



Financial Services Commission
Mauritius

FREQUENTLY ASKED QUESTIONS (FAQs)

FSC's Licensing Process

1. What is the role of the Financial Services Commission?

The Financial Services Commission (FSC) is the independent regulator of financial services other than banking and Global Business in Mauritius. The FSC's regulatory mandate is to license, regulate, monitor and supervise the conduct of business activities in the non-banking financial services in line with the internationally recognised principles and standards under the legal framework of the Financial Services Act 2007 (FSA), Securities Act 2005 (SA), the Insurance Act 2005 (IA) and the Private Pension Schemes Act 2012 (PPSA).

2. Who should apply for a licence with the FSC?

Any person who proposes to carry out financial services or financial business activities is required to seek a licence with the FSC.

3. What are financial services?

Financial services mean any financial services or financial business activities governed by the relevant Acts (Securities Act 2005, Insurance Act 2005 and Private Pension Scheme Act 2012) and includes financial business activity laid down in the FSA (for e.g., Asset Management, Credit Finance, Treasury Management, and Distribution of Financial Products).

4. What is a licence?

As per the law, a licence means any licence issued under any relevant Act (e.g. an insurance business licence and investment dealer licence) and includes approvals, authorisations, a recognition or registration for the conduct of a financial services activity under the relevant Acts.

5. What happen if someone operates financial services without a licence?

Any person who carries out, or holds himself as carrying out, in Mauritius any financial services without a licence issued by the FSC shall commit an offence and shall on conviction, be liable to a fine not exceeding one million rupees and to imprisonment for a term not exceeding 8 years.

6. How to apply for a licence?

An application for a licence shall be made in such form (specific Applications Forms available on FSC's website) and manner as may be specified in FSC Rules and shall be accompanied by the following documents/information such as:

- (a) a business plan or feasibility study outlining the proposed business activity of the applicant;
- (b) particulars of promoters, beneficial owners, controllers and proposed directors in such form as may be specified in FSC Rules (proof of identity, details on the source of fund, evidence on the character of that person through the filling in of a Personal Questionnaire form, etc);
- (c) such fees, as may be specified in the FSC Rules; and
- (d) such other information as may be specified in FSC Rules or otherwise required by the FSC to determine the application.

The above information should be in the application pack submitted to the Commission.

7. How an application for a licence is determined at the FSC?

Once a complete application pack is submitted, there is a clear licensing procedure at the FSC level to be followed. This includes screening, processing and scrutinising the application pack based on the following licensing criteria/requirements:

- (i) The FSC will ensure that the proposed **activity** complies with the laws and regulations of Mauritius, is not contrary to public interest and will not cause prejudice to the good repute of the Mauritian International Financial Centre. In this respect, the FSC will conduct a risk assessment of the proposed activity to ensure that the company has the necessary systems and procedures to mitigate any risks identified.
- (ii) The FSC will also ensure that the proposed business plan is meeting the licensing requirement as laid down in the relevant Acts (FSA, IA, SA, PPSA) and is able to demonstrate that upon licensing the applicant will be able to meet all the regulatory requirements laid in the relevant Acts.
- (iii) The FSC will need to identify who are the **people** behind the application (the promoters/ the beneficial owners) and who are the parties involved (directors, senior officers). In assessing whether those persons are fit and proper to conduct the business, the FSC will look at their :
 - financial standing;
 - relevant education, qualifications and experience;

- ability to perform the relevant functions properly, efficiently, honestly and fairly; and
 - Reputation, character, financial integrity and reliability.
- (iv) The FSC will also look at the business by ensuring that the applicant has adequate resources, infrastructure, staff with the appropriate competence, experience and proficiency to carry out the activity for which the licence is sought and it has adequate arrangements to ensure compliance with the laws and the conditions of its licence.

8. What are the safeguarding measures that the FSC considers to ensure that the licensing procedure has been fully applied and complied with in a fair manner?

The FSC will assess the application pack to determine whether the applicant has met all the licensing criteria as explained above. In so doing, the FSC may:

- (i) ask the applicant for more information to complete the application pack; and/ or
- (ii) conduct interviews with the applicants – to assess the knowledge of the applicant in the field licence is being sought.

Once all information is gathered and that an informed recommendation can be made, the application is submitted to an Applications Committee, chaired by the Chief Executive of the FSC and constituted of Head of Technical Units at the FSC for a final recommendation for approval/ rejection of the proposed application. Where the Applications Committee is satisfied that the application meets all the licensing requirements set out the relevant Acts, it shall approve the application on such terms and conditions.

The Applications Committee may also refer the application to the Board with recommendations, observations, or comments.

9. What happens once an application has been approved by the Applications Committee?

The FSC will issue the licence on such terms and conditions as it thinks fit. The terms and conditions are licensing conditions attached to a licence. The licensing conditions vary according to the types of licence issued.

Examples of such licensing conditions include

- ✓ Requirement for maintaining minimum unimpaired capital
- ✓ Requirement to obtain FSC's prior approval for the appointment of any Director, Manager, auditor or senior member of staff.

10. When does FSC not approve an application for a licence?

The FSC will not approve an application for a licence where business models are not satisfactory or may cause prejudice to the good repute of the jurisdiction or where people involved is not able to demonstrate their fitness and propriety, applications are rejected.

11. What happens once a licence is issued?

Once an applicant is granted a licence, it becomes a licensee of the FSC and as such, becomes subject to the Mauritian legislative framework, including the AML/CFT Code as well as any other Guidelines and Circulars issued by the FSC.

It is imperative to understand that there are licensing conditions attached to a licence issued by the FSC and the company has to ensure that it is at all times complying with such conditions.

The FSC will on an ongoing basis monitor the conduct of business activities of its licensees. The FSC focuses, inter alia, on market conduct, anti-money laundering and combating the financing of terrorism measures taken, corporate governance principles implemented along with observance of international norms and standards by the licensee.

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