



Financial Services Commission
Mauritius



*A Forward Looking
Regulator
Inspiring Trust
and Confidence*

Vision, Mission and Core Values

Vision

To be an internationally recognised Financial Supervisor committed to the sustained development of Mauritius as a sound and competitive Financial Services Centre

Mission

- promote the development, fairness, efficiency and transparency of financial institutions and capital markets in Mauritius;
- suppress crime and malpractices so as to provide protection to members of the public investing in non-banking financial products; and
- ensure the soundness and stability of the financial system in Mauritius.

Core Values

Ethical Behaviour

Honesty and Integrity constitute the primary behaviour requirement of staff in all dealings.

Team Work

Staff members are required to maintain the highest level of civility and good orderliness when dealing with colleagues.

Professionalism

Staff members must perform their duties as well as other related duties assigned to them diligently, impartially and responsively, to the best of their ability.

Compliance with Rules

Staff have a principal responsibility to implement and administer the policies and procedures of the FSC.

Chief Executive's Message

*T*he importance of regulation can never be overemphasised if the confidence of all stakeholders in the financial services sector is to be maintained. The FSC began operations in 2001 as an integrated regulator for non-banking financial services - insurance, securities, and pensions and global business.

Over the years, the FSC continues to fulfill its statutory functions by embarking on a number of initiatives which foster integrity, stability and progress. The FSC's enhanced and balanced supervisory framework is geared towards the development, diversification and improved competitiveness of the financial services sector.

The regulatory system may not be identical in all countries, but meeting international norms set by IOSCO, IAIS and IOPS, which are standard setters for Securities regulators, Insurance supervisors and Pension regulators respectively, are essential for recognition both internationally and domestically.

The experience of the past few years has shown that the choice of methods, priorities and timing for execution are important. The FSC endeavours to provide the right platform to investors for doing business by striking the right balance between relevant and fair rules and, enforcement measures whilst striving to keep the cost of compliance at a reasonable level.



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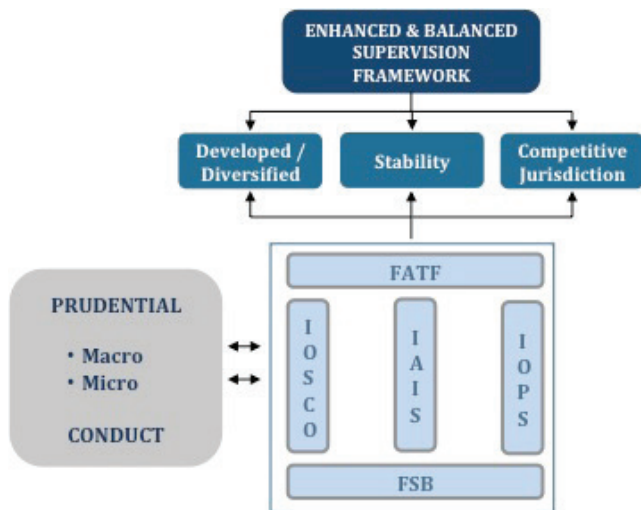
Financial Services Commission

The Financial Services Commission, Mauritius (FSC) established in 2001 is the integrated regulator for the non-banking financial services and Global Business sectors in Mauritius. The FSC's mandate is to license, monitor, and supervise the conduct of business activities in line with the existing legal framework and internationally recognised principles and standards.

Whilst the FSC regulates the non-banking financial sector in Mauritius, all the banking activities are under the purview of the Bank of Mauritius (BoM).



Strategic Plan 2013 - 2015



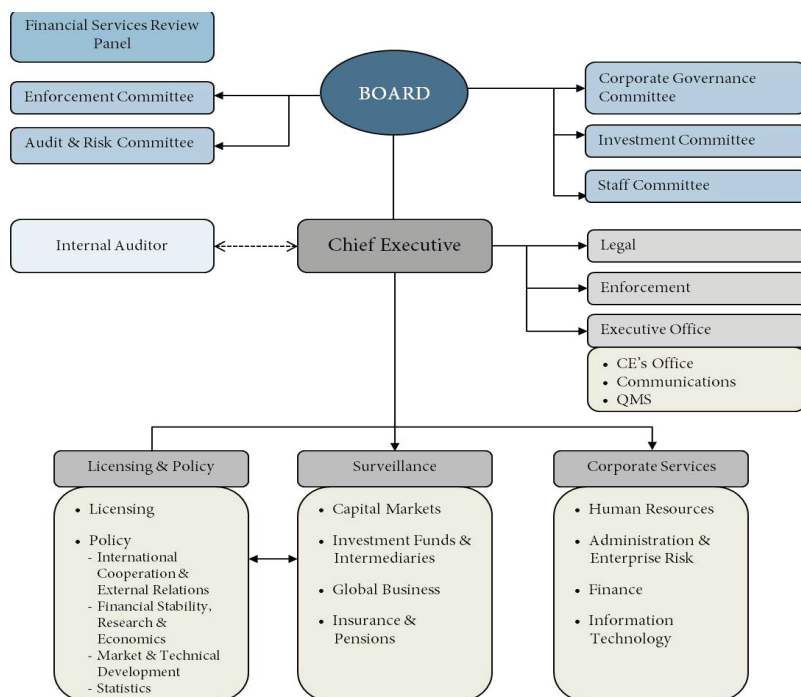
To successfully implement the Strategic Plan 2013-2015, the FSC devised a framework which provides a clear link between the Strategic Plan and the FSC's vision.

The Strategic Plan aims to develop and diversify the Mauritius jurisdiction whilst ensuring stability and competitiveness.

The framework rests on international norms and principles as determined by international setting bodies like the IAIS, IOSCO, IOPS and FSB.

The FSC, as an integrated regulator, considers prudential regulation and regulation of conduct as critically important to achieve its Strategic Plan 2013-2015 and statutory objectives.

Structure of FSC



The FSC has:

- an efficient mechanism to adhere to international best practices;
- set clear guidance for the setting-up of key performance measurement indicators of projects and organisational processes as well as for regulatory impact assessment;
- a dynamic network of cooperation with local and international counterparts to ensure effective and efficient regulation, and enhanced capacity building initiatives;
- developed a strategy to sustain the competitiveness of the Mauritius jurisdiction, by inter-alia promoting diversified products and encouraging market entrance and cost of financial regulation; and
- a key mandate for maintaining sound and stable financial markets through the establishment of a proper framework to identify and mitigate risks.

The achievements of the FSC's strategic goals and plans rest hugely on its human capital. Each Directorate of the FSC consolidates its efforts for optimal implementation of various initiatives and projects to meet the FSC's objectives and regulatory standards. In this pursuit, the FSC staff is driven by ethics, professionalism, teamwork and integrity.

FSC:

Legal & Regulatory Framework

The FSC operates within a flexible legal and regulatory framework which aims at striking the right balance between regulation and business development. Good regulatory standards and compliance with international norms and standards are an integral part of our long-term strategic objectives of maintaining a sound and well-reputed financial centre in Mauritius.



Compliance with International Norms and Standards

Financial Activities:

- International Organisation of Securities Commissions (IOSCO) principles
- International Association of Insurance Supervision (IAIS) principles
- International Organisation of Pensions Supervisors (IOPS) principles

Tax & Exchange of Information:

- Organisation for Economic Cooperation and Development (OECD) principles

AML -CFT

- Financial Action Task Force (FATF) recommendations (AML-CFT)

Independent Assessments

- Financial Sector Assessment Programme (FSAP) assessments
- Reports on Observance of Standards & Codes (ROSC)
- Peer reviews - CISNA

Legislation



International / Regional Co-operation

The global financial crisis has demonstrated that countries cannot successfully regulate their financial markets and firms in isolation. Thus, membership in standard setting bodies as well as international and regional groupings ensures better transparency and effectiveness of the Mauritius IFC.

In this respect, as a member of regional and international groupings, the FSC believes in sharing experiences and best practices with other regulators and international financial institutions.

Membership

International



International Organisation
of Securities Commission
(IOSCO)



International Association
of Insurance Supervisors
(IAIS)



INTERNATIONAL ORGANISATION
OF PENSION SUPERVISORS

International Organisation of Pension
Supervisors (IOPS)

Regional



Southern Africa
Development Community
- Committee for Insurance,
Securities and Non-Bank
Financial Authorities
(CISNA)



Africa Middle East Regional Committee
(AMERC) of IOSCO



Financial Stability Board's
Regional Consultative
Group for Sub-Saharan
Africa

Licensing



The licensing framework provides clear sets of licensing criteria and requirements for the processing of applications for a licence/authorisation/approval.

The Licensing procedure is clearly defined in laws, regulations, rules and other guidance notes and circular letters issued by the FSC

Once licensed, licencees are expected to comply with the prevailing legal framework at all times and to meet all the licensing conditions and requirements.

Licensing Process

Suitability of persons

- CDD
- PQ Form
- Fit and Proper Test

Beneficial Ownership

- Ultimate Beneficiaries

Target Country of Investment

- Equivalent jurisdiction

Source of Funds

- Legitimacy of Funds

Proposed Activity

- Lawful & not causing prejudice to the good repute of Mauritius

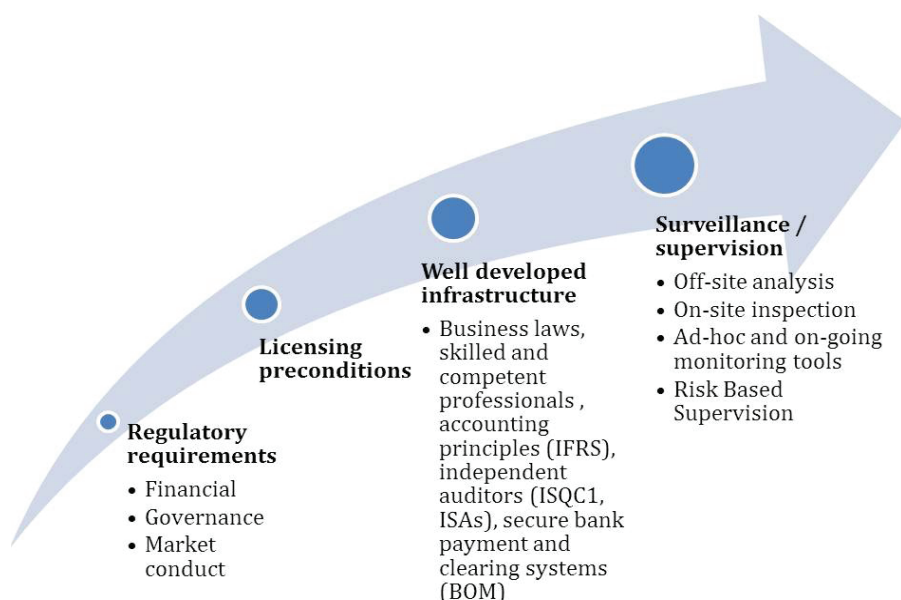
Corporate Governance

- Risk management and internal controls
- AML-CFT
- Financial Reporting

Supervision

FSC's Supervisory Process

Strong regulation and supervision are essential to ensure stability in the financial system. The FSC ensures sound and stable markets from both prudential and conduct perspectives.



Two-Tier System of Supervision

The FSC adopts a two-tier system of supervision which lies with both the regulator and service providers:

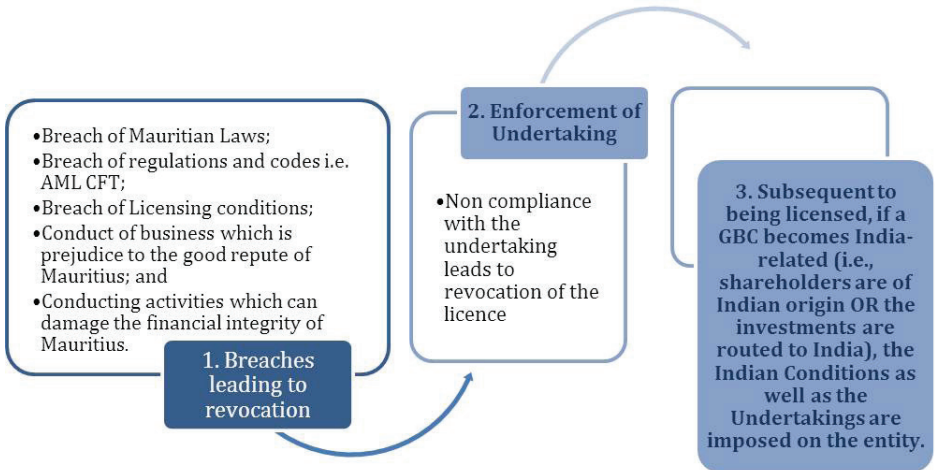
- Service providers are required to conduct all preliminary compliance checks
- The FSC retains responsibility for overall supervision and enforcement measures

Since 2009, the FSC has adopted a Risk-Based supervisory framework which enables it to plan and conduct thematic inspections across its licensees. The relevance of the framework is regularly assessed and has now evolved to reflect most of the major developments in the market.

Enforcement Framework

To sustain the integrity of Mauritius IFC, the FSC is empowered under the Financial Services Act 2007 to take actions against those licensees who have carried out, are carrying out or are likely to carry out any activity which may cause serious prejudice to the soundness and stability of the financial system of Mauritius.

Control Mechanism at Supervisory Stage



Enforcement Policy

- The FSC's General Principles
- The FSC's decision making process
- The FSC's Enforcement Policy
- Effectiveness and efficiency
- Fairness
- Transparency, Proportionality and Consistency
- The FSC policy in relation to administrative penalties
- The Enforcement Committee

Exchange of Information

Purpose

- To preserve financial stability
- Effective regulation and supervision of cross border activities
- At licensing stage (entry stage)
- Day-to-day business
- Enforcement against non-compliant licensees/ possible breaches

Multilateral Memorandum of Understanding

- SADC/CISNA signed in 2003
- IOSCO – signed in 2012
- IAIS - in process

In absence of an MoU, exchange of information is made under:

- Sections 83 and 87 of the FSA
- Requirements for exchange of information by other standard setters
- OECD, FATE, FSB, G20, EU Directives

FSC as IOSCO MMOU signatory

- IOSCO totals to 117 members;
- 95 MMOU signatories (Appendix A) – including Mauritius;
- Confidentiality of information exchanged;
- Type of information exchanged and how it is to be exchanged;
- Legal ability to compel information and the types of information that can be compelled;
- How signatories should consult, cooperate, and exchange information for securities regulatory enforcement purposes;
- Legal ability to share information and their permissible use;
- No legal barriers preventing regulators from sharing information with their counterparts; and
- Continuous adherence to IOSCO Standards and G20 decisions.

- » **Manual of Procedure** for exchange of information based on IOSCO MMOU, IAIS MMOU and OECD standards
- » **Special RFI** (Request for Information) **Team**

Exchange of Information Mechanisms

1. Memorandum of Understanding (MoUs)

MoUs provide the formal mechanism for supervisory co-operation and exchange of information with our regulatory counterparts. FSC has 51 mechanisms for Exchange Of Information: **49 MoUs** and **2 MMoUs**.

MMOU



- International Organisation of Securities Commission (IOSCO) MMOU



- Committee for Insurance, Securities and Non-bank Financial Authorities

MOU

Local Authorities



- Bank of Mauritius
- Financial Intelligence Unit
- Mauritius Revenue Authority

- Competition Commission Mauritius
- Statistics Mauritius
- Financial Reporting Council

International Authorities



- Non-Bank Financial Institutions Regulatory Authority, Botswana



- Cyprus Securities and Exchange Commission (CySEC)



- Guernsey Financial Services Commission



- Securities and Exchange Board of India



- Isle of Man Financial Supervision Commission



- Jersey Financial Services Commission



- Capital Market Authority, Kenya



- Labuan Financial Services Authority



- Central Bank of Lesotho



- Reserve Bank of Malawi



- Capital Markets Development Authority of the Maldives



- Malta Financial Services Authority



- Namibia Financial Institutions Supervisory Authority



- Securities and Exchange Commission, Nigeria



- Financial Services Board of South Africa



- Insurance Supervisory Department of Tanzania



- Capital Markets Authority of Uganda



- Pensions and Insurance Authority of Zambia

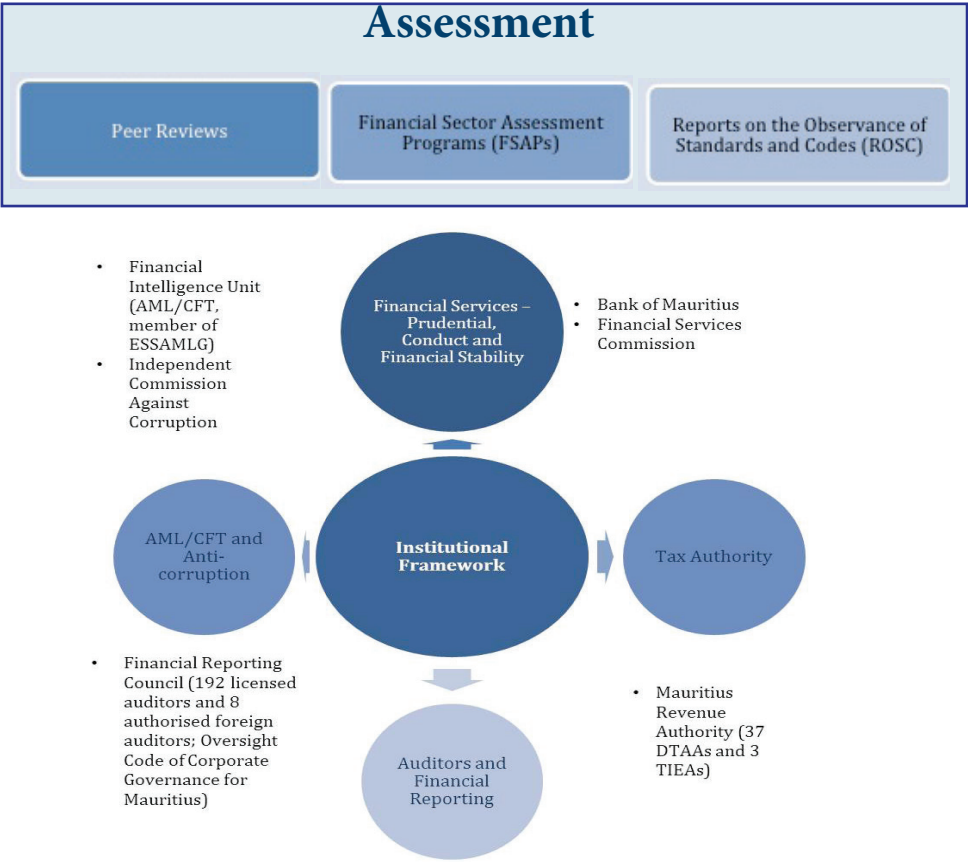


- Securities and Exchange Commission of Zambia



- South Asian Securities Regulators Forum

Mauritius: Sound Jurisdiction



Extract of the Global Forum on Transparency and Exchange of Information for Tax Purposes Peer Reviews: Mauritius 2011 (2011, P.7):

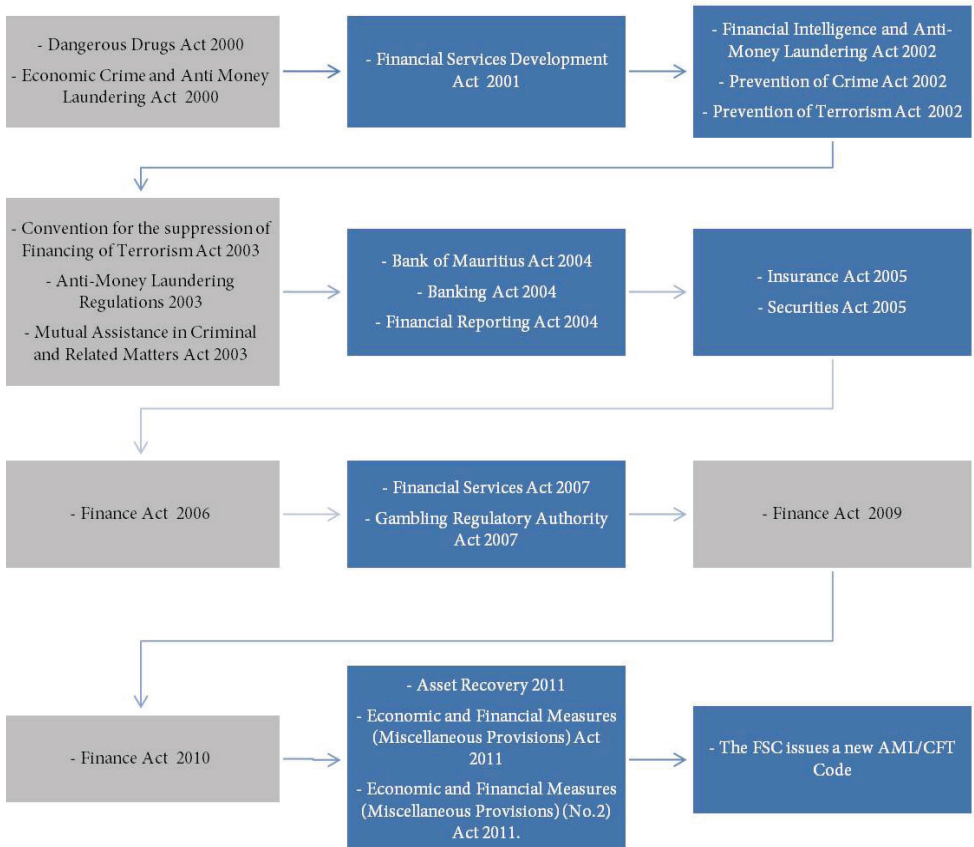
“... In line with the international movement towards more transparency and exchange of information, Mauritius has taken significant steps to enhance its exchange of information legal and regulatory framework. Mauritius is able to exchange information on non-resident individuals and companies. There are accounting requirements for all Mauritius entities, resident and non-resident...”

The Report highlighted that the Mauritius economy is open, dynamic, diversified and fully integrated into world markets; and confirms the status of Mauritius as a trusted, transparent and well-established International Financial Centre.

Overview of Legal AML/CFT Framework

Mauritius adheres to international initiatives to combat Money Laundering and Financing of Terrorism and is also an active member of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), an associate member of Financial Action Task Force (FATF) and is committed to implementing the FATF recommendations regionally. Various legislations have been enacted over the years and the FSC constantly reviews its AML/CFT regulatory framework to meet new standards as set out by other international organisations. The FSC also revisited its Risk-Based Supervision Framework to ensure compliance of licensees with AML/CFT legislation.

The FSC reassessed and harmonised its previous Codes on the Prevention of Money Laundering and Terrorist Financing and issued a single comprehensive Code which became effective for all its licensees on 1 April 2012.



Disclaimer

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