



SPEECH OF

MR DHANESSWURNATH THAKOOR

CHIEF EXECUTIVE OF THE FINANCIAL SERVICES COMMISSION

AT THE VIRTUAL WORKSHOP ON

“SUPPORTING EFFORTS TO TACKLE CORRUPTION AND

OTHER FINANCIAL CRIMES DURING COVID-19”

07 APRIL 2022

REGIONAL CENTRE OF EXCELLENCE

IN COLLABORATION WITH

THE ORGANISATION FOR ECONOMIC CO-OPERATION AND

DEVELOPMENT

Mr Mardayah Kona Yerukunondu, Chairperson of the Financial Services Commission and First Deputy Governor of the Bank of Mauritius

Mr Rajeshsharma Ramloll, Senior Counsel, Solicitor General and Vice-Chairperson of the Financial Services Commission

Dr Navin Beekarry, Director-General of the Independent Commission Against Corruption (ICAC) who is following us virtually

Board members of the FSC

Mr Antonio Gomes, Deputy Director of the Directorate for Financial and Enterprise Affairs of the OECD

Mr Patrick Moulette, Head of the Anti-Corruption Division (ACD) in the OECD Directorate for Financial and Enterprise Affairs

Mr Oliver Garrett-Jones, Head of Blockchain Policy, OECD

Distinguished panelists and speakers

Members of the Press

Distinguished participants

All protocols observed

I wish you a warm welcome to the fifth event of the FSC Regional Centre of Excellence (or the RCE for short) on “*Supporting efforts to tackle Corruption and other Financial Crimes during COVID-19*”. For today’s event, we have 560 participants from 22 different countries who have registered for this workshop. The RCE kick-started its capacity building programmes back in November 2020 and despite the pandemic, it has pursued its calendar of events. The RCE has from the start of its mandate, reached out to more than 1,200 participants from 50 different countries. This is testimony for the growing popularity and importance of the workshops organised by the RCE. Going forward, now that travel restrictions have eased, we are planning to host our next event themed ‘*Investment Dispute Mechanisms*’ in a hybrid format and it will be a pleasure to welcome you physically, here in Mauritius.

Ladies and Gentlemen,

I would like to share that the RCE was set up on 15th March 2019 following the signature of a Memorandum of Understanding between the Government of Mauritius and the OECD. The MOU laid down the foundations for the collaboration between the OECD and Mauritius to strengthen and support effective regulation, sound corporate governance and good conduct of business in the region.

But before I dwell further, let me, on behalf of the Governing Board of the RCE, the Chairperson of the FSC, and in my personal name, seize this opportunity, to congratulate Dr Carmine de Noia, whom I had the honour to meet personally during my visit at the OECD last month, for his appointment as Director of the Directorate for Financial and

Enterprise Affairs of the OECD. Dr Carmine de Noia, you have not been able to make it for this workshop, but I know that you are a firm supporter of these initiatives. We would wish to welcome you physically in Mauritius for our future events. Let me also acknowledge the work of the exiting Acting Director, Madam Mathilde Mesnard and wish her all the best for her new endeavour at the International Organisation of Pension Supervisors (IOPS).

Ladies and gentlemen,

I would like to commend the OECD and the RCE for the theme of today's event which comes at this opportune moment where the world is hopefully getting out of the pandemic. Corruption and financial crimes have always been a matter of concern for regulators. Statistics have shown that corruption and financial crimes have significantly picked up during the Covid-19 pandemic, whereby scammers have taken advantage of the vulnerabilities of systems. According to Cybersecurity Ventures, cybercrime damage stood at six trillion US Dollars in 2021. The cost of cybercrime is one of the largest cost incurred together with cost of corruption and narcotics.

The Financial Services Commission is mindful of the consequences of financial crimes and corruption. Anti-money laundering and combating the financing of terrorism (AML/CFT) controls, when effectively implemented, mitigate the adverse effects of criminal economic activity and promote integrity and stability in financial markets.

As the regulator of the non-bank financial services sector, the Commission takes ongoing measures to combat financial crime and collaborate with other competent authorities in the fight against corruption. Since the advent of the pandemic in 2020, we have observed that scammers have taken advantages of the uncertain climate and engaged into different kinds of scam activities such as:

- Luring the public to offer seemingly enticing loan packages;
- Exploiting weaknesses in Information Technology networks and systems to gain access to confidential, personal and business-critical information amid a sharp rise in remote-working;
- Fundraising for fake charities and various COVID-19 related phishing schemes;
- Increasing presence in Social Media, through Social Engineering, to better orchestrate phishing attempts.

To this end, the Commission issued 2 communiqués at the start of the pandemic, to warn the public against the potential scams and has issued no less than 44 alerts since 2020 including requests to pull down fake websites and referred matters to competent authorities where necessary.

We have also issued a circular letter on cybersecurity risk governance to our licencees and we are working with the industry to come up with a framework for cybersecurity for the industry as a whole.

Ladies and Gentlemen,

Financial crimes and money laundering are highly correlated. To this end, we have demonstrated to the Financial Action Task Force (FATF) that the systems that we have implemented to combat money laundering and financing of terrorism are sustainable. We have enhanced our Risked Based Supervision Framework, carried out onsite inspections, and where deficiencies identified, took enforcement actions. I would like to share that the Commission has around 20,000 licensees. As part of our yearly supervisory cycle, around 1,900 offsite monitoring questionnaires are sent to our licencees. We also carry out around 700 offsite reviews and about 380 onsite inspections with 90 data metrics as per established KPIs to collect and process. To achieve this goal on a yearly basis, we have invested in IT to automate our processes.

Another important component in the fight against corruption and financial crime is a strong corporate governance system. Without a good corporate governance system in place, the overall impact of anti-corruption initiatives is reduced and the growth of companies and the countries where they operate is undermined. To this end, the Commission has strengthened its corporate governance frameworks, both internally and for its licencees. Whilst the Commission has a Corporate Governance Committee which recommends on the Corporate Governance provisions to be adopted, FSC licencees are also required to comply with principles set out in the National Code of Corporate Governance.

Ladies and Gentlemen,

Before I conclude, I would like to mention that having sighted today's programme, I am eager to listen to the team of experts because the theme is very relevant to the current situation. I wish to thank the OECD and the RCE for bringing such eminent speakers and I strongly believe that today's workshop will add to the level of knowledge that we regulators need and to learn from the best practice.

I also wish to highlight that in preparation of today's workshop, we have worked together with the Independent Commission Against Corruption (ICAC) and the Attorney General's Office (AGO). The Director General of ICAC, Dr Navin Beekarry, could not make it today due to his busy schedule, but has shared his Keynote Address through a video which will be shown shortly. I also want to thank Mr Rajeshsharma Ramloll, Solicitor General who has graced us with his presence today and will moderate a panel later today.

With these words, ladies and gentlemen, I would like to wish you a very fruitful deliberation ahead and thank you for your kind attention.

Dhanesswurnath Thakoor

07 April 2022