

## **Frequently Asked Questions**

### **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.

They exist for a variety of political, military, social and economic reasons, and work by preventing individuals and/or legal entities engage in abusive activities (for example, terrorist financing or the purchasing of weapons of mass destruction).

### **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 United Nations sanctions regimes including those related to terrorism and the proliferation of weapons of mass destruction. In addition, Mauritius, being an International Financial Centre, and founder member of the Eastern and Southern Africa Anti-Money Laundering Group is committed to comply with international standards, namely the Financial Action Task Force Standards ('FATF'), to protect the integrity of its financial system.

The FATF 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 United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act 2019 (the 'UN Sanctions Act').

### **3. What is the legal framework for the implementation of targeted sanctions in Mauritius?**

Sanctions are implemented under the UN Sanctions Act.

### **4. Who is subject to targeted sanctions under the UN Sanctions Act?**

A designated or listed party is subject to targeted sanctions. A party means an individual, a group, an undertaking or an entity.

The table below provides a comparison of the targeted sanctions applicable to a listed party and designated party:

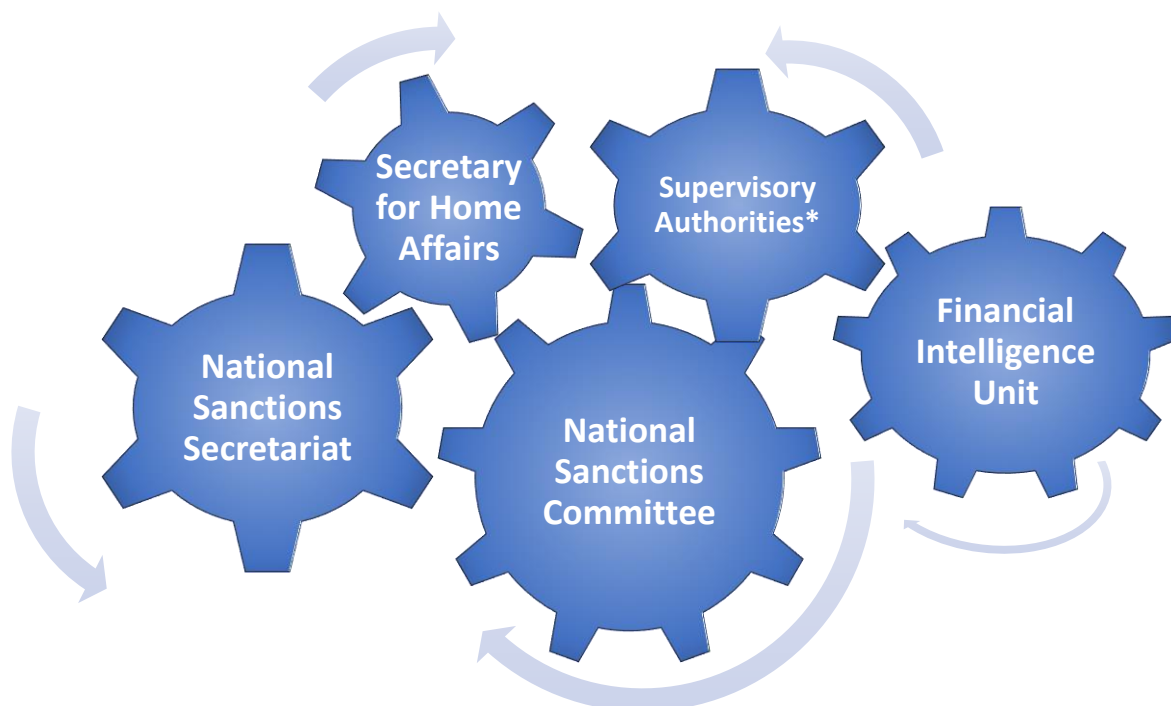
<b>Targeted sanctions are applicable to a listed party or a designated party. A party means an individual, a group, an undertaking or an entity.</b>	
<b>Listed party</b>	<b>Designated party</b>
<b>What is the difference between a listed party and a designated party?</b>	
<ul style="list-style-type: none"> <li>▪ A party on which the United Nations Security Council has imposed targeted sanctions</li> </ul>	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Sanctions imposed under the UN Regime</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sanctions imposed under the Domestic Regime</li> </ul>
<b>When is a party listed or designated?</b>	
<ul style="list-style-type: none"> <li>▪ Listed by default when the party is in the United Nations Security Council Consolidated List or under any of the UN Resolutions listed in the Second Schedule of the UN Sanctions Act.</li> <li>▪ The criteria for listing are available on the UNSC website: <a href="https://www.un.org/securitycouncil/">https://www.un.org/securitycouncil/</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ The designation criteria are set out in Section 9 of the UN Sanctions Act and relate to, amongst others, the following circumstances: <ul style="list-style-type: none"> <li>○ Has committed or attempted to commit, or commits or attempts to commit, a terrorist act;</li> <li>○ Has participated in or facilitated, or participates in or facilitates, the commission of a terrorist act; and</li> <li>○ Has been concerned or is concerned in the commission, preparation or instigation of an act of international terrorism.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>▪ The listed parties can be viewed under the United Nations Security Council Consolidated List on the website of UN Security Council: <a href="https://www.un.org/securitycouncil/content/un-sc-consolidated-list">https://www.un.org/securitycouncil/content/un-sc-consolidated-list</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ The list of designated parties ('List') is kept and maintained by the National Sanctions Secretariat.</li> <li>▪ Upon any designation or review of any designation, an updated list will be posted on the National Sanctions Secretariat's website: <a href="http://nssec.govmu.org">http://nssec.govmu.org</a></li> </ul>

## 5. What are the different types of sanctions under the UN Sanctions Act?

The sanctions that apply to individuals, groups, undertakings or entities are illustrated below:

Targeted Financial Sanctions	
Freezing of Assets	<ul style="list-style-type: none"><li>•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.</li></ul>
Financial Prohibitions	<ul style="list-style-type: none"><li>•Prohibition to deal with funds or other assets owned/controlled (either directly or indirectly, or wholly or jointly) by a designated or listed party. <i>[Permissible dealing under specific circumstances are provided in the UN Sanctions Act- to refer to section 12 of the FAQ]</i></li><li>•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.</li></ul>
Other Types Sanctions	
Arms Embargo	<ul style="list-style-type: none"><li>•Prohibition from supplying, selling, or transferring, directly or indirectly, arms and related material to a designated party or listed party.</li></ul>
Travel Ban	<ul style="list-style-type: none"><li>•Prohibition for any listed party, except citizen or resident of Mauritius, to enter or transit through Mauritius. The UN Sanctions Act provides for specific instances where the travel ban may be lifted.</li></ul>

## 6. Which institutions are involved in implementing sanctions in Mauritius?



*\* Supervisory Authorities include: The Bank of Mauritius; The Financial Services Commission; The Registrar of Cooperative Societies; The Registrar of Associations; The Regulatory Bodies such as the Financial Intelligence Unit; the Gambling Regulatory Authority; the Registrar of Companies; and the Mauritius Institute of Professional Accountants.*

The UN Sanctions Act provides for the establishment of the National Sanctions Committee (NSC) and the National Sanctions Secretariat to assist the NSC in the administration of the Act. Their main functions together with the role of the Secretary for Home Affairs and Financial Intelligence Unit (FIU), are provided as follows:

**National Sanctions Committee (NSC):** The NSC is a domestic competent authority responsible to determine whether a party meets the designation criteria under UN Sanctions Act. It also directs the Secretary for Home Affairs to declare a party as a designated party.

**National Sanctions Secretariat (NSSec):** The NSSec is set up to assist the National Sanctions Committee in the administration of the UN Sanctions Act. It is required, amongst others, to maintain a list of designated parties, list of frozen funds or other assets and give public notice of the UN Sanctions Lists and any changes thereto, including any delisting.

**Secretary for Home Affairs (SHA):** SHA declares a party as a designated party upon the direction of the NSC by issuing a notice detailing the grounds of declaration, the duration of the declaration and details of assets or economic resource being frozen or prohibited, if any.

**Financial Intelligence Unit:** The FIU is responsible to disseminate the public notice of the designated or listed party issued by the NSSec to amongst others, the regulators, banks, financial institutions, cash dealers or members of a relevant profession or occupation.

**7. How does someone know if he/she has been designated under the UN Sanctions Act?**

The SHA, upon the direction of the National Sanctions Committee, will declare an individual, a group, an undertaking or an entity as a designated party.

A notice will be issued to the designated party informing him of the reason(s) for the declaration, the duration of the declaration and the details of any assets being frozen or prohibited.

The notice will be published on the website of the National Sanctions Secretariat: <https://nssec.govmu.org/SitePages/Index.aspx>

**8. How will the public know if someone has been designated?**

The NSSec will immediately give public notice upon any designation.

The updated list will be posted on the NSSec's website: <https://nssec.govmu.org/SitePages/Index.aspx>

**9. What is expected from the public?**

Financial sanctions apply to all transactions, there is no minimum financial limit or any threshold.

Members of the public have a legal obligation to comply with the requirements of the UN Sanctions Act.

Members of the public are 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.

#### 10. What must a member of the public do upon holding funds, other assets including economic resources of designated parties?

If a member of the public is in possession or control of, or is otherwise dealing with funds or other assets including economic resources of a designated or listed party, he/she must:

1. **NOT** deal with those funds, other assets or economic resources, nor make them available to, or for the benefit of, the designated or listed party; and
2. **Report** the funds, other assets or economic resources to the National Sanctions Secretariat as per template available on its website: <https://nssec.govmu.org/SitePages/Index.aspx>

The filled template should be submitted to the NSSec (email address: [nssec@govmu.org](mailto:nssec@govmu.org)).

The National Sanctions Secretariat must be notified within **24 hours** from the issue of the public notice. The following information must accordingly be submitted to the NSSec:

- details of such funds or other assets;
- name and address of the listed or designated party; and
- details of any attempted transaction.

#### 11. What information should be reported by the public?

If a member of the public is in possession of any information in relation to a listed or designated party, he should forthwith transmit that information in writing to the Financial Intelligence Unit to the following address:

Physical Address: 10th Floor, SICOM Tower  
Wall Street  
Ebene Cybercity  
Ebene  
72201  
Email Address: [fiu@fiumauritius.org](mailto:fiu@fiumauritius.org)

#### 12. What remedies are available to bona fide third parties?

The UN Sanctions Act aims at addressing threats to international peace and Security. It does not deprive the rights of a bona fide third party. The National Sanctions Committee, subject to satisfactory evidence, may order payment and exclusion of prohibition for listed or designated parties as detailed below:

## **Payment**

The National Sanctions Committee may allow the listed or designated party to make any payment due under a contract, provided that it is satisfied that:

- the contract, agreement or obligation was entered prior to the listing or designation of such party; and
- the contract, agreement or obligation is not related to any prohibition.

## **Exclusion of Prohibition/Interest**

The prohibition under the UN Sanctions Act does not affect the rights and interest of bona fide third parties. A person who has an interest in any funds or other assets which are subject to a prohibition under the Act, may apply to the National Sanctions Committee to exclude his interest from the prohibition. The National Sanctions Committee may grant such exclusion based on the relevant criteria such as legitimacy of the interest and non-involvement in terrorism activities.

### **13. What remedies are available to a designated party?**

A designated party has the right to apply to the Supreme Court for a judicial review of the decision to declare him as a designated party.

### **14. Can a request be made to the National Sanctions Secretariat for delisting?**

A listed party who is a citizen of Mauritius or a resident of Mauritius, or is incorporated or registered in Mauritius, may submit a request to the National Sanctions Secretariat to take such measures in accordance with the relevant United Nations Security Council Resolution for the removal of his name as a listed party from the relevant United Nations Sanctions List.

### **15. What happens in cases of mistaken identity?**

A party that is affected by a freezing order or a prohibition under the UN Sanctions Act and claiming not to be the one against whom a freezing order has been made or a prohibition applies, may apply to the Secretary for Home Affairs for redress.

### **16. What are the penalties for non-compliance with the relevant provisions of the UN Sanctions Act?**

It is a criminal offence if a person does not comply with the relevant provisions of the UN Sanctions Act. The person is liable to fine or imprisonment. The main offences and fines are as follows:

- **Failure to Notify to National Sanctions Secretariat:** Any person, who holds, controls or has in his custody or possession any funds or other assets of a

designated party or listed party and has failed to immediately notify the National Sanctions Secretariat, is liable, on conviction, to a fine not exceeding one million rupees and to imprisonment for a term not exceeding 10 years;

- **Financial Dealing:** If a person deals with the funds or other assets of a designated party or listed party, he is liable, on conviction, to a fine not exceeding 5 million rupees or twice the amount of the value of the funds or other assets, whichever is greater, and to a term of imprisonment not less than 3 years;
- **Provision of Funds or other Assets:** Any person who makes any funds or other assets or financial or other related services available to a designated party or listed party, is liable, on conviction, to a fine not exceeding 5 million rupees or twice the amount of the value of the funds or other assets, whichever is greater, and to a term of imprisonment not less than 3 years;
- **Arms Embargo:** Any person who supplies, sells, or transfers, directly or indirectly, to a designated party or listed party, arms and related materiel, is liable, on conviction, to a fine not exceeding 10 million rupees and to a term of imprisonment not less than 3 years; and
- **Other Offences:** Any person who contravenes the provision of the UN Sanctions Act and for which no specific penalty is stated, is liable, upon conviction, to a fine not exceeding one million rupees and to imprisonment for a term not exceeding 10 years.

## 17. Terminologies

**deal** includes to sell, supply, lease, transfer, convert, dispose, move, use or withdraw;

**designated party** means a party declared by the Secretary for Home Affairs;

**economic resources** include assets of every kind, whether movable, immovable, tangible, intangible, actual or potential, which potentially may be used to obtain funds, goods or services. They include:

- (a) land, buildings and other real estate;
- (b) equipment, including computers, computer software, tools, and machinery;
- (c) office furniture, fittings and fixtures and other items of a fixed nature;
- (d) vessels, aircraft and motor vehicles;
- (e) inventories of goods;
- (f) works of art, precious stones, jewellery and gold;
- (g) commodities, including oil, minerals and timber;
- (h) arms and related materiel;
- (i) patents, trademarks, copyrights, trade names, franchises, goodwill and other forms of intellectual property;
- (j) internet hosting and other related services used for the support of listed parties;



- (k) direct and indirect trade in oil and refined products, modular refineries and related material, including chemicals and lubricants and other natural resources;
- (l) any other assets, whether tangible, intangible, actual or potential;

**funds or other assets** means –

- (a) any assets, including, but not limited to, financial assets, economic resources and property of every kind, whether tangible, intangible, movable or immovable, however acquired;
- (b) legal documents or instruments in any form –
  - (i) including electronic or digital, evidencing title to, or interest in, such funds or other assets; and
  - (ii) including, but not limited to, bank credits, travellers' cheques, bank cheques, money orders, shares, securities, bonds, drafts, or letters of credit;
- (c) any interest, dividends or other income on or value accruing from or generated by such funds or other assets, virtual or digital currencies, including cryptocurrencies;
- (d) any other assets which potentially may be used to obtain funds, goods or services;

**immediately** means without delay and not later than 24 hours; and

**listed party** means any party listed by or under the authority of the United Nations Security Council.

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**Disclaimer:**

**This document is only meant for information purposes and must not be used for any other purposes.**