



Launch of a Framework governing the use of

Digital Signature

Welcome Address by

Mr Dhanesswurnath Thakoor

Chief Executive

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Honourable Mahen Kumar SEERUTTUN, Minister of Financial Services and Good Governance;

Honourable Deepak BALGOBIN, Minister of Information Technology, Communication and Innovation;

Mr Mardayah KONA YERUKUNONDU, Chairperson of the Financial Services Commission and First Deputy Governor of the Bank of Mauritius;

Mr Rajeshsharma RAMLOLL, Senior Counsel, Solicitor General and Vice Chairperson of the Financial Services Commission;

Mr Sarwansingh PURMESSUR, Permanent Secretary of the Ministry of Financial Services and Good Governance and Board member of the Financial Services Commission;

Miss Marie Joëlle Sandrine VALERE, Permanent Secretary of the Ministry of Information Technology, Communication and Innovation;

Board members of the Financial Services Commission;

Prof. Theesan BAHORUN, G.O.S.K., Executive Director, Mauritius Research and Innovation Council;

Representatives from Ministries;

Captains of the Industry;

Members of the Press;

Distinguished Guests, including those following us virtually;

Ladies and Gentlemen;

All protocols observed;

Good afternoon to you all.

It's indeed such a pleasure and moment of pride to welcome you all to this event. For once, let me start by a quote from Marcel Proust, the famous French novelist, who said [I quote] *"The real act of discovery consists not in finding new lands, but in seeing with new eyes"* [End of Quote]. It is with this philosophy that I am going to present the purpose of today's event – the framework governing the use of digital signature in the financial services – revisiting how we are going to adopt digital signature as a *de facto* means for document validation and authentication, at par, and with the same legal validity as that of wet ink signatures.

But before we dwell a bit further on the topic, let us reflect why are we launching this new framework. As it goes with all new processes that are introduced, especially those aimed at supplementing or replacing an existing process, I always invite people to ask the following three questions:

1. First, what is the problem we are trying to solve?
2. Second, to what extent the new process is more practical and business friendly?
3. And third, what are the performance indicators that will allow us, at a time in future, to measure the success of the new adoption?

So let us take the first issue, that is **"What problem we are trying to solve?"**

Dear Audience,

If we have a look at the wordings of the laws defining our activities, we see that the legislators had in mind a physical model of the institutions and the operations thereof. We have traditionally operated in a world where face-to-face interactions and the flow of physical documents were a given. It was an era marked by predictability. The Covid-19 pandemic blew up this model. In the blink of an eye, the very process we had relied upon became incredibly difficult, if not, impossible to carry out. Lockdown measures restricted our movements, rendered in-person meetings unsafe, and disrupted international courier

services. It was a time when the traditional approach to document handling hit an unexpected obstacle.

Transmitting documents was never a problem, the issue was the trusting the source and the legal validity of the accepted document. And here we are referring to the cornerstone of financial services: the Signature, or that element of a letter or contract that allows another party to trust the document.

Here comes our problem statement: *to accept and trust documents electronically from multiple sources with the same legal validity as that of traditional documents.*

Ladies and gentlemen, then comes the second part of my earlier reflection: **how do we implement a business-friendly solution.**

There are multiple ways of digitally signing a document. The most common one is the use of a Certificate Authority or CA for short like the MauSign CA we have in Mauritius. CAs issue digital certificates that can be used to sign a document being sent to the party which has caused the digital certificate to be issued. For example, if an SME is registered with an Office, then it can apply for its MauSign digital signature certificate that may be used to sign and send documents to that Office, with only that Office being able to unequivocally assert trust and verify authenticity. In other words, this mode of operation requires pre-enrollment of participants within a restricted trust domain and it serves its specific purposes effectively. However, entities that are not part of this ecosystem may face challenges in creating digital signatures that can be autonomously and independently validated by globally trusted root Certificate Authorities.

In the context of International Financial business, which is multi-party and cross border, such arrangements are not practical and therefore not business friendly. We had to think about a solution that would leverage what is already being used, and provide multi-lateral

authentication and validation at international level. In other words, a document signed by a person in Norway for instance, using of course an internationally recognised document signing system could be seamlessly sent to Mauritius and the document's authenticity, the signatory's details, date and time-stamping etc verified instantly and beyond reasonable doubt. Such internationally recognised digital signing systems are called "Digital signature platforms", which build upon the foundation established by Certificate Authorities. They excel in the ability to efficiently streamline the document-signing process, ensuring a seamless blend of security and efficiency, even within the context of a globally distributed environment.

During our recent mission to Washington, ladies and gentlemen, several operators urged us to rapidly recognise digitally signed documents. So, there is an expectation from the industry. In response to these demands, we have meticulously crafted comprehensive guidelines that are highly contextualized and adapted, with the goal of striking the perfect balance between the security, trust, and user experience of digital signatures offered by digital signature platforms.

Ladies and gentlemen, I would also like to highlight that our guidelines require users to enable Long-Term Validation or "LTV", whereby the sign-time status is captured and stored inside the PDF document. This verification certificate remains in the file itself so that the validity can be determined even at some later date regardless of whether the certificate is expired, been revoked or the issuing authority no longer exists. Another crucial element of the proposed framework is the legal validity of the signed documents. Our guidelines are issued under the Electronic Transactions Act and therefore bear legal force and documents signed in accordance with these guidelines will be admissible in Court. We are therefore confident of adopting a system which is the international best practice.

Now, let's turn our attention to the third question of my initial reflection: **the KPIs that will help us determine success of our solution.**

The adoption of digital signatures will represent a transformative leap in streamlining financial processing. We will therefore keep a watch on

- i. the reduced paperwork,
- ii. the trimmed cost overheads, and
- iii. Reduced turnaround times,

Ladies and gentlemen,

FSC's decision to fully support the use of digital signatures signals our preparedness to adapt and evolve, thus keeping up with international trends. As an innovation, I have no doubt that this will contribute to further improve the ranking of Mauritius in the Global Financial Centre Index in its next release. I must share that, since we engaged the services of Z/Yen to help us improve our ranking on this index, one year ago, we have already gained 24 places, moving from 92nd to 68th.

We all agree that the success of a project lies in its acceptance among the users. For this project, together with the release of the guidelines, we are immediately after this event publishing FAQs and tutorial-style videos. These resources are designed to facilitate the understanding of the guidelines, particularly focusing on the technical aspects, and to dispel any doubts or questions that might arise along the way. Our aim is to ensure that everyone is equipped with all the necessary tools and knowledge to embrace this technology. I make an appeal to all our licensees to ensure that the training videos and tutorials are rapidly tinkled down to the end users as soon as possible so that henceforth, paper-based documents become the exception rather than the norm.

As I close my intervention, I would like you to reflect on this statement from Charles Darwin [I quote] *“In the long history of humankind (and animal kind too) those who learned to collaborate and improvise most effectively have prevailed”*. [End of Quote]

Thank you for being a part of this transformative moment.

Mr Dhanesswurnath Thakoor

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