



FREQUENTLY ASKED QUESTIONS ('FAQs')

COMPETENCY STANDARDS

1. (a) When should an Investment Dealer or an Investment Adviser holding a global business licence appoint a representative?

An Investment Dealer or an Investment Adviser holding a global business licence must appoint a representative when conducting securities transactions in Mauritius.

An Investment Dealer or an Investment Adviser holding a global business licence is not required to appoint a representative in relation to securities transactions conducted outside of Mauritius. The Investment Dealer or the Investment Adviser shall contact the country regulator where the securities transactions are intended to take place to find out the requirements to be met in that country. For example, if an Investment Dealer or Investment Adviser holding a global business licence decides to carry out securities transactions in South Africa, the Investment Dealer or the Investment Adviser will need to find out with the concerned relevant South African regulator whether any licence is required to carry out such activities and the process for the appointment of any officers or key persons or representatives, depending on how such appointments are termed by the country regulator.

The terms "representative" and "securities transactions" have the same meaning as in the Securities Act 2005.

1. (b) Are the Competency Standards applicable to a representative of an Investment Dealer or an Investment Adviser holding a global business licence??

Yes. The representative of the Investment Dealer or the Investment Adviser holding a global business licence must comply with the Competency Standards.

2. Who is a Designated Officer for the purpose of the Competency Standards?

A Designated Officer is an **officer** of a licensee who is expected to have the minimum technical competencies prescribed under the Competency Standards. The term "officer" has the same meaning as in the relevant Acts.

For ease of reference in the Competency Standards, this **officer** has been termed as the "Designated Officer".

3. Can the same Designated Officer be appointed by more than one licensee?

Yes. The Designated Officer must ensure that sufficient time and attention is given to the affairs of each licensee in which he or she is appointed to serve.

4. Can a director of the licensee be appointed as a Designated Officer and in the affirmative, should another approval be sought from the FSC Mauritius in this respect?

A director, who is an **officer** of the licensee, can be appointed as a Designated Officer. Please refer to the information given in question 2.

If prior approval has already been sought from the FSC Mauritius for the appointment of the director as officer of the licensee, the licensee needs only to notify the FSC Mauritius that this officer will be the "Designated Officer" for the purpose of the Competency Standards.

Notwithstanding the above, each proposal will be assessed on a **case-to-case** basis and on its own merits inter-alia depending on the proposed Designated Officer's competence and taking into consideration the functions that he or she carries out or proposes to carry out.

5. (a) Can a CIS Manager, engaged solely in the management of a Collective Investment Scheme or a Closed-End Fund targeting expert and/or sophisticated investors, apply to the FSC Mauritius for an exemption from compliance with the requirements as set out in the Competency Standards?

Yes. A CIS Manager, engaged solely in the management of a Professional Collective Investment Scheme and/or an Expert Fund and wishing to be exempted from compliance with the requirements as set out in the Competency Standards, may apply to the FSC Mauritius for such an exemption.

In relation to such a request for exemption, the CIS Manager should demonstrate to the FSC Mauritius how the expert and/or sophisticated investors of the fund are able to form their own view of the competence of the officers of the CIS Manager.

A CIS Manager, engaged in the management of other types of Collective Investment Schemes or Closed-End Funds targeting retail investors, must still comply with the Competency Standards.

Please refer to the Circular Letter [reference number: CL250315] issued by the FSC Mauritius for more information.

5. (b) Are the Competency Standards applicable to a CIS Manager holding a global business licence?

Yes. A CIS Manager holding a global business licence must comply with the Competency Standards.

Please refer to the Circular Letter [reference number: CL250315] issued by the FSC Mauritius for any applicable exemption.

6. **If a MLRO or Alternate MLRO was already appointed by a licensee prior to 01 January 2015 and this MLRO or Alternate MLRO is being appointed in the same position by new licensees after 01 January 2015, is the MLRO or the Alternate MLRO grandfathered from the requirement of demonstrating competence?**

A MLRO or Alternate MLRO, appointed by licensees prior to 01 January 2015, is grandfathered from demonstrating competence. The grandfathered MLRO is still required to comply with the CPD requirements as set out in the Competency Standards.

If a new licensee proposes to appoint a grandfathered MLRO or Alternate MLRO after 01 January 2015, the new licensee should submit to the FSC Mauritius the details of the existing licensee(s) (such as name of licensee and licence number), which had already appointed the MLRO or the Alternate MLRO.

7. **What are the expectations of the FSC Mauritius with respect to Continuous Professional Development ('CPD') requirements?**

The technical competencies as well as the minimum structured CPD hours for each role are set out in the Competency Standards.

Presently, it is not the intention of the FSC Mauritius to be prescriptive in the content of the CPD activity. It is up to the licensee to ensure and be able to demonstrate that the CPD training covers the appropriate competencies required to carry out the relevant role(s). The CPD training must be relevant to the industry in which the licensee operates and it must take into account new developments such as new products as well as the latest relevant legislative and regulatory changes.

The licensee must keep a record of the CPD activity as proof of completion. Such CPD records must be made available for inspection by the FSC Mauritius, at any time, upon request.

Financial Services Commission, Mauritius
25 March 2015

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