



Financial Services Commission
Mauritius

CONSULTATION PAPER ON

IFRS for SME's

CP/25I2014

Issued on 25 September 2014

COVERING NOTE

The Financial Services Commission, Mauritius (the “FSC Mauritius”) consults on its intention to agree on financial statements of corporations holding Global Business Licence Category 1 (GBC1) to be prepared in accordance with the International Financial Reporting Standards (“IFRS”) for Small And Medium Entities (“SME’s”).

The FSC Mauritius received several requests to consider “IFRS for SME’s” as an internationally recognised accounting standards under Section 30 (4) of the Financial Services Act (“the Act”). In line with Section 30 (4) of the Act, the FSC Mauritius is proposing conditions under which a corporation holding a GBC1 Licence will be allowed to submit audited financial statements prepared in accordance with IFRS for SME’s.

The proposals made or ideas expressed in this Consultation Paper does not reflect the definitive stand of the FSC Mauritius. This Consultation Paper may be reviewed in the light of views and comments received during the consultation exercise.

Your views and comments, by email or letter, must reach the FSC Mauritius by 30 October 2014 and should be addressed to:

The Chief Executive

Financial Services Commission

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CONSULTATION PAPER

INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) FOR SMALL AND MEDIUM ENTITIES (“SME’s”)

1. Pursuant to Section 30 (1) of the Financial Services Act 2007 (“the Act”) a corporation holding a Category 1 Global Business (GBC 1) licence under the Act shall file with the Financial Services Commission (the “Commission”) every year audited financial statements (“AFS”) prepared in accordance with the IFRS.
2. Under Section 30 (4) of the Act, a corporation holding a GBC1 Licence shall be deemed to comply with Section 30 (1) of the Act where the AFS are prepared in accordance with such internationally recognised accounting standards as may be agreed with the Commission.
3. The Commission has received several requests to consider “IFRS for SME’s” as an internationally recognised accounting standards under Section 30 (4) of the Act.
4. In this respect, the Commission intends to allow GBC1 entities to prepare and submit Audited Financial Statements in accordance with IFRS for SME on the following conditions:
 - a) An entity holding GBC1 Licence **may** use “IFRS for SME’s” if the following conditions are met:
 - i. The entity does not conduct any financial services¹ as defined under the Act
 - ii. The entity does not qualify as a Public Interest Entity as defined under the Financial Reporting Act 2004;
 - iii. The entity publishes general purpose financial statements for external users ; and
 - iv. The entity does not have public accountability
5. An entity shall be deemed to be publicly accountable if:
 - i. Its debt or equity instruments are traded on a public market or it is in the process of issuing such instruments for trading on a public market, or
 - ii. It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses, which is typically the case with banks, credit unions, insurance companies, securities, brokers and dealers, mutual funds and investment banks.

¹ Financial services are defined under Section 2 of the Financial Services Act 2007

6. A GBC1 may be required to demonstrate to the satisfaction of the Commission that it is eligible to adopt the IFRS for SME's and shall furnish all such information and produce such documents as may be required by the Commission from time to time.

***Financial Services Commission
25 September 2013***



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Mauritius

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