

Enforcement

Ti-Sérin

Ploceus cucullatus



The "Ti-Sérin", also known as "Tisserin gendarme" in French, builds a large coarsely woven nest made of grass and leaf strips with a downward facing entrance which is suspended from a branch in a tree. 2-3 eggs are laid. This is a colonial breeder, so many nests may hang from one tree. The "Ti-Sérin" feeds principally on seeds and grain, and can be a crop pest, but it will readily take insects, especially when feeding young, which partially redresses the damage to agriculture.

ENFORCEMENT

The Enforcement Directorate

The ED plays an important role in the accomplishment of the functions of the FSC Mauritius, particularly by carrying out investigations and taking measures to, among others, suppress illegal and improper practices and financial crime. It strives to act decisively and swiftly through a fair and consistent application of its wide-ranging enforcement powers to deliver credible, robust, timely and proportionate outcomes.

The ED is empowered to conduct investigations into suspected contraventions by firms and/or individuals, which have been licensed and approved by the FSC Mauritius. An investigation may also be conducted on persons who are suspected of carrying out activities without the authorisation of the FSC Mauritius, which may result in appropriate actions being taken, where necessary.

The ED contends to use its enforcement resources as efficiently and effectively as possible by primarily tackling behaviour that pose the greatest threat to the objectives of the Commission.

The FSC Mauritius gives paramount importance to the proper conduct of business activities by its licensees in conformity with the enabling laws and for the purpose which they have been licensed. The ED has set out clearly in its Enforcement Manual that there are significant consequences in cases of contraventions of the laws and regulations.

Focus for the Year 2021/22

Some of the key priorities for the year 2021/22 included a mix of recurrent areas of focus and more recently emerging issues such as the increasing focus on protection of consumers of financial services.

The primary focus of the ED for previous periods was to comply with the FATF Recommendations and taking enforcement actions for AML failings. The ED will continue to ensure that licensees are compliant with AML/CFT laws and regulations.

A number of complex cases have been closed or are nearing conclusion. Furthermore, in pursuing its approach to fulfilling the objectives of the Commission, the ED will continue to enforce the law swiftly and decisively.

During the COVID-19 pandemic, there has been a surge of scams and other potentially fraudulent practices. Consequently, the ED has increased its efforts to draw the attention of the public and of investors to unauthorised businesses and possible frauds through the issue of alerts on the website of the Commission and their publication in the local newspapers.

Our Approach to Enforcement

Effective supervision and enforcement are important components of an efficient AML/CFT regime, as acknowledged by the FATF. As a forward-looking regulator, there is a shared vision and closer collaboration between the Enforcement and Supervision Directorates.

The FSC Mauritius is committed to exercise its enforcement powers in a manner that is fair, transparent, proportionate, consistent and responsive to the issues in order to achieve effective outcomes in response to misconduct and to maintain public confidence in the regulatory process.

In its drive to be more proactive, the ED has embarked on a targeted and systemic intervention approach in order to detect cases of possible misconduct, tackle harm before it becomes more widespread and take meaningful actions on a timely basis.

The Commission tailors its approach according to the circumstances of each case and decides which powers will enable it to obtain its desired outcomes in the most effective and efficient way, taking into account the seriousness of the offence and a number of other relevant factors.

ENFORCEMENT

Key Areas of Activity

Anti-Money Laundering

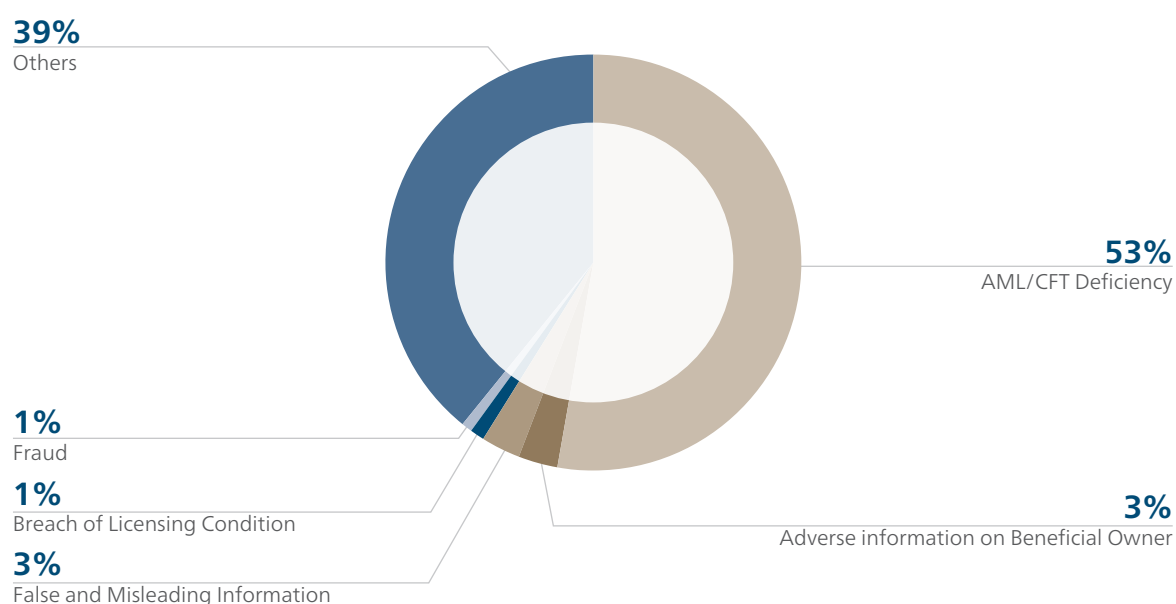
The FSC Mauritius, in close collaboration with other stakeholders, has successfully completed all action items recommended by the FATF. In so doing, a three-pronged approach was adopted by the Commission, which includes, *inter alia*, the application of effective, proportionate, and dissuasive sanctions for non-compliance which are commensurate to the ML/TF risks.

Following the exit of Mauritius from the FATF Grey List and the removal from the EU list of High-Risk Third Countries, the Commission is committed to maintaining an AML/CFT regime that acts as a significant deterrent to any operators seeking to use the jurisdiction for ML or other nefarious financial activities. In support of this commitment, the continued focus of the ED is on strengthening compliance with the AML/CFT requirements by taking actions intended to be effective, proportionate and dissuasive where there is evidence of abuse of the financial system for ML/TF.

Referral of Cases to the Enforcement Directorate

During the year under review, 88 cases were referred to the ED, out of which, the majority were AML/CFT related.

Figure 3: Breakdown of Cases referred to the ED



Investigations/Inquiries

The ED is empowered to carry out investigations/inquiries into suspected contravention and/or misconduct by its licensees. The investigators are well versed in the investigation process and ensure that a thorough assessment of the facts are carried out prior to the initiation of an investigation.

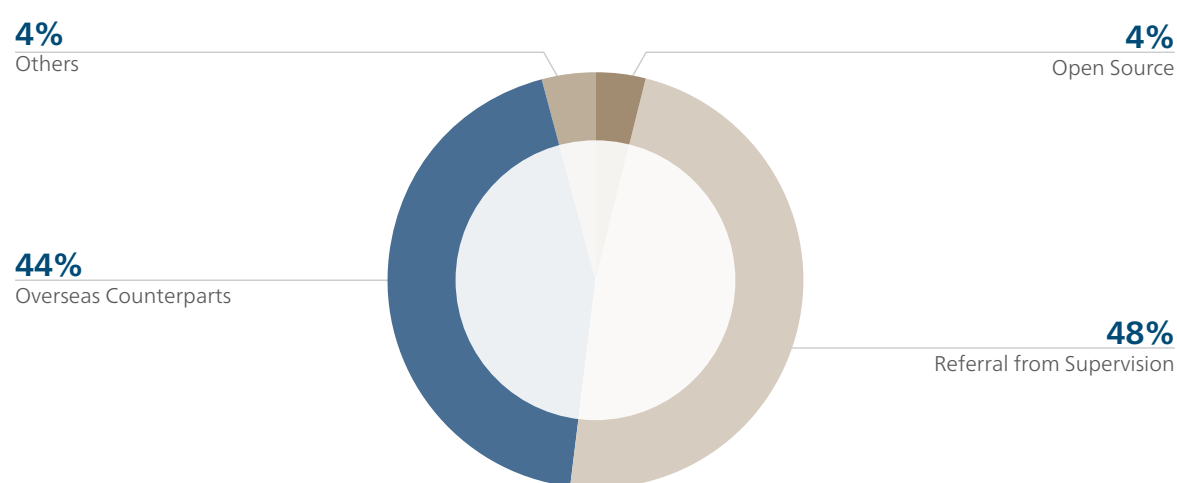
The overriding principle in the approach of the FSC Mauritius to enforcement is substantive justice, which is achieved through the conduct of investigations in a consistent and transparent way to reach a balanced and informed outcome.

The findings of the investigations and inquiries are tabled to the Board of the Commission as per the FSA. To ensure a fair and transparent process, the internal committees responsible to impose sanctions are independent from the ED.

The investigations/inquiries conducted by the ED deal with a broad spectrum of misconduct by licensed firms and individuals, which include:

- Fraud and corruption;
- AML control failures;
- Unlicensed financial service activities;
- Fraudulent conduct;
- Siphoning of funds;
- Round tripping; and
- United Nations sanctioned individuals and/or entities.

Figure 4: Breakdown of Triggers of Investigation



During the year 2021/22, 27 investigations were initiated as compared to 33 during the previous year.

Enforcement Actions

The ED ensures that its powers are applied judiciously and proportionately and are intended to sanction any non-compliance, and to deter any future misconduct in line with the overarching principle of credible deterrence.

The following table provides the number of enforcement actions taken pursuant to the powers conferred upon the Chief Executive as per the provisions of the FSA.

Table 24: Number of Enforcement Actions Taken

Types of Enforcement Actions	July 2021 to June 2022	July 2020 to June 2021
Suspension of Licence	3	5
Revocation of Licence	4	4
Termination of Licence	-	1
Directions Issued	9	6

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Publication of Enforcement Outcomes

With the aim to maintain open and transparent processes and to champion the credible deterrence approach, the FSC Mauritius will generally publish, in such form and manner as it regards appropriate, enforcement outcomes. However, the Commission retains the discretion not to publish such information in certain circumstances or if it is in the public interest.

Intelligence

The ED is the focal point for the receipt, assessment and dissemination of intelligence from local law enforcement agencies, namely the FIU, the ICAC and the Mauritius Police Force.

The Commission has received 76 RFIs and has made 15 RFIs from or to domestic counterparts as follows:

Table 25: Intelligence and RFIs

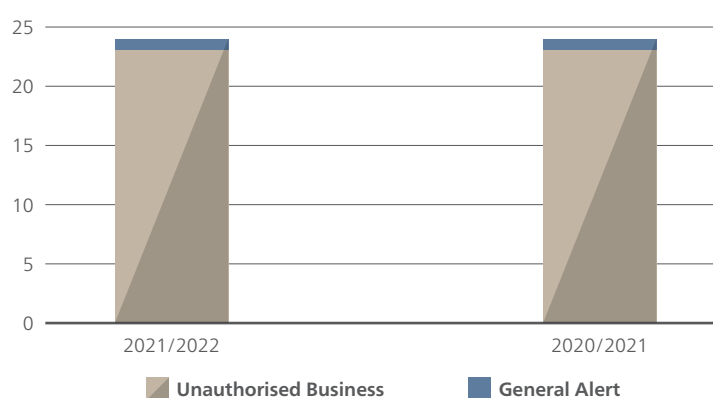
Public Sector/Law Enforcement Agency	Requests Received	Requests Made
FIU	28	10
ICAC	32	2
Mauritius Police Force	16	3

Complaints, Scams and Continued Focus on Protection of Investors

The ED deals with complaints from investors and the public. There is an increasing prevalence of fraud, exacerbated by the COVID-19 pandemic and the rampant use of social media by scammers. The illicit activities, which were brought to our attention, include investment scams, cloning of legitimate firms, impersonating regulator, fake website, boiler room schemes among others.

The Commission has issued 24 alerts during the year 2021/22 to caution the public against investment scams and other forms of abuse. The FSC Mauritius also referred the matters to the relevant domestic and/or foreign counterparts where warranted, and has sought assistance from the relevant body to take down fake websites.

Figure 5: Alerts issued by the ED



Collaboration with Local Law Enforcement Agencies and Foreign Counterparts

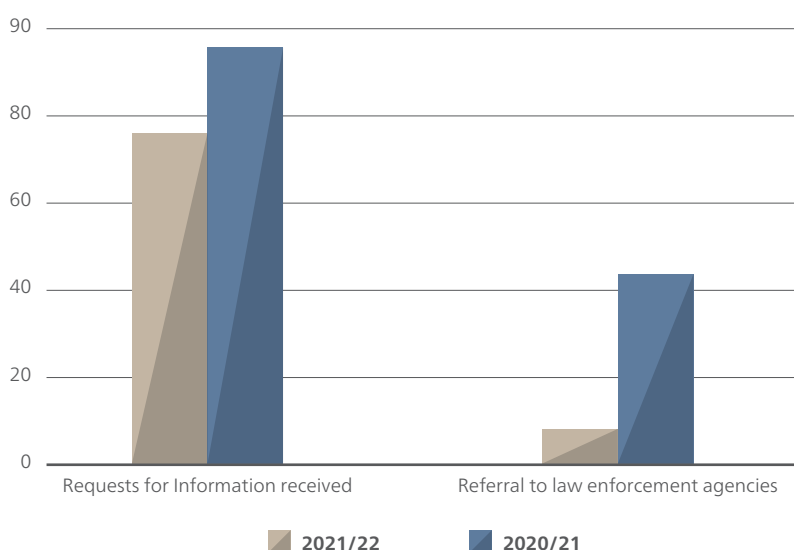
The ED delivers and supports the strategic priorities of the FSC Mauritius in promoting the efficiency and integrity of financial markets by engaging in domestic and international cooperation and collaboration.

The Commission also fosters close cooperation with foreign counterparts in conformity with bilateral or multilateral cooperation agreements for an improved sharing of information in light of greater market connectivity.

The FSC Mauritius made four referrals to the ICAC.

In addition, the Commission referred eight cases relating to suspected ML, fraud and soliciting of investors by unauthorised entities, among others, to law enforcement agencies in Mauritius.

Figure 6: Intelligence and RFIs



Referral of Matter to the Enforcement Committee

The EC is mandated to exercise the disciplinary powers of the FSC Mauritius under section 7 (1)(c) of the FSA in the determination of cases referred to it by the Chief Executive.

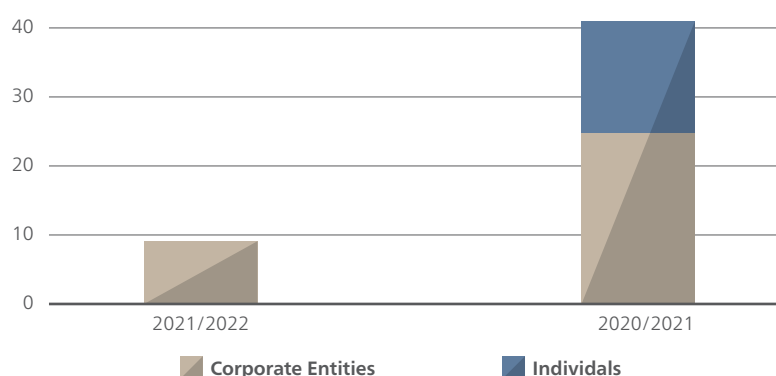
Consequently, the EC may impose the following administrative sanctions:

- Issue a private warning;
- Issue a public censure;
- Disqualify a licensee from holding a licence or a licence of a specified kind for a specified period;
- Disqualify an officer from a specified office or position in a licensee for a specified period;
- Impose an administrative penalty; and
- Revoke a licence.

Nine corporate entities were referred to the EC. Out of these referrals to the EC, two cases were referred to the Settlement Committee and one application was made to the FSRP for a review of the decision of the EC.

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Figure 7: Referrals to the EC



The number of the administrative sanctions taken by the EC are provided in the following table:

Table 26: Number of Administrative Sanctions Taken by the EC

Types of administrative sanctions	July 2021 to June 2022	July 2020 to June 2021
Revocation of Licences	1	5
Disqualification of Officers	-	8
Private Warning	1	6*
Public Censure	-	-
Administrative Penalty	-	11**

*One application for review of the decision of the EC has been made to the FSRP

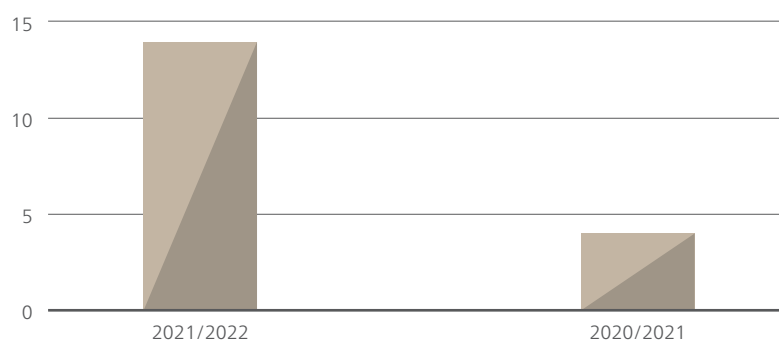
**Four applications for review of the decision of the EC have been made to the FSRP out of which one decision of the EC has been cancelled by the FSRP. Four matters have been referred to the Settlement Committee at the request of the licensees.

Referral of Matter to the Settlement Committee

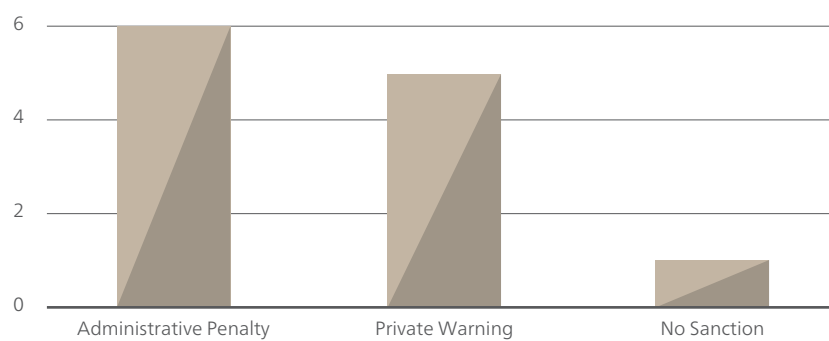
The Settlement Committee supports the Commission in its commitment in achieving timely and proportionate enforcement outcomes through settlement discussions with defaulting licensees wishing to avail this particular mechanism subject to them meeting the threshold, which is determined on a case-to-case basis.

This conciliatory approach to the enforcement process is highly efficient in terms of the time and investigative resources of the ED, while it also provides a less rigid and relatively swifter avenue for licensees to resolve their cases by way of mutual agreement with the FSC Mauritius. If an agreed outcome cannot be reached, the case will proceed in accordance with the enforcement process.

Out of 14 cases referred to the Settlement Committee, nine were settled.

Figure 8: Referrals to the Settlement Committee

The settlement outcomes are illustrated in the following figure:

Figure 9: Settlement Outcomes

Anti-Money Laundering and Combating the Financing of Terrorism

Paille-en-Queue
Phaethon lepturus



The "Paille-en-Queue" is the emblematic bird that represents the Mauritius national airline. It is a plunge-diver that feeds on small fish. The "Paille-en-Queue" stays mainly in the wild relief of the south and west coast side, where it can be seen flying over the blue sky with its graceful and white silhouette.

ANTI-MONEY LAUNDERING AND COMBATTING THE FINANCING OF TERRORISM

AML/CFT DIRECTORATE

The role of the AML/CFT Directorate is to develop and implement the AML/CFT supervisory and regulatory strategy of the FSC Mauritius.

Further to the strategic deficiencies identified by the FATF in February 2020, the FSC Mauritius has, throughout the year 2021/22, demonstrated its commitment to meet the requirements of the corresponding action plan. The FSC Mauritius has done so, by reinforcing the effectiveness of its AML/CFT regime and addressing the related technical deficiencies. Consequently, Mauritius was removed from the FATF Grey List on 21 October 2021, from the UK list of High-Risk Third Countries on 02 November 2021 and from the EU list of High-Risk Third Countries on 21 February 2022.

It is therefore crucial for Mauritius to reinforce its commitment by demonstrating its adherence to the recommendations of the FATF as well as with the prevailing AML/CFT regulatory framework. The directorate, thus, ensures the aforementioned is achieved by continuing to build up the supervisory plan for AML/CFT onsite inspections and offsite supervisory work, including thematic reviews.

In line with its supervisory engagements, the FSC Mauritius provides guidance and up-to-date information on ML/TF risks and obligations to its licensees through various outreach sessions. The AML/CFT Directorate also contributes to the planning and delivering AML/CFT-related outreach sessions under its purview.

ADHERING TO THE INTERNATIONAL STANDARDS

On 21 February 2020, the FATF placed Mauritius on the Grey List. As a direct consequence, Mauritius was placed on the UK list of High-Risk Third Countries while the EU included Mauritius on its revised list of high-risk countries for having strategic deficiencies in its AML/CFT framework, effective as from 01 October 2020. In order to exit the FATF Grey List, Mauritius was called upon by the FATF to implement an action plan, which aimed at fortifying the effectiveness of its AML/CFT framework. Mauritius made a high-level political commitment to work with the FATF and the ESAAMLG to strengthen the effectiveness of its AML/CFT regime. The country implemented all necessary measures and systems in line with the action plan while demonstrating its commitment to combat ML/TF and PF.

As such, the FSC Mauritius uses a range of tools for proactive compliance monitoring of the regulated entities. The Commission also demonstrated progress and engagement in ensuring that all necessary steps are taken to sustain reforms well beyond the FATF International Cooperation Review Group process thereby, reinforcing the financial system of the jurisdiction.

The FSC Mauritius, as the regulator of the non-bank sector, has taken numerous initiatives to ensure the sustainability and effectiveness of its efforts to combat ML/TF and PF. To this effect, the AML/CFT Directorate is tasked with the sustained implementation of the RBS.

The Commission developed a robust AML/CFT RBS framework and an RBS plan in order to respond to the evolving AML/CFT threats and vulnerabilities to which the regulated financial institutions are subject to.

As part of its risk-based approach, the FSC Mauritius applies different supervisory tools including onsite inspections, offsite reviews and thematic reviews to assess the level of compliance among licensed financial institutions. These supervisory actions enabled the Commission to obtain more structured and informative data to support its understanding of the entity-level risks.

The FSC Mauritius conducts outreach sessions in line with its supervisory engagements to continuously provide guidance to its licensees with respect to ML/TF risks and obligations.

In addition to the AML/CFT Handbook, the Commission has also updated and published the PF guidance in line with the Guidelines on the Implementation of TFS under the UNSA, and has updated the Practice Notes for Qualified Trustees and MCs, when providing corporate trusteeship services and recording beneficial ownership information.

ANTI-MONEY LAUNDERING AND COMBATTING THE FINANCING OF TERRORISM

The development of an RBS framework, the increase in human and technological resources and capacity building initiatives led to the effective implementation of a risk-based AML/CFT supervision of the GB sector (including MCs) and enforcement actions against non-compliance. The FSC Mauritius has also established coordination mechanisms to ensure internal challenges and weaknesses are proactively identified and addressed in a comprehensive and sustained manner.

Three virtual face-to-face meetings were held between the Mauritian delegation and the FATF prior to the onsite visit in addition to the submission of the different progress reports. Further to these meetings, the Africa Middle East Joint Group conducted an onsite visit from 13 to 15 September 2021 to verify the implementation of the AML/CFT reforms of the jurisdiction. The FATF, at its October 2021 plenary, concluded that Mauritius was no longer subject to increased monitoring by the FATF while welcoming the significant progress of Mauritius in improving its AML/CFT regime ahead of the agreed deadline.

Following the delisting of Mauritius by the FATF, the UK has, through amendments made to the ML/TF and Transfer of Funds (Information on the Payer) Regulations 2017, removed Mauritius as a high-risk country for the purposes of enhanced CDD requirements on 02 November 2021.

Additionally, the delisting of Mauritius from the EU list of High-Risk Third Countries on 21 February 2022 was yet another milestone, which supported the position of the jurisdiction as one of substance. During the period under review, Mauritius was Compliant or Largely Compliant with 39 out of the 40 FATF recommendations on technical compliance.

The whitelisting by the FATF, the UK and the EU bears testimony of the Commission's efforts to safeguard the reputation of financial services sector. The FSC Mauritius remains committed to the fight against ML/TF and PF while engaging to comply with international norms and standards to combat ML/TF risks and instil a compliance culture.

As a forward-looking regulator, the FSC Mauritius sustains its AML/CFT agenda and takes all necessary actions to protect the integrity of the financial services sector including the GB sector with a view to uphold the reputation of Mauritius as a strong and credible jurisdiction.

ESAAMLG RELATED MATTERS

The ESAAMLG is a FATF-style regional body subscribing to global standards to combat ML/TF and PF.

The main objectives of ESAAMLG are to:

- adopt and implement the 40 recommendations of the FATF;
- apply AML measures to all serious crimes;
- implement measures to combat the financing of terrorism; and
- implement any other measures contained in the multilateral agreements and initiatives relevant to the prevention and control of laundering of proceeds of all serious crimes and the financing of terrorism and proliferation of weapons of mass destruction.

Fourth Follow Up Report for Mauritius

Since the adoption of its Mutual Evaluation Report (MER) in July 2018, Mauritius has taken measures to address the technical compliance deficiencies identified in its MER. As a result, Mauritius is now Compliant with 26 of the 40 recommendations and Largely Compliant on 13 of them, and remains Partially Compliant on one recommendation.

Following the progress of Mauritius to improve its technical compliance with Recommendations 8, 24 and 33, Mauritius was re-rated Compliant with Recommendation 33 and Largely Compliant with Recommendations 8 and 24 in September 2021.

The following table depicts the technical compliance ratings with respect to the fourth follow up report for Mauritius released in September 2021:

R1	R2	R3	R4	R5	R6	R7	R8	R9	R10
C	C	C	C	C	C	C	LC	C	C
R11	R12	R13	R14	R15	R16	R17	R18	R19	R20
LC	C	C	C	PC	C	C	C	C	C
R21	R22	R23	R24	R25	R26	R27	R28	R29	R30
C	C	C	LC	LC	LC	C	LC	C	C
R31	R32	R33	R34	R35	R36	R37	R38	R39	R40
C	LC	C	LC	C	LC	LC	LC	LC	LC

Compliant: C

Largely Compliant: LC

Partially Compliant: PC

AMENDMENTS TO AML/CFT LEGISLATION AND GUIDANCE ISSUED

AML/CFT Guidance Notes for Virtual Asset Service Providers and Issuers of Initial Token Offerings

In line with Recommendation 15 of the FATF, the VAITOS Act came into force on 07 February 2022. This new piece of legislation empowers the FSC Mauritius to regulate and supervise the business activities of VASP and issuers of ITOs respectively.

Concurrently, the FSC Mauritius issued the AML/CFT Guidance Notes for VASPs and issuers of ITOs (the Guidance Notes) on 28 February 2022. The Guidance Notes which provide the salient ML/TF red flag indicators associated with virtual assets, enable regulated entities to better identify and prevent the ML/TF risks linked with their business activities to set up adequate controls to mitigate those risks. The Guidance Notes also outline the key AML/CFT compliance obligations to be observed by VASPs and issuers of ITOs once/after being licensed or registered, as appropriate, under the VAITOS Act. As such, a VASP and an issuer of ITOs, under section 34 of the VAITOS Act, shall in carrying out its respective business activities, have measures in place to comply with the applicable acts, namely the FIAMLA, the FSA and the UNSA.

RISK-BASED SUPERVISORY PLAN

The AML/CFT Supervisory Framework of the FSC Mauritius

Through the adoption of its AML/CFT RBS framework in 2019, the FSC Mauritius has fully integrated a risk-based approach to the supervision of its regulated entities. The RBS framework has allowed the FSC Mauritius to assess the risks of its regulated entities in a systematic way besides effectively addressing and mitigating the ML/TF risks in the non-bank financial sector. The RBS framework is regularly updated to cater for emerging risks such that supervisory focus and resource allocation is directed to higher risks.

Improved Risk Understanding

A sustainable risk-based approach involves the assessment of a large amount of dynamic data set. The FSC Mauritius maintains a risk database of its regulated entities, which is updated on an ongoing basis, with information collected from self-assessment questionnaires and with the outcomes of all supervisory engagements. This allows prioritisation of higher risk entities and sectors for optimal supervision.

The FSC Mauritius is leveraging on technological upgrades to strengthen its process of collecting and analysing data. The FSC One Platform, launched in August 2021, has been updated to optimise processes for collecting, storing, analysing and transforming supervisory data to sharpen risk assessment as well as to improve the supervisory process.

ANTI-MONEY LAUNDERING AND COMBATTING THE FINANCING OF TERRORISM

As part of this continuous effort, the offsite monitoring questionnaire was launched, on the FSC One Platform, to 1,895 licensees in January 2022 which allowed licensees to fill in and submit the questionnaire online. A ticketing system was also embedded in the platform to foster interaction and communication with licensees. The FSC Mauritius is able to continuously collect both financial and non-financial data to analyse and understand the risk profile of the licensees and the sectors being supervised.

Implementation Status of the Supervision Plan

Onsite Inspection

The inspection plan of the FSC Mauritius directs supervisory focus to areas of higher ML/TF risks by targeting higher -risk entities for onsite inspections.

The FSC Mauritius conducted both targeted and full scope inspections of licensees, in line with the FIAMLA and its supporting legislations.

The following table depicts a sectorial breakdown of the number of inspections carried out during the supervisory cycle 2021/22 which began in March 2021 and ended in February 2022.

Table 27: Sectorial Breakdown of Number of Onsite Inspections in Supervisory Cycle 2021/22

Sector	Number of Inspections
TCSP	57
CM	53
Investment Funds	215
Insurance & Pensions	25
Fintech	4
Total	354

Offsite Reviews

In addition to onsite supervision, the AML/CFT Directorate also carries out offsite reviews of low risk rated entities to enable all licensees to be covered through the RBS cycle. For this cycle, the offsite reviews covered two additional parameters, namely, beneficial ownership and customer risk assessment. The desk-based reviews covered four parameters namely risk assessment, policies and procedures, independent audit and beneficial ownership.

The following table provides the sectorial breakdown of the number of offsite reviews carried out during the supervisory cycle 2021/22:

Table 28: Sectorial Breakdown of Number of Offsite Reviews in Supervisory Cycle 2020/21

Sector	Number of Inspections
TCSP	24
CM	98
Investment Funds	4
Insurance	8
Fintech	516
Total	650

The AML/CFT Directorate followed-up on those entities with identified shortcomings, to ensure that satisfactory remedial measures were implemented.

Overall, a significant improvement was observed for this cycle with respect to the compliance culture of entities which were subject to the review as compared with the previous cycle. To this effect, the majority of the reviewed licensees have a comprehensive AML/CFT policies and procedures in place, which is in line with the prevailing legislative framework. Additionally, it was observed that licensees are taking necessary measures to complete their AML/CFT independent audit, thus complying with the FIAML Regulations.

Key Performance Indicators Monitoring

The AML/CFT Directorate collects and compiles statistics on eight Key Performance Indicators (KPIs) to assess the effectiveness of its risk-based and proportionate approach to AML/CFT supervision through its KPI framework. The achievements of the FSC Mauritius with respect to supervisory and enforcement responsibilities are tracked and analysed on a quarterly basis against the set target(s). The FSC Mauritius took a number of supervisory actions in response to non-compliance with AML/CFT obligations with the aim of deterring future unfavourable behaviours and fostering compliance among other licensees. The conclusion of the performance assessment for supervisory cycle 2021/22, showed that the timely actions taken by the FSC Mauritius since the previous cycle led to remediation and improvement in the compliance culture of regulated entities.

OUTREACH AND AWARENESS SESSIONS

As part of its ongoing outreach programme, the FSC Mauritius conducted a series of outreach sessions during the year under review. Despite the COVID-19 pandemic, the FSC Mauritius has been able to conduct 27 outreach sessions while implementing all the necessary sanitary protocols during the year ended 30 June 2022. Some of these sessions were conducted in collaboration with other regulators and relevant authorities. Numerous industry representatives, financial institutions and relevant authorities attended the outreach sessions.

The FSC Mauritius conducted the following outreach sessions in line with its supervisory engagements during the year 2021/22:

SN	Date	Training/Workshop
1	29 June 2022	Refresher Session to Qualified Trustees and NPO
2	17 June 2022	Outreach on STR Obligations in collaboration with FIU
3	16 June 2022	ICC – Dissemination of Risk Assessment including the Virtual Asset aspect
4	29 April 2022	Outreach on Targeted Financial Sanctions and Proliferation Financing and Enforcement Powers & Sanctions in instances of PF and TF TFS non-compliance and for supervisors to enhance efforts to impose proportionate and dissuasive sanctions
5	26 April 2022	ICC Virtual Workshop on Crypto Compliance with Ongoing Sanctions
6	29 March 2022	ICC Virtual Outreach on Internal Controls and Enterprise Wide Risk Assessment
7	28 February 2022	Publication of AML/CFT Guidance Notes for Virtual Asset Service Providers & Issuers of Initial Token Offerings
8	23 February 2022	ICC Virtual Workshop on Supervisory Assessment for Beneficial Ownership Information
9	27 January 2022	ICC Virtual Workshop on Suspicious Transaction Report
10	19 January 2022	Virtual Targeted Outreach on AMLCFT Obligations for the Insurance Sector
11	13 January 2022	Publication of FSC Independent Audit Information Notes on the FSC Website

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SN	Date	Training/Workshop
12	10 December 2021	ICC Virtual Workshop on ML/TF Risk Internal Controls and the Compliance Program and Suspicious Transaction Report
13	26 November 2021	Virtual Outreach on Targeted Financial Sanctions and Proliferation Financing
14	29 October 2021	ICC Virtual Joint Outreach on Customer Due Diligence and Enhanced Due Diligence
15	28 October 2021	Virtual Outreach on Offsite Inspection Findings
16	22 October 2021	Refresher Session to Qualified Trustees
17	30 September 2021	ICC Virtual Workshop on Beneficial Ownership Information and Suspicious Transaction Reporting
18	03 September 2021	Virtual Outreach on Targeted Financial Sanctions and Proliferation Financing
19	02 September 2021	Virtual Outreach on AML/CFT Onsite Inspection and Findings for Insurance Sector
20	01 September 2021	Virtual Outreach on AML/CFT Onsite Inspection and Findings for TCSP, IFI, Capital Market & Fintech Sector
21	27 August 2021	ICC Workshop on Cases identified by Law Enforcement Agency (LEAs) with respect to Legal Arrangements, Typology Report (Beneficial Ownership/ Ultimate Beneficial Ownership) and Suspicious Transaction Reporting
22	17 August 2021	Outreach on Independent Audit and Business Risk Assessment – Publication on FSC Website
23	13 August 2021	Virtual Targeted Outreach for Insurance Brokers on AML/CFT Obligations
24	30 July 2021	Virtual Outreach on Targeted Financial Sanctions and Proliferation Financing - Publication on FSC Website
25	21 July 2021	Virtual Outreach on Targeted Financial Sanctions and Proliferation Financing
26	20 July 2021	Outreach on STR Questionnaire Findings –Publication on FSC Website
27	20 July 2021	ICC Virtual Workshop on Implementation of Targeted Financial Sanctions

Following the delisting of Mauritius, the FSC Mauritius reiterated its commitment to improve its legal, regulatory and enforcement measures in the fight against ML/TF and PF. The FSC Mauritius ensures that its licensees comply with the relevant laws and regulations. In this respect, the objective of the outreach sessions was to provide the targeted audience with the necessary compliance guidance to mitigate ML/TF risks that can negatively impact the financial services sector and the economy. During these outreach sessions, licensees were apprised of the performance of the various sectors with the view to remedy deficiencies in their own AML/CFT framework.

AML/CFT RELATED COMMITTEES

Mauritius Finance - FSC Mauritius AML Committee

Sub-Committee on AML/CFT under the Joint Committee between the FSC Mauritius and the Mauritius Finance

The sub-committee, which was established under the joint committee between the Commission and MF, has as main objective the coordination and collaboration on matters relating to AML/CFT. During the year 2021/22, the sub-committee held four meetings. The sub-committee discusses AML/CFT matters and proposes amendments to the prevailing legislations. Through the sub-committee, the FSC Mauritius apprises the MF on draft guidance and/or consultation papers for the MF to have insights of the perspective of the industry as well as discusses any upcoming issues with members of the MF.

Financial Literacy and Consumer Protection

Bul Bul

Pycnonotus jocosus emeria



This frugivorous endemic Bul Bul has a black body and bright yellow beak and can sometimes be seen in the upland forests.

FINANCIAL LITERACY AND CONSUMER PROTECTION

OVERVIEW

The FSC Mauritius is empowered under section 6 of the FSA to *promote public understanding of 'the financial system including awareness of the benefits and risks associated with different kinds of investment and to take measures for the better protection of consumers of financial services'*. Part VI of the FSA consolidates these functions by providing measures to protect consumers of financial services and financial products. The FSF was established by the Commission under section 68 of the FSA. The funds of the FSF *shall be used to promote the education of consumers of financial services* according to section 68 (2) of the FSA.

The Commission aims to increase financial literacy among the population for a better understanding of the financial services sector and to promote increased use of financial products and services. The Commission is committed to create investor awareness and expand financial education thereby empowering people to take informed investment decisions.

Through financial literacy, consumers of financial services are able to:

- practise financial planning;
- adopt the habit of saving and investing for their prosperity and economic wellbeing; and
- choose the appropriate financial products to suit their priorities and goals.

Sustained Communication on the 'Reflexes' Campaign

Sustained communication on the 'Reflexes' campaign was pursued through the 'Le Point Finance' initiative in the print and audio-visual media. The objective is to continue disseminating various key messages to inculcate good financial reflexes. Additional materials, including videos and info graphics, are produced as part of this sustained communication campaign on a number of financial literacy topics for targeted audiences, including financial planning, good habits of budgeting, saving and investment in relevant financial services and products. These were posted on the FSC Mauritius website and social media pages dedicated to the 'Reflexes' campaign. Brochures and informative games were also distributed to the public during various outreach sessions to help support this campaign.

Dissemination through the Media

Relevant financial literacy materials and information are published in the print media and are broadcasted on radio and television on a regular basis.

An agreement was signed with the MBC on 11 February 2022 for the production and dissemination of financial literacy awareness programmes pertaining to the financial services sector on the television and radio channels of the MBC.

The purpose of the agreement is to promote the education of consumers of financial services in line with the provisions of the FSA. Moreover, under the agreement, the FSC Mauritius and the MBC will collaborate to simplify technical input, provide resource persons to produce as well as ensure the timely broadcast of programmes jointly developed by both parties.

Electronic Media

A project was initiated during the year under review for the setting up of a website dedicated to financial literacy. This website will include a repository of all financial literacy materials produced, which will enable visitors to obtain useful information on, *inter alia*, money management and investment skills. The website will increase awareness on products and services available in Mauritius. It will also provide a list of current and forthcoming financial literacy events and initiatives undertaken by the Commission.

FINANCIAL LITERACY AND CONSUMER PROTECTION

Production of Videos and Info Graphics

Several informative materials were produced and disseminated to the public to create awareness on new products and developments happening in the financial services sector.

Crowdfunding

Crowdfunding is a fast-growing online activity, which has in recent years, contributed significantly to create new opportunities for both entrepreneurs and investors. In line with the launching of the regulatory framework on crowdfunding on 25 November 2021, a video was produced on this topic and was aired on national TV. The video is available online and on social media platforms.

Other Videos

Other videos produced for dissemination on different online/audio-visual platforms and during outreach sessions were as follows:

Video Clips	Month
Metro wrapping project with Fintech related messages	May 2022
Basic precautions to avoid fraudulent schemes and scams	April 2022
Insurance	April 2022
Financial literacy for SMEs	April 2022
Free choice of policy	March 2022
Investment	January 2022
Bonus Fin d'année (spending intelligently)	December 2021
Investment – without voice over	November 2021
Savings and budgeting (A quick advice) – with voice-over	November 2021
Savings and budgeting (A quick advice) – without voice-over	November 2021

Info Graphics

The info graphics produced are available on different online platforms and were also published in newspapers as per the following table:

Video Clips	Month
VAITOS Act	June 2022
Section 81 of IA - Free Choice of Insurance policy	March 2022
Credit Finance	January 2022
Life Stage 4 (Retirement)	January 2022
Life Stage 3 (Pre-retirement)	January 2022
Life Stage 2 (Mid-life)	January 2022
Life Stage 1 (Start of career)	December 2021
Over Indebtedness	December 2021

Video Clips	Month
End of Year Bonus (Part 2)	December 2021
End of Year Bonus (Part 1)	December 2021
Crowd Funding	December 2021
SMEs	November 2021
Investment Funds	November 2021
Investing in shares	November 2021
Private Pension	November 2021
Investment (Do's and Don'ts)	October 2021
Budget and Planning (Do's and Don'ts)	October 2021
Insurance (Do's and Don'ts)	October 2021
Phishing & Scam (Do's and Don'ts)	October 2021
P2P Lending	October 2021

Competitions

Various talent and financial literacy competitions were launched, namely:

- A creative art competition where participants were invited to produce video clips on financial services launched in February 2021;
- A mobile app gaming competition where the best games produced were proposed to be included in the financial literacy mobile application, launched in February 2021; and
- The Young Talent Competition where secondary school students were invited to participate in art, quiz and debate competitions on the theme of financial services was launched in July 2021.

Metro Wrapping Project

The FSC Mauritius and the FSF embarked on a project proposed by Metro Express Limited to create awareness through media on existing financial literacy campaigns - 'Reflexes' campaign and Le Point Finance. These included financial literacy messages in relation to Fintech.

A wagon of the Metro Express, with the 'Reflexes' campaign mascot and financial literacy messages, was launched on 15 April 2022.

Outreach Sessions

The FSF unit participates in weekly events held around Mauritius as part of the 'Ansam avek CSU' National initiative under the aegis of the Prime Minister's Office. The objective of this ongoing initiative is to reach out to the population in different areas through dedicated information stands to impart financial literacy.

FINANCIAL LITERACY AND CONSUMER PROTECTION

The following table lists the different regions covered as part of the 'Ansam avek CSU' initiative and outreach sessions held as part of the Financial Literacy mandate.

SN	Date	Region
1	25 June 2022	Rose Hill
2	18 June 2022	Plaine Verte
3	11 June 2022	Curepipe
4	04 June 2022	Cote D'or
5	04 June 2022	Mahebourg
6	28 May 2022	Trianon
7	21 May 2022	Medine Camp de Masque
8	14 May 2022	Goodlands
9	07 May 2022	Beau Vallon
10	30 April 2022	Flacq
11	16 April 2022	Petit Raffray
12	12 April 2022	Lallmatie
13	09 April 2022	Plaine des Papayes
14	26 March 2022	Quatre Bornes
15	19 March 2022	Riche Terre
16	05 March 2022	Tamarin
17	26 February 2022	Port Louis
18	19 February 2022	Ebene
19	12 February 2022	Rose Belle
20	05 February 2022	Phoenix
21	29 January 2022	Saint Pierre
22	13 November 2021	Beau Vallon
23	23 October 2021	Trianon
24	16 October 2021	Grand Baie
25	09 October 2021	Cascavelle

Tailor-made financial literacy sessions for SMEs, women associations and youth, were also conducted as part of the sessions listed in the table above.

Financial Stability & Statistics

Hibiscus fragilis



Hibiscus fragilis, the mandrinette, is an extremely rare shrub that is endemic to steep slopes of the mountains Corps de Garde and Le Morne Brabant on Mauritius(1) and from two further plants on Rodrigues. The mandrinette is an evergreen plant with flowers 7–10 cm diameter with five bright pink to carmine red petals

Source: https://en.wikipedia.org/wiki/Hibiscus_fragilis

FINANCIAL STABILITY & STATISTICS

FINANCIAL STABILITY

As per section 5 (e) of the FSA, one of the objectives of the FSC Mauritius in collaboration with the BoM is to ensure, the soundness and stability of the financial system in Mauritius. This is carried out through the BoM/FSC Joint Coordination Committee.

The risks and possible deficiencies emanating from the non-bank financial sector are closely monitored by the FSC Mauritius and reported in the Financial Stability Report of the BoM on a semi-annual basis.

A summary of the latest main findings is outlined below.

Economic Outlook

The war in Ukraine has triggered uncertainty about the growth of the global economy, which was beginning to recover from the COVID-19 pandemic. In its World Economic Outlook 2021, the IMF has estimated that the world output has expanded by 6.1 per cent in 2021 compared with the previous year – on the back of the high rollout of vaccines and massive fiscal policies to combat the pandemic-induced challenges. However, as the world entered 2022 with higher optimism, global prospects have experienced a severe setback with the occurrence of a new major crisis, the Russia-Ukraine war.

The pandemic-induced demand-supply imbalances and war-related disruptions have resulted in heightened inflationary pressures around the globe. In the United States and some European countries, inflation has already reached its highest level in over 40 years. Further increase in commodity prices and intensifying geopolitical tensions would result in higher and persistent inflationary pressures. With higher-than-expected inflation, central banks may be compelled to adopt a tighter monetary policy thereby exposing debt vulnerabilities, particularly in emerging markets.

On the domestic front, despite the limited exposure of Mauritius to Ukraine and Russia, the outlook remains subject to the indirect effects of the conflict. The overall impact will be dependent on several factors namely the duration and implications of the war, the evolution of commodity prices and the performance of the domestic tourism sector. In addition, the outlook will remain susceptible to the possible surging of new variants of the COVID-19 pandemic and its associated disruptions.

The GB sector grew by an estimated 6.3 per cent in 2021 following a contraction of 10.3 per cent in the previous year. In early 2022, this sector experienced a major boost following its removal from the EU list of High-Risk Third Countries. The European Commission deemed that Mauritius has tackled the strategic deficiencies identified by the FATF in February 2020. This decision follows the delisting of Mauritius from the FATF Grey List and the UK list of High-Risk Third Countries in the last quarter of 2020. This positive outcome will undoubtedly reinforce the confidence of investors in the Mauritius IFC as a sound jurisdiction for cross-border trade and investment.

Sectorial Review

Despite the challenges induced by the pandemic and the current Russia-Ukraine war, the domestic Insurance sector displayed an overall stable financial health. Assets in both life and non-life segments of the insurance industry witnessed growth reaching higher than the pre-pandemic level. Since the onset of the COVID-19 pandemic, life insurers have demonstrated resilience by re-allocating their investment mix notably shifting to safer assets at the peak of the economic downfall in 2020 and gradually to assets producing higher yields with the recovery phase. As for the general insurance business, it is noted that the number of policies in force maintained a slight general upward trajectory for both motor and non-motor segments for the year ended 2021. The solvency position of insurers is above the regulatory requirements noting that larger life insurers maintained higher capital cushion.

Regarding the Pension Schemes sector, the value of assets maintained its general upward trend. Equity investment represented a major portion of total assets for the third quarter of 2021, out of which 46 per cent consisted of foreign equity. As opposed to the exposure of the life insurance industry to the various segments of the economy, this sector is geared towards investment with higher yields, which explains its exponential growth in terms of assets.

FINANCIAL STABILITY & STATISTICS

The GB sector is expected to witness a major boost with the whitelisting of Mauritius by the FATF, EU and UK. The positive outcomes were noted in the licensing figures for GB. For the year ended 30 June 2022, a growth of five per cent was recorded in the number of new GB licences issued as compared to the previous year, exclusive of the conversion from GBC2s to GBCs by the end of June 2021. As compared to the period during which Mauritius was on the FATF Grey List (March 2020 – October 2021), the average monthly licences issued witnessed a growth of 15 per cent since its removal, from November 2021 to June 2022.

Amidst an overall increase, the gross investment flows through GBCs in the second half of 2021 were subject to major fluctuations across regions, especially in Emerging Market and Developing Economy (EMDEs). During the first half of 2021, the total investment (both Foreign Direct Investment and Foreign Portfolio Investment) into India from Mauritius amounted to USD 33.4 billion representing a significant increase of 80 per cent. Conversely, the flows into Africa from Mauritius contracted by 21 per cent and stood at USD 4.4 billion over the same period.

From a financial stability perspective, the main risk could emanate from the significant amount of GB deposits in local banks. As at 31 December 2021, it was noted that GB deposits stood at USD 12.9 billion, which was almost equivalent to the GDP of Mauritius. Given that the GB sector is highly exposed to externalities, an abrupt and significant withdrawal of these deposits could expose local banks to high liquidity risk. In this respect, a risk map was devised by the FSC Mauritius to measure the respective exposure of each local bank and the analysis was provided to the BoM for stress testing of their liquidity position.

Supervision of Financial Conglomerates

The FSC Mauritius administered its data collection instrument to financial conglomerates whereby the Commission is the lead regulator to collect data to measure group exposures. The focus of this exercise was on the financial institution(s) of the Group and the areas of risk investigated were concentration risk, contagion risk and risk of conflicts of interest concerning related-party transactions. A report on the findings was prepared showing no major threat to the stability of the groups under review.

A concept paper is under preparation to put in place a practical framework for the supervision of conglomerates based on practices in other countries and in line with principles established by the Basel Committee.

The FSC Mauritius launched the second cycle of its monitoring of financial conglomerates under its purview for the collection of data for the year ended March 2022. In parallel, the FSC Mauritius continues to engage in risk mitigating actions for the issues noted in the first cycle.

Enhanced Monitoring of Lending Activities of NBFIs

The FSC Mauritius initiated an exercise to gauge the potential exposures of Non-Bank Financial Institutions (NBFIs) involved in lending activities (i.e., credit finance, leasing and factoring) with economic sectors notably those more impacted by the ongoing pandemic. In line with the principle of risk-based approach, exposures of entities which are systemically important were analysed first. An initial appraisal showed that risks are so far within a range of acceptability. The exercise was extended to cover all entities involved in leasing, factoring and credit finance activities and will henceforth be an integral part of prudential surveillance. The first cycle of this exercise was launched for the collection of data for the year ended March 2022.

Financial Soundness Indicators

The potential for spill-over effects from industries significantly impacted by the pandemic prompted the need for enhanced monitoring tools to gauge the financial soundness of financial institutions. In addition, given the high degree of interconnectedness between banks and other financial corporations, the FSC Mauritius initiated an exercise to compute the FSIs for insurance companies and pension schemes. The FSIs consist of a set of early-warning quantitative risk indicators developed by the IMF and are used globally to strengthen macro-prudential surveillance by monitoring the financial health of financial institutions through the identification of actual or potential financial sector fragilities.

In line with the above, the quarterly returns of insurers were amended to collect balance sheet and performance data as per the template provided in the IMF Financial Soundness Indicators Guide 2019. The computation and analysis of the FSI are expected to be undertaken as from the fourth quarter of 2022 so that a trend of at least four points of observations is available.

STATISTICS

Annual Statistical Bulletin 2021

Under section 6 (j) of the FSA, the FSC Mauritius prepares and publishes the Annual Statistical Bulletin, which states that one of the functions of the FSC Mauritius is to *collect, compile, publish and disseminate statistics in respect of the financial services and global business sectors*. The primary aim of the Annual Statistical Bulletin is to provide figures on the licenses issued under various categories by FSC Mauritius. The statistics presented in this report are sourced mainly from the AFS, administrative data, survey results and secondary sources.

Implementation of the Surveys

The FSC Mauritius administers several surveys sent to its licensees in line with international data standards namely, the IMF Special Data Dissemination Standard (SDDS). During the year under review, the FSC Mauritius conducted quarterly, bi-annual and annual surveys under the powers conferred by section 7 (2) of the FSA. Around 80,000 survey forms are collected through its Online Data Capture System platform annually from licensees. The quality of the data collected remains a primary focus. More than 50 consistency checks on average are carried out for each survey form before the results are validated and disseminated. The details of the surveys conducted are summarised as follows:

Survey	Details
IMF Monetary and Financial Statistics (MFS) Survey	<p>The IMF MFS survey is implemented by the BoM/FSC Joint Coordination Committee as part of IMF SDDS requirements. With a view to have more visibility on the figures, the quarterly survey is divided into GB and domestic categories. While the GB category covers around 12,000 entities, the domestic segment comprises approximately 150 domestic entities operating in the insurance, pensions and fund industries. The BoM/FSC Joint Coordination Committee continues to improve the quality of MFS data by conducting ongoing investigation exercises.</p> <p>1. IMF MFS Survey for the GB sector</p> <p>The surveys for the second, third and fourth quarters of 2021 and first quarter of 2022 were launched on Online Data Capture System. Approximately 40,000 submissions were received and analysed, leading to investigations carried out on around 2,000 GBCs. Misclassifications mainly in terms of class of instruments and institutional sector were noted. In addition, investigations were carried out to ensure consistency of data reported on the assets side of the GBCs with the data disclosed in the liabilities section of the counterparties' GBCs. To improve the quality of data, relevant amendments were made to the survey form and additional guidelines were provided.</p> <p>2. IMF MFS Survey for the Domestic Sector</p> <p>The focal points for the MFS Survey are the following three categories, namely, class of instrument, currency and institutional sector. An analysis of the second quarter of 2021 data was carried out and misclassifications were detected in terms of instruments and institutional sectors. To obtain a better representation of sector exposure, guidance notes were provided to licensees pertaining to the appropriate classification of institutional sector of holding companies. Amendments were accordingly made to the survey forms. Following the launch of the third quarter of 2021 survey, further guidance from the IMF was sought for financial instrument specific for insurance activities. Another batch of investigation was subsequently launched for the Insurance sector to ensure proper classification in light of the guidance received. An analysis of the survey results led to investigation of around 300 cases.</p>

FINANCIAL STABILITY & STATISTICS

Survey	Details
External Sector Statistics and National Accounts Survey (ESSNAC) 2021	<p>The ESSNAC survey aims at collecting financial data from GBCs for the compilation of various macro-economic statistics namely the Balance of Payments, International Investment Position, Foreign Portfolio, Foreign Direct Investment and National Accounts. This exercise is conducted in collaboration with the BoM and Statistics Mauritius.</p> <p>Some 11,200 GBCs were included in the coverage of the ESSNAC Survey 2021, which pertains to the financial period 01 January 2020 to 31 December 2020. Upon review of the survey results, three main investigation exercises were conducted comprising around 800 entities. In December 2021, an external sector statistics mission was held virtually to discuss on the compilation and reporting of transactions and positions data pertaining to Special Purpose Entities with non-residents. Several action points were agreed, in particular, the setting up of a working group, which would include members of BoM, FSC Mauritius and Statistics Mauritius.</p> <p>Additional sessions were organised with GBCs to have better insights into the figures reported. Following these investigations and meetings, additional consistency checks, line items and guidelines were added and enhanced in the survey forms to improve the quality of the data collected from licensees.</p>
Employment Survey 2021	<p>The Employment Survey is now carried out by the Commission on a semi-annual basis to get a better insight on the operations of all domestic licensees. The survey collects data on the number of direct employment categorised by gender, local/expatriate and job family namely managerial, technical and support. In addition, this survey captures information on the movement in between semesters namely number of new recruits and departures. The results of the survey are disseminated on the website of the Commission in aggregated form.</p>
Insurance Quarterly Returns (IQR) Survey	<p>The Commission has been collecting IQR since 2017. A full review of the survey form was carried out with insurers and additional guidance was provided to facilitate and ensure correct classifications. However, misreporting was still noted with regard to number of policies and gross premiums on the IQR Surveys as compared with the Statutory Returns Survey. Further clarifications were given in the form to clear this issue.</p> <p>Meanwhile, the fourth quarter IQR survey form of 2021 was revised to improve the quality of data and to have a better insight of the performance of the insurance industry without adding too much burden on licensees. The following changes were implemented:</p> <ul style="list-style-type: none"> • New income statement and balance sheet format to allow for the compilation of the FSI for the Insurance sector; • New breakdown for policies in force and gross premium by personal line and commercial line following a request from the Insurers Association of Mauritius for availability of these data on the website of the Commission for market analysis. <p>The Commission conducted 25 investigations with the insurers to ensure accuracy and consistency with regard to the data reported in the fourth quarter IQR survey form of 2021. Data from the first quarter IQR survey form of 2022 was collected and currently in the process of investigation.</p>

Stakeholder Relations

Dombeya Rose *Dombeya acutangula var rosea*



Small indigenous shrub bearing charming light pink flowers in small clusters, growing throughout the island

Symbol of Popularity

STAKEHOLDER RELATIONS

STRENGTHENING STAKEHOLDER RELATIONS

The FSC Mauritius has an active regional and international presence. Over the past few years, the Commission has laid much emphasis on developing strong bonds and on maximising the reach of its collaborative initiatives with international standard-setting bodies such as the IOSCO, IAIS and the IOPS. The adoption of international best practices, norms and standards testifies the commitment of the Commission to consolidate the position of Mauritius as a financial services centre of excellence.

To further support this commitment, the FSC Mauritius promotes cooperation through the exchange of information, attachment programmes and the hosting of and participation in conferences.

EFFECTIVE CROSS-BORDER SUPERVISION THROUGH EXCHANGE OF INFORMATION

Effective cooperation, exchange of information and a robust working relationship among regulators are key elements for the preservation of the financial stability of a country. The FSC Mauritius continuously works toward signing Memoranda of Understanding (MoUs) with its local, regional and international counterparts, aiming to:

- strengthen the regulatory supervision of cross-border operations of financial institutions;
- identify sound mechanisms for the sharing of information in compliance with international best practices and standards; and
- reinforce collaboration initiatives between regulatory institutions in the fight against financial crime, money laundering and terrorism financing.

The FSC Mauritius is also committed to adhere to international best practices on transparency and disclosure of information.

INTERNATIONAL PRESENCE OF THE FSC MAURITIUS

International cooperation among financial regulators is of paramount importance in the development of effective policies for regulating and supervising financial markets given the increasing interdependence of cross-border investments and the relentless fight against global malpractices.

Milestone achieved by the FSC Mauritius

Signature of the IOSCO Administrative Arrangement for the Transfer of Personal Data between European Economic Area and non-European Economic Area Authorities

The FSC Mauritius signed the AA for the transfer of personal data between EEA and the non-EEA authorities on 01 September 2021, and was added to the master list of Appendix B signatories published on the IOSCO website.

The purpose of the AA is to provide safeguards for the transfer of personal data from EU IOSCO authorities to non-EU IOSCO authorities. The signature of the AA reiterates the commitment of the FSC Mauritius to adhere to international standards of data protection.



STAKEHOLDER RELATIONS

International Meetings and Conferences

The FSC Mauritius was actively engaged with its foreign counterparts and participated in several conferences and meetings as follows:

IAIS Emerging Markets and Developing Economies Members Meeting

The FSC Mauritius participated virtually in the meeting of EMDE held on 12 August 2021. During the meeting, an overview of the work undertaken by the IAIS on climate-related risks was presented.

19th Annual Session of the Institut Francophone de la Régulation Financière

The FSC Mauritius participated in the 19th Annual Session of the Institut Francophone de la Régulation Financière (IFREFI) held in a virtually from 01 to 03 September 2021. The theme of the conference and meetings was on the fight against money laundering and terrorist financing. The Chief Executive of the FSC Mauritius delivered a presentation on the various challenges and opportunities faced in the financial services sector following the rise of digitalisation, digital assets and other related services. In addition, members of the IFREFI gave an overview of the ongoing initiatives/measures and reflections undertaken in their respective jurisdictions.

Financial Stability Board Workshop on Quantitative Targets to enhance Cross-Border Payments

The FSC Mauritius attended virtually the FSB workshop on quantitative targets to enhance cross-border payments on 08 September 2021. The objective of the workshop was to inform and receive feedback from RCG members on its proposed global quantitative targets and to discuss on an initial draft implementation approach for monitoring the targets.

FSB RCGs Virtual Workshop on London Interbank Offered Rate Transition

The Commission attended the FSB RCGs workshop on London Interbank Offered Rate transition on 29 September 2021. The purpose of the workshop was to inform and gather feedback from RCG members and discuss on the challenges and opportunities of London Interbank Offered Rate transition to alternative risk-free rates.

IOPS Technical Committee Meetings, Executive Committee Meeting and Annual General Meeting

The FSC Mauritius participated virtually in the IOPS Technical Committee Meetings held on 18 and 20 October 2021, the Executive Committee Meeting and the Annual General Meeting on 21 October 2021. The discussions held during those meetings focused, among others, on supervisory issues and supervisory approaches to enhance cyber resilience in the private pension sector.

Autorité des marchés financiers Québec Fintech Week

The Commission represented by its Chief Executive, participated virtually as guest speaker during the Autorité des marchés financiers Québec Fintech week. An overview of the salient features of the FSC One Platform was provided.

The Comissão do Mercado de Valores Mobiliários Annual Conference

The FSC Mauritius attended virtually the Comissão do Mercado de Valores Mobiliários Portugal Annual Conference which took place on the IOSCO 46th virtual annual meeting. The theme of the conference was 'Global Capital Markets: Understanding the Future'. The event gathered experts around the globe to discuss on the major trends shaping the future of global capital markets in the post-pandemic recovery, and the challenges in regulating global and digitalised capital markets.

IOSCO Annual Meeting

The FSC Mauritius participated in a series of virtual meetings hosted by the IOSCO in November 2021, which included among others, the IOSCO Growth and Emerging Markets Committee meeting and the AMERC meeting.

Members of the GEMC addressed several subjects such as the development of sustainable finance in emerging markets, the use of innovation facilitators in growth and emerging markets and the introduction of robo-advising.

Topics discussed during the AMERC meeting were in respect to the challenges and opportunities for building a Fintech ecosystem in the region as well as the impact of the pandemic on market listings.

Group of International Finance Centre Supervisors Virtual Plenary Meeting

The Commission participated in the Group of International Finance Centre Supervisors (GIFCS) Virtual Plenary Meeting held on 10 and 11 November 2021. The event was jointly organised by the Financial Stability Institute of the Bank for International Settlements and the GIFCS. The main topics covered during the meetings were operational resilience, third party service providers and cloud computing.

IAIS Annual General Meeting and Annual Conference

The FSC Mauritius participated virtually in the Annual General Meeting and Annual Conference of the IAIS held from 15 to 21 November 2021. Several key themes were addressed during the event namely the changing landscape for the insurance sector, the role of supervisors in addressing future pandemic risk, governance and ethics of artificial intelligence and machine learning.

FSB Regional Consultative Group for Sub-Saharan Africa

The FSC Mauritius attended virtually the FSB RCG for Sub-Saharan Africa meeting on 01 December 2021. The purpose of the meeting was to discuss the recent global and regional macroeconomic and financial market developments, their implications and potential impact on RCG Sub-Saharan African economies and policy responses, including financial stability implications from COVID-19 pandemic among others.

Joint Implementation and Assessment Committee-EMDE Meeting

The Commission participated virtually in the joint Implementation and Assessment Committee (IAC)-EMDE meeting on 01 December 2021. During the meeting, an update on the ongoing Fintech forum activities and other regional activities was provided.

Working Party on Private Pensions

The FSC Mauritius participated virtually in the working party on private pensions meetings on 06 and 07 December 2021, in a joint meeting with the task force of the OECD on Pension Statistics on 08 December 2021, and in the Insurance and Private Pensions Committee on 10 December 2021. The discussions held during the meetings focused among others, on the impact of COVID-19 on mortality and life expectancy, the development and strengthening of asset-backed pension arrangements and challenges of ESG data for insurance companies and pension funds.

IAIS Regional Meeting for Sub-Saharan Africa Supervisors

On 24 and 25 February 2022, the FSC Mauritius participated virtually in the regional meeting for Sub-Saharan Africa insurance supervisors organised and hosted by the IAIS, the Prudential Authority, the Financial Stability Institute and the Access to Insurance Initiative. The venue was an opportunity for IAIS to provide an update on its activities and other upcoming projects.

STAKEHOLDER RELATIONS

IOPS Technical Committee Meetings and IOPS Executive Committee Meeting

The Commission participated virtually in the IOPS technical committee meetings held from 07 to 08 March 2022 and in the Executive Committee meeting held on 09 March 2022.

The discussions held during the IOPS technical committee focused among others, on new and ongoing projects, experiences regarding the implementation of RBS in pensions, supervisory lessons learnt from COVID-19 including members' interventions, RBS, lessons learnt on preparation, implementation, use and assessment, implementation of ESG guidelines. The FSC Mauritius also delivered a presentation during the *Tour d'Horizon* session on investment smoothing mechanism recently introduced via relevant amendments in the PPSA.

EMDE Brainstorming Session on Access to Insurance Initiative Sustainability

On 24 March 2022, the FSC Mauritius participated virtually in a session for EMDE jurisdictions to discuss on the Access to Insurance Initiative (A2ii) Sustainability. The event was an opportunity for EMDEs to provide input to the discussion on the A2ii sustainability plan and transition, and their regional needs.

20th Annual Session of IFREFI

The FSC Mauritius attended the 20th annual session of IFREFI hosted by the Financial Services and Markets Authority and held in Belgium on 19 and 20 May 2022 and virtually on 23 May 2022. The main theme of the conference and meetings was on 'Financial education and investor protection'. The annual conference brought together high-level officials from francophone regulatory and supervisory authorities, leading experts from the industry and IFREFI member delegates.

The representative of the FSC Mauritius:

- intervened as panellist on 19 May 2022 during one of the roundtables entitled 'The protection of vulnerable groups, challenges and role of the regulators and market players';
- participated in the 'Meeting of Presidents' on 20 May 2022; and
- delivered a presentation on the financial literacy initiatives undertaken in Mauritius during a virtual seminar on 23 May 2022.

The event provided an opportunity to discuss on various present challenges linked to financial services such as the protection of vulnerable groups, challenges relating to digitalisation and new investors.

Islamic Financial Services Board 20th General Assembly

The FSC Mauritius attended, as observer, the 20th General Assembly of the IFSB held in a hybrid format on 09 June 2022, hosted by the State Bank of Pakistan. Items put forward on the agenda were related to the various assignments of the IFSB as an international standard-setting body for Islamic finance.

FSB RCG Sub-Saharan Africa Meeting

The FSC Mauritius attended the FSB RCG Sub-Saharan Africa meeting held on 15 and 16 June 2022 in Accra, Ghana. The aim of the meeting was to discuss climate-related risks, cross-border payments and crypto-assets. In addition, discussion also revolved around global and regional financial stability issues and their potential impact on the Sub-Saharan region.

Joint Working Party on Private Pensions/IOPS Meeting

The FSC Mauritius attended virtually the joint working party on Private Pensions/IOPS meeting held in a hybrid format on 20 and 21 June 2022. The role of employers in the provision of retirement savings arrangements as well as the challenges and drawbacks associated to them were among the various topics discussed during the meetings.

IOSCO AMERC Meeting

The Commission attended virtually the IOSCO AMERC meeting held on 30 June 2022. The meeting was an opportunity for its members to discuss and provide various updates on the works currently being tackled in the fields of sustainable finance, Fintech and the approach towards market fragmentation in the capital markets industry.

EXCHANGE OF INFORMATION**International Stakeholders**

The FSC Mauritius acknowledges the importance of international cooperation in furthering its regulatory, supervisory and enforcement duties and functions and in this respect, cooperates with its international counterparts in the exchange of information. Multilateral sharing mechanisms are set out in the Multilateral Memorandum of Understanding (MMoU) signed among member countries of IOSCO, IAIS, CISNA and GIFCS. In addition, MoUs outline the scope and terms of the information sharing among regulators and provide a cooperation framework.

Statistics on Exchange of Information with International Counterparts

The FSC Mauritius attended to RFI to and from overseas counterparts as per below:

International RFI	July 2021 to June 2022	July 2020 to June 2021
Requests made	242	296
Requests received	160	125

Local Stakeholders

The FSC Mauritius was engaged in the effective exchange of information with various local authorities, and also made formal requests for assistance to its counterparts during the same period.

Statistics on Exchange of Information with Local Authorities

Local RFI	July 2021 to June 2022	July 2020 to June 2021
Requests made	66	46
Requests received	177	160

STAKEHOLDER RELATIONS

INTERNATIONAL TRADE INITIATIVES AND REVIEWS

The Commission has provided input for the various reports, meetings and projects coordinated by the Ministry of Foreign Affairs, Regional Integration and International Trade, the Ministry of Finance, Economic Planning and Development, and the MFSGG:

World Trade Organisation

- World Trade Organisation (WTO) Trade Policy Review Reports
- WTO Joint Statement Initiative on various relevant topics to the sectors under our purview

Regional and Bilateral Agreements

Regional Agreements

- The Interim Economic Partnership Agreement between EU and the Eastern and Southern Africa (ESA) States
- The African Continental Free Trade Area Agreement (AfCFTA)

Bilateral Agreements

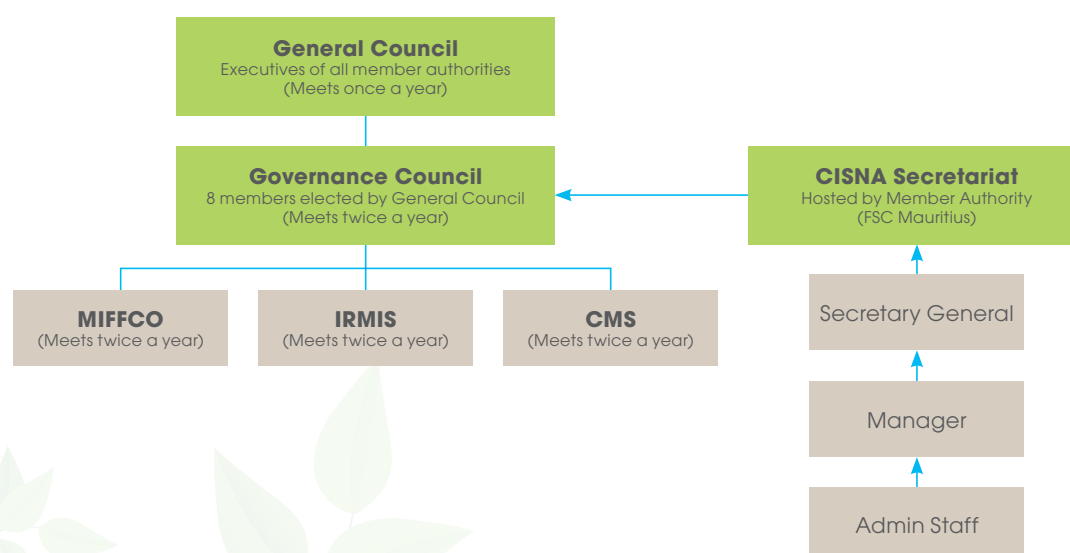
- Free Trade Agreement between the United Arab Emirates and Mauritius – Digital economy partnership agreement

CISNA SECRETARIAT

Overview

The CISNA was established in 1998 under Annex 10 of the SADC Protocol on Finance and Investment. The CISNA forms part of the SADC Finance, Investment and Customs Directorate and reports to the SADC Committee of Ministers of Finance and Investment through the Committee of Senior Treasury Officials. The CISNA membership comprises 26 Member Authorities from 14 SADC Member States, who are responsible for the regulation and supervision of the non-banking financial services. The main mandate of the CISNA is to ensure that the non-bank financial services regulatory frameworks within SADC Member States are harmonised and comply with international standards and principles.

Figure 10: New Governance Structure of CISNA



The office bearers for the new structure were elected on 27 May 2021 and will serve for a term of two years.

Operationalisation of the CISNA Secretariat

Further to amendments made to the CISNA Rules, the CISNA Secretariat was established in May 2021. The CISNA Secretariat reports to the CISNA Governance Council and became operational in January 2022 with the secondment of relevant staff from the FSC Mauritius.

The CISNA Secretariat is responsible for implementing the functions of CISNA as defined in the CISNA Rules.

The 45th Bi-annual CISNA meeting was held virtually on 26 and 28 April 2022.

DATA PROTECTION

With the Data Protection Act 2017 coming into force since January 2018, Mauritius has a modern framework in line with the European Union General Data Protection Regulations. This is a value addition for the reputation of the Mauritius IFC, as the jurisdiction aims to attract reputable foreign investors.

With increased digitalisation in the financial services industry coupled with the extra-territorial application of the European Union General Data Protection Regulations, the protection of personal data is crucial for the regulator. The Commission needs to ensure that the right to privacy is respected as regards personal data processed on all types of data subjects (employees and non-employees).

During the year under review, the Data Protection Unit has worked in close collaboration with different clusters, committees, secretariats to ensure relevant compliance under the Data Protection Act 2017. Data protection champions were designated for each cluster as focal points for data protection related issues and assignments.

The Data Protection Unit has also liaised with the Mauritius Data Protection Office for important data protection projects like the IOSCO AA for exchange of information between EEA Authorities set out in Appendix A of the AA and non-EEA Authorities. The signature of the AA by the FSC Mauritius reinforces the commitment of the regulator to adhere to international standards pertaining to data protection. The DPU has also ensured the publication of a Privacy Notice on the website of the Commission as required under the AA.



Communications

Barleria

Barleria observatrix



This species of plant endemic to Mauritius is critically endangered. Its natural habitat is subtropical or tropical dry forests. The leaves are dark green and glossy. Flowers are pale blue-purple.

Symbol of Perfection

COMMUNICATIONS

The FSC Mauritius was actively engaged in the implementation of its communications plan and strategy during the year under review. Appropriate and relevant information were channelled to stakeholders in a timely manner to ensure effective communication and transparency.

The Commission communicates with its stakeholders and the public through, *inter alia*, communiqués, press releases, circulars, alerts, public notices and reports. These are posted on the website and published in local newspapers where appropriate or whenever required by the law. Appendix 5 provides a list of publications issued during the year under review. The corporate information published in local and international business directories were updated on a regular basis to guarantee a factual reporting.

The visibility of the FSC Mauritius was reinforced through ongoing media coverage both at national and international level through interviews, advertorials and other forms of publications. In addition, the FSC Mauritius was involved in the implementation of targeted public relations exercises pertaining to the following regulatory initiatives undertaken:

- AML/CFT Guidance Notes for VASPs and issuers of ITOs;
- Amendments to the Financial Services (Funeral Scheme Management) Rules 2016;
- Amendments to Securities Rules;
- Issue of the Financial Services (Crowdfunding) Rules 2021;
- Proclamation of the VAITOS Act;
- Launching of Regulatory Framework on Crowdfunding;
- Guidelines for Issue of Corporate and Green Bonds in Mauritius;
- Membership of the FSC Mauritius to the Association of National Numbering Agencies;
- Signature of a Cooperation Agreement between the FSC Mauritius and the *Autorité de Régulation et de Contrôle des Assurances* of the Democratic Republic of the Congo; and
- Signature of the AA for the transfer of personal data between EEA Authorities and non-EEA Authorities.

Moreover, the communication department monitors on a daily basis the local and international news and social media platforms pertaining to the financial services sector to ensure that the Commission remains abreast of all developments relating to the sector.

In addition, it maintains ongoing interaction with media representatives, and press requests are being attended promptly and effectively.

E-Newsletters

The Commission reinforced its visibility through dissemination of its ongoing regulatory actions and organisational initiatives through its external e-Newsletter published on a quarterly basis.

Website

To maintain its online presence, the Commission ensures a direct communication line with its licensees, industry stakeholders, the media and the public through hands-on information regularly posted on its website. During the second lockdown period, due to the resurgence of local cases of the COVID-19, the Commission also kept its licensees and the public aware of regulatory actions through information published on its website.

Social Media

Furthermore, to reach out to a more diverse audience, the FSC Mauritius provides regular updates through posting on its social media pages that is LinkedIn and Twitter.

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Grey White-Eye



The Grey White-eye has a plumage which varies from grey to brown. Their legs are dark grey to blackish.

Source: <http://npcs.govmu.org/English/Documents/Fauna.pdf>

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ADMINISTRATION & ENTERPRISE RISK

The AER cluster is responsible for the management of services and processes supporting core businesses of the FSC Mauritius while maintaining a suitable working environment. The AER is committed to provide a conducive physical working environment to the staff of the FSC Mauritius, and as such regularly initiates projects with special focus on efficient usage of public utilities while embracing green technology. The AER also adopts a holistic approach to risk management by reviewing the day-to-day activities related to administrative related works, facilities management and procurement among others.

Asset Management

The inventory management comprises the assets of the FSC Mauritius, which are categorised consistently and kept in a fixed asset register through an organised methodology for various utilisation over the existence pattern of the assets. The Commission ensured, during the year under review, that all redundant and unserviceable assets including those harmful to the workplace environment were disposed of and written down as per our pre-set and assets management processes. Hence, this reduces unwanted costs while ensuring a sound and sustainable stock management.

The FSC Mauritius insured all its assets under different insurance claims to promote operational effectiveness following events such as natural disasters, fire and allied perils and terrorism among other calamities.

Facilities Management

The objective of the Facilities Management unit is to provide a safe working environment to all staff. The unit *inter alia* ensures proper space allocation, operational public utilities building efficiency, fire safety and health and safety regulations. In addition, the unit conducts regular maintenance to meet statutory compliance requirements.

The unit successfully implemented all protocols specified in the COVID-19 crisis management plan.

Green Technology

The FSC Mauritius adopted eco-friendly measures, which aimed at reducing cost and made efficient use of resources by embracing green technology. The staff were encouraged to make use of natural lights within the Commission. In a spirit to protect natural resources for a sustainable environment, all shredded papers and old newspapers at the Commission were collected to be recycled.

The Commission embarked on the project for the setting up of a Solar Photovoltaic Facilities under the CEB Greenfield Renewable Energy Scheme by signing an agreement on 12 May 2022. The aim is to promote resilient infrastructure and innovation, sustainable consumption and combatting climate change positively.

Fleet Management

The fleet management system was set up to ensure that all vehicles are in a perfect running condition. A proper disposal system was applied as per established policy for vehicles having reached the end of their usability.

Procurement

The FSC Mauritius conducts its procurement process in line with the Public Procurement Act 2006, the Public Procurement Regulation 2008 and Directives and Circulars issued by the Procurement Policy Office (PPO). The responsibility for implementing and administering procurement related provisions is centralised at the Procurement unit, which is subject to both internal and external audit review.

The procurement process has been embedded with the principles of public procurement and best practice

CORPORATE SERVICES

to obtain value for money. Corruption risks are also mitigated through promoting competitive bidding by allowing the participation of a maximum number of bidders and providing equal opportunities to SMEs. During the year 2021/22, 55 bidding procurements were conducted.

As per its strategic initiatives, the Commission has embarked on Government e-Procurement System to make the process more efficient and transparent. The FSC Mauritius complies with the disclosure requirements in the following ways:

- Submission of annual procurement plan to the PPO;
- Submission of return on procurement activities to the PPO;
- Notification of award of contract; and
- Timely response to queries and debriefing request.

Scanning/Registry/Archive

The Scanning unit is in charge of digitising all incoming documents for efficient distribution to clusters while the Registry unit is in charge of keeping these physical documents safely. In the archive, files and other materials are organised into categories systematically for quick retrieval as and when required. These units must regularly examine their work processes to ensure quick and efficient output without any duplication of effort and to maintain an effective document management system through electronic filing in order to keep up with the changing needs of the FSC Mauritius regarding data management.

Event Management

The AER is in charge of providing all logistical support for planning of events (both physical and virtual) and works closely with IT cluster and the Office of the Chief Executive.

INFORMATION TECHNOLOGY

Taking further leaps into the digitalisation process, the IT cluster is fostering innovation through a tinge of enhanced efficiency, quality and creativity. Strategic initiatives have been undertaken, calibrated and aligned with the transformational context and rapidly evolving corporate landscape whilst ensuring sustained improvement.

Relocation of the IT Main Site to a TIER IV Data Centre

The FSC Mauritius initiated procedures for the relocation of its main physical IT infrastructure from the server room located in FSC House to a TIER IV certified Data Centre that guarantees high system availability in a secured environment.

The existing server room was likely to incur excessive operational costs and investments in the future, while remain subpar compared with the modern Data Centre standards.

With the increase in the number of IT-dependent services that are business critical, the main site relocation to a local TIER IV certified Data Centre would guarantee a minimum availability of 99.995 per cent annually with a fault-tolerant infrastructure.

Data Centre Co-location and Connectivity Services for the IT Disaster Recovery Site

The location of the IT disaster recovery site of the FSC Mauritius was reviewed. The data centre standards for the proposed disaster recovery site meets ISO/IEC 27001:2013 compliance in terms of information security standards. Moreover, all the geographical, power, cooling and physical security requirements defined by the Commission were fulfilled.

Review of the Core IT Infrastructure

With a view to protect its IT systems from failures, disasters and threats coming from all sides in growing numbers and complexity, the FSC Mauritius initiated the upgrade of its IT Infrastructure.

The server, storage and network infrastructure, which supported the core functions since 2014 were refreshed to take into consideration the emerging business requirements of the Commission.

The projects engaged by the FSC Mauritius included, *inter alia*, the:

- consolidation of the server and storage infrastructure;
- migration and upgrade of hypervisor platforms;
- implementation of an end-to-end backup and storage solution;
- review of switching infrastructure;
- disaster recovery implementation of critical services identified; and
- physical migration of the main site IT infrastructure from FSC House, Ebene to a TIER IV data centre.

The objective is to improve substantially service performance and availability, security and ease of recovery in case of failure. Other IT infrastructure projects included the Microsoft infrastructure consolidation and the implementation of a Privilege Access Management system.

Work from Home

In view of the COVID-19 pandemic, the FSC Mauritius reinforced its pool of laptops and implemented a number of solutions to facilitate remote work.

FSC One Platform

The FSC Mauritius launched, on 12 August 2021, a new regulatory online platform for the financial services industry, leveraging on a modular and scalable technology for rapid processing and real-time monitoring of the authorisation process in an agile and transparent way.

Coined as the 'FSC One Platform', this comprehensive and integrated platform allows the Commission to gear up in its paperless policy and step into the league of sustainable environment-friendly organisations.

Online Submission of Application and Payment of Fees

The application module of the FSC One Platform caters for the online submission of applications and payment of fees with the flexibility to accept all types of applications for GB and domestic entities. The system provides for tracking of the authorisation process, which enhances turnaround time, offers more visibility and notifies stakeholders regarding the status of applications submitted to the FSC Mauritius as they are being reviewed.

In view of streamlining business processes, the FSC One Platform leverages on the 'Known to the Commission' concept and ensures that comprehensive stakeholder related information is kept updated at all times, in line with international best practices.

Online Statutory Filings

The Online Statutory Filings is an innovative and centralised module on the FSC One Platform. It enables all licensees (GB and domestic) to submit their AFS, financial summary or annual report online.

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The key benefits of this online module are:

- Online submission of documents with enhanced security (full paperless process);
- Automatic computation of days late and penalties on a daily basis;
- Online payments of administrative penalties;
- Updated information and status on the submissions and payments at all times;
- Ease of tracking, monitoring and reporting at the licensees' side resulting in increased compliance; and
- Automated process minimal data input with elimination of errors.

Post Licensing

Functionalities were designed and developed with a view to digitalise the post licensing process on the FSC One Platform to cater for online submission of requests by MCs/licensees and the processing of the requests by the FSC officers.

Business Continuity Management

As part of its corporate governance framework, the Commission maintains a business continuity management system in line with best practices. The business continuity management system ensures operation resilience and provides for an effective response to safeguard the interests of the organisation and its employees, key stakeholders, reputation, brand and value-creating activities.

HUMAN RESOURCES

An effective regulatory system hinges on several factors including the knowledge, requisite experience, and readiness of the regulator's manpower to address challenges of the financial services sector. The Commission endeavours to create and foster a conducive professional work culture for its staff.

Attracting Talent

The FSC Mauritius relies on its people's talent, enthusiasm, engagement and commitment to maintain the good repute of the Mauritian IFC.

During the year under review, the Commission strengthened its number of staff with the recruitment of one Manager – Human Resources, two Analyst Programmer/Business Analysts, one PR and Communications Officer, one Safety and Health Officer and seven support staff.

The total staffing of the FSC Mauritius as at 30 June 2022 stood at 330 employees.

The movement of employees during the year under review is provided in the following table.

Table 29: Movement of Employees as at 30 June

Job Family	New Recruits		Leavers		Number of Officers	
	2022	2021	2022	2021	2022	2021
Executive	1*	0	2	5	22*	23
Technical	6	71	6*	1	240	240
Administrative	0	5	0	0	23	23
Support	8	14	2	1	45	39
Total	15	90	10	7	330	325

* Include Change in Job Family

Performance Based Culture

The Commission has in place a Performance Management System (PMS), which aims at fostering a performance-focused culture within the organisation. The implementation of the PMS improves the quality of the relationship among the staff, encourages the sharing of expectations and the building of a climate of openness and mutuality. The Commission is currently in the process of revamping and re-engineering the PMS through the conduct of a comprehensive review of the existing framework.

Building Expertise

The FSC Mauritius believes that an effective learning and development system, grounded in organisational needs, provides a sound basis for individual career planning and development. The Commission ensures that its people have the right balance of both technical and behavioural competencies to address the challenges of a financial services regulator.

The COVID-19 pandemic triggered the Commission to devise a number of strategies in order to address the capacity building needs of its staff. To ensure that staff are trained on a continuous basis, the Commission adopted a variety of flexible training options such as e-learning platforms and virtual conferences, which employees could access at their own pace.

A summary of trainings/seminars/conferences and meetings attended by staff during the year 2021/22 with the number of contact hours are provided in the following table.

Table 30: Summary of Training Sessions and Contact Hours

Type	Number of Sessions	Contact Hours
In-House	101	5,138
Local	20	2,644
Overseas	10	88

Some of the training sessions attended by staff are as follows:

Training on Courts Proceedings

A training session on 'Courts Proceedings' was conducted by the Civil Service College, Mauritius for staff members in August 2021. The objective of the training was to enable participants to understand the legal system and the trial process.

Advanced Course on Procurement

The Civil Service College, Mauritius conducted an advanced course on 'Procurement' for staff members in November 2021. The objectives of the course were to understand the basic principles and practice governing public procurement, gain an insight on how to conduct public procurement including the bidding process, preparation of bidding document, as well as to understand the process for conducting evaluation of bids.

Virtual 5th Global Conference on Criminal Finances and Cryptocurrencies

The FSC Mauritius participated in the virtual '5th Global Conference on Criminal Finances and Cryptocurrencies', a joint initiative of the Basel Institute on Governance, INTERPOL and Europol - from 07 to 08 December 2021. The annual conference was hosted virtually by the Basel Institute through its International Centre for Asset Recovery and gathered cryptocurrency experts, investigators and other law enforcement representatives from around the world.

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Talk by Dr Chris Pierce on Global Governance Trends

The FSC Mauritius, in collaboration with the Mauritius Institute of Directors, organised a talk by Dr Chris Pierce on 'Global Governance Trends' on 26 April 2022. The talk was focused on providing an overview of recent changes in the international business environment and the impact of these changes upon the governance of financial service organisations, characteristics of successful financial service boards, dealing with resilience, sustainability and technology, tools that boards could apply to improve their governance effectiveness and the National Code of Corporate Governance for Mauritius.

Training on Business English, Report Writing and Editing

The Civil Service College, Mauritius conducted a training session on 'Business English, Report Writing and Editing' for staff in May and June 2022. The objectives of the course were to provide participants with the necessary skills on how to plan, structure, write and present diverse types of reports.

5th IOSCO/Pacific Islands Forum Secretariat - Harvard Law School Global Certificate Program for Regulators of Securities Markets

The FSC Mauritius participated in the '5th IOSCO/Pacific Islands Forum Secretariat - Harvard Law School Global Certificate Programme for Regulators of Securities Markets' from 06 to 10 June 2022. It was a two-phase programme to offer IOSCO members an executive education programme that was exclusively tailored for regulators of securities markets. The programme examined current and future regulatory challenges and emerging issues. It was delivered by leading academics, securities regulators and public policy makers.

Review of Salary and Terms and Conditions of Employment

A comprehensive review of the existing salary and terms and conditions of employment exercise was kicked off in 2022. The purpose is to enhance its total reward package to maintain its competitiveness as compared to other similar regulatory organisations.

The services of a consultant were procured to conduct the review exercise. In order to capture the main areas of focus, a participatory approach was embraced whereby every staff member was given an opportunity to be heard and to voice out their views.

Young Graduate Development Programme

The FSC Mauritius continued in its endeavour to ensure the availability of qualified and trained manpower to meet the forthcoming needs of the Commission as well as of the sector, through its Young Graduate Development Programme, which was launched in 2008.

The aim of this programme is to offer young graduates a unique opportunity to gain exposure and experience with regard to regulatory matters. This also assists the young graduates in the preparation for a potential employment in the financial services sector. A batch of 20 young graduates was enrolled in January 2022.

BOM - FSC AML/CFT Graduate Programme

In line with the National Budget 2021-2022, the FSC Mauritius, in collaboration with the BoM, launched the BOM-FSC AML/CFT Graduate Programme. The programme aims at providing on the job training on AML/CFT aspects of the supervisory functions of the FSC Mauritius, the BoM and their respective licensees. A number of 38 trainees for the first cohort joined the programme on 01 April 2022.

Towards the 'New Normal'

The FSC Mauritius consistently updated its COVID-19 policy and protocols to ensure business continuity and flexibility in the service delivery during the pandemic. Furthermore, the Commission closely monitored its strategy for alternative work arrangements.

Engaging Employees – With Our People

Celebration of International Women's Day 2022

To mark the International Women's Day celebrated on 08 March 2022, the FSC Mauritius offered a token of recognition to all women staff to express its appreciation for their contribution and accomplishments.

'WeCare Initiative'

As part of the 'WeCare Initiative', the Commission provided support to one staff proceeding overseas for medical treatment. As a caring employer and as a caring family, management and staff demonstrated their support by way of donations.

Employee Welfare, Wellness and Work-Life Balance

In its endeavour to promote and encourage a fit and healthy lifestyle, the FSC Mauritius provides a fully subsidised and well-equipped in-house gym to its employees and ensures daily distribution of fresh fruits to all staff. Regular Zumba sessions and football matches are organised.

Vaccination against COVID-19 and COVID-19 Testing

The FSC Mauritius, as a caring and responsible employer, ensured the well-being and safety of its employees by developing several initiatives and building a safer workplace. As per the World Health Organisation, vaccination remains a critical tool to help control the pandemic. The FSC Mauritius, in its effort to mitigate the spread of this pandemic, organised different vaccination campaigns to motivate and encourage its employees to be vaccinated against COVID-19.

The Commission ensured that necessary arrangements were made with the concerned authorities to facilitate vaccination of its staff. In line with the new protocol, a special leave was granted to staff to encourage them to have their booster dose vaccination. As at 30 June 2022, approximately 95 per cent of the workforce were already vaccinated with 66 per cent vaccinated with the booster dose. The Commission believes that such initiatives will limit the spread of the virus and help the employees get through this pandemic safely.



Highlights for the Year 2021/22

Boucle d'Oreille *Trochetia boutoniana*



The National Flower of Mauritius since 1992. Bearing red with white background, bell-shaped flowers. It was thought extinct until early 1970's, and was found in Le Morne, the only place where the species grows.

Symbol of Unity

HIGHLIGHTS FOR THE YEAR 2021/22

STATISTICS: YEARLY HIGHLIGHTS

Table 31: Contribution and Growth of the Financial and Insurance Activities

	2020		2021 *		2022 **	
	GVA	GR	GVA	GR	GVA	GR
Financial and Insurance Activities	14.1	4.0	13.9	4.6	13.1	3.4
Monetary Intermediation	7.5	0.9	7.1	4.7	6.6	2.0
Financial Leasing and other credit granting	0.7	1.2	0.6	1.3	0.6	6.1
Insurance, reinsurance and pension	2.3	2.4	2.2	2.7	2.1	2.6
Other	3.5	15.0	3.9	6.4	3.8	6.1

Source: Statistics Mauritius National Accounts June 2022 issue

* Revised

** Forecast

GVA: Gross Value Added

GR: Growth Rate

According to the June 2022 issue of the National Accounts, the GDP at market prices in 2022 is forecasted to grow at a higher rate of 7.2 per cent compared to 3.6 per cent growth in 2021 and GVA at basic prices is expected to expand by 7.9 per cent, higher than the 4.2 per cent growth in 2021. The top three main contributors to the 7.9 per cent growth in GVA are 'accommodation and food service activities', 'financial and insurance activities' and 'manufacturing'. The contribution of the financial and insurance activities remains the major contributor among the industry groups. This sector is expected to grow by 3.4 per cent, which would be attributed to the predicted growth in its two main sub-sectors namely, 'monetary intermediation' and 'insurance, reinsurance and pension'.

Table 32: Contribution and Growth of the Global Business Sector

	2020		2021 *		2022 **	
	GVA	GR	GVA	GR	GVA	GR
Financial and Insurance Activities						
GB sector	8.2	-3.6	8.6	6.8	8.4	4.3

Source: Statistics Mauritius National Accounts June 2021 issue

* Revised

** Forecast

The GB sector includes activities of GBCs and its services purchased from local enterprises (e.g., management, accounting, auditing, legal, advertising, real estate, banking, etc.). It is observed that the contribution of this sector to the GDP of Mauritius is forecasted at 8.4 per cent as at end June 2022 with an estimated growth rate of 4.3 per cent.

HIGHLIGHTS FOR THE YEAR 2021/22

Table 33: Employment in Financial and Insurance Activities, March 2020 to March 2021

Industrial Group	March 2020 *			March 2021 **		
	Male	Female	Both Sexes	Male	Female	Both Sexes
Financial and insurance activities	6,261	7,847	14,108	6,115	7,445	13,560
<i>of which monetary intermediation</i>	4,078	4,657	8,735	4,094	4,675	8,769
<i>financial leasing and other credit granting</i>	310	625	935	201	260	461
<i>insurance, reinsurance and pension funding</i>	1,145	1,659	2,804	1,048	1,652	2,700

Source: Statistics Mauritius, Survey of Employment and Earnings in Large Establishments (September 2021)

* Revised

** Provisional

Table 34: Direct Employment in FSC Mauritius Licensees as at 30 December

Licence Category	2021	% of Total
Domestic		
Pension Scheme Administrator	100	1
Registrar and Transfer Agent	28	0.3
Treasury Management and Investment Banking	105	1
Credit Finance and Factoring	82	1
Leasing	1,098	12
Long Term Insurance Business	788	8
General Insurance Business	1,704	18
Insurance Broker	362	4
Investment Dealer	53	1
Investment Adviser	123	1
CIS Managers	174	2
Stock Markets and Providers of Market Infrastructure	42	0.4
Other	42	0.4
Total	4,701	50
Corporate and Trust Service Providers		
Management Company and Corporate Trustees	4,748	50
Overall Total	9,449	100

The previous table provides a snapshot (as at end December 2021) of the employment level of the various categories falling under the purview of the FSC Mauritius.

Table 35: Employment Movement in December 2021

Category	Local						Expatriate					
	Managerial		Technical		Support		Managerial		Technical		Support	
	M	F	M	F	M	F	M	F	M	F	M	F
Employment as at 01 July 2021	908	626	1,626	3,193	938	1,771	76	18	25	13	7	2
New Recruits From Outside Financial Services Sector ¹	11	7	85	124	28	52	2	-	-	1	1	1
New Recruits Within Financial Services Sector ²	39	36	174	290	28	82	4	2	4	1	-	-
New Recruits who were unemployed ³	1	4	38	105	36	48	-	-	1	-	-	-
Resignation/Retirement/Termination of contract/Decease ⁴	65	41	245	466	56	139	5	2	1	1	1	1
Other/Closure of company ⁵	21	14	(3)	13	11	6	1	1	-	-	-	-
Employment as at 31 December 2021	915	646	1,675	3,259	985	1,820	78	19	29	14	7	2
No. of temporary staff with a contract of 1 year or less as at 31 December 2021	1	1	28	64	19	47	-	-	-	-	-	3
No. of temporary staff with a contract of more than 1 year	23	6	13	17	11	15	1	-	-	-	-	-
Total	24	7	41	81	30	62	1	-	-	-	-	3

¹ means staff recruited on permanent basis who previously worked outside the financial services sector (such as agriculture, manufacturing, tourism, construction, ICT, education, professional services such as Accounting firms, Legal firms),

² means staff recruited on permanent basis who previously worked from an entity licensed by the FSC Mauritius or the BoM

³ means staff recruited on permanent basis who previously was unemployed or was on traineeship/contract one year or less

⁴ means permanent staff who no longer works for the company due to resignation, retirement, decease or termination of contract by employer

⁵ means any other movement in number of permanent staff of the company/Closure of the company

The previous table is based on a semi-annual reporting as at end December 2021. The number of new recruits stands at 1,205 and largely out beat previous quarter reporting. The number of termination as at end December 2021 has witnessed a further increase to 1,023 as compared with 884 for quarter ending June 2021. Nonetheless, the number of companies that has ceased operations has decreased to 64 as compared with 67 for end June 2021.

HIGHLIGHTS FOR THE YEAR 2021/22

FINANCIAL HIGHLIGHTS

Below is an analysis of the financial performance of the Commission for the financial year ended 30 June 2022 as compared to the previous year.

	2022 MUR million	2021 MUR million
Income	1,731	1,695
Fees, late charges and other income	1,546	1,480
Administrative Penalties	184	222
Credit losses {decrease / (increase)}	1	(7)
Operating expenses	(573)	(556)
Finance costs	-	(3)
Surplus of income over operating expenses	1,158	1,136
Exchange fluctuation gain	147	31
Surplus for the period	1,305	1,167
Other comprehensive income	(15)	(45)
Surplus and other comprehensive income for the year	1,290	1,122

During the year 2022, surplus and other comprehensive income amounted to MUR 1,290 million representing an increase of 14.97 per cent as compared to 2021 (MUR 1,122 million).

In line with the requirements of the FSA, the Commission has provided MUR 1,223 million for the year as contribution to the Consolidated Fund.

Income Review

Income constitutes of 'Fees, late charges, and other income', 'administrative penalties (net of provisions for credit losses)', and other penalties.

Fees, late charges, and other income (excluding interest income) for 2022 amounted to MUR 1.53 billion, representing an increase of 5.59 per cent as compared to 2021. Fees from GB and Authorised Companies increased in 2022 on account of conversion of GBC2s into either GBCs or Authorised Companies. On the other hand, income from administrative penalties decreased due to improved compliance by licensees with respect to submission of accounts and returns.

Interest income was MUR 18 million as compared MUR 31 million in 2021 mainly on account of drop in market yields across the board. The currency-wise mix of investment currencies is in line with the risk management policies set by the investment committee.

Expenses Review

Operating expenses (provision for credit losses excluded) for 2022 amounted to MUR 573 million comprising mainly of staff-related costs. Operating expenses increased by MUR 17 million compared to 2021, owing mainly to increase in staff related costs (MUR 22 million), trainings and seminars (MUR 6 million), and office and administrative expenses (MUR 10 million), mitigated by decrease in legal and professional fees (MUR 10 million), and depreciation charges (MUR 11 million).

Finance Costs consist of interest on lease liabilities, which has decreased by MUR 3 million due to normal repayment, as well as termination of leases during the year.

Re-measurement of Defined Benefit Obligation

In line with the requirements of IAS 19 for employee benefits, an amount of MUR 15.39 million was credited to the re-measurement of DB obligation for 2022 compared to MUR 44.93 million credited for 2021. The fund is presently fully funded, and is, in line with the latest actuarial valuation, recognized as a liability in the Commission's books.

Contribution to Consolidated Fund

The Commission made a provision of MUR 1,223 million towards the Consolidated Fund from the year's surplus, of which MUR 1,059 million had already been transferred as at 30 June 2022. Additionally, during the year under review, MUR 1,020 million and MUR 141 million have been transferred to the Consolidated Fund from the previous year's surplus and accumulated reserves, respectively.

Total contribution (paid and provided for) to the Consolidated Fund amounted to MUR 12,335 million since the financial year 2001, as follows:

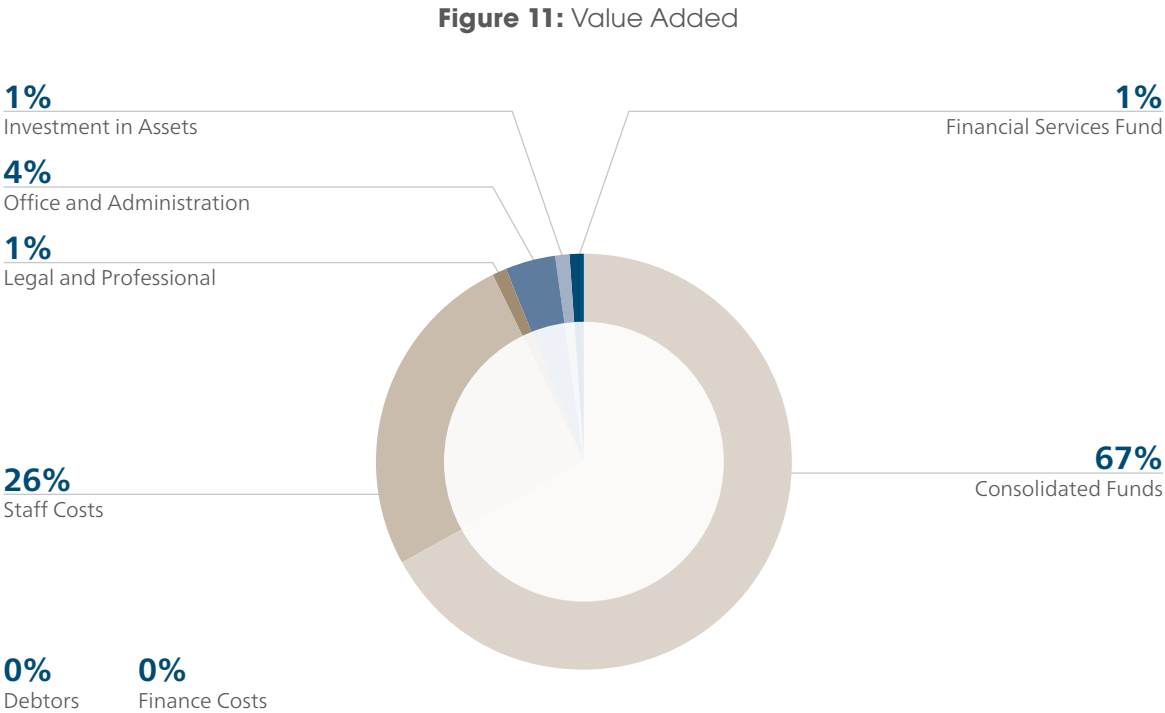
Table 36: Contribution to Consolidated Fund

Year	MUR million
2001	N/A
2002	-
2003	100
2004	60
2005	70
2006	90
2007	90
2008	120
2009	140
2010	1,166
2011	496
2012	844
2013	979
2014	598
2015	715
2017	1,407
2018	849
2019	1,360
2020	867
2021	1,020
2022	1,364
Total	12,335

*Contribution to the Consolidated Fund for 2010 and 2017 were on an 18-month basis

HIGHLIGHTS FOR THE YEAR 2021/22

The following pie chart provides an indication of the apportionment on income into value adding expenditure/contribution.



Statutory Reporting

Bois Canne

Warneckea trinervis



Endemic small tree, bearing white flowers, which can still be quite common in some forests. It has nice dark green shiny leaves with three horizontal veins. It was used to make charts in the past.

Spring of Knowledge

REPORT OF THE AUDIT AND RISK COMMITTEE

Preamble

The Audit and Risk Committee, a sub-committee of the Board, presents its report for the financial year ended 30 June 2022. The Board delegates its responsibilities to the Audit and Risk Committee, which in turn functions according to the Board's approved terms of reference and discharges its responsibilities as stipulated therein.

Composition of the Audit and Risk Committee

During the financial year ended 30 June 2022, the independent non-executive Board members who served the Committee were:

Mr Premchand Mungar	- Chairperson
Mr Mahesh Rawoteea	- Member
Mr Loveneesh Beedasy	- Member

Mr Ramanaidoo Sokappadu, Secretary to the Board, also acted as secretary to the Committee.

Terms of Reference

The responsibilities of the Audit and Risk Committee, *inter alia*, include:

- monitoring and reviewing the integrity of the Commission's financial statements and accounting policies;
- making recommendations for approval of the Commission's AFS;
- reviewing the adequacy and compliance of internal control systems with management and the external auditor;
- monitoring and reviewing the internal audit function and considering regular reports from internal audit on internal financial controls, operations and risk management;
- considering the appointment of the external auditors, overseeing the process for their selection and making recommendations to the Board in relation to their appointment;
- monitoring and reviewing the external auditor's independence, objectivity and effectiveness;
- overseeing the operation of the policies on conflicts of interest; and
- ensuring that recommendations from the external and internal auditors, as approved by the Audit and Risk Committee and the Board are followed upon and implemented.

Meetings

In carrying out its responsibilities, the Audit and Risk Committee met on seven occasions during the reporting period. The internal auditor attended all meetings held during the reporting period. The Committee also met with the external auditor and representatives of management who attended the meeting upon invitation.

The agenda for the meetings is outlined by the Secretary in consultation with the Chairperson of the Committee. The Secretary is responsible for taking minutes of the meetings and circulating the minutes to all members of the Committee, as well as, ensuring that the minutes are tabled for the subsequent Board meeting.

Activities of the Audit and Risk Committee

A. Internal audit

The Audit and Risk Committee received and deliberated on 12 internal audit reports submitted by the internal auditor covering the following areas as per the approved internal audit plan:

- Financial management and reporting;
- Internal control and risk management assurance;
- Authorisation and supervision regulatory process reviews; and
- Corporate activities.

REPORT OF THE AUDIT AND RISK COMMITTEE

B. Statutory Auditor

Messr Chokshi & Chokshi LLP, Chartered Accountants from India, has been re-appointed as the statutory auditor for the financial year ended 30 June 2022.

No non-audit services were provided by the statutory auditor for the reporting period.

C. Other Key Items

The Committee also considered and deliberated on the following key items during the reporting year:

- The 2022 annual internal audit plan;
- The FSC Mauritius budget for the year 2022/23;
- Administrative penalty recovery management action plan;
- The statutory auditor's management letter points;
- Implementation status of the recommendations made by the Committee;
- The FSC Mauritius per diem policy;
- Administrative sanctions process review; and
- Process review – advances to administrators and liquidator.

D. Subsequent Events

New and Revised International Financial Reporting Standards

The Audit & Risk committee deliberated and recommended, to the Board, the new and revised accounting standards that are relevant to the operations of FSC Mauritius and effective for accounting period beginning on or after 01 July 2021.

Statutory Reporting for the Financial Year ended 30 June 2022

The Committee considered the external auditor's report and the AFS for the financial year ended 30 June 2022 prepared using appropriate accounting policies, estimates and judgements in accordance with the IFRS and relevant legal and regulatory requirements. The Committee discussed critical policies, judgement and estimates with the statutory auditor.

The Committee considered and recommended the Expected Credit Loss to be provided for the financial year ended 30 June 2022.

No significant issues were noted in relation to the financial statements.

Following deliberations on the audited accounts for the financial year ended 30 June 2022, the Committee recommended the AFS to the Board for its approval. The Board subsequently approved the AFS.



Premchand Mungar
Chairperson

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

1.0 Preamble

The FSC Mauritius, set up under the FSA, is a statutory body as defined under the Statutory Bodies (Accounts and Audit) Act.

Entities, including statutory bodies, designated under the National Code of Corporate Governance for Mauritius 2016 (the Code), are required to apply the eight principles of the Code.

Throughout the year ending 30 June 2022, to the best of the Board's knowledge, the FSC Mauritius has applied and explained all the principles set out in the Code, to the extent that the latter is not in conflict with the provisions of the law.

1.1 Principle 1: Governance Structure

The first principle of the Code requires that all organisations be headed by an effective Board. It also provides that the responsibilities and accountabilities within the organisation should be clearly identified. Pursuant to section 4 of the FSA, the FSC Mauritius shall be administered and managed by a Board which shall consist of:

- a Chairperson, suitably qualified and experienced in the field of business, finance or law, appointed by the Prime Minister on such terms and conditions as the Prime Minister may determine; and
- a Vice-Chairperson, and not more than seven other members, suitably qualified and experienced in the field of business, finance or law, appointed by the Minister on such terms and conditions as the Minister may determine.

In the pursuit of its objects, the FSC Mauritius is required to perform its functions independently as catered by section 3 (3) of the FSA. In addition, its statutory objectives and functions are provided under sections 5 and 6 of the FSA, respectively.

1.1.1 Board Charter

The board charter of the FSC Mauritius has been developed in line with the provisions of the Code. This document will guide Board members on their functions and methods of evaluation.

1.1.2 Code of Ethics

A code of ethics for the Board members has also been established and it sets out, *inter alia*, the expected standards of conduct and ethics for Board members.

Furthermore, the code of conduct of the FSC Mauritius sets out the ethical and professional standards which must be abided by all directors and employees of the FSC Mauritius.

1.1.3 Organisational Chart

The organisational chart of the FSC Mauritius is published on its website and available in the Annual Report.

1.2 Principle 2: The Structure of the Board and its Committees

In line with the provisions of the Code, a Board should consist of at least two independent members. For the period under review, in addition to the Chairperson, five other members of the Board were independent from the ministry.

All Board members are Mauritian residents and their independence has been assessed within the parameters of the Code.

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

The composition of the Board was as follows:

- *Mr Mardayah Kona Yerukunondu, Chairperson (Independent member from the Ministry);*
- *Mr Rajeshsharma Ramlooll, SC;*
- *Mr Premchand Mungar (Independent member from the Ministry);*
- *Mr Sarwansingh Purmessur;*
- *Mr Mahess Rawoteea;*
- *Ms Gayle Mary Jane Yerriah (Independent member from the Ministry);*
- *Mrs Mariam Rajabally (Independent member from the Ministry);*
- *Mr Azaad Aumeerally (Independent member from the Ministry) (resigned with effect from 01 March 2022); and*
- *Mr Loveneesh Beedasy (Independent member from the Ministry).*

1.2.1 Board Diversity

As at 30 June 2022, the Board of the FSC Mauritius comprised eight Board members, including two females and six males. The Board met 13 times for the period ending 30 June 2022 to perform its functions.

1.2.2 Board Committees

Section 11 of the FSA provides that the Board of the FSC Mauritius may set up such technical committees, as may be necessary, to examine and report on any matter, in relation to the administration of any relevant Act, referred to them by the Board or the Chief Executive.

Every technical committee shall consist of not less than three and not more than seven members, including a Chairperson, who shall be appointed by the Board on such terms and conditions as the Board may determine.

A technical committee may co-opt, with the approval of the Board, any person and may set up such sub-committees as it considers necessary.

The reporting mechanism in place ensures that matters discussed at the level of the sub-committees are escalated to the Board by the Chairpersons of the sub-committees. This enables the Board to discharge its duties more effectively.

The Board carries out its functions through the following sub-committees:

- Audit and risk committee;
- Corporate governance committee;
- Staff committee;
- Legal affairs committee;
- Committee on Fintech matters;
- Application and approval committee; and
- Waivers and exemption committee.

The terms of reference of the sub-committees are formally approved by the Board. All current sub-committees consist of members of the Board only. The Chairperson of the Board is not a member of any of these sub-committees.

The EC is set up by the Board of the FSC Mauritius, in line with section 52 of the FSA. It is an internal committee comprising:

- two members to be appointed every year by the Board;
- not more than four employees being of a grade not lower than Executive and not involved in investigations of the licensee under section 44 of the FSA, designated by the Board;
- such other person having the necessary expertise as may be co-opted by the EC.

The settlement committee is a committee set up by the Commission for the purposes of engaging in settlement discussions.

Responsibilities of the Audit and Risk Committee

The main responsibilities of the audit and risk committee include:

- monitoring and reviewing the integrity of the financial statements and accounting policies of the Commission;
- making recommendations for approval of the AFS of the Commission;
- reviewing with management and the external auditors, the adequacy and compliance of internal control systems;
- monitoring and reviewing the internal audit function and considering regular reports from internal audit on internal financial controls, operations and risk management;
- considering the appointment of the external auditors, overseeing the process for their selection and making recommendations to the Board in relation to their appointment;
- monitoring and reviewing the external auditors' independence, objectivity and effectiveness;
- overseeing the operation of the policies on conflicts of interest; and
- ensuring that recommendations from external and internal audit, as approved by the audit and risk committee and the Board, are followed and implemented.

In compliance with the guidance of the Code, the Chief Executive is not a member of the audit and risk committee.

During the period ending 30 June 2022, the audit and risk committee was composed of the following Board members:

- Mr Premchand Mungar (Chairperson);
- Mr Mahesh Rawoteea (member); and
- Mr Loveneesh Beedasy (member).

Responsibilities of the Corporate Governance Committee

The main responsibilities of the corporate governance committee include:

- recommending to the Board on the corporate governance provisions to be implemented so that the Board remains effective and complies, as far as applicable, with the prevailing corporate governance principles; and
- ensuring that the reporting requirements and disclosures made with regard to corporate governance, whether in the annual report or on an ongoing basis, are in accordance with the principles of the Code, as far as applicable.

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

During the period ending 30 June 2022, the corporate governance committee was composed of the following Board members:

- Mr Sarwansingh Purmessur (Chairperson);
- Mr Premchand Mungar (member); and
- Mr Azaad Aumeerally (member) (*resigned w.e.f 01 March 2022*).

Responsibilities of the Staff Committee

The staff committee is a sub-committee of the Board and ensures that the human capital remains the most valuable resource that drives the achievement of the strategic objectives and performance of the Commission.

Furthermore, the FSC Mauritius fosters consistent, fair and equitable employee relations in the workplace, defines and monitors activities which positively influence the effectiveness (competency, motivation, productivity, among others) of staff as they work towards the achievement of the goals and objectives of FSC Mauritius.

During the period ending 30 June 2022, the staff committee was composed of the following Board members:

- Mr Sarwansingh Purmessur (Chairperson);
- Ms Gayle Mary Jane Yerriah (member); and
- Mr Rajeshsharma Ramlooll, SC (member).

Responsibilities of the Legal Affairs Committee

The legal affairs committee is a sub-committee of the Board whose purpose is to assess and recommend to the Board, changes in existing regulatory framework (including FSC Rules, Codes, and Guidelines etc.) and legislations and introduce new regulatory and legal frameworks. It also monitors progress of complex cases or cases having a high impact on the Commission or the jurisdiction.

During the period ending 30 June 2022, the legal affairs committee was composed of the following Board members:

- Mr Rajeshsharma Ramlooll, SC (Chairperson);
- Ms Gayle Mary Jane Yerriah (member); and
- Mr Loveneesh Beedasy (member).

Responsibilities of the Committee on Fintech matters

The committee on Fintech matters acts as a think tank and advises the Board and Chief Executive of the FSC Mauritius on Fintech matters as well as monitors the implementation of Fintech initiatives following National Budgets. It also recommends the granting of Regulatory Sandbox authorisation to the Board of the FSC Mauritius on the basis of merits of applications.

During the period ending 30 June 2022, the committee on Fintech matters was composed of the following Board members:

- Mrs Mariam Rajabally, (Chairperson);
- Ms Gayle Mary Jane Yerriah (member); and
- Mr Loveneesh Beedasy (member).

Responsibilities of the Application and Approval Committee

The application and approval committee has been set up to assess and recommend to the Board the approval of:

- Investment Banking Licences;
- New Exchange Licences;
- Payment Intermediary Services Licences; and
- any other applications as may be recommended by the Board.

During the period ending 30 June 2022, the application and approval committee was composed of the following board members:

- Mr Mahesh Rawoteea, (Chairperson);
- Mr Sarwansingh Purmessur (member); and
- Mrs Mariam Rajabally (member).

Responsibilities of the Waivers and Exemption Committee

The main responsibilities of the waivers and exemption committee is to assess and recommend to the Board for consideration requests from licensees for exemption from regulatory requirements and requirements imposed by FSC Rules.

During the period ending 30 June 2022, the waivers and exemption committee was composed of the following board members:

- Ms Gayle Mary Jane Yerriah (Chairperson);
- Mrs Mariam Rajabally, (member); and
- Mr Azaad Aumeerally (member) (*resigned w.e.f 01 March 2022*).

1.2.3 The Chief Executive

Section 9 (1) of the FSA provides that the Chief Executive of the FSC Mauritius is appointed by the Board with the approval of the Minister on such terms and conditions as it thinks fit. The Chief Executive is responsible for the execution of the policy of the Board and for the control and management of the day to-day business of the FSC Mauritius. By virtue of section 9 of the FSA, the Chief Executive attends Board meetings unless otherwise directed by the Board and may take part in deliberations. However, the Chief Executive is not an ex-officio member as he does not have the right to vote and can be directed not to attend Board meetings by the Board.

1.2.4 The Secretary of the Board

The Secretary of the Board, Mr Ramanaidoo Sokappadu holds a Bachelor of Arts degree in Economics and is a senior civil servant who has been acting as secretary to the Board of FSC Mauritius since 2001.



REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

1.3 Principle 3: Director Appointment Procedures

In line with the provisions of the Code, the appointment of the Board of the FSC Mauritius is made by the Prime Minister and the Minister of the parent Ministry as per the relevant provisions of the FSA.

The profiles of the Board members are found at page 31 of the annual report and on the website of the FSC Mauritius.

As at 30 June 2022, there were five Board members (including the Chairperson) who were independent from the Ministry.

1.4 Principle 4: Duties, Remuneration and Performance

Members of the Board must be suitably qualified in business, finance or law. They are appointed for a period of three years and are eligible for reappointment.

The board charter referred to in Principle 1 provides for succession planning, as well as a statement regarding assumption of responsibility for succession planning. Given that the appointment of the Board members is made in accordance with section 4 (2) of the FSA, succession planning is, thus, also addressed, where required, at the level of the parent ministry.

New Board members are informed of all laws governing the Commission, laws which it administers, as well as, the guidelines/codes/standards issued by the FSC Mauritius.

Section 8 of the FSA requires that Board meetings be held at least once a month. Moreover, pursuant to section 9 of the FSA, the Chief Executive attends all Board meetings unless otherwise directed by the Board.

1.4.1 Attendance at Board Meetings and Board Committees

The table below gives an account of the records of attendance at the Board and Committee meetings for the year under review:

Board member	Board meeting	Staff Committee	Audit & Risk Committee	Corporate Governance Committee	Legal Affairs Committee	Waivers & Exemption Committee	Applications & Approval Committee	Fintech Matters Committee
Number of meetings held during the year	13	10	7	4	11	7	12	5
Mr M. Kona Yerukunondu	13	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr R. Ramlooll	13	8/10	N/A	N/A	11	N/A	N/A	N/A
Mr P. Mungar	12/13	N/A	7	2/4	N/A	N/A	N/A	N/A
Mr S. Purmessur	13	10	N/A	4	N/A	N/A	10/12	N/A
Mr M. Rawoteea	13	N/A	6/7	N/A	N/A	N/A	12	N/A
Ms G. Yerriah	12/13	9/10	N/A	N/A	10/11	7	N/A	5
Ms M. Rajabally	10/13	N/A	N/A	N/A	N/A	6/7	9/12	4/5
Mr A. Aumeerally	4/9	N/A	N/A	3/3	N/A	3/4	N/A	N/A
Mr L. Beedasy	13	N/A	7	N/A	11	N/A	N/A	5

1.4.2 *Training of Board Members*

The Board members, including the Chairperson, must be suitably qualified and experienced in the field of business, finance or law. Induction training conducted for Board members allows them to be conversant with the laws administered by the FSC Mauritius.

The Board ensures the professional development and ongoing education of all its members and they attend, from time to time, seminars and conferences pertaining to the regulation of financial services.

The Board members are invited to attend capacity-building events, such as RCE events. For the period ending 30 June 2022, some board members attended the following capacity building programmes:

- Financial Inclusion and Financial Education;
- Enhancing the role of Insurance in providing Financial Protection;
- Supporting efforts to tackle Corruption and other Financial Crimes during COVID-19; and
- Investment Treaties and Climate Change: Supporting climate-friendly investment and policy space for climate action.

1.4.3 *Disclosure of Interests for the Reporting Period*

In accordance with section 84 of the FSA, where any member of the Board, the technical committee or their spouse or next of kin has any direct or indirect interest in relation to any matter before the Board or technical committee, as the case may be, he shall:

- disclose at or before the meeting convened to discuss that matter, the nature of his interest; and
- not take part in any deliberation or any decision making process in relation to that matter.

Any disclosure of interest of Board members as required under section 84 of the FSA are recorded in the minutes of the Board or committee as the case may be. The Board's secretary maintains a register of interest.

1.4.4 *Board Evaluation*

The FSC Mauritius is an independent regulator and the Chairperson of the Board assesses its Board members.

Attendance to Board meetings by Board members are published in the corporate governance report.

1.4.5 *Board Remuneration*

Every Board member is paid by the Commission such fees as the Board may, with the approval of the Minister, determine, in line with section 4 (4) of the FSA.

In addition, Board members who are also members of the committees of the FSC Mauritius, were paid specific fees as from October 2018.

The Board members' remunerations for the reporting period 30 June 2022 are provided at page 280 of the Annual Report (Note 33 of the Financial Statements).



REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

1.5 Principle 5: Risk Governance and Internal Control

The Board is responsible for risk governance and ensures that the FSC Mauritius has a comprehensive and robust system of risk management and internal control. The FSC Mauritius' risk management system is set out in more details on pages 221 to 223 of the FSC Annual Report. The FSC Mauritius has a risk management mechanism to identify and mitigate risks as described in paragraph 7 (Principle 7) of this report. The internal audit reports to the audit and risk committee on the internal control process of the FSC Mauritius.

1.5.1 Whistleblowing Policy

The FSC Mauritius has adopted a whistleblowing policy effective from 15 April 2022. The FSC Mauritius is committed to encourage a culture in which individuals feel confident enough to raise concerns and to challenge poor practices and behaviour in the workplace.

This policy sets out a framework within which employees can report matters of concern, without any fear or risk of victimisation, discrimination or unfair disadvantage.

In doing so, the policy provides an avenue for employees to raise, in good faith, concerns about potential breaches of laws or other impropriety.

Thus, the policy engenders a culture of openness and accountability which motivates employees to act responsibly in order to uphold the reputation of the FSC Mauritius.

The whistleblowing policy ensures that the whistleblower's identity is treated with confidentiality.

1.6 Principle 6: Reporting with Integrity

In line with section 85 (1) of the FSA, the FSC Mauritius publishes, not later than six months after the close of every financial year, a report on its activities together with its audited accounts in respect of the previous financial year.

The annual report includes the AFS of the reporting year, a corporate governance report and details of activities of the FSC Mauritius such as its financial and governance positions as well as how it has fulfilled its functions.

The social, health and safety issues and environmental reporting of the FSC Mauritius is provided at page 220 of this report.

1.7 Principle 7: Audit

The FSC Mauritius has an internal audit unit which reports functionally and regularly to the FSC Mauritius' audit and risk committee.

The internal audit has full access to the records pertaining to the management and staff of the FSC Mauritius. The audit and risk committee report is published at page 209 of the annual report.

The internal audit unit is managed by a member of the Association of Chartered Certified Accountants who also holds a master degree with specialisation in Financial Management.

1.8 Principle 8: Relations with Shareholders and other Key Stakeholders

The FSC Mauritius is a statutory body and as such, has no shareholder. It maintains a working relationship with its parent Ministry through regular meetings chaired by the Minister to discuss policy and provide updates on matters relating to the financial services sector.

Monthly meetings are held with industry representatives, namely the MF, to discuss about industry-related issues and initiatives.

Task forces have been set up by the FSC Mauritius to ensure a quasi-permanent sharing of information and experiences on key topics of relevance to concerned stakeholders and to support the implementation of the Blueprint recommendations. Regular interactions with the BoM are held through the joint coordination committee.

The FSC Mauritius maintains relations with international counterparts through its membership to international standard-setting bodies such as IOSCO, IAIS, IOPS, IFSB, GIFCS and CISNA.

The Commission engages with both local and international counterparts to promote cooperation for effective supervision, exchange of information and reinforce capacity building through established MoUs.

The FSC Mauritius is a member of the financial stability committee. The functions of the committee shall be to regularly review and ensure the soundness and stability of the financial system.

2.0 Integrated Sustainability Reporting

2.1 Social Issues

Pursuant to section 6 of the FSA, the functions of the FSC Mauritius as the regulator of the non-bank financial services sector and GB, concern the protection of consumers of financial services.

In addition, the FSC Mauritius is responsible to promote public understanding of the financial system, including raising awareness of the benefits and risks associated with different kinds of investment.

The FSC Mauritius ensures the sound development of the financial services sector in Mauritius. The annual report 2021/22 has explained the activities of the FSC Mauritius in view of fulfilling its objectives.

2.2 Environmental Issues

Use of Green Technology and Adopting an Eco-Friendly Attitude

The FSC Mauritius aims at reducing cost and make efficient use of resources by embracing the use of green technology and adopting an eco-friendly attitude. Staff are encouraged to make use of natural lights within the FSC Mauritius premises.

A fresh air unit system has already been put in place at the FSC Mauritius. This allows air from the outside to circulate within the office, thus, reducing the use of air conditioning. Led lights are also used in line with the green Mauritius initiative in order to be energy efficient.

Other Initiatives Undertaken by the FSC Mauritius

- Daily and weekly in-depth cleaning carried out by lay services staff in order to provide a conducive work environment to staff;
- A full fledge digitalisation system has been put in place. All existing files and daily incoming documents received are scanned and saved in respective folders. This is in line with the paperless principle whereby physical files and hard copies of documents are not required;
- Compliance with laws and regulations pertaining to the fire safety is ensured. The fire alarm system in place guarantees that all access and exit doors are released automatically as soon as the fire alarm is triggered;

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

- A solar water system was installed in 2017. Since then, hot water, at minimum cost, is available in the gymnasium and the kitchenette in the cafeteria;
- A proper cable management is in place to prevent staff from tripping and maintaining safe workstations;
- All tube lights have been replaced by automatic sensor led lights in 2017 in order to reduce cost and to save energy,
- Regular checks are carried out in meeting rooms to ensure that lights and the air conditioning system are switched off when not in use;
- Notices have been put in specific areas of the Commission to sensitise staff to save water and energy;
- Envelopes despatched at the FSC Mauritius are re-used for internal purposes;
- A round-the-clock security is efficiently provided by an external service provider that is Brink's Mauritius Ltd. Access in and out is controlled and recorded continuously. Monitoring is also done by the CCTV cameras;
- The FSC Mauritius has embarked on a project for the setting up of a solar photovoltaic facility, under the CEB Greenfield Renewable Energy Scheme, by signing an agreement with the CEB on 12 May 2022. The aim of this initiative is to promote innovation, sustainable consumption and combatting climate change positively. Affordable and clean energy under the photovoltaic systems will promote an environment conducive for good health and sustainable development. In this respect, threats to the environment will be reduced. The FSC Mauritius is determined to become less reliant on fossil fuels for electricity production and reduce gas emissions which are causing climatic changes; and
- All shredded papers and old newspapers at the Commission are collected by recycling companies. This is in line with the aim of the FSC Mauritius to protect natural resources for a sustainable environment.

2.3 Safety & Health Issues

The FSC Mauritius believes that the safety, health and welfare of its employees is of paramount importance and that a safe working environment is a prerequisite to achieving its stated goals.

As a responsible employer, the FSC Mauritius aims at ensuring that all employees work in an environment where there is minimum or no risk of injury, no causes of ill health to the employees or damage to the property. As such, it has defined the safety and health of its employees as a priority in all its functions where safety and health comes first.

The FSC Mauritius ensures that it complies with the provisions of the Occupational Safety and Health Act 2005 and related legislations. The Safety and Health Officer ensures that the required inspections, audit and assessment of Safety and Health standards are conducted. He also reviews, recommends, develops measures to control workplace hazards and advises Management on matters pertaining to Safety and Health.

The Safety and Health Committee meets every two months to, *inter alia*, discuss and make proposals to the FSC Mauritius on matters regarding the safety, health and welfare of employees. The committee also promotes cooperation between the employer and the employees with the aim to achieve and maintain a safe and healthy working environment and conditions. In addition, follow up is made to ensure that safety and health issues raised are addressed.

The FSC Mauritius had triggered its business continuity plan in response to the COVID-19 pandemic. Necessary protocols and procedures have been put in place to ensure the safety and welfare of all employees as well as visitors.

3.0 Risk Management and Internal Control

The Board is responsible for risk management mechanisms at the FSC Mauritius. A risk register is kept and each cluster is required to report on risks matters. The assurance of risk management (including operational risks, strategic risks, financial risks, IT risks and compliance risks) is carried out through the internal audit unit who reports to the audit & risk committee.

3.1 Reputational Risk

Key risk

Negative perceptions of the conduct or practices may adversely impact the vision of the FSC Mauritius *'to be an internationally recognised Financial Supervisor committed to the sustained development of Mauritius as a sound and competitive Financial Services Centre'*.

Reputational risk arises from failure to meet stakeholders' expectations as a result of any action, event or situation caused by the FSC Mauritius or its employees that can adversely impact the FSC Mauritius's reputation.

Mitigation of Risk

To mitigate the risk, the FSC Mauritius has a Code of Conduct which focuses on integrity and honesty of staff and also provides for a compliance mechanism. In addition, regular management meetings are held with various stakeholders with respect to their expectations and any complaint they may have.

3.2 Strategic Risk

Key Risk

Strategic risks are the risks of failing to achieve the FSC Mauritius's statutory objectives. They result from incorrect assumptions on external or internal factors, inappropriate strategic plan, ineffective strategic execution or failure to respond in a timely manner to changes in the environment regulated by the FSC Mauritius.

Mitigation of Risk

To mitigate the risks, the FSC Mauritius has set up a strategic plan approved by the Board as well, as a Key Performance Indicators (KPIs) system at organisational, cluster and individual levels to assess and report on achievement of key objectives. The ratings of the KPIs at all levels are used as a basis for the payment of performance bonuses.

3.3 Compliance Risk

Key Risk

Compliance risks are risks related to exposure to legal penalties, material financial loss or loss of reputation that the FSC Mauritius may suffer by failing to act in accordance with its legal obligations. Compliance risk arises from the legal and regulatory requirements under which the FSC Mauritius operates as a statutory body.

Mitigation of Risk

To mitigate the risk, all clusters ensure that the FSC Mauritius act in accordance with its legal obligations.



REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

3.4 Operational Risk

Key Risk

Operational risks are risks of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk arises from human error, inappropriate conduct, and failures in systems, processes and controls. It is inherent in all activities, processes and systems and generated from all operational areas.

Mitigation of Risk

To mitigate risks of disruption of operations, the FSC Mauritius has established a conducive control environment with operational risk policies, processes, systems as well as appropriate risk culture within the FSC Mauritius.

The FSC Mauritius has a business continuity policy to ensure that key operations continue regardless of any disruption (for example, fire, flooding or act of government with respect to the recent pandemic). In addition, an appropriate risk management culture has been implemented at cluster level.

3.5 IT and Business Continuity Risk

Key Risk

The key risk is the exposure to technological threats and business interruptions due to technology transformation and operation alignment.

IT and business continuity risk arises as a result of technology dependency as a key enabler for achieving statutory objectives of the Commission.

Mitigation of Risk

To mitigate technological risks, the Commission has an IT policy which includes back up of all electronic information in a disaster recovery centre as well as ongoing assessment and testing supported by embedded in-built controls and resilience against threats are tested. The Board monitors IT risks on a regular basis through an IT audit on a yearly basis. The latter is reported to the Board through the audit & risk committee.

Cybersecurity and data protection are now one of the primary concerns for the Commission, making it essential to implement the highest information security standards. Accordingly, a holistic cybersecurity strategy has been activated to cover the whole organisation, not just IT, and encompasses people, processes and technology. Multiple projects are currently undergoing implementation to protect the Commission's critical assets from cybercriminals and malicious insiders.

Moreover, the FSC Mauritius has completed the relocation of its production server room to a local TIER IV constructed facility certified by Uptime Institute providing for a minimum data centre services availability of above 99 per cent. By migrating the physical IT infrastructure to a TIER 4 Data, the Commission will be able to lessen its operational risks by gaining in terms of reliability and resiliency of the IT systems and services.

Furthermore, the location of IT disaster recovery site of the FSC Mauritius was reviewed during the current period.

The data centre standards for the proposed disaster recovery site meets ISO/IEC 27001:2013 compliance in terms of information security standards. Additionally, all the geographical, power, cooling and physical security requirements defined by the FSC Mauritius are fulfilled.

The Commission has also initiated the upgrade of its core server, storage and network infrastructure which was supporting its core functions since 2014.

The scope of the project included, *inter alia*, the:

- consolidation of the server and storage infrastructure;
- migration and upgrade of hypervisor platforms;
- implementation of an end-to-end backup and storage solution;
- review of switching infrastructure; and
- disaster recovery implementation of critical services identified.

The project takes into consideration the emerging business requirements such as new online services and projects requiring intensive technology resources while providing for the mitigation of IT risks. It will substantially improve service performance and availability, security and ease of recovery in case of failure through the implementation of high-performance computing devices. It also provides an end-to-end solution that can support the high availability, scalability and manageability needs of a complex data centre environment.

The new IT Infrastructure implemented will be hosting the production and disaster recovery environment for the FSC Mauritius for the next five years.

4.0 Protection from Liability

In accordance with section 88 of the FSA, any member of the Board, technical committee or of the EC is protected from liability for anything done or omitted to be done by the member in the performance of his duties in good faith.



BOARD'S REPORT 2022

The Board of the Financial Services Commission, Mauritius presents its report and the AFS of the FSC Mauritius for the year ended 30 June 2022.

Review of Activities

The FSC Mauritius is an independent regulatory authority deemed to be established under the FSA to regulate the financial services sector other than banking, and global business. The FSC Mauritius licenses, regulates, monitors and supervises the conduct of business activities in the said sectors.

Statement of Board's Responsibilities in respect to the Financial Statements

The Board of the FSC Mauritius is responsible for the preparation of the financial statements for each financial year/period, which gives a true and fair view of the state of affairs of the FSC Mauritius, its income and expenditure, and its cash flows for the period.

In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards i.e. the IFRS have been followed, and explained in the financial statements; and
- prepare the financial statements in accordance with the FSA and the Statutory Bodies (Accounts and Audit) Act 1972.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the FSC Mauritius. The Board is also responsible for safeguarding the assets of the FSC Mauritius, designing, implementing and maintaining effective internal controls relevant for the preparation and presentation of financial statements that are free from material misstatements.

The Board confirms that it has complied with the above requirements and the relevant statutes in so far as they relate to the preparation of the financial statements.



Mardayah Kona Yerukunodu
Chairperson



Premchand Mungar
Member

Approved by the Board of the FSC Mauritius on 23 August 2022

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT TO THE CHAIRMAN OF THE BOARD OF THE FSC MAURITIUS

Opinion

We have audited the annual financial statements of the Commission set out on pages 231 to 280 of the Annual Report 2021/22, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, the statement of changes in funds, the statement of cash flows for the year then ended, the statement of comparison of annual estimates and actual amounts and the notes, comprising a summary of significant accounting policies and other explanatory notes (hereinafter collectively referred as 'financial statements').

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at 30 June 2022, and its financial performance and cash flows for the year then ended, in accordance with IFRS.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA) and other independence requirements applicable to performing audits of financial statements in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of the Commission is responsible for the other information. The other information comprises the Report of the Corporate Governance Committee which we obtained prior to the date of this auditor's report and Board's Report and Report of the Audit and Risk Committee which is expected to be made available to us after the date of this audit report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon. Our reporting responsibilities regarding Report of the Corporate Governance Committee is dealt with in the 'Report on Other Legal and Regulatory Requirements' section of this report.

In connection with our audit of the financial statements, our responsibility is to read the other information, identified as above, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the report of the Corporate Governance Committee, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read Board's Report and Report of the Audit and Risk Committee, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



INDEPENDENT AUDITOR'S REPORT

Commission's Responsibilities for the Financial Statements

The Commission is responsible for the preparation of the financial statements in accordance with the IFRS; the FSA; the Statutory Bodies (Accounts and Audit) Act 1972 and the Financial Reporting Act 2004, and for such internal control as the Board of the Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of the Commission is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of the Commission either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

The Board of the Commission is also responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the management with a statement that we have complied with relevant ethical requirements

regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

We performed procedures to obtain audit evidence that the Commission had complied with the FSA; the Statutory Bodies (Accounts and Audit) Act 1972; the Financial Reporting Act 2004; the Public Procurement Act 2006; and the National Code of Corporate Governance for Mauritius (2016), in so far as these related to financial matters, financial management and other related matters during the year under audit. We performed procedures to identify findings in so far as these related to financial matters, financial management and other related matters but not to gather evidence to express assurance on overall compliance with the above mentioned laws and regulations.

Responsibility of the Board of the Commission

In addition to the responsibility for the preparation and fair presentation of the financial statements described above, the Board of the Commission is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the laws and regulations which govern the Commission.

Reporting on Compliance with the Financial Services Act 2007

We have obtained information and explanations which to the best of our knowledge and belief were necessary for the purpose of our procedures and in our assessment, proper accounting records have been maintained.

Based on our procedures, we have not come across any instances of non-compliance with the provisions of the FSA in so far as they relate to the financial statements.

Reporting on Compliance with Statutory Bodies (Accounts and Audit) Act 1972

We have obtained information and explanations which to the best of our knowledge and belief were necessary for the purpose of our procedures.

Based on our procedures, we have not come across any instances of non-compliance with the Statutory Bodies (Accounts and Audit) Act 1972 in regard to extravagant or wasteful nature of expenditure incurred, the application of resources, and the carrying out of the operations fairly and economically. No directions have been received from the MFSGG during the year under audit as far as they relate to the financial statements.

Reporting on Compliance with the National Code of Corporate Governance for Mauritius (2016)

The Board of the Commission is responsible for preparing the Report of Corporate Governance. Our responsibility under the Financial Reporting Act is to report on the compliance with the National Code of Corporate Governance 2016 (the Code) disclosed in the annual report and assess the explanations given for non-compliance with any requirements of the Code. *From our assessment of the disclosures made on corporate governance in the annual report and relying on the explanations provided by the Board in regard to the principles of the Code which have not been complied with, in our opinion, the disclosures in the annual report are not inconsistent with the Code.*



INDEPENDENT AUDITOR'S REPORT

Reporting on Compliance with the Public Procurement Act 2006

The Board of the Commission is responsible for the planning and conduct of its procurement. It is also responsible for defining and selecting the appropriate method of procurement and contract type in accordance with the provisions of the Public Procurement Act 2006 (PPA) and relevant Regulations. Our responsibility is to report on whether the provisions of Part V of the PPA regarding the Bidding Process have been complied with. Our procedures in this regard were based on test checks as considered appropriate by us.

Based on our procedures performed *and relying on Board representation and explanations*, nothing has come to our attention that causes us to believe that the provisions of Part V of the PPA regarding the Bidding Process have not been complied with.



Mitil Chokshi
Partner

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Mumbai, India
UDIN - 22047745ARDSHZ6980

Date: 23 August 2022



Financial Statements

Bois D'Ebene Noir

Diospyros tessellaria



Tall and straight endemic tree. Found on almost all native forest of the island. Reouted for its high quality timber. The hard black wood is in the middle and only about half of the diameter of the tree.

Symbol of Quality

STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	NOTE	2022 MUR	2021 MUR
ASSETS			
Non-current assets			
Property, plant and equipment	6(a)	120,947,679	118,134,190
Intangible assets	6(b)	2,656,777	2,386,470
Right-of use assets	6(c)	6,139,782	6,081,902
Assets at amortised cost	7	49,062,902	49,212,067
Other financial assets	9	1,938,538	3,920,147
		180,745,678	179,734,776
Current assets			
Assets at amortised cost	7	50,819,618	622,215,490
Other financial assets	9	447,486	131,179
Receivables	10	132,350,196	194,435,427
Cash and bank balances	11	889,093,382	618,027,711
Bank deposits	12	1,035,143,800	1,542,786,581
		2,107,854,482	2,977,596,388
TOTAL ASSETS		2,288,600,160	3,157,331,164
LIABILITIES			
Non-current liabilities			
Retirement benefit obligations	8	20,808,908	48,921,329
Lease liabilities	15	4,804,307	3,857,548
		25,613,215	52,778,877
Current liabilities			
Payables	13	1,521,786,750	1,428,484,439
Provisions	14	175,282,768	156,490,898
Lease liabilities	15	110,030	637,596
Amount payable to the FSF	16	29,570,651	25,206,130
Amount payable to the Consolidated Fund	17	328,360,027	1,184,571,807
		2,055,110,226	2,795,390,870
TOTAL LIABILITIES		2,080,723,441	2,848,169,747
NET ASSETS		207,876,719	309,161,417
REPRESENTED BY:			
General Fund		42,109,836	67,814,181
General Reserve Fund	18	165,766,883	241,347,236
		207,876,719	309,161,417

Approved by the Board of the Commission on 23 August 2022.
Signed on their behalf



Mardayah Kona Yerukunondu
Chairperson



Premchand Mungar
Board Member



Dhanesswurnath Thakoor
Chief Executive

The accounting policies on pages 236 to 257 and the notes on pages 258 to 280 form an integral part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2022

	NOTE	2022 MUR	2021 MUR
INCOME			
Fees from licensees	19	1,499,541,370	1,409,710,664
Penalties and charges	20	206,678,300	243,408,309
Interest	21	17,702,676	31,337,394
Other income	22	5,861,160	17,190,544
		1,729,783,506	1,701,646,911
OPERATING EXPENSES			
Staff related costs	23	450,500,111	428,652,202
Training and seminars	24	7,784,700	1,477,615
Legal and professional expenses	25	14,364,493	24,041,754
Office and administrative expenses	26	80,793,219	71,046,122
Depreciation & amortisation of property and equipment	6(a), 6(b)	17,870,119	21,236,344
Depreciation of right-of-use assets	6(c)	1,021,460	9,244,602
(Reversal) / provision for credit losses		(867,458)	6,521,153
		571,466,644	562,219,792
FINANCE COSTS			
Interest on leasing		220,982	3,244,876
SURPLUS OF INCOME OVER OPERATING EXPENSES		1,158,095,880	1,136,182,243
Exchange fluctuation gain		146,927,671	30,811,427
SURPLUS FOR THE YEAR		1,305,023,551	1,166,993,670
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit			
Remeasurement of defined benefit obligation	8	(15,390,233)	(44,930,312)
SURPLUS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR		1,289,633,318	1,122,063,358

Approved by the Board of the Commission on 23 August 2022.
Signed on their behalf



Mardayah Kona Yerukunodu
Chairperson



Premchand Mungar
Board Member



Dhanesswurnath Thakoor
Chief Executive

The accounting policies on pages 236 to 257 and the notes on pages 258 to 280 form an integral part of these financial statements.

STATEMENT OF CHANGES IN FUNDS AND UNREALISED RESERVES

for the year ended 30 June 2022

	General Reserve Fund MUR	General Fund MUR	TOTAL MUR
At 01 July 2020	186,491,655	42,862,443	229,354,098
Surplus for the year	-	1,166,993,670	1,166,993,670
Other Comprehensive Income		(44,930,312)	(44,930,312)
Transfer from General Fund to the General Reserve Fund as per section 82A (2) of the FSA.	54,855,581	(54,855,581)	-
Transfer from General Fund to the FSF as per section 82 (6) of the FSA.	-	(21,942,232)	(21,942,232)
Amount payable to the Consolidated Fund	-	(1,020,313,807)	(1,020,313,807)
At 01 July 2021	241,347,236	67,814,181	309,161,417
Surplus for the year	-	1,305,023,551	1,305,023,551
Other Comprehensive Income	-	(15,390,233)	(15,390,233)
Payment to the Consolidated Fund by virtue of section 4C of the Statutory Bodies (Accounts and Audit) Act	(141,347,236)	-	(141,347,236)
Transfer from General Fund to the General Reserve Fund as per section 82A (2) of the FSA.	65,766,883	(65,766,883)	-
Transfer from General Fund to the FSF as per section 82 (6) of the FSA.	-	(26,306,753)	(26,306,753)
Transfer to the Consolidated Fund as per sections 82A (2A) and 82A (3) of the FSA. (Note 17)	-	(1,223,264,027)	(1,223,264,027)
At 30 June 2022	165,766,883	42,109,836	207,876,719

Approved by the Board of the Commission on 23 August 2022.
Signed on their behalf



Mardayah Kona Yerukunondu
Chairperson



Premchand Mungar
Board Member



Dhanesswurnath Thakoor
Chief Executive

The accounting policies on pages 236 to 257 and the notes on pages 258 to 280 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	NOTE	2022 MUR	2021 MUR
Cash generated by operations	27	1,449,297,434	1,206,165,345
Interest received	30.2	54,331,398	25,209,378
Payment of Retirement benefit obligation		(48,921,329)	-
Net cash generated from operating activities		1,454,707,503	1,231,374,723
Cash flow from investing activities			
Acquisition of property and equipment		(18,806,403)	(10,480,509)
Acquisition of intangible assets		(2,154,598)	(2,116,675)
Proceeds from disposal of property and equipment		635,000	2,231,000
Investment in bank deposits		(2,010,927,826)	(1,300,412,274)
Proceeds from maturity of investments in bank deposits		2,520,193,466	1,169,004,104
Purchases of financial assets at amortised cost		(51,000,000)	(1,455,000,000)
Proceeds from maturity of financial assets at amortised cost		622,041,786	1,206,855,752
Net cash generated from / (used in) investing activities		1,059,981,425	(389,918,602)
Cash flow from financing activities			
Lease repayments		(637,000)	(5,701,887)
Interest on lease repaid		(220,982)	(3,244,876)
Payment to the FSF		(21,942,232)	(18,654,816)
Payment to the Consolidated Fund	17	(2,220,823,043)	(867,421,864)
Net cash used in financing activities		(2,243,623,257)	(895,023,443)
Net increase / (decrease) in cash and cash equivalents		271,065,671	(53,567,322)
Cash and cash equivalents at the beginning of the year		618,027,711	671,595,033
Cash and cash equivalents at end of the year		889,093,382	618,027,711

Cash and cash equivalents consist of cash in hand, balances with the bank in savings accounts and investments in fixed deposits.

Cash and cash equivalents included in the Cash Flow Statement comprise of

Cash and bank balances	11	889,093,382	618,027,711
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Approved by the Board of the Commission on 23 August 2022.

Signed on their behalf



Mardayah Kona Yerukunondu
Chairperson



Premchand Mungar
Board Member



Dhanesswurnath Thakoor
Chief Executive

The accounting policies on pages 236 to 257 and the notes on pages 258 to 280 form an integral part of these financial statements..

STATEMENT OF COMPARISON OF ANNUAL ESTIMATES AND ACTUAL AMOUNT

for the year ended 30 June 2022

INCOME

Fees from licensees	1,499,541,370	1,307,770,000	191,771,370
Penalties and charges	206,678,300	150,000,000	56,678,300
Interest	17,702,676	23,575,000	(5,872,324)
Other income	5,861,160	-	5,861,160
	1,729,783,506	1,481,345,000	248,438,506

OPERATING EXPENSES

Staff related costs	450,500,111	547,144,000	(96,643,889)
Training and seminars	7,784,700	71,399,000	(63,614,300)
Legal and professional expenses	14,364,493	24,625,000	(10,260,507)
Office and administrative expenses	80,793,219	126,973,000	(46,179,781)
Depreciation & amortisation	18,891,578	63,921,000	(45,029,422)
Provision for credit losses	(867,458)	-	(867,458)
	571,466,644	834,062,000	(262,595,356)

FINANCE COSTS

Interest on leasing	220,982	8,385,000	(8,164,018)
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SURPLUS OF INCOME OVER OPERATING EXPENSES

	1,158,095,880	638,898,000	519,197,880
Exchange fluctuation gain	146,927,671	-	146,927,671

SURPLUS FOR THE YEAR

	1,305,023,551	638,898,000	666,125,551
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OTHER COMPREHENSIVE INCOME

Items that will not be reclassified to surplus or deficit

Remeasurement of defined benefit obligation	(15,390,233)	-	(15,390,233)
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SURPLUS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR

	1,289,633,318	638,898,000	650,735,318
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Approved by the Board of the Commission on 23 August 2022.

Signed on their behalf



Mardayah Kona Yerukunodu
Chairperson



Premchand Mungar
Board Member



Dhanesswurnath Thakoor
Chief Executive

The accounting policies on pages 236 to 257 and the notes on pages 258 to 280 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

1. GENERAL INFORMATION

1.1 Corporate Information

The financial statements of the FSC Mauritius for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Board on 23 August 2022. The FSC Mauritius was established in Mauritius under the Financial Services Development Act 2001 on 01 August 2001 as an independent regulatory authority. The FSC Mauritius currently regulates the non-banking financial services sector, the GB sector and the virtual assets / initial token service providers. The FSC Mauritius has become member of the Association of Numbering Association and the sole National Numbering Agency for Mauritius since 02 December 2021 and regulates issuance of ISIN for securities. With the enactment of the FSA, the Commission is deemed to have been established under this legislation.

The registered office of the Commission is at FSC House, 54, Cybercity, Ebene, Republic of Mauritius.

1.2 Contribution to the Consolidated Fund of the Government of Mauritius

The FSC Mauritius, being an independent regulatory authority, in terms of amendments to the FSA, is required to maintain its General Reserve Fund of stipulated amount (MUR 100 million represented by assets net of liabilities) to attain its objectives under section 82 and section 82A of the FSA:

- (a) The FSC Mauritius has created a General Fund into which all monies received by the Commission has been paid, and out of which, all payments required to be made including future charges and commitments, have been adjusted;
- (b) The FSC Mauritius allocates two per cent from the audited surplus for the year determined in accordance with section 82 (6) of the FSA, excluding any outstanding administrative penalties, from the General Fund to the FSF (2021: 2%);
- (c) The FSC Mauritius allocates five per cent from the audited surplus for the year determined in accordance with section 82A (2)(a) of the FSA, from the General Fund to the General Reserve Fund (2021: 5%); and
- (d) In accordance with section 82A (3) of the FSA, the FSC Mauritius has, after the allocations to the FSF and General Reserve Fund, and adjusting any related outstanding administrative penalties included in the income statement, provided for transfer of the remaining balance in the General Fund to the Consolidated Fund of the Government of Mauritius as soon as practicable.

The Commission has disbursed MUR 1,020,313,807 during the year from the opening balance payable and MUR 141,347,236 from the balance in excess of MUR 100 million from the General Reserve Fund, respectively.

The FSC Mauritius has made provision for transfer of MUR 1,223,264,027 (2021: MUR 1,020,313,807) towards the Consolidated Fund of the Government of Mauritius, out of which MUR 1,059,162,000 has already been disbursed during the year 2021/22.

Hence, total amount paid into the Consolidated Fund during the year 2021/22 is MUR 2,220,823,043.

2. BASIS OF PREPARATION AND NEW ACCOUNTING STANDARDS

2.1 Basis of Preparation

The FSC Mauritius has been excluded from the First Schedule to the Statutory Bodies (Accounts and Audit) Act, by virtue of amendments in section 6A (3) of the Statutory Bodies (Accounts and Audit) Act. Therefore requirements of preparing financial statements in compliance with the International Public Sector Accounting Standards (IPSAS) issued by IFAC is not applicable to FSC Mauritius. Accordingly, the Commission has prepared its financial statements in accordance with IFRS and the interpretation of these standards as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these annual financial statements. These financial statements have been prepared on historical cost basis, apart from financial assets and liabilities (which are recognized at fair value) and the valuation of the retirement benefit obligation. These financial statements are presented in Mauritian Rupees, being the reporting and functional currency, and rounded off wherever appropriate.

The accounting policies adopted for the current year are consistent with those of the previous financial year except that the FSC Mauritius has adopted new/revised standards and mandatory interpretations for the financial years beginning on or after 01 July 2021. The effects of these are stated below:

The preparation of financial statements in conformity with IFRS requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Information about significant areas of estimation uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in Note 3.2 provided below.

2.2 Going Concern

The forecasts and projections of the Commission show that it should be able to operate within their current funding levels in the foreseeable future. The directors have a reasonable expectation that the Commission has adequate resources to continue in operational existence for the foreseeable future. The financial statements therefore have been prepared on a going concern basis.

2.3 Adoption of New and Revised International Financial Reporting Standards

In the current period, the Commission has applied all the new and revised Standards and Interpretations issued by the IASB and the IFRIC of the IASB that are relevant to its operations and effective for the accounting period beginning on or after 01 July 2021.

2.4 New Standards and Amendments

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 01 January 2021 and are applicable to the Commission:

The Commission has assessed the relevance of the standards, interpretations and amendments to existing standards that have been published and mandatory for accounting periods beginning after 01 July 2021 and which the Commission has not early adopted and concluded these will not have a significant impact on the financial statements for the year ended 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

- **IFRS 7 and IFRS 9 – Interest Rate Benchmark Reform (Phase 2) – with effect from 01 January 2021**

The phase 2 amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. As a practical expedient, the amendments require an entity to apply IFRS 9, such that the change in the basis for determining the contractual cash flows is applied prospectively by revising the effective interest rate. The practical expedient only applies when the change in the basis for determining the contractual cash flows is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flow is economically equivalent to the previous basis (i.e. the basis immediately preceding the change). The amendment is effective for annual periods beginning on or after 01 January 2021, with earlier application permitted.

The FSC Mauritius does not anticipate that the application of the amendments will have any material impact on its financial statements.

- **IFRS 16 – COVID-19 Related Rent Concessions – with effect from 01 April 2021**

On 31 March 2021, the IASB issued another amendment to IFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021, which extends the availability of the practical expedient for COVID-19 related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022. The amendment is effective for annual periods beginning on or after 01 April 2021, with earlier application permitted.

The FSC Mauritius does not anticipate that the application of the amendments will have any material impact on its financial statements.

2.5 New Accounting Pronouncements issued and not yet effective

Standards issued but not yet effective up to the date of issuance of the Commission's financial statements are listed below. The listing of standards and interpretations hereby issued are those that the Commission reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date.

Except where retrospective application is prescribed, the Commission intends to adopt these standards prospectively when they become effective.

IFRS 17 Insurance Contracts – with effect from 01 January 2023

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts reinsurance contracts and investment contracts with discretionary participation features. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The IASB in June 2020 published recent amendments in IFRS 17. The amendments to IFRS 17 covers scope exclusion for credit card and similar contracts and optional scope exclusion for loan contracts with insurance coverage limited to plan amount, application of IFRS 17 in interim financial statements, risk mitigation option using instruments other than derivatives, recovery of losses from underlying insurance contracts through reinsurance contracts held. The standard and the amendment is effective for annual reporting periods beginning on or after 01 January 2023.

The FSC Mauritius does not anticipate that the application of the standard in the future will have any material impact on its financial statements.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Scale or Contribution of Assets between an Investor and its Associate or Joint Venture - Postponed Indefinitely

The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 and IFRS 10 amended as follows:

IAS 28 has been amended to reflect the following:

- Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognized to the extent of unrelated investors' interests in the associate or joint venture.
- Gains and losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognized in full in the investor's financial statements.

IFRS 10 has been amended to reflect the following:

- Gains and losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interest in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Earlier application of these amendments is still permitted.

The FSC Mauritius does not anticipate that the application of the amendments in the future will have any material impact on its financial statements.

Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current - with effect from 01 January 2023

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the Statement of Financial Position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The effective date for adoption of this amendment is annual periods beginning on or after 01 January 2023, with earlier application permitted.

The FSC Mauritius does not anticipate that the application of the amendments will have any material impact on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework - with effect from 01 January 2022

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 01 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The FSC Mauritius does not anticipate that the application of the amendments will have any material impact on its financial statements.

Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use - with effect from 01 January 2022

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The effective date for adoption of this amendment is annual periods beginning on or after 01 January 2022, with earlier application permitted.

The FSC Mauritius does not anticipate that the application of the Standard in the future will have any material impact on its financial statements.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract - with effect from 01 January 2022

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The effective date for adoption of this amendment is annual periods beginning on or after 01 January 2022, with earlier application permitted.

The FSC Mauritius does not anticipate that the application of the amendments in the future will have any material impact on its financial statements.

Amendments to IAS 1 - Amended by Disclosure of Accounting Policies and IAS 8 - Clarifying the Definition of Accounting Estimates - with effect from 01 January 2023

These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Applying the amendments, an entity discloses its material accounting policies instead of its significant accounting policies. Further, amendments are made to IAS 1 to explain how an entity can identify a material accounting policy. IAS 8 is amended to replace the definition of a change in accounting estimate with a definition of accounting estimates. Under new definition, accounting

estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. A change in accounting estimates that result from new information or new developments is not the correction of an error. In addition, the effects of change in an input or a measurement technique used to develop accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The amendments are effective for annual periods beginning on or after 01 January 2023, with early application permitted.

The FSC Mauritius does not anticipate that the application of the amendments in the future will have any material impact on its financial statements.

Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction- with effect from 01 January 2023

On 07 May 2021, the IASB published 'Deferred Tax related to Assets and Liabilities arising from a Single Transactions (Amendments to IAS 12)' that clarify how an entity accounts for deferred tax on transactions such as leases and decommissioning obligations. An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognizes deferred tax for all temporary differences related to leases and decommissioning obligations and recognizes the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. The effective date for adoption of this amendment is annual periods beginning on or after 01 January 2023, with earlier application permitted.

The FSC Mauritius does not anticipate that the application of the amendments in the future will have any material impact on its financial statements.

2.6 Improvements to IFRS

In May 2020, the IASB (International Accounting Standards Board) issued Annual Improvements to IFRS 2018-2020 cycle.

Cycle 2018-2020

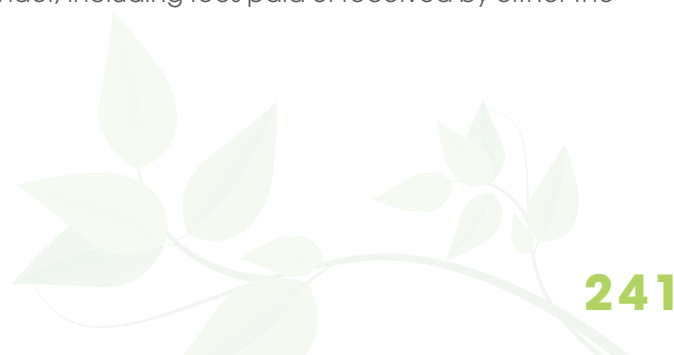
- IFRS 1 First Time Adoption of IFRS
- IFRS 9 Financial Instruments
- IFRS 16 Leases
- IAS 41 Agriculture

IFRS 1 First Time Adoption of IFRS

The amendments permit a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation difference using the amounts reported by its parent, based on the parent's date of transition to IFRS.

IFRS 9 Financial Instruments

The amendment clarifies which fees an entity includes when it applies '10 percent' test in paragraph B3.3.6 of IFRS in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on other's behalf.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

IFRS 16 Leases

The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

IAS 41 Agriculture

The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of biological asset using a present value technique. This will ensure consistency with requirements of IFRS 13.

All the amendments are effective for annual period beginning on or after 01 January 2022 and generally require prospective application. Early application is permitted.

The FSC Mauritius does not anticipate that the application of the amendments in the future will have any material impact on its financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Significant Accounting Policies

a) Revenue Recognition

(i) Fees from licensees

Annual licensing fees are raised in terms of the FSA and FSC Rules.

Fees are earned from:

- licences issued to applicants for a GBC1 or a GBC2 or Authorised Company.
- licences issued to applicants to carry out financial services or financial business activities, including Virtual Assets and Initial Token Offering Services under the relevant Acts.
- brokerage fees as per Stock Exchange (Brokerage) Regulations.

Recognition

Revenue from fees is recognised on an accrual basis and to the extent that it is highly probable that significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with variable consideration is subsequently resolved.

Revenue arising from processing, annual license, registration fees, late charges and reinstatement fees are recognised when the performance obligation is satisfied in time or over time.

Measurement

Revenue from fees is measured at the fair value of the consideration received or receivable, taking into account terms of payment which may be defined from time to time in the FSC Rules. Waivers of late charges are offset against revenue from late charges.

Income	Revenue Recognition
Processing Fees	Recognised at a time of application
Annual Fees	Recognised to the extent of certainty
Reinstatement Fees	Recognised at the time of application for reinstatement
Fees from Insurance Companies	Accrued quarterly based on gross premium from policies issued
Fees from Brokerage Companies	Accrued monthly based on value of the transactions undertaken

(ii) Revenue from administrative penalties

Recognition

Revenues arising from administrative penalties pursuant to the issuance of the Financial Services (Administrative Penalties) Rules 2013, effective from 01 January 2014 are recognised when a licensee fails to comply with a legal obligation specified in the said rules and accounted where there is no significant uncertainty as to its collectability. These penalties are recognised only to the extent that it is highly probable that significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with it is subsequently resolved.

Measurement

Revenue from fees is measured at the fair value of the consideration received or receivable, taking into account terms of payment which may be defined from time to time in the FSC Rules. Waivers of administrative penalties are offset against revenue from administrative penalties. By virtue of amendments in the Financial Services (Administrative Penalties) Rules 2013, w.e.f. 01 January 2018, the administrative penalty payable in respect of each breach of a legal obligation specified in the first column of the Schedule and committed by a licensee after 31 December 2017 has been capped at MUR 150,000 (USD 5,000).

Income	Revenue Recognition
Administrative Penalties	Recognised net of uncertain revenues
Sanction Penalties	Recognised net of uncertain revenues

For Administrative Penalties fees, the Commission calculates PD rates and LGD rates based off historical behavior based off risk-homogeneous segments. The historical PD rates are adjusted through a regression framework to a PiT PD to take into consideration current conditions and forecasts of future economic conditions.

(iii) Interest income

For all financial instruments which are interest bearing financial assets, interest income or expense is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Premium paid or discount received on Treasury Notes and Treasury Bills are amortised using the effective interest rate method over the duration of the instruments.

(iv) Other income

Other income constitutes income derived by the Commission (other than interest income), and includes fees receivable from the Insurance Industry Compensation Fund, in accordance with section 4 (3) of the Insurance (Industry Compensation Fund) Regulations made by the Minister under sections 88 and 92 of the IA.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Other income includes ISIN issuance fees and same is recognised at the time of issuance of ISIN.

Other income is measured at the fair value of the consideration received or receivable, taking into account terms of payment, which may be mutually agreed to with the counterparty.

b) Expenditure

All expenses have been accounted for on accrual basis. The expenditure is classified in accordance with the nature of the expense.

Staff Costs

Remuneration to staff in respect of the services rendered during the reporting period is expensed in that reporting period.

Short Term Employee Benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leaves and sick leaves in the period the related service is rendered at the undiscounted amount of benefits expected to be paid in exchange for that service.

c) Pensions and other Post-Employment Benefits

Defined Benefit Scheme

The FSC Mauritius contributes to a defined benefit plan for non-contractual employees, the assets of which are held independently and administered by an insurance company, taking account of the recommendations of independent qualified actuaries as per IAS 19: Employee Benefits.

Pension is payable to eligible employees upon retirement/death/termination of employees under provisions of the Statutory Bodies Pension Fund Act 1978 (as amended).

For defined pension benefit plans, the pension costs are assessed using the projected unit credit method. Actuarial gains and losses are charged to Other Comprehensive Income. Current and Past service costs are recognised in the Statement of Financial Performance. Net interest is recognised in the Statement of Financial Performance. The pension obligation is measured at the present value of the estimated future cash outflow using interest rates of government securities which have terms to maturity approximating the terms of the related liability.

The defined benefit asset or liability comprises the present value of the defined benefit obligation, less unrecognised past service costs and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Fair value is based on market price information and, in the case of quoted securities, it is the published bid price. The value of any defined benefit asset recognised is restricted to the sum of any unrecognised past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

Re-measurements of the net defined benefit liability or asset, the effect of changes in the asset ceiling where applicable, and the return on the plan assets other than interest, are recognised in other comprehensive income in the period in which they arise.

Where the benefits of a plan are amended or curtailed, the change in the present value of the net defined benefit obligation relating to past service by the employees is recognised as gain or loss in the period of the amendment.

The FSC Mauritius recognises gains and losses in the Statement of Financial Performance on the settlement of a defined benefit plan when the settlement occurs.

Defined Contribution Scheme

Pursuant to changes to the Pension legislation, the Commission contributes to a Defined Contribution Scheme for its employees joining the Commission on a substantive post as from 01 January 2013.

A defined contribution plan is a plan under which the Commission pays fixed contributions into a separate entity. The Commission has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plan are recognised as an expense when employees have rendered service that entitles them to the contributions.

d) Foreign Currency Transactions and Balances

Items included in the financial statements are measured using the Commission's functional currency. The Commission's financial statements are presented in Mauritian Rupees, which is the functional and presentation currency of the Commission.

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition (date of recording). Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or revaluation of monetary items are taken to the Statement of Financial Performance. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

For income received in advance in foreign currency, the transaction date for the purposes of determining the exchange rate, is the date of initial recognition of the income received in advance.

e) Property, Plant and Equipment

Property, plant and equipment comprises of motor vehicles, furniture, computer equipment, office equipment, building and fixtures & fittings.

Initial Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. The cost of an item of property, plant and equipment is the cash price equivalent at the recognition date.

Subsequent Measurement

All property and equipment of the FSC Mauritius are shown at historical cost less accumulated depreciation and/or accumulated impairment losses, if any. Property and equipment items are tested for impairment when there is an indicator that the asset or assets should be impaired. Where the carrying amount of an asset is greater than its recoverable amount, it is written down to its recoverable amount. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net realisable value or its value in use.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

The carrying amount of an item of property and equipment is de-recognised on disposal or when no future economic benefits are expected to arise from its use. Gains and losses on disposal or de-recognition of items of property and equipment are determined by comparing proceeds, if any, with carrying amounts and are recognised in operating surplus or deficit when the asset is de-recognised. Repairs and maintenance which neither materially add to the value of assets nor appreciably prolong their useful lives, are charged to the Statement of Financial Performance during the financial period in which they are incurred.

Depreciation is calculated based on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

Item	Years
Motor Vehicles	4
Furniture	5
Fixtures & fittings	10
Office Equipment	5
Computer Equipment	3
Building	30

The depreciation charge for each period is recognised in the Statement of Financial Performance.

The Commission reviews residual values and useful lives for all items of property, plant and equipment for the purpose of depreciation calculations, and impairment provisions. In determining residual values, the Commission uses historical sales and management's best estimate based on market prices of similar items. Useful lives of property and equipment are based on management estimates and take into account historical experience with similar assets, the expected usage of the asset, physical wear and tear, technical or commercial obsolescence and legal restrictions on the use of the assets.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. The useful life for all items of property, plant and equipment is determined as per the Commission's capitalisation policy.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress' and are stated at cost.

f) Leases

Assets held under leases are recognised as assets of the FSC Mauritius at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the balance amount of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Commission's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Right-of-use assets comprises of office space, building, fitting outs, furniture, parking space, and land.

Initial Measurement of the Right-of-Use Asset

An item of right-of-use asset that qualifies for recognition as an asset is measured at its cost. The cost of an item of a right-of-use asset comprises of the following at the recognition date:

- The present value of lease payments that are not paid at that date;
- Any lease payments associated with the lease made at or before the commencement date, less any payments made by the lessor to the FSC Mauritius;
- The initial direct cost, that is the incremental cost of obtaining the lease; and
- An estimate of costs to be incurred by the FSC Mauritius in dismantling and removing the underlying asset, restoring the site on which it is located, or restoring the underlying asset to the condition required by the terms of the lease.

Initial Measurement of Lease Liability

At the commencement date, the lease payments included in the measurement of the lease liability comprise of the following payments for the right to use the underlying asset during the lease term that are unpaid as on the commencement date:

- Fixed payments less any lease incentives receivable
- Variable lease payments
- Amounts expected to be payable by the Commission under residual guarantees
- The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option
- Payments of penalties for terminating the lease

Subsequent Measurement of Right-of-Use Assets

All right-of-use assets of the FSC Mauritius are shown at historical cost less accumulated depreciation and/or accumulated impairment losses, if any, and adjusted for any re-measurement of the corresponding lease liability resulting from revised in-substance fixed lease payments. Right-of-use assets are subject to depreciation requirements as per IAS 16: Property, Plant and Equipment and tested for impairment when there is an indicator that the asset or assets should be impaired as per IAS 36: Impairment of Assets.

Subsequent Measurement of the Lease Liability

After the commencement date, the lease liability is measured by:

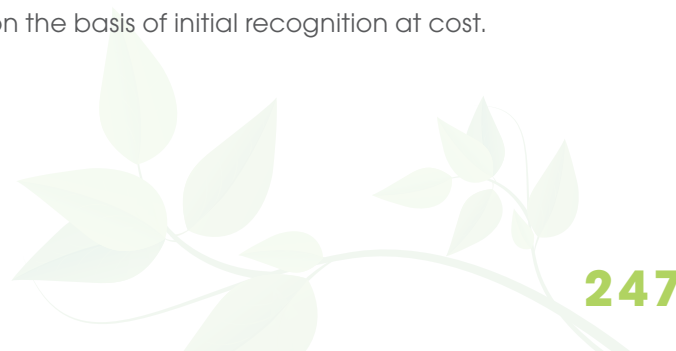
- Increasing the carrying amount to reflect the interest on the lease liability;
- Reducing the carrying amount to reflect the lease payment made; and
- Re-measuring the carrying amount to reflect any re-assessment or lease modification specified or to reflect revised in-substance fixed lease payments.

g) Intangible Assets

Intangible assets comprise of computer software.

Initial Measurement

Intangible assets acquired separately are measured on the basis of initial recognition at cost.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Subsequent Measurement

Intangible assets are carried at historical cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life of the asset and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is set out below. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the Statement of Financial Performance in the expense category consistent with the function of the intangible assets.

Intangible assets are amortised on a straight-line basis, to their residual values as follows:

Item	Average Useful life
Computer Software	3 years

Gains and losses arising from the de-recognition of items of intangible assets are determined by comparing the proceeds, if any, with the carrying amount and are recognised in surplus or deficit when the asset is de-recognised.

h) Financial Instruments – Initial Recognition and Subsequent Measurement

(1) Financial Assets

Initial Recognition and Measurement

The financial assets of the FSC Mauritius include cash and cash equivalents, short-term deposits, assets held to maturity, fees and penalties receivables, staff loans and other receivables.

The Commission recognises a financial asset or a financial liability in its Statement of Financial Position only when the Commission becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. For financial assets measured at amortised costs, transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as described below:

Classification of Financial Assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- Financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

(i) Amortised Cost and Effective Interest Method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method, of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The amortization of the discount/premium is included in the Statement of Financial Performance. The losses arising from impairment are recognised in the Statement of Financial Performance.

Investments in treasury notes, treasury bills and bank fixed deposits are classified as financial assets amortised at cost. Interest income is recognized in the Statement of Financial Performance.

Credit-Impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as stage 3 assets.

Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the licensees;
- a breach of contract such as a default or past due event; or
- the disappearance of an active market for a security because of financial difficulties.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Commission assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date.

(ii) Financial Instruments classified at FVTOCI

The Commission does not hold any financial assets classified at fair value through other comprehensive income.

(iii) Financial Instruments classified at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

The FSC Mauritius accounts for staff loans at fair value through profit and loss. Staff loans are initially and subsequently recognised at fair value. Fair value is based on discounted cash flows that reflect the market prime lending rate at year end.

For staff loans, the Commission still assigns a probability of default to account for the fact that default events may still occur, even if such events have not been observed before. This probability of default is very low for stage 1 accounts but gets higher for stage 2 accounts to account for lifetime expected losses. Loss given default percentages are assigned based on F-IRB prescriptions, again, due to lack of historical defaults observed which prevents the use of internal data.

De-recognition

The FSC Mauritius derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the Statement of Financial Performance.

Measurement and Recognition of Expected Credit Losses

Measurement of Expected Credit Losses (ECL) is a function of the probability of default, loss given default (i.e. The magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Commission in accordance with the contract and all the cash flows that the Commission expects to receive, discounted at the original effective interest rate.

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Commission in accordance with the contract and the cash flows that the Commission expects to receive. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Commission measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are a portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if a default occurs within a period of 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate. ECL are recognised using a provision for impairment losses in profit and loss.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Commission measures ECL on an individual basis, or on a collective basis for portfolios of assets

that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

The key inputs used for measuring ECL are:

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure at Default (EAD).

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Commission would expect to receive, taking into account cash flows from any financial asset. The LGD models for secured assets consider forecasts of future security valuation taking into account time to and cost of realisation of security and cure rates (i.e. exit from non-performing status). LGD models for unsecured assets consider time of recovery, recovery rates and seniority of claims. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the asset.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest. The Commission's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the asset. The entity uses EAD models that reflect the characteristics of the portfolios. The Commission measures ECL considering the risk of default over a period of 12 months from the end of the financial year over which the entity is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice.

The measurement of ECL is based on probability weighted average credit loss. As a result, the measurement of the loss allowance should be the same regardless of whether it is measured on an individual basis or a collective basis (although measurement on a collective basis is more practical for large portfolios of items).

For receivables, the Commission applies a simplified approach in calculating ECLs. Therefore, the Commission does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Commission has established a loss rate matrix that is based on its historical credit loss experiences, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Commission uses a loss rate matrix to calculate ECLs for receivables. The rates are based on days past due for groupings of various licensees' segments that have similar loss patterns (i.e. by nature of business, sectors). The loss rate matrix is initially based on the Commission's historical observed default rates. The Commission then calibrates the matrix to adjust the historical credit loss experience with forward-looking information, i.e. inflation rate was found to be statistically significant. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Commission's historical credit loss experience and forecast of economic conditions may also not be representative of licensees' actual default in the future.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Credit-Impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as stage 3 assets.

Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the licensees; or
- the disappearance of an active market for a security because of financial difficulties.

It may not be possible to identify a single discrete event-instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Commission assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a back-stop if amounts are overdue from non-live licensees.

Definition of Default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the PD which affects both the measurement of ECLs and the identification of a significant increase in credit risk

The Commission considers the following as constituting an event of default:

- the licensee is past due more than 90 days on any material credit obligation to the Commission; or
- the licensee is unlikely to pay its credit obligations in full.

This definition of default is used by the entity for accounting purposes as well as for internal credit risk management purposes and is broadly aligned to the regulatory definition of default. The definition of default is appropriately tailored to reflect different characteristics of different types of assets. When assessing if the licensee is unlikely to pay its credit obligation, the Commission takes into account both qualitative and quantitative indicators.

Significant Increase in Credit Risk

The Commission monitors all financial assets except receivables from licensees' are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Commission will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Commission compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised.

In making this assessment, the Commission considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Commission's historical experience and expert credit assessment including forward-looking information.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD. As a back-stop when an asset becomes 90 days past due, the Commission considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. As noted if there is evidence of credit-impairment the assets are at stage 3 of the impairment model.

(2) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified in accordance with the substance of the contractual arrangements.

The Commission's financial liabilities consist of accounts payable.

Subsequent Measurement

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Financial liabilities measured subsequently at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

De-recognition

The FSC Mauritius derecognises financial liabilities when, and only when, the Commission's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognises and the consideration paid and payable is recognised in the Statement of Financial Performance.

(3) Offsetting of Financial Instrument

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position only if:

- There is a currently enforceable legal right to offset the recognised amounts; and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

(4) Fair Value of Financial Instrument

The fair value of financial instruments that are traded in active markets at each reporting date is determined with reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, fair value is determined using appropriate valuation techniques.

i) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise of cash at bank and cash in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank deposits have maturities within one year from the end of the relevant reporting period, and constitute held-to-maturity investments.

Cash and cash equivalents are recognised at cost which equates to their fair value.

For treasury bills and bank deposits, the Commission uses externally published information from S&P 'Annual Default and Rating Transition Study' to assign a probability of default based on the instruments' credit rating. This PD obtained from S&P transition matrices is a long-term average which needs to be converted to a Point-in-Time (PiT) PD which takes into consideration current conditions and forecasts of future economic conditions. The Commission uses Global GDP growth as latent factor to convert the long-term average into a PiT PD through Merton-like transition matrix mechanics framework.

j) Provisions

Provisions are recognised when the FSC Mauritius has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the FSC Mauritius expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement.

k) Taxation

The Commission is exempt from payment of tax as per the provisions of the Income Tax Act 1995 (as amended).

l) Related Parties

Parties are considered related to the FSC Mauritius if they have the ability, directly or indirectly, to exercise significant influence over the FSC Mauritius in making financial and operating decisions, or vice versa. Related parties may be individuals or other entities.

Salaries to key personnel are determined and paid as per the respective terms of appointment, and are expensed in the period of their service.

m) Comparative Figures

Comparative figures have been reclassified and restated to conform to the presentation of the current period.

3.2 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Commission's financial statements requires management to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, have been described below. The FSC Mauritius bases its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the FSC Mauritius. Such changes are reflected in the assumptions as and when they occur.

As judged by normal commercial practice & prudence, the Commission ensures that no expenditure is incurred of extravagant and wasteful nature. Also, resources are applied and operations are carried out in fairly and economical manner.

3.2.1 Pension Benefits

The cost of defined benefit pension plans and other post-employment medical benefits and the present value of the pension obligation are determined at the minimum using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date and provisions made are higher of the estimates or actuarial valuation made using these assumptions.

3.2.2 Determining Fair Values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. The FSC Mauritius maximizes the use of observable inputs when computing fair values and applies its judgement when estimating non-observable inputs.

3.2.3 Provision for Credit Losses/Expected Credit Losses

The FSC Mauritius makes provision for credit losses based on an assessment of the recoverability of receivables. Provisions are applied to receivables where event or changes in circumstances indicate that the carrying amounts may not be recoverable. The Commission specifically analyses licensee concentrations and changes in licensee payment terms when making a judgement to evaluate the adequacy of the provision of credit losses based on an ECL model, to determine future recoverability prior to accounting revenue. Where the expectation is different from the original estimate, such differences will impact the net carrying value of receivables.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Critical Judgements in applying the Commission's Accounting Policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Commission's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

- **Business model assessment:** Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Commission determines the business model at a level that reflects how group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Commission monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.
- **Significant increase of credit risk:** ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Commission takes into account qualitative and quantitative reasonable and supportable forward-looking information.
- **Establishing group of assets with similar credit risk characteristics:** When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Commission monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.
- **Re-segmentation of investment portfolios and movement between portfolios is more common** when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.
- **Models and assumptions used:** The entity uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

4. CONTINGENT LIABILITIES/COMMITMENTS

4.1 Contingent Liabilities

The FSC Mauritius has pending lawsuits with claims against it. The nature of these claims relate mostly to claims from applicants for revoking their licenses, contractual and employment claims. Management is unable to determine with accuracy the exact timing of any cash outflows due to the long time-frames normally associated with such claims. The amounts claimed from claimants/applicants will not necessarily be the final amounts awarded by the courts, as the amounts claimed by litigants need to be proved. Section 88 of the FSA provides for immunity for the staff of FSC Mauritius in the performance of their duties in good faith.

The pending lawsuits against the FSC Mauritius with claims are estimated at MUR 673,388,567, excluding interests and costs (2021: MUR 633,388,567). The FSC Mauritius is of the view that there is a high certainty of success in defending all of the pending lawsuits. In the unlikely event that the FSC Mauritius is unsuccessful, the Commission will bear these costs with no reimbursements expected from insurers, as the FSC Mauritius has no insurance cover for damages relating to court cases. The amounts claimed from claimants/applicants will not necessarily be the final amounts awarded by the courts, as the amounts claimed by litigants need to be proved.

4.2 Financial Commitments

The FSC Mauritius has approved, in principle, plans aimed at enhancing the tangible and intangible infrastructure commensurate with the scale of operations. The total amount committed internally and externally as at 30 June 2022 is MUR 12,614,117 (2021: MUR 1,932,144). This will be funded out of internal resources.

5. STATUTORY DEPOSITS OF INSURANCE COMPANIES NOT INCLUDED IN THE STATEMENT OF FINANCIAL POSITION

In accordance with the IA, statutory security deposits of insurance companies, totaling to an amount of MUR 179,796,374 (2021: MUR 187,796,374) are lien marked in favour of the Commission, and not included in the Statement of Financial Position.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

6(a) Property, plant and equipment

	MOTOR VEHICLE MUR	FURNITURE MUR	COMPUTER EQUIPMENT MUR	OFFICE EQUIPMENT MUR	BUILDING MUR	FIXTURES & FITTINGS MUR	CAPITAL WORK IN PROGRESS MUR	TOTAL MUR
COST								
At 01 July 2021	12,978,518	26,012,514	77,765,155	13,519,970	167,775,311	105,800,142	-	403,851,610
Purchases	4,998,999	785,663	3,019,502	656,490	-	1,377,696	7,968,053	18,806,403
Disposals	(3,007,250)	(64,928)	-	(24,075)	-	(10,551)	-	(3,106,804)
At 30 June 2022	14,970,267	26,733,249	80,784,657	14,152,385	167,775,311	107,167,287	7,968,053	419,551,209
DEPRECIATION								
At 01 July 2021	10,632,513	25,299,785	70,669,510	11,228,312	75,714,592	92,172,708	-	285,717,420
Charge for the year	2,500,755	469,512	3,423,631	964,951	5,775,844	2,851,135	-	15,985,828
Disposals	(3,007,250)	(64,928)	-	(19,763)	-	(7,777)	-	(3,099,718)
At 30 June 2022	10,126,018	25,704,369	74,093,141	12,173,500	81,490,436	95,016,066	-	298,603,530
NET BOOK VALUE								
At 30 June 2022	4,844,249	1,028,880	6,691,516	1,978,885	86,284,875	12,151,221	7,968,053	120,947,679
COST								
At 01 July 2020	18,852,712	25,882,231	70,395,387	12,981,186	167,775,311	104,948,988	-	400,835,815
Purchases	1,460,001	227,378	7,369,768	538,784	-	884,578	-	10,480,509
Disposals	(7,334,195)	(97,095)	-	-	-	(33,424)	-	(7,464,714)
At 30 June 2021	12,978,518	26,012,514	77,765,155	13,519,970	167,775,311	105,800,142	-	403,851,610
DEPRECIATION								
At 01 July 2020	16,015,762	25,060,891	64,874,812	10,252,950	69,938,749	89,260,916	-	275,404,080
Charge for the period	1,950,942	335,989	5,794,698	975,362	5,775,843	2,939,710	-	17,772,544
Disposals	(7,334,191)	(97,095)	-	-	-	(27,918)	-	(7,459,204)
At 30 June 2021	10,632,513	25,299,785	70,669,510	11,228,312	75,714,592	92,172,708	-	285,717,420
NET BOOK VALUE								
At 30 June 2021	2,346,005	712,729	7,095,645	2,291,658	92,060,719	13,627,434	-	118,134,190

There are no restrictions on titles on any items of property and equipment and there are no items pledged as security for liabilities. Contractual commitments for acquisition of any items of property and equipment is disclosed in Note 4.2. There have been no impairments of any items of property and equipment during the current period. (2020/21: Nil)

6(b) Intangible assets

	COMPUTER SOFTWARE MUR	TOTAL MUR
COST		
At 01 July 2021	78,415,516	78,415,516
Purchases	2,154,598	2,154,598
At 30 June 2022	80,570,114	80,570,114
AMORTISATION		
At 01 July 2021	76,029,046	76,029,046
Charge for the year	1,884,291	1,884,291
At 30 June 2022	77,913,337	77,913,337
NET BOOK VALUE		
At 30 June 2022	2,656,777	2,656,777
COST		
At 01 July 2020	76,298,841	76,298,841
Purchases	2,116,675	2,116,675
At 30 June 2021	78,415,516	78,415,516
AMORTISATION		
At 01 July 2020	72,565,246	72,565,246
Charge for the year	3,463,800	3,463,800
At 30 June 2021	76,029,046	76,029,046
NET BOOK VALUE		
At 30 June 2021	2,386,470	2,386,470

There have been no impairments of intangible assets during the current and prior periods. There are no intangible assets pledged as security.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

6(c) Right-of-use assets

COST	
At 01 July 2021	
Purchases	
Adjustment due to maturity of lease agreement	
At 30 June 2022	
DEPRECIATION	
At 01 July 2021	
Charge for the year	
Adjustment due to maturity of lease agreement	
At 30 June 2022	
NET BOOK VALUE	
At 30 June 2022	
COST	
At 01 July 2020	
Adjustment / derecognition due to change in repayment amount / non-renewal of lease agreement	
At 30 June 2021	
DEPRECIATION	
At 01 July 2020	
Charge for the year	
Adjustment / derecognition due to change in repayment amount / non-renewal of lease agreement	
At 30 June 2021	
NET BOOK VALUE	
At 30 June 2021	

6(c)(1) The cost relating to variable lease payments that do not depend on an index or a rate, amounted to nil for the year ended 30 June 2022 (2021: Nil). There were no leases with residual value guarantees.

Moreover, during the previous year, the lease agreement pertaining one of the parking spaces reached its maturity. This resulted in derecognition of the corresponding right-of-use asset, and lease liability. The resultant gain has been recognised in the Income Statement under Other Income.

6(c)(2) Moreover, during the previous year, the FSC Mauritius has not renewed the lease arrangements pertaining to office space, furniture, fittings and parking space. Currently, the FSC Mauritius is paying the rent on month to month basis due to change in lease tenure. As such, the provisions under paragraph 5 of IFRS 16 (i.e. Recognition exemption) was adopted, and thus adjustments was made during the previous year to the carrying value of the corresponding right-of-use assets MUR 119,622,305 and the corresponding liability MUR 134,078,655. The resultant gain of MUR 14,456,350 was recognised during the previous year under other income.

LAND MUR	OFFICE SPACE MUR	BUILDING MUR	FURNITURE MUR	FITTINGS MUR	PARKING SPACE MUR	TOTAL MUR
6,442,771	-	2,057,340	-	-	-	8,500,111
-	1,079,341	-	-	-	-	1,079,341
6,442,771	1,079,341	(2,057,340)	-	-	-	(2,057,340)
						7,522,112
1,015,561	-	1,402,649	-	-	-	2,418,210
339,094	27,675	654,691	-	-	-	1,021,460
-	-	(2,057,340)	-	-	-	(2,057,340)
1,354,655	27,675	-	-	-	-	1,382,330
5,088,116	1,051,666	-	-	-	-	6,139,782
6,410,125	93,353,228	2,067,888	18,893,541	41,255,707	9,759,006	171,739,495
32,646	(93,353,228)	(10,548)	(18,893,541)	(41,255,707)	(9,759,006)	(163,239,384)
6,442,771	-	2,057,340	-	-	-	8,500,111
674,750	19,362,809	720,384	3,921,893	8,557,248	3,841,156	37,078,240
339,093	3,889,718	685,780	787,231	1,718,988	1,823,792	9,244,602
1,718	(23,252,527)	(3,516)	(4,709,124)	(10,276,236)	(5,664,948)	(43,904,633)
1,015,561	-	1,402,648	-	-	-	2,418,209
5,427,210	-	654,692	-	-	-	6,081,902

7. CONTINGENT LIABILITIES/COMMITMENTS

	NOTE	2022 MUR	2021 MUR
ASSETS AT AMORTISED COST			
Within one year		51,000,000	624,900,000
Treasury Notes / Bonds		(164,469)	(2,440,189)
Premium on Treasury Notes / Bonds		(15,913)	(244,321)
Expected Credit Loss		50,819,618	622,215,490
More than one year		48,400,000	48,400,000
Treasury Notes / Bonds		695,518	845,252
Premium on Treasury Notes / Bonds		(32,616)	(33,185)
Expected Credit Loss		49,062,902	49,212,067
		99,882,520	671,427,557
Reconciliation of assets at amortised cost			
Opening balance		671,705,064	426,467,501
Purchases of financial assets at amortised cost		51,000,000	1,455,000,000
Proceeds from maturity of financial assets at amortised cost		(622,041,786)	(1,206,855,752)
Interest adjustment		(732,229)	(2,906,685)
Closing balance at face value		99,931,049	671,705,064
Expected Credit Loss	30.6.2	(48,529)	(277,507)
Closing balance at fair value		99,882,520	671,427,557

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

8. RETIREMENT BENEFITS OBLIGATION/(ASSET)

The pension scheme is a defined benefit plan. The assets of the funded plan are held independently and administered by SICOM.

The pension scheme has been established by virtue of the Statutory Bodies Pension Funds Act 1978, under which all contributions are made and benefits paid out. The Commission does not intend to bring any amendments or curtailments to the plan. Any deficit on the plan as per annual actuarial valuation is funded by the Commission. It is expected that total contribution to the plan during the next reporting period will be around MUR 20 million. This excludes contributions by the Commission to make good any deficit as per annual actuarial valuation. There are no other parties responsible for the governance of the defined benefit plan.

An asset liability management exercise is frequently performed by SICOM for the plan and its recommendations are considered when setting the optimal investment policies for the plan. The purpose of the asset liability management exercise is to determine an appropriate investment strategy based on the expected liability profile and the expected development of the financial assets of the funds managed by SICOM Ltd. Our asset liability management exercise is performed based on projections of liability cash flows in the future and using an asset model calibrated for the Mauritian market.

The amounts recognised in Statement of Financial Performance are as follows:

Current service cost
Employee contributions
Fund expenses
Interest income
Total included in staff costs

Actual return on plan assets/liability

Movements in asset/liability recognised in statement of financial position as determined by the actuarial valuation

Opening balance
Total staff costs (as above)
Past service funding
Contributions paid by the Commission
Amount Recognised in Other Comprehensive Income
Liability/(asset) as at the close of the period

Reconciliation of the present value of the defined benefit obligation

Present value of obligation at start of period
Current service cost
Interest cost
Benefits paid
Liability loss
Present value of obligation at end of period

2022 MUR	2021 MUR
21,156,282	20,611,021
(7,060,695)	(7,548,849)
879,033	886,077
1,033,723	3,913,780
16,008,343	17,862,029
2,734,529	23,786,072
48,921,329	(2,605,891)
16,008,343	17,862,029
(48,921,329)	-
(10,589,668)	(11,265,121)
15,390,233	44,930,312
20,808,908	48,921,329

2022 MUR	2021 MUR
454,747,977	368,500,366
21,156,282	20,611,021
22,737,399	18,408,097
(9,198,900)	(7,188,871)
(8,794,435)	54,417,364
480,648,323	454,747,977

Reconciliation of fair value of the plan assets

	2022 MUR	2021 MUR
At start of the period	405,826,648	371,106,257
Expected return on plan assets	21,703,676	14,494,317
Asset (loss) / gain	(24,184,669)	9,487,052
Past service funding	48,921,329	-
Contributions from the employer	10,589,668	11,265,121
Contributions from the employees	7,060,695	7,548,849
Benefits paid and other outgo	(10,077,932)	(8,074,948)
At close of the period	459,839,415	405,826,648

The major categories of plan assets, and the expected rate of return at the statement of financial position date for each category, are as follows:

	2022 %	2021 %
Government securities and cash	58.00	54.80
Loans	2.90	2.80
Local equities	13.60	11.80
Overseas bonds and equities	25.00	30.10
Property	0.50	0.50
	100.00	100.00

Components of the amount recognised in Other Comprehensive Income

Assets experience gain during the year	(24,184,669)	9,487,052
Liability experience loss during the year	8,794,435	(54,417,364)
	(15,390,234)	(44,930,312)

Remeasurement

Liability experience (loss) / gain	8,060,222	(42,606,748)
Liability loss due to change in demographic assumptions	-	(72,077,593)
Liability gain / (loss) due to change in financial assumptions	734,213	60,266,977
Asset gain	(24,184,669)	9,487,052
	(15,390,234)	(44,930,312)

The plan is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation and sensitivity analysis were as follows:

	2022 %	2021 %
Discount rate	5.50	5.00
Future salary increases	3.50	3.00
Future pension increases	2.50	2.00

The assumptions for mortality before retirement is estimated at Nil (2021 - Nil). Mortality in retirement has been based on PA (90) Tables rated down by 2 years (2021: PA (90) Tables rated down by 2 years).

The discount rate is determined by reference to market yields on bonds.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality.

The sensitivity analysis below have been determined based reasonably on possible changes of the assumptions occurring at the end of the following reporting periods.

At 30 June 2022

Discount rate

Future salary increases

Life expectancy

Impact on defined benefit obligation		
Change in assumption	Increase in assumption	Decrease in assumption
100 basis points	Decrease by MUR 88.6m	Increase by MUR 117.9m
100 basis points	Increase by MUR 69.5m	Decrease by MUR 57.3m
1 year	Increase by MUR 12.6m	Decrease by MUR 12.6m

At 30 June 2021

Discount rate

Future salary increases

Life expectancy

Impact on defined benefit obligation		
Change in assumption	Increase in assumption	Decrease in assumption
100 basis points	Decrease by MUR 85.1m	Increase by MUR 113.8m
100 basis points	Increase by MUR 67.7m	Decrease by MUR 55.4m
1 year	Increase by MUR 11.9m	Decrease by MUR 12.6m

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depend to a certain extent on expected inflation rates. The analysis above abstracts from this interdependence between the assumptions.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The average age of the active members as at 30 June 2022 is 44 years while that of pensioners is 65 years.

Defined Contribution Scheme

Contributions

2022 MUR	2021 MUR
14,305,672	10,773,338

9. OTHER FINANCIAL ASSETS

Other financial assets comprise of staff loans

Staff loans at fair value

Within one year

More than one year

NOTE

2022 MUR	2021 MUR
447,486	131,179
1,938,538	3,920,147
2,386,024	4,051,326
3,155,582	4,319,045
(769,558)	(267,719)
2,386,024	4,051,326

30.6.4

Total staff loans at amortised cost

Fair value adjustment

Balance at fair value

The staff members of the Commission have been granted loans at preferential rates as per the Commission's salary terms and conditions. Types of staff loans are housing loan, car loan, motorcycle / auto-cycle Loan, computer loan and multipurpose loan.

Staff Loans - Secured

Secured staff loans consist of housing loan, car loan and motorcycle / auto-cycle loan which are secured by way of inscription / lien on the property of the staff.

Staff Loans - Unsecured

Unsecured loans consist of computer loan and multipurpose loan which are granted under personal guarantees.

An annual assessment for the recoverability of the loans are carried out, and based on such assessment as at 30 June 2022, management is satisfied that none of the loans have suffered impairment.

Following the review of staff salary terms and conditions in 2013, granting of new staff loans were discontinued with effect from 01 July 2014.

Balances of loans are as follows:

Secured

Total secured staff loans at face value
Fair value adjustment
Balance at fair value

Unsecured

Total unsecured staff loans at face value
Fair value adjustment
Balance at fair value

NOTE	2022 MUR	2021 MUR
30.6.4	3,155,582	4,319,045
	(769,558)	(267,719)
	2,386,024	4,051,326
	-	-
	-	-
	-	-

10. RECEIVABLES

Fees and penalties receivable
Other receivables
Accrued interest
Prepayments
Provision for credit losses

NOTE	2022 MUR	2021 MUR
30.1	840,502,646	1,081,552,987
	15,405,124	8,203,888
30.2	2,645,322	39,274,044
	18,260,930	26,186,985
30.6.1	(744,463,826)	(960,782,477)
	132,350,196	194,435,427

11. CASH AND BANK BALANCES (See Note 12.1)

Cash on hand
Bank balances

2022 MUR	2021 MUR
67,931	37,013
889,025,451	617,990,698
889,093,382	618,027,711

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

12. BANK DEPOSITS (See Note 12.1)

	NOTE	2022 MUR	2021 MUR
US Dollar		515,660,000	1,090,250,640
Mauritian Rupee		520,000,000	454,675,000
Expected Credit Loss	30.6.3	(516,200)	(2,139,059)
		1,035,143,800	1,542,786,581

12.1 Cash and bank balances, and bank deposits with maturity date of 12 months or less, relate to advance fees collected from Management Companies/licensees as per the Financial Services (Consolidated Licensing and Fees) Rules, 2008, for which services are to be rendered during the succeeding year, hence maintained towards deployment thereof. The Surplus at the year-end would thereafter be transferred to the Consolidated Fund. Cash and bank balances, and bank deposits net of advances from Management Companies are therefore as follows:

	NOTE	2022 MUR	2021 MUR
Cash and bank balances, and bank deposits	11 & 12	1,924,237,182	2,160,814,292
Advance from Management Companies	13	(1,134,423,518)	(1,002,249,484)
Cash and bank balances, and bank deposits net of advance from Management Companies		789,813,664	1,158,564,808

13. PAYABLES

	NOTE	2022 MUR	2021 MUR
Other creditors and accruals		10,770,736	9,252,265
Advances from Management Companies	12.1	1,134,423,518	1,002,249,484
Prepaid licence fees		376,592,496	416,982,690
		1,521,786,750	1,428,484,439

14. PROVISIONS

	NOTE	2022 MUR	2021 MUR
Sick leave		36,779,824	35,789,625
Passage benefits		27,955,753	22,299,981
Gratuity***		2,356,875	3,451,496
Annual leave		39,446,092	35,870,829
Bonus		68,744,224	59,078,967
		175,282,768	156,490,898

***Consists of contractual employees

	Sick leave MUR	Passage Benefits MUR	Gratuity MUR	Annual Leave MUR	Bonus MUR	Total MUR
At 30 June 2022						
Balance at 01 July 2021	35,789,625	22,299,980	3,451,497	35,870,829	59,078,967	156,490,898
Charged to the Statement of Financial Performance	6,953,834	12,237,193	3,594,018	4,254,998	58,692,090	85,732,133
Paid during the year	(5,963,635)	(6,581,420)	(4,688,640)	(679,735)	(49,026,833)	(66,940,263)
Balance at 30 June 2022	36,779,824	27,955,753	2,356,875	39,446,092	68,744,224	175,282,768
At 30 June 2021						
Balance at 01 July 2020	31,890,040	16,004,843	8,208,869	30,062,395	48,112,848	134,278,995
Charged to the Statement of Financial Performance	9,252,292	10,731,513	4,717,988	7,698,723	54,844,875	87,245,391
Exchange differences	-	-	6,000	-	-	6,000
Paid during the year	(5,352,707)	(4,436,376)	(9,481,360)	(1,890,289)	(43,878,756)	(65,039,488)
Balance at 30 June 2021	35,789,625	22,299,980	3,451,497	35,870,829	59,078,967	156,490,898

Provision for sick leave - Employees are entitled to refundable sick leave days per calendar year. A provision has been raised for all the sick leave that has accrued to employees up to year end.

Provision for passage benefits - Passage benefits are allowances provided to employees for holidays travel.

Provision for gratuity - The Chief Executive and employees holding a contractual position are entitled to a gratuity based on their annual salary and terms of the contract.

Provision for annual leave - Employees working on a contractual basis are entitled to refundable annual leave. A provision has been raised for all the annual leave that has accrued to employees up to year end.

Provision for bonus - Bonuses comprise of end of year bonus (which is a statutory bonus in terms of the Employment Rights Act) and a performance related bonus (which is based and determined on an internal performance management system).

15. LEASE LIABILITIES

	2022 MUR	2021 MUR
Opening balance	4,495,144	144,275,686
Lease liabilities recognised during the year	1,079,341	-
Lease liabilities derecognised during the year	(23,145)	(134,078,655)
Lease rental payments made during the year	(857,985)	(8,946,763)
Interest expense charged to the Income Statement	220,982	3,244,876
Closing balance	4,914,337	4,495,144
Lease liabilities		
Short term	110,030	637,596
Long term	4,804,307	3,857,548
	4,914,337	4,495,144

Lease commitment

The FSC Mauritius has committed a future lease for new office to commence on or after November 2022 in a building which is currently occupied by a Government agency. The necessary accounting effects will be given in future periods.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

16. AMOUNT PAYABLE TO THE FINANCIAL SERVICES FUND

	2022 MUR	2021 MUR
Opening balance	25,206,130	21,918,714
Transfer from General Fund as per section 82 (6) of the FSA	26,306,753	21,942,232
Payment to the FSF	(21,942,232)	(18,654,816)
Closing balance	29,570,651	25,206,130

17. AMOUNT PAYABLE TO THE CONSOLIDATED FUND

	2022 MUR	2021 MUR
Opening balance	1,184,571,807	1,031,679,864
Transfer from General Fund as per sections 82A (2A) and 82A (3) of the FSA	1,223,264,027	1,020,313,807
Payment to the Consolidated Fund during the period	(2,079,475,807)	(867,421,864)
Closing balance	328,360,027	1,184,571,807

18. GENERAL RESERVE FUND

	2022 MUR	2021 MUR
Opening balance	241,347,236	186,491,655
Payment to the Consolidated Fund by virtue of section 4C of the Statutory Bodies (Accounts and Audit) Act	(141,347,236)	-
Transfer from General Fund as per section 82A (2) of the FSA	65,766,883	54,855,581
Closing balance	165,766,883	241,347,236

19. FEES FROM LICENSEES

	2022 MUR	2021 MUR
Global business and authorised companies	1,388,564,244	1,299,472,175
Non-banking financial institutions	97,718,387	98,760,894
Brokerage	13,258,739	11,477,595
	1,499,541,370	1,409,710,664

20. PENALTIES AND CHARGES

	2022 MUR	2021 MUR
Administrative penalties	163,701,899	222,029,664
Other penalties	19,410,317	-
Late charges	23,566,084	21,378,645
	206,678,300	243,408,309

For the financial year 2021/22, the administrative penalties have been recognised in the Financial Statements to the extent that a significant reversal in the amount of revenue therefrom will not occur at the time of related uncertainty is resolved. The administrative penalties are thus being recognised net of uncertain revenues.

21. INTEREST

	2022 MUR	2021 MUR
Treasury Notes	315,586	3,536,186
Amortisation of premium on Treasury Notes	2,475,845	(143,031)
Bank deposits	14,629,360	27,443,458
Other financing income	-	154,594
Staff loans	281,885	346,187
	17,702,676	31,337,394

22. OTHER INCOME

	NOTE	2022 MUR	2021 MUR
Gain on property and equipment scrapped / disposed		616,413	2,234,194
Administration fee from the Insurance Industry Compensation Fund		500,000	500,000
Fees from issuance of ISIN		1,856,820	-
Sundry balances written back		1,066,739	-
Gain on change in terms of lease agreement	6(c)(2)	1,821,188	14,456,350
		5,861,160	17,190,544

23. STAFF RELATED COSTS

	2022 MUR	2021 MUR
Staff salaries and allowances	334,944,384	326,809,286
Fair value adjustment to staff loans	501,838	(130,847)
Retirement benefits	37,298,172	34,730,517
Family Protection Scheme	7,887,381	7,052,570
National Savings Fund	2,189,042	2,163,433
Passage benefits	12,237,193	10,731,513
Board and committee fees	7,543,218	7,635,613
Travelling allowances	35,505,630	30,364,815
Staff welfare	12,393,253	9,295,302
	450,500,111	428,652,202

24. TRAINING AND SEMINARS

	2022 MUR	2021 MUR
Overseas conferences and seminars	3,958,737	41,300
Local events	2,940,342	887,900
Staff training	885,621	548,415
	7,784,700	1,477,615

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

25. LEGAL AND PROFESSIONAL EXPENSES

Auditors' fees
Legal fees
Professional advisory fees
National Regulatory Sandbox License Committee costs*

2022 MUR	2021 MUR
4,500,466	4,069,641
1,275,375	4,344,490
7,711,117	14,137,721
877,535	1,489,902
14,364,493	24,041,754

*Being an independent committee to coordinate the processing of all Regulatory Sandbox License applications made to the EDB in relation to Fintech.

26. OFFICE AND ADMINISTRATIVE EXPENSES

Maintenance of office premises
IT maintenance and licenses
Rental expenses
Insurance of office premises
Post, telephone, internet and fax charges
Electricity and water
Stationery
Subscription**
General office expenses
Vehicle expenses
Advertising and publication

2022 MUR	2021 MUR
1,675,488	2,459,683
14,221,716	18,965,640
25,031,170	17,188,442
637,308	926,887
12,032,369	10,436,366
4,384,498	4,007,822
2,388,378	1,994,424
6,098,130	6,153,603
6,260,580	6,627,016
1,375,673	1,131,528
6,687,909	1,154,711
80,793,219	71,046,122

**Includes membership fees for IAIS, IOPS, IOSCO, ANNA and subscription for software licenses.

27. CASH FLOW FROM OPERATING ACTIVITIES

Surplus for the year
Adjustments for:
Staff loans fair value adjustment
Gain on disposal of property and equipment
Gain on change in terms of lease agreement
Interest income
Retirement benefits obligation
Interest on lease
Amortisation of premium on Treasury Notes
Other non-cash adjustments
Depreciation and amortisation
Loss on scrapping of property plant and equipment
Provision for credit losses
Cash flow from operating activities, before working capital changes
Increase in fees receivable
Decrease in staff loans
(Increase) / decrease in other receivables
Increase in prepayments
Increase in accrued expenses and other payables
Net cash flow from operating activities

2022 MUR	2021 MUR
1,305,023,551	1,166,993,670
501,838	(130,847)
(616,413)	(2,234,194)
(1,821,188)	(14,456,350)
(15,226,831)	(31,337,394)
5,418,675	6,596,908
220,982	3,244,876
(2,475,845)	143,031
659,848	2,451,416
18,891,578	30,480,946
7,086	-
(867,458)	6,521,153
1,309,715,823	1,168,273,215
25,599,148	(25,464,445)
1,163,464	882,843
(7,201,236)	181,056
7,926,055	(5,539,595)
112,094,181	67,832,271
1,449,297,434	1,206,165,345

28. CAPITAL RISK MANAGEMENT

The Commission's objectives when managing its funds and reserves are to safeguard the Commission's ability to continue as a going concern. The FSA requires the Commission to maintain certain funds to serve different purposes.

The Commission's capital structure is to a large extent determined by the FSA (Refer to Note 1.2 which highlights the funds that have to be maintained by the Commission). There have been no changes to what the entity manages as capital (which the Commission defines as the General Reserve Fund), the strategy for capital maintenance and the requirements imposed by the FSA.

29. LIQUIDITY RISK

The Commission monitors its risk to a shortage of funds using a recurring liquidity planning tool. The Commission's objective is to maintain a balance between continuity of funding and flexibility by keeping a minimum float and investing any excess in short term deposits. The Commission has no borrowings, nor does it plan to raise funds in the foreseeable future.

The table below shows the Commission's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and excludes prepaid expenses but includes prepayments where cash is expected to be received in future.

	Maturity		Total Cash Flows MUR	Total Carrying Amount MUR	Total Fair Value MUR
	0 - 1 Year MUR	> 1 year MUR			
At 30 June 2022					
Financial assets					
Assets at amortised cost	50,819,618	49,062,902	99,882,520	99,931,049	99,882,520
Other financial assets	562,474	3,139,313	3,701,787	3,155,582	2,386,024
Receivables	114,089,267	-	114,089,267	136,968,951	127,849,304
Cash and bank balances	889,093,382	-	889,093,382	889,093,382	889,093,382
Bank deposits	1,035,143,800	-	1,035,143,800	1,035,660,000	1,035,143,800
	2,089,708,541	52,202,215	2,141,910,755	2,164,808,964	2,154,355,030
Financial liabilities					
Payables	1,145,194,254	-	1,145,194,254	1,145,194,254	1,145,194,254
Lease liability	664,154	6,169,893	6,834,047	6,834,047	6,834,047
	1,145,858,408	6,169,893	1,152,028,301	1,152,028,301	1,152,028,301

	Maturity		Total Cash Flows MUR	Total Carrying Amount MUR	Total Fair Value MUR
	0 - 1 Year MUR	> 1 year MUR			
At 30 June 2021					
Financial assets					
Assets at amortised cost	622,215,490	49,212,067	671,427,557	671,705,064	671,427,557
Other financial assets	131,179	3,920,147	4,051,326	4,319,045	4,051,326
Receivables	168,248,443	-	168,248,443	180,888,787	173,780,462
Cash and bank balances	618,027,711	-	618,027,711	618,027,711	618,027,711
Bank deposits	1,542,786,581	-	1,542,786,581	1,544,925,640	1,542,786,581
	2,951,409,404	53,132,214	3,004,541,618	3,019,866,247	3,010,073,637
Financial liabilities					
Payables	1,011,501,749	-	1,011,501,749	1,011,501,749	1,011,501,749
Lease liability	637,596	3,857,548	4,495,144	4,495,144	4,495,144
	1,012,139,345	3,857,548	1,015,996,893	1,015,996,893	1,015,996,893

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

For those financial assets not carried at fair value, management estimates carrying amount to approximate fair value.

The Commission monitors the adequacy of cash inflows in terms of the budget estimates on a regular basis.

Fair Value Hierarchy

The Commission uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - unobservable inputs for the asset or liability.

Fair Value Hierarchy as at 30 June 2022

	Level 1 MUR	Level 2 MUR	Level 3 MUR	Total Carrying Amount MUR	Total Fair Value MUR
Financial assets					
Other financial assets	-	2,386,024	-	2,386,024	2,386,024

Fair Value Hierarchy as at 30 June 2021

	Level 1 MUR	Level 2 MUR	Level 3 MUR	Total Carrying Amount MUR	Total Fair Value MUR
Financial assets					
Other financial assets	-	4,051,326	-	4,051,326	4,051,326

There have been no transfers during the period between levels 1 and 2.

Valuation techniques used

For those investments where there is no active market, these are stated at cost less impairment. However, for the other financial instruments, the Commission determines fair values using the valuation technique as per table below:

Description	Valuation technique	Sensitivity analysis
Staff loans	Discounted Cash Flow at a discount rate that reflects market prime lending rate at end of the reporting period.	The estimated fair value would increase if the discount rate decreases

The basis of inputs have not changed from prior period.

30. CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or a contract, leading to a financial loss. In the normal course of business, the Commission is exposed to the credit risk from accounts receivable, loans to staff and balances with banking institutions. The carrying amounts of these balances represent the maximum credit risk that the Commission is exposed to. Prepayments were excluded for the purposes of this note.

The Commission manages its exposure to credit risks as follows:

- (a) with regards to accounts receivable, except administrative penalties, credit risk is limited as the Commission is a regulatory body, and fees are charged in terms of the legislation. The majority of fees are received in advance;
- (b) the Commission has put in place internal procedures to promptly identify receivables for administrative penalties, and periodic claims are sent to the debtors to ensure recoverability. A provision against irrecoverability is made against debtors based on management judgement including Expected Credit Loss model;
- (c) for staff loans, the Commission maintains control procedures and requests security when loan is granted to staff. For certain types of loans the security involves inscriptions on the property of the staff while for other loans personal guarantees are required;
- (d) for transactions with banking institutions, it holds bank balances and short term deposits with the SBM Bank (Mauritius) Ltd, Absa Bank (Mauritius) Limited, MauBank Ltd, The Mauritius Commercial Bank and SBI (Mauritius) Ltd. As such, the Commission mitigates the risks related to bank balances and deposits by keeping its funds in a wide spread of banks of a certain level of repute. Management assesses and only invests in banks with a high credit rating; and
- (e) for held to maturity investments, the Commission invests in the Government of Mauritius and BoM T Bills, T Notes and Bonds.

	Past due but not impaired MUR	Past due and impaired MUR	2022 MUR	2021 MUR
30.1 Fees and administrative penalties receivable				
Within one year	32,920,384	21,609,172	54,529,556	128,243,333
More than one year	80,963,707	705,009,383	785,973,090	953,309,654
	113,884,091	726,618,555	840,502,646	1,081,552,987
30.2 Accrued interest				
Balance at the beginning of the year			39,274,045	33,146,029
Interest income			17,702,676	31,337,394
Interest received			(54,331,398)	(25,209,378)
Interest adjustment on other financial assets			-	-
Balance at the end of the year			2,645,323	39,274,045

Accrued interest was raised in accordance with the terms of the contracts for the respective financial instruments.

None on the amounts above were considered to be past due and no impairments were required.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

30.3 Staff loans

Within one year

More than one year

2022 MUR	2021 MUR
447,486	131,179
1,938,538	3,920,147
2,386,024	4,051,326

30.4 Bank balances

Bank balances

Bank deposits

889,025,451	617,990,698
1,035,143,800	1,542,786,581
1,924,169,251	2,160,777,279

30.5 Assets at amortised cost

Within one year

More than one year

50,819,618	622,215,490
49,062,902	49,212,067
99,882,520	671,427,557

None of these financial assets are granted as collateral or securities.

Except for staff loans, there is no collateral held as security. (Refer to Note 9 for details for collateral held as security)

30.6 The following tables explain the changes in the loss allowances between the beginning and the end of the year.

30.6.1 Fees, administrative penalties and other receivables

Administrative penalties

Fees debtors

Other receivables

Total gross carrying amount

Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
1,697,093	30,731,664	785,973,090	818,401,847
21,350,799	-	-	21,350,799
36,084,514	-	156,785	36,241,299
59,132,406	30,731,664	786,129,875	875,993,945

An analysis of changes in the gross carrying amount and the corresponding ECL allowances are as follows:

Gross carrying amount as at 01 July 2021

New assets originated or purchased

Payments and assets derecognised

(excluding write offs)

Transfers to Stage 1

Transfers to Stage 2

Transfers to Stage 3

At 30 June 2022

57,738,303	110,184,805	973,748,157	1,141,671,265
42,787,269	30,731,664	218,456,939	291,975,872
(57,072,891)	(58,559,250)	(438,990,631)	(554,622,772)
700,005	-	(303,000)	397,005
-	-	-	-
(2,727,420)	(51,625,554)	50,925,549	(3,427,425)
41,425,266	30,731,665	803,837,014	875,993,945

ECL allowance as at 01 July 2021

New assets originated or purchased

Payments and assets derecognised

(excluding write offs)

Transfers to Stage 1

Transfers to Stage 2

Transfers to Stage 3

At 30 June 2022

20,704	94,398,699	866,363,075	960,782,478
732,842	20,517,796	200,004,652	221,255,290
(14,150)	(50,135,451)	(387,424,339)	(437,573,940)
490,605	-	-	490,605
-	-	-	-
-	(44,263,249)	43,772,643	(490,606)
1,230,001	20,517,795	722,716,031	744,463,827

30.6.2 Assets at amortised cost

	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Treasury Bills	99,931,049	-	-	99,931,049
Total gross carrying amount	99,931,049	-	-	99,931,049
An analysis of changes in the gross carrying amount and the corresponding ECL allowances are as follows:				
Gross carrying amount as at 01 July 2021	671,705,064	-	-	671,705,064
New assets originated or purchased	50,267,774	-	-	50,267,774
Payments and assets derecognised (excluding write offs)	(622,041,789)	-	-	(622,041,789)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
At 30 June 2022	99,931,049	-	-	99,931,049
ECL allowance as at 01 July 2021				
	277,507	-	-	277,507
New assets originated or purchased	15,913	-	-	15,913
Payments and assets derecognised (excluding write offs)	(244,891)	-	-	(244,891)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
At 30 June 2022	48,529	-	-	48,529

30.6.3 Bank Deposits

	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Bank deposits	1,035,660,000	-	-	1,035,660,000
Total gross carrying amount	1,035,660,000	-	-	1,035,660,000
An analysis of changes in the gross carrying amount and the corresponding ECL allowances are as follows:				
Gross carrying amount as at 01 July 2021	1,544,925,640	-	-	1,544,925,640
New assets originated or purchased	2,010,927,826	-	-	2,010,927,826
Payments and assets derecognised (excluding write offs)	(2,520,193,466)	-	-	(2,520,193,466)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
At 30 June 2022	1,035,660,000	-	-	1,035,660,000
ECL allowance as at 01 July 2021				
	2,139,059	-	-	2,139,059
New assets originated or purchased	516,200	-	-	516,200
Payments and assets derecognised (excluding write offs)	(2,139,059)	-	-	(2,139,059)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
At 30 June 2022	516,200	-	-	516,200

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for the year ended 30 June 2022

30.6.4 Other financial assets

	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Staff loans	3,155,582	-	-	3,155,582
Total gross carrying amount	3,155,582	-	-	3,155,582

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

Gross carrying amount as at 01 July 2021	4,319,045	-	-	4,319,045
New assets originated or purchased	-	-	-	-
Payments and assets derecognised (excluding write offs)	(1,163,463)	-	-	(1,163,463)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
At 30 June 2022	3,155,582	-	-	3,155,582

	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
ECL allowance as at 01 July 2021	267,719	-	-	267,719
New assets originated or purchased	-	-	-	-
Payments and assets derecognised (excluding write offs)	501,839	-	-	501,839
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
At 30 June 2022	769,558	-	-	769,558

31. CATEGORIES OF FINANCIAL INSTRUMENTS

	Receivables and Other financial assets MUR	Financial liabilities at amortised cost MUR	Assets at amortised cost MUR	Financial assets at fair value through P&L MUR	Total MUR
Categories of financial instruments - 2022					
Non-current assets					
Assets at amortised cost	-	-	49,062,902	-	49,062,902
Other financial assets	-	-	-	1,938,538	1,938,538
Current assets					
Assets at amortised cost	-	-	50,819,618	-	50,819,618
Receivables	122,410,472	-	-	-	122,410,472
Cash and bank balances	889,093,382	-	-	-	889,093,382
Other financial assets	-	-	-	447,486	447,486
Bank deposits	1,035,143,800	-	-	-	1,035,143,800
Total Assets	2,046,647,654	-	99,882,520	2,386,024	2,148,916,198
Non-current liabilities					
Lease liability	-	4,804,307	-	-	4,804,307
Current liabilities					
Payables	-	1,145,194,254	-	-	1,145,194,254
Lease liability	-	110,030	-	-	110,030
Total liabilities	-	1,150,108,591	-	-	1,150,108,591

	Receivables and Other financial assets MUR	Financial liabilities at amortised cost MUR	Assets held to Maturity MUR	Financial assets at fair value through P&L MUR	Total MUR
Categories of financial instruments - 2021					
Non-current assets					
Assets at amortised cost	-	-	49,212,067	-	49,212,067
Other financial assets	-	-	-	3,920,147	3,920,147
Current assets					
Assets at amortised cost	-	-	622,215,490	-	622,215,490
Receivables	173,780,462	-	-	-	173,780,462
Cash and bank balances	618,027,711	-	-	-	618,027,711
Other financial assets	-	-	-	131,179	131,179
Bank deposits	1,542,786,581	-	-	-	1,542,786,581
Total Assets	2,334,594,754	-	671,427,557	4,051,326	3,010,073,637
Non-current liabilities					
Lease liability	-	3,857,548	-	-	3,857,548
Current liabilities					
Payables	-	1,011,501,749	-	-	1,011,501,749
Lease liability	-	637,596	-	-	637,596
Total liabilities	-	1,015,996,893	-	-	1,015,996,893

32. CURRENCY AND EXCHANGE RISK

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Commission's exposure to the risk of changes in foreign exchange rates relates primarily to the Commission's operating activities (when revenue or expense is denominated in a different currency from the Commission's functional currency) and holding bank deposits which are denominated in foreign currencies.

The Commission receives licence fees in USD. Consequently, the Commission is exposed to the risk that the exchange rate of the USD relative to the MUR may change in a manner which has a material effect on the reported values of the Commission's licence fee income, which are denominated in USD.

The Commission is exposed to currency risk as a result of conversion of foreign currency balances held in USD. These balances were held in USD during the financial period and the exchange fluctuation gain of MUR 146,927,671 (2021: gain of MUR 31,398,277) has occurred mainly due to transactions in USD. During the period USD **appreciated** against MUR by 380 basis points. (2021: appreciated by 260 basis points)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

The table below shows the carrying amounts of the financial assets and liabilities, denominated in currencies other than the functional currency.

	Assets		Liabilities	
	2022 MUR	2021 MUR	2022 MUR	2021 MUR
Euro				
Bank deposits	-	-	-	-
Receivables	-	-	-	-
Other creditors and accruals	-	-	-	-
US Dollars				
Bank deposits	515,351,715	1,088,583,158	-	-
Cash and bank balances	748,298,285	550,101,187	-	-
Receivables	83,791,708	166,219,089	-	-
Advances from Management Companies	-	-	1,138,923,992	1,006,124,417

The assessment of currency fluctuation risks is reviewed by the Investment Committee from time to time.

32(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission's exposure to the risk of changes in market interest rates relates primarily to the Commission's bank balances with floating interest rates.

The Commission manages its interest rate risk by placing its excess funds in term-deposits with fixed interest rates. The Commission has exposure to staff loans which are recognised at fair value. The changes in fair value are recognised in the Statement of Financial Performance.

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with specific financial assets whose interest rates periodically changes as per market rate. The following table demonstrates the sensitivity of the Commission's surplus to interest rate changes, all other variables held constant:

	Change in Yield (basis point)	Effect on Surplus 2022 MUR	Effect on Surplus 2021 MUR
Bank balances	+50	4,445,127	3,089,953
	-50	(2,775,612)	(1,464,660)

32(b) Foreign Currency Risk

The following table shows the sensitivity of the Commission's Funds to exchange rate changes, all other variables held constant:

	Change MUR exchange rate	Effect on Funds 2022 MUR	Effect on Funds 2021 MUR
Financial assets and liabilities	+1 MUR	2,880,561	15,925,640
	-1 MUR	(2,880,561)	(15,925,640)

32(c) Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations indicate the relative sensitivity of the Commission's performance to developments affecting a particular industry.

The Commission derives 91 per cent (2021:91%) of its regular income (exclusive of administrative penalties, other penalties and late charges) from the GB sector and as such the concentration of risk is high around this sector. The GB sector is largely dependent on the International climate and Double Tax Avoidance Treaties with certain prominent countries.

In line with its strategic plan and the Blueprint for Innovating and Transforming the Mauritius IFC of 2030, the Commission is taking various measures to further diversify the markets within the financial services sector, through increased partnership with emerging markets. The Mauritius IFC is expected to position itself as a specialist regional IFC focused on Africa and India, with deep expertise in these areas. Moreover, the Commission will capitalise on opportunities in both domestic and international capital markets, captive insurance in Africa, cross-border asset management, African fintechs, reinsurance, and cryptocurrency exchange.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

33. RELATED PARTY TRANSACTIONS DISCLOSURE

Board fees, salaries and allowances to Key Managerial Persons

Name of Key Management Personnel	Appointment	End of appointment	Designation	2022 MUR	2021 MUR
Mr Mardayah Kona Yerukunondu	12 May 2020	-	Chairperson	840,000	840,000
Mr Rajeshsharma Ramloll	26 Apr 2018	-	Vice Chairperson	1,104,000	1,104,000
Mr Hervé Lassemillante (late)	11 Jul 2017	7 Jul 2020	Member	-	19,194
Mr Premchand Mungar	28 Dec 2017	-	Member	720,000	720,000
Mrs Yotsna Lalji-Venketasawmy	3 Apr 2018	12 Dec 2020	Member	-	360,000
Mr Sarwansingh Purmessur	24 May 2018	-	Member	720,000	720,000
Mr Mahess Rawoteea	9 Oct 2018	-	Member	720,000	720,000
Ms Gayle Mary-Jane Yerriah	26 Apr 2019	-	Member	1,020,000	1,008,710
Ms Mariam Rajabally	26 Apr 2019	-	Member	720,000	720,000
Mr Azaad Aumeerally	24 Dec 2020	28 Feb 2022	Member	440,000	344,194
Mr Loveneesh Beedasy	24 Dec 2020	-	Member	715,484	349,516
Mr Dhanesswurnath Thakoor	18 May 2020	-	Chief Executive	5,146,150	6,215,909
TOTAL			Salaries Allowances	12,325,635	13,301,523

In regard to disclosure of significant financial interest of the Board/Key Management Personnel with respect to their interested entities/immediate family members, a full scope of compliance (inter alia including declaration/information/disclosures) mechanism is being developed for future periods within the Board Charter.

34. COVID-19 PANDEMIC

The World Health Organization declared on 11 March 2020 the outbreak of a strain of the COVID-19 virus as a pandemic, which has affected the world economy, including Mauritius, leading to volatility in financial markets. Further, while the COVID-19 vaccination efforts have gained momentum, uncertainty of COVID-19 cases are reduced. Additionally, there has been the geo-political scenario, Russia - Ukraine war, which has resulted in volatility in financial markets. All recent results from the industry are showing signs of revival signalling a return in economic growth. The extent to which these events will impact the Commission, if any, depends on future spread of the virus and related developments, which are uncertain at this point of time. There has been no material change in the controls or processes followed in the closing of the financial statements of the Commission. In preparing the accompanying financial statements, the Commission is of the view that there is no material impact of these events on its operations and its assets as at 30 June 2022.

Appendices

Rodrigues Brush Warbler



The Rodrigues Brush Warbler is a small bird with a relatively long bill and a long, graduated tail.

Source: <http://npcs.govmu.org/English/Documents/Fauna.pdf>

APPENDICES

APPENDIX 1: MARKETS TRENDS IN SECURITIES

Table 37: Local Stock Exchanges Indices July 2021 to June 2022

Year - 2021/22	SEMDEX	SEM-10	SEMTRI (MUR)	SEMTRI (USD)	SEMSI
Jul-21	1,916.62	356.42	7,508.40	2,774.09	103.98
Aug-21	1,953.30	358.15	7,655.75	2,833.60	105.16
Sep-21	2,010.58	369.43	7,881.77	2,909.44	108.95
Oct-21	2,123.80	392.70	8,328.23	3,062.31	115.60
Nov-21	2,009.20	369.92	7,971.61	2,909.94	109.11
Dec-21	2,097.89	388.00	8,345.17	3,027.67	114.20
Jan-22	2,136.55	390.72	8,501.32	3,084.90	116.18
Feb-22	2,159.49	392.38	8,592.60	3,080.26	116.10
Mar-22	2,198.45	403.87	8,747.60	3,105.45	118.86
Apr-22	2,289.76	414.66	9,125.06	3,336.57	123.56
May-22	2,187.78	396.82	8,744.27	3,172.03	117.23
Jun-22	2,127.14	387.18	8,568.62	2,999.70	113.68

Figure 12: Evolution of SEM-10 as at June 2021 (End Month)

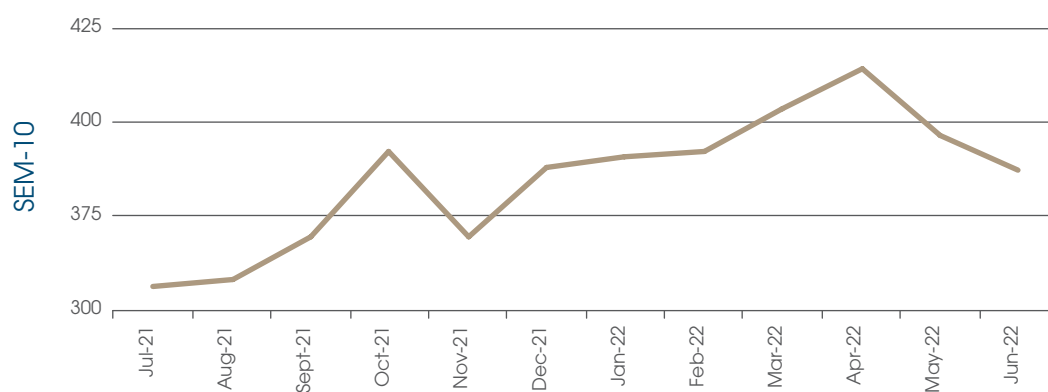
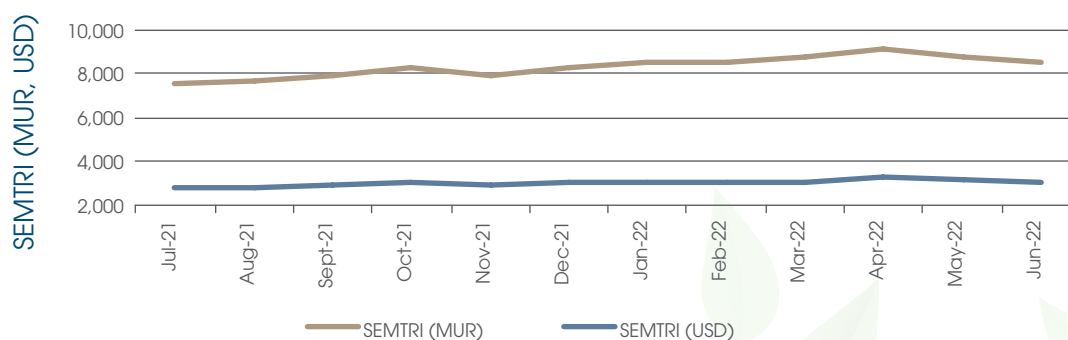


Figure 13: Evolution of SEMTRI (MUR and USD) as at June 2021 (End Month)



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Figure 14: Evolution of SEMSI as at June 2021 (End Month)

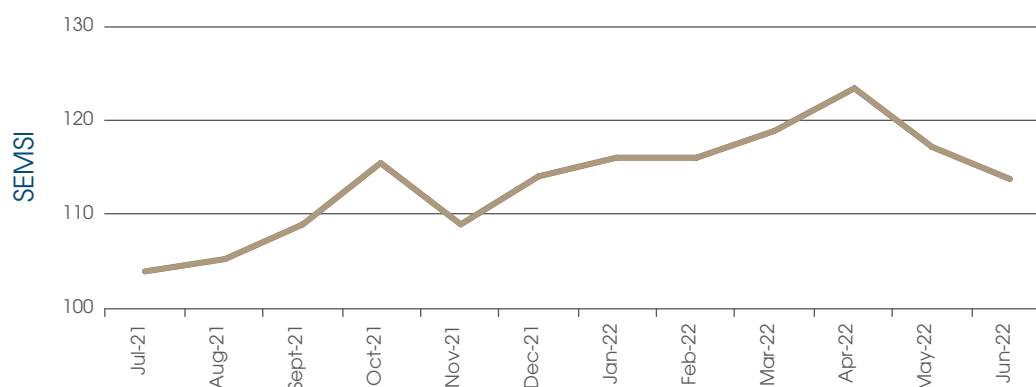


Figure 15: Evolution of DEMEX as at June 2022 (End Month)

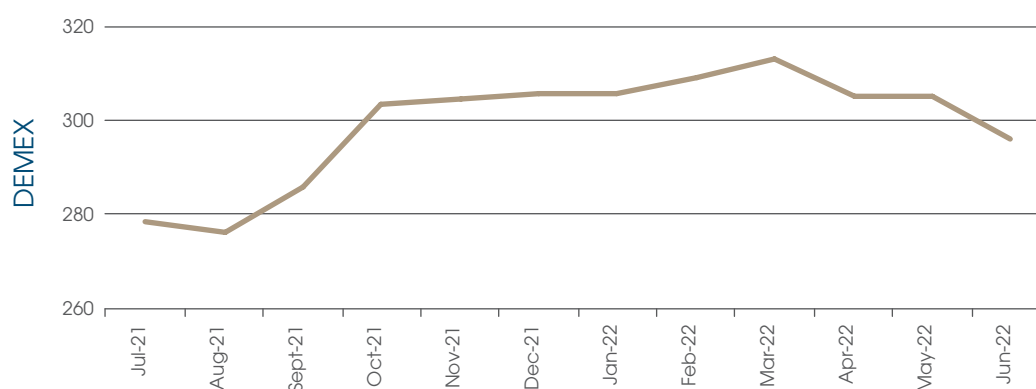
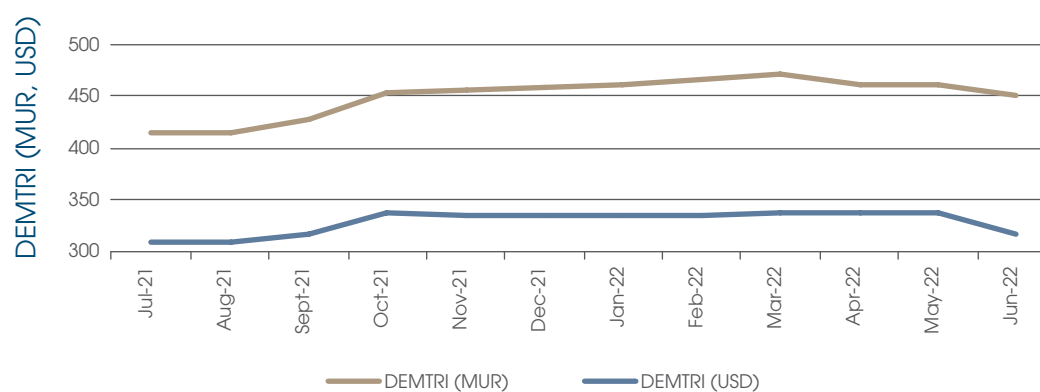


Figure 16: Evolution of DEMTRI (USD and MUR) as at 30 June 2022 (End Month)



Source: SEM – Historical data

Table 38: International Stock Exchanges Indices July 2021 to June 2022

Year 2021/22	US Dow Jones Industrial Average	US Nasdaq Composite	Bombay Stock Exchange (BSE) SENSEX	London's FTSE 100 Index	France's CAC 40 Index	Hong Kong's Hang Seng Index
Jul-21	34,935.47	14,672.68	52,586.84	7,032.30	6,612.76	25,961.03
Aug-21	35,360.73	15,259.24	57,552.39	7,119.70	6,680.18	25,878.99
Sep-21	33,843.92	14,448.58	59,126.36	7,086.42	6,520.01	24,575.64
Oct-21	35,819.56	15,498.39	59,306.93	7,237.57	6,830.34	25,377.24
Nov-21	34,483.72	15,537.69	57,064.87	7,059.45	6,721.16	23,475.26
Dec-21	36,338.30	15,644.97	58,253.82	7,384.54	7,153.03	23,397.67
Jan-22	35,131.86	14,239.88	58,014.17	7,464.37	6,999.20	23,802.26
Feb-22	33,892.60	13,751.40	56,247.28	7,458.25	6,658.83	22,713.02
Mar-22	34,678.35	14,220.52	58,568.51	7,515.68	6,659.87	21,996.85
Apr-22	32,977.21	12,334.64	57,060.87	7,544.55	6,533.77	21,089.39
May-22	32,990.12	12,081.39	55,566.41	7,607.66	6,468.80	21,415.20
Jun-22	30,775.43	11,028.74	53,018.94	7,169.28	5,922.86	21,859.79

Source: <https://www.marketwatch.com/investing/index/1/historical?countrycode=in>

APPENDICES

APPENDIX 2: TRENDS IN INSURANCE

Long Term Insurance Business

Table 39: Long Term Insurance Business Figures

	2018	2019	2020	2021
NUMBER OF INSTITUTIONS				
Long Term*	7	7	7	7
NUMBER OF INSURANCE POLICIES				
Long Term	472,556	501,328	525,065	553,116
ASSETS				
Assets (MUR million)	77,632	84,961	87,556	106,193
% Δ in Assets	5%	9%	3%	21%
TECHNICAL RESERVES				
Life Fund (MUR million)	70,923	78,014	78,895	89,855
% Δ in Life Fund	3%	10%	1%	14%
CAPITAL AND RESERVES				
Capital and Reserves (MUR million)	3,474	3,521	4,501	12,233
% Δ in Capital and Reserves	44%	1%	28%	172%
LONG TERM				
Assets (MUR million)	77,632	84,961	87,556	106,193
Life Fund (MUR million)	70,923	78,014	78,895	89,855
Capital and Reserves (MUR million)	3,474	3,521	4,501	12,233
Other Liabilities** (MUR million)	1,616	1,452	1,764	1,717
% of C&R to Life Fund	5%	5%	6%	14%
LONG TERM				
Net Premiums (MUR million)	9,471	10,241	9,942	10,955
Reinsurance (MUR million)	500	489	590	618
Gross Premiums (MUR million)	9,971	10,730	10,532	11,613
% Δ in Gross Premiums	-16%	8%	-2%	10%
Net Claims (MUR million)	7,141	7,556	7,920	7,875
Reinsurance (MUR million)	204	140	141	210
Gross Claims (MUR million)	7,345	7,696	8,061	8,085
% Δ in Gross Claims	-21%	5%	5%	5%

General Insurance Business

Table 40: General Insurance Business Figures

	2018	2019	2020	2021
NUMBER OF INSTITUTIONS				
General	15	15	15	15
NUMBER OF INSURANCE POLICIES				
General	555,713	563,019	564,783	575,758
Assets (MUR million)	18,837	20,099	21,225	23,648
% Δ in Assets	6%	7%	6%	11%
ASSET MIX				
Equities (MUR million)	2,339	2,685	2,915	4,105
% Δ in Equities	-5%	15%	9%	41%
% of Total Assets	12%	13%	14%	17%
Cash Equivalents (MUR million)	2,967	2,773	3,614	3,937
% Δ in Cash Equivalents	-5%	-7%	30%	9%
% of Total Assets	16%	14%	17%	17%
Govt Bonds (MUR million)	1,874	2,718	2,822	2,009
% Δ in Govt bonds	10%	45%	4%	-29%
% of Total Assets	10%	14%	13%	8%
Other Bonds (MUR million)	333	172	205	1,016
% Δ in Other Bonds	2%	-48%	19%	396%
% of Total Assets	2%	1%	1%	4%
Property (MUR million)	893	1,032	983	1,033
% Δ in Property	7%	16%	-5%	5%
% of Total Assets	5%	5%	5%	4%
Other Assets (MUR million)	10,431	10,720	10,686	11,548
% Δ in Other Assets	12%	3%	-0.3%	8%
% of Total Assets	55%	53%	50%	49%
LIABILITIES				
Capital & Reserves (MUR million)	8,120	7,889	8,153	9,460
% Δ	4%	-3%	3%	16%
% of Total Equities and Liabilities	43%	39%	38%	40%
Technical Reserves (MUR million)	7,816	8,598	7,994	10,509
% Δ	5%	10%	-7%	31%
% of Total Equities and Liabilities	41%	43%	38%	44%
Other Liabilities (MUR million)	2,901	3,612	5,078	3,679
% Δ	18%	25%	41%	-28%
% of Total Equities and Liabilities	15%	18%	24%	16%
TOTAL PREMIUMS				
Net (MUR million)	6,100	6,697	7,428	7,678
Reinsurance (MUR million)	3,277	3,595	3,637	4,131
Gross (MUR million)	9,378	10,293	11,065	11,809
% Δ in Gross Premiums	5%	10%	8%	7%

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	2018	2019	2020	2021
PREMIUMS – MOTOR				
Net (MUR million)	3,372	3,632	3,743	3,826
Reinsurance (MUR million)	135	178	206	237
Gross (MUR million)	3,508	3,810	3,949	4,063
% Δ in Gross Premiums	5%	9%	4%	8%
PREMIUMS – NON-MOTOR				
Net (MUR million)	2,728	3,065	3,684	3,852
Reinsurance (MUR million)	3,142	3,417	3,432	3,893
Gross (MUR million)	5,870	6,483	7,117	7,746
% Δ in Gross Premiums	5%	10%	10%	9%
TOTAL CLAIMS				
Net (MUR million)	4,012	3,913	4,197	4,483
Reinsurance (MUR million)	1,195	1,840	1,763	1,695
Gross (MUR million)	5,207	5,754	5,961	6,178
% Δ in Gross Claims	12%	11%	4%	4%
CLAIMS – MOTOR				
Net (MUR million)	2,403	2,419	2,307	2,290
Reinsurance (MUR million)	76	284	345	433
Gross (MUR million)	2,479	2,704	2,652	2,724
% Δ in Gross Claims	2%	9%	-2%	3%
CLAIMS – NON-MOTOR				
Net (MUR million)	1,609	1,494	1,890	2,192
Reinsurance (MUR million)	1,119	1,556	1,419	1,261
Gross (MUR million)	2,728	3,050	3,309	3,453
% Δ in Gross Claims	22%	12%	8%	4%
UNDERWRITING PROFIT				
UW profit (MUR million)	206	187	416	476
% Δ in UW profit	10%	-9%	122%	14%
Investment (MUR million)	480	542	462	533
Operating profit (MUR million)	686	729	878	1,009
% Δ in Operating profit	9%	6%	20%	15%
NUMBER OF POLICIES				
Motor	408,693	411,112	419,682	438,733
% Δ	1%	1%	2%	5%
% of Total	74%	73%	74%	76%
Non-Motor	147,020	151,907	145,101	137,025
% Δ	-17%	3%	-4%	-6%
% of Total	26%	27%	26%	24%
Total	555,713	563,019	564,783	575,758
% Δ	-4%	1%	0.3%	2%
NUMBER OF CLAIMS				
Motor	63,772	73,140	56,994	61,595
% Δ	10%	15%	-22%	9%
% of Total	19%	20%	18%	15%
Non-Motor	270,908	301,103	261,942	356,327
% Δ	16%	11%	-13%	36%
% of Total	81%	80%	82%	85%
Total	334,680	374,243	318,936	417,922
% Δ	15%	12%	-15%	31%

APPENDIX 3: MEMORANDUM OF UNDERSTANDING

Multilateral Memorandum of Understanding

SN	Institutions/Standard Setting Body	Secretariat	Date of Signature
1	International Association of Insurance Supervisors	Bank for International Settlements, CH-4002 Basel, Switzerland	23 December 2013
2	International Organization of Securities Commissions	Madrid, Spain	16 May 2012
3	The Southern African Development Community (SADC) – CISNA	c/o Financial Services Commission, FSC House, 54 Cybercity, Ebene 72201, Republic of Mauritius	03 April 2003
4	Group of International Finance Center Supervisors	PO Box 58, Finch Hill House, Bucks Road, Douglas, Isle of Man, IM99 1DT, British Isles	20 October 2020

Regional Memorandum of Understanding

SN	Institutions/Standard Setting Body	Secretariat	Date of Signature
1	IOSCO AMERC	Qatar Financial Markets Authority P.O. Box 25552, QFC Tower (2) Doha, Qatar	18 September 2013
2	South Asian Securities Regulators Forum	Islamabad, Pakistan	13 May 2005

Memorandum of Understanding with Foreign Authorities

SN	Authority	Country	Date of Signature
1	Securities and Exchange Board of India	India	12 December 2002
2	Financial Services Board	South Africa	30 October 2003
3	Financial Services Authority	Malta	13 January 2004
3a	Amendment to the MoU between the FSC Mauritius and the Financial Services Authority, Malta for cooperation in Fintech related activities		15 March 2019
4	Securities and Exchange Commission	Zambia	01 April 2004
5	Insurance Supervisory Department	Tanzania	01 April 2004
6	Namibia Financial Institutions Supervisory Authority	Namibia	01 April 2004
7	Capital Markets Authority	Uganda	01 April 2004
8	Pensions and Insurance Authority	Zambia	01 April 2004
9	Financial Services Authority	Isle of Man	18 November 2004
10	Reserve Bank of Malawi	Malawi	15 April 2005
11	Central Bank of Lesotho	Lesotho	13 October 2005
12	Financial Services Commission	Jersey	26 December 2005
13	Financial Services Commission	Guernsey	11 November 2009

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SN	Authority	Country	Date of Signature
14	Financial Services Authority	Labuan	23 April 2010
15	Capital Markets Authority	Kenya	23 February 2012
16	Non-Bank Financial Institutions Regulatory Authority	Botswana	19 April 2012
17	Securities and Exchange Commission	Nigeria	19 May 2012
18	Cyprus Securities and Exchange Commission	Cyprus	04 September 2012
19	Capital Market Development Authority	Maldives	16 January 2013
20	Comissão do Mercado de Capitais	Angola	29 September 2014
21	The National Stock Exchange of India Limited	India	03 September 2015
22	Financial Services Authority	Dubai	01 October 2015
23	Financial Services Authority	Seychelles	03 March 2016
24	Financial Services Regulatory Authority	Swaziland	31 March 2016
25	Capital Markets and Securities Authority	Tanzania	16 June 2016
26	Financial Services Regulatory Authority	Abu Dhabi	19 December 2016
27	Financial Conduct Authority	United Kingdom	10 April 2018
28	Central Bank of the Russian Federation	Russia	08 June 2018
29	Insurance Regulatory Authority of Uganda	Uganda	18 July 2018
30	Securities and Exchange Commission of Ghana	Ghana	15 March 2019
31	Capital Markets Authority	Lebanon	04 September 2019
32	Commission de Surveillance du Secteur Financier	Luxembourg	28 January 2020
33	Australian Prudential Regulation Authority	Australia	27 February 2020
34	Qatar Financial Centre Regulatory Authority	Qatar	25 May 2021*

*Effective date

Memorandum of Understanding with Foreign Institutions

SN	Authority	Country	Date of Signature
1	National Institute of Securities Markets	India	27 February 2018

Innovation Functions Co-operation Agreement

SN	Authority	Country	Effective Date
1	Canadian Securities Administrators (CSA)* *Members of the CSA, signatory to the Agreement are as follows: (i) Ontario Securities Commission (ii) Autorité des marchés financiers (Québec) (iii) British Columbia Securities Commission (iv) Manitoba Securities Commission (v) Financial and Consumer Affairs Authority of Saskatchewan (vi) Nova Scotia Securities Commission (vii) Financial and Consumer Services Commission (New Brunswick)	Canada	18 June 2021

Fintech Cooperation Agreement

SN	Authority	Country	Date of Signature
1	Autorité des Marchés Financiers	France	05 September 2018
2	Capital Markets Authority	Kenya	24 May 2021

Letter of Cooperation in Technical Exchanges

SN	Authority	Country	Date of Signature
1	Autorité des Marchés Financiers	France	05 September 2018
2	Autorité de Régulation et de Contrôle des Assurances	Democratic Republic of the Congo	10 February 2021

Bilateral MoUs with Local Authorities

SN	Authority	Date of Signature
1	Bank of Mauritius	05 December 2002
2	Financial Intelligence Unit	18 June 2004
3	Mauritius Revenue Authority	03 June 2010
4	Competition Commission Mauritius	11 November 2011
5	Financial Reporting Council	10 April 2012
6	Statistics Mauritius	09 February 2012
7	Corporate Business Registration Department	01 December 2016
8	Attorney General's Office	07 August 2017

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Tripartite MoUs with Local Authorities

SN	Authority	Date of Signature
1	Bank of Mauritius and Financial Intelligence Unit	19 September 2018
2	Independent Commission against Corruption and Financial Intelligence Unit	19 September 2018
3	Bank of Mauritius and Economic Development Board	19 May 2020

Memorandum of Cooperation with Local Authorities

SN	Authority	Date of Signature
1	Attorney General's Office, Bank of Mauritius, Financial Intelligence Unit, Registrar of Companies, Gambling Regulatory Authority, Registrar of Associations and Mauritius Institute of Professional Accountants	26 August 2020

Memorandum of Understandings (relating to the Supervision of AIFMD Entities) with European Union Member States Securities Regulators

SN	Authority	Country	Date of Signature
1	Financial Services and Markets Authority	Belgium	22 July 2013
2	Financial Supervision Commission	Bulgaria	22 July 2013
3	Cyprus Securities and Exchange Commission	Cyprus	22 July 2013
4	Czech National Bank	Czech Republic	22 July 2013
5	Finanstilsynet	Denmark	22 July 2013
6	Estonian Financial Supervision Authority	Estonia	22 July 2013
7	Hellenic Capital Market Commission	Greece	22 July 2013
8	Pénzügyi Szervezetek Állami Felügyelete	Hungary	22 July 2013
9	Central Bank of Ireland	Ireland	22 July 2013
10	Finanšu un kapitāla tirgus komisija	Latvia	22 July 2013
11	Bank of Lithuania	Lithuania	22 July 2013
12	Commission de Surveillance du Secteur Financier	Luxembourg	22 July 2013
13	Malta Financial Services Authority	Malta	22 July 2013
14	Autoriteit Financiële Markten	The Netherlands	22 July 2013
15	Polish Financial Supervision Authority	Poland	22 July 2013
16	Comissão do Mercado de Valores Mobiliários	Portugal	22 July 2013
17	Romanian Financial Supervisory Authority	Romania	22 July 2013
18	Národná banka Slovenska	Slovak Republic	22 July 2013
19	Finansinspektionen	Sweden	22 July 2013
20	Autorité des Marchés Financiers	France	19 September 2014

Memorandum of Understandings (relating to the Supervision of AIFMD entities) with European Economic Area (EEA) Securities Regulators

SN	Authority	Country	Date of Signature
1	Fjármálaeftirlitið	Iceland	22 July 2013
2	Finanzmarktaufsicht	Liechtenstein	22 July 2013
3	Finanstilsynet	Norway	22 July 2013

Memorandum of Understandings (relating to the supervision of AIFMD Entities) with other Securities Regulators

SN	Authority	Country	Date of Signature
1	Financial Services Commission	Gibraltar	22 July 2014
2	Financial Conduct Authority	United Kingdom	31 December 2020

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APPENDIX 4: CAPACITY BUILDING

Overseas Trainings, Conferences, Seminars and Workshops

SN	Theme	Date	Country	Officer
1	Dubai Expo 2021	04 - 09 December 2021	Dubai	BURUN Kamalsing
2	Capacity Building Training For Public Sector Lawyers in Trade and Development Bank Member States	14 - 18 March 2022	Kenya	HURDOWAR Khemalini
3	Compliance with International and EU requirements concerning the FATF Recommendation 8	07 - 09 March 2022	South Africa	BOYJOO Teennoosha
4	43 rd Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Task Force of Senior Officials Meeting	03 - 08 April 2022	Tanzania	KHADAROO Jamsheed
5	Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) 'Assessors' Training'	10 - 14 April 2022	Tanzania	BOYJOO Teennoosha KEERODHUR Tarvi
6	20 ^{ème} session de l'Institut Francophone de la Régulation Financière (IFREFI)	19 - 20 , 23 May 2022	Belgium	SEEWOOSUNKUR Prakash
7	International Association of Insurance Supervisors (IAIS) 'Market Conduct Working Group Meeting'	18-19 May 2022	Switzerland	BHOYROO Safwana
8	2022 Annual General Meeting of the Association of National Numbering Agencies (ANNA)	01 - 03 June 2022	Belgium	BURUN Kamal
9	Financial Stability Board (FSB) Regional Consultative Group (RCG) for Sub-Saharan Africa meeting	15-16 June 2022	Ghana	RAMASAYMY Deerajen
10	Small Countries Financial Management Programme	26 June 2022 - 08 July 2022	UK	NEMCHAND Mangalraj

Local Conferences, Trainings, Seminars, Workshops and Talks

SN	Theme	Date	No of Participants
1	Training on 'Basic Maintenance of Electrical Installation, Air Con and Plumbing work'	24 July 2021 - 29 November 2021	12
2	Masterclass on 'Work from Home'	12 - 13 October 2021	1
3	C-Level Event on Cybersecurity Services	16 November 2021	1
4	Bank of Mauritius 5th Supervisory College - SBM and MCB group	16 November 2021	5
5	Regional Workshop on 'Compliance with International and EU Requirements concerning the FATF Recommendation 8'	22 - 25 November 2021	5
6	Training on 'Targeted Financial Sanctions and Recognising and Filing STRs'	14 - 15 February 2022	1
7	Dissemination workshop on 'Secured Transaction Reforms'	16 March 2022	2
8	Training Programme on 'Mauritius Sustainable Finance Intensive'	12 - 13 April 2022	2

SN	Theme	Date	No of Participants
9	Institute of Judicial and Legal Studies of Mauritius (IJLS) CPD Course on 'Section 2 of the Environment Protection Act and the recognition of environmental rights'	14 April 2022	2
10	African Cyber Resilience Conference	25 – 28 April 2022	1
11	Workshop on 'Digital Trade'	25 – 27 Apr 2022	1
12	Les Assises de La Recherche et De L'Innovation 2022	27 – 29 April 2022	1
13	Huawei Intelligent Finance Summit 2022	29 April 2022	1
14	Training on 'Targeted Financial Sanctions'	02 – 03 May 2022	2
15	Virtual workshop on 'Targeted Financial Sanctions'	05 – 06 May 2022	6
16	Seminar on 'Occupational Safety and Health'	25 – 26 May 2022	1
17	4th Mauritius Compliance Risk & Economic Crime Conference	01 – 02 June 2022	1
18	Presentation by CARE Ratings (Africa) Private Ltd on 'Credit Rating and MMI issuance process and the development of an ESG Assessment Platform for Mauritius'	08 June 2022	1
19	Mauritius Africa Fintech Hub (MAFH) Fintech Regulatory Round	20 June 2022	3
20	Art and Finance Conference	22 June 2022	4

In House Trainings, Seminars, Workshops, Talks, Webinars

SN	Theme	Date	No of Participants
1	Digital Financial Inclusion Supervision (DFIS) Program for Financial Sector Regulators and Supervisors	01 – 30 July 2021	6
2	Access to Insurance Initiative (A2ii) – International Association of Insurance Supervisors (IAIS) Supervisory Dialogue on 'Climate-Related Risks in the Insurance Sector'	08 July 2021	3
3	Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Risk-Based Approach Supervisory Training	22 – 23 July 2021	39
4	Institute of Judicial and Legal Studies of Mauritius (IJLS) CPD Course on 'Ethics'	28 July 2021	3
5	Regional Centre of Excellence (RCE)/Organisation for Economic Co-operation and Development (OECD) Workshop on 'Financial Inclusion and Financial Education'	30 July 2021	21
6	Training by Civil Service College Mauritius on 'Courts Proceedings'	02, 06, 10, 12 & 16 August 2021	40
7	Training by Mauritius Institute of Directors (MIoD) on 'CSP or Management Company Officer – Your roles and responsibilities as an outsourced Board Director or Executive in a GBC!'	05 August 2021	40

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SN	Theme	Date	No of Participants
8	Toronto Centre Workshop on 'Risk-Based Supervision'	10 – 13 August 2021	4
9	IJLS CPD Course on 'Private Prosecutions and Director of Public Prosecutions'	18 August 2021	2
10	Training on 'An Introduction to Developing National Cyber Incident Response Plan'	18 – 20 August 2021	2
11	Access to Insurance Initiative (A2ii) – International Association of Insurance Supervisors (IAIS) Training on 'Leveraging Actuarial Skills'	18 August - 16 September 2021	4
12	Toronto Centre 15th Regional Leadership Programme for Securities Regulators	19, 23 – 27 August 2021	1
13	Advanced Supervisory Workshop on 'Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT)'	23 & 30 August 2021	42
14	Webinar – Finance (Miscellaneous Provisions) Act 2021 – Impact of key changes on the Financial Services Sector	24 August 2021	24
15	Bank of England workshops on climate-related financial stability risks	09 – 10 September 2021	3
16	Supervisory College of Old Mutual Ltd	13 – 15 September 2021	4
17	Africa Training Institute (ATI) course on 'National Accounts Statistics (NAS)'	13 - 17 September 2021	1
18	Webinar on 'International Financial Reporting Standards (IFRS) 17'	17 September 2021	6
19	Training Workshop on 'Cryptocurrency and Anti-Money Laundering Measures'	20 – 24 September 2021	1
20	Africa Training Institute (ATI) course on 'Financial Sector Surveillance (FSS)'	27 September – 08 October 2021	1
21	Islamic Financial Services Board (IFSB) Train of Trainers (TOT) programme for regulatory and supervisory authorities	27 – 30 September 2021	2
22	International Organization of Securities Commissions (IOSCO) Africa/Middle-East Regional Committee (AMERC) Technical Assistance (TA) Workshop on 'Developing Enforcement Manuals'	28 – 29 September 2021	6
23	Supervisory College of Sanlam Ltd	28 September – 01 October 2021	3
24	Islamic Financial Services Board (IFSB) Executive Programme: Managing Digital Transformation Risks for Islamic Finance Institutions (IFIs)	30 September 2021	6
25	Virtual workshop on 'Beneficial Ownership information and Suspicious Transaction'	30 September 2021	16
26	Sub-Saharan Africa Inclusive Insurance Programme	04 – 12 October 2021	2
27	Virtual Conference on 'Securities Trading Issues and Market Infrastructure'	06 – 07 October 2021	7
28	6th edition of the Technology Applied to Securities Markets Enforcement Conference (TASMEC)	06 – 07 October 2021	2

SN	Theme	Date	No of Participants
29	Absa Africa Financial Markets Index 2021	13 October 2021	5
30	Regional Centre of Excellence (RCE)/Organisation for Economic Co-operation and Development (OECD) Workshop on 'Enhancing the role of Insurance in providing financial protection'	15 October 2021	19
31	Securities and Exchange Organisation of Iran virtual forum on 'Islamic Capital Market'	17 – 18 October 2021	5
32	International Organisation of Pension Supervisors (IOPS) Technical Committee meetings and IOPS Annual General Meeting (AGM)	18, 20 & 21 October 2021	2
33	National Association of Insurance Commissioners (NAIC) Virtual International Fellow Programme 2021	18 – 22 October 2021	2
34	2021 International Organization of Securities Commissions (IOSCO) Virtual Annual Conference – Global Capital Markets Understanding the Future	04 – 05 November 2021	4
35	Digital Financial Inclusion Supervision 2.0	05 November – 03 December 2021	1
36	Information Sharing between FIUs, LEAs and Supervisory Authorities' Virtual Workshop for the East and Southern Africa Egmont Region	11 November 2021	3
37	Workshop on 'Beneficial Ownership Disclosure Framework'	18 – 19 November 2021	3
38	Fintech Regulation in Sub-Saharan Africa Study	25 November 2021	2
39	Webinar on 'Securities and Derivatives Clearing and the Role of CCPs'	22 November 2021	7
40	Familiarisation Programme: Investigation and Enforcement	23 November 2021	5
41	Virtual Workshop on 'Beneficial Ownership Disclosure Framework'	23 November 2021	12
42	Virtual training on 'AML/CFT: A Case Based Approach for MLROs'	24 November 2021	5
43	Virtual training on 'Corruption Risk Management (CRM)'	26 November 2021	2
44	Regional Virtual Training Workshop on 'Cryptocurrency and Anti-Money Laundering Measures Round II'	06 – 10 December 2021	1
45	Virtual 5th Global Conference on 'Criminal Finances and Cryptocurrencies'	07 – 08 December 2021	7
46	Islamic Financial Services Board (IFSB) Public Lecture on 'Sustainability and Cyber Resilience'	08 December 2021	3
47	ML/TF Risk Internal Controls and Compliance programme and Suspicious Transaction Report (STR)	10 December 2021	24
48	Webinar on 'International Financial Reporting Standards (IFRS)'	10 December 2021	9
49	Phase II of the International Organization of Securities Commissions IOSCO/PIFS-Harvard Law School Global Certificate Program	13 – 17 December 2021	2

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SN	Theme	Date	No of Participants
50	International Organisation of Pension Supervisors (IOPS) Virtual workshop on 'Risk-Based Supervision'	14 – 15 December 2021	8
51	Webinar on 'Financial Soundness Indicators (FSI)'	15 December 2021	12
52	Webinar on 'Mauritius FATF classification and T+1 settlement initiative in India'	16 December 2021	19
53	Virtual Workshop on 'Suspicious Transaction Report (STR)'	27 January 2022	19
54	Workshop on 'Structured Investment – Link Insurance Business (SILIB)'	27 January 2022	25
55	Virtual course on 'Financial Soundness Indicators (FSI)'	08 – 11 February 2022	3
56	Virtual Workshop on 'Supervisory Assessment for Beneficial Ownership Information'	23 February 2022	23
57	Risk-Based Supervision Programme for Regulators in Africa	28 February – 04 March 2022	2
58	L'Autorité des marchés financiers (AMF) France 2022 International Seminar for Market Authorities	30 – 31 March & 01, 04 – 07 April 2022	3
59	Webinar on 'Defined Benefit (DB) Pension Fund'	03 March 2022	5
60	15th IFSB-INCEIF/ISRA Consulting Executive Programme: Integrating Islamic Finance into Sustainable Finance – The Role of Regulators and Market Players (Islamic Capital Market Sector)	16 March 2022	2
61	International Organization of Securities Commissions (IOSCO) Asia Pacific Regional Committee (APRC) TA Virtual workshop on 'Developing Enforcement Manuals'	22 – 23 March 2022	7
62	Launch of the International Organisation of Pension Supervisors (IOPS) Good Practices for designing, presenting and supervising pension projections	22 March 2022	2
63	Virtual Course on 'Building Institutions to Fight Corruption In Africa'	21 – 25 March 2022	1
64	Crystal Blockchain Public Webinar on 'Travel Rule: Compliance Solutions and Unhosted Wallet Dynamics'	23 March 2022	4
65	Virtual refresher training session on the 'Portable Retirement Gratuity Fund (PRGF)'	23 March 2022	1
66	Virtual Workshop on 'Internal Control and Enterprise Wide Risk Assessment'	29 March 2022	28
67	RCE/OECD Workshop on 'Supporting efforts to tackle Corruption and other Financial Crimes during COVID-19'	07 April 2022	20
68	IJLS CPD Course on 'Courtesy, an essential virtue of Ethics'	13 April 2022	2
69	Training on 'Digital Forensic Essentials: An investigative approach'	13 – 15 April 2022	3
70	Webinar on 'IFSB-26: Core Principles for Islamic Finance Regulation (Financial Market Infrastructures)'	14 April 2022	2
71	Webinar on 'India Focussed Private Equity Investments'	19, 21, 26, 28 April & 03, 05, 10 May 2022	1

SN	Theme	Date	No of Participants
72	Workshop on 'Digital Trade'	25 – 27 April 2022	1
73	24th International Organization of Securities Commissions (IOSCO) Seminar Training Programme (STP)	26 – 28 April 2022	3
74	Talk by Dr Chris Pierce on 'Global Governance Trends'	26 April 2022	20
75	Webinar on 'Crypto Compliance with Ongoing Sanctions'	26 April 2022	26
76	Talk on 'Acting Together to Build a Positive Safety & Health Culture'	28 April 2022	27
77	Webinar on 'Business Opportunities Arising From The First Round Of SADC Trade In Services Negotiations'	04 May 2022	1
78	Workshop on 'Risk Management, ESG and Credit Risk in Pandemic Era'	04 May 2022	32
79	Webinar on 'Business Continuity'	05 May 2022	11
80	Virtual workshop on 'Targeted Financial Sanctions'	05 – 06 May 2022	8
81	Digital Financial Inclusion Supervision 1.0	06 – 30 May 2022	5
82	Online Training on 'World Bank NRA Tool New Modules'	09 – 10 May 2022	4
83	Two-day Regional Workshop on 'Correspondent Banking'	11 – 12 May 2022	7
84	Central Banks and Digital Currencies Global Annual symposium	11 – 12 May 2022	5
85	Organization of Eastern and Southern Africa Insurers (OESAI) Webinar on Reinsurance 2022 'A synopsis of the key issues in Reinsurance today'	12 – 13 May 2022	2
86	Training on 'Business English, Report Writing and Editing'	17, 24, 27 May 2022 & 01, 06, 10 June 2022 & 15 July 2022	20
87	AMCC Clearing Webinar II 'Securities and Derivatives Clearing and the role of CCPs'	19 May 2022	7
88	Webinar on 'Risk-Based Approach in the NPO Sector'	27 May 2022	11
89	World Bank Panel Discussion on Lessons Learnt from National Risk Assessments	31 May 2022	17
90	Phase I of 6th IOSCO/PIFS-Harvard Law School Global Certificate Program for Regulators of Securities Markets	06 – 10 June 2022	6
91	Presentation on 'Elements of Effectiveness on AML/CFT Compliance Supervision'	07 June 2022	32
92	FSI Training on 'Demystification of: Fintech, Virtual Assets & Initial Token Offerings'	08 – 09 June 2022	3
93	RCE event on 'Investment Treaties of Climate change: Supporting climate-friendly investment & policy space for climate action'	08 June 2022	20

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SN	Theme	Date	No of Participants
94	Virtual Islamic Financial Services Board (IFSB) Annual Meetings 2022	09 June 2022	2
95	High-Level Conference on the Promotion of Good Governance and Fight against Corruption	13 – 14 June 2022	4
96	Official Monetary and Financial Institutions Forum (OMFIF) Global Wealth Strategy summit	14 June 2022	11
97	Workshop on 'Dissemination of Risk Assessment relating to the Virtual Asset Space'	16 June 2022	32
98	Virtual workshop on 'Non-Bank Financial Intermediation (NBFI) monitoring'	22 – 23 June 2022	18
99	Global Financial Innovation Network (GFIN) RegTech/ SupTech Showcase	23 & 30 June 2022	10
100	Virtual Workshop on 'Regulatory Frameworks in Services'	27 – 29 June 2022	1
101	CARE Ratings Africa Presentation on 'Environmental, Social, and Governance (ESG) framework'	28 June 2022	38

APPENDIX 5: COMMUNIQUES AND PRESS RELEASES

Press Releases and Communiqués issued for the period 01 July 2021 to 30 June 2022

SN	Title	Date of Issue
1	Communiqué of the Ministry of Financial Services and Good Governance – Consultation on the draft Virtual Asset Business Bill 2021	15 July 2021
2	Press Release: Signature of a Letter of Cooperation between the Financial Services Commission, Mauritius and the Capital Markets Authority, Kenya	23 July 2021
3	Communiqué: Amendments to Securities Rules issued by the FSC Mauritius	04 August 2021
4	Communiqué: Amendments to the Financial Services (Funeral Scheme Management) Rules 2016	05 August 2021
5	Communiqué de Presse: Signature d'un accord de coopération entre la FSC et l'ARCA	09 August 2021
6	Press Release: Launching of the FSC One Platform by the Honourable Pravind Kumar Jugnauth, Prime Minister of the Republic of Mauritius	12 August 2021
7	Press Release: Awareness Event on the National Insurance Claims Database	08 September 2021
8	Communiqué: FSC issues the Financial Services (Crowdfunding) Rules 2021	10 September 2021
9	Communiqué: Amendments to the Insurance Act 2005 in relation to Insurance Agents	24 September 2021
10	Communiqué: FSC signed the Administrative Arrangement for the transfer of personal data between European Economic Area (EEA) Authorities and non EEA Authorities	30 September 2021
11	Communiqué: FSC issues the Financial Services (Funeral Scheme Management) (Amendment) Rules 2021	01 October 2021
12	Communiqué: Mauritius exits the FATF List of Jurisdictions Under Increased Monitoring	21 October 2021
13	Communiqué: Mauritius exits the Financial Action Task Force Grey List	21 October 2021
14	Communiqué: FSC applying for membership of the Association of National Numbering Agencies (ANNA) and to be recognised as the sole National Numbering Agency (NNA) for Mauritius	29 October 2021
15	Communiqué: Mauritius is now off the UK's List of High-Risk Third Countries	05 November 2021
16	Communiqué de Presse: Le Chief Executive de la FSC intervient lors de la semaine Fintech	11 November 2021
17	Communiqué: Licensing criteria for the creation of additional sub-fund(s), share class(es) or cell(s)	19 November 2021
18	Communiqué: Extension of due dates for filing of Financial Statements and Returns as a result of the COVID-19 pandemic	24 November 2021
19	Press Release: Launching of Regulatory Framework on Crowdfunding	25 November 2021
20	Communiqué: Dubai Expo-2020: Participation of the Chief Executive of the FSC in the 'Mauritius Financial Services Week'	10 December 2021
21	Communiqué: FSC Mauritius joins the Association of National Numbering Agencies (ANNA) and becomes the sole National Numbering Agency (NNA) for Mauritius	28 December 2021
22	Communiqué: FSC publishes its Annual Report 2020/21	21 January 2022
23	Communiqué: Section 81 of the Insurance Act 2005 'Free choice to provide an insurance policy' _ French	25 January 2022
24	Communiqué: Section 81 of the Insurance Act 2005 'Free choice to provide an insurance policy' _ English	25 January 2022

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SN	Title	Date of Issue
25	Press Release: Awareness session on the FSC Guidelines on the issuance of Green Bonds	25 January 2022
26	Communiqué: Proclamation of the Virtual Asset and Initial Token Offering Services Act 2021	09 February 2022
27	Communiqué: Signature of Agreement between the Mauritius Broadcasting Corporation and the Financial Services Commission	14 February 2022
28	Communiqué: Removal of Mauritius from the EU List of High-Risk Third Countries with deficiencies in the AML/CFT Regime	22 February 2022
29	Communiqué: FSC issues AML/CFT Guidance Notes for Virtual Asset Service Providers and Issuers of Initial Token Offerings	28 February 2022
30	Communiqué: Draft Insurance (Structured Investment-Linked Insurance Business) Rules	02 March 2022
31	Communiqué: Draft Private Pension Schemes (Technical Funding Requirement) (Amendment) Rules and Private Pension Schemes (Disclosure) (Amendment) Rules	02 March 2022
32	Communiqué :Applications for licence(s)/registration(s) under the Virtual Asset and Initial Token Offering Services Act 2021	30 March 2022
33	Press Release: Awareness session on FSC Settlement Framework	13 April 2022
34	Communiqué: Consultation Paper on the Regulatory Framework for Third-Party Administrators	27 April 2022
35	Communiqué: Fees and Licensing Criteria for Virtual Asset Service Providers and Issuers of Initial Token Offerings	02 June 2022
36	Communiqué: Public Consultation – FSC Rules to be issued under the Virtual Asset and Initial Token Offering Services Act 2021	03 June 2022
37	Amendments to Competency Standards with respect to Money Laundering Reporting Officer and Compliance Officer	09 June 2022
38	Communiqué: Updates to the Competency Standards (Issued under section 7 (1) (a) of the Financial Services Act 2007)	09 June 2022

Guidelines and Consultation Paper issued for the period 01 July 2021 to 30 June 2022

SN	Title	Date of Issue
1	Consultation Paper on the Regulatory Framework for Structured Investment-Linked Insurance Business	16 August 2021
2	Guidelines on the issue of Corporate and Green Bonds	21 September 2021
3	Guidelines for issue of Corporate and Green Bonds in Mauritius	23 December 2021
4	Consultation Paper on Compliance Services	19 January 2022
5	AML/CFT Guidance Notes for Virtual Asset Service Providers and Issuers of Initial Token Offerings	28 February 2022
6	Guidelines for Issue of Corporate and Green Bonds in Mauritius (Amended version)	18 April 2022
7	Consultation Paper on the Regulatory Framework for Third-Party Administrators	27 April 2022

Practice Notes and Framework issued for the period 01 July 2021 to 30 June 2022

SN	Title	Date of Issue
1	FAQs – Robotic and AI Enabled Advisory Services	28 October 2021
2	FAQs – Virtual Asset and Initial Token Offering Services Act 2021	09 February 2022

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LIST OF ACRONYMS AND ABBREVIATIONS

AA	Administrative Agreement
AER	Administration & Enterprise Risk
AFS	Audited Financial Statements
AIFMD	Alternative Investment Fund Managers Directive
AMERC	Africa/Middle-East Regional Committee
AML	Anti-Money Laundering
AML/CFT	Anti-Money Laundering and Combatting the Financing of Terrorism
ATS	Automated Trading System
BoM	Bank of Mauritius
BRA	Business Risk Assessment
CBRD	Corporate & Business Registration Department
CDS	Central Depository & Settlement Co. Ltd
CEB	Central Electricity Board
CEF	Closed-End Funds
CIGA	Core Income Generating Activity
CIS	Collective Investment Schemes
CISNA	Committee of Insurance, Securities and Non-Banking Financial Authorities
CISR	Collective Investment Schemes and Closed-end Funds Regulations 2008
CM	Capital Markets
CRA	Client Risk Assessment
CSU	Citizen Support Unit
DB	Defined Benefit
DC	Defined Contribution
EC	Enforcement Committee
ECL	Expected Credit Loss
ED	Enforcement Directorate
EDB	Economic Development Board
EEA	European Economic Area
EMDE	Emerging Market and Developing Economy
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
ESG	Environmental, Social, and Governance
ESSNAC	External Sector Statistics and National Accounts
EU	European Union
FAQs	Frequently Asked Questions
FATF	Financial Action Task Force
FATF Grey List	FATF list of Jurisdictions under Increased Monitoring
FIAML Regulations	Financial Intelligence and Anti-Money Laundering Regulations 2018
FIAMLA	Financial Intelligence and Anti-Money Laundering Act 2002
Fintech	Financial Technologies
FIU	Financial Intelligence Unit
FSA	Financial Services Act 2007
FSB	Financial Stability Board

FSC Mauritius or the Commission or FSC	Financial Services Commission, Mauritius
FSF	Financial Services Fund
FSI	Financial Soundness Indicators
FSRP	Financial Services Review Panel
GB	Global Business
GBCs	Global Business Corporations
GBC2	Category 2 Global Business Company
GDP	Gross Domestic Product
GIFCS	Group of International Finance Centre Supervisors
IA	Insurance Act 2005
IAIS	International Association of Insurance Supervisors
IASB	International Accounting Standards Board
ICAC	Independent Commission Against Corruption
IFC	International Financial Centre
IFREFI	Institut Francophone de la Régulation Financière
IFRS	International Financial Reporting Standards
IFSB	Islamic Financial Services Board
IMF	International Monetary Fund
IOPS	International Organisation of Pension Supervisors
IOSCO	International Organization of Securities Commissions
IQR	Insurance Quarterly Returns
ISIN	International Securities Identification Number
ISO	International Standards Organisation
IT	Information Technology
ITO	Initial Token Offerings
MBC	Mauritius Broadcasting Corporation
MCs	Management Companies
MFS	Monetary and Financial Statistics
MFSGG	Ministry of Financial Services and Good Governance
ML/TF	Money Laundering/Terrorist Financing
MLRO	Money Laundering Reporting Officer
MRA	Mauritius Revenue Authority
MUR	Mauritian Rupees
NICD	National Insurance Claims Database
OECD	Organisation for Economic Co-operation and Development
PEP	Politically Exposed Person
PFI	Policy Framework for Investment
PPA	Public Procurement Act 2006
PPO	Private Procurement Office
PPSA	Private Pension Schemes Act 2012
PRGF	Portable Retirement Gratuity Fund
RBS	Risk-Based Supervision
RCE	Regional Centre of Excellence

RCGs	Regional Consultative Groups
REIT	Real Estate Investment Trust
RFI	Request for Information
RI	Reporting Issuer
SA	Securities Act 2005
SADC	Southern African Development Community
SDDS	Special Data Dissemination Standard
SDG	Sustainable Development Goal
SEM	Stock Exchange of Mauritius Ltd
SILIB	Structured Investment-Linked Insurance Business
SMEs	Small and Medium Enterprises
TCSP	Trust and Company Services Provider
TFS	Targeted Financial Sanctions
TRC	Tax Residence Certificate
UK	United Kingdom
VAITOS Act	Virtual Asset and Initial Token Offering Services Act 2021
VASP	Virtual Asset Service Providers
VCC	Variable Capital Company

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