

*Government Notice No. 222 of 2021***THE FINANCIAL SERVICES ACT****Rules made by the Financial Services Commission under
section 93 of the Financial Services Act**

1. These Rules may be cited as the Financial Services (Funeral Scheme Management) (Amendment) Rules 2021.
2. In these Rules –
“Principal Rules” means the Financial Services (Funeral Scheme Management) Rules 2016;
3. The Principal Rules are amended –
 - (a) in rule 2, by inserting in the appropriate alphabetical order the following definition –
“admitted assets” has the same meaning as defined in the Third Schedule;
“admitted liabilities” are liabilities of a funeral scheme management business determined in accordance with guidelines set out in Second Schedule;
 - (b) in rule 6, –
 - (i) by deleting paragraph (5) and replacing same by –
 - (5) (a) A funeral scheme manager shall at all times keep its assets invested in Mauritius unless otherwise approved by the Commission.
 - (b) A funeral scheme manager shall, at all times, keep:

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- (i) its admitted assets at least equal to its admitted liabilities; and
 - (ii) its investment in liquid assets an amount equivalent to a minimum of 3 months of expenses inclusive of claims as certified by its actuary or such other amount and on such conditions as may be determined by the Commission.
 - (ii) by adding after paragraph (5), the following new paragraph –
 - (6) (a) An officer, the auditor or the actuary of a funeral scheme manager who knows or reasonably suspects that the funeral scheme manager does not meet the requirement of rule 6(5)(a) and rule 6(5)(b) shall forthwith inform the Commission in writing.
 - (b) Where the value of the admitted assets is less than the value of the admitted liabilities, the funeral scheme manager shall make good the deficiency without delay or furnish forthwith –
 - (i) a report by the actuary on its solvency position or on such matters as may be requested by the Chief Executive;
 - (ii) a remedial plan certified by the actuary for restoring its solvency in accordance with rule 6(5)(b).
 - (c) in rule 7, –
 - (i) in paragraph (2) –

(A) by deleting sub paragraph (a) and replacing same by –

(a) Where a funeral scheme manager was carrying out funeral scheme management business at the time of the coming into operation of these rules, it shall, at the time of application for a funeral scheme management licence, submit to the Commission a report by the actuary on its solvency position or on such matters as may be requested by the Chief Executive.

(B) by inserting after the new sub paragraph (a), the following new sub paragraph, the existing sub paragraph (b) being renumbered as (c) and the existing sub paragraph (c) being renumbered as (d)–

(b) Where the report stated in rule 7(2)(a) shows a shortfall in its admitted assets, the funeral scheme manager shall make good the deficiency without delay or furnish forthwith a remedial plan certified by an actuary for restoring its solvency in accordance with rule 6(5)(b).

(ii) in paragraph (3), by deleting the words “paragraph (1)(c)” and replacing same by the words “paragraph (2)(d)”;

(iii) in paragraph (4), by deleting the words “paragraph (1)(c)” and replacing same by the words “paragraph (2)(d)”

(d) in the Second Schedule, in paragraph (7), by adding the following new sub paragraphs –

- (5) The report shall include:
 - (a) a list of admitted assets backing the admitted liabilities, together with the duration of the assets and liabilities;
 - (b) a statement showing the appropriateness of the admitted assets relative to the admitted liabilities and the degree of matching; and
 - (c) a projection showing the cash flow position for next 10 years.
- (6) The report shall include a statement of the solvency position as at valuation date and an estimate of the expected solvency position for each of the next three consecutive years.
 - (e) by adding the Third Schedule set out in the Schedule to these Rules.

4. These Rules shall come into operation on 4 September 2021.

Made by the Financial Services Commission on 4 September 2021.

SCHEDULE

[Rule 3(e)]

THIRD SCHEDULE

[Rule 2]

The admitted assets of a funeral scheme manager shall, at all times, exclude:

- (a) loans;
- (b) an asset that is mortgaged or charged to the extent of the balance of the outstanding debt relating to the mortgage or charge;
- (c) debenture of, or share in a related corporation to the funeral scheme manager;
- (d) receivables except for rent, interest from a financial institution, proceeds under a funeral scheme contract that became due to the funeral scheme manager within 6 months;
- (e) an intangible asset;
- (f) operational assets, including supplies, furniture, motor vehicles, office equipment and computers;
- (g) prepaid expenses and deferred charges;
- (h) investments in related companies and unlisted companies;
- (i) derivatives;
- (j) investments in virtual assets;
- (k) such other assets as may be determined by the Commission.
