

COMMUNIQUÉ

FSC publishes its Annual Report 2020/21

The Financial Services Commission, Mauritius (the FSC) is pleased to announce the publication of its Annual Report for the year ended 30 June 2021.

This Annual Report highlights the activities conducted by the Commission in its role as Regulator for the non-bank financial services sector and global business and includes the account of the Commission for the period 2020 to 2021. The key milestones and growth achieved by the FSC in the wake of numerous challenges, among which, the actions taken to exit Mauritius from the FATF List of Jurisdictions under Increased Monitoring (FATF Grey List) amidst the COVID-19 pandemic are also outlined.

Delisting from the FATF Grey List

The main focus of the FSC during the year 2020/21 was the completion of all action items pertaining to the delisting of Mauritius from the FATF Grey List by the collective rigorous efforts of the FSC. Together with other stakeholders, the FSC has successfully completed all action items recommended by the FATF ahead of time and demonstrated the effectiveness of its AML/CFT framework.

In this endeavour, the FSC came with a three-pronged approach which includes (i) developing a framework to carry out Risk Based Supervision for the financial institutions under its purview, (ii) demonstrating its effectiveness by taking proportionate and dissuasive sanctions, and (iii) ensuring sustainability of the whole process.

Accordingly, the FSC has formulated a well-articulated plan that effectively directed supervisory focus to areas of money laundering and terrorist financing risks by targeting higher risk entities for on-site inspections. During the financial year 2020/21, 364 on-site inspections and 407 off-site policy reviews were conducted and a total of 110 cases were referred for enforcement actions.



The FSC, in collaboration with the Financial Intelligence Unit, conducted a joint targeted outreach on Suspicious Transaction Reporting (STR) to apprise reporting persons on their STR obligations to foster a culture of compliance within the industry. This required the FSC to increase its workforce capacity to ensure that there are adequate resources to maintain the level of oversight and regulatory actions.

As a forward looking regulator, the FSC will sustain its AML/CFT agenda to ensure the good repute of the Mauritius jurisdiction and protect the integrity of our financial system including the Global Business sector. The FSC will maintain its unflinching commitment and sustained effort for the development of a sound and competitive Financial Services Centre to position Mauritius as a secure and attractive investment destination for the international investment community.

Contribution to Consolidated Fund

Despite the challenges, the financial services sector has demonstrated its resilience and the FSC came out with a very good financial performance through a contribution of approximately MUR1.1 billion to the Consolidated Fund for the period 2020/21.

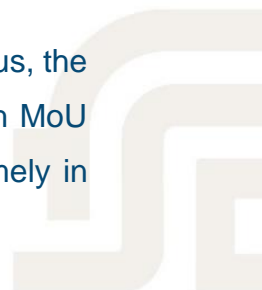
Licensing and Employment Data

Compared to the figures of June 2020, the number of GBC1 licences has increased by 4% reaching 12,957 as at end June 2021 despite the end of grandfathering of GBC2 licensing.

This confidence reflected in the data for direct employment in the sector. As at end June 2021, the number of direct employment in the financial services sector stood at 9,254, hence showing an increase of 7% in comparison to as at end June 2020.

Africa Strategy

In line with the implementation of the Africa Strategy by the Government of Mauritius, the FSC has increased its efforts to strengthen ties with African counterparts through MoU and other avenues of collaboration. There have been encouraging results, namely in



terms of the value of direct investment (DI) into Africa for the past years. Total DI flows from Mauritius into Africa displayed a year-on-year increase of 7%, which reached US\$2.9 billion during the first semester of 2021 as compared to the same period in 2020.

Key Developments

In line with its green initiative and in a bid to foster a culture of innovation towards digital transformation, the FSC launched the FSC One Platform which is an online platform to process applications in a smooth and timely manner in addition to carrying out post-licensing activities. The FSC One Platform is fully developed by in-house resources which had showed the Commission's endeavour to empower local talent.

Other initiatives during the year included, Awareness Session on the National Insurance Claims Database; Launch of the New Special Purpose Fund; Launch of Peer to Peer Lending Rules; and Awareness Session on the Regulatory Framework for Security Token Offerings.

The FSC Regional Centre of Excellence in collaboration with the OECD hosted workshops for delivering capacity building programmes for financial services regulators and law enforcement agencies and were attended by around 360 participants, both local and international.

Capacity Building

The Commission undertook a major recruitment exercise to consolidate its pool of talent in order to be adequately staffed to meet its statutory objectives and to ensure timely deliverables in face of the high level and wide ranging expectations from the various stakeholders in the financial services sector. During the year under review, the FSC recruited 71 technical staff to reinforce its operations.



FinTech

In its endeavour to promote Mauritius as a Fintech Hub, the FSC has issued the new regulatory frameworks for (1) Peer to Peer Lending, (2) Securities Token Offerings, (3) Robotic and Artificial Intelligence-Enabled Advisory services and (4) Crowdfunding.

Strategic Plan 2021-2023

The FSC has come up with its Strategic Plan 2021-2023 which lays down nine key themes to enable the Commission to charter its way ahead and maintain the jurisdiction as an International Financial Centre of repute. In line with the set target, the FSC is diligently embarking on the next phase of its development strategy to further enhance competitiveness of the financial services sector.

[Link to Annual Report 2020/21](#)

21 January 2022

About the FSC

The FSC is the integrated regulator for the non-banking financial services sector and global business.

The vision of the Commission is to be an internationally recognised Financial Supervisor committed to the sustained development of Mauritius as a sound and competitive Financial Services Centre.

In carrying out its mission, the FSC aims to promote the development, fairness, efficiency and transparency of financial institutions and capital markets in Mauritius; suppress crime and malpractices so as to provide protection to members of the public investing in non-banking financial products; and ensure the soundness and stability of the financial system in Mauritius.

