

CIRCULAR LETTER**CL200525**

20 May 2025

**To: The Board of Directors
Management Companies &
Licensed Non-Bank Financial Institutions**

Dear Sirs,

Obligations of Licensees under sections 23 and 24 of the Financial Services Act

The Financial Services Commission, Mauritius (FSC) has observed a noticeable increase regarding cases where licensees are acting in breach of sections 23 and 24 of the Financial Services Act (FSA) and similar provisions in other Relevant Acts¹ by not seeking the approval of the FSC prior to:

- a) proceeding with issuance or transfer of shares or beneficial interest of more than 5%;
- b) proceeding with issuance or transfer of shares of less than 5% where same is resulting in a change in control in the licensees; or
- c) appointing officers.

It has also been observed that licensees are failing to notify the FSC of the issuance or transfer of shares or legal or beneficial interest of less than 5 per cent, as required under section 23(1A)(b) of the FSA.

Licensees are reminded that **the FSC must be notified within 14 days** of such share transaction, pursuant to the Communiqué (Surv/IFI/30A2017/1) issued by the FSC on 31 January 2017.

¹ Sections 14 and 16 of the Virtual Asset and Initial Token Offering Services Act 2021 and sections 25,26,27,36 and 40 of the Insurance Act

The purpose of this Circular Letter is to remind all licensees of their obligations to comply, at all times, with all legal and regulatory requirements relevant to the conduct of their business activities, including their obligations to comply with sections 23 and 24 of the FSA and similar provisions in the Relevant Acts.

The attention of the licensees is also drawn to **paragraph 4.6 of the Code of Business Conduct**.

Licensees are hereby informed that the FSC reserves the right to initiate enforcement actions against licensees which, *inter alia*, are found to be non-compliant with any provisions of the law and/or conditions of their licences.

Signed by Prakash Seewoosunkur, Officer-in-Charge.

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