Speech of the Honourable Dharmendar Sesungkur, Minister of Financial Services, Good Governance and Institutional Reforms at the celebration of the 20th anniversary of the Association of Trust & Management Companies (ATMC) on Friday 28th July as from 6.30pm at Hennessy Park Hotel, Ebene

Mr Kamal Hawabhay, President of the Association of Trust & Management Companies

Mr Harvesh Seegolam, Chief Executive of the Financial Services Commission

Ms Veena Soyjaudah, CEO of ATMC

Fellow Members of the financial services industry

Distinguished Guests

Ladies and Gentlemen

Good evening,

It is indeed a great honor and pleasure for me to be amongst you this evening. I think congratulations are in order, as today we celebrate 20 years of the Association of Trust & Management Companies (ATMC). This is a milestone in the history of the Global Business sector in Mauritius. Having been in existence only a few years after the inception of the sector
in 1992, you not only contributed to our economy, but you have shown sustainability and resilience in what is an ever changing economic climate worldwide.

Financial Services on our island as well as globally have grown in leaps and bounds. The Global Business sector accounted for 5.4% to our GDP as at June 2017.

With 116 members including management companies, law firms, auditors, Corporate Trustees and managed trust operations, I have no doubt that the ATMC since 1997, in its endeavour to promote the growth and sustained development of the Global Business industry and its ancillary services has contributed to the development of the sector. Therefore today really calls for a celebration and I congratulate everyone in this room for this success.

The Global Business sector in Mauritius has contributed to the development the economy of Mauritius and also to the creation of employment for our professionals. The professional services offered by accountants and lawyers are of a high standard. The large pool of well-educated young people, bilingual in English and French, is a valuable asset
for a country expanding its services sector. I am pleased of the steady growth of the Global Business sector especially in terms of employment, as at December 2016, we had 3,355 employees in Corporate Trustees and Management Companies.

As you know Mauritius has developed strong economic and cultural ties with both Africa and Asia over the years, and is now being heralded more and more as one of the major investment platforms into Africa. It has one of the most stable and successful economies in Africa and is ranked high in terms of competitiveness, investment climate and governance. Mauritius ranked 49th out of 190 countries in the 2016 World Bank Ease of Doing Business and topped the chart in the 2015 Mo Ibrahim African Good Governance.

The OECD rated Mauritius IFC as a “Largely Compliant” jurisdiction for the Global Forum on Transparency and Exchange of Information for Tax Purposes. Furthermore, in its second Peer Review, the OECD had concluded that the Mauritius Exchange of Information system was effective, efficient and compliant with the international standards. However, Mauritius has recently undergone a third phase Peer Review by the OECD Global Forum and we await the latest Rating.
Mauritius remains a credible financial centre that adheres to high norms and practices and is committed to transparency and exchange of information, as well as, the implementation of minimum standards, through the signature of various MOUs and MMOUs.

Mauritius aims at maintaining its competitiveness by encouraging more global players to locate here and carry out more substantial activities on our island. We have come a long way but there are still leaps and bounds to climb and it is paramount that all players including the Regulators, the Government, the Global Business industry and all stakeholders work together to ensure the financial stability and security of the sector.

Talking of the Regulator, I wish to welcome Harvesh Seegolam as the new CEO of the Financial Services Commission. I am confident in his abilities to turn this sector around and bring it to the next level. Especially now, as you would agree that this particular segment of the industry currently finds itself at an important cross-roads of challenges which would necessitate a re-engineering of tactics and strategies, in order to bolster the competitiveness of the jurisdiction. Challenges such as the Base Erosion and Profit Shifting project by the OECD and its 15 Actions Points, the
commitment of Mauritius towards the OECD Multilateral Instrument (MLI). The pressure from the European Union on our Deemed Foreign Tax Credit system.

The Government has announced a series of innovative and substance-based measures, contributing to a more enabling environment for a smooth adoption of the frameworks. The implementation of the frameworks is a stepping stone towards a more transparent and substance based financial centre. At the same time, it is equally important to ensure the visibility of the Mauritius IFC across key traditional markets, as well as, new markets. It is equally essential to ensure that the perception and image issues around the Mauritius IFC be addressed.

**Special Financial Sector Incentive Scheme**

The Government has announced a Special Financial Sector Incentive Scheme to attract international Asset and Fund Managers to relocate to Mauritius with their family members and transfer expert knowledge, skills and technology to young professionals in Mauritius. The Scheme provides professional fund and asset managers with 5 years tax holidays. The scheme will allow Mauritius to shift from back office to front-office operation in Mauritius.
Enhance the image of Mauritius as a clean and reputable financial centre

One of the core mandate of my Ministry is to ensure a good reputation and image of Mauritius as an International Financial Centre. We need to showcase Mauritius as a transparent and secure jurisdiction which adheres to international norms and standards.

Setting of a centralized national KYC database

As announced, to enhance business facilitation, a standardised centralised online KYC database will be introduced for the non-bank financial services sector to facilitate execution of transactions.

Unleashing Fintech

We are presently working on the Fintech Rules which would cater for such activities like crowd funding and peer-to-peer lending.

Indeed a lot of progress have been achieved during these past 20 years. And it is no doubt due to the close collaboration with representative bodies
such as the ATMC, the Government and authorities like the FSC, MRA, BOI, FSPA, ROC and other stakeholders.

That said, I wish to reiterate that no one element is strongest or weakest and all are forever dependent on one another and are equal and each element has its own place and function. Therefore, we all need to work together for the economic development and growth of the Jurisdiction.

I see Management Companies as the forefront of the Global Business Sector in Mauritius, therefore you are paramount to us achieving our vision of being heralded more and more as one of the major investment platforms into Africa.

With all the ever evolving scenarios on the international scene, as Minister of Financial Services, I wish to re-affirm my Ministry’s strong commitment to the ATMC professionals, that it will not leave any stones unturned for extending its full collaboration to the financial services industry to circumvent the on-going challenges with which you are facing.

The ATMC is viewed by my Ministry and generally by this Government, under the Prime Ministership of Honourable Pravind Kumar Jugnauth as a real partner with whom the staffs of my Ministry, as well as the human resources capabilities of the different organisations falling under my
purview (such as the FSC, FIU and others), shall cooperate to discuss and find solutions to the ATMC’s concerns.

I know several meetings have taken place with the Executive members of the ATMC, in this respect, and my Ministry is currently looking forward to have more or further meetings, in order to address the issues or concerns of the ATMC.

Ladies and gentlemen, I am indeed pleased to inform you today that I shall henceforth be personally chairing a Joint Working Group shortly, to address the most recent issues raised by the ATMC. Discussions with the ATMC will be, generically speaking, centred about addressing:

- Apparent ‘grey areas’ in relation to the interpretation of some new applicable laws/regulations for global business by the ATMC;
- Suggestions for the introduction of new products to be tapped by the ATMC members in the global business segment;
- Engagements of the ATMC in the promotional activities/events of the financial jurisdiction of Mauritius; and/or
- Last not the least, qualms or representations of the ATMC, in the midst of pressures by international bodies/agencies.
Indeed, having been associated with the global business segment for more than a decade, I am conscious that the ATMC members are having to sail through a more complex and constantly changing business environment, nowadays, especially in the aftermath of the Brexit, BEPS, FATCA, MLI, CRS and other major international changes or developments.

All these developments will be deemed to have important ramifications on the traditional ways through which the ATMC members have been commercially organising their ventures with their clients.

The Government, as you can already witness, have been mobilising a lot of its resources in finding the best possible and/or least disruptive solutions (both at diplomatic and economic levels) to serve the interests of the global business stakeholders.

I can reassure all the distinguished guests and members present today, on the auspicious occasion of the 20th Anniversary of the ATMC that additional measures and strategies will be forthcoming, in the context of the high-level blueprint which my Ministry will be responsible to deliver, following the last Budget of Honourable Pravind Kumar Jugnauth. I am
therefore confident of relying on the continuous ideas and suggestions from the ATMC that will be channelled to my Ministry, in that context, for drawing this long-term road map.

On this last note and looking ahead for drawing this future vision of our financial services sector together, I wish to reiterate my congratulations to the ATMC Community and especially to its President Kamal Hawabhay. Kamal, you and your secretariat has been instrumental to the success of this flagship of representative body of the Global Business industry. When I hear of ATMC, your name always comes to mind, because after 5 years as President you are imbedded in its history and the journey of Global Business in Mauritius as being sustainable and tenacious.

To conclude I wish all ATMC members lots of prosperity and success.

Financial Services Commission

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