

Comsure 3rd GRC conference

Conference chairperson's [Mathew Beale] opening remarks

Welcome

- Ladies and gentlemen good morning and its great to be back at the Comsure 3rd GRC conference. And it is a pleasure to be speaking, albeit it is my first year in fifteen that I am not with you, my friends in my second home.
- I would at this time like to thank you for your support.
- I will not linger on the past 12 months, as I am sure our speakers will reflect on the trials and tribulations of this horrendous year.
- I will say, however, if I have learned anything in my 55 years, is it is only going to get more interesting – the roller-coaster will ride again!!
- So, let's buckle up for another unpredictable year. And remember Fortune will favour the brave (albeit not the reckless!!)

How did I come to Mauritius?

- For those that don't know I met Assad Abdullatiff some 15 years ago, in 1995.
- We were younger, more handsome, and (he) had more hair!!
- He said to me in 1995, Mathew, please come to Mauritius and be "the canary in the coal mine" –
 - Tell them [us] what is happening in Jersey and tell them (us) it may happen here – let us not make the mistake others are making.
- Sadly, my many years of offering advice and direction to many Mauritian firms and their employees (many now friends) my one warning was

Mauritius was slipping, I saw it, my friends saw it, but the powers did not!!!

- And if I was to offer some advice today; after watching from afield and keeping abreast of the changes rushed through in 2020, is that the AML-FATF sticking plaster will slip off. What is needed is major surgery.
- I know Mauritian professionals do not bemoan where they find themselves; you work every day to ensure that you are not part of the problem and are second to none in your commitment to the fight.
- So Government, please take note;
 - The “good guys” (look to your left and right) will not mind change they will relish it and profit from it.
- And remember to survive the next round of assessments and investigations, Mauritius needs to show that it can walk the walk and talk-the-talk.

Crime and the 21st-century problem

- None of us can get away from the global fact that, as Robert Mazur, former U.S. Federal Agent and author of “The Infiltrator” recently observed: “
 - There is no escaping the elephant in the room:
 - the combined efforts of law enforcement, regulatory agencies, and compliance professionals to identify and attack the more than \$2 trillion a year in illicit funds moving around the globe is a failure.
 - In-depth analysis by the United Nations on Drugs & Crime (UNODC) also estimates that, of that \$2 trillion, roughly \$400 billion is generated from the sale of illicit drugs every year. And Law enforcement authorities worldwide do not identify and seize anything close to 2% of that drug revenue.

- So, we have a long way to go all of us not just Mauritius

Mauritius has a seat at the big table

- The UN continues to focus on AML and has set up of the International Financial Accountability, Transparency and Integrity (FACTI)
- Speaking at the High-level Panel on FACTI Tijjani Muhammad-Bande the Assembly president warned that gaps, or the illegal siphoning off of government revenues,
 - “Have real consequences in all countries”.
- He said
 - “By some estimates, the equivalent of 10 per cent of world GDP is held in off-shore financial assets”,
 - “corporate profit-shifting is collectively costing governments between \$500 billion and \$600 billion a year in lost corporate income tax revenue, and
 - Globally corruption is significantly draining our budgets”.
- Citing “gaps, loopholes and vulnerabilities”, the Assembly president maintained that “new cases are emerging every day”, highlighting the negative impacts of pilfering, money laundering, tax evasion, bribery and other financial crimes.
- If you thought the war was over its time to think again - Its clear the direction of travel and the message for all financial centres is evolve or die

Global coordination

- Global coordination is critical to fighting money laundering, but, as the FATF secretariat themselves point out, it is not as effective as it needs to be.

- It is an important opportunity for us to have confirmed for the whole global community how committed we are to this fight and how good we are at it.
- A Detailed local understanding across Mauritius of the continually changing risks is critical.
- It's not enough to issue more laws, rules and codes and tick them off as solutions completed.
- We know that it doesn't work.

Mauritius the here and now

- Working in finance in the 21st century is a bit like working with hazardous materials, like inflammable or poisonous chemicals.
- You don't give up because the chemicals are hazardous. Instead, you proceed with care.
- As a global financial centre, you work with money and assets - a 'hazardous material', and you proceed with care.
- And as professionals, we adopt all the safety procedures, and we act with care, sensitive to the risks; and in the case of money laundering, we all recognise the threat is dynamic but dangerous

Mauritius

- Throughout this beautiful Island, each regulated firm needs to have Boards, senior management, money laundering reporting officers (MLROs), money laundering compliance officers (MLCOs), and their employees who understand how money laundering changes, how the risks change as we move into new businesses or products and can recognise a problem when they see it.
- Remember the system is only as good as its weakest link and let us make sure all of you here today are the solution. And let us remember



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an excellent profitable business is a compliant business, and collectively
we are a force for good and have nothing to hide

**Ladies and gentlemen, please enjoy the next two days and go away and
be safe but successful**

Thank you,

Back to Assad.

Comsure

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