

Frequently Asked Questions

Disclosure and Reporting Guidelines for ESG Funds issued by the Financial Services Commission on 10 March 2025¹

1. Are the Guidelines applicable for all Collective Investment Schemes and Closed-end Funds?

A Collective Investment Scheme or Closed-end Fund will fall within the scope of the Guidelines and be subject to the requirements of the Guidelines if it uses or includes ESG factors as its key investment focus and strategy such that at least two-third of the scheme's net asset value is ESG-focused.

2. Will 'Impact Funds' fall within the scope of these Guidelines?

Yes. Funds whose primary objective is to make investments to generate positive, measurable social or environmental impact will fall within the scope of the Guidelines.

3. Are there any additional fees for registering as an ESG Scheme?

No. Registration as an ESG Scheme will not entail any additional fees.

4. Should Funds that intend to start or are in the divestment phase/winding-up, register as ESG Schemes?

The Guidelines will not apply to Funds that have resolved to divest or wind up by 01 August 2025.

5. Should Funds that have completed their final closing be registered as ESG Schemes?

Yes, as far as the Funds are meeting the criteria set out in the ESG Guidelines.

¹ <https://www.fscmauritius.org/media/198695/disclosure-and-reporting-guidelines-for-esg-funds.pdf>

6. Should the Funds mentioned at paragraph 5 above be still required to update their offering documents?

No. However, the Funds would be required to comply with paragraph 9.1.1 of the Guidelines.

7. What happens if the ESG Fund is no longer meeting the two-third requirement as per the Guidelines?

7.1. Where the two-third requirement as stated in paragraph 2.1 of the Guidelines is no longer met, the governing body of the ESG Scheme or its CIS Manager will have to:

- (a) Notify the FSC within 7 days from the date the governing body of the ESG Scheme or its CIS Manager becomes aware of the non-compliance. The governing body of the ESG Scheme or its CIS Manager must provide an explanation and submit an action plan as to how the scheme will restore compliance with the two-third requirement; and
- (b) Bring the portfolio into compliance with the two-third requirement within 90 days from the date the governing body of the ESG Scheme or its CIS Manager becomes aware of the non-compliance.

7.2. An ESG Scheme which is unable to restore compliance with the Guidelines will be removed from the list of ESG Scheme on the FSC's Register of ESG Scheme.

8. What happens if an ESG Scheme no longer wishes to pursue its stated ESG objective?

8.1. The governing body of the ESG Scheme or its CIS Manager, except for Retail Scheme/Global Scheme, must forthwith notify its investors and the FSC.

8.2. Where the ESG Scheme operates as a Global Scheme/Retail Scheme, it must seek the prior approval of the Commission and, if applicable, of the shareholders of the ESG Scheme.

8.3. The FSC will deregister the Fund from the list of ESG Scheme on the FSC's Register of ESG Scheme.

8.4. The Fund must ensure that there are no ESG-related terms in its name, once deregistered.

9. Will the FSC deregister an ESG Scheme if it is in divestment mode or is in process of winding up?

No.

The FSC will deregister the ESG Scheme upon removal from the Register of Companies or Register of Limited Partnership.

10. When should the ESG Scheme submit the Sustainability Report to the Commission?

10.1. A Fund which has been authorised prior to 24 March 2025 and upon registration as an ESG Scheme will be required to submit the first Sustainability Report by 30 June 2026.

10.2. Subsequent Sustainability Reports need to be submitted together with the Audited Financial Statements as follows:

- (a) For a Closed-end Fund registered as Reporting Issuer: within 90 days after the close of its financial year; and
- (b) For any Fund other than a Closed-end Fund registered as Reporting Issuer: within 6 months after the close of its financial year.

11. Will the Commission accept the ESG disclosures if they are incorporated within the ESG Fund's Financial Statements?

The FSC may accept that a Sustainability Report is integrated within the audited financial statements. However, the licensee must ensure that the content is in line with section 6.2 of the Guidelines and the relevant certification is included as per section 9.2.1 of the Guidelines.

12. What happens in the case of Master-Feeder structures that are /or intend to register as ESG Schemes?

The Master-Feeder Funds must ensure that the offering document/s complies/y with the disclosure requirements in the Guidelines. Alternatively, the Commission may also accept a supplement to the offering document containing the relevant ESG disclosures.

13. Can a share class of an umbrella fund/cell of a Protected Cell Company/sub-fund of a Variable Capital Company be registered as an ESG Scheme?

Yes. A share class/cell/sub-fund may be registered as an ESG Scheme provided it meets the requirements of the ESG Guidelines.

11 July 2025

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