

COMMUNIQUE
MINISTRY OF FINANCIAL SERVICES & GOOD GOVERNANCE

Preliminary report of ESAAMLG: The President of ESAAMLG agrees to further discuss objections raised by Mauritius, at the next ESAAMLG meeting in September 2018

Last week, it was wrongly reported, in press articles, that several African countries had allegedly been calling for sanctions to be taken against Mauritius in the context of a mutual evaluation undertaken by the *Eastern and Southern Africa Anti-Money Laundering Group* (ESAAMLG).

The Ministry of Financial Services and Good Governance would like to provide important clarifications on this matter:

A mutual evaluation is a peer review undertaken for each member of the ESAAMLG, of which Mauritius is a founder member. The peer review is done on an ongoing basis, to assess levels of implementation of the Recommendations of the *Financial Action Task Force* (FATF), and thus provide an in-depth description and analysis of each country's system for preventing criminal abuse of the financial system.

The peer review started in October 2016 for Mauritius, and resulted in a preliminary mutual evaluation report (MER), which was discussed in April 2018 at a meeting of ESAAMLG in Tanzania.

A mutual evaluation comprises a comprehensive review of the effectiveness of a country's legal and institutional frameworks and its level of compliance with the FATF international standards for combating money laundering and terrorism financing.

On the 20th of June 2018, after careful consideration of the preliminary report by all relevant institutions, including the Bank of Mauritius, the Financial Services Commission, the Independent Commission against Corruption, the Attorney General's Office, Ministry of Justice, Human Rights and Institutional Reforms, the Ministry of Foreign Affairs, Regional Integration and International Trade and the Financial Intelligence Unit, and in accordance with agreed procedures of the ESAAMLG, the Minister of Financial Services and Good Governance sent an official letter to the President of the Council of Ministers of ESAAMLG, Dr. Philio I. Mpango. He formally object to the publication of the report in its present form in as much as Mauritius was of the view that:

- the MER contained a number of shortcomings regarding quality and consistency, including misinterpretation of the FATF Assessment Methodology and incomplete and inconsistent analysis of qualitative and quantitative data;
- there seems to have been flagrant violations of the mutual evaluation procedures of ESAAMLG.

The Minister attached two annexures to his letter describing the concerns of Mauritius in relation to shortcomings regarding quality and consistency of the report and procedural irregularities.

While reiterating the commitment of Mauritius to strengthen both its institutional and legal frameworks for combating money laundering and terrorism' financing, the Minister formally requested that this preliminary report be further discussed at the level of the ESAAMLG, in light of its perceived shortcomings. The Minister also stressed on the full commitment of Mauritius to continue its engagement with the ESAAMLG.

The President of ESAAMLG confirmed his agreement in writing on the 30 June 2018, and the points of objection raised by Mauritius will therefore be discussed at the upcoming ESAAMLG meeting in September.

The Ministry furthermore officially communicated with other members of the Council of Ministers of ESAAMLG to share the concerns of Mauritius.

After its adoption by the ESAAMLG Council of Ministers in September 2018, the Mauritius MER will be published.

At this stage it will be premature to comment further on the findings of a preliminary report. Any speculation can only cause unnecessary harm to the financial services sector of our country.

Ministry of Financial Services and Good Governance

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