



**Awareness Session on Special Purpose Fund
Speech of Mr Mardayah Kona Yerukunondu,
Chairperson, Financial Services Commission
09 June 2021**

The Honourable Mahen Kumar SEERUTTUN, Minister of Financial Services and Good Governance

Mr Rajeshsharma RAMLOLL SC, Deputy Solicitor General, Vice Chairperson of the Financial Services Commission

Mr Sarwansingh PURMESSUR, Permanent Secretary of the Ministry of Financial Services and Good Governance and Board member of the Financial Services Commission

Fellow members of the Board of the Financial Services Commission

Mr Dhanesswurnath THAKOOR, Chief Executive of the Financial Services Commission

Representatives of the Industry

Members of the Press

Distinguished Guests

Ladies and Gentlemen,

A very good morning to you all.

On behalf of the Financial Services Commission (FSC), I am pleased to extend to you, distinguished guests, a very warm welcome, at this launch of the new Special Purpose Fund.

With the appointment of the new Board and Chief Executive, we thought it could not be business as usual. We felt that it was imperative to engage into a dialogue with the industry, which we did. We held weekly roundtable discussions with the industry to discuss the future of Global Business.

Most of our discussions were cordial, interesting and forward looking. All people around the table acted in good faith, in the best interests of one and all.

This new Special Purpose Fund is the outcome of this regulator/industry initiative, this regulator/industry partnership.

To this end, I would like to place on record, the hard work and guidance of my fellow Board Members, Mr Mahen Rawoteea and Rajesh Ramloll for giving their valuable time to shape the new Special Purpose Fund rules, in keeping with the Forum on Harmful Tax Practices requirement of the OECD.

One of the influent members of the industry told me the other day, that one of the former Chairman of the FSC had told him that he has since 2014, been struggling for this product. The former Chairman was enquiring how did this happen. He showed me the WhatsApp exchange between himself and the former Chairman. He showed me the answer he gave to the former Chairman too.

I understand that management companies are awaiting this launch to start marketing the product. This makes us all too happy.

Ladies and Gentlemen,

The Funds industry is one of the most important activities of the financial services sector. As at date there are 824 entities authorised as Collective Investment Schemes or Closed-End Funds by the Commission and 351 entities licensed as CIS Managers. Most Management Companies provide CIS Administration services.

The amount of assets of the Funds authorised by the Commission was about Rupees 93 billion as at the end of May 2021. There are many Management Companies which have been very successful in exploiting the Fund administration market, leading to economic growth and attractive employment opportunities for lawyers, accountants, economists, tax advisors, finance professionals and others.

Ladies and Gentlemen,

Despite the good track record of our jurisdiction with respect to investment fund administration and the prospects ahead, we are very much aware that the Fund sector is currently facing a lot of challenges. On one hand, the COVID-19 pandemic has led to a slowdown of economic activities globally.

On the other hand, the inclusion of Mauritius on the FATF's list of 'Jurisdictions under Increased Monitoring' and on the EU list of high-risk third countries had a negative impact on the sector.

In the circumstances of those challenges, it became extremely important for the FSC to make it more attractive for Fund managers/promoters to set up investment

funds in Mauritius and accordingly the coming up by the Commission with a new set of rules for the new Special Purpose Fund.

An informative video clip will be projected shortly and will provide further insight on the new set of rules governing the new Special Purpose Fund and the value add to the industry.

This being said, let you be assured that the FSC under the direction of the Board and the Chief Executive are doing everything possible to meet the FATF core principles and for Mauritius to be removed from those lists.

Ladies and Gentlemen, we must free ourselves of the hope that the sea will ever rest. The sea will never rest. We must learn to sail through high winds. Tough times build greater people. This is the spirit at the FSC. We are prepared to take the challenge.

I would like to end, by thanking all industry representatives especially Mauritius Finance and the Funds Task Force for their collaboration in this project as well as other projects. We look forward to enrich this partnership with the industry in the future. The regulator will be all ears, while fully playing its role as regulator and supervisor of the industry.

I thank you for your kind attention.

Mardayah Kona Yerukunondu

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