Introduction

Thank you for this kind introduction Hugh. It gives me an immense to address the Z/Yen community today.

Introducing the MIFC

Ladies and Gentlemen

The 30 years of our MIFC is an excellent opportunity for us to reflect on our evolution over these years and to see how we project ourselves in the years to come, with respect to our evolving role as a forward looking regulator and our relevance and importance in the new financial services landscape. Before I dwell deeper on our future strategy, first allow me to quickly brush on the history of the FSC Mauritius, which some 22 years back, took over the duties and functions of the Stock Exchange Commission, the Insurance Division and the Mauritius Offshore Business Activities Authority (MOBAA) in 2001.

The FSC Mauritius has since, evolved into a mature regulatory and supervisory authority, which regulates, monitors, and supervises the conduct of business
activities in the financial services sector, namely the funds industry, the insurance & pension, capital market, fintech sectors and global business.

The second aspect, it’s our approach to supervision which is some way unique to our jurisdiction. In Mauritius, we have the two tiered supervision system: in line with the Financial Services Act, where we have the concept of management companies which are responsible to set up, administer, manage, and provide nominee and other services to companies which propose to hold a Global Business Licence, an Authorised Company; and to act as corporate trustee or qualified trustee under the Trusts Act.

Management Companies are therefore the first line of defense in terms of their responsibilities under the Act. Thereafter, the FSC Mauritius has its own supervisory powers to supervise its licensees, as well as the management companies. This unique blend of delegated control and the Management Companies and retention of supervisory powers within the Commission gives the jurisdiction a unique selling point.

The third aspect which I like to bring to your attention is the breadth of products that are aligned with international best practices. The new ones include Variable Capital Companies, Virtual Assets Services Providers, Fintech Service Providers, Global Shared Services and family offices.
Evolution of the global financial services landscape

Strategic plan

Now let me come to the initial thread of my intervention. In order to keep pace with the market environment, recommendations of international standard setters, as well as regulatory and supervisory experience, we have developed our Strategic Plan to ensure the development of our sector base on nine pillars, namely to:

1. Develop Mauritius into a centre of excellence for cross-border finance, trade and investment;
2. Develop enabling legislation and regulatory frameworks;
3. Optimising organization performance;
4. Enforcement;
5. Risk Management and Financial Stability;
6. Looking to the future: Recruitment and Capacity Building;
7. Capitalising on New Technologies;
8. International Cooperation and Sharing of Information, and
9. Rethinking Communications and Financial Literacy.

Technology as enabler

While we have recognized Fintech to be one of our pillars of growth, we have recognized that, going forward, technology is going to be omnipresent, cutting across the different current traditional sectors. Whether it is in insurance, capital markets, and whether it is going to be with respect to the funds sector, all will be impacted by disruptive technologies.
**Our internal systems and processes**

In order to be able to compete in the future, we had to ensure that our internal processes are optimised and technology driven. And, on that score, over the past three years, we have intensively worked towards going paperless, towards going risk-based and towards ensuring that we have got systems, based on efficient data exchange, to carry out our licensing, supervision and enforcement actions.

**Fintech – pillar of future growth**

As already mentioned, we have developed Fintech as a pillar of future growth, and we have, we have interesting licenses such as security tokens, peer to peer lending and crowdfunding. Recognising the actual existence of transaction in Virtual Assets and the risks of Money Laundering though such activities, this act is in line with the FATF Rec 15 on New Technologies which has, as underscored by the Hon Minister, enabled us to reach compliance on all 40 recommendations of the FATF. We have also enacted the Virtual Assets Initial Token Offering Services Act, which is the regulatory framework for the development of virtual assets. In this respect the five different types of licenses that we offer are:

1. Virtual Asset Broker Dealer
2. Virtual Asset Wallet Services
3. Virtual Asset Custodian
4. Virtual Asset Advisory Services
5. Virtual Asset Market Place, and
6. Issuers of Initial Token Offerings.
We have also, at this stage given, issued license to six entities as of date. We have also not neglected our traditional forte, our traditional type of license base that we had, namely in the funds area. Another new product in this space is the Variable Capital Companies, which was recently introduced. In addition, in 2021, we introduced the issued the Securities (Real Estate Investment Trust) Rules 2021 (REIT Rules), which provides for a comprehensive regulatory framework for the operation of a REIT in Mauritius.

With respect to the Insurance sector, we are establishing a regulatory framework for reinsurance, one that sets Mauritius as the jurisdiction of choice for reinsurers to domicile and also attract African insurance business. The FSC is finalising the regulations on third party captives and we are working towards the Equivalence with South Africa’s Solvency Asset Management ("SAM") Framework for the benefit of Mauritian global business sector conducting reinsurance business with South African-domiciled insurance companies.

A. Turnaround Time

With a view to further improving our processes and reducing the turnaround times between the time an application is submitted and the time that we grant a license, we have recently come up with a new processing system, whereby we allow the management companies to actually provide the necessary information and we therefore, lean on the management companies to conduct their due diligence, which allows the FSC to ensure that applications to be processed swiftly.
With respect to the technology related applications we allow an in-principle approval once we are satisfied with the business plan and the verification of KYC and source of funds and require the independent IT service provider to submit the necessary certifications on the documents.

B. AML/CFT Supervision

We are engaging on all these fronts while still maintaining a sustainable AML/CFT framework. We have set up a robust risk based approach to supervision, which allows the FSC to execute its risk based supervisory plan through different supervisory engagements including on-site inspections, offsite reviews and thematic reviews to assess the level of compliance among the FSC licensed financial institutions.

To this effect, the FSC is able to carry out its supervisory engagement through the conduct of about 350 onsite inspections / 650 offsite reviews every year. The FSC also provides guidance and up-to-date information on ML/TF risks and obligations to its licensees with around 30 various outreach sessions every year. This has also allowed the FSC to take effective, proportionate and dissuasive sanctions to non-compliant licensees. To this effect, a number of show cause letters were issued, referrals made to the Enforcement and Settlement Committees or revocation of licenses as well.

As our risk based approach involves assessment of a large amount of dynamic data set, the FSC has launched in August 2021, the FSC One Platform. By leveraging on this advanced information system, the FSC is able to continuously collect both financial and non-financial data and build up a database of information to conduct
quantitative and qualitative analysis for a better holistic understanding of the risk profile of licensees.

**CONCLUSION**

On a concluding note, I would like to mention that as we celebrate this important milestone of the 30 years of the MIFC, as the integrated regulator for the non-bank financial services, the FSC’s focus remains the full-fledged supervision as well as improving and streamlining our licensing processes.

As beautifully laid down by Sir Charles Darwin, “the fittest survives” and the fittest is the one which can easily adapt to the changes in its environment. We have constantly adapted and evolved over the past.

The best years of our International Financial Centre are yet to come and it is, without doubt, that the next 30 years hold promises beyond imagination.