

## PRESS RELEASE

### Launching of Financial Literacy Campaign on the Virtual Asset and Initial Token Offering Services Act 2021

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The Financial Services Commission, Mauritius (“FSC”), in collaboration with the Ministry of Financial Services and Good Governance, has the pleasure to announce that the launch of Financial Literacy Campaign on the Virtual Asset and Initial Token Offering Services (“VAITOS”) Act 2021 was held on 11 August 2022 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; and Mr Dhanesswurnath Thakoor, Chief Executive of the FSC.

The Honourable Mahen Kumar Seeruttun highlighted in his speech that the *“financial sector in the world, including Mauritius, is also undergoing a metamorphosis. It is therefore, imperative to empower and protect citizens through financial education and create a confidence in the people to make prudent financial decisions for themselves”*. He mentioned that fraudulent financial activities perpetrated by unlicensed entities cannot thrive in an environment where members of the public are well informed about various financial products and services. Mr Seeruttun delved on the four key characteristics that a Fintech Hub needs to demonstrate, as elaborated by the World Bank, namely: comprehensive legal and regulatory framework; skilled labour; access to capital for start-ups and capacity to drive demand through financial inclusion. He elaborated that *“the Government is leaving no stone unturned to develop a sustainable FinTech sector in Mauritius which will ensure that, whilst it is commercially attractive, it will also have the right framework to curb the money laundering and terrorism financing risk in order to protect our citizens”*.

Mr Mardayah Kona Yerukunondu, Chairperson of the FSC, highlighted that the Commission in tandem with the Government's policy, took decisive steps to cause new legislation for virtual assets to be introduced. More so, he underlined that the objective was to sustain the development of the financial services sector in Mauritius. *"It is a new law regulating an innovative concept. This law will bring order in an area of disorder. Such regulated environment will therefore definitely bring business to Mauritius and why not making this activity, another pillar of our economy"*, he said. The Chairperson of the FSC is of the view that this financial literacy campaign will sensitise domestic and international stakeholders on the VAITOS Act. He added that *"the Commission is committed to ensure that the financial literacy around the virtual assets is impaired not only to the general public but also to the operators as well as other key stakeholders"*.

Mr Dhanesswurnath Thakoor, the FSC Chief Executive stressed in his statement that with Fintech triggering a major transformation of the financial services sector, the jurisdiction finds itself in a unique position to leverage on its track record and solid reputation as a reliable and credible financial centre to position itself as a Fintech Hub. He also stated that it is in this objective, that the FSC has, in recent years, embarked on a journey to constantly adapt its regulatory architecture to the changing technologies and business models, and has introduced innovative Guidance Notes and legislative instruments to regulate business activities in the Fintech landscape.

He further highlighted that given the high returns and the value of transactions happening in the market, the virtual asset space is also a playground for hackers, fraudsters, and unscrupulous people to lure potential investors towards this new goldmine: *"Hence, it is FSC's duty, as a regulator to come up with a new financial literacy paradigm to educate consumers about virtual assets. It will create an overall understanding and awareness about those assets so that investors are aware of the risks that they entail"*. As a jurisdiction of substance, he further underlined that endpoints which could potentially allow money laundering to occur must be closed to ensure that customers are not misled

by unscrupulous service providers. With the rapid change in technology, the FSC will remain attentive to any new activities and adapt its regulatory framework.

The Financial Literacy campaign on the VAITOS Act has as main objective to deepen the understanding of domestic and international stakeholders on this innovative piece of legislation. The FSC will also launch a series of financial literacy programmes consisting of video clips, radio spots, billboards, brochures and posters to sensitise the public on the new legal requirements under the Act, as well as, on the risks and opportunities associated with the expansion of virtual assets in Mauritius.

*12 August 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.*