KEYNOTE ADDRESS BY THE DIRECTOR-GENERAL

From Environmental Crime to Illicit Financial Flows: Uncovering the Networks Behind Illegal Gold Trade and Other Illicit Activities

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Representatives of enforcement agencies from across the region which I understand we have 700 participants in 38 countries.

All protocols observed.

Good afternoon.

Following the recent OECD Technical Assistance programme held in Mauritius last month in support of Mauritius' accession to the OECD Anti-Bribery Convention, I am particularly pleased to participate in this event. Both engagements reinforce a common message: tackling financial crime requires strong standards, effective institutions and the ability to follow evidence across borders.

Environmental crime is no longer simply about the unlawful exploitation of natural resources. It is a significant source of illicit wealth, closely linked to organised crime, corruption and money laundering.

Gold is particularly attractive to criminal networks because of its value, portability and ease of concealment. It can be transported across borders, melted, recast and introduced into legitimate markets, making its original source difficult to establish.

But the gold itself is only part of the story. Behind its illegal trade are networks of financiers, intermediaries and companies that facilitate the activity and profit from it.

Mauritius does not produce gold. Yet, as an international financial centre and regional transit point, proceeds generated elsewhere can be transferred, concealed or integrated through our financial and corporate structures.

In January 2019, 45 gold ingots, together with jewellery and foreign currencies, were intercepted at our international airport. Valued at approximately Rs 40 million (around USD 900,000) at the time, the gold was among the assets returned to Madagascar in April 2025, following prosecution and a forfeiture order.

This case raises an important question: who financed the trade, organised its movement and ultimately benefited?

Let us be frank. Arresting the courier is not dismantling the network.

Those transporting the gold are often only the most visible part of a much wider operation. Our investigations must identify the financiers, examine intermediaries, trace payments across jurisdictions and establish who ultimately benefits.

For investigators, they must establish the origin and legality of the gold, trace its movement through the various actors, intermediaries and jurisdictions, and follow the money to determine who financed the transactions and where the proceeds were channelled, concealed or converted.

Financial investigation and asset tracing must go hand in hand with the investigation of the underlying offence. Ultimately, we must identify who owns, controls or benefits from the activity, recognising that the person handling the gold may not be the one directing or profiting from the operation.

Investigators must examine ownership structures, control arrangements, financial relationships and sources of funds to uncover those behind seemingly legitimate structures.

This also requires piercing through layers of corporate structures, nominee arrangements, and legal entities to reach the natural person at the top of the chain. This brings us to the importance of beneficial ownership information. In simple terms, this means looking beyond the person or entity named in official records to identify the natural person who ultimately owns or controls a company or asset, or on whose behalf a transaction is conducted.

FATF Recommendations 24 and 25 establish international standards in this regard. As Mauritius prepares for its forthcoming ESAAMLG mutual evaluation, commencing in 2027, we must demonstrate that beneficial ownership information is not merely available, but accurate, reliable and effectively used in our investigations.

As an investigative body, the FCC must have the capacity to conduct financial trail analysis and tracing in pursuit of increasingly complex investigations. This requires specialised expertise, timely financial intelligence, BO information, effective asset tracing and close domestic and international cooperation. No jurisdiction can uncover an entire network alone.

This training is therefore both timely and practical. It offers an opportunity to strengthen investigative capabilities, deepen our understanding of illicit activities, connect underlying criminal investigations with financial investigation and asset recovery, and develop the skills needed to identify beneficial owners and the wider networks behind illicit activities.

Our fight against illegal gold trading cannot end with the interception of a shipment or the arrest of a courier. If the financiers remain untouched and the beneficiaries retain their proceeds, the network survives.

Our task is to follow the gold, follow the money and identify those who profit from the crime.

The FCC remains committed to working with our regional and international partners to uncover these networks, disrupt their operations and ensure that crime does not pay. Initiatives such as this training are essential in strengthening our collective ability to meet these challenges and translate our commitment into effective action.

I therefore wish you all productive and engaging training and extend my appreciation to the Regional Centre for Excellence, the OECD and The Sentry for bringing us together.

Thank you for your attention.