

Speech by Ms C. Ah-Hen, Chief Executive, Financial Services Commission for
the Signature of Memorandum of Understanding between the Financial Services
Commission and the Competition Commission of Mauritius
11 November 2011, 14.30 at FSC House

Dr Sean Ennis, Executive, Director, CCM

Ladies and Gentlemen

Good afternoon

Thank you for your presence today at the FSC House.

1. [Reinforce cooperation among regulatory bodies and exchange for information]

Exchange of information between regulatory agencies across the world has always been vital for ensuring a sound regulatory environment. Today financial services are increasingly cross-border financial services. Entities operate across several jurisdictions or financial service providers based in one jurisdiction and providing financial services to consumers in various other jurisdictions. It is therefore important that regulators can exchange information amongst themselves so that they can have a global view of what is happening in the financial services field and also have a global view of operators who are operating across borders.

The financial crisis has shown that effective cooperation and information exchange as well as robust working relationships between regulators are key to preserving sound financial systems. The FSC is committed to adhering to international best practices on transparency and disclosure of information and exchanges information on a regular basis with both local and foreign regulators. During the period January 2011 to October 2011, some hundred requests for exchange of information from not less than 45 regulatory authorities out of which are 4 local authorities (BOM, FIU, MRA, ICAC) were entertained by the Commission.

2. [OECD Peer Report]

Mauritius' efforts to meet international standards on transparency and disclosure has recently been recognised by the OECD in its report released in October 2011. The report mentioned that *"in line with the international movement towards more transparency and exchange of information, Mauritius has taken significant steps to enhance its exchange of information and its legal and regulatory framework. The Report also "recognised that Mauritius is putting in place a national strategy for an efficient exchange of information system."*

The upcoming amendment in our legislative framework, as announced by the Hon Minister of Finance last week, to allow Mauritius to meet the requirements of the IOSCO MMOU will be yet another milestone.

The FSC has signed several MOUs with its counterparts as a commitment for more disclosure of information. Their main objectives are to:

- i. Consolidate supervision of cross-border operations of financial institutions;
- ii. Define mechanisms to share information in accordance with international standards; and
- iii. Reinforce collaboration amongst institutions in the fight against crime, money laundering and financing of terrorism.

3. [MOU with CCM]

Let me now say a few words about the Memorandum of Understanding which we have just signed.

Against the background of the events in the world of finance regulators need to work together to promote a fair, stable and efficient environment for financial markets.

Regulatory framework ensures sound conduct of business. But regulation alone is not enough. Whereas regulation tackles broad structural market failures, competition policy is required to prevent any harmful behaviour of individual market participants.

This MoU establishes a framework for cooperation between the FSC and the CCM. It sets out a formal framework for cooperation and aim to lay out procedures for discussing matters of common interest, facilitate contact and discussion to better protect the interest of consumers of financial services.

The independence of both authorities shall however be maintained.

Competition enforcement and regulation must not saddle the industry with unnecessary burden and must not stifle innovation. But we must make sure that the market develops in ways that are compatible with long term stability and efficient growth. Above all, we need to promote a system that both consumers and operators can trust.

I am sure that this MOU will be successful in achieving these objectives.

Thank you.