

THE FINANCIAL SERVICES (FUNERAL SCHEME MANAGEMENT) RULES 2015

THE FINANCIAL SERVICES ACT 2007

FSC Rules made by the Financial Services Commission under section 93 of the Financial Services Act 2007.

1. Citation

These Rules may be cited as the Financial Services (Funeral Scheme Management) Rules 2015.

2. Interpretation

In these Rules -

“Act” means the Financial Services Act 2007;

“benevolent associations” means an association registered under the Registration of Associations Act whose main activity is to provide funeral benefits;

“cash or cash-like investments” include fixed deposits, treasury bills and government bonds;

“Commission” means the Financial Services Commission established under section 3 of the Financial Services Act 2007;

“Funeral scheme” is an arrangement by which a person or group of persons, in consideration for the advance payment of funeral services, by a lump sum or instalments, enter into an agreement with a funeral scheme manager for the provision of funeral services to those persons, at the time of their death;

“Funeral scheme manager” means a person holding a Funeral Scheme Management Licence issued by the Commission;

“Funeral services” means any services associated with the preparation for burial or cremation of the deceased person and the burial or cremation of a deceased person;

“Funeral services provider” means a person providing funeral services;

"relevant Acts" has the same meaning as in the Act;

3. Application of the Rules

(1) These Rules shall apply to a person carrying out or holding himself out as carrying out the business of managing a funeral scheme but shall exclude benevolent associations.

- (2) These Rules are not exhaustive and should be read in conjunction with the Act, other relevant Acts, regulations and FSC Rules made under those Acts or guidelines which the Commission may issue from time to time.

4. Licensing

- (1) No person shall carry out, or hold himself out as carrying out the business of managing a funeral scheme in Mauritius unless the person holds a funeral scheme management licence issued by the Commission
- (2) An application for a funeral scheme management licence shall be made in accordance with Part IV of the Act.
- (3) The objects of a funeral scheme manager shall be limited to the business of managing funeral schemes and operations arising directly from it.

5. Governance

- (1) A funeral scheme manager shall have a board of directors composed of at least 2 executive directors and 1 independent non-executive director resident in Mauritius.

6. Separate Bank Account

- (1) A funeral scheme manager shall open and maintain a bank account for keeping all monies received from clients and such account shall be separate from any account which the funeral scheme manager may open and maintain for the keeping of its own funds.
- (2) A funeral scheme manager shall pay into the bank account, referred to in paragraph (1), all monies received from or on behalf of a client in relation to the funeral scheme.
- (3) Subject to paragraph (3), a funeral scheme manager shall not withdraw monies from the bank account referred to in paragraph (1) without the prior written consent of the Commission.
- (4) The prior written consent of the Commission shall not be required for any withdrawal of monies from the bank account, referred to in paragraph (1), with respect to –
 - (a) any refund to which a client is entitled;
 - (b) any payment to the funeral scheme manager itself in so far as it is entitled to receive remuneration pursuant to an agreement with a funeral services provider;
 - (c) any payment to a funeral services provider for the provision of funeral services to a client;
 - (d) any repayment of monies that were paid into the bank account in error; and
 - (e) any investment authorised under these Rules.

- (5) A funeral scheme manager shall not create or cause to create a charge or mortgage on the monies in the bank account, referred to in paragraph (1), and any charge or mortgage so created shall be null and void.

7. Minimum Capital Requirement

A funeral scheme manager shall have and maintain, at all times, a minimum stated unimpaired capital of Rs. 500,000 or such higher amount as may be prescribed by the Commission from time to time.

8. Investment restrictions

A funeral scheme manager shall invest only in cash or cash-like investments.

9. Professional Indemnity Insurance

A funeral scheme manager shall be covered by a professional indemnity insurance policy which indemnifies him and any person employed by him against liability for any act, error or omission in the conduct of his business.

10. Transitional Provision

Any person who, immediately before the commencement of these Rules, was managing funeral schemes as defined in these Rules, shall, within six months of the commencement of these Rules, apply to the Commission for a funeral scheme management licence and shall ensure conformity with the requirements of the Act and these Rules.

11. Commencement

These Rules shall come into operation on 1st August 2015.

Made by the Financial Services Commission on XXX 2015