

24.09.19

PARLIAMENTARY QUESTION

B/874

The Honourable First Member for Port Louis South and Port Louis Central
(Mr Uteem)

To ask the Honourable Prime Minister, Minister of Home Affairs, External Communications and National Development Unit, Minister of Finance and Economic Development –

Whether, in regard to the Mauritius Duty Free Paradise Co. Ltd., he will, for the benefit of the House, obtain therefrom, information as to if there have been allegations of payment of fees and commissions in connection with contracts for the supply of goods thereto, since 2012 to date and, if so, indicate if inquiries have been carried out thereinto and the outcome thereof?

REPLY

Madam Speaker,

The House will appreciate that no information may be disclosed when a Police inquiry or an investigation by the Independent Commission Against Corruption is ongoing as this may cause prejudice to the inquiry.

Notwithstanding this, I wish to refer the Honourable Member to the reply made on 5 March 2015 by the former Prime Minister to a Private Notice Question from Hon. Bérenger, the then Leader of the Opposition.

It is pertinent to remind the House of the following salient points of that reply of the former Prime Minister in regard to malpractices and irregularities in the allocation of contracts for the supply of goods to the Mauritius Duty Free Paradise Co. Ltd:-

- (i) the malpractices and wrongdoings at the Mauritius Duty Free Paradise Co. Ltd had been reported to the Police in January 2013 but nothing had been done by the previous regime which turned a blind eye to the malpractices (in fact, Madam Speaker, I had myself reported the matter to the Police);
- (ii) the then Prime Minister had removed the Mauritius Duty Free Paradise Co. Ltd from the portfolio of the Ministry of Finance and brought it under his aegis;
- (iii) this Government reviewed the activities of the Mauritius Duty Free Paradise Co. Ltd and also the two major contracts which were signed with a foreign supplier Dufry AG;
- (iv) in the context of that review exercise and following information provided by Mr D. Gooljaury, meetings were held with the representatives of Dufry AG for them to disclose all documents to the Government of Mauritius and to elucidate the structure and mechanism for the payment of commissions to another company called Frydu. However, they could not provide same;
- (v) subsequently, Dufry Ltd in Switzerland provided to Government a number of documents which revealed the following:-
 - (a) with regard to the contract between the Mauritius Duty Free Paradise Co. Ltd and its supplier, Dufry Travel Retail AG, it had come to light that substantial commissions have been paid by Dufry in Switzerland to a company called Frydu, which has been set up in Switzerland as recipient of

commissions of 4.2% of net sales of the Mauritius Duty Free Paradise Co. Ltd;

(b) Frydu was initially 50% owned by Nandanee Soornack and D. Gooljaury, each. A Swiss Bank account with VP Bank in Zurich was opened for Frydu to receive commissions on the supply contract with the Mauritius Duty Free Paradise Co. Ltd as follows –

- on 24 October 2012, EUR 431,000
- on 02 May 2013, EUR 211,351
- on 21 October 2013, EUR 464,179

(c) as at 21 October 2013, commissions paid on the Mauritius Duty Free Paradise Co. Ltd supply contract amounted to EUR 1,106,530;

(vi) on 12 October 2013, Nandanee Soornack and D. Gooljaury, transferred their shareholding in Frydu to a company incorporated in Cyprus called Wigam Holding Ltd, which was apparently controlled and managed by an Irish national, resident in the UK;

(vii) a Share Purchase Agreement dated 12 October 2013 was signed by Nandanee Soornack and D. Gooljaury to change the ownership structure of Frydu apparently to accommodate one Laurent Obadia and Wigam Holdings Ltd. Nevertheless, Frydu continued to receive commissions from Dufry Travel Retail AG in the Swiss bank account during the year 2014, as follows –

- (a) on 06 February 2014, an amount of EUR 389,558 was paid to VP Bank in Zurich, but then Frydu's bank account was changed to another bank in Geneva, called *Union Bancaire Privée*, UBP SA, Rue du Rhone, Geneva, and
- (b) on 16 July 2014, commissions of EUR 337,134 were received in the new bank account.
- (viii) on 16 January 2015, a further amount of EUR 296,466 representing 4.2% of net sales of Mauritius Duty Free Paradise Co. Ltd was paid to Frydu; and
- (ix) in total, Dufry had as at that date paid commissions of EUR 2,129,688 to Frydu on the supply contract only with the Mauritius Duty Free Paradise Co. Ltd.

Madam Speaker,

I am informed that the inquiries being conducted in this matter by the Police and the Independent Commission Against Corruption are ongoing inasmuch as this matter has international ramifications.