

PRESS RELEASE

Awareness session on the FSC Guidelines on the issuance of Green Bonds

The Financial Services Commission, Mauritius (the “FSC”) hosted an awareness session on the “FSC Guidelines on issuance of Green Bonds” (“FSC Guidelines”) on 25th of January 2022. The event was held at the FSC House in the presence of the Honourable Mahen Kumar Seeruttun, Minister of Financial Services and Good Governance, Mr Mardayah Kona Yerukunondu, Chairperson of the FSC and First Deputy Governor of the Bank of Mauritius, Board Members of the FSC, Mr Dhanesswurnath Thakoor, Chief Executive of the FSC and Mr Mark Van Beuningen, Executive Director and Group CEO, CIM Financial Services Ltd.

The event was also virtually attended by around 220 participants including 80 from 31 different countries who followed through our live streaming.

The FSC published the FSC Guidelines in December 2021 to set out the legal and supervisory framework surrounding the issuance of Corporate and Green Bonds. The FSC Guidelines further supplements the “Guide for the Issue of Sustainable Bonds in Mauritius” issued by the Bank of Mauritius in June 2021 with a view to assist potential issuers in better understanding the legal and regulatory requirements for the issue and listing of sustainable bonds on exchanges licensed in Mauritius.

The Honourable Mahen Kumar Seeruttun highlighted in his keynote address that *“the decision to issue green bonds reflects the Government’s strong commitment to accelerate investment in clean projects which was announced in the 2020/21 National Budget. He further stated that “we are legislating and establishing required policies to deepen market liquidity for green instruments, attract green issuers as well as green investors”. He emphasised on how “green bonds should not be a niche but mainstream” adding that “we are making Green Bonds an important proposition on the menu of financial instruments available in Mauritius”. He concluded that “green finance will play a significant role for Mauritius going forward and it is imperative and we have no choice but to go green”.*

Mr Mardayah Kona Yerukunondu, Chairperson of the FSC, mentioned that *“green bonds offer investors a platform to engage in good practices, providing a means to hedge against climate change risk while achieving at least comparable, if not higher returns on their investment”*. He added that *“capital markets have an important role to play in sustainable finance through an efficient allocation of capital towards sustainable development and to achieve the United Nations’ Sustainable Development Goals (SDGs)”*. Mr Yerukunondu highlighted that *“more and more companies are issuing green or sustainable debt to demonstrate a commitment to a reduction of their carbon footprint”*. He underscored that *“the guidelines set the framework on the procedures and processes to issue green bonds, hence, the event will successfully create awareness on the framework and encourage all stakeholders, issuers and investors alike, to go green”*.

Mr Dhanesswurnath Thakoor, the Chief Executive of the FSC, underlined that *“sustainable finance and green bonds have become one of the main focus of policy makers, market intermediaries and governments. There is potential for growth and to create alternative and attractive ways to invest in projects that would help the green cause”*. He added that *“the FSC has a crucial role in the development of the ecosystem to finance SDGs”* and *“as such, in December last year, the FSC issued its Guidelines for the Issue of Corporate and Green Bonds in Mauritius”*. This awareness session, according to Mr Thakoor, *“aimed at sensitising the investment community, corporate issuers and the public at large on the importance of the worldwide climate change initiative”*. He emphasised on how *“the FSC Guidelines elaborate on various regulatory requirements to be adopted by the Issuers, in line with international best practices”*. On a conclusive note, the Chief Executive outlined that *“the issue of the guidelines marks another milestone in making Mauritius a capital markets destination and adding to the sophistication of its offerings as an IFC, hence, making the jurisdiction more attractive to our neighbours in Africa”*.

In his statement, Mr Mark Van Beuningen, Executive Director and Group CEO, CIM Financial Services Ltd, stressed that *“the first criteria for a successful and effective green bond markets is undoubtedly the quality of the framework*. He commended the FSC for facilitating the establishment of these principles and explicit support provided to institutions willing to enter this market. He added that *“with such a strong framework we are convinced that Mauritius will join the growing global trend and take a major step in its endeavours towards sustainability. At CIM Finance we are committed to*

taking full advantage of this framework in line with the exclusive and sustainable future of the country”. Mr Beuningen further stated “that by launching our green funding programme we are responding to our investor needs and guiding our customers towards more sustainable decisions and protecting our country from the negative effects of climate change”.

The whole world is stepping up its efforts to commit itself to the 2030 United Nations Sustainable Development Goals Agenda and the Paris Agreement. In line with the Government’s commitment to implement the 2030 Agenda, and as part of its regulatory mandate, the FSC is leaning towards sustainable investments and compliance with international best practices for the issuance of Corporate and Green Bonds. The FSC Guidelines is another initiative that will consolidate the legal and supervisory framework; provide clarification to issuers of corporate and green bonds with respect to their obligations; and promote the development of the debt market in Mauritius.

25 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 FSC 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.

Financial Services Commission

FSC House, 54 Cybercity
Ebene, 72201 Mauritius
T: (+230) 403-7000 F: (+230) 467-7172
E: fscmauritius@intnet.mu
www.fscmauritius.org