



**Financial Services Commission
Mauritius**

Broadcast of the interview of a director of a Management Company

Following the recent press article published in The Guardian newspaper of 25 November 2012 and the interview broadcast on BBC Panorama Programme on 26 November 2012 of a director of a Management Company licensed by the Financial Services Commission ('FSC'), the Commission received a request for additional information from an individual whose identity was not disclosed.

It is not in our policy to reply to "unknown individuals", however, exceptionally, the FSC decided to respond to this request to explain the different regulatory and legal parameters available to ensure that its Licensees comply with requirements which are in line with international standards.

The FSC's response can be found below:

Thank you for your query regarding the FSC's licensing requirements. In fact, the FSC has a very rigorous licensing process. The requirements are designed to ensure international standards are met including areas such as know-your-client, the prevention of money laundering, terrorist financing and tax evasion.

As part of the process, applicants for a Management Licence are required to submit the following to ensure that officers and directors are fit and proper:

- CVs of senior officers and Personal Questionnaire Form(s) for Directors, Managing Director/CEO, Compliance Officer, MLRO and Deputy MLRO. This information allows the FSC to ensure that officers and directors are fit and proper.
- Submit information about the relevant competence/experience of its Directors/Senior Officers in Company and Trust formation, Administration and Management. In the event that the Directors/Senior Officers also hold employment in another institution/company/professional activity, they should disclose, and provide details as to how they will avoid any potential conflict of interest.
- The directors, shareholders and officers of the Applicant may be required to submit a morality certificate.

Full details must also be disclosed on substantial shareholders and ultimate beneficial owners.

Applicants are also required to submit the following:

- Business plan
- Confirmation that the applicant shall implement a manual of internal control and compliance procedures, once it is licensed/authorized
- Details of the arrangements to be put in place with respect to the day-to-day administration and management.
- Applicant must undertake that it will have a duty of compliance to fulfill vis-à-vis the FSC with regard to clients' network and operations, and any infringement thereto must be forthwith notified to the Commission. It has to undertake furthermore that it will, at all times, ensure that the 'Four-Eyes Principle' is adhered to in the conduct of its business.

You can find more detailed information at the link below:

<http://www.fscmauritius.org/media/76940/codifiedlist05Nov2012.htm#fs3.1a>.

As a point of technical clarification, the company you mention is licensed as a management company. It is not licensed as a trust. Management Companies act as intermediaries between licensed global business companies and the FSC. Please refer to the Trust Act for information on the requirements for corporate trusteeship at the following link:

http://www.fscmauritius.org/media/61659/the_trusts_act_2001_amended_240811cc.pdf.

Kindly note the following points:

- In addition to licensing, the FSC actively supervises licensed companies through a risk-based framework. Our supervisory process has a number of elements to it including on-site inspections. The process is intended to ensure that the business of management companies are at all times in conformity with the stipulated conditions, norms of honourable conduct and with the laws of Mauritius as well as to ensure management companies are taking all reasonable measures and exercise due diligence to ensure that their clients are sound and reputable.
- When a serious allegation is brought to our attention, whether from the media or another source, the FSC investigates the matter.
- The FSC has enforcement powers including the power to revoke the licenses of management companies.

Regarding tax evasion, please note that this is illegal in Mauritius, and Mauritian authorities exchange information and cooperate with authorities in other jurisdictions in order to prevent such activities.

We trust you will find this information helpful and invite you to visit our website at <http://www.fscmauritius.org>. You will find information you may find of use such as our legislation and the number of MOUs the FSC has signed on information sharing. Again, thank you for your query, and please let us know if you require any further assistance.

*Financial Services Commission
03 December 2012*