

**LAUNCH OF A FINANCIAL LITERACY
CAMPAIGN ON THE VAITOS ACT 2021**

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14 00 hrs

FSC AUDITORIUM, EBENE

- **Mr Mardayah Kona Yerukunondu,
Chairperson of the Financial Services
Commission and First Deputy Governor of the
Bank of Mauritius,**
- **Mr Sarwansingh Purmessur, Permanent
Secretary of my Ministry**

- **Mr Dhanesswurnath THAKOOR, Chief Executive of the Financial Services Commission**

Representatives of the Industry,

Members of the Press,

Distinguished Guests,

Ladies and Gentlemen,

A very Good Afternoon to you all!

It is my honour and privilege to be here this afternoon.

I would like to begin today by talking about dramatic changes.

Many of you would have learnt about metamorphosis when you were in school.

The most well-known example of this is the life cycle of butterflies.

To start the process, a caterpillar's body releases hormones which trigger drastic changes to its cells, and even some behavioral changes such as spinning the cocoon that protects it during its transformation.

When the metamorphosis is complete, the caterpillar which once was an unsightly crawling worm transforms into a beautiful flying insect.

Ladies and Gentlemen, the financial sector in the world including Mauritius is also undergoing a metamorphosis.

Just like the hormones that trigger the metamorphosis of the caterpillar, technology has triggered the transformation of the financial industry.

It has allowed firms to introduce a wide variety of innovative products and services which have enhanced the customer experience and helped achieve better investor outcomes.

And today I am very honoured to be amongst you for the launch of a financial literacy campaign on the Virtual Asset and Initial Token Offering Services Act 2021 (the VAITOS Act).

Ladies and Gentlemen, this new piece of innovative legislation has been achieved through the

collaboration of various agencies, regulators and financial institutions.

The event today aimed at sensitising and further informing the industry and the public at large on the implication of VAITOS Act through a series of financial literacy initiatives (such as video clips, radio spot, bill board, brochure and posters).

I also wish like to extend my appreciation to Mr James Burnie, Partner of Gunnercooke who will part his precious knowledge today through a pre-recorded video on the Act during the event.

Ladies and Gentlemen,

I was just talking about metamorphosis. Whilst transforming itself, the financial services sector also has the power to transform lives.

The pursuit on financial knowledge is a key economic imperative. In today's world, the ability and knowledge to save, invest and borrow are essential life skills, be it for individuals or businesses.

It is believed 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.

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.

This is the reason for which Ladies and Gentlemen, the FSC embarked on an awareness campaign in February 2022 and is pursuing its initiative in

educating the population about the benefits and risk associated with virtual assets activities.

Ladies and Gentlemen, the VAITOS Act was passed by the National Assembly on 10 December 2021, and came into force by proclamation on 7 February last.

With this achievement, Mauritius became one of the first countries in the Eastern and Southern African Region having adopted a comprehensive legislation on Virtual Asset and Initial Token Offering Services.

The Act provides a legislative framework for both virtual asset service providers (VASPs) and initial token offerings (ITOs).

has been developed with the technical support of the World Bank and in consultation with the secretariat of the Eastern and Southern Africa Anti Money Laundering Group (ESAAMLG) which ensured that it is in line with international standards.

Ladies and Gentlemen,

As you are well aware that Mauritius is pursuing its objectives to be a regional FinTech Hub for Africa.

As per the World Bank, a Fintech Hub needs to demonstrate 4 key characteristics:

- (1) A comprehensive legal and regulatory framework for fintech,
- (2) Skilled labour in fintech
- (3) Access to capital for start-ups and
- (4) Capacity to drive demand through financial inclusion.

Ladies and Gentlemen, as Minister responsible for the development of Fintech I am making sure that we are fulfilling these 4 criteria.

Now that we have the necessary legal framework, I would also seize this opportunity to share with you that the Ministry in collaboration with the FSC and the Financial Services Institute Ltd have already come up a series of training courses in fintech to make sure that we have a skilled workforce in the fintech sector.

Ladies and Gentlemen, we have already set the necessary prerequisite to propel our FinTech sector hence the purpose of today's session is to make sure that our people are equipped enough to use the fintech services.

It is imperative to remind ourselves that the purpose of fintech is to enhance and facilitate consumption of financial services.

However, whilst we are encouraging people to understand the use of fintech including virtual assets, it is also our role as a responsible Ministry to make sure that we have the right safeguards to understand and mitigate the risks.

In this breadth; my Ministry, in collaboration with other institutions, carried out a risk assessment exercise, both at national level and sectorial level,

to identify, assess and understand the money laundering and terrorism financing risks with a view to protect our fellow citizen.

Furthermore, we are now in the process of operationalizing the Virtual Assets Observatory Committee which consists of Supervisory Authorities, Law Enforcement Authorities and other concerned institutions.

This Committee is mandated to report on the identified trends and pattern of Virtual asset transactions and activities, and make

recommendations to mitigate money laundering and terrorism financing risks associated with the Virtual Assets.

Ladies and Gentlemen,

We are 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.

Allow me to also point out that, since 2018, around 50 pieces of legislation in relation to AML/CFT were either introduced or amended.

These initiatives have propelled our small island economy in the top-tier of compliant jurisdictions.

Mauritius is now compliant or largely compliant with 39 out of 40 FATF Recommendations.

We are maintaining this momentum to further uphold our financial eco-system.

Today, the launching of this campaign is another testimony of our commitment to an International financial centre of substance and repute.

To conclude, I would like to congratulate the FSC wholeheartedly for the sustained efforts in raising awareness on this important subject.

I hope that this event will provide you with sufficient insights to better understand and use the VAITOS Act to its full potential.

I thank you all for your attention.