OPERATIONS DIRECTORATE

ESG Social Goal:

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

FINANCIAL LITERACY AND CONSUMER PROTECTION

The Financial Services Fund (FSF) was established by the Commission under Section 68 of the FSA. According to Section 68(2) of the FSA, the funds of the FSF shall be used to promote the education of consumers of financial services. 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.

Information and media Campaigns

During the year under review, financial education campaigns were pursued through different media platforms. The objective is to sensitise various target audiences on the need to adopt the right reflexes when making financial decisions. Relevant financial literacy materials and information are published in the print media and are broadcasted on radio and television on a regular basis. These are posted on the FSC Mauritius and Harmoney websites and social media pages. Informative materials and games are also distributed to the public during various outreach sessions.

Competitions

A competition on 'sustainable finance' was launched in November 2023. 59 entries were received, and winners had the opportunity to see their works displayed on a metro express train for a period of one year.

The Award Ceremony for the Hackathon was also held during the year under review. The 24-hour non-stop hackathon was organised in June and the award ceremony held in July 2024. It was opened to all developers, designers and tech enthusiasts, with the objective of creating innovative apps that promote financial literacy. 14 teams of three / four members competed for the development of a financial education game meant to promote financial education.

Outreach sessions and 'Ansam Avek CSU' initiative

The FSC Mauritius conducted various consumer outreach campaigns, including a campaign at the University of Technology Mauritius in January 2024. The campaign was eventually extended to other secondary and tertiary institutions. In line with the 'Ansam Avec Citizen Support Unit' initiative of the Prime Minister's Office, the Commission reaches out to the population in different areas of Mauritius through dedicated information stands.

Financial Literacy Week in Rodrigues

A Financial Literacy Week was organised in Rodrigues Island from 28 February to 04 March 2024. In addition, sessions were held in schools where information on the financial services sector was provided along with study and career prospects.

FINANCIAL LITERACY AND CONSUMER PROTECTION

Regional and International involvement

Since February 2024, the FSC Mauritius is a member of the Alliance for Financial Inclusion, a member-owned network which is the world's leading organisation on financial inclusion policy and regulation.

METX Event

The FSC Mauritius participated in the Mauritius Emerging Technologies Exhibition Event from 09 to 12 May 2024. The event showcased the latest developments in the Fintech and AI sector related to financial services at regulatory level.

FINANCIAL STABILITY & STATISTICS

Financial Stability

In accordance with Section 5(e) of the FSA, one of the objectives of the FSC Mauritius is to ensure the soundness and stability of the financial system in Mauritius, in collaboration with the Central Bank. In this respect, this mandate is discharged under the Working Group for financial stability set up under the BoM / FSC Joint Coordination Committee (JCC). The FSC Mauritius closely monitors risks and possible deficiencies emanating from the non-bank financial sector and global business and findings are reported on a semi-annual basis in the Financial Stability Report of the BoM.

Statistics

Section 6(j) of the FSA empowers the Commission to "collect, compile, publish and disseminate statistics in respect of the financial services and global business sectors".

FSC Mauritius Annual Statistical Bulletin 2023

The Commission prepares and publishes on a yearly basis the FSC Mauritius Annual Statistical Bulletin on its website, which provides statistics on the sectors under its purview.

Implementation of Surveys

The FSC Mauritius administers several surveys to its licensees as per requirements of international data standards namely, the IMF SDDS. These surveys also address the need for dissemination of information in the financial services sector. According to Section 7 (2) of the FSA, the FSC Mauritius through the Online Data Capture System (ODCS) has been conducting quarterly, bi-annual and annual surveys. The primary focus remains on the quality of data. Details about surveys conducted by the FSC Mauritius for the period under review has been summarised in the table below:

Table 27: List of surveys

Survey	Details
IMF Monetary and Financial Statistics (IMF MFS) Survey	The IMF MFS survey is implemented by the BoM / FSC JCC as part of IMF's SDDS requirements. The quarterly survey is segregated into GBCs and Domestic categories for enhanced visibility of figures. Regular investigation exercises are carried out to improve the quality of data. In the same vein, the Working Group on Statistics availed of a TA mission from the IMF's Statistics Department in March 2024 as a follow up to the previous mission in October 2022.
External Sector Statistics and National Accounts (ESSNAC) Survey	The ESSNAC survey is an annual survey which 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.
Exchange of Sector Information on Securities' Issuers (ESI)	The FSC Mauritius launched the bi-annual ESI survey to collect data on the International Securities Identification Number (ISIN) code for securities issued by 28 participating countries. The aim of the survey is to establish a centralised database on portfolio investments securities. During the period under review, 196 entities participated in the survey and around 1,500 ISIN codes were compiled.
Employment Survey 2023	The Employment Survey is carried out on a semi-annual basis. The main objective of this exercise is to collect 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 termination, resignation, retirements, and new recruits.

FINANCIAL STABILITY & STATISTICS

Membership of the Committees

Financial stability remains of utmost concern to both BoM and the FSC Mauritius, given the continuous challenges and developments in the current economic environment. In that respect, both regulators have strengthened collaboration through different working groups and committees, to ease the process of effective consolidated supervision on the financial system.

The Commission also collaborates with other key stakeholders of the financial services sector. The table below outlines the membership of the FSC Mauritius on various working groups, committees and boards.

Table 28: Committees and Working Groups

S/N	Names of Committees / Working Groups
1	*Financial Stability Committee* The Chief Executive of the Commission is a member of the Financial Stability Committee, which is chaired by the MOFEPD. The committee regularly reviews and ensures the soundness and stability of the financial system.
2	*BoM / FSC Mauritius JCC* In view of the ongoing changes in the financial services industry, the BoM and FSC Mauritius collaborate closely for the overall supervision of the financial sector. Different working groups have been established, including that on Financial Stability and on Statistics.
3	*Joint BoM / FSC Working Group on Financial Stability (FSWG)* The FSWG, established under the BoM / FSC JCC, has objectives to share knowledge and information. This working group has implemented several task forces, one of which is mandated to prepare a framework for the identification and monitoring of exposures emanating from the GB sector to the financial system and the economy at large.
4	*Joint BoM / FSC Working Group on Statistics (WGS)* The WGS is established under the BoM / FSC JCC, with the aim to collect and disseminate statistical data as per legal requirements and the commitment of Mauritius to adhere to the IMF SDDS.
5	*Working Group BoM / Statistics Mauritius / FSC Mauritius* This working groups consists of BoM, Statistics Mauritius and FSC Mauritius with the aim to facilitate sharing of information between the three organisations.
6	*MRA / FSC Mauritius JCC* The JCC between the MRA and the FSC Mauritius ensures effective exchange of information between the two authorities.
7	*Statistics Board* FSC Mauritius is a co-opted member of the Statistics Board, which is responsible for providing guidance on statistical matters to the Minister of Finance, Economic Planning and Development and other producers of official statistics.

COMMUNICATIONS

During the year under review, the FSC Mauritius was actively engaged in the implementation of its communication's plan and strategy. Relevant information was channelled to stakeholders of the industry in a timely manner through effective communication and transparency while ensuring that the Commission's overall objectives are attained.

Stakeholder Relations

The FSC Mauritius has ensured factual reporting by publishing up-to-date corporate information in local and international business directories through interviews, advertorials and other forms of contents reinforcing the visibility of the Commission as a forward-looking regulator.

The Commission was involved in targeted public relations initiatives and collaborated with other entities through roadshows, conferences, seminars, workshops and other outreach programmes in view of further strengthening the role of the Commission as a key stakeholder in the financial services sector. Likewise, a proactive approach towards media relation was maintained, resulting in extensive coverage across various platforms including print, broadcast and online media.

The FSC Mauritius regularly disseminates information to its stakeholders and the public through, inter alia, Communiqués, Press Releases, Circulars, Investor Alerts, Public Notices and Reports. These are also published on its website, social media platforms and local newspapers, where appropriate. Appendix 5 provides a list of publications issued during the year 2023/24.

Local and international news, which cut across the financial services sector, are reviewed and monitored daily to ensure that the Commission remains abreast of all relevant developments. In the event of a crisis, it has a determining role in triggering its crisis management plan so as to mitigate the negative impact on the FSC Mauritius.

COMMUNICATIONS

E-Newsletter

The quarterly e-Newsletter highlights major developments, regulatory changes, news, events and initiatives of the Commission. It is sent to its employees and subscribers and is available online.

ADMINISTRATION & ENTERPRISE RISK

The AER cluster is responsible to oversee services and processes that underpin the core operations of FSC Mauritius by ensuring a secure and healthy workplace for FSC Mauritius staff and embracing green technology. AER has revamped its procedures for day-to-day administrative tasks, facilities management, and procurement, aiming to enhance efficiency through effective management systems.

Facilities Management

The Facilities Management unit guarantees proper space allocation, functional public utilities building efficiency, fire safety norms in compliance with the Occupational Safety and Health Act 2005, ensures operation ability of passenger lifts and access doors, make sure that office areas are properly ventilated (air conditioning units and fresh air systems), along with proper follow up on routine maintenance. Facilities Management is a valuable partner for conducive work environment free of hazard and risks that can impact on our well-being and operations.

Fixed Asset Register

The Fixed Asset Register (FAR) is a comprehensive Oracle-based ERP module that keeps track of all assets acquired at the Commission, ensuring proper control and preventing asset misappropriation. The objective of this exercise is to guarantee the accuracy of the FAR records from the viewpoints of internal controls and asset management. Any outdated or damaged asset is being disposed of in accordance with established protocols and the FAR is updated with accurate accounting records. As disasters are unpredictable and can be financially devastating and severely disrupt operations, the Commission has insured its assets under various coverage to thwart its financial risk and lessen its exposure to liabilities.

Procurement

The procurement process at the FSC Mauritius is governed by the Public Procurement Act 2006, Public Procurement Regulations 2008 and Directives and Circulars issued by the Procurement Policy Office. The centralized Procurement Unit, which undergoes both internal and external audits, is tasked with the implementation and administration of the procurement processes. The procurement strategy is driven by the principles of value for money, transparency and fair competition by maximising participation of bidders and providing equal opportunity to SMEs. During the year 2023/2024, a total of 125 bidding exercises were conducted. The integration of the Government e-Procurement System has reinforced the procurement activities, making them more efficient and transparent.

The FSC Mauritius is committed to fulfilling all disclosure requirements, which include:

- Submission of an annual procurement plan to the Procurement Policy Office;
- Submission of return on procurement activities to the Procurement Policy Office;
- Notification of award of contract; and
- Responding to queries and debriefing requests in a timely manner.

ADMINISTRATION & ENTERPRISE RISK

Scanning / Registry / Archive

The Scanning unit and the Registry unit contribute to achieve an efficient data management system at FSC Mauritius. The Scanning unit deals with the digitalization of all incoming documents received in hard copies for distribution to the different clusters while the Registry is responsible for the safekeeping of all hard copies in a systematic way for easy retrieval. The processes at these units have been enhanced to meet the changing needs of FSC Mauritius.

Event Management

It is the responsibility of AER to provide logistical support for smooth running of events organised by FSC Mauritius as per established procedures. Events are conducted in a cost-effective way by capitalising on our in-house resources.

INFORMATION TECHNOLOGY

The IT Cluster has embarked on multiple strategic initiatives to modernise its core systems while addressing both current needs and future challenges. These include enhancing the core Microsoft server platforms to fortify security and reliability, implementing advanced web application firewall solutions to protect against cyber threats, and upgrading endpoint protection to defend against sophisticated cyber-attacks. In this context, the FSC Mauritius has invested in physical server hardware to support increased virtual environment capacity, ensuring scalability and robust performance. In addition, the FSC One Platform has been fine-tuned based on user feedback to enhance functionalities and improve user experience.

Web Application Firewalling solution implementation

The FSC Mauritius has implemented a web application firewalling solution to enhance the security and protection of its web applications against various cyber threats and ensure the confidentiality, integrity, and availability of the concerned systems.

Endpoint protection

In order to ensure a robust and proactive defence against sophisticated cyber threats, the FSC Mauritius has replaced its existing endpoint protection with a more advanced and integrated security solution. The new solution secures all sensitive endpoints, offering advanced threat protection capabilities, centralised management, and data protection features.

Physical server hardware upgrades for enhanced virtual environment capacity

During the year under review, the FSC Mauritius has undertaken significant upgrades to its physical server hardware to support increased capacity for its virtual environment. As such, the Commission has significantly bolstered its ability to handle higher workloads and ensure seamless performance for its virtualised systems.

Workshop on FSC One Platform

With the view of encouraging operators in the financial services sector to avail themselves on the digitalisation process enforced by the Commission through the FSC Platform, a workshop has been conducted for representatives of management companies in May 2024. This provided an interactive and fruitful forum for the attendees to express their feedback, queries and suggestions while, at the same time, having a refresher overview of the key features of the platform.

Renewal of Annual Fees

Using the Renewal module, licensees are able to renew their licenses with the Commission and pay their annual fees online, as well as the fees of their clients, through automatic payment instructions or deposit accounts. Online payment for late charges has also been implemented according to the prevailing fee rules.

AML/CFT module - RBS

Offsite monitoring questionnaires are now being launched through the FSC One Platform, offering licensees the convenience of completing and submitting them online. This facilitates better survey management and ensures timely responses.

PROJECT OFFICE

The Project Office has the responsibility of reporting projects of the Commission, to ensure timely delivery. On a monthly basis, a comprehensive report providing essential updates for each project is provided to Senior Management, contributing to informed decision-making and sustained progress. In the event of any deviation or issue, remedial actions are identified, and necessary measures are recommended.

It played a crucial role as the liaison point between the Commission, the MOFEPD and the MFSGG for the evaluation of proposals related to the National Budget 2024/25 and the Project Implementation & Monitoring Agency (established by the MOFEPD). Moreover, the Project Office facilitated meaningful communication between the Commission and other key stakeholders within the financial industry, providing the Commission's valuable insights and perspectives on their proposals.

During the year under review, the Project Office organised a round-table pre-budget meeting with key stakeholders in the financial industry, which also served as a platform for the Commission to redefine its future strategic objectives.

Business Continuity Management System

In line with its dedication to sound corporate governance, the Commission upholds a comprehensive business continuity management system, based on industry best practices. This system strengthens operational resilience and enables prompt responses during unexpected challenges. It protects the interests of FSC Mauritius, its employees, stakeholders, reputation, brand, and value-generating activities.

HIGHLIGHTS FOR THE YEAR 2023/24

STATISTICS: YEARLY HIGHLIGHTS

Table 29: Main contributors to the economy of Mauritius

Job Family	2022		2023*		2024**	
	GVA	GR	GVA	GR	GVA	GR
Financial and Insurance Activities	**13.5**	**4.2**	**13.8**	**4.3**	**13.4**	**4.8**
Monetary Intermediation	*7.0*	*4.5*	*7.6*	*4.9*	*7.3*	*5.5*
Financial Leasing and other credit granting	*0.6*	*4.5*	*0.7*	*3.5*	*0.6*	*4.5*
Insurance, reinsurance and pension	*2.1*	*4.1*	*1.9*	*4.8*	*1.8*	*4.9*
Other	*3.8*	*3.8*	*3.7*	*3.0*	*3.6*	*3.5*
Manufacturing	**13.5**	**9.1**	**12.7**	**2.1**	**12.4**	**3.3**
Wholesale & retail trade; repair of motor vehicles and motorcycles	**11.4**	**3.0**	**11.0**	**3.6**	**10.8**	**3.8**
of which: Wholesale and retail trade	*10.9*	*3.0*	*10.6*	*3.5*	*10.3*	*3.8*

Source: Statistics Mauritius National Accounts June 2024 issue

** Revised* *** Forecast*

GVA: Gross Value Added *GR: Growth Rate*

The GDP at market prices in 2024 is forecasted to grow by 6.5%, compared to 7.0% in 2023 and the GVA at basic prices in 2024 is expected to grow by 6.5%, followed by a high growth of 7.0% in 2023. The key contributors to the 6.5% growth is attributed to the industries, namely Construction, Accommodation and food service activities; Financial and insurance activities, Wholesale & retail trade; repair of motor vehicles and motorcycles and Manufacturing followed by Transportation and storage.

With respect to the financial services sector, the latter has become one of the main pillars of the Mauritian economy, contributing 13.4% of the GDP with a growth rate of 4.8% estimated for the year 2024. The sector consists of several sub-sectors including monetary intermediation, financial leasing and other credit granting, Insurance, reinsurance and pension and others. As per Statistics Mauritius, employment in the financial services sector stood at 15,298 as at 31 March 2023.

Table 30: Contribution of the GB sector to the economy of Mauritius

Financial and Insurance Activities	2022		2023*		2024**	
	GVA	GR	GVA	GR	GVA	GR
Global Business sector***	8.4	3.3	8.2	3.9	7.9	3.4

Source: Statistics Mauritius National Accounts June 2024 issue

** Revised* ***Forecast*

GVA: Gross Value Added *GR: Growth Rate*

**** The Global Business sector includes activities of GBCs and services purchased by the GBCs from local enterprises (e.g. management, accounting, auditing, legal, advertising, real estate, banking, etc.).*

The contribution of the GB sector to the GDP of Mauritius is forecasted at 8.5% in 2023 and has produced a year-on-year growth of 3.7% as compared to 3.3% in the year 2022. It is important to note that the latter sector plays an important role in the creation of employment, contribution to the GDP and balance of payments, among others.

HIGHLIGHTS FOR THE YEAR 2023/24

Table 31: Direct employment level by licensees as at 31 December

Direct Employment Level by FSC Licensees		
Licence Category	**2023**	**%**
DOMESTIC		
Pension Scheme Administrator	*143*	*1*
Registrar and Transfer Agent	*51*	-
Treasury Management & Investment Banking	*155*	*1*
Credit Finance & Factoring	*85*	*1*
Leasing	*1,179*	*11*
Long Term Insurance Business	*898*	*8*
General Insurance Business	*1,814*	*16*
Insurance Broker	*416*	*4*
Investment Dealer	*57*	*1*
Investment Adviser	*180*	*2*
Custodian Services (CIS & Non -CIS)	-	-
CIS Manager	*168*	*2*
Payment Intermediary Services	-	-
Stock Markets and Providers of Market Infrastructure	*39*	-
Other	*205*	*2*
TOTAL	**5,390**	**49**
CORPORATE & TRUST SERVICE PROVIDERS		
Management Company & Corporate Trustees	*5,630*	*51*
OVERALL TOTAL	**11,020**	**100**

The above table provides a snapshot on the employment level under various distinct licence categories falling under the purview of the FSC Mauritius. The domestic sector accounted for 49% of employment level and that of Corporate & Trust Service Providers stood at 51%. Corporate & Trust Services Providers have witnessed a growth of 8% from 5,224 in December 2022 to 5,630 for the same reporting period in 2023. The domestic category 'Other' includes now a new activity which is the 'Family Office'.

Table 32: Employment movement in December 2023

Category	Local						Expatriate						Total
	Managerial		Technical		Support		Managerial		Technical		Support		
	M	F	M	F	M	F	M	F	M	F	M	F	
Employment as at 30 Jun 23	1,035	711	1,852	3,716	1,033	2,150	74	23	33	25	5	6	**10,663**
New Recruits from outside Financial Services Sector 1	14	12	74	128	39	102	3	-	2	1	1	1	**377**
New Recruits within Financial Service Sector 2	71	45	164	335	37	64	2	1	1	2	-	1	**723**
New Recruits who were unemployed 3	1	3	72	207	39	50	2	-	20	7	-	1	**402**
Resignation / Retirement / Termination of contract / Decease 4	57	60	269	468	113	228	10	1	11	4	-	3	**1,224**
Other / Closure of company 5	33	31	(10)	12	(6)	12	-	-	5	1	-	-	**78**
Employment as at 31 Dec 2023	**1,097**	**742**	**1,886**	**3,930**	**1,027**	**2,150**	**71**	**23**	**50**	**32**	**6**	**6**	**11,020**
No. of temporary staff with a contract of 1 year or less	4	-	14	31	12	19	-	-	1	1	-	1	**83**
No. of temporary staff with a contract of > 1 year	2	4	12	28	-	5	1	-	-	-	-	-	**52**
Total	**6**	**4**	**26**	**59**	**12**	**24**	**1**	**0**	**1**	**1**	**0**	**1**	**135**

M: Male F: Female

The above table illustrates data on the number of new recruits standing to 1,502 as at 31 December 2023. The number of employees falling under the category 'Other' has been subjected to a substantial increase from 40 as at 31 December 2022 to 78 as at end December 2023. Lastly, the number of terminations has further increased from 1,174 to 1,224 as at December 2023.

HIGHLIGHTS FOR THE YEAR 2023/24

FINANCIAL HIGHLIGHTS

Below is an analysis of the financial performance of the Commission for the financial year ended 30 June 2024 as compared to the previous year.

Table 33: Financial performance for the financial year ended 30 June 2024 compared to previous year

	2024	2023
	MUR million	MUR million
Income	**2,005**	**1,820**
Fees, late charges and other income	1,832	1,633
Administrative Penalties	173	187
Credit losses / (increase)	**(1)**	**-**
Operating expenses	**(860)**	**(683)**
Finance costs	**(15)**	**-**
Surplus of income over operating expenses	**1,129**	**1,137**
Exchange fluctuation (loss) / gain	(10)	66
Surplus for the year	**1,119**	**1,203**
Other comprehensive income	(180)	(37)
Surplus and other comprehensive income for the year	**939**	**1,166**

During the year 2024, surplus and other comprehensive income amounted to MUR 939 million representing a decrease of 19.47% as compared to 2023 (MUR 1,166 million).

In line with the requirements of the FSA, the Commission has provided MUR 879 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 2024 amounted to MUR 1.74 billion, representing an increase of 8.95% as compared to 2023. Fees from GB, Capital Market, Funds and Fund Intermediaries, and Authorised Companies were higher than last year, coupled with higher USD/MUR exchange rate.

Interest income was MUR 88.87 million as compared MUR 33.68 million in 2023 mainly on account of an increase 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.

On the other hand, income from administrative penalties decreased by 7.5% due to higher compliance rate by licensees, which can be attributed partly to the implementation of the FSC One Platform for filing of Accounts.

Expenses Review

Operating expenses (provision for credit losses excluded) for 2024 amounted to MUR 860 million comprising mainly of staff-related costs. Operating expenses increased by MUR 177 million compared to 2023, owing mainly to increase in staff related costs (MUR 123 million), trainings, seminars and events (MUR 8 million), office and administrative expenses (MUR 25 million), legal and professional fees (MUR 2 million), as well as depreciation charges (MUR 19 million).

Finance Costs consist of interest on lease liabilities, which has increased by MUR 15.52 million due to new lease agreement entered during the year.

Re-measurement of Defined Benefit Obligation

In line with the requirements of IAS 19 for employee benefits, an amount of MUR 180.38 million was credited to the re-measurement of defined benefit obligation for 2023 compared to MUR 37.12 million credited for 2023. 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 879 million towards the Consolidated Fund from the year's surplus, of which MUR 542 million had already been transferred as at 30 June 2024. Additionally, during the year under review, the balance amount of MUR 730 million has been transferred to the Consolidated Fund from the previous year's surplus.

Total contribution (paid and provided for) to the Consolidated Fund amounted to MUR 14,271 million since the financial year 2001, as follows:

Table 34: Contribution to Consolidated Fund

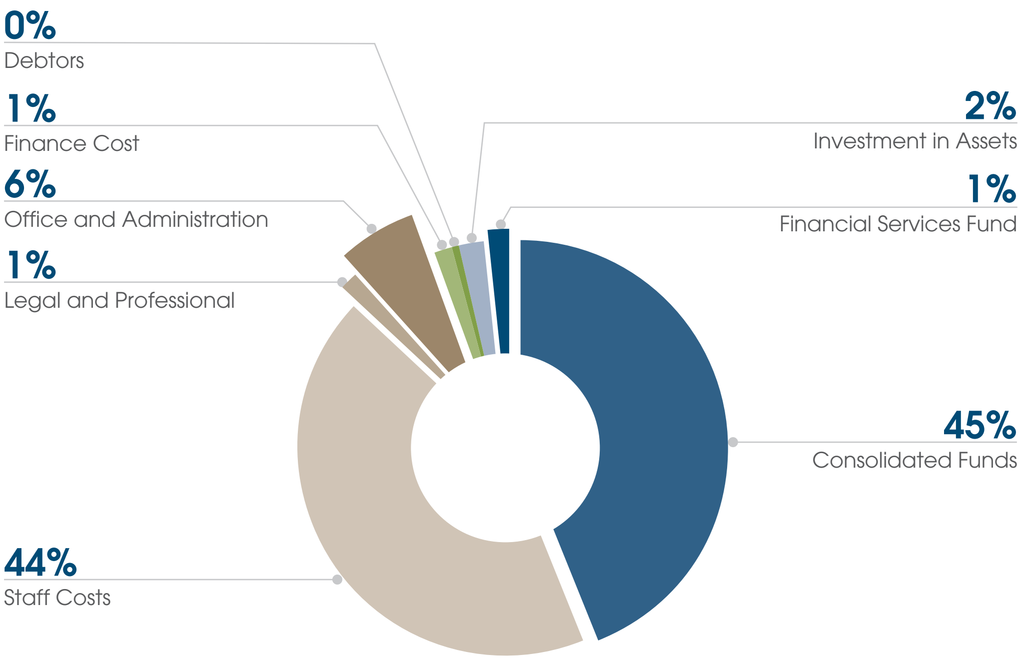
Year	MUR million
2001	N/A
2002	0
2003	100
2004	60
2005	70
2006	90
2007	90
2008	120
2009	140
2010	1,166
2011	496
2012	844
2013	979
2014	598
2015	715
2017	1,407
2018	849
2019	1,360
2020	867
2021	1,020
2022	1,364
2023	1,057
2024	879
TOTAL	**14,271**

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

HIGHLIGHTS FOR THE YEAR 2023/24

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

Chart 4: Value added pie chart for 2024



STATUTORY REPORTING

ESG Corporate Governance Goals :

Ensure sustainable consumption and production patterns.

REPORT OF THE AUDIT AND RISK COMMITTEE

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 2024. 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 2024, the independent non-executive Board members who served the Committee were:

Mr Premchand Mungar	- Chairperson
Mr Loveneesh Beedasy	- Member
Mr Ishwarlall Bonomaully	- Member (as from 06 September 2023)
Mr Mahess Rawoteea	- Member (up to 05 September 2023)

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 audited financial statements;
- 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 three 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.

REPORT OF THE AUDIT AND RISK COMMITTEE

Activities of the Audit and Risk Committee

A. Internal audit

The Audit and Risk Committee received and deliberated on 10 internal audit reports submitted by the internal auditor covering the following areas as per the approved internal audit plan:

(a) Financial management (including financial reporting and other financial assurance) and compliance reporting;

(b) Internal control and risk management assurance;

(c) Authorisation and supervision regulatory and operational reviews process; and

(d) Corporate activities.

B. Statutory auditor

Messr Chokshi & Chokshi LLP, Chartered Accountants from India, was re-appointed as the statutory auditor for the financial year ended 30 June 2024 following approval obtained by the Board and the Honorable Minister of Financial Services and Good Governance.

No non-audit services have been provided by the statutory auditor during the reporting period.

C. Risk Management

The FSC Mauritius is committed to the management of risks and recognises that effective risk management is fundamental to the achievement of its strategic objectives.

The Audit & Risk Committee obtained reasonable assurance through the Internal Audit cluster that the FSC Mauritius' risk management framework, internal control and governance process are adequate and functioning as intended.

D. Other key items

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

(a) the 2024 annual internal audit plan;

(b) the FSC Mauritius budget for the period 2024/2025;

(c) the statutory auditor's management letter points;

(d) implementation status of the recommendations made by the Committee; and

(e) risk management report.

E. Subsequent events

(a) New and revised International Financial Reporting Standards ('IFRS')

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 2023.

(b) Statutory reporting for the financial year ended 30 June 2024

The Committee considered the external auditor's report and the audited financial statements for the financial year ended 30 June 2024 prepared using appropriate accounting policies, estimates and judgements in accordance with the IFRS and relevant legal and regulatory requirements. The Committee discussed critical policies, judgments 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 2024.

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

Following deliberations on the audited accounts for the financial year ended 30 June 2024, the Committee recommended the audited financial statements to the Board for its approval. The Board subsequently approved the audited financial statements.

F. Outlook for 2025

The Audit & Risk Committee will continue to assist the Board in fulfilling its oversight responsibilities and review the financial reporting process, internal control and improving the risk management process and the process for monitoring compliance with laws, regulations, and governance.

Premchand Mungar
Chairperson

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

Corporate Governance Report for the period 01 July 2023 to 30 June 2024

The FSC Mauritius, a public interest entity as defined under the Financial Reporting Act and a statutory body pursuant to the Statutory Bodies (Accounts and Audit) Act, is required to report on corporate governance and to apply and explain all the principles enunciated in the National Code of Corporate Governance for Mauritius (the "Code").

The Board of the FSC Mauritius considers good governance practices to be of paramount importance.

Throughout the year ending 30 June 2024, 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.

Principle 1: Governance structure

Sound corporate governance practices are already laid out in the Financial Services Act ('FSA'). Section 4(2) of the FSA provides that:

The Board shall consist of –

(a) 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

(b) a Vice-Chairperson, and not more than 7 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.

Further, in accordance with section 9(5) of the FSA, the Chief Executive shall, unless otherwise directed by the Board, attend every meeting of the Board and may take part in its deliberations but shall not have the right to vote on any matter before the Board.

Additionally, 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 –

(a) disclose at or before the meeting convened to discuss that matter, the nature of his interest; and

(b) not take part in any deliberation or any decision-making process in relation to that matter.

The statutory objectives and functions of the FSC Mauritius are provided under sections 5 and 6 of the FSA respectively. In the pursuit of its objects, the FSC Mauritius is required to perform its functions independently in accordance with section 3(3) of the FSA.

Board Charter and Code of Ethics

The Board charter, referred to in Principle 1, defines the way in which the Board conducts its functions and specifies the allocation of responsibilities from the Board to its Committees and to management. The Charter also provides for succession planning, as well as a statement regarding assumption of responsibility for succession planning. Succession planning is addressed, where required, at the level of the parent ministry.

The Code of Ethics establishes, inter alia, the expected standards of conduct and ethics for Board Members and fosters a culture of honesty, accountability and appropriate mechanisms to report unethical conduct.

The Board Charter and Code of Ethics are assessed, discussed and reviewed at the level of the Corporate Governance Committee and any proposal considered is approved by the Board. The Board Charter and the Code of Ethics for Board members are available for reference on the website of the FSC Mauritius.

Organisational Chart

The organisational chart of the FSC Mauritius is published on its website and available in the Annual Report. The organisational chart and statement of accountabilities are approved by the Board.

Principles 2 & 3: The structure of the Board and its Committees and the appointment procedures

In accordance with the provisions of the FSA, the Chairperson of the Board is appointed by the Prime Minister and the Minister of Financial Services and Good Governance appoints the Vice-Chairperson, and not more than seven other members. In accordance with section 4(3) of the FSA, every member shall hold office for a period of three years and shall be eligible for reappointment.

For the period under review, the FSC Mauritius had a Board structure comprising of the following members, including the Chairperson:

- Mr M. Kona Yerukunondu, Chairperson
- Mr R. Ramloll, SC, Vice-Chairperson
- Mr P. Mungar, Member
- Mr S. Purmessur, Member (until 12 May 2024)
- Mr I. Bonomaully, Member *(Appointed on 06 September 2023)*
- Mr L. Beedasy, Member
- Mr M. Rawoteea, Member (until 05 September 2023)
- Ms M. J. G. Yerriah, Member
- Ms M. Rajabally, Member
- Ms P. Rampadarath, Member *(Appointed on 13 May 2024)*

It is to be noted that with effect from 13 May 2024, there were three women on the Board.

All Board members are Mauritian residents and have a diverse mix of skills and possess adequate knowledge in the field of business, finance, law and accounting.

For the reporting period, there were some Board members (including the Chairperson) who were independent from the Ministry. Their independence has been assessed within the parameters of the Code.

The profiles of the Board members are found at pages 17 to 20 of the annual report and on the website of the FSC Mauritius.

The Secretary to the Board is Mr R. Sokappadu. The latter holds a Bachelor of Arts degree in Economics. He was a Director, Economic and Finance at the Ministry of Finance, Economic Planning and Development. He has worked in the civil service for nearly 40 years. In additional to being a Board director on several parastatal bodies and public sector companies, he has also worked as short-term consultant for the Commonwealth Secretariat and the World Bank. He has been acting as secretary to the Board of FSC Mauritius since 2001.

Board Committees

The Board is supported by the following committees which consider and discuss matters which were then brought before the Board for its approval:

- Corporate Governance Committee;
- Audit and Risk Committee;

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

- Staff Committee;
- Legal Affairs Committee;
- Committee on Fintech matters;
- Waivers and Exemption Committee; and
- Application and Approval Committee.

The terms of reference of the above sub-committees are formally approved by the Board and are reviewed on a regular basis as and when required.

Corporate Governance Committee

The Corporate Governance Committee was chaired by Mr S. Purmessur and the other members were Mr P. Mungar and Mr R. Ramloll, SC.

On 20 June 2024, Ms P. Rampadarath was appointed as Chairperson of the Corporate Governance Committee in replacement of Mr S. Purmessur.

The main functions of the Corporate Governance Committee are to:

- recommend 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
- ensure 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.

For the period under review, the Corporate Governance Committee met once.

Audit and Risk Committee

The Audit and Risk Committee was chaired by Mr P. Mungar and the other members were Mr M. Rawoteea (until 05 September 2023) and Mr L. Beedasy.

On 21 September 2023, Mr I. Bonomaully was appointed as member of the Audit and Risk Committee in replacement of Mr M.Rawoteea.

The functions of the Audit and Risk Committee are to:

- monitor and review the integrity of the FSC Mauritius' financial statements and accounting policies;
- recommend for approval of the FSC Mauritius' audited financial statements;
- review with management and the external auditors the adequacy and compliance of internal control systems;
- monitor and review the internal audit function and consider regular reports from internal audit on internal financial controls, operations and risk management;
- consider the appointment of the external auditors, oversee the process for their selection and make recommendations to the Board in relation to their appointment;
- monitor and review the external auditors' independence, objectivity and effectiveness;
- oversee the operation of the policies on conflicts of interest; and
- ensure that recommendations from external and internal audit, as approved by the Audit and Risk Committee and the Board, are followed and implemented.

For the period under review, the Audit and Risk Committee met three times.

Staff Committee

The Staff Committee was chaired by Mr S. Purmessur and the other members were Ms G. Yerriah and Mr R. Ramloll, SC.

On 21 September 2023, Mr I. Bonomaully was appointed as Chairperson of the Staff Committee in replacement of Mr S. Purmessur.

The functions of the Staff Committee are to:

- ensure that the human capital remains the most valuable resource that drives the achievement of the FSC Mauritius' strategic objectives and performance;
- foster consistent, fair and equitable employee relations in the workplace; and
- define and monitor 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 the FSC Mauritius.

For the period under review, the Staff Committee met nine times.

Legal Affairs Committee

The Legal Affairs Committee was chaired by Mr R. Ramloll, SC and the other members were Ms G. Yerriah and Mr L. Beedasy.

The functions of the Legal Affairs Committee are to:

- assess and recommend to the Board, changes in existing regulatory framework and legislations and introduce new regulatory and legal frameworks; and
- monitor progress of complex cases or cases having a high impact on the FSC Mauritius or the jurisdiction.

For the period under review, the Legal Affairs Committee met seven times.

Committee on Fintech matters

The Committee on Fintech matters was chaired by Ms M. Rajabally and the other members were Ms G. Yerriah and Mr L. Beedasy.

The functions of the Committee on Fintech matters are to:

- advise the Board and Chief Executive of the FSC Mauritius on Fintech matters;
- monitor the implementation of Fintech initiatives following National Budgets; and
- recommend to the Board the granting of the Regulatory Sandbox Authorisation on the basis of merits of applications.

For the period under review, the Committee on Fintech matters met three times.

Application and Approval Committee

The Application and Approval Committee was composed as follows:

- Mr M. Rawoteea, Chairperson (up to 05 September 2023);
- Ms M.Rajabally, Chairperson (as from 21 September 2023);
- Mr S. Purmessur, member (up to 12 May 2024);

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

- Mr I. Bonomaully, member (as from 21 September 2023); and
- Ms P. Rampadarath, member (as from 20 June 2024).

The function of the Application and Approval Committee is to assess and recommend to the Board the approval of licences for Investment Banking, new Exchanges, Payment Intermediary Services and any other applications as may be recommended by the Board.

For the period under review, the Application and Approval Committee met 13 times.

Waivers and Exemption Committee

The Waivers and Exemption Committee was chaired by Ms G. Yerriah and the other members were Ms M. Rajabally and Mr P. Mungar.

The function of the Waivers and Exemption Committee is to assess and recommend to the Board the consideration of requests from licensees for exemption from regulatory requirements and requirements imposed by FSC Rules.

For the period under review, the Waivers and Exemption Committee met eight times.

The Chief Executive

The Chief Executive, appointed by the Board of the FSC Mauritius, with the approval of the Minister, 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. The Chief Executive is an ex-officio member, but he does not have the right to vote and can be directed not to attend Board meetings by the Board.

Principle 4: Duties, remuneration and performance

Pursuant to section 8(1) of the FSA, Board meetings are held as often as is necessary but not less than once every month. At any meeting of the Board, five members shall constitute a quorum. For specific matters, senior members of the management team are also invited to be in attendance to provide any clarifications required by the Board.

The table below provides information on the attendance of the members of the Board at the Board meetings and the different Committees' meetings:

Board Members	Board meetings	Corporate Governance Committee	Audit & Risk Committee	Staff Committee	Legal Affairs Committee	Committee on Fintech matters	Waivers & Exemption Committee	Application & Approval Committee
Number of meetings held during the year	14	1	3	9	7	3	8	13
Mr M. Kona Yerukunondu	14	-	-	-	-	-	-	-
Mr R. Ramloll, SC	12	1	-	6	7	-	-	-
Mr P. Mungar	13	1	3	-	-	-	5	-
Mr S. Purmessur	7/10	1	-	2/2	-	-	-	10
Mr I. Bonomaully	7/12	-	1/1	7/7	-	-	-	9/10
Mr L. Beedasy	13	-	3	-	7	2	-	-
Mr M. Rawoteea	2/2	-	2/2	-	-	-	-	2/2
Ms M. J. G. Yerriah	14	-	-	9	7	2	8	-
Ms M. Rajabally	11	-	-	-	-	3	5	13
Ms P. Rampadarath	4/4	-	-	-	-	-	-	-

Training of Board members

During the period under review, Board members attended capacity building programmes organised under the aegis of the FSC's Regional Centre of Excellence.

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

Disclosure of interests for the reporting period

The disclosure of interests of Board members, as required under section 84 of the FSA, is recorded in the minutes of the Board or Committee as the case may be. The FSC Mauritius maintains a register of interests of Board members.

Board Evaluation

The FSC Mauritius is an independent regulator. Attendance to Board meetings by Board members are published in the corporate governance report.

Board Remuneration

Pursuant to section 4(4) of the FSA, every Board member is paid by the FSC Mauritius such fees as the Board may, with the approval of the Minister, determine. In addition, Board members who are also members of the Committees of the FSC Mauritius were paid specific fees.

The Board members' remunerations for the reporting period 30 June 2024 are provided at page 194 of the Annual Report.

Assistance to the Board

The Secretary to the Board ensures that all Board members receive accurate, timely and clear information. He provides support to the Board members and ensures that all relevant documents are sent to each Board member prior to each meeting. Following each meeting of the Board and the Committee, the Secretary to the Board prepares the minutes of proceedings in a timely manner and ensures that the communication of the decisions of the Board to the Chief Executive including the proper flow of information within the Board and its Committees.

Throughout the year ending 30 June 2024, the members of the Board had access to all the necessary and relevant information.

Information Technology

A robust Information Technology framework is maintained at the FSC Mauritius to protect the information assets of the FSC Mauritius and to uphold the security and performance of Information Technology systems. The IT governance is also enhanced through investment in technology which leads to operational resilience at the Commission.

The FSC Mauritius achieves its IT security governance primarily by formulating and enforcing policies, standards, and control measures that cover people, processes, and technology. This fosters a comprehensive approach to safeguarding the IT assets.

All IT expenditures are made in accordance with an approved budget which is allocated annually based on the FSC Mauritius' consolidated requirements.

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

Principle 5: Risk governance and internal control

The Board ensures that the FSC Mauritius maintains a comprehensive and robust system of risk management and sound internal control system. The FSC Mauritius has a risk management mechanism to identify and mitigate risks as described in Principle 7. The internal audit unit reports to the Audit and Risk Committee on the internal control process of the FSC Mauritius.

Whistleblowing policy

The FSC Mauritius has a whistleblowing policy whereby staff are encouraged to report matters of concern, without any fear or risk of victimisation, discrimination or unfair disadvantage.

Principle 6: Reporting with integrity

Pursuant to 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 of the FSC Mauritius is published in full on the website of the FSC Mauritius.

Social Issues

The FSC Mauritius, as the regulator of the non-bank financial services sector and global business, takes measures for the protection of consumers of financial services. It is also responsible for promoting public understanding of the financial system, including raising awareness of the benefits and risks associated with different kinds of investment. One of the objectives of the FSC Mauritius is also to ensure the sound development of the financial services sector in Mauritius. The annual report 2023/24 has explained the activities of the FSC Mauritius in view of fulfilling its objectives.

Environmental Issues

The FSC Mauritius is committed to incorporating environmental factors into its day-to-day operations with the objective to safeguard the environment. The different initiatives undertaken by the FSC Mauritius are through the use of:

- natural lights;
- fresh air system to reduce the use of air conditioning;
- solar water system; and
- envelopes despatched at the FSC Mauritius for internal purposes.

- The other initiatives include the following:

- replacement of tube lights with automatic sensor led lights to reduction in cost and energy saving;
- sensitising staff to save water and energy on an ongoing basis;
- encouraging paperless office through a full fledge digitalisation system;
- recycling shredded papers and old newspapers to ensure sustainable environment; and
- daily and weekly in-depth cleaning.

Safety & Health issues

The health, safety and welfare of employees is of fundamental importance to the FSC Mauritius. The FSC Mauritius has a Safety and Health Committee which meets every two months to, *inter alia*, discuss and propose initiatives regarding the safety, health and welfare of employees. The Committee also encourages cooperation between the employer and the employees to achieve and maintain a safe and healthy working environment and conditions.

The Health and Safety Officer reviews, recommends, develops measures to control workplace hazards and advises Management on matters pertaining to safety and health. In addition, follow-up is made to ensure that safety and health issues raised are addressed.

Further, to promote the health and safety of its workforce, the FSC Mauritius ensured 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;
- the provisions of the Occupational Safety and Health Act and related legislations are complied with; and
- the required inspections, audit and assessment of safety and health standards are conducted.

Principle 7: Audit

The FSC Mauritius consists of an effective and independent internal audit unit which has the respect, confidence and co-operation of both the Board and the Management. The internal audit unit reports to the Audit and Risk Committee. The Audit and Risk Committee's Report is published at pages 127 to 129 of the annual report.

A member of the Association of Chartered Certified Accountants who also holds a Master's degree with specialisation in Financial Management, currently manages and oversees the Internal Audit Unit at the FSC Mauritius.

Risk Management and Internal Control

Institutions, including the FSC Mauritius, are required to implement effective internal controls and better risk management due to multiple risk factors. The Board is entrusted with the responsibility for the risk management mechanisms. In this context, the FSC Mauritius appointed a consultant for the development and implementation of a dynamic Enterprise Risk Management Framework and related documents.

Strategic and Operational Risk Registers have also been devised and implemented and the findings of the registers are reported to the Audit & Risk Committee on a quarterly basis. The assurance of the risk management process is carried out through the Internal Audit cluster who reports its findings and observations to the Audit & Risk Committee. (more details are provided at pages 127 to 129 of the Annual Report).

The different risks of the FSC Mauritius as well as the measures taken by the FSC Mauritius are provided below:

- Strategic risks are the risks of failing to achieve the FSC Mauritius' 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. 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.

- 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. 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.

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

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

- Negative perceptions of the conduct or practices may adversely impact the vision of the FSC Mauritius. 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' reputation. 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.

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

Principle 8: Relations with shareholders and other key stakeholders

The Board of the FSC Mauritius ensures that the FSC Mauritius maintains an appropriate dialogue through a variety of communication channels with the different stakeholders with a view to meet their expectations effectively and efficiently.

Regular meetings with the Ministry of Financial Services and Good Governance and the Mauritius Finance are held to discuss the policy related matters pertaining to the financial services sector and industry related issues respectively.

Regular updates are provided to the different stakeholders through communiqués and press releases to ensure that all stakeholders are kept informed about new developments in the financial services sector.

The FSC Mauritius set up task forces 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 FSC-BOM Joint Coordination Committee.

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

The FSC Mauritius 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.

Protection from Liability

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

STATEMENT OF COMPLIANCE

(Section 75(3) of the Financial Reporting Act)

Name of PIE: Financial Services Commission

Reporting Period: 01 July 2023 to 30 June 2024

We, Board members of the Financial Services Commission (the "Commission"), confirm that to the best of our knowledge, the Commission has applied and explained all the principles set out in the National Code of Corporate Governance (2016), to the extent that the latter is not in conflict with the provisions of the law.

Signed by:

Mr R. Ramloll
Acting Chairperson

Date: 24 September 2024

Rampadaruth

Mrs P. Rampadaruth
Board Member

Date: 24 September 2024

BOARD'S REPORT 2024

The Board of the Financial Services Commission presents its report and the audited financial statements of the FSC for the year ended 30 June 2024.

Review of activities

The FSC is an independent regulatory authority deemed to be established under the Financial Services Act 2007 to regulate the financial services sector other than banking, and global business. The FSC 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 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, 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 International Financial Reporting Standards ('IFRS') have been followed, and explained in the financial statements; and
- prepare the financial statements in accordance with the Financial Services Act 2007 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. The Board is also responsible for safeguarding the assets of the FSC, 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 the Board has complied with the above requirements and the relevant statutes in so far as they relate to the preparation of the financial statements.

Harvesh Kumar Seegolam, G.C.S.K.
Chairperson

Premchand Mungar
Member

Approved by the Board of the FSC on 28 October 2024.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE CHAIRMAN OF THE BOARD OF THE FINANCIAL SERVICES COMMISSION

Opinion

We have audited the annual financial statements of the Financial Services Commission ("the Commission"), set out on pages 145 to 194 of the Annual Report 2023-24 of the Commission, which comprise the statement of financial position as at 30 June 2024, 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 material accounting policy information and other explanatory notes (hereinafter collectively referred as "the financial statements").

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at 30 June 2024, and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB). 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' International 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.

Emphasis of Matter

We draw attention to note 34 to the financial statements regarding the implementation of the Board's decision on salary review since 2022 and its accounting effects given in the FY 2023-24.

Our opinion is not modified in respect of this matter.

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 shall 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 during the course of 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.

Commission's Responsibilities for the financial statements

The Commission is responsible for the preparation of the financial statements in accordance with the IFRS; the Financial Services Act, 2007; 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.
- 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 has complied with the Financial Services Act, 2007; 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 Financial Services Act, 2007 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 economically, efficiently and effectively. *No directions have been received from the Ministry of Financial Services and Good Governance during the year under audit so far as they relate to the financial statements, except during the year, pursuant to the Cabinet decision, the said Ministry has advised the Commission to remit amount towards Cyclone Belal affected & eligible vehicle owners on behalf of the Government of Mauritius.*

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, 2004 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. *Based on 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.*

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 such test checks as considered appropriate by us.

Based on our procedures performed by us *and relying on Board's 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
M.No.47745
Chokshi & Chokshi LLP
FRN- 101872W / W100045
Licensed by the Financial Reporting Council
Kemps Corner,
Mumbai, India
UDIN - 24047745BLJEYH6081

Date: 28 October 2024

STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

	NOTE	2024 MUR	2023 MUR
ASSETS			
Non-current assets			
Property, plant and equipment	6(a)	119,969,021	124,274,888
Intangible assets	6(b)	9,271,252	15,554,212
Right-of use assets	6(c)	420,594,523	5,905,365
Assets at amortised cost	7	48,741,637	48,906,153
Other financial assets	9	9,175,736	1,652,192
		607,752,169	**196,292,810**
Current assets			
Assets at amortised cost	7	-	-
Other financial assets	9	2,916,239	457,293
Receivables	10	311,176,214	200,518,371
Cash and bank balances	11	1,234,337,982	2,008,878,331
Bank deposits	12	1,356,257,269	702,763,423
		2,904,687,704	**2,912,617,418**
TOTAL ASSETS		**3,512,439,873**	**3,108,910,228**
LIABILITIES			
Non-current liabilities			
Retirement benefit obligations	8	189,888,138	43,478,221
Lease liabilities	15	406,734,311	4,190,013
		596,622,449	**47,668,234**
Current liabilities			
Payables	13	1,794,240,791	1,641,639,402
Provisions	14	239,698,477	204,724,972
Lease liabilities	15	23,982,169	784,737
Amount payable to the FSF	16	22,164,362	26,001,079
Amount payable to the Consolidated Fund	17	501,452,930	894,787,520
		2,581,538,729	**2,767,937,710**
TOTAL LIABILITIES		**3,178,161,178**	**2,815,605,944**
NET ASSETS		**334,278,695**	**293,304,284**
REPRESENTED BY:			
General Fund		64,417,699	70,694,449
General Reserve Fund	18	269,860,996	222,609,835
		334,278,695	**293,304,284**

Approved by the Board of the Commission on 28 October 2024.
Signed on their behalf

Harvesh Kumar Seegolam, G.C.S.K
Chairperson

Premchand Mungar
Board Member

Dr Roshan Boodhoo
Chief Executive

The accounting policies on pages 150 to 170 and the notes on pages 170 to 194 form an integral part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2024

	NOTE	2024 MUR	2023 MUR
INCOME			
Fees from licensees	19	1,709,290,744	1,578,771,001
Penalties and charges	20	202,715,268	204,284,473
Interest	21	88,866,581	33,676,324
Other income	22	4,036,196	3,772,801
		2,004,908,789	**1,820,504,599**
OPERATING EXPENSES			
Staff related costs	23	655,141,476	532,575,464
Training and seminars	24	27,010,102	18,921,507
Legal and professional expenses	25	19,175,769	17,167,737
Office and administrative expenses	26	111,338,114	86,572,606
Depreciation & amortisation of property and equipment	6(a), 6(b)	23,888,723	26,813,849
Depreciation of right-of-use assets	6(c)	22,805,151	930,437
Provision for credit losses		970,636	259,911
		860,329,971	**683,241,511**
FINANCE COSTS			
Interest on leasing		15,515,902	303,990
SURPLUS OF INCOME OVER OPERATING EXPENSES		**1,129,062,916**	**1,136,959,098**
Exchange fluctuation (loss) / gain		(9,936,922)	65,606,988
SURPLUS FOR THE YEAR		**1,119,125,994**	**1,202,566,086**
OTHER COMPREHENSIVE INCOME / EXPENSE			
Items that will not be reclassified to surplus or deficit			
Remeasurement of defined benefit obligation	8	(180,379,520)	(37,122,436)
SURPLUS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR		**938,746,474**	**1,165,443,650**

Approved by the Board of the Commission on 28 October 2024.
Signed on their behalf

Harvesh Kumar Seegolam, G.C.S.K
Chairperson

Premchand Mungar
Board Member

Dr Roshan Boodhoo
Chief Executive

The accounting policies on pages 150 to 170 and the notes on pages 170 to 194 form an integral part of these financial statements.

STATEMENT OF CHANGES IN FUNDS AND UNREALISED RESERVES

for the year ended 30 June 2024

	General Reserve Fund	General Fund	TOTAL
	MUR	MUR	MUR
At 01 July 2022	**165,766,883**	**42,109,836**	**207,876,719**
Surplus for the year	-	1,202,566,086	**1,202,566,086**
Other Comprehensive Income	-	(37,122,436)	**(37,122,436)**
Payment to the Consolidated Fund by virtue of Section 4C of the Statutory Bodies (Accounts and Audit) Act	-	-	**-**
Transfer from General Fund to the General Reserve Fund as per Section 82A(2) of The FSA.	56,842,952	(56,842,952)	**-**
Transfer from General Fund to the Financial Services Fund as per Section 82(6) of The FSA.	-	(22,737,181)	**(22,737,181)**
Transfer to the Consolidated Fund as per Sections 82A(2A) and 82A(3) of the FSA. (Note 17)	-	(1,057,278,904)	**(1,057,278,904)**
At 01 July 2023	**222,609,835**	**70,694,449**	**293,304,284**
Surplus for the year	-	1,119,125,994	**1,119,125,994**
Other Comprehensive Income	-	(180,379,520)	**(180,379,520)**
Payment to the Consolidated Fund by virtue of Section 4C of the Statutory Bodies (Accounts and Audit) Act	-	-	**-**
Transfer from General Fund to the General Reserve Fund as per Section 82A(2) of The FSA.	47,251,161	(47,251,161)	**-**
Transfer from General Fund to the Financial Services Fund as per Section 82(6) of The FSA.	-	(18,900,464)	**(18,900,464)**
Transfer to the Consolidated Fund as per Sections 82A(2A) and 82A(3) of the FSA. **(Note 17)**	-	(878,871,599)	**(878,871,599)**
At 30 June 2024	**269,860,996**	**64,417,699**	**334,278,695**

Approved by the Board of the Commission on 28 October 2024.
Signed on their behalf

Harvesh Kumar Seegolam, G.C.S.K
Chairperson

Premchand Mungar
Board Member

Dr Roshan Boodhoo
Chief Executive

The accounting policies on pages 150 to 170 and the notes on pages 170 to 194 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 30 June 2024

	NOTE	2024 MUR	2023 MUR
Cash generated by operations	27	1,212,225,482	1,297,413,353
Interest received	30.2	45,439,951	28,060,364
Payment of Retirement benefit obligation		(43,478,221)	(20,808,908)
Net cash generated from operating activities		**1,214,187,212**	**1,304,664,809**
Cash flow from investing activities			
Acquisition of property and equipment		(10,541,911)	(27,692,815)
Acquisition of intangible assets		(2,774,799)	(22,254,001)
Proceeds from maturity of investments in bank deposits		(653,199,000)	332,160,000
Proceeds from maturity of financial assets at amortised cost		-	51,000,000
Net cash (used in) / generated from investing activities		**(666,515,710)**	**333,213,184**
Cash flow from financing activities			
Lease repayments		(11,752,579)	(630,890)
Interest on lease repaid		(15,515,902)	(303,990)
Payment to the FSF		(22,737,181)	(26,306,753)
Payment to the Consolidated Fund	17	(1,272,206,189)	(490,851,411)
Net cash used in financing activities		**(1,322,211,851)**	**(518,093,044)**
Net (decrease) / increase in cash and cash equivalents		**(774,540,349)**	**1,119,784,949**
Cash and cash equivalents at the beginning of the year		**2,008,878,331**	**889,093,382**
Cash and cash equivalents at end of the year		**1,234,337,982**	**2,008,878,331**

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	1,234,337,982	2,008,878,331

Approved by the Board of the Commission on 28 October 2024.
Signed on their behalf

Harvesh Kumar Seegolam, G.C.S.K
Chairperson

Premchand Mungar
Board Member

Dr Roshan Boodhoo
Chief Executive

The accounting policies on pages 150 to 170 and the notes on pages 170 to 194 form an integral part of these financial statements.

STATEMENT OF COMPARISON OF ANNUAL ESTIMATES AND ACTUAL AMOUNT

for the year ended 30 June 2024

	ACTUAL	BUDGET	VARIANCE
	MUR	MUR	MUR
INCOME			
Fees from licensees	1,709,290,744	1,736,222,000	(26,931,256)
Penalties and charges	202,715,268	200,000,000	2,715,268
Interest	88,866,581	59,897,000	28,969,581
Other income	4,036,196	5,618,000	(1,581,804)
	2,004,908,789	**2,001,737,000**	**3,171,789**
OPERATING EXPENSES			
Staff related costs	655,141,476	506,317,000	148,824,476
Training and seminars	27,010,102	61,034,000	(34,023,898)
Legal and professional expenses	19,175,769	70,908,000	(51,732,231)
Office and administrative expenses	111,338,114	167,867,000	(56,528,886)
Depreciation & amortisation	46,693,874	140,836,000	(94,142,126)
Provision for credit losses	970,636	-	970,636
	-		
	860,329,971	**946,962,000**	**(86,632,029)**
FINANCE COSTS			
Interest on leasing	15,515,902	24,828,000	(9,312,098)
SURPLUS OF INCOME OVER OPERATING EXPENSES	**1,129,062,916**	**1,029,947,000**	**99,115,916**
Exchange fluctuation gain	(9,936,922)	-	(9,936,922)
SURPLUS FOR THE YEAR	**1,119,125,994**	**1,029,947,000**	**89,178,994**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit			
Remeasurement of defined benefit obligation	(180,379,520)	-	(180,379,520)
SURPLUS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR	**938,746,474**	**1,029,947,000**	**(91,200,526)**

Approved by the Board of the Commission on 28 October 2024.
Signed on their behalf

Harvesh Kumar Seegolam, G.C.S.K	**Premchand Mungar**	**Dr Roshan Boodhoo**
Chairperson	Board Member	Chief Executive

The accounting policies on pages 150 to 170 and the notes on pages 170 to 194 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Corporate information

The financial statements of the FSC for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Board on 28 October 2024. The FSC was established in Mauritius under the Financial Services Development Act 2001 on 1 August 2001 as an independent regulatory authority. The FSC currently regulates the non-banking financial services sector, the GB sector and the virtual assets / initial token service providers. FSC has become member of the Association of National Numbering Agencies and is the sole National Numbering Agency for Mauritius since 2 December 2021 and regulates issuance of International Securities Identification Number (ISIN) for securities. With the enactment of the FSA, the Commission is deemed to have been established under this legislation.

The Government vide Gazette of Mauritius No.59 dated 8 July 2023, added name of FSC in the First Schedule of the Financial Reporting Act, 2004. FSC, by virtue of the above Gazette, became the Public Interest Entity (PIE) with effect from 8 July 2023.

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

FSC, 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) FSC 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) FSC allocates 2% 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 (2023: 2%)

c) FSC allocates 5% 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 (2023: 5%)

d) In accordance with section 82A(3) of the FSA, FSC has, after the allocations to the Financial Services Fund 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 730,529,520 during the year from the opening balance payable.
FSC has made provision for transfer of MUR 878,871,599 (2023: MUR 1,057,278,904) towards the Consolidated Fund of the Government of Mauritius, out of which MUR 541,676,669 has already been disbursed during the year 2023-24.

Hence, total amount paid into the Consolidated Fund during the year 2023-24 is MUR 1,272,206,189.

2. BASIS OF PREPARATION AND NEW ACCOUNTING STANDARDS

2.1 Basis of preparation

FSC 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. Accordingly, the Commission has prepared its financial statements in accordance with International Financial Reporting Standards ("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 FSC has adopted new/revised standards and mandatory interpretations for the financial years beginning on or after 01 July 2023. The effects of these are stated below:

The preparation of financial statements in conformity with IFRS requires management to make judgments, 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 judgments 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 International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for the accounting period beginning on or after 1 July 2023.

2.4 New standards and amendments

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023 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 2023 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 2024.

- **IFRS 17 Insurance Contracts - With effect from 1 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 1 January 2023.

  FSC has not had any material impact on its financial statements, from application of these amendments.

NOTES TO THE FINANCIAL STATEMENTS

- **Amendments to IAS 1 - Amended by Disclosure of Accounting Policies and IAS 8 – Clarifying the Definition of Accounting Estimates - With effect from 1 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 January 1, 2023, with early application permitted.

  FSC has not had any material impact on its financial statements, from application of these amendments.

- **Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction - With effect from 1 January 2023**

  On May 7, 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 January 1, 2023, with earlier application permitted.

  FSC has not had any material impact on its financial statements, from application of these amendments.

- **Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar Two Model Rules - With effect from 1 January 2023**

  On 23 May 2023, the International Accounting Standards Board (the IASB or Board) issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 (the Amendments) to clarify the application of IAS 12 Income Taxes to income taxes arising from tax law enacted or substantively enacted to implement the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) Pillar Two model rules.

  The Amendments introduce:

  - A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
  - Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

  The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023.

  FSC has not had any material impact on its financial statements, from application of these amendments.

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.

Amendments to IFRS 9 Financial Instruments - Classification and Measurement of Financial Instruments - With effect from 1 January 2026

On 30 May 2024, the IASB issued amendments to the Classification and Measurement of Financial Instruments. The amendments clarify the requirements related to the date of recognition and de-recognition of financial assets and financial liabilities, with an exception for de-recognition of financial liabilities settled via an electronic transfer, the requirements for assessing contractual cash flow characteristics of financial assets, and characteristics of non-recourse loans and contractually linked instruments. The amendments also introduce certain disclosure requirements for financial instruments.

The Amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

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

Amendments to IFRS 16 Leases - Sale and Leaseback Transactions - With effect from 1 January 2024

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

After the commencement date, the seller-lessee shall apply paragraphs 29–35 to the right-of-use asset arising from the leaseback and paragraphs 36–46 to the lease liability arising from the leaseback. In applying paragraphs 36–46, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The Amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

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

IFRS 18 Presentation and Disclosure in Financial Statements - With effect from 1 January 2027

On 9 April 2024, the IASB issued a new standard – IFRS 18, 'Presentation and Disclosure in Financial Statements'. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosures required for some management defined performance measures will also enhance transparency.

The Amendments are effective for annual reporting periods beginning on or after 1 January 2027.

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

NOTES TO THE FINANCIAL STATEMENTS

IFRS 19 Subsidiaries Without Public Accountability: Disclosures – With effect from 1 January 2027

On 9 May 2024, the IASB issued a new standard - IFRS 19, 'Subsidiaries Without Public Accountability: Disclosures'. An entity may elect to apply IFRS 19 in its consolidated, separate or individual financial statements if, and only if it meets eligibility criteria at the end of the reporting period. An entity is permitted to apply IFRS 19 more than once. An entity that applied IFRS 19 in a prior period but not in the immediately preceding period may elect to apply it in the current period.

The Amendments are effective for annual reporting periods beginning on or after 1 January 2027.

FSC does not anticipate that the application of the new standard 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 1 January 2024

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 1 January 2024, with earlier application permitted.

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

Amendments to IAS 1 Presentation of Financial Statements – Non Current Liabilities with Covenants – With effect from 1 January 2024

The amendments issued in October 2022 clarify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

The 2022 amendments introduce additional disclosure requirements. When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period, including:

(a) the carrying amount of the liability;

(b) information about the covenants;

(c) facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants based on its circumstances at the end of the reporting period.

The Amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

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

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – With effect from 1 January 2024

On 25 May 2023, the International Accounting Standards Board (the IASB or the Board) issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. As a result, supplier finance arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the original payment due dates.

The Amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

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

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – With effect from 1 January 2025

On 15 August 2023, the IASB issued 'Lack of Exchangeability' which amended IAS 21 The Effects of Changes in Foreign Exchange Rates. The amendments primarily include (a) requirements to assess when a currency is exchangeable into another currency and when it is not; (b) requirements to estimate the spot exchange rate when a currency is not exchangeable into another currency; (c) additional disclosure requirements when an entity estimates the spot exchange rate because a currency is not exchangeable into another currency; (d) application guidance to help entities assess whether a currency is exchangeable into another currency and to estimate the spot exchange rate when a currency is not exchangeable. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, it set out a framework under which an entity can determine the spot exchange rate at the measurement date.

The Amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted.

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

2.6 New IFRS Sustainability Disclosure Standards

IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information

In June 2023, ISSB (International Sustainability Standards Board) has issued IFRS S1 which requires an entity to disclose information about its sustainability related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.
This Standard requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. For the purposes of this Standard, these risks and opportunities are collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects'.

The Standard is effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

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

NOTES TO THE FINANCIAL STATEMENTS

IFRS S2 - Climate-related Disclosures

In June 2023, ISSB (International Sustainability Standards Board) has issued IFRS S2 which requires an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Standard is effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

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

2.7 Annual Improvements to Accounting Standards:

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. It contains amendments to five standards as result of the IASB's annual improvements project. The amendments are effective for annual reporting periods beginning on or after 1 January 2026.

Standard	Subject of amendments
IFRS 1 First-time Adoption of International Financial Reporting Standards	**Hedge accounting by a first-time adopter.** The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.
IFRS 7 Financial Instruments: Disclosures	**Gain or loss on derecognition.** The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.
IFRS 7 Financial Instruments: Disclosures (implementation guidance only)	**Disclosure of deferred difference between fair value and transaction price.** The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
IFRS 7 Financial Instruments: Disclosures (implementation guidance only)	**Introduction and credit risk disclosures.** The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.
IFRS 9 Financial Instruments	**Lessee derecognition of lease liabilities.** The amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of IFRS 9.
IFRS 9 Financial Instruments	**Transaction price.** The amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of 'transaction price' in IFRS 15 Revenue from Contracts with Customers while term 'transaction price' is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.
IFRS 10 Consolidated Financial Statements	**Determination of a 'de facto agent'.** The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
IAS 7 Statement of Cash Flows	**Cost method.** The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

The amendments do not include transition requirements, other than that an entity is required to apply the amendment to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment.

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION, JUDGMENTS, 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 Material Accounting Policy Information

a) Revenue recognition

(i) Fees from licensees

Annual licensing fees are raised in terms of the FSA and FSC Rules.
Fees are earned from:

- Licenses issued to applicants for a GBC or Authorised Company.
- Licenses 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
Re-instatement Fees	Recognised at the time of application for re-instatement
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

NOTES TO THE FINANCIAL STATEMENTS

(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 and the Financial Services (Framework for the Imposition of Administrative Penalties) Rules, 2022, effective from 01 October 2022 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 Insurance Act.

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

FSC 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.

FSC 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.

NOTES TO THE FINANCIAL STATEMENTS

d) Foreign currency transactions and balances

Items included in the financial statements are measured using the Commission's functional currency. FSC'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 FSC 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.

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 FSC 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 FSC;
- The initial direct cost, that is the incremental cost of obtaining the lease; and
- An estimate of costs to be incurred by FSC 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

NOTES TO THE FINANCIAL STATEMENTS

Subsequent Measurement of right-of-use assets

All right-of-use assets of FSC 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.

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

Financial assets of FSC 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

FSC 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

FSC 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 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 expected credit loss 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.

Expected credit losses 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 contact 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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 unlikeliness 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

FSC derecognizes 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 derecognized and the consideration paid and payable is recognized in the Statement of Financial Performance.

NOTES TO THE FINANCIAL STATEMENTS

(3) Offsetting of financial instruments

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.

(4) Fair value of financial instruments

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 FSC 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 FSC 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 FSC if they have the ability, directly or indirectly, to exercise significant influence over FSC 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 judgments, estimates and assumptions

The preparation of FSC's financial statements requires management to make judgments, 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. FSC 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 FSC. 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 economically, efficiently and effectively.

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. FSC maximizes the use of observable inputs when computing fair values and applies its judgment when estimating non-observable inputs.

3.2.3 Provision for credit losses/ECL

FSC 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

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

FSC 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 timeframes 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 FSC's staff in the performance of their duties in good faith.

The pending lawsuits against FSC with claims are estimated at MUR 1,380,627,552, excluding interests and costs (2023: MUR 1,413,472,869). FSC is of the view that there is a high certainty of success in defending all of the pending lawsuits. In the unlikely event that FSC is unsuccessful, the Commission will bear these costs with no reimbursements expected from insurers, as FSC 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. Further, FSC being established under the Financial Services Act, any ultimate shortfall would have sovereign support.

4.2 Financial Commitments

FSC 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 2024 is MUR 44,937,110 (2023: MUR 17,015,542). 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 an amount of MUR 169,796,374 (2023: MUR 182,796,374) are lien marked in favour of the Commission, and not included in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

6(a) Property, plant and equipment

	MOTOR VEHICLE	FURNITURE	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	BUILDING	FIXTURES & FITTINGS	CAPITAL WORK IN PROGRESS	TOTAL
	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
COST								
At 01 July 2023	14,970,267	27,032,810	81,473,133	14,490,387	167,775,311	107,191,535	27,295,105	**440,228,548**
Purchases	-	43,315	479,895	181,831	-	6,415,861	3,421,009	**10,541,911**
Reclassification Adjustment	-	-	-	-	-	28,084,139	(28,084,139)	**-**
Disposals	-	(20,703)	(38,479)	(746,678)	-	-	-	**(805,860)**
At 30 June 2024	**14,970,267**	**27,055,422**	**81,914,549**	**13,925,540**	**167,775,311**	**141,691,535**	**2,631,975**	**449,964,599**
DEPRECIATION								
At 01 July 2023	11,740,768	26,086,502	79,987,994	13,151,331	87,266,280	97,720,785	-	**315,953,660**
Charge for the year	1,979,749	363,075	1,398,930	787,721	4,438,863	5,862,626	-	**14,830,964**
Disposals	-	(20,702)	(28,859)	(739,485)	-	-	-	**(789,046)**
At 30 June 2024	**13,720,517**	**26,428,875**	**81,358,065**	**13,199,567**	**91,705,143**	**103,583,411**	**-**	**329,995,578**
NET BOOK VALUE								
At 30 June 2024	**1,249,750**	**626,547**	**556,484**	**725,973**	**76,070,168**	**38,108,124**	**2,631,975**	**119,969,021**
COST								
At 01 July 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**
Purchases	-	385,799	708,915	339,502	-	35,494	26,223,105	**27,692,815**
Reclassification Adjustment	-	-	-	-	-	-	(6,896,053)	**(6,896,053)**
Disposals	-	(86,238)	(20,439)	(1,500)	-	(11,246)	-	**(119,423)**
At 30 June 2023	**14,970,267**	**27,032,810**	**81,473,133**	**14,490,387**	**167,775,311**	**107,191,535**	**27,295,105**	**440,228,548**
DEPRECIATION								
At 01 July 2022	10,126,018	25,704,369	74,093,141	12,173,500	81,490,436	95,016,066	-	**298,603,530**
Charge for the period	1,614,750	468,370	5,906,208	979,331	5,775,844	2,712,780	-	**17,457,283**
Reclassification Adjustment	-	-	-	-	-	-	-	**-**
Disposals	-	(86,237)	(11,355)	(1,500)	-	(8,061)	-	**(107,153)**
At 30 June 2023	**11,740,768**	**26,086,502**	**79,987,994**	**13,151,331**	**87,266,280**	**97,720,785**	**-**	**315,953,660**
NET BOOK VALUE								
At 30 June 2023	**3,229,499**	**946,308**	**1,485,139**	**1,339,056**	**80,509,031**	**9,470,750**	**27,295,105**	**124,274,888**

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. (2022/23: Nil)

6(b) Intangible assets

	COMPUTER SOFTWARE	TOTAL
	MUR	MUR
COST		
At 01 July 2023	102,824,115	**102,824,115**
Purchases	2,774,799	**2,774,799**
At 30 June 2024	**105,598,914**	**105,598,914**
AMORTISATION		
At 01 July 2023	87,269,903	**87,269,903**
Charge for the year	9,057,759	**9,057,759**
At 30 June 2024	**96,327,662**	**96,327,662**
NET BOOK VALUE		
At 30 June 2024	**9,271,252**	**9,271,252**
COST		
At 01 July 2022	80,570,114	**80,570,114**
Purchases	22,254,001	**22,254,001**
At 30 June 2023	**102,824,115**	**102,824,115**
AMORTISATION		
At 01 July 2022	77,913,337	**77,913,337**
Charge for the year	9,356,566	**9,356,566**
At 30 June 2023	**87,269,903**	**87,269,903**
NET BOOK VALUE		
At 30 June 2023	**15,554,212**	**15,554,212**

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

6(c) Right-of-use assets

	LAND MUR	OFFICE SPACE MUR	BUILDING MUR	TOTAL MUR
COST				
At 01 July 2023	6,442,771	1,774,030	-	**8,216,801**
Purchases	-	-	437,494,309	**437,494,309**
Reclassification Adjustment	-	-	-	**-**
Derecognition of asset	-	-	-	**-**
At 30 June 2024	**6,442,771**	**1,774,030**	**437,494,309**	**445,711,110**
DEPRECIATION				
At 01 July 2023	1,693,748	617,688	-	**2,311,436**
Charge for the year	339,093	591,343	21,874,715	**22,805,151**
Adjustment due to derecognition of asset	-	-	-	**-**
At 30 June 2024	**2,032,841**	**1,209,031**	**21,874,715**	**25,116,587**
NET BOOK VALUE				
At 30 June 2024	**4,409,930**	**564,999**	**415,619,594**	**420,594,523**
COST				
At 01 July 2022	6,442,771	1,079,341	-	**7,522,112**
Purchases	-	746,603	-	**746,603**
Adjustment / derecognition due to change in repayment amount / non-renewal of lease agreement	-	(51,914)	-	**(51,914)**
At 30 June 2023	**6,442,771**	**1,774,030**	**-**	**8,216,801**
DEPRECIATION				
At 01 July 2022	1,354,655	27,675	-	**1,382,330**
Charge for the year	339,093	591,344	-	**930,437**
Adjustment / derecognition due to change in repayment amount / non-renewal of lease agreement	-	(1,331)	-	**(1,331)**
At 30 June 2023	**1,693,748**	**617,688**	**-**	**2,311,436**
NET BOOK VALUE				
At 30 June 2023	**4,749,023**	**1,156,342**	**-**	**5,905,365**

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 2024 (2023:Nil). There were no leases with residual value guarantees.
Moreover, during the current year, the new lease agreement was entered with PSH Ltd for a period of 10 years for the lease of office spaces. This resulted in the recognition of Right-Of-Use assets, as well as lease liability.

6(c)(2) Currently, FSC is paying rent for lease arrangements which consist of office space, furniture, fittings and parking space on month to month basis. As such, the provisions under paragraph 5 of IFRS 16 (i.e. Recognition exemption) was adopted.

7. ASSETS AT AMORTISED COST

	2024	2023
	MUR	MUR
Within one year		
Treasury Notes / Bonds	-	-
Premium on Treasury Notes / Bonds	-	-
Expected Credit Loss	-	-
	-	-
More than one year		
Treasury Notes / Bonds	48,400,000	48,400,000
Premium on Treasury Notes / Bonds	374,253	538,769
Expected Credit Loss	(32,616)	(32,616)
	48,741,637	48,906,153
	48,741,637	**48,906,153**

Reconciliation of assets at amortised cost		2024	2023
		MUR	MUR
Opening balance		48,938,769	99,931,049
Purchases of financial assets at amortised cost		-	-
Proceeds from maturity of financial assets at amortised cost		-	(51,000,000)
Interest adjustment		(164,516)	7,720
Closing balance at face value		48,774,253	48,938,769
Expected Credit Loss	(Note 30.6.2)	(32,616)	(32,616)
Closing balance at fair value		**48,741,637**	**48,906,153**

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 23 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 (ALM) 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 ALM 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 ALM exercise is performed based on projections of liability cash flows in the future and using an asset model calibrated for the Mauritian market.

NOTES TO THE FINANCIAL STATEMENTS

	2024	2023
	MUR	MUR
The amounts recognised in Statement of Financial Performance are as follows:		
Current service cost	32,616,923	23,091,151
Employee contributions	(9,910,970)	(7,428,704)
Fund expenses	1,062,040	995,406
Interest expense	607,689	113,033
Total included in staff costs	**24,375,682**	**16,770,886**
Actual return on plan assets/liability	**50,900,000**	**25,160,003**
Movements in asset/liability recognised in statement of financial position as determined by the actuarial valuation		
Opening balance	43,478,221	20,808,908
Total staff costs (as above)	24,375,682	16,770,886
Past service funding	(43,478,221)	(20,808,908)
Contributions paid by the Commission	(14,867,064)	(10,415,101)
Amount Recognised in Other Comprehensive Income	180,379,520	37,122,436
Liability as at the close of the period	**189,888,138**	**43,478,221**

	2024	2023
	MUR	MUR
Reconciliation of the present value of the defined benefit obligation		
Present value of obligation at start of period	551,834,753	480,648,323
Current service cost	32,616,923	23,091,151
Interest cost	33,487,992	26,041,215
Benefits paid	(14,629,116)	(14,493,173)
Liability loss	198,720,667	36,547,237
Present value of obligation at end of period	**802,031,219**	**551,834,753**

	2024	2023
	MUR	MUR
Reconciliation of fair value of the plan assets		
At start of the period	508,356,532	459,839,415
Expected return on plan assets	32,880,303	25,928,182
Asset gain / (loss)	18,341,147	(575,199)
Past service funding	43,478,221	20,808,908
Contributions from the employer	14,867,064	10,415,101
Contributions from the employees	9,910,970	7,428,704
Benefits paid and other outgo	(15,691,157)	(15,488,579)
At close of the period	**612,143,080**	**508,356,532**

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:

	2024	2023
	%	%
Fixed interest securities and deposits	49.90	53.90
Loans	3.10	2.80
Local equities	15.20	14.00
Overseas bonds and equities	31.30	28.80
Property	0.50	0.50
	100.00	**100.00**

	2024	2023
	MUR	MUR
Components of the amount recognised in Other Comprehensive Income		
Assets experience loss during the year	18,341,147	(575,199)
Liability experience loss during the year	(198,720,667)	(36,547,237)
	(180,379,520)	**(37,122,436)**
Remeasurement		
Liability experience loss	(132,367,675)	(1,358,332)
Liability loss due to change in demographic assumptions	-	-
Liability (loss) / gain due to change in financial assumptions	(66,352,992)	(35,188,905)
Asset gain	18,341,147	(575,199)
	(180,379,520)	**(37,122,436)**

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:

	2024	2023
	%	%
Discount rate	5.72	6.15
Future salary increases	*4.50*	*4.50*
Future pension increases	*3.50*	*3.50*

The assumptions for mortality before retirement is estimated at Nil (2023 - Nil). Mortality in retirement has been based on PA (90) Tables rated down by 2 years (2023: PA (90) Tables rated down by 2 years). The retirement age is 65 years.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

	Impact on defined benefit obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
At 30 June 2024			
Discount rate	100 basis points	Decrease by MUR 149.1m	Increase by MUR 198.2m
Future salary increases	100 basis points	Increase by MUR 113.3m	Decrease by MUR 94.7m
Life expectancy	1 year	Increase by MUR 21.8m	Decrease by MUR 21.8m

	Impact on defined benefit obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
At 30 June 2023			
Discount Rate	100 basis points	Decrease by MUR 100.8m	Increase by MUR 134.3m
Future Salary increases	100 basis points	Increase by MUR 78.1m	Decrease by MUR 64.9m
Life expectancy	1 year	Increase by MUR 14.2m	Decrease by MUR 14.3m

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 2024 is 45 years while that of pensioners is 66 years.

	2024	2023
	MUR	**MUR**
Defined Contribution Scheme		
Contributions	**20,218,038**	15,044,772

9. OTHER FINANCIAL ASSETS

		2024	2023
		MUR	**MUR**
Other financial assets comprise of staff loans and financial aid			
<u>Staff loans and financial aid at fair value</u>			
Within one year		2,916,239	457,293
More than one year		9,175,736	1,652,192
		12,091,975	**2,109,485**
Total staff loans and financial aid at amortised cost		*13,848,700*	*2,718,111*
Fair value adjustment	(NOTE 30.6.4)	*(1,756,725)*	*(608,626)*
Balance at fair value		***12,091,975***	***2,109,485***

The staff members of the Commission have been granted loans and financial aids at preferential rates as per the Commission's salary terms and conditions. The type of staff loan is housing loan, whereas financial aid introduced in the year 2023 consists of financial aid to purchase a car or motorcycle / auto-cycle, and financial aid for personal use.

Staff Loans and financial aid to staff - Secured

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

Staff Loans and financial aid to staff - Unsecured

Unsecured financial aid are granted for personal use, under personal guarantees.

An annual assessment for the recoverability of the loans and financial aid are carried out, and based on such assessment as at 30 June 2024, 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. While financial aid came into operation in 2023.

		2024	2023
		MUR	MUR
Balances of loans are as follows:			
Secured			
Total secured staff loans at face value		12,044,248	2,718,111
Fair value adjustment	(Note 30.6.4)	(1,481,713)	(608,626)
Balance at fair value		**10,562,535**	**2,109,485**
Unsecured			
Total unsecured staff loans at face value		1,804,452	-
Fair value adjustment		(275,012)	-
Balance at fair value		**1,529,440**	**-**

10. RECEIVABLES

		2024	2023
		MUR	MUR
Fees and penalties receivable	(Note 30.1)	1,265,313,390	1,177,671,268
Other receivables		97,001,041	37,113,405
Accrued interest	(Note 30.2)	51,687,913	8,261,283
Prepayments		40,944,652	29,773,548
Provision for credit losses	(Note 30.6.1)	(1,143,770,782)	(1,052,301,133)
		311,176,214	**200,518,371**

11. CASH AND BANK BALANCES (See Note 12.1)

	2024	2023
	MUR	MUR
Cash on hand	47,279	76,377
Bank balances	1,234,290,703	2,008,801,954
	1,234,337,982	**2,008,878,331**

NOTES TO THE FINANCIAL STATEMENTS

12. BANK DEPOSITS (See Note 12.1)

		2024	2023
		MUR	MUR
US Dollar		426,699,000	283,500,000
Mauritian Rupee		930,000,000	420,000,000
Expected Credit Loss	(Note 30.6.3)	(441,731)	(736,577)
		1,356,257,269	**702,763,423**

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:

		2024	2023
		MUR	MUR
Cash and bank balances, and bank deposits	(Note 11 & 12)	2,590,595,251	2,711,641,754
Advance from Management Companies	(Note 13)	(317,868,071)	(348,604,863)
Prepaid license fees	(Note 13)	(1,409,126,956)	(1,215,545,277)
Cash and bank balances, and bank deposits net of advance from Management Companies and prepaid licence fees		**863,600,224**	**1,147,491,614**

13. PAYABLES

		2024	2023
		MUR	MUR
Other creditors and accruals		67,245,764	77,489,262
Advances from Management Companies	(Note 12.1)	317,868,071	348,604,863
Prepaid licence fees	(Note 12.1)	1,409,126,956	1,215,545,277
		1,794,240,791	**1,641,639,402**

14. PROVISIONS

	2024	2023
	MUR	MUR
Sick leave	55,114,359	49,820,621
Passage benefits	29,272,870	28,392,069
Gratuity***	1,690,925	3,381,466
Annual leave	69,986,510	47,238,647
Bonus	83,633,813	75,892,169
	239,698,477	**204,724,972**

***Consists of contractual employees

	Sick leave	Passage benefits	Gratuity	Annual leave	Bonus	Total
	MUR	MUR	MUR	MUR	MUR	MUR
At 30 June 2024						
Balance at 01 July 2023	49,820,621	28,392,069	3,381,466	47,238,647	75,892,169	**204,724,972**
Charged to the Statement of Financial Performance	14,732,852	14,452,588	521,447	24,453,375	69,543,905	**123,704,167**
Paid during the year	(9,439,114)	(13,571,787)	(2,211,988)	(1,705,512)	(61,802,261)	**(88,730,662)**
Balance at 30 June 2024	**55,114,359**	**29,272,870**	**1,690,925**	**69,986,510**	**83,633,813**	**239,698,477**

	Sick leave	Passage benefits	Gratuity	Annual leave	Bonus	Total
	MUR	MUR	MUR	MUR	MUR	MUR
At 30 June 2023						
Balance at 01 July 2022	36,779,824	27,955,753	2,356,875	39,446,092	68,744,224	**175,282,768**
Charged to the Statement of Financial Performance	19,283,089	14,246,438	3,225,778	9,024,289	62,629,227	**108,408,821**
Paid during the year	(6,242,292)	(13,810,122)	(2,201,187)	(1,231,734)	(55,481,282)	**(78,966,617)**
Balance at 30 June 2023	**49,820,621**	**28,392,069**	**3,381,466**	**47,238,647**	**75,892,169**	**204,724,972**

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

The Commission has entered into various lease agreements as a lessee in relation to land, building and parking spaces, and have classified them as leases under IFRS 16.

	2024	2023
	MUR	MUR
Opening balance	4,974,750	4,914,337
Lease liabilities recognised during the year	437,494,309	746,603
Lease liabilities derecognised during the year	-	(55,300)
Lease rental payments made during the year	(27,268,481)	(934,880)
Interest expense charged to the Income Statement	15,515,902	303,990
Closing balance	**430,716,480**	**4,974,750**
Lease liabilities		
Short term	23,982,169	784,737
Long term	406,734,311	4,190,013
	430,716,480	**4,974,750**

NOTES TO THE FINANCIAL STATEMENTS

16. AMOUNT PAYABLE TO THE FINANCIAL SERVICES FUND

	2024	2023
	MUR	MUR
Opening balance	26,001,079	29,570,651
Transfer from General Fund as per section 82(6) of the FSA	18,900,464	22,737,181
Payment to the FSF	(22,737,181)	(26,306,753)
Closing balance	**22,164,362**	**26,001,079**

17. AMOUNT PAYABLE TO THE CONSOLIDATED FUND

	2024	2023
	MUR	MUR
Opening balance	894,787,520	328,360,027
Transfer from General Fund as per sections 82A(2A) and 82A(3) of the FSA	878,871,599	1,057,278,904
Payment to the Consolidated Fund during the period	(1,272,206,189)	(490,851,411)
Closing balance	**501,452,930**	**894,787,520**

18. GENERAL RESERVE FUND

	2024	2023
	MUR	MUR
Opening balance	222,609,835	165,766,883
Transfer from General Fund as per section 82A(2) of the FSA	47,251,161	56,842,952
Closing balance	**269,860,996**	**222,609,835**

19. FEES FROM LICENSEES

	2024	2023
	MUR	MUR
Global business and Authorised Companies	1,580,689,321	1,453,119,372
Non-banking financial institutions	117,145,885	115,127,750
Brokerage	11,455,538	10,523,879
	1,709,290,744	**1,578,771,001**

20. PENALTIES AND CHARGES

	2024	2023
	MUR	MUR
Administrative penalties	168,518,517	185,052,757
Other penalties**	4,200,003	1,658,506
Late charges	29,996,748	17,573,210
	202,715,268	**204,284,473**

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.

**This includes administrative panalties collected pursuant to the Financial Service (Framework for The Imposition of Administrative Penalties) Rules, 2022, which came into effect on 01 October 2022.

21. INTEREST

		2024	2023
		MUR	MUR
Amortisation of premium on Treasury Notes		(164,517)	7,722
Bank deposits and treasury bills		88,732,965	33,377,202
Staff loans		298,133	291,400
		88,866,581	**33,676,324**

22. OTHER INCOME

		2024	2023
		MUR	MUR
Administration fee from the Insurance Industry Compensation Fund		500,000	500,000
Fees from issuance of ISIN		3,536,196	3,271,470
Gain on change in terms of lease agreement	(Note 6(c)(2))	-	1,331
		4,036,196	**3,772,801**

23. STAFF RELATED COSTS

		2024	2023
		MUR	MUR
Staff salaries and allowances	(Note 34)	505,457,662	405,024,995
Fair value adjustment to staff loans		1,148,099	(160,932)
Retirement benefits		53,341,132	41,973,875
Family Protection Scheme		10,912,194	8,619,011
National Savings Fund		2,317,694	2,067,507
Passage benefits		14,452,588	14,246,438
Board and committee fees		8,909,119	7,877,586
Travelling allowances		41,396,790	38,415,915
Staff welfare		17,206,198	14,511,069
		655,141,476	**532,575,464**

24. TRAINING AND SEMINARS

	2024	2023
	MUR	MUR
Overseas conferences and seminars	8,001,559	7,026,399
Local events	15,219,515	10,612,645
Staff training	3,789,028	1,282,463
	27,010,102	**18,921,507**

25. LEGAL AND PROFESSIONAL EXPENSES

	2024	2023
	MUR	MUR
Auditors' fees	5,695,909	4,733,281
Legal fees	3,974,425	2,143,563
Professional advisory fees	9,505,435	10,290,893
	19,175,769	**17,167,737**

NOTES TO THE FINANCIAL STATEMENTS

26. OFFICE AND ADMINISTRATIVE EXPENSES

	2024	2023
	MUR	MUR
Maintenance of office premises	2,346,581	1,978,755
IT maintenance and licenses	26,228,378	21,745,921
Rental expenses	35,755,226	25,885,027
Insurance of office premises	851,781	668,207
Post, telephone, internet and fax charges	12,849,985	11,386,413
Electricity and water	5,089,566	4,116,646
Stationery	1,467,862	1,857,645
Subscription**	17,968,358	8,553,732
General office expenses	6,344,846	6,413,187
Vehicle expenses	1,389,873	2,022,425
Advertising and publication	1,028,850	1,932,378
Loss on scrapping of property, plant and equipment	16,808	12,270
	111,338,114	**86,572,606**

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

27. CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	MUR	MUR
Surplus for the year	1,119,125,994	1,202,566,086
Adjustments for:		
Staff loans fair value adjustment	1,148,099	(160,932)
Gain on change in terms of lease agreement	-	(1,331)
Interest income	(89,031,098)	(33,668,602)
Retirement benefits obligation	9,508,618	6,355,785
Interest on lease	15,515,902	303,990
Amortisation of premium on Treasury Notes	164,517	(7,722)
Other non-cash adjustments	(130,331)	193,357
Depreciation and amortisation	46,693,874	27,744,287
Loss on scrapping of property, plant and equipment	16,814	12,270
Provision for credit losses	970,636	259,911
Cash flow from operating activities, before working capital changes	**1,103,983,025**	**1,203,597,099**
Decrease / (increase) in fees receivable	2,856,892	(22,695,174)
(Increase) / decrease in staff loans	(11,130,589)	437,471
Increase in other receivables	(59,887,637)	(21,708,280)
Increase in prepayments	(11,171,104)	(11,512,618)
Increase in accrued expenses and other payables	187,574,895	149,294,855
Net cash flow from operating activities	**1,212,225,482**	**1,297,413,353**

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.

At 30 June 2024	Maturity		Total Cash Flows	Total Carrying Amount	Total Fair Value
	0 - 1 Year	> 1 year			
	MUR	MUR	MUR	MUR	MUR
Financial assets					
Assets at amortised cost	-	48,741,637	48,741,637	48,774,253	48,741,637
Other financial assets	2,916,239	9,175,736	12,091,975	13,848,700	12,091,975
Receivables	270,231,562	-	270,231,562	316,356,358	316,356,358
Cash and bank balances	1,234,337,982	-	1,234,337,982	1,234,337,982	1,234,337,982
Bank deposits	1,356,257,269	-	1,356,257,269	1,356,699,000	1,356,257,269
	2,863,743,052	**57,917,373**	**2,921,660,425**	**2,970,016,293**	**2,967,785,221**
Financial liabilities					
Payables	385,113,835	-	385,113,835	385,113,835	385,113,835
Lease liability	23,982,169	406,734,311	430,716,480	430,716,480	430,716,480
	409,096,004	**406,734,311**	**815,830,315**	**815,830,315**	**815,830,315**

At 30 June 2023	Maturity		Total Cash Flows	Total Carrying Amount	Total Fair Value
	0 - 1 Year	> 1 year			
	MUR	MUR	MUR	MUR	MUR
Financial assets					
Assets at amortised cost	-	48,906,153	48,906,153	48,938,769	48,906,153
Other financial assets	457,293	1,652,192	2,109,485	2,718,111	2,109,485
Receivables	170,744,823	-	170,744,823	222,944,918	213,803,127
Cash and bank balances	2,008,878,331	-	2,008,878,331	2,008,878,331	2,008,878,331
Bank deposits	702,763,423	-	702,763,423	703,500,000	702,763,423
	2,882,843,870	**50,558,345**	**2,933,402,215**	**2,986,980,129**	**2,976,460,519**
Financial liabilities					
Payables	426,094,125	-	426,094,125	426,094,125	426,094,125
Lease liability	784,737	4,190,013	4,974,750	4,974,750	4,974,750
	426,878,862	**4,190,013**	**431,068,875**	**431,068,875**	**431,068,875**

NOTES TO THE FINANCIAL STATEMENTS

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 2024

	Level 1	Level 2	Level 3	Total Carrying Amount	Total Fair Value
	MUR	MUR	MUR	MUR	MUR
Financial assets					
Other financial assets	-	12,091,975	-	12,091,975	12,091,975

Fair Value hierarchy as at 30 June 2023

	Level 1	Level 2	Level 3	Total Carrying Amount	Total Fair Value
	MUR	MUR	MUR	MUR	MUR
Financial assets					
Other financial assets	-	2,109,485	-	2,109,485	2,109,485

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) Ltd, 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 Bank of Mauritius T Bills, T Notes and Bonds.

	Past due but not impaired	Past due and impaired	2024	2023
	MUR	MUR	MUR	MUR
30.1 Fees and administrative penalties receivable				
Within one year	35,459,690	53,096,054	88,555,744	121,294,548
More than one year	103,904,028	1,072,853,618	1,176,757,646	1,056,376,720
	139,363,718	**1,125,949,672**	**1,265,313,390**	**1,177,671,268**

	2024	2023
30.2 Accrued interest		
Balance at the beginning of the year	8,261,283	2,645,323
Interest income	88,866,581	33,676,324
Interest received	(45,439,951)	(28,060,364)
Balance at the end of the year	**51,687,913**	**8,261,283**

Accrued interest was raised in accordance with the terms of the contracts for the respective financial instruments.
None of the amounts above were considered to be past due and no impairments were required.

	2024	2023
30.3 Staff loans		
Within one year	2,916,239	457,293
More than one year	9,175,736	1,652,192
	12,091,975	**2,109,485**

NOTES TO THE FINANCIAL STATEMENTS

		2024 MUR	2023 MUR
30.4	**Bank balances**		
	Bank balances	1,234,290,703	2,008,801,954
	Bank deposits	1,356,257,269	702,763,423
		2,590,547,972	**2,711,565,377**

		2024 MUR	2023 MUR
30.5	**Assets at amortised cost**		
	Within one year	-	-
	More than one year	48,741,637	48,906,153
		48,741,637	**48,906,153**

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

	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Administrative penalties	2,963,911	60,266,013	1,176,757,647	1,239,987,571
Fees debtors	5,324,893	61	864	5,325,818
Other receivables	100,612,607	467,600	25,210,862	126,291,069
Total gross carrying amount	**108,901,411**	**60,733,674**	**1,201,969,373**	**1,371,604,458**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances are as follows:

	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Gross carrying amount as at 01 July 2023	94,451,561	97,889,617	1,074,428,075	**1,266,769,253**
New assets originated or purchased	95,144,356	60,733,674	460,400,052	**616,278,082**
Payments and assets derecognised (excluding write offs)	(72,695,618)	(67,423,825)	(363,494,346)	**(503,613,789)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	(467,661)	-	-	**(467,661)**
Transfers to Stage 3	(7,531,227)	(30,465,792)	30,635,592	**(7,361,427)**
At 30 June 2024	**108,901,411**	**60,733,674**	**1,201,969,373**	**1,371,604,458**
ECL allowance as at 01 July 2023	486,303	83,388,481	968,426,350	**1,052,301,134**
New assets originated or purchased	1,610,570	51,612,585	412,865,190	**466,088,345**
Payments and assets derecognised (excluding write offs)	(286,373)	(57,306,241)	(316,897,623)	**(374,490,237)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	(128,460)	-	-	**(128,460)**
Transfers to Stage 3	(70,976)	(26,082,241)	26,153,217	**-**
At 30 June 2024	**1,611,064**	**51,612,584**	**1,090,547,134**	**1,143,770,782**

30.6.2 Assets at amortised cost

	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Treasury Bills	48,774,253	-	-	**48,774,253**
Total gross carrying amount	**48,774,253**	**-**	**-**	**48,774,253**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances are as follows:

	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Gross carrying amount as at 01 July 2023	48,938,769	-	-	**48,938,769**
New assets originated or purchased	-	-	-	**-**
Payments and assets derecognised (excluding write offs)	(164,516)	-	-	**(164,516)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
At 30 June 2024	**48,774,253**	**-**	**-**	**48,774,253**
ECL allowance as at 01 July 2023	32,616	-	-	**32,616**
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 2024	**32,616**	**-**	**-**	**32,616**

30.6.3 Bank Deposits

	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Bank deposits	1,356,699,000	-	-	1,356,699,000
Total gross carrying amount	**1,356,699,000**	**-**	**-**	**1,356,699,000**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances are as follows:

	Stage 1 MUR	Stage 2 MUR	Stage 3 MUR	Total MUR
Gross carrying amount as at 01 July 2023	703,500,000	-	-	**703,500,000**
New assets originated or purchased	1,276,699,000	-	-	**1,276,699,000**
Payments and assets derecognised (excluding write offs)	(623,500,000)	-	-	**(623,500,000)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
At 30 June 2024	**1,356,699,000**	**-**	**-**	**1,356,699,000**
ECL allowance as at 01 July 2023	736,577	-	-	**736,577**
New assets originated or purchased	170,039	-	-	**170,039**
Payments and assets derecognised (excluding write offs)	(464,885)	-	-	**(464,885)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
At 30 June 2024	**441,731**	**-**	**-**	**441,731**

NOTES TO THE FINANCIAL STATEMENTS

	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
30.6.4 Other financial assets				
Staff Loans	13,848,700	-	-	**13,848,700**
Total gross carrying amount	**13,848,700**	**-**	**-**	**13,848,700**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances are as follows:

	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 01 July 2023	2,718,111	-	-	**2,718,111**
New assets originated or purchased	11,761,142	-	-	**11,761,142**
Payments and assets derecognised (excluding write offs)	(630,553)	-	-	**(630,553)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
At 30 June 2024	**13,848,700**	**-**	**-**	**13,848,700**

	Stage 1	Stage 2	Stage 3	Total
	MUR	MUR	MUR	MUR
ECL allowance as at 01 July 2023	608,626	-	-	**608,626**
New assets originated or purchased	1,351,913	-	-	**1,351,913**
Payments and assets derecognised (excluding write offs)	(203,814)	-	-	**(203,814)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	-	-	-	**-**
Transfers to Stage 3	-	-	-	**-**
At 30 June 2024	**1,756,725**	**-**	**-**	**1,756,725**

31. CATEGORIES OF FINANCIAL INSTRUMENTS

	Receivables and Other financial assets	Financial liabilities at amortised cost	Assets at amortised cost	Financial assets at fair value through P&L	Total
	MUR	MUR	MUR	MUR	MUR
Categories of financial instruments - 2024					
Non-current assets					
Assets at amortised cost	-	-	48,741,637	-	**48,741,637**
Other financial assets	-	-	-	9,175,736	**9,175,736**
Current assets					
Assets at amortised cost	-	-	-	-	**-**
Receivables	299,483,116	-	-	-	**299,483,116**
Cash and bank balances	1,234,337,982	-	-	-	**1,234,337,982**
Other financial assets	-	-	-	2,916,239	**2,916,239**
Bank deposits	1,356,257,269	-	-	-	**1,356,257,269**
Total Assets	**2,890,078,367**	**-**	**48,741,637**	**12,091,975**	**2,950,911,979**
Non-current liabilities					
Lease liability	-	406,734,311	-	-	**406,734,311**
Current liabilities					
Payables	-	385,113,835	-	-	**385,113,835**
Lease liability	-	23,982,169	-	-	**23,982,169**
Total liabilities	**-**	**815,830,315**	**-**	**-**	**815,830,315**

	Receivables and Other financial assets	Financial liabilities at amortised cost	Assets at amortised cost	Financial assets at fair value through P&L	Total
	MUR	MUR	MUR	MUR	MUR
Categories of financial instruments - 2023					
Non-current assets					
Assets at amortised cost	-	-	48,906,153	-	**48,906,153**
Other financial assets	-	-	-	1,652,192	**1,652,192**
Current assets					
Assets at amortised cost	-	-	-	-	**-**
Receivables	208,364,295	-	-	-	**208,364,295**
Cash and bank balances	2,008,878,331	-	-		**2,008,878,331**
Other financial assets	-	-	-	457,293	**457,293**
Bank deposits	702,763,423	-	-	-	**702,763,423**
Total Assets	**2,920,006,049**	**-**	**48,906,153**	**2,109,485**	**2,971,021,687**
Non-current liabilities					
Lease liability	-	4,190,013	-	-	**4,190,013**
Current liabilities					
Payables	-	426,094,125	-	-	**426,094,125**
Lease liability	-	784,737	-	-	**784,737**
Total liabilities	**-**	**431,068,875**	**-**	**-**	**431,068,875**

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 loss of MUR 9,936,922 (2023: gain of MUR 65,606,988) has occurred mainly due to transactions in USD. During the period USD appreciated against MUR by 189 basis points. (2023: appreciated by 130 basis points).

NOTES TO THE FINANCIAL STATEMENTS

The table below shows the carrying amounts of the financial assets and liabilities, denominated in currencies other than the functional currency.

	Assets		Liabilities	
	2024	2023	2024	2023
	MUR	MUR	MUR	MUR
Euro				
Bank deposits	-	-	-	-
Receivables	-	-	-	-
Other creditors and accruals	-	-	-	-
US Dollars				
Bank deposits	426,699,000	283,500,000	-	-
Cash and bank balances	1,160,748,584	1,414,106,947	-	-
Receivables	111,749,860	116,630,713	-	-
Advances from Management Companies	-	-	323,362,730	353,338,144

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 2024	Effect on Surplus 2023
		MUR	MUR
Bank balances	+50	6,171,690	10,044,392
	-50	(9,823)	(2,012,559)

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 2024	Effect on Funds 2023
		MUR	MUR
Financial assets and liabilities	+1 MUR	27,091,643	29,954,421
	-1 MUR	(27,091,643)	(29,954,421)

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 92.48% (2023:92.04%) 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.

33. RELATED PARTY TRANSACTIONS DISCLOSURE

Board fees, salaries and allowances to Key Managerial Persons

Name of Key Management Personnel	Appointment	End of appointment	Designation		2024	2023
					MUR	MUR
Mr Mardayah Kona Yerukunondu	12 May 2020	-	Chairperson	Board Fee	840,000	840,000
Mr Rajeshsharma Ramloll	26 Apr 2018	-	Vice Chairperson	Board and sub-committee fees	1,245,500	1,104,000
Mr Premchand Mungar	28 Dec 2017	-	Member	Board and sub-committee fees	846,000	720,000
Mr Sarwansingh Purmessur	24 May 2018	13 May 2024	Member	Board and sub-committee fees	937,398	720,000
Mr Mahess Rawoteea	9 Oct 2018	5 Sep 2023	Member	Board and sub-committee fees	280,667	953,333
Ms Gayle Mary-Jane Yerriah	26 Apr 2019	-	Member	Board and sub-committee fees	1,146,000	1,020,000
Ms Mariam Rajabally	26 Apr 2019	-	Member	Board and sub-committee fees	1,146,000	907,903
Mr Loveneesh Beedasy	24 Dec 2020	-	Member	Board and sub-committee fees	1,167,766	972,000
Mr Ishwarlall Bonomally	6 Sep 2023	-	Member	Board and sub-committee fees	615,957	-
Ms Phoolrani Rampadarath	13 May 2024	-	Member	Board fees	42,339	-
Mr Dhanesswurnath Thakoor	18 May 2020	19 Mar 2024	Chief Executive	Salaries	5,333,475	6,463,779
				Allowances	135,000	180,000
Dr Roshan Boodhoo	25 Jun 2024	-	Chief Executive	Salaries	51,136	-
				Allowances	9,682	-
Mr Prakash Seewoosunkur	20 Mar 2024	25 Jun 2024	Officer In-Charge	Salaries	797,138	-
				Allowances	320,361	-
TOTAL					**14,914,419**	**13,881,015**

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. EX-GRATIA PAYMENT

During the current year, the Commission had settled salaries and allowances increases from provision made earlier in the financial year ended 30 June 2023. Also, pursuant to the conclusion of staff salary review on 05 July 2024, the Board has approved ex-gratia payment to its employees, totaling MUR 53.40 Million, which is with reference to salaries for the calendar year 2022. Also, the full payment of this amount has been made in the month of July 2024. Considering that the aforesaid liability towards ex-gratia items has been completely discharged prior to the finalisation of accounts, based on the principle of prudence, the Commission has decided to account for this liability in the accounts for the current year.

Accordingly, full provision for the aforementioned amount has been made in the accounts for the current year and the same is reflected under staff salaries and allowances to present a true and fair position in the financial statements.

APPENDICES

ESG Corporate Governance Goals :

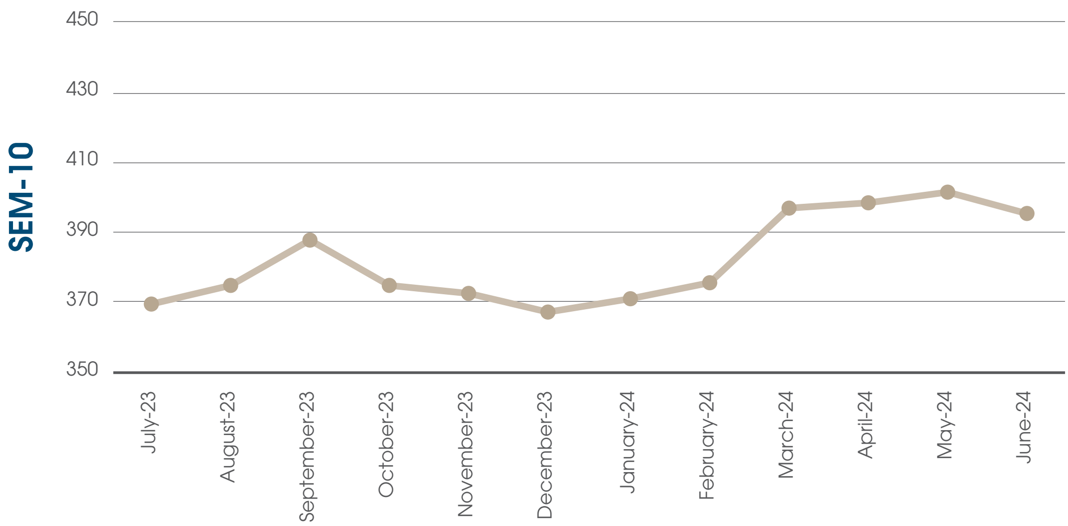
Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

APPENDICES

APPENDIX 1: MARKETS TRENDS IN SECURITIES

Year 2023/24 - Month End	SEMDEX	SEM-10	Semtri (MUR)	Semtri (USD)	SEMSI
July-23	2012.48	369.30	8,464.31	2,911.89	107.82
August-23	2082.01	374.65	8,764.58	3,034.25	111.71
September-23	2142.48	388.01	9,020.16	3,146.95	114.78
October-23	2063.91	375.05	8,693.83	3,082.81	110.50
November-23	2064.63	372.31	8,848.71	3,153.45	109.54
December-23	2038.1	366.97	8,739.93	3,118.14	108.26
January-24	2051.23	370.77	8,808.38	3,077.81	108.47
February-24	2065.79	375.62	8,881.11	3,052.01	109.83
March-24	2151.68	397.04	9,255.55	3,130.25	115.97
April-24	2149.12	398.73	9,259.12	3,136.66	115.79
May-24	2146.65	401.78	9,334.79	3,176.53	114.83
June-24	2108.82	395.04	9,288.89	3,098.53	112.59

EVOLUTION OF SEM-10 AS AT JUNE 2024
(END MONTH)



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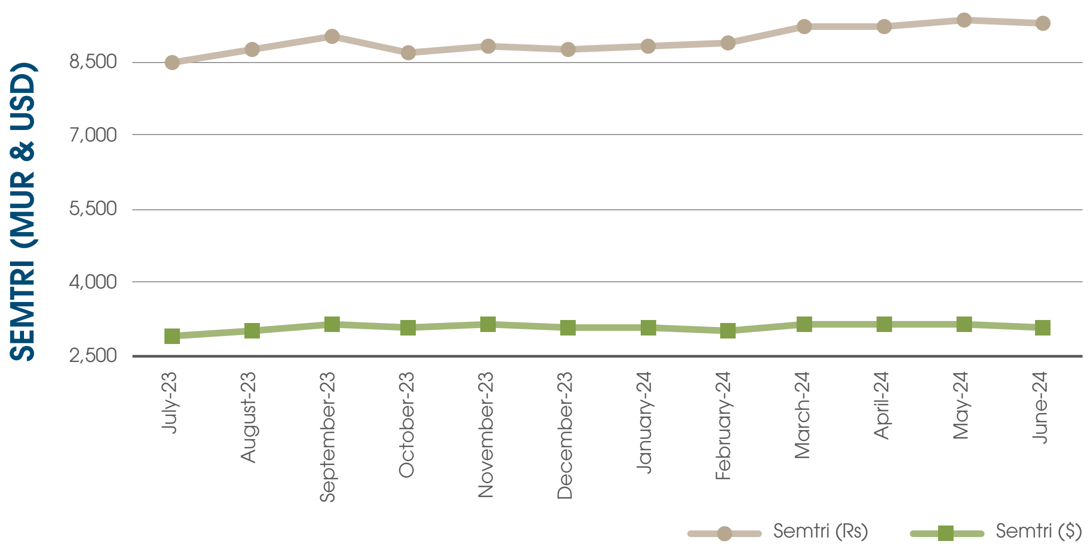
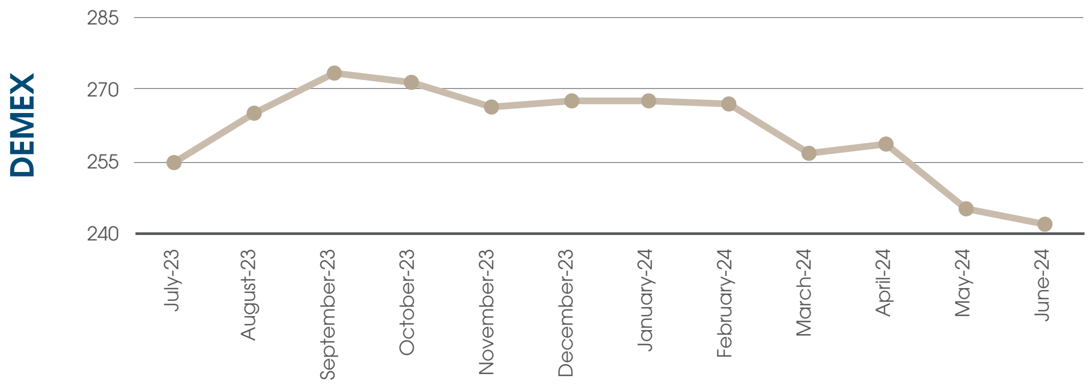
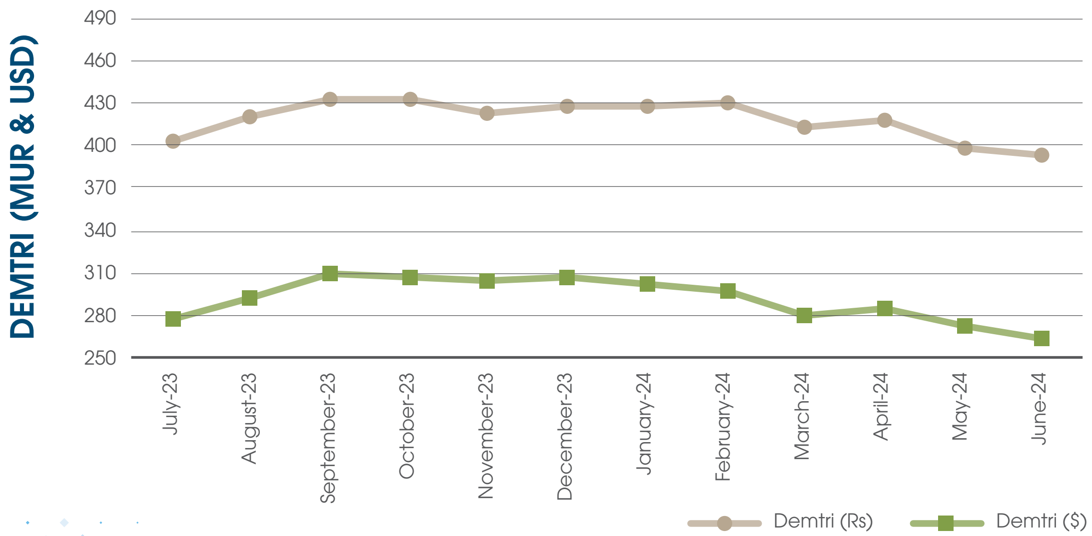
EVOLUTION OF SEMTRI (MUR & USD) AS AT JUNE 2024
(END MONTH)



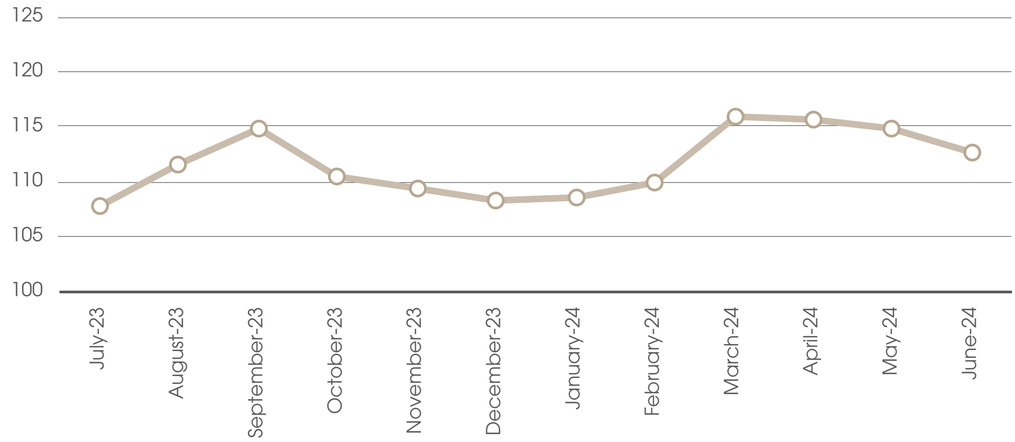
EVOLUTION OF DEMEX AS AT JUNE 2024
(END MONTH)



EVOLUTION OF DEMTRI (MUR & USD) AS AT JUNE 2024
(END MONTH)



EVOLUTION OF SEMSI AS AT END JUNE 2024
(END MONTH)



APPENDICES

APPENDIX 2: TRENDS IN INSURANCE

Long Term Insurance Business

Table 35: Long Term insurance business figures

	2019	2020	2021	2022
NUMBER OF INSTITUTIONS				
Long Term	7	7	7	7
NUMBER OF INSURANCE POLICIES				
Long Term	501,328	525,065	553,116	583,002
ASSETS				
Assets (MUR million)	84,961	87,556	106,193	106,005
% ∆ in Assets	9	3	21	-0.2
TECHNICAL RESERVES				
Life Fund (MUR million)	78,014	78,895	89,855	89,292
% ∆ in Life Fund	10	1	14	-0.6
CAPITAL AND RESERVES				
Capital and Reserves (MUR million)	3,521	4,501	12,233	12,904
% ∆ in Capital and Reserves	1	28	172	5
Long Term				
Assets (MUR million)	84,961	87,556	106,193	106,005
Life Fund (MUR million)	78,014	78,895	89,855	89,292
Capital and Reserves (MUR million)	3,521	4,501	12,233	12,904
Other Liabilities (MUR million)	1,452	1,764	1,717	1,785
% of C&R to Life Fund	5	6	14	14
LONG TERM				
Net Premiums (MUR million)	10,241	9,942	10,995	12,036
Reinsurance (MUR million)	489	590	618	649
Gross Premiums (MUR million)	10,730	10,532	11,613	12,685
% ∆ in Gross Premiums	8	-2	10	9
Net Claims (MUR million)	7,556	7,920	7,875	8,993
Reinsurance (MUR million)	140	141	210	249
Gross Claims (MUR million)	7,696	8,061	8,085	9,242
% ∆ in Gross Claims	5	5	0.3	14

General Insurance Business

Table 36: General Insurance business figures

	2019	2020	2021	2022
NUMBER OF INSTITUTIONS				
General	15	15	15	15
NUMBER OF INSURANCE POLICIES				
General	563,019	564,783	575,758	603,124
ASSETS (MUR million)	20,099	21,225	23,648	25,147
% Δ in Assets	7	6	11	6
ASSET MIX				
Equities (MUR million)	2,685	2,915	4,105	3,387
% Δ in Equities	15	9	41	-17
% of Total Assets	13	14	17	13
Cash Equivalents (MUR million)	2,773	3,614	3,937	4,649
% Δ in Cash Equivalents	-7	30	9	18
% of Total Assets	14	17	17	18
Govt Bonds (MUR million)	2,718	2,822	2,009	1,901
% Δ in Govt bonds	45	4	-29	-5
% of Total Assets	14	13	8	8
Other Bonds (MUR million)	172	205	1,016	980
% Δ in Other Bonds	-48	19	396	-4
% of Total Assets	1	1	4	4
Property (MUR million)	1,032	983	1,033	1,061
% Δ in Property	16	-5	5	3
% of Total Assets	5	5	4	4
Other Assets (MUR million)	10,720	10,686	11,548	13,169
% Δ in Other Assets	3	-0.3	8	14
% of Total Assets	53	50	49	52
LIABILITIES				
Capital & Reserves (MUR million)	7,889	8,153	9,460	9,287
% Δ	-3	3	16	-2
% of Total Equities and Liabilities	39	38	40	37
Technical Reserves (MUR million)	8,598	7,994	10,509	12,022
% Δ	10	-7	31	14
% of Total Equities and Liabilities	43	38	44	48

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	2019	2020	2021	2022
Other Liabilities (MUR million)	3,612	5,078	3,679	3,838
% Δ	25	41	-28	4
% of Total Equities and Liabilities	18	24	16	15
TOTAL PREMIUMS				
Net (MUR million)	6,697	7,428	7,678	8,886
Reinsurance (MUR million)	3,595	3,637	4,131	5,292
Gross (MUR million)	10,293	11,065	11,809	14,178
% Δ in Gross Premiums	10	8	7	20
PREMIUMS – MOTOR				
Net (MUR million)	3,632	3,743	3,826	4,066
Reinsurance (MUR million)	178	206	237	325
Gross (MUR million)	3,810	3,949	4,063	4,391
% Δ in Gross Premiums	9	4	3	8
PREMIUMS - NON-MOTOR				
Net (MUR million)	3,065	3,684	3,852	4,820
Reinsurance (MUR million)	3,417	3,432	3,893	4,967
Gross (MUR million)	6,483	7,117	7,746	9,787
% Δ in Gross Premiums	10	10	9	26
TOTAL CLAIMS				
Net (MUR million)	3,913	4,197	4,483	5,356
Reinsurance (MUR million)	1,840	1,763	1,695	2,502
Gross (MUR million)	5,754	5,961	6,178	7,858
% Δ in Gross Claims	11	4	4	27
CLAIMS – MOTOR				
Net (MUR million)	2,419	2,307	2,290	2,624
Reinsurance (MUR million)	284	345	433	686
Gross (MUR million)	2,704	2,652	2,724	3,310
% Δ in Gross Claims	9	-2	3	22
CLAIMS - NON-MOTOR				
Net (MUR million)	1,494	1,890	2,192	2,732
Reinsurance (MUR million)	1,556	1,419	1,261	1,816
Gross (MUR million)	3,050	3,309	3,453	4,548
% Δ in Gross Claims	12	8	4	32

	2019	2020	2021	2022
UNDERWRITING PROFIT				
UW profit (MUR million)	187	416	476	115
% Δ in UW profit	-9	122	14	-76
Investment (MUR million)	542	462	533	693
Operating profit (MUR million)	729	878	1,009	808
% Δ in Operating profit	6	20	15	-20
NUMBER OF POLICIES				
Motor	411,112	419,682	438,733	457,781
% Δ	1	2	5	4
% of Total	73	74	76	76
Non-Motor	151,907	145,101	137,025	145,343
% Δ	3	-4	-6	6
% of Total	27	26	24	24
Total	563,019	564,783	575,758	603,124
% Δ	1	0.3	2	5
NUMBER OF CLAIMS				
Motor	73,140	56,994	61,595	66,048
% Δ	15	-22	9	7
% of Total	20	18	15	13
Non-Motor	301,103	261,942	356,327	432,789
% Δ	11	-13	36	21
% of Total	80	82	85	87
Total	374,243	318,936	417,922	498,837
% Δ	12	-15	31	19

APPENDIX 3: MEMORANDUM OF UNDERSTANDING

Multilateral Memorandum of Understanding

SN	Institution / Standard Setting Body	Address	Date of Signature
1	International Association of Insurance Supervisors	c/o Bank for International Settlements, CH-4002 Basel, Switzerland	23 December 2013
2	International Organization of Securities Commissions	C/ Oquendo 12 28006 Madrid, Spain	16 May 2012
3	Southern African Development Community – Committee of Insurance, Securities and Non-banking Financial Authorities	c/o Financial Services Commission, FSC House, 54 Cybercity, Ebene 72201, Republic of Mauritius	03 April 2003
4	Group of International Finance Centre 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	Institution / Standard Setting Body	Date of Signature
1	IOSCO Africa / Middle East Regional Committee	18 September 2013
2	South Asian Securities Regulators Forum	13 May 2005

Memorandum of Understanding (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	Authoriteit 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 Understanding (relating to the supervision of AIFMD entities) with European Economic Area 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 Understanding (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

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	Malta Financial Services Authority	Malta	13 January 2004
3a	Amendment to the MoU between the FSC and the Financial Services Authority, Malta for cooperation in Fintech related activities	Malta	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
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	Dubai Financial Services Authority	United Arab Emirates	01 October 2015
23	Financial Services Authority	Seychelles	03 March 2016
24	Financial Services Regulatory Authority	Swaziland	31 March 2016
25	Capital Markets & Securities Authority	Tanzania	16 June 2016
26	Abu Dhabi Global Market Financial Services Regulatory Authority	United Arab Emirates	19 December 2016

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SN	Authority	Country	Date of Signature
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 (APRA)	Australia	27 February 2020
34	Qatar Financial Centre Regulatory Authority	Qatar	25 May 2021
35	International Financial Services Centres Authority	India	07 March 2024

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	Date of Signature
1	Members of the Canadian Securities Administrators signatory to the Agreement are as follows: - Ontario Securities Commission - Autorité des marchés financiers (Québec) - British Columbia Securities Commission - Manitoba Securities Commission - Financial and Consumer Affairs Authority of Saskatchewan - Nova Scotia Securities Commission - 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 Memorandum of Understanding 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 And Business Registration Department	01 December 2016
8	Attorney General's Office	07 August 2017

Tripartite Memorandum of Understanding 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
4	Economic Development Board and Corporate and Business Registration Department	21 July 2022

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
2	Mauritius Police Force	30 September 2022

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APPENDIX 4: CAPACITY BUILDING

In House Trainings, Seminars, Workshops, Talks, Webinars

SN	Theme	Date	No of Participants
1	International Certificate in Corruption Risk Management	01 – 05 July 2023	2
2	Financial Stability Institute – IAIS Webinar on 'Climate Scenario Analysis in the Insurance sector'	06 July 2023	6
3	Joint CISNA / United National Capital Development Fund virtual workshop on 'Sustainable Finance and Financial Inclusion'	11 – 12 July 2023	10
4	Cambridge Centre for Alternative Finance webinar on 'Innovation offices and sandboxes: progress and the road ahead'	18 July 2023	11
5	Training on Chainalysis Reactor Module	18 – 21 July 2023	2
6	RCE / OECD Workshop on 'Sovereign debt management, Sustainable bonds and Debt transparency'	26 – 27 July 2023	17
7	Workshop on 'Targeted Financial Sanctions and Transaction Monitoring'	25 July 2023	39
8	Virtual training on Financial Inclusion for Anti-Money Laundering Specialist	August – September 2023	12
9	Webinar on the Self-Assessment Tool and ICP 9	16 August 2023	1
10	Financial Stability Institute – IAIS Regulatory and Supervisory Training Online Course (FIRST ONE)	17 August – 17 October 2023	4
11	Joint Training on 'Mutual Legal Assistance and Extradition'	28 August 2023	18
12	Training on IFRS 17	30 – 31 August 2023	32
13	Accounting and Auditing Organization for Islamic Financial Institutions Virtual roundtable on 'Financial Accounting Standard Sukuk'	30 August 2023	1
14	Webinar on 'Fintech sustainability in Africa – the impact of Corporate Governance and Regulations'	14 September 2023	6
15	Virtual workshop on 'Investment under the Economic Partnership Agreement'	11 – 15 September 2023	1
16	Virtual conference: 'The Use of Technology in Securities Markets Enforcement'	21 September 2023	7
17	IFRS 17 Roundtable	28 September 2023	3
18	AMERC Fintech webinar	04 October 2023	10
19	Webinar on 'Harnessing Artificial Intelligence's Potential in Insurance: Exploring Use Cases, Risks and Challenges'	06 October 2023	14
20	2023 Liberty Holdings Limited Supervisory College	09 – 10 October 2023	2
21	Training on 'Sovereign Credit Rating'	16 October – 04 November 2023	3
22	Workshop on 'Beneficial Ownership / Ultimate Beneficial Ownership and Suspicious Transaction Reporting'	31 October 2023	20
23	Customized Training on 'Evaluation for procurement of goods, services and consultancy'	October 2023	50
24	GFIN Annual General Meeting 2023	08 – 09 November 2023	9
25	University of Cambridge Judge Business School Online Programme on 'Leading Transformation: Product and Organizational Innovation'	06 November – 15 December 2023	1
26	Virtual Masterclass on 'AI in Finance'	23 November 2023	3

SN	Theme	Date	No of Participants
27	Customised Training for preparation and reviewing of bidding documents	November 2023	20
28	Workshop on 'Suspicious Transaction Reporting and sharing of experience on enforcement'	28 November 2023	22
29	Cambridge Centre for Alternative Finance – Cambridge SupTech week	04 – 07 December 2023	10
30	Virtual Outreach 'Combating the Terrorist Abuse of Non-Profit Organisations'	12 December 2023	30
31	Webinar on 'Commodities Exchange'	25 January 2024	8
32	British High Commission Webinar on 'Cyber Resilience'	06 February 2024	5
33	ICC joint workshop on 'The role and functions of Compliance Officer / Money Laundering Reporting Officer in implementing an effective AML/CFT program and understanding Enforcement Measures'	29 February 2024	17
34	U.S. SEC International Institute Virtual Event on 'Crypto Asset Market Developments'	04 March 2024	14
35	Autorité des marchés financiers France 2024 International Seminar	11 – 20 March 2024	30
36	Meeting of African Network of National Regulators of Credit Rating Agencies	26 – 27 March 2024	1
37	IOSCO Virtual workshop on 'Anti-Money Laundering / Counter-Terrorist Financing Regulation of Virtual Assets and Virtual Asset Service Providers'	01 – 02 April 2024	21
38	Discussion on the Progress made by the Short-Term Expert on 'Agricultural Derivatives Commodities Exchange'	18 April 2024	1
39	IMF – IOSCO training workshop on 'Cyber Resilience'	15 – 19 April 2024	9
40	Webinar on 'Future of India-Mauritius tax treaty – Impact of new Protocol on M&A deals and Private Equity structures'	23 April 2024	7
41	Association of National Numbering Agencies Webinar on 'Digital Assets'	25 April 2024	1
42	Workshop on 'Using conduct indicators in Insurance Supervision'	24 April 2024	1
43	Workshop on 'FSC AML/CFT Onsite Inspection Manual'	26 April 2024	70
44	IAIS Strategic Plan and Financial Outlook for 2025–2029 Webinar	24 April 2024	2
45	Bank for International Settlements – NGFS Climate and Environmental Risks Online Course	02 May – 26 June 2024	8
46	AMERC webinar on 'Fintech Ecosystem'	07 May 2024	9
47	Economic Partnership Agreements Training in Investment Liberalisation	10 May 2024	1
48	Workshop on 'Blockchain and Asset Tokenization of Real-World Assets'	21 May 2024	10
49	Virtual joint workshop on 'Enhanced STR and Terrorism Financing / PF'	31 May 2024	24
50	Fintech Square Event 2024	30 – 31 May 2024	1
51	Training on Contract Management	10, 13, 18 June and 24 July 2024	10
52	Virtual Course 'Building Institutions to Fight Corruption in Africa'	03 – 07 June 2024	2

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SN	Theme	Date	No of Participants
53	Outreach session on 'Customer Due Diligence, Enhanced Due Diligence, FATF Recommendations 24 and 25 and Sharing of Supervisory Findings on Beneficial Ownership'	20 June 2024	14
54	RCE-OECD Policy workshop on 'Digital Finance in Africa'	20 – 21 June 2024	12
55	Webinar on 'Investor Protection and Supervision Challenges in a Digitized World'	27 June 2024	14
56	Online Training on 'Cyber Threat Intelligence'	25 – 28 June 2024	2

Local Conferences, Trainings, Seminars, Workshops and Talks

SN	Theme	Date	No of Participants
1	Workshop on 'Alcohol, Drug and other Substances at workplace'	06 July 2023	1
2	Cybersecurity Awareness workshop	06 July 2023	5
3	Workshop on 'Compliance to Regulation while protecting Data and all paths to it'	25 July 2023	1
4	MauZoho Creator Day in partnership with Zoho Corporation	26 July & 23 August 2023	5
5	Presentation on 'Data Protection in the Insurance Industry'	28 July 2023	3
6	Training on 'The Future of Reporting Sustainability'	06 – 07 Jul 2023	2
7	Annual Fintech Regulatory Roundtable	10 August 2023	3
8	Workshop on 'The evolution of Endpoint security'	25 August 2023	2
9	Forum of Accountants on 'Sustainability of the Accounting Profession'	25 August 2023	2
10	45th Organization of Eastern and Southern Africa Insurers Annual Conference and AGM	28 – 30 August 2023	1
11	Annual Human Resources Congress 2023	25 – 26 August 2023	6
12	International Data Corporation Mauritius CIO Summit	06 September 2023	4
13	Workshop on the 'Future of ICT Regulations'	14 September 2023	2
14	Training on 'Sustainability Accounting and Reporting: Embracing the ESG Imperative'	22 September 2023	7
15	Workshop on 'Leveraging Fintech to facilitate investment'	28 September 2023	3
16	Seminar on 'EU Green Deal Sustainable Finance Strategy and its impacts on the financial sector in Mauritius'	29 September 2023	5
17	Africa Partnership Conference	02 – 03 October 2023	2
18	Workshop on 'General Insurance: The Mauritius Civil Code Explained'	05 October 2023	3
19	8th Annual Competition and Economic Regulation week	05 – 06 October 2023	1
20	Tech Day Event – Innovate for a Sustainable Future	25 October 2023	1
21	Course on 'Selected Issues in Regulation and Supervision of Fintech'	30 October -03 November 2023	1
22	Juristconsult Investment Summit 2023	09 November 2023	3
23	CISCO Business Forum	14 December 2023	2
24	Public Speaking Training session	06 – 07 December 2023	2
25	Mauritius Bar Council conference	24 December 2023	2
26	Workshop on 'Ethics and Data Privacy'	23 January 2024	1
27	2nd Edition of Environmental, Social and Governance Summit	30 January 2024	1

SN	Theme	Date	No of Participants
28	Conference on 'Cap sur la finance durable en Afrique'	26 – 27 February 2024	5
29	African Competition Forum Workshop	05 March 2024	1
30	Presentation – Oracle Cloud Technologies & Platform, the Next Generation Cloud for Mauritius Businesses	27 March 2024	2
31	ICC joint training session on 'Beneficial Ownership / Ultimate Beneficial Ownership, Terrorism Financing, and Proliferation Financing'	29 March 2024	16
32	Course on IFRS – Back to Basics	04 – 05 April 2024	2
33	Juristconsult Investment Summit	18 April 2024	1
34	EU Green Deal Workshop	02 – 03 April 2024	1
35	Common Market for Eastern and Southern Africa Awareness Workshop	15 – 16 April 2024	1
36	Africa Training Institute Course on 'Monetary and Financial Statistics – Advanced'	08 – 19 April 2024	1
37	Update on Legislative Reforms	24 April 2024	1
38	2nd Annual Regional Meeting of the African Anti-Corruption Law Enforcement Network	23 – 25 April 2024	1
39	Seminar on 'World Intellectual Property Day 2024'	26 April 2024	1
40	AI Summit	09 May 2024	4
41	Mauritius Emerging Tech Exhibition (METX) 2024 Industry Day	10 May 2024	2
42	Procurement & Supply Chain Masterclass 2024	15 May 2024	4
43	Cryptoverse Summit	15 May 2024	3
44	Seminar on 'ESG and Sustainability: Driving Change in African Financial Markets'	15 May 2024	2
45	Financial Lines Symposium	13 – 14 May 2024	2
46	ESAAMLG / Africa Training Institute FATF Assessors' Training	27 – 31 May 2024	2
47	Masterclass on 'Risk Resilience: Mastering the Essentials of Risk Management'	21 – 22 May 2024	2
48	IT Summit 2024: Responsible AI	23 – 24 May 2024	1
49	Seminar on Occupational Safety & Health for Employees in the Parastatal Bodies	29 – 30 May 2024	1
50	Fintech Consultative Workshop	03 June 2024	4
51	African Anti-Corruption and Asset Recovery Event	06 – 07 June 2024	2
52	Anti-Money Laundering Round Table	03 – 04 June 2024	1
53	Presentation on the Financial Crimes Commission Act 2023	28 June 2024	5

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Overseas Missions and Capacity Building programmes

SN	Theme	Date	Country	Officer
1	Small Countries Financial Management Programme 2023	02 – 14 July 2023	United Kingdom	GUNESS Jayshree DUSORUTH Luxsmi Vijayata
2	African Union – African Peer Review Mechanism 2nd Meeting of the Network of National Regulators on Credit Rating Agencies	14 July 2023	Kenya	DOMAN BRETTE Leena
3	23rd ESAAMLG Council of Ministers Meeting, the 46th Task Force of Senior Officials Meeting and the 6th Sub-Saharan Africa AML/CFT Public / Private Sector Dialogue	03 – 09 September 2023	Botswana	SAHYE Yonesha BAPPOO-SOOBHUG Meenakshi
4	FATF Africa / Middle East Joint Group Meeting	10 – 15 September 2023	Jordan	SAHYE Yonesha
5	46th CISNA Meeting	01 – 06 October 2023	Namibia	MISHRA Aakash
6	Financial Stability Board Regional Consultative Group Sub-Saharan Africa Meeting	05 – 06 October 2023	South Africa	RAMASAWMY Deerajen
7	18th IOSCO and the Financial Stability Institute Conference on 'Securities Trading Issues and Market Infrastructure'	10 – 11 October 2023	Spain	DOMAN BRETTE Leena
8	IOSCO Technical Assistance Workshop on 'Developing Enforcement Manuals'	17 – 18 October 2023	Malaysia	GUNESS Jayshree
9	IOPS Technical Committee meeting Annual General Meeting and OECD / IOPS Global Forum on Private Pensions	17 – 19 October 2023	Zimbabwe	SEEWOOSUNKUR Prakash DULLOO Trisha
10	Association for Financial Markets in Europe Operations, Post-Trade, Technology & Innovation Conference	17 – 18 October 2023	Belgium	RAMSOHOK HEERASING Kheertee
11	Sanlam Limited Insurance Group – International Supervisory College	23 – 27 October 2023	South Africa	LALLMAHOMED Tabrez Ahmad
12	IAIS Committee Meetings, Annual General Meeting and Annual Conference	06 – 10 November 2023	Japan	ROBEE Nobin
13	2023 AMERC and IOSCO Growth and Emerging Markets Committee Annual Meeting and Conference	20 – 23 November 2023	Egypt	NEETOO Ben Shaminah
14	OECD Latin America Roundtable on Corporate Governance	27 – 28 November 2023	Brazil	RAMSOHOK HEERASING Kheertee IMRIT Bibi Ruqayyah Zohra
15	ANNA Extraordinary General Meeting and Workshop	29 November – 01 December 2023	South Korea	BURUN Kamalsing
16	4th Annual Conference of the Africa Pension Supervisors' Association on 'Sustainable Pension Inclusion in Africa'	26 – 28 November 2023	Uganda	JADOO Bhoomika
17	Financial Sector Conduct Authority Familiarisation Programme 2023	21 – 23 November 2023	South Africa	BHAUGMANEEA Navashina BOLAH Heetesh
18	ACCA Africa Members 2023 on 'Empowering Finance Professionals for Sustainable Development'	06 – 08 December 2023	South Africa	PUSRAM Rajhans

SN	Theme	Date	Country	Officer
19	FATF Africa Middle East Joint Group meeting	13 – 15 December 2023	Uganda	SAHYE Yonesha
20	FATF Africa Middle East Joint Group meeting	09 – 14 January 2023	Morocco	SAHYE Yonesha
21	Study Visit to Abu Dhabi Global Market Financial Services Regulatory Authority	24 – 26 January 2024	Abu Dhabi	BURUN Kamal ASKURN Gowtamsing KHOOSY Visham RAMFUL YERKIAH Veedusee EMRITH Sherween DEONARAIN Pooja
22	United Nations Office on Drugs and Crime Regional Virtual Assets Transactions Tracing Investigations Course	22 – 26 January 2024	South Africa	BHYLAGEE-SEECHURN Madhvi MOOROOGEN Shamala
23	Financial Stability Institute – Bank for International Settlements 'Policy implementation meeting on Big Techs in Insurance'	19 – 20 March 2024	Switzerland	JHOOMUN Kevin Hans SEEPUJAK Leenakshi
24	Financial Sector Conduct Authority Industry Conference	13 – 14 March 2024	South Africa	DOONGOOR Shailendrasingh
25	23rd OECD Asian Development Bank Institute Roundtable on 'Capital Market and Financial Reform'	14 – 16 March 2024	Tokyo	RAMSOHOK HEERASING Kheertee
26	OECD Global Anti-Corruption & Integrity Forum	26 – 27 March 2024	France	SEETAMONEE Namrata
27	47th ESAAMLG Task Force of Senior Officials Meeting	05 – 12 April 2024	Angola	SAHYE Yonesha MOOROOGEN Shamala KEERODHUR Tanvi
28	Z/Yen Workshop & CityUK Conference	16 – 18 April 2024	United Kingdom	ARLANDA LAROY Carine
29	International Scientific and Practical Forum on 'Topical Issues of AML/CFT'	24 – 26 April 2024	Russia	MOLLOO Satnarain
30	GIFCS Meeting	29 April 2024	London	HEMRAZ Manohar
31	IOSCO Annual Meeting	25 – 29 May 2024	Greece	DOMAN BRETTE Leena
32	Financial Stability Board Regional Consultative Group Sub-Suharan Africa Meeting	22 – 23 May 2024	Senegal	RAMASAWMY Deerajen
33	50th African Insurance Organisation Conference and Annual General Assembly	01 – 05 June 2024	Namibia	BHOLAH-BISSONAUTH Bharatee
34	ANNA Annual General Meeting	12 – 14 June 2024	Spain	RAMSURRUN Kawshik
35	African Financial Inclusion Policy Initiative Meetings	24 – 27 June 2024	Ivory Coast	RAMJEET Amit SEEWOOSUNKUR Roubina
36	Small Countries Financial Management Programme 2024	29 June – 11 July 2024	United Kingdom	TEELWAH BEETUL Sandiah RAMSOHOK HEERASING Kheertee

APPENDIX 5: COMMUNIQUES AND PRESS RELEASES

Press Releases & Communiqués issued for the period 01 July 2023 to 30 June 2024

SN	Title		Date of Issue
1	Communique:	Mauritius improves its position in the GFCI 34, affirming its prominence in the international financial landscape	28 September 2023
2	Press Release:	Launching of a Framework governing the use of Digital Signature	23 October 2023
3	Communique:	FSC launches its new Fintech and Innovation webpage	13 November 2023
4	Communique:	Mauritius secures a prominent position in the Z/Yen Smart City Index 8	27 November 2023
5	Communique:	FSC joins the Network for Greening the Financial System (NGFS)	03 January 2024
6	Communique:	Cyclone Belal – Setting up of a Special Desk at the FSC	16 January 2024
7	Communique:	FSC issues a new Regulatory Framework for Spot Commodity Market and its Intermediaries	13 February 2024
8	Communique:	IOSCO AMERC Plenary Meeting & AMERC Public Conference	23 February 2024
9	Communique:	Regulatory relief Extension of time limit for filing of Returns due to IFRS 17	01 March 2024
10	Communique:	Re-election of FSC Mauritius as the AMERC Representative to the IOSCO Board	08 March 2024
11	Press Release:	IFSCA executes MoU with the Financial Services Commission, Mauritius	15 March 2024
12	Communique:	Mauritius ascends Global Financial Centres Index (GFCI 35) ranks, establishes firm footing as a premier financial destination	22 March 2024
13	Communique:	FSC hosts the IMF – IOSCO Training Workshop on Cyber Resilience	23 April 2024
14	Communique:	Scam through WhatsApp	22 May 2024
15	Communique:	Fake Documents	22 May 2024

Guidelines and Consultation Paper issued for the period 01 July 2023 to 30 June 2024

SN	Title	Date of Issue
1	Guidance Notes on Stablecoins for Public Consultation	24 July 2023
2	Securities (Preferential Offer) (Amendment) Rules 2023 for Public Consultation	11 August 2023
3	Draft IFRS 17 returns for Public Consultation	21 August 2023
4	Consultation Paper on the proposed Environmental, Social and Governance guidelines for Investment Funds	12 October 2023
5	Consultation Paper on 'Metaverse – Reshaping the Financial Services Sector'	31 October 2023
6	Public Consultation on the Draft Financial Services (Spot Commodity Market and Intermediaries) Rules 2023	15 November 2023
7	Draft Captive Insurance (Captive Insurance Business) Rules for Public Consultation	28 November 2023
8	Guidelines on Cloud Computing Services	29 November 2023
9	Commodities Bill for Public Consultation	08 December 2023
10	Draft legislations for public consultation	20 December 2023
11	Draft legislations for public consultation	18 January 2024
12	Consultation Paper on 'Decentralised Finance (DeFi): Regulatory Considerations on Financial Collaterals'	14 February 2024
13	Consultation Paper on the proposed Regulatory Framework for Peer to Peer (P2P) Insurance	17 March 2024
14	Draft Guidance Notes on Whistleblowing for public consultation	19 March 2024

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LIST OF ACRONYMS AND ABBREVIATIONS

ACCA	Association of Chartered Certified Accountants
AER	Administration and Enterprise Risk
AMERC	Africa / Middle East Regional Committee
AFS	Audited Financial Statements
AIR	Alliance for Innovative Regulation
ANNA	Association of National Numbering Agencies
AU	Authorised Companies
BoM	Bank of Mauritius
CEF	Close End Funds
CIGA	Core Income Generating Activities
CIS	Collective Investment Scheme
CISNA	Committee of Insurance, Securities and Non-Banking Financial Authorities Secretariat
DB	Defined Benefit
DC	Defined Contribution
DeFi	Decentralised Finance
DEM	Development and Enterprise Market
DNFBPs	Designated Non-Financial Businesses and Professions
EC	Enforcement Committee
ED	Enforcement Directorate
ESAAMLG	Eastern and Southern Africa Anti Money Laundering Group
FAR	Fixed Asset Register
FATF	Financial Action Task Force
FCC	Financial Crimes Commission
FIs	Financial Institution
FIU	Financial Intelligence Unit
FSA	Financial Services Act
FSF	Financial Services Fund
FSRP	Financial Services Review Panel
FSWG	Joint BoM / FSC Working Group on Financial Stability
GB	Global Business
GFCI	Global Financial Centre Index
GFIN	Global Financial Innovation Network
IAIS	International Association of Insurance Supervisors
ICC TSL	Interagency Coordination Committee
ICRG	International Cooperation Review Group
IFC	International Financial Centre
IFRS	International Financial Reporting Standards
IFSCA	International Financial Centres Authority
IMF	International Monetary Fund
IOPS	International Organisation of Pension Supervisors
IOSCO	International Organization of Securities Commissions
ISIN	International Securities Identification Number

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IT	Information Technology
JCC	Joint Coordination Committee
LEAs	Law Enforcement Agencies
MAFH	Mauritius Africa Fintech Hub
MF	Mauritius Finance
MRA	Mauritius Revenue Authority
ML	Money Laundering
MIoD	Mauritius Institute of Directors
MoFEPD	Minister of Finance, Economic Planning and Development
MoU	Memorandum of Understanding
MPF	Mauritius Police Force
NGFS	Network for Greening the Financial System
NICD	National Insurance Claims Database
NPF	National Pensions Fund
NRA	National Risk Assessment
NSF	National Savings Fund
ODCS	Online Data Capture System
OECD	Organisation for Economic Co-operation and Development
P2P	Peer to Peer
PF	Proliferation financing
PPSA	Private Pension Schemes Act
RBS	Risk-Based Supervision
RCE	Regional Centre of Excellence
RFI	Request for Information
SA	Securities Act
SADC	Southern African Development Community
SC	Settlement Committee
SEM	Stock Exchange of Mauritius
TF	Terrorist Financing
TRC	Tax Residency Certificate
VAs	Virtual Assets
VASP	Virtual Asset Service Provider
VAITOS ACT	Virtual Asset and Initial Token Offering Services Act 2021
VCC	Variable Capital Company
WGS	Working Group Financial Statistics

NOTES

NOTES

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