



Ministry of Finance, Trade, Investment and Economic Planning
Republic of Seychelles

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SPEECHES

Launching of the Seychelles National Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Strategy - by Minister for Finance, Trade, Investment and Economic Planning

August 30, 2020

Keynote Address

by

Ambassador Maurice Loustau-Lalanne

Minister for Finance, Trade, Investment

and Economic Planning

Speaker of the National Assembly,

Designated Minister,

Secretaries of State

Members of the Diplomatic Corps,

Members of the National AML/CFT Committee



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I am pleased to welcome you all here today, to witness the launch of Seychelles' first National Anti-Money Laundering and Countering the Financing of Terrorism Strategy.

In February 2019, I appointed a group of high-ranking officials as members of the National Anti-Money Laundering and Countering the Financing of Terrorism Committee, NAC, for more effective coordination between the sectoral authorities. The committee is mandated to set the strategic direction to enhance the country's AML/CFT framework. And today's launching of the Strategy document is a crucial step in charting the way forward to achieve this objective.

The United Nations estimate that the value of criminal proceeds laundered annually stands between 2 and 5 per cent of global GDP, or 1.6 to 4 trillion US dollars.

Money laundering, related predicate crimes such as corruption, tax evasion, theft, drug trafficking and others, as well as terrorist financing, and the financing of the proliferation of weapons of mass destruction, threaten the integrity and stability of the financial sector, of individual countries and the global financial system.

Seychelles, although geographically isolated, is as vulnerable to these threats as any jurisdiction. The impact list is quite extensive, ranging from increased costs for businesses when dealing with international partners, correspondent banking challenges for banks, to the broader problem of reputational damage to the country.

Similar to other countries, we are expected to dedicate efforts to have more robust and more effective AML/CFT policies and frameworks to mitigate the associated threats. Having robust policies and measures in place requires us to know our exposure to such risks, and this has been highlighted in the country's recent assessments against international standards.

The formulation of the National AML/CFT Strategy adds to efforts already underway to address the identified deficiencies, particularly the enactment of more effective laws, which is crucial to having a strong AML/CFT regime.

It is therefore timely that the strategy is being launched today, coinciding with the coming into force of the new AML/CFT Act, 2020 and the Beneficial Ownership Act, 2020, following the approval of the Cabinet of Ministers of the necessary regulations to ensure the enforcement of those Acts.

The new AML/CFT Act makes provision for a sectoral supervisory approach. The Central Bank of Seychelles and the Financial Services Authority are to supervise institutions under their regulatory purview, through a more risk-based method, while the Financial Intelligence Unit has the responsibility for Designated Non-Financial Businesses and Professions and high-risk Non-Profit Organisations. It also makes provision for more dissuasive and proportionate sanctions for non-compliance.

For its part, the new Beneficial Ownership law ensures the identification and verification of beneficial ownership information and provides for the establishment of an up-to-date register of beneficial owners, and a secured and centralised Beneficial Ownership database maintained by the FIU. This is a proactive step in deterring and preventing the misuse of legal entities.

The implementation of the two laws will further assist in promoting transparency, better align the country's legal framework with international standards and help to mitigate threats to the integrity of

the financial system, including corruption and tax crimes as well as reputational risks.

In taking these steps, Seychelles is showcasing its commitment to adhere to international standards and address deficiencies highlighted by international bodies and jurisdictions in recent times. In that regard, we have already submitted the first request for re-rating of the Financial Action Task Force Recommendations graded as partially compliant and non-compliant following the Eastern and Southern Africa's Anti-Money Laundering Group's most recent Mutual Evaluation. The outcome is expected in the fourth quarter of 2020.

While much work is being done and having a strategy and new laws is a further step in the right direction, this is not an end in itself. Preventing money laundering and the financing of terrorism is more than ticking the right boxes. Enforcement of these laws and strong commitment and collaborative approach on the part of the relevant authorities, to implement the outlined actions is even more critical. The government and the private sector entities, including banks, lawyers, accountants, real estate agents, casino operators and others, all need to play their role if we are to be successful in this endeavour.

As with everything else, criminals keep evolving and find new ways to beat the system, while new threats and vulnerabilities keep surfacing. The current COVID-19 pandemic which is unfolding into an economic crisis, for example, is one that has the potential to increase anti-money laundering risks. We need to remain attentive and become more innovative in our approach and thinking to detect, deter and prosecute such offences. We want to send a clear message that Seychelles is resolute on protecting the integrity of its financial system, on which it is heavily reliant to remain connected to the global financial system.

Keeping the local population and the international community informed of our endeavours and improvements is of paramount importance on this journey. We aim to leverage the support of our stakeholders, including our international partners where required for additional resources, capacity building and to tap into new technologies, which I am happy to note is an aspect that is included in the strategy.

I would like to convey my appreciation to the NAC, for all the hard work, with the support of our resident advisor who has extensive experience in AML/CFT policy and operational matters having worked for several high-profile organisations such as the World Bank, Financial Action Task Force (FATF), United Nations, amongst others. There is much more to be done, and I am confident and trust in the ability and dedication of the capable team of high-ranking officials in pursuing this challenge.

I would also like to thank the Technical AML/CFT Committee for their dedication in putting together this national strategy under the guidance of the NAC, and for continued efforts in implementing the strategies identified by the committee.

I also take the opportunity to thank the private sector in putting the necessary structure in place to abide to the new legislations and I urge them to participate in the awareness programme that will be done in the coming months.

Finally, I would convey my appreciation to our international partners who have assisted Seychelles so far during this journey in providing the necessary support.

On this note, it gives me great pleasure to announce the launch of the National AML/CFT Strategy and look forward to its successful implementation.

I thank you.

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