.

D. WORKSHOP ON PEER-TO-PEER LENDING & CROWDFUNDING



In the context of Gender Mainstreaming in the financial services sector, the Ministry organised a Peer-to-Peer Lending and Crowdfunding workshop on 2 June 2022 for women entrepreneurs. The workshop witnessed the participation of around 30 women entrepreneurs. During the event, there were panel discussions on the challenges regarding access to Finance in Mauritius and how FinTech is acting as the bridge between Women and Investment. There were also presentations made by service providers, namely, Fundkiss and Finclub as well as by the SME Mauritius.

E. IICF CHEQUE REMITTANCE CEREMONY



In October 2021, a Cheque Remittance Ceremony was organized to compensate 13 victims of Hit and Run cases. From 2016 to 2021, a total number of 56 victims have been compensated and almost Rs 8 million has been disbursed in terms of compensation.

F. WORKSHOP ON BENEFICIAL OWNERSHIP REGISTERS



The Ministry, in collaboration with the EU AML/CFT Global Facility, organised a workshop on Beneficial Ownership (BO) Registers from 18-25 November 2021. The workshop focused on the role of beneficial owner registers as a tool to ensure transparency of beneficial owners, legal persons, trusts and similar legal arrangements.

G. REGIONAL CONFERENCE ON CORRESPONDENT BANKING



A regional conference on correspondent banking and de-risking in Eastern and Southern Africa, was organised by EU Global Facility on AML/CFT and the Bank of Mauritius in collaboration with the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG). The conference took place in a hybrid format (onsite and online) and was attended by more than 500 participants from different countries.

H. REGIONAL WORKSHOP ON COMPLIANCE WITH INTERNATIONAL AND EU REQUIREMENTS CONCERNING THE FATF RECOMMENDATION 8



A regional workshop was organised, in collaboration with the EU AML/CFT Global Facility, on “**Compliance with international and EU Requirements concerning the FATF Recommendation 8**”. The workshop witnessed the participation of representatives from Mauritius, Panama, Madagascar, Bangladesh, Seychelles, Tunisia, Jordan, Zambia, among others as well as delegates from the Eastern and Southern Africa Anti-Money Laundering Group and Expertise France.

I. LAUNCHING OF THE CORPORATE GOVERNANCE SCORECARD



The launching of the Corporate Governance Scorecard for Mauritius took place on 28 October 2021. The objective of the Scorecard is to improve the overall corporate governance practices in Mauritius.

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