



Financial Services Commission
Mauritius

FSC REF CL16042010

Date: 16 April 2010

The Directors
Management Companies

Dear Sir/Madam

SUBMISSION OF AUDITED ACCOUNTS

1 Section 30(1) of the Financial Services Act 2007 ('FSA 07') provides that a corporation holding a Category 1 Global Business ('GBC1') licence must prepare its audited financial statements in accordance with International Financial Reporting Standards.

2 However, Section 30(4) provides for an exception to this general principle in that a GBC1 shall be deemed to comply with Section 30(1) where the audited financial statements are prepared in accordance with such internationally recognized accounting standards as may be agreed with the Commission.

3 The Commission informed Management Companies on 22 February 2005 that, a GBC1 may, without the prior approval of the Commission, prepare its audited financial statements in accordance with the following international accounting standards –

- (a) UK GAAP,
- (b) US GAAP, and
- (c) South African GAAP.

4 Following representations from Management Companies, the Commission is pleased to advise that prior approval will no longer be required for audited financial statements prepared in accordance with Singaporean GAAP, in addition to those mentioned at paragraph 3.

5 Where a GBC1 conducts 'financial services'¹ and its audited financial statements are prepared in accordance with any of the standards set out in paragraph 3 & 4, the audited financial statements must be accompanied –

¹ Financial services has the same meaning as in Financial Services Act 2007



(a) by a confirmation from the auditor that there are no significant issues that arise from a comparison of the results obtained using the standard adopted with the results that would have been obtained if IFRS had been used; or

(b) where significant issues arise from the comparison, by a statement of reconciliation² from the auditor showing the adjustments that would be required to make the financial statements agree with the results that would have arisen had IFRS been used.

6 Further, where a GBC1, conducting financial services, is preparing its audited financial statements in accordance with Singaporean GAAP, it must submit consolidated financial statements prepared in accordance with Singaporean GAAP if the ultimate parent company or intermediate parent does not prepare its audited financial statements in accordance with any of the following standard:

- (a) IFRS;
- (b) UK GAAP;
- (c) US GAAP;
- (d) South African GAAP;
- (e) Singaporean GAAP

7 Prior approval of the Commission is required under Section 30(4) of the FSA 07 for any standards other than IFRS and those mentioned in Paragraph 3 & 4. Without the prior approval of the Commission, the GBC1 will not satisfy the requirements of Section 30(1) of the FSA 07. Approval subsequent to the submission of the audited financial statements will not be given.

8. Licensees will be advised if and when amendments are made to this Circular letter.

9. This Circular Letter repeals the Circular Letter CL010205 dated 22 February 2005.

Yours faithfully

J N Meetarbhan
Chief Executive

² Without being prescriptive, the FSC expects as a minimum a statement of reconciliation will show for each balance sheet item where significant differences arise on comparison, the figures under both standards and the differences between the two. The net impact on earnings must be stated. The statement should also be supported by appropriate explanations for each difference.