



## MINISTRY OF LABOUR AND INDUSTRIAL RELATIONS

### REGISTRY OF ASSOCIATIONS

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#### **Frequently Asked Questions ('FAQs') on Targeted Financial Sanctions ('TFS')**

***The FAQs should be read in conjunction with the United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019 ('UN Sanctions Act')<sup>1</sup>, the Guidelines on The Implementation of Targeted Financial Sanctions under the UN Sanctions Act<sup>2</sup>, the FAQs<sup>3</sup> issued by the National Sanctions Secretariat<sup>4</sup> ('NSSEC'), and the Guidelines issued by your respective supervisory authority, as applicable.***

#### **1. What are targeted sanctions?**

Targeted sanctions are restrictive measures imposed on individuals and/or legal entities in an effort to maintain or restore international peace and security as an alternative to the use of armed force. These restrictive measures include, but are not limited to, financial sanctions, trade sanctions and travel restrictions.

#### **2. Why does Mauritius need to implement targeted sanctions?**

The United Nations ('UN') imposes sanctions and requires Member States to implement them through the resolutions passed by the UN Security Council which has the primary responsibility for the maintenance of international peace and security.

Mauritius, as a member of the UN, is mandated to implement the UN sanctions regimes, including those related to terrorism and the proliferation of weapons of mass destruction.

The Financial Action Task Force ('FATF') also requires countries to implement targeted financial sanctions related to terrorism and terrorist financing under Recommendation 6 and targeted financial sanctions in relation to proliferation financing under Recommendation 7.

The above obligations of the UN and FATF are enshrined in the UN Sanctions Act.

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<sup>1</sup>[https://nssec.govmu.org/Documents/Legislations/The\\_United\\_Nations\\_\(Financial\\_Prohibitions,\\_Arms\\_Embar\\_go\\_and\\_Travel\\_Ban\)\\_Sanctions\\_Act.pdf](https://nssec.govmu.org/Documents/Legislations/The_United_Nations_(Financial_Prohibitions,_Arms_Embar_go_and_Travel_Ban)_Sanctions_Act.pdf)

<sup>2</sup> [Updated\\_Guidelines\\_on\\_TFS\\_30\\_Sep\\_2021.pdf](#) (govmu.org)

<sup>3</sup> <https://nssec.govmu.org/Documents/Downloads/Frequently%20Asked%20Questions%20.pdf>

<sup>4</sup> <https://nssec.govmu.org/SitePages/Index.aspx>

### 3. What are TFS?

TFS are both asset freezing and prohibitions measures taken **immediately, i.e., without delay and not later than 24 hours**, to prevent funds or other assets from being made available, directly or indirectly, for the benefit of entities or persons subject to sanctions. This applies to both designated and listed parties.

The TFS that apply to individuals, groups, undertakings or entities under the UN Sanctions Act are illustrated below:

#### **Freezing of Assets**

- Prohibition to the sale, transfer, conversion, disposition or movement of, or otherwise dealing with, any funds and/or other assets, following a Judge's Order.

#### **Financial Prohibitions**

- Prohibition to deal with funds or other assets owned/controlled (either directly or indirectly, or wholly or jointly) by a designated or listed party. [Permissible dealings under specific circumstances are provided in the UN Sanctions Act];
- Prohibition on making funds or other assets available (either directly or indirectly, or wholly or jointly) to or for the benefit of designated party or listed party available.

#### **Arms embargo and travel ban**

- In addition to the freezing of funds and other assets and prohibition on making funds and other assets available, TFS also impose an arms embargo and travel ban.

### 4. What does 'without delay' mean?

The FATF defines the phrase '*without delay*' as, ideally, **within a matter of hours of a designation** by the UN Security Council or its relevant Sanctions Committee [*emphasis is ours*].

Under the UN Sanctions Act, the term '*immediately*' is defined as without delay and not later than 24 hours and all TFS measures under the UN Sanctions Act are required to be taken **immediately**. The aim is to prevent the flight or dissipation of funds or other assets which are linked to terrorists, terrorist activities, financing of terrorism or financing of proliferation of weapons of mass destruction.

Notwithstanding any other enactment, the definition of 'immediately' has to be read as provided in the UN Sanctions Act.

### 5. What is the difference between a 'Designated Party' and a 'Listed Party'?

A 'Listed party' is a party which is listed by or under the authority of the UN Security Council.

A 'Designated party' is a party declared as such by the Secretary for Home Affairs under Section 9 or 10 of the UN Sanctions Act.

A party means an individual, a group, an undertaking or an entity.

## **6. What is the list of designated parties?**

A designated party is a party declared by the Secretary of Home Affairs upon the direction of the National Sanctions Committee based on reasonable grounds that the party meets the designation criteria set out in the UN Sanctions Act.

The NSSEC shall keep and maintain a list of parties declared as designated parties and shall, as and when a party is declared as a designated party under the UN Sanctions Act, cause the name and relevant particulars of that party to be inserted in the list.

## **7. Where can I find the list of designated parties?**

The list of designated parties('List') is kept and maintained by the NSSEC by virtue of Section 11 of the UN Sanctions Act.

Upon any designation or review of any designation, an updated List will be posted on the NSSEC's website: <http://nssec.govmu.org>.

## **8. What is the United Nations Security Council Consolidated List ('UN Consolidated List')?**

The UN Consolidated List is a list established by the United Nations Security Council comprising of the names of the listed parties, individuals and entities, subject to measures imposed by the Security Council, including TFS.

## **9. Where can I find the UN Consolidated List?**

The UN Consolidated List can be accessed on the following link: <https://main.un.org/securitycouncil/en/content/un-sc-consolidated-list> .

## **10. How will I know if a change has been made to the UN Consolidated List?**

The NSSEC has, under Section 18(1) of the UN Sanctions Act, the responsibility to immediately give public notice of any changes to any UN Consolidated List, including the 1718 and 2231

lists. This includes new designations, changes to existing designations, and removed designations. All updates to the UN Consolidated List are posted on the NSSEC's website<sup>5</sup> and the Government Information Service (GIS)<sup>6</sup>.

Under Section 18(1)(b) of the UN Sanctions Act, the Financial Intelligence Unit ('FIU') disseminates the public notice issued by the NSSEC and UN Consolidated List lists as well as any changes made thereto to the supervisory authorities, the investigatory authorities, the reporting persons and any other relevant public or private agency registered with the FIU.

## **11. What do I do when a change has been made to the UN Consolidated List or Designated Party List?**

TFS screening should be conducted upon **any change** made to the UN Consolidated List or/and designated party list. This includes additions, extensions, removals, exemptions or any other amendments.

You must ensure that you use of the most updated lists. The screening must be conducted immediately<sup>7</sup> and without delay such that reporting is done within 24 hours of dissemination.<sup>8</sup>

Screening should also be done at the time of establishing a business relationship, at regular intervals and upon trigger events (including but not limited to change in directors or ownership). Screening records and evidence of screening must be properly documented.

## **12. What are my obligations, as a reporting person, under the UN Sanctions Act?**

As a reporting person, you have to:

- Comply with prohibitions obligations under the UN Sanctions Act;
- Implement internal controls and other procedures;
- Verify whether the details of designated parties or listed parties match with the particulars of any customer, and if so, identify whether the customer owns any funds or other assets in Mauritius;
- Make a report to the NSSEC and your AML/CFT Supervisor where funds or other assets or no funds or other assets are identified; and
- In case of match, file a Suspicious Transaction Report ('STR') to the FIU.

You may consult the following documents for more information:

- [Guidelines on the Implementation of Targeted Financial Sanctions under the UNSA 20199](#)

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<sup>5</sup> <https://nssec.govmu.org/>

<sup>6</sup> <https://gis.govmu.org/>

<sup>7</sup> As per the UN Sanctions Act, "immediately" means without delay and not later than 24 hours.

<sup>8</sup> UN Sanctions Act, s 18.

<sup>9</sup> Updated\_Guidelines\_on\_TFS\_30\_Sep\_2021.pdf (govmu.org)

- [FIU video presentation on Targeted Financial Sanctions Overview and Obligations under the United Nations Sanctions Act 2019](#)
- <https://www.bom.mu/financial-stability/amlcft/implementation-targeted-sanctions>
- [Implementation of Targeted Sanctions - Financial Services Commission - Mauritius \(fscmauritius.org\)](#)
- [UNSA \(mipa.mu\)](#)
- [Implementation of Targeted Financial Sanctions – Registrar of Companies \(https://companies.govmu.org\)](#)

### **13. What are the prohibitions under the UN Sanctions Act?**

The following targeted sanctions shall apply immediately and shall continue to apply for as long as the party remains listed on the relevant UN Consolidated List or remains a designated party:

- The prohibition to deal with funds or other assets of a listed party or designated party;
- The prohibition on making funds or other assets available to a listed party or designated party;
- Arms embargo; and
- Travel ban.

### **14. How to prevent funds from being made available to entities or persons subject to sanctions?**

Section 25 of the UN Sanctions Act requires that, where a party is declared as a designated party or listed as a listed party, every reporting person shall, immediately, verify whether the details of the designated party or listed party match with the particulars of any customer, and if so, to identify whether the customer owns any funds or other assets in Mauritius, including the funds or assets referred to in section 23(1) of UN Sanctions Act.

In order to verify the details, reporting persons should screen transactions and their databases on a regular basis to keep a vigilant eye on any unusual activity to identify any true match from the sanction lists.

Screening should be done against:

- (i) the list of designated parties, and
- (ii) the UN Consolidated List.

### **15. How often should I screen my client against the UN Consolidated List?**

You are required to undertake regular and ongoing screening of your customers and their transactions as well as the beneficiaries of those funds against the latest UN Consolidated List and latest domestic list.

Screening must be undertaken as follows:

- Whenever the sanctions lists are updated. In such cases, screening must be conducted immediately (i.e. without delay and not later than 24 hours);
- Prior to customer on-boarding;
- At regular intervals either upon a trigger event (change in directors or ownership), including but not limited to the time of payout;
- Before effecting any transaction; and
- Throughout the life cycle of the customer relationship, upon KYC reviews or changes to a customer's information, amongst others.

#### **16. Is there any minimum threshold for which TFS screening must be done?**

There is no minimum financial limit or threshold applicable to conduct TFS screening. You are required to conduct TFS screening **before** effecting any transaction, irrespective of the amount and currency of the transaction.

#### **17. Should every director, shareholder, nominee and company names be screened?**

Yes, TFS screening should be conducted on existing, potential or new customers, as part of the customer due diligence process and on-going due diligence.

For customers which are legal persons, screening should be conducted on the name of the customer, i.e. companies, bodies corporate, foundations, partnerships, or associations and other similar entities.

Screening should also be conducted on the beneficial owners, directors, shareholders, authorised signatories, senior management, nominee shareholders.

#### **18. How do I determine if my client/ potential client is in fact on the list?**

A reporting person is required to search for their clients/ potential clients against the sanctions lists. There are several search criteria that can be used to assist in narrowing down the search results. These include, amongst others, the following:

- Name;
- Surname;
- Date of Birth;
- Nationality;
- Identifying number; and

- Aliases.

The reporting person will be required to ensure that they provide as much information as possible in the search fields. It is the responsibility of the reporting persons to review the search results and to decide as to the validity thereof.

## **19. What to do in case of a true match to a name on the UN Consolidated List and Designated Party List?**

When a true match has been identified, the reporting person should **immediately** report it to the NSSEC (on [nssec@govmu.org](mailto:nssec@govmu.org)) and to its AML/CFT Supervisor. The following templates which can be accessed from the NSSEC's website, should be used to report a positive match under Section 25(2) of the UN Sanctions Act:

### **i. Template for Reporting on Positive Match under section 25(2) of the UN Sanctions Act:**

[https://nssec.govmu.org/Documents/Guidelines/Template%20for%20Reporting%20under%20section%2025\(2\)%20of%20the%20UNSA.xls](https://nssec.govmu.org/Documents/Guidelines/Template%20for%20Reporting%20under%20section%2025(2)%20of%20the%20UNSA.xls)

A reporting person is also required to identify whether the client has any funds or other assets in Mauritius and to make a report to the NSSEC and to its AML/CFT supervisor where funds or other assets have been found and **also** in cases where funds or other assets have not been found. The following template should be used to report:

### **ii. Template for Notification to the NSSEC under Section 23(4) of the UN Sanctions Act:**

[https://nssec.govmu.org/Documents/Guidelines/Template%20for%20Notification%20to%20the%20NSSec%20under%20section%2023\(4\)%20of%20the%20UN%20Sanctions%20Act%202019.xls?csf=1&e=Rk2Gvx](https://nssec.govmu.org/Documents/Guidelines/Template%20for%20Notification%20to%20the%20NSSec%20under%20section%2023(4)%20of%20the%20UN%20Sanctions%20Act%202019.xls?csf=1&e=Rk2Gvx)

Both templates for reporting and notification can be found on the NSSEC's website

<https://nssec.govmu.org/SitePages/Index.aspx> .

**iii.** In addition, a reporting person should **immediately** submit a **STR** to the FIU on any information related to a designated party or listed party. The STR reporting should be done through the [goAML platform](#).

Note: Reporting person are reminded that it is an obligation to register with the FIU as per Section 14C of FIAMLA and the Financial Intelligence and Anti-Money Laundering (Registration by Reporting Person) Regulation 2019.

**20. What is the timeframe for the filing of STR pertaining to a designated or listed party?**

As per Section 39 of the UN Sanctions Act, a STR relating to a designated or listed party should be filed immediately, that is, within 24 hours. The STR should be filed to the FIU in accordance with section 14 of the FIAMLA.

Of note, any information related to a designated party or listed party which is known to any other person, should be transmitted forthwith by that person, in writing, to the FIU.

**21. How should I report if I am not a goAML user?**

If you identify any information relating to a designated or listed person, **and you are not a reporting person**, then you must report it by sending an email to [fiu@fiumauritius.org](mailto:fiu@fiumauritius.org) with all details and all supporting documentation *[emphasis is ours]*.

**22. Is there an obligation to do screening even if there is no Mauritian on the UN Consolidated List?**

Yes. Screening must be carried out on the entire client database, which may include domestic or international customers.

**23. Who must comply with the sanction obligations?**

Sanctions are implemented under the UN Sanctions Act. Members of the public have a legal obligation to comply with the requirements of the UN Sanctions Act. Members of the public are also required to adhere to the imposed sanctions to ensure that they do not, in any way, support or finance activities of any individual, group, undertaking or entity which are subject to sanctions. They are also required to exercise caution and vigilance.

**24. What are the consequences of not complying with the sanction obligations?**

Contravening the UN Sanctions Act is a criminal offence. The contravention of the UN Sanctions Act may lead to fines or imprisonment as prescribed by the legislation.

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**These FAQs are for guidance and information purposes only and should not be construed as legal / professional advice.**

The AML/CFT Supervisors are also required, under section 40(2) of the UN Sanctions Act, to supervise and enforce compliance by their licensees with the requirements imposed under the UN Sanctions Act. Failure to comply with the requirements of the UN Sanctions Act and guidelines and instructions issued by the AML/CFT Supervisors regarding the implementation of the provisions of the UN Sanctions Act is an offence and may be subject to criminal prosecution.

Sanctions may also include supervisory and regulatory actions including monetary penalties.