



Newsletter

JANUARY 2020

Vision

Our Vision is to make Mauritius a clean and transparent jurisdiction of substance and repute offering high standard financial services at the national, regional and international level.

Mission

To transform Mauritius into a Financial Centre of Excellence anchored on principles of good governance, global best practices and high ethical standards.

Hon. Minister Mahen Seeruttun: “A culture of continuous learning nurtures an active intelligence”



Certificate Award Ceremony – Financial Services Institute

The Minister of Financial Services and Good Governance, Hon. Mahen Seeruttun, proceeded with the Certificate Award Ceremony for the Compliance Competency Programme conducted by the Financial Services Institute (FSI) as well as the unveiling of the FSI’s Training calendar for 2020 at the Hennessy Park Hotel, Ebene, on 21 January 2020.

Hon Mahen Seeruttun pointed out that the financial services industry is poised to become the main engine of growth for the Mauritian economy, besides being a source of job creation. In this context, according to him, training and development promotes knowledge and skills and is extremely important for achieving prosperity of Mauritius. He further added that the Government has taken a bold measure to make tertiary education free in public institutions.

However, the biggest challenge remains how to capitalize on this measure to bring higher levels of prosperity to the people. “A culture of continuous learning nurtures an active intelligence and will enable us to pick up new skills and constantly reinvent ourselves in the face of unrelenting technological advances.” stated Minister Seeruttun.

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The FSI, which constitutes the training arm of this Ministry, was set up in 2018. The FSI, in collaboration with the Financial Services Commission, will

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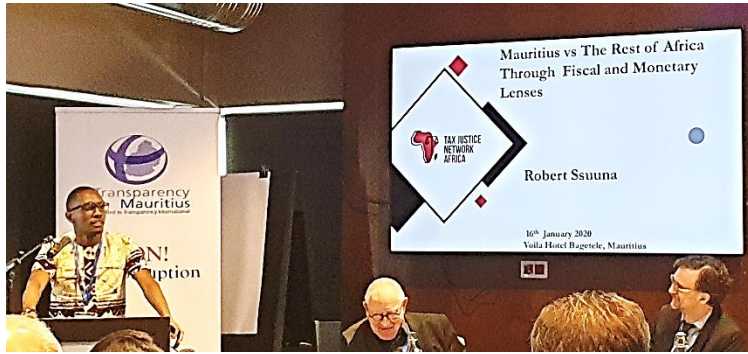
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deliver relevant and timely capacity building initiatives to the financial sector. The FSI will also set to collaborate with the Open University of Mauritius for offering joint award programmes in financial studies. Specialised training courses inspired by training recommendations set out in the Financial Sector Blueprint will also be imparted in collaboration with Global Finance Mauritius.

Transparency Mauritius promoting the fight against illicit financial flows



According to the report of the High-Level Panel on Illicit Financial Flows from Africa published in 2015, the continent is estimated to be losing more than \$50 billion annually. In order to raise awareness, Transparency Mauritius (TM), with the support of Transparency International, organized a workshop to address specifically two professions, namely accountants and real estate agents, which may be perceived as enablers. Their roles and responsibilities in the global fight against money laundering and illicit financial flows were at the centre of the deliberations. Several heads of Transparency International chapters in Africa were present for the workshop, which was held on 16 January 2020 at Voila Hotel at Bagatelle.

The main guest, Dr Navin Beekarry, Director General of the Independent Commission Against Corruption, provided an overview of the subject, pointing out to measures being taken by international bodies and explaining their roles. He stressed that it was important that all finance professionals are aware of the laws and that they do the appropriate KYC (Know Your Customer) procedures while engaging with new clients. He warned the professionals that some of them may have been used by financial criminals, without their knowledge and in spite of themselves, thus the importance of being very prudent while working in that sector.

In his introductory address, the Executive Director of Transparency Mauritius, Rajen Bablee, said that the world of criminals is dynamic, with very often the edge over the mainstream. He added that financial criminals are inventive, creative and they are not embarrassed or slowed down by procedures, political, judicial or economic considerations. They just want their money to be hidden but, at the same time, conveniently available for them to buy properties, luxury goods or other assets and to invest in clean businesses. They are helped in this venture, he said, by rogue professional enablers and sometimes by negligent professionals. Rajen Bablee also thanked the Ministry of Financial Services and Good Governance for its support as a facilitator and mentioned that there is an ongoing dialogue

between the Ministry and TM with the clear objective to address any issue which may be hampering the progress of Mauritius in the Corruption Perception Index of TI. Moggape Kupe, Regional Advisor of Transparency International, stated that illicit financial flows (IFFs) and money laundering hinder development, particularly in developing countries. She expressed the hope that African countries work together to fight IFFs and money laundering.

Transparency International has been campaigning for full disclosures in relation to the secrecy culture prevailing in financial centres such as Mauritius, namely for beneficial owners and open registers. Many countries have been recently adopting the principle of open government partnership to provide more transparency in their governance system.



Issues relevant to Double Taxation Avoidance Agreements (DTAAs), capacity building for professionals of the Financial sector and compliance were also discussed by the participants and everyone agreed that it was important to keep the pace with development and not to fall in the trap of financial criminals.

The other speakers included Maxwell Heywood, Policy and Advocacy Manager at Transparency International - Secretariat, Dr Robert Ssuuna of Tax Justice Network of Africa, Rajesh Ramlool SC, Deputy Solicitor General and Ag Chairman of the Financial Services Commission, Mahesh Rawoteea of the Ministry of Finance, Economic Planning and Development, Mario Hannelas of the Mauritius Revenue Authority, Kamlesh Ramdharry of the Financial Intelligence Unit, Madhavi Ramdin-Clark, Head of ACCA Mauritius and Laval Savreemootoo, President of the Real Estate Agents Association.

Ombudsperson for Financial Services – Learn how to submit a complaint

The Ombudsperson for Financial Services Act 2018 provides for the establishment of the Office of the Ombudsperson for Financial Services.

The main function of the Office of Ombudsperson for Financial Services is to protect consumers of financial services and to deal with complaints made by consumers of financial services against financial institutions.

Complainants may address their complaints to the Office of Ombudsperson for Financial Services by letters, facsimile or by email to **ombudspersonfs@myt.mu**. The Office of Ombudsperson for Financial Services is also in the process of establishing a website following which complainants will be able to make their complaints directly on the online complaint form that will be available on the website.

The public has to follow a few procedures while lodging a complaint to the office of Ombudsperson for Financial Services, as follows:

Step 1

Initially, an applicant should make his complaint to his/her respective financial institution.

Step 2

If after lodging a complainant, the complainant still feels aggrieved by the decision of the financial institution or he does not receive any reply from the financial institution after

10 days effective from the date the complaint was made, then, the complainant may lodge his complaint in writing to the Office of Ombudsperson for Financial Services.

Step 3

The details in the box attached should be duly accompanied by the complaint to the Office of Ombudsperson for Financial Services.

- the name and address of the complainant;
- the name and address of the financial institution against which the complaint was made;
- the nature of the complaint and the facts and circumstances giving rise to the complaint;
- the relief sought;
- a declaration as to whether the financial institution responded to the complaint;
- a copy of the reply, if any, from the relevant financial institution to which the complaint was made; and
- Copy of the documents on which he intends to depend on.

NIC – Celebrating growth in the insurance business

The Minister of Financial Services and Good Governance, Hon Mahen Seeruttun, attended the End of Year Celebrations and Awards Night of the National Insurance Company (NIC) on 06 December 2019. He expressed his appreciation of the strong growth rates registered across the various lines of business of the NIC since its inception in 2015. The Government managed to safeguard all jobs of permanent staff and of the contractual Salesforce following the crash of the British American Insurance (BAI). Minister Seeruttun reiterated his commitment and support to the vision of bringing NIC to greater heights, and turning it into a significant player in the region for the benefit of all stakeholders. The Government is working relentlessly to support NIC in its journey of business transformation and embrace the daunting challenges ahead.

He further stated that “it is a future that we shall continue to build together and I know that each and every one of you is committed to building a better tomorrow for you, for your families, for our organisation and for our beloved nation.” He expressed his admiration for the employees’ strength, team spirit and determination to better serve customers and build a great company. He also made a special appeal to the employees to collaborate with management for the ongoing restructuring exercise. This will give the NIC Group the right balance sheet and operating platform to move to the next level. Minister Seeruttun believes in the collective ability of all employees to engage, innovate, service and deliver expected results. The Minister also stated that it was a great pleasure for him to participate to the award ceremony for celebrating the performance of NIC’s top sales achievers as well as the long serving employees. He congratulated all best branches, teams and sales persons for their respective contribution and performance.

Swiss Delegation keen on building Blockchain bridges with Mauritius



Investment Company Crypto Valley Venture Capital (CV VC) visited Mauritius as part of a delegation led by the Swiss Blockchain Federation and organised by the Swiss Embassy on 21 and 22 November 2019, which sought to build ‘blockchain bridges’ between the two continental FinTech hubs.

The first seminar, entitled Building Blockchain: Connecting Continental Fintech Hubs, was held on 21 November at Hennessy Park Hotel, in collaboration with the Swiss Embassy, the Economic Development Board and Mauritius Africa Fintech Hub.

Véronique Haller, Deputy Head of Mission at the Swiss Embassy, expressed that the Swiss delegation had come to Mauritius because it saw tremendous potential for collaboration between the two countries on blockchain. She highlighted that both “Switzerland in Europe and Mauritius in Africa are seen as leaders to enable research and innovation to translate into business”

During his intervention, Mathias Ruch, Chair of the Confederation, elaborated on the setting up of Crypto Valley in Switzerland which encompasses buoyant pool of Micro-enterprises specialising in the application of Blockchain Technology. He also affirmed that Mauritius is going in the right direction on the main pillars driving the technology, notably Innovation and Incubation, Capacity Building, Regulation and Investment.

In addition, discussions and presentations were emphasized on the basics of blockchain technology and its disruptive applications in the Financial Sector. The Panel discussions revolved around the commitment of Government in defining the framework for the sector, as well as its way of revolutionising the Banking sector in Mauritius.

To reinforce its role in developing the blockchain ecosystem, CV VC is currently evaluating the potential establishment of a CV VC African Chapter as a private sector initiative which would seek to establish a blockchain hub in Mauritius for the whole of Africa, as an important financial and scientific hub. In the same breath, the Swiss Blockchain Federation has signalled its intention to launch an Incubator in Mauritius in collaboration with the Mauritius Africa Fintech Hub, but this is still in its early stages.



FSC issues new AML/CFT Handbook

The Financial Services Commission (FSC) recently issued an AML/CFT Handbook, designed to provide guidance for all financial institutions. According to this handbook, the key to counter money laundering and terrorist financing is through the implementation and strict adherence to effective systems and control including sound customer due diligence measures based on international financial standards. To strengthen the prevention of money laundering and terrorist financing, Mauritius has taken certain important steps over the past years, including several changes to the legislative framework.

Indeed, there have been several amendments that were brought forward to strengthen the national AML/CFT framework. Moreover, there are certain requirements of existing laws, such as Financial Intelligence and Anti-Money Laundering Act 2002 (FIAMLA) and FIAML Regulations 2018, that the handbook addresses and provides guidance on to ensure that financial institutions can comply adequately with. The handbook aims to enhance the understanding of FSC's expectations and help financial institutions assess the adequacy of their internal systems and controls and remedy deficiencies to combat ML and TF. There are certain consequences which may arise when there is a failure to comply with such regulations. Failing to comply with FIAMLA and FIAML regulations will be regarded as an indication of conduct which is

inappropriate and is not in the best economic interest. Therefore, the FSC will take the Handbook into account when assessing the levels of compliance with the FIAMLA, FIAML Regulations 2018 and the Code while conducting its onsite visit. The Handbook is in line with the Recommendations of the FATF, which is, in fact, an independent inter-governmental body which develops and promotes policies to protect the global financial system against ML, TF and the financing of the proliferation of weapons of mass destruction. The global standards in respect of AML/CFT which have been recognized are the FATF recommendations.

In order to have effective AML/CFT framework, there is a need to have the collaboration of the industry. Moreover, all the financial institutions are expected to establish an open and positive approach to compliance and AML/CFT issues among the employees. These recommendations will allow a business to adopt a risk-based approach towards the detection and prevention of ML and TF. To demonstrate that a financial institution acted reasonably, an assessment of risk should always be documented, reasonably and objectively justifiable and sufficiently robust. The application of a risk based approach will provide a strategy for managing potential risks by enabling financial institutions to subject customers to proportionate controls and oversight.

Click here: [AML/CFT Handbook](#)

Global Growth: China experiencing economic slowdown

Global growth, estimated at 2.9 percent in 2019, is projected to increase to 3.3 percent in 2020 and inch up further to 3.4 percent in 2021. A more subdued growth forecast for India accounts for the downward revisions. Economic growth for 2021 will depend to an important extent on avoiding escalation in the US-China trade tensions, the Brexit and the outbreak of the corona virus in China as well as the economic ramifications of social unrest and geopolitical tensions. The effects of substantial monetary easing across advanced and emerging market economies in 2019 are expected to continue to have ripple effects through the global economy in 2020. The global growth estimate for 2019 and projection for 2020 would have been 0.5 percentage point lower in each year without this monetary stimulus. The global recovery is projected to be accompanied by a pickup in trade growth reflecting a recovery in domestic demand and investment. Emerging market economies are expected to see a pickup in

growth to 4.3 per cent this year from 4.1 per in 2019. Much of the emerging market improvement is driven by eight countries. Argentina and Iran are expected to emerge from recession in 2020 and prospects are expected to improve for six countries that struggled with slowdowns in 2019 namely Brazil, India, Mexico, Russia, Saudi Arabia and Turkey. Growth in the US, the euro zone and Japan is expected to decline slightly to 1.4 per cent in 2020 from 1.6 per cent in 2019 due to continued softness in manufacturing and the lingering negative effects of US tariffs and retaliatory measures. China's growth rate is projected to decelerate to 5.9 per cent in 2020, a 0.2 percentage point reduction from the June 2019 forecast, as the world's second-largest economy deals with fallout from US tariffs. China's outlook will worsen with the outbreak of the corona virus which will hit hard on its manufacturing sector and exports, and further dampen its economic growth. Does China have sufficient policy buffers to cushion any deeper slowdown?

Source: IMF Statistics

KPE Forum: Improving overall governance practices

Maddison Pine, specialist firm in capacity building in Corporate Governance, Board Effectiveness, and Strategy, held a Knowledge and Practice Exchange (KPE) Forum in Corporate Governance at Long Beach Hotel in Belle Mare from 27 to 29 November 2019. The main objective of the Forum was to offer a unique avenue as well as present a platform where key stakeholders could gather to discuss, evaluate and develop strategies aimed at improving overall governance practices in the Mauritian and overall African context.

About 80 delegates from Africa gathered at the forum venue to discuss relevant issues of corporate governance and board effectiveness, share their experiences and come up with practical solutions of the existing problems. Among the delegates were Directors and Chairmen of international organisations such as the National Petroleum Company of Ghana and the Electricity Control Board of Namibia, the Ministry of Financial Services and Good Governance, Senior Government officials, the Financial Services Commission, members and Affiliates of ACCA Mauritius, captains of industry, policy think tanks, private sector, cooperating partners, academia, students, and civic leaders.

The key topics that were covered included:

- The new role of the Board
- Oversight & Foresight
- Learning from Corporate Governance Failures in the Public Sector and State-Owned Enterprises
- Beyond Political Hostage: Exploring Board Composition and Value Creation
- The Role of Regulators in Corporate Governance
- Board Assurance: Effective Oversight of Risk
- The Increasing Importance of Reputational Risks
- Enterprise Governance: Getting Conformance and Performance Right
- Strategic Decision-Making: Biases in the Boardroom
- Digitization and Board Processes.



The Summit was officially opened by Dr Roger Koranteng (Head of Public Sector Governance, UK) followed by the message of Honourable Mahen Seeruttun, Minister of Financial Services and Good Governance which was read by Dovina Pillay-Naiken (Manager, Financial Services, at the Ministry). The speech encompassed an array of themes to encapsulate the overall foresight and commitment of the Ministry in governing the country in the best interests of all the relevant stakeholders.

An extract is found below:

“The Ministry of Financial Services and Good Governance was established in December 2014 and one of the objectives of the Ministry is to establish Mauritius as an International Financial Centre of substance as well as to instil a culture of good governance and ensure that good governance practices prevail in all spheres of the Mauritian society. Although it is only 5 years since we have a dedicated Ministry for issues of good governance, specific institutions were set up to ensure that good governance principles were being followed both in the private and public sector. In 2001, the National Committee of Corporate Governance was set up with a view to ensuring that proper corporate governance standards are being implemented in the private sector entities. In the same perspective, the Office of Public Sector Governance was set up in 2010 to ensure that good governance principles are being carried out in state owned organizations”.

The theme of the Forum could be summarized by the overall motto of Maddison Pine namely “Closing the Gap between Governance and Performance”. Although there have been many developments for furthering good governance practices, there are still many performance and execution gaps, especially in the African context where many countries are still struggling to fight corruption at organizational and national level.

“Maintaining trust in the Mauritius IFC is a priority”

The Minister of Financial Services and Good Governance attended the Annual Dinner of the Association of Trusts and Management Companies (ATMC) end of 2019. He expressed his gratitude to be part of the special gathering as this provided him with the opportunity to meet key financial sector stakeholders.

Hon Mahen Seeruttun further added that his Ministry remains committed to ensuring that Mauritius continues to enjoy its present standing as a trusted and fully compliant International Financial Centre (IFC).

He mentioned that the Government has also taken bold and proactive measures and is continuously devising new policies to further transform Mauritius into a sophisticated and attractive IFC. Industry associations such as ATMC are important stakeholders in Government’s developmental agenda and there is a need to work in a spirit of mutual respect and trust.

He also mentioned that 2020 will be a milestone year for ATMC as it joins forces with Global Finance Mauritius to create a greater voice on industry issues and a common platform for players.

He gave an overview of priorities of the Ministry to better deal with the challenges ahead:



From left to right:

Mr M. Doorgakant (President-ATMC), Hon. M. Seeruttun, (Minister of Financial Services & Good Governance), Mr H. Seegolam (Chief Executive - FSC), Mr. V. Bussawah (ATMC)

1. Fostering close collaborative links with stakeholders, both locally and abroad.
2. Maintaining Trust in the Mauritius IFC.
3. Raising the profile, prominence and visibility of the Mauritius Brand in the region and the international marketplace
4. Enhancing the business-friendly, ease of doing business environment, laying fast track routes and introducing innovative products and service lines.
5. Capacity building in the financial centre.

The FSC signs cooperation agreement with its Luxembourg counterpart

The Financial Services Commission (FSC) has recently issued a Communique on the signature of an agreement reinforcing cooperation with the ‘Commission de Surveillance du Secteur Financier’ (CSSF), its counterpart in Luxembourg. The agreement, signed on 28 January 2020, embodies the willingness of the regulators of the two jurisdictions to ensure higher levels of synergy. Incorporating major areas of cooperation, the agreement will notably allow for the establishment of a bilateral framework in order to promote assistance between the two institutions, strengthen the powers of the authorities and facilitate the exchange of information. The Chief Executive of the FSC, Harvesh Seegolam, stated that the agreement will allow for closer collaboration between the two entities. “This agreement is a strong and mutual signal emanating from the Mauritian and Luxembourg authorities. It sets the stage for higher cooperation, to which we are favourable to

at the FSC, which will be lasting and effective. In light of the various subject matters already raised with the Luxembourg CSSF, the regulation of Fintech activities and of investment funds will be some of the major themes that will be at the heart of our collaboration.” he declared. On the other hand, Claude Marx, Director General of the CSSF, elaborated on the importance of such initiatives in reinforcing international cooperation and maintaining a clear framework for the financial system. “The digitalization of financial services is advancing rapidly, and it is essential that supervisors follow and support this development, use new technologies in their supervisory work, and exchange best practices in this area, which will be possible with the signature of a cooperation agreement. It is also of strategic importance to cultivate relationships between Luxembourg and countries of the Indian Ocean, especially Mauritius which is a key financial centre. ”

Read the Communique on this link – [FSC Communique](#)

Certificate Award Ceremony and Unveiling of the FSI's Training Calendar 2020

In Pictures...



Group Photo - Certificate Award Ceremony



Mr. T. Teemul & Hon. M. Seeruttun



Natasha Bissessur & Mr. D. Gaoneadry



Mr. K. Vineet & Mr. H. Seegolam



Reshma Gunnoo & Mr. Mohamed Khan