

Terrorist Financing Risk Assessment for the NPO Sector in Mauritius

Executive Summary

1. This risk assessment was commissioned by the Government of Mauritius as part of its commitment as a member of Financial Action Task Force (FATF)¹ to combat the financing of terrorism. It was completed with support from the EU-funded Global AML/CFT Facility Consultants who developed the methodology for the assessment and provided technical support.
2. The risk assessment meets the core FATF requirements in relation to Recommendation 8 and Immediate Outcome 10. Specifically, paragraph 8.1 of the FATF Methodology states that countries should:
 - 8.1 (a) *identify which subset of organizations fall within the FATF definition of NPO...*
 - (a) *identify the features and types of NPOs which by virtue of their activities or characteristics, are likely to be at risk of terrorist financing abuse;*
 - (b) *identify the nature of threats posed by terrorist entities to the NPOs which are at risk as well as how terrorist actors abuse those NPOs*
3. The risk assessment identified the following six types of NPOs as meeting the FATF definition of NPOs.

	Type	Relevant law
1	Associations (RoA Act)	The Registration of Associations Act
2	NPOs(statute)	Individual laws
3	Charitable Foundations	The Foundation Act
4	Charitable Trusts	The Trusts Act
5	Companies Limited by guarantee	The Companies Act
6	Waqfs	The Waqf Act

4. Data used in this risk assessment included a survey response of 876 NPOs; data submissions from the FIU and Bank of Mauritius; a questionnaire of nine law enforcement agencies; interviews with eight supervisory bodies; and reviews of nine laws, as well as other relevant literature. A combined qualitative and quantitative assessment was undertaken.
5. There are no known cases or suspicions of terrorist financing abuse of NPOs in Mauritius. The assessment therefore considered:

¹Mauritius is a member of ESAAMLG, the FATF-Style Regional Body for East and Southern Africa.

- a) The size and nature of the overall TF threat in Mauritius;
 - b) Analysis of TF abuse of NPOs in other jurisdictions and of other forms of financial abuse of NPOs in Mauritius;
 - c) Qualitative assessments of the likely nature of the risk from law enforcement, supervisory and NPO officials.
6. Three possible TF threats to NPOs in Mauritius were identified.

Nature of the TF Threat to NPOs in Mauritius

1. The abuse of NPOs to promote extremist ideologies.
2. The abuse of NPOs to finance or facilitate foreign terrorist fighters.
3. The abuse of NPOs to finance terrorism overseas.

7. Six features, characteristics or activities were identified which increase the risk of TF abuse amongst NPOs in Mauritius.

NPOs and NPO activities likely to be at increased risk of TF abuse

1. Cross border movement of funds.
2. Alternative sources of funds and remittance systems.
3. Involvement in complex international transactions or structures.
4. Cash fund-raising from anonymous sources.
5. Ethnic or religious activities.
6. Charitable Trusts.

TF Risk of NPOs in Mauritius

Low-Medium

