

Financial Services Commission Consumer Outreach Programme 2013

Information session for Senior Citizens Associations

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SSR Recreational Centre Belle Mare

Belle Mare
25 November 2013



The Financial Services Commission

Financial Services Commission Consumer Outreach Programme 2012



Financial Services Commission
Mauritius

Les produits financiers - les assurances et les investissements vous concernent?

La FSC est là pour vous informer...

RENDEZ-VOUS POUR LE **ROADSHOW** DE LA FSC

Dimanche 04 Nov 2012

Lady Sushil Ramgoolam SSS
Triolet

Samedi 01 Dec 2012

Port Mathurin
Rodrigues

Samedi 24 Nov 2012

Centre Social de
Bambous

Dimanche 18 Nov 2012

Centre de Jeunesse de
Flacq

Dimanche 11 Nov 2012

Centre de Jeunesse de
Rose Belle

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Outreach Programme 2013

Awareness for All - Youth and Adults

January

- CAB / Social Welfare Officers
- Cooperative Union Ltd - North

February

- Launch of Young Talent Competition (YTC)

March

- Briefing Session YTC

April

- Senior Citizens Associations – Pointe Aux Sables

May

- Mun. of Curepipe
- NGOs & Consumer agencies
- Arya Sabha Vacoas
- Cooperative Union Ltd -South

June

- Prize Giving - YTC
- Ex Civil Servants - Club Flamboyant

August

- Women Centre – Rose Belle

October

- NGOs - APEA/Act together

November

- Senior Citizens Associations - SSR
Recreational Centre Belle Mare

The Financial Services Commission (FSC) – Who We Are?



The Financial Services Commission – Who We Are?

Who we are

Set up in 2001 as an integrated regulator for financial services other than banking and global business

What we do

- **Protect**
 - the integrity and stability of the non-bank financial services sector
 - the interest of investors and consumers
- **Regulatory activities** to ensure integrity and financial soundness of licensees
- **Promote** the development, fairness, efficiency and transparency of financial institutions and capital markets in Mauritius;
- **Sustain development of the financial services sector**

(Objectives – Section 6 FSA)

Vision

“To be an internationally recognised Financial Supervisor committed to the sustained development of Mauritius as a sound and competitive Financial Services Centre”

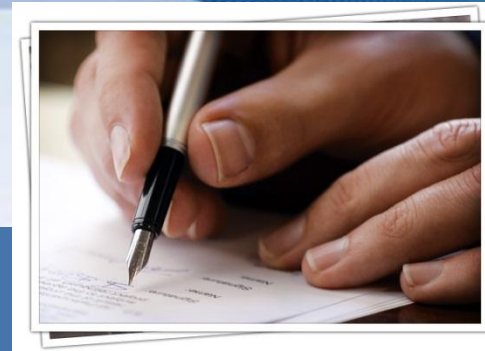
**What
sectors fall
under the
purview of
the FSC?**



What are the benefits of financial Services?

- Financial Services help us to use economic resources where they serve us best.
 - Financial Service companies help us to allocate resources as needed along economic cycles.
 - They contribute to economic growth
- Financial products provide protection to consumers
- Consumers must seek professional advice before subscribing / investing in any financial products/services

Buying Insurance – Things to Know.



What is Insurance?

Transferring risks of meeting financial difficulties when an unpredictable event happens

Insurance policy

Contract between individual and insurance company

where in return for a premium

the company undertakes to provide specified benefits on occurrence of specified events (Accidents, illness, death)

Why buy insurance?



People opt for insurance because of unpredictable events of life.



Some types of insurance products are compulsory. (Ex Motor vehicle Insurance)



Other types of insurance are optional and you may consider different types of insurance at different stages in your life. (For example when you get married – Insure your house, belongings, health etc...)

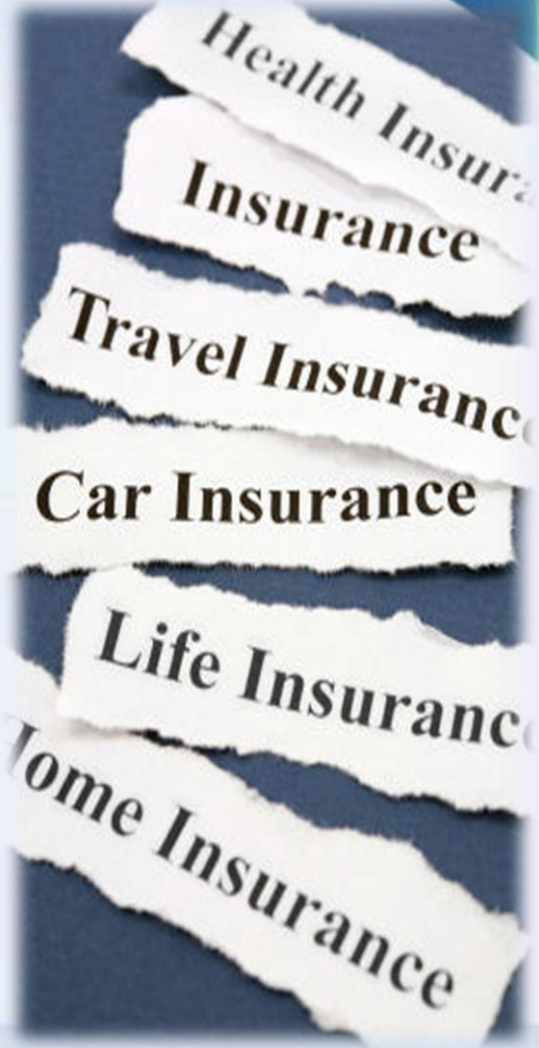
Types of Insurance

General Insurance

- Accident & health insurance policies
- Motor Insurance policies
- Property insurance policies

Long Term Insurance

- Life Insurance policies
- Pension policies
- Linked Long Term Insurance



**How much does it cost to get
an insurance cover?**

Depends on a number of factors:



The type of insurance policy you wish to contract



Your risk assessment



Cost varies according to: Sum assured, duration of contract, health condition, age, past driving record etc.

What happens if I want to cancel my insurance policy?

What happens if I want to cancel my insurance policy?



It can be cancelled by mutual agreement as insurance policy is a contract



You must inform the insurance company who will assess if you are entitled to a refund



You will not receive full amount as part of premium would have been used to cover period insured

**What happens when I face a
problem regarding my
insurance policy?**

What happens when I face a problem regarding my insurance policy?

- 1 Contact my insurance company
- 2 Contact the FSC and follow the normal complaints procedure

Unregulated Schemes

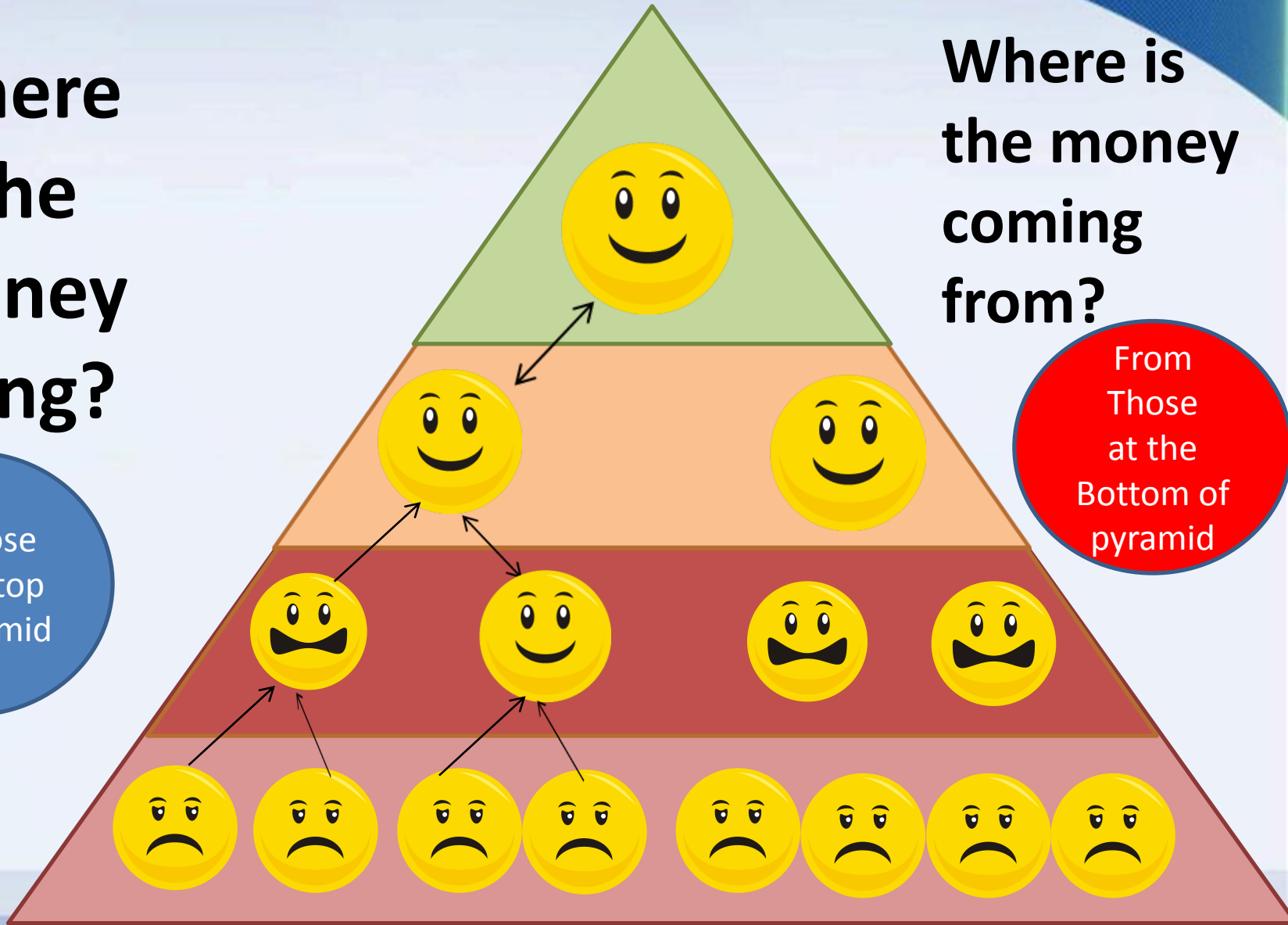
Pyramid Scheme

Where is the money going?

Where is the money coming from?

To Those at the top of pyramid

From Those at the Bottom of pyramid

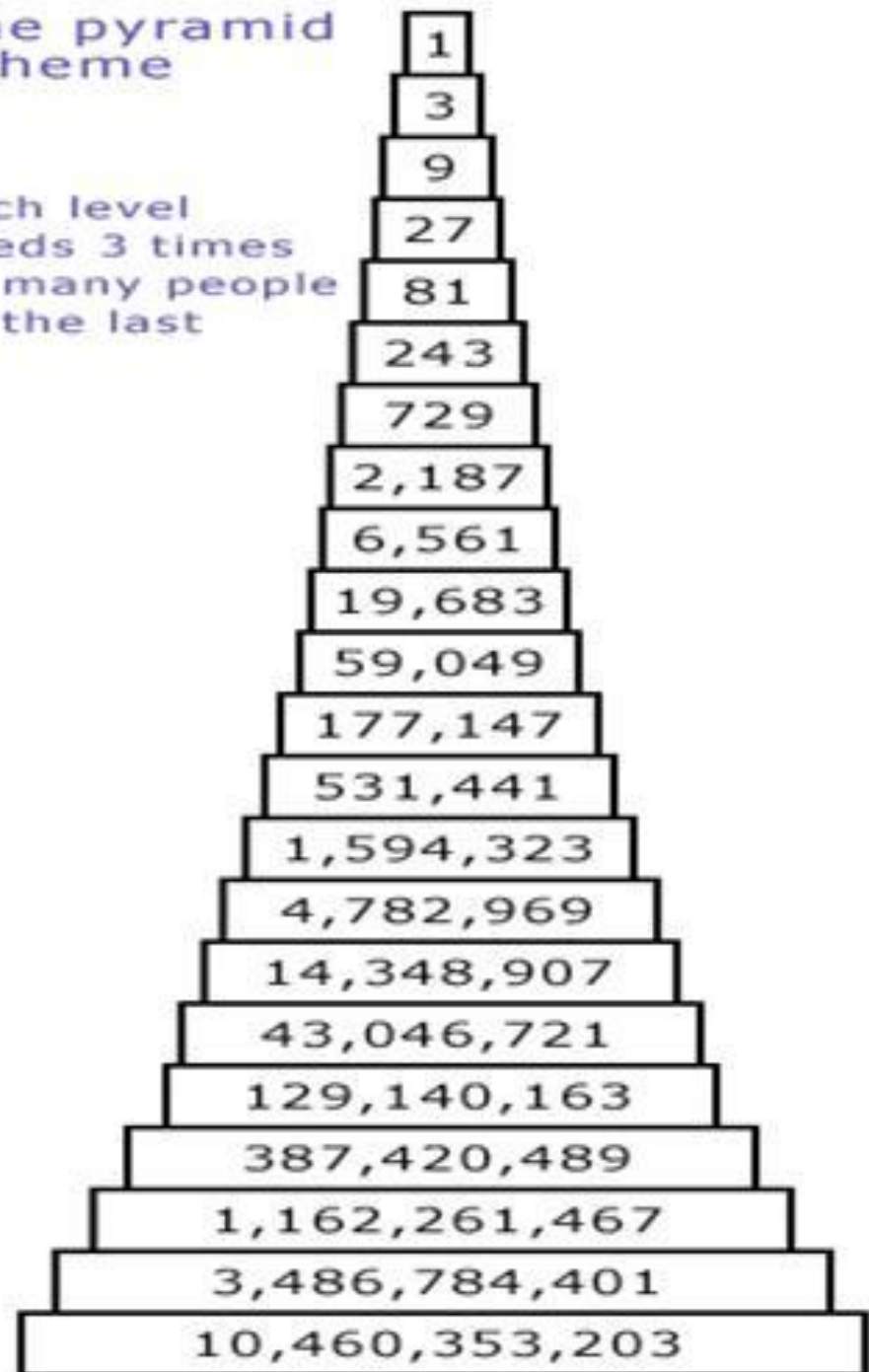


Pyramid Scheme

- Assume that fraudsters must recruit 3 new investors for each existing investor
- **Top of Pyramid:**
Scheme starts with One Investor
- **Bottom of Pyramid:**
Over 10 billion people

The pyramid scheme

Each level needs 3 times as many people as the last



This was not investment.

Money is not earned from profit but rather transferred from one party to another.

- Returns – *which are abnormally high* - are paid to earlier investors, entirely out of money paid into the **scheme** by newer investors
- **This is deceit ... taking from Paul to pay Peter**

Beware of Wolves disguised as Sheep



- Always be accompanied by relatives/friends who have necessary knowledge when it comes to financial transactions.
- Be on your guard, even with people to whom you are very familiar.
- Appearance can be deceitful

All investments have risk

No one can guarantee the future....



- Earn 9% interest per month
- Invest with professional market leaders
- Earn money risk free!

Beware of promises
Always verify



This was an example of illegal, fraudulent activities.

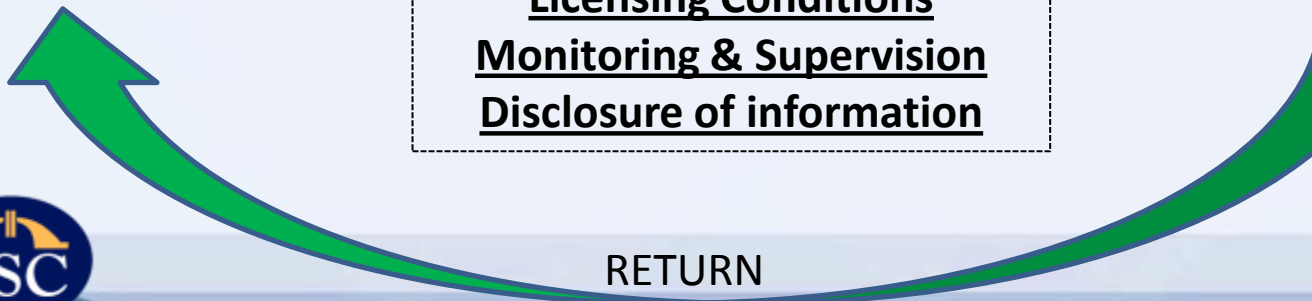
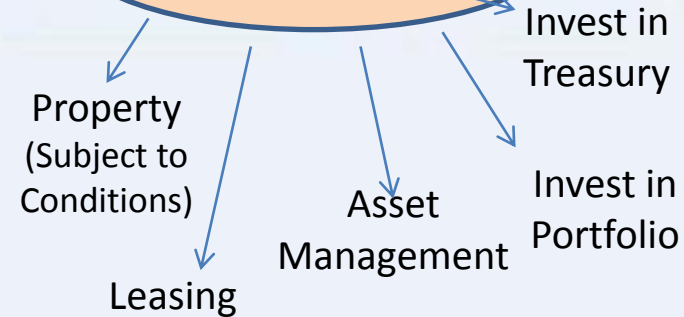
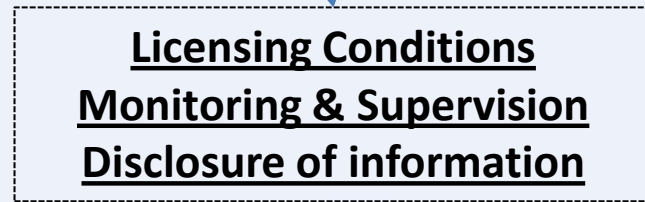
If you heard or know about this, contact FSC, BOM or the Police.

Investments

- Things to know?

Is the Company authorised to raise money through

- a) Equity – **FSC**
- b) Loan / Deposit - **BOM**
- c) Private



What are Capital Markets?

Markets in which individuals/institutions trade (buy or sell) financial securities.

Ex. Shares on the Stock Exchange



Who can invest in Capital Markets?

- Any member of the public who has legal capacity (example - an individual over 18, a company etc...)

Capital Markets - Things to Know

Shareholder/Investor is entitled to monetary benefits:

Dividends

Bonus

Rights Issue

Capital Growth

**Provided the company*

- ***makes profit and***
- ***is solvent***

Note you also have risks – such as company may fail



How to invest in Capital Markets?

- Enter a contract with a licensed investment dealer (formerly known as stockbroker) and settle the relevant fees.
- *A List of different categories of investment advisors available on the FSC website.*
- Open an account with the central depository and settlement system (CDS) to settle the trades.



Who are the parties to Capital Markets?



Investment dealers



Investment advisors and intermediaries



CIS Managers, CIS Administrators and/or custodians

Market Intermediaries



How else can I invest?

- I can invest in Collective Investment Schemes (CIS).
- In a collective investment vehicle, I invest money alongside other investors in order to benefit from group advantages such as ability to
 - hire a professional investment manager
 - benefit from economies of scale - cost sharing among others
 - diversify more and so theoretically, reduce risk.
- Collective investment vehicles are often referred to as **mutual funds, investment funds, managed funds**, or simply **funds**

Who regulates the Capital Markets sector?

Who regulates the Capital Markets sector?

The Financial Services Commission:

Licenses, Regulates, Monitors and supervises all activities in the Capital Markets sector

Promotes participation and improves protection of consumers

Fosters fair, efficient, transparent and informed markets

What happens when you are not satisfied with the services provided?

What happens when you are not satisfied with the services provided?

- Complaints must be addressed to investment dealers, advisors, intermediaries, the Exchanges and then the FSC.
- FSC assists consumers in following the normal complaints procedure.

Importance of consumer education for Senior Citizens Associations

Insurance of
assets

Take the right
financial
decisions

Budget
planning

Assistance of Senior Citizens Associations

Interface with
consumers/public

Basic initial
counselling on
complaints procedure
and budget planning

Streamline to
appropriate
authorities

Act as partners for
disseminating
information

Help in gathering field
intelligence

Points to remember

1

- Read the contract / documents thoroughly / Read small prints

2

- Seek assistance from knowledgeable people (family member / professional)

3

- Check whether entities are licensed /authorised by the Financial Services Commission (FSC) / Bank of Mauritius (BOM)

4

- Remember that the rate of return of the investment is linked to its level of risk

5

- Beware of appearances, when in doubt - don't sign. Take your time

How do I contact the Financial Services Commission?





Financial Services Commission
Mauritius



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Financial Services Commission
FSC House

54 Cybercity Ebene
Mauritius

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