



Financial
Services
Commission
MAURITIUS



ESG

FUNDS IN MAURITIUS





WHAT IS ESG?

For the purposes of the recently issued guidelines by the Financial Services Commission (“FSC, Mauritius”), the definition of ESG as provided by the United Nations Principles for Responsible Investment Reporting Framework is being reproduced as follows:

“Environmental, social and governance issues that are identified or assessed in responsible investment processes.

- *Environmental factors are issues relating to the quality and functioning of the natural environment and natural systems.*
- *Social factors are issues relating to the rights, well-being, and interests of people and communities.*
- *Governance factors are issues relating to the governance of companies and other investee entities.”*

The FSC, Mauritius may also recognise other internationally accepted definitions and standards.

WHAT IS AN ESG FUND?

To qualify as an ESG Fund, at least two-thirds ($\frac{2}{3}$) of the Fund's Net Asset Value ("NAV") must be ESG-focused. The Fund must also comply with the disclosure, reporting, and certification requirements as outlined in the Guidelines.

Please refer to Guidelines on:

[*disclosure-and-reporting-guidelines-for-esg-funds.pdf*](#)



SCOPE OF THE GUIDELINES

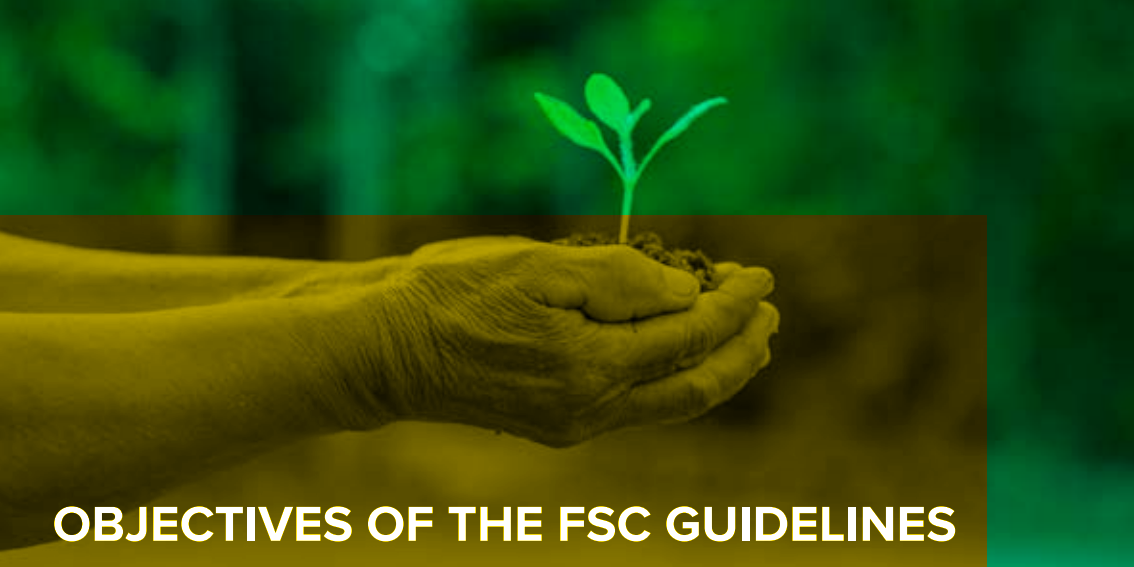
The Guidelines apply to:

- Collective Investment Schemes ('CIS') and Closed-end Funds, authorised by the FSC, Mauritius, which use or include ESG factors as their key investment focus and strategy.
- Funds registered by way of continuation from a foreign jurisdiction into Mauritius which use or include ESG factors as their key investment focus and strategy.

ESG factors include those which are aligned with one or more of the ESG criteria forming part of the UN SDGs or other widely accepted goals.

Only funds registered as ESG Funds may use terms such as 'Environment', 'Social', 'ESG', 'Green', 'Sustainability' or any combination thereof or similar terms in their fund name, promotional materials or offering documents.





OBJECTIVES OF THE FSC GUIDELINES

The Guidelines have been prepared taking into consideration the Recommendations on Sustainability-Related Practices, Policies, Procedures, and Disclosure in Asset Management issued by the International Organization of Securities Commissions (IOSCO). The principal objectives of the Guidelines are:

- To safeguard investor protection and enhance confidence in sustainable investment products; and
- To bolster Mauritius' reputation as a credible jurisdiction for sustainable finance.

KEY DISCLOSURE REQUIREMENTS

A. Offering Document Requirements

The offering document of an ESG Scheme must disclose the following:

1. **Investment Objective:** Clearly define the ESG focus areas, specifying the environmental, social, and governance factors and the metrics used to evaluate investments.
2. **Investment Strategy:** Provide sufficient information on how ESG factors are integrated into the investment decision-making process and portfolio management.
3. **Asset Allocation:** Disclose the proportion of the Fund's NAV allocated to ESG-compliant investments and the management of non-ESG assets.
4. **Benchmark:** Identify the ESG-specific benchmarks used for performance measurement and their relevance to the Fund's strategy.
5. **Risks:** Outline material ESG-related risks and the methodologies for assessing and mitigating these risks.

B. Ongoing Reporting Obligations

1. **Annual Sustainability Report:** ESG Funds must prepare and disclose an annual Sustainability Report to the FSC, Mauritius and its investors that includes ESG performance metrics, ESG portfolio composition, and any deviations from the ESG strategy.
2. **Website Disclosures:** ESG Funds must disclose on their websites (if any) the following elements:
 - Due diligence practices for ESG investments;
 - Voting policies on ESG matters;
 - Sources of ESG data and their reliability; and
 - How the ESG focus is measured and monitored.

REGISTRATION AND CERTIFICATION

- **New Applications** (submitted on or after 24 March 2025) must be accompanied by **either independent third-party certification or self-certification**, confirming alignment with **United Nations Sustainable Development Goals (UN SDGs)** or other widely accepted goals.
- **Existing ESG Funds** wishing to register as ESG Funds must comply with the transitional provisions, including submission of updated offering documents and certification, **by 01 August 2025**.
- **Annual Certification:** The **Sustainability Report** must be accompanied by a certification confirming that the Fund's activities remain aligned with the ESG objectives stated in the offering document.

WHO CAN CERTIFY?

Recognised independent certifiers include:

- An auditor duly registered with the Financial Reporting Council;
- A credit rating agency duly licensed by the Commission or as recognised by the Commission; or
- Any other independent service provider as may be approved by the Commission.

ESG FUND REGISTER

The FSC, Mauritius shall maintain a publicly accessible ESG Fund Register on its website. This Register serves as an authoritative source of information for verifying whether a fund is legitimately recognised as an ESG Fund in Mauritius.



ON-GOING MONITORING AND SANCTIONS

- The governing body or the appointed CIS Manager is legally responsible for ensuring that the ESG Fund operates in conformity with its stated ESG investment strategy and constitutive documents.
- In the event that the two-thirds ($\frac{2}{3}$) requirement is no longer met, the ESG Scheme will have to bring the portfolio into compliance with the above requirement within 90 days.
- Where an ESG Scheme no longer wishes to pursue its stated ESG focus, the governing body of the ESG Scheme or its CIS Manager must notify its investors and the Commission as soon as reasonably practicable.
- The Commission may take regulatory action for failure to meet the stated investment objective and/or strategy in the offering document of the ESG Scheme.

Environment



Social



Governance



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