



FSC/CBC/19C15

Financial Services Commission
Mauritius

DRAFT CODE OF BUSINESS CONDUCT

Issued under section 7(1) (a) of the Financial Services Act 2007

19 March 2015

1. SCOPE OF THE CODE

- 1.1. The Code of Business Conduct (the “Code”) is part of the Fair Market Conduct Programme which the Financial Services Commission (the “FSC Mauritius” or the Commission) is implementing.
- 1.2. The Code sets out 9 Guiding Principles of **business conduct** with which the Commission expects compliance **from all licensees**.
- 1.3. The objectives of the Code are to:
 - ensure sound conduct of business in the financial services sector;
 - instil confidence in the financial services sector;
 - establish standards in order to preserve and maintain the good repute of Mauritius as an international financial centre; and
 - ensure fair treatment of consumers of financial services, and the public in general.

2. APPLICATION OF THE CODE

- 2.1. The Code sets the **nine principles of business conduct which all licensees must comply with**.
- 2.2. The licensees should ensure that their officers, employees and any other persons acting on their behalf comply with the Code and that the practices followed by them are in conformity with the Guiding Principles as set out in the Code.
- 2.3. The Code may be supplemented with specific requirements for particular licensees as and when the need arises.

3. NINE GUIDING PRINCIPLES OF BUSINESS CONDUCT

The Guiding Principles are intended to ensure that licensees conduct their business in the best interests of consumers and in such manner so as to uphold the integrity of the financial services industry.

3.1. Skill, Care and Diligence

Licensees must act with due skill, care and diligence towards their customers and other stakeholders.

3.2. Business Integrity

Licensees must observe high standards of honesty, integrity and fairness and ensure that all business transactions are carried out and recorded fairly and accurately.

3.3. **Conflict of Interest**

Licensees must avoid situations of conflict of interest, and in case a conflict arises, licensees are required to ensure fair treatment of all their customers.

3.4. **Communicating with Customers**

3.4.1. Licensees must seek the necessary information about their customers' individual circumstances and financial objectives.

3.4.2. Licensees must also ensure that customers are provided with accurate, timely and comprehensible information that would enable them to take informed decisions.

3.5. **Protection of Customer's Assets**

Licensees must ensure that, in cases where they have control over their clients' assets, these are, at all times, properly segregated and identifiable. This includes ensuring that client's money is properly segregated.

3.6. **Compliance**

3.6.1. Licensees must ensure compliance with all applicable laws.

3.6.2. Licensees must also ensure that they maintain the capacity to comply with their contractual obligations.

3.7. **Financial Resources**

Licensees must ensure that they maintain, at all times, adequate financial resources to meet their financial obligations and that they implement appropriate risk management policies in their business.

3.8. **Internal Affairs**

Licensees are required to manage their business in a responsible and sustainable manner while ensuring that adequate controls are maintained. They must also ensure that, at all times, proper systems and procedures are in place in respect of operations, record keeping, human resources, training, compliance as well as such other matter as the Commission may deem necessary.

3.9. **Relationship with the FSC Mauritius**

Licensees are required to deal with the Commission in a co-operative manner and to comply with their disclosure obligations in a prompt manner.

4. COMPLIANCE WITH THE CODE

- 4.1. All licensees must comply with the Code.
- 4.2. The Board and senior management of licensees are responsible for setting the tone and guiding business practices in the organisation so that all employees of the licensees and other persons acting on the behalf of the licensees can contribute to sound business conduct.
- 4.3. Licensees must keep appropriate records of any arrangements made to comply with the Code. These records must be available for inspection by the Commission, at any time, upon request.
- 4.4. Non-compliance with the Code will expose the licensee to regulatory actions.



Financial Services Commission
Mauritius

FSC House, 54 Cybercity, Ebene, Republic of Mauritius, 72201
Tel: (230) 403 7000 Fax: (230) 467 7172
E-mail: fscmauritius@intnet.mu, Website: www.fscmauritius.org