



Financial Services Commission
Mauritius

FREQUENTLY ASKED QUESTIONS ('FAQs')

GUIDELINES FOR ADVERTISING AND MARKETING OF FINANCIAL PRODUCTS

1. When should advertising materials be submitted to the Financial Services Commission (the “Commission”)?

Unless otherwise required under the relevant Acts, as defined under the Financial Services Act 2007, and any Regulations or Rules issued thereunder, Promoters licensed by the Commission should submit a finalised copy of their advertising and marketing materials to the Commission. The copy should normally be submitted at least 7 business days prior to the release to the targeted consumers or public.

2. How will the Commission deal with the content of advertising and marketing materials submitted by Promoters?

Promoters of financial products should, for all intent and purpose, ensure that the content of their advertising and marketing materials are compliant with the Guidelines, both at the time of the submission of the finalised copy to the Commission, and thereafter.

Unless otherwise required under the relevant Acts, regulations, rules or guidelines issued thereunder, the Commission will not be providing its approval to the advertising and

marketing materials submitted by Promoters.

Under no circumstances, the Commission will accept that a Promoter disclaims itself in respect of the accuracy and content of an advertisement.

3. To whom the Guidelines apply to?

The Guidelines shall not, for the avoidance of doubt, be directly enforced on:

- a. Advertising agencies providing design and other ancillary services to Promoters of financial products and services;
- b. Persons printing materials for Promoters to use as advertisements for financial products and services;
- c. Professionals when advising Promoters of financial products and services.

4. What does the Commission consider as “complex financial products”?

The Commission considers as “complex financial products” those products which have specific characteristics and are tailor-made for classes or groups of sophisticated and professional consumers, who already understand the nature and risk of these products.

Under the Guidelines, Promoters are allowed to advertise and market complex financial products solely to sophisticated and professional consumers in Mauritius. These advertisements for complex financial products shall not be targeted to the general public.

5. Under what circumstance the word ‘guaranteed’ may be used in an advertisement?

When financial products are capital protected or considered as capital secured on the basis that the capital is guaranteed by a financial institution, the Promoters of such financial products have to clearly mention the details of the “guarantor” in the advertising and marketing materials.

6. Can an advertisement include information regarding the past performance of a financial product?

Relevant information regarding the past performance of a financial product in an advertisement may be included but the Promoter shall not overstate the achievements of the financial product, based on actual performance.

An advertisement about past performance should clearly indicate that the past performance is not indicative of future performance.

Performance information, if presented in an advertisement, shall include track record of at least 6 months and must, at a minimum, include details of the returns (such as net asset value or price returns, where applicable).

7. Can an advertisement include a statement referring to projected performance of a financial product?

A statement which may be interpreted as guaranteeing the projected performance of a financial product may only be made in an advertisement subject to the disclosure of market risk and other risk factors.

Additionally, an advertisement for a financial product shall not contain any projection of performance returns based on borrowing plans.

8. Can a promoter include any performance rankings or awards received in an advertisement for a financial product or service?

Awards for performance received by a Promoter may be included in an advertising and marketing material provided that the year in which the award was obtained is duly mentioned, and moreover, the award issuer or granter is clearly identified in the advertising and marketing material.

9. How will the Commission assess whether a gift or an inducement proposed to be given by the Promoter to a potential consumer is acceptable?

The Commission will apply an objective test by taking into account a combination of criteria, including whether a gift or inducement:

- a. is reasonable and proportionate;
- b. is of a limited scale and nature (taking into account any other benefits offered); and
- c. does not need to be exclusively relied upon by the Promoters in the future, in order to continue to service consumers.

Note:

A Promoter should take all reasonable steps to ensure that it, or any staff or representative acting on its behalf, does not offer, give, solicit or accept an inducement which may conflict, in a significant way and adversely, with the responsibilities and accountabilities that it owes in relation to fair treatment of consumers.

***Financial Services Commission
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