SPEECH OF THE HON MINISTER

Chairman and Members of the National Committee on Corporate Governance

Permanent Secretaries

Distinguished guests

Members of the Press

Ladies and Gentlemen

Good Afternoon.

It gives me great pleasure to be among you today for the launch of the Code of Corporate Governance 2016.

Let me start by thanking Arnaud Lagesse for his welcome address and Juan Carlos Fernandez for an insightful overview of the salient changes that the Code will bring to the Corporate World.

Ladies and gentlemen, I am pleased to be among you for today’s milestone event on a theme which I hold very much at heart, the Governance of Corporations.

We mark by our very presence here the change about to take place on the Governance front.
Ladies and gentlemen, the Code was first issued way back in October 2003. It is held in high regard by both the national and the international business community. But the Code has served its time. Mauritius has, year after year, continuously ranked first in Africa for Governance according to the Mo Ibrahim Index. Despite this accolade, our strong reputation can only be maintained and galvanised if government and businesses regularly review and upgrade Governance standards.

I believe that all nations stand to gain by improving the way their businesses are run. You would have heard that even the most advanced economies are continuously discussing, interrogating and working towards better practices. UK’s new Prime Minister, Teresa May, launched a national debate on Corporate Governance as soon as she took Office.

After my long experience in the accountancy profession and the financial services sector, I believe that the time has come to stand out on how we want to govern and lead ourselves and our businesses. A new system of governance, ladies and gentlemen, that is open to innovation, competition, and self-improvement.

The Code is based on the principles of accountability, transparency and probity with focus on the sustainable success of corporates over the longer term. The Code provides essential building blocks for a stable economy. It provides the right guidelines for businesses consistent with
best international practices while tailored to local specificities. It aims at enhancing governance systems within corporations. It intends to strengthen transparency, accountability and efficiency in the economy thereby culminating in greater trust, confidence in the system with enhanced investment opportunities.

**Ladies and gentlemen**, the Governance of Corporations forms an integral part of our people’s well-being. The Code is not just for the business world. It is a Code for Everyone. Proper Governance inspires confidence among investors, loyalty among employees and trust among customers. Governance involves a full set of relationships from shareholders to employees and the communities they serve. The Code strengthens the principle of Corporate Social Responsibility and the fact that corporations should be actively working the triple bottom line.

Major financial challenges and corporate mis-governance have traumatised the world and have prompted leaders to rethink current models of governing businesses. It is today acknowledged that value creation is a balance between earning wealth and doing public good, with increasing recognition that combining profitability and responsibility is the way to a sustainable future.
Governance means a way of healthy living for long-term value creation and economic growth. With this Code, I see organisations taking a more important role as Trustees of Economic and Social Progress.

Ladies and gentlemen, when it comes to corporate governance, more often than not, Boards tend to concentrate efforts on matters surrounding compliance and regulation. Indeed, laws, regulations and codes promote good behaviour and deter bad behaviour. But we cannot rely only on regulation and compliance. Good corporate governance also involves inculcation of values, morals and ethics as part of the corporate culture.

In the end, it is all about character. Character cannot be instilled by regulation or law. It is built by meeting life with honesty and respect. Integrity lies at the heart of a progressive nation. According to Mervyn King, Chairman of the King Report - “Good corporate governance is about ‘intellectual honesty’ and not just sticking to rules and regulations.” He adds that: “capital flowed towards companies that practiced this type of good governance.”
Ladies and gentlemen, I now wish to talk to you about the underlying principle which keeps our economy going. Trust. Businesses run on trust. It takes years to build trust but that same trust can be lost in an instant.

As an international financial centre, our focus on corporate governance comes as no surprise to re-building trust and confidence. We want the population, investors and the world to know that Mauritius is a safe and trustworthy business place. High standards are absolutely crucial for attracting and instilling confidence in investors. After all, the success story of Singapore is trust on the Singapore Brand.

Throughout my mandate, I would wish the industry to join hands with my Ministry to promote a Mauritius Brand where investors will have a feeling of reliability, security and clean governance. A Brand that will give expectations of high standards.

Moreover, in collaboration with the FSC, my Ministry will do its best to protect those who cannot protect themselves. I am referring to the small investors who invest their hard earned savings in corporates because they have trust in the way the business is managed. Possibly, they may not have the kind of financial advice or information required before taking informed decisions. These small investors are the future of the country’s capital market. It is both the responsibility of the Government and the private sector to nurture the confidence of this particular group of investors.
and to protect their genuine interests. I have every intention of taking this agenda forward starting with financial literacy initiatives.

The FSC and the Financial Services Institute will be conducting awareness campaigns across Mauritius on the Code, on its rationale and objectives. Training programmes will also be offered to industry professionals to ensure appropriate understanding and implementation.

During my mandate, I intend to place capacity-building high on the agenda so that we are well set to compete on the international marketplace.

**Ladies and gentlemen,** I see Mauritius as one big high-connected corporation. We are not separate from each other. We constitute a whole. Our over-arching goals are the same. I would wish to forge alliances with the industry. I believe in moving away from controls and work in partnerships.

I stand committed to work with you as a partner and facilitator of progress. We need to work together to create a new model of involvement and engagement. Since I took office, I have spent much time to meet as many of you as possible and explain to you my determination to walk along with
you in a spirit of collaboration and partnership, tuned to your needs and imperatives.

**Ladies and gentlemen**, the contribution of the Financial Services sector to the economic development trajectory of the country is gaining traction. To keep the momentum going, it is critical for us, industry partners, to ensure that we are best equipped in strategizing for the future. I will do my very best for stakeholders, policy-makers and investors, to have what is required to work together effectively to help achieve a realistic vision. I will soon be convening a first meeting with the re-constituted Financial Services Consultative Council. We shall be discussing strategies based on a new pragmatic, action- and results-oriented approach to accelerate the growth of this key pillar of the Mauritian economy.

In closing, I wish to add that Government in its endeavour to provide an enabling environment can only put in place a system. But, it is ultimately for all of us to realize the importance and benefits of Good governance practices. With its acceptance and adoption, I am sure this Code will help take Mauritius to the next level of economic development.
We are determined to make Mauritius a good place to work and to carry out business. Be it the private or the public sector, improving efficiency, ensuring accountability and transparency, fostering a culture of shared values, good governance and accountable systems is the formula for long term success. The Code provides building blocks for a healthy, vibrant and successful Mauritius.

Last but not least, I wish to congratulate the Chairman and members of the National Committee on Corporate Governance for their invaluable contribution, their time and their committed efforts in successfully re-drafting this new Code. This event marks the culmination of many months of hard work. I wish here to add a special word for Tim Taylor who led the Committee’s work until 2015. I also wish to place on record the valuable assistance of Chris Pierce, Consultant enlisted by Government on this project.

Ladies and gentlemen, we are today laying the building blocks for our future generations. I thank you for your attention.