



Financial Services Commission
Mauritius

CIRCULAR LETTER (CL060309)

6 March 2009

To : **Directors
Management Companies and
Licensed Non-Bank Financial Institutions**

Dear Sir/Madam

Risk-Based Supervision (RBS) Framework

1. Purpose of the Circular Letter

The Financial Services Commission (the "Commission") officially launched the Risk-Based Supervision (RBS) Framework on 26th February 2009. The rationale and description of the RBS framework was set out in the "*Risk-Based Supervision Framework – 26 February 2009*" document circulated for the launching and available at the Commission.

The Chief Executive stated during the launching ceremony that:

1. The official launch is the starting point of a sensitisation and information campaign.
2. This campaign will last till 1st July 2009 when the Commission will fully shift to the new system.
3. Over the next three months there will be greater interaction with the industry during what will be effectively a trial run. This will enable the Commission to:
 - address whatever concerns the industry may have,
 - conduct training for your staff who will be involved in the RBS exercise and
 - iron out practical issues, that may be encountered in running the system through representations or the pilot schemes.
4. In June the Commission will put the finishing touches if required and implement the new framework as from 1st July 2009.

The purpose of this circular letter is to further set out the *modus operandi* of the trial run, plan of action; reporting issues and to remind all the licensees of their obligations.

2. Who the RBS framework applies to

The RBS framework will apply to all licensees, except Global Business Companies holding a global licence unless the corporation also holds a licence, authorisation, approval or registration for the conduct of a financial services activity under a relevant Act.



3. Online submission of information to FSC

On 1st July 2009, all licensees will be required to submit data/information to the Commission on a regular basis for the risk/impact rating and assessment. As part of the information gathering process, online questionnaires and forms have been prepared for each category of licensees. The RBS has an in-built online submission module which can be accessed through

<https://www.rbs.fscmauritius.org>

Each licensee will be provided with a unique login credential (user name and password) to access the above online gateway for submission of information. The licensees will receive same in a sealed envelope by registered mail.

4. The Trial Run

The trial run of the RBS system will last from March to May 2009. During this period the licensees are expected to log into the system and fill in the questionnaires set for each category of licensees.

It is to be noted that the information submitted at this stage would be used solely for the trial run and fine tuning of the RBS system.

Pilot run

A few licensees will be selected by the Commission in each of the sectors falling under the purview of the Commission for the piloting phase. They will be assisted in filling the questionnaires by designated officers from the Commission. Questions set that are not clear and any queries arising during the usage of the RBS would be addressed and taken care of during the fine-tuning phase in June 2009.

Training

The Commission will organise training sessions on the RBS System following requests and queries from the licensees.

Industry workshops

Based on the feedback obtained through e-mail, phone and representations, the Commission will organise workshops with the industry on a per sector basis.



Help Desk

The Commission has set up a helpdesk for any queries related to the RBS framework and questionnaires. Furthermore, a special e-mail address has also been provided.

<i>Hotline</i>	403-7070
<i>Email address</i>	rbs@fscmauriti.us.org

Liaison Officers

FSC has designated liaison officers as per the table below. They will be responsible for addressing issues that might crop up during this implementation phase.

<i>Management Companies</i>	S.Ramphul S.Fakeermahamood V.Nawruttun
<i>Insurance</i>	G. Matapullut M. Beefeya
<i>Capital Markets (Investment Dealers & Investment Advisers, Section 14 Cos. & other NBFIs)</i>	J. Khadaroo P. Beeharry W. Vardin V. Ramasawmy
<i>IT system</i>	P. Abacousnac K. Jhoomun

5. Reporting Requirement

It is proposed that the reporting date will be on an annual basis for all the licensees.

Except for insurance companies, questionnaires and online forms will be launched on 1st June every year. Licensees will be given one month to respond. The deadline for submission of information will be the 30th June each year.

For insurance companies, the annual submission date shall be within 4 months of their respective financial year end.

It is to be noted that for the year 2009, exceptionally the forms will be launched on 1st July 2009, the deadline for submission being 31 July 2009



Programme of events

March 2009	<ul style="list-style-type: none">• Sending of Login credential to each licensee for accessing the online submission system.• Organise pilot run with different categories of licensees representative of various classes of activities• Operate a Help Desk to handle queries through e-mail from end-users and hotline.*
April 2009	<ul style="list-style-type: none">• Continue pilot run• Industry training for each sector
May 2009	<ul style="list-style-type: none">• Further interaction with industry based on initial feedback• Licensees to submit final feedback / representations
June 2009	<ul style="list-style-type: none">• Fine-tuning of system by Financial Services Commission based on feedback received during the trial period and representations made
July 2009	<ul style="list-style-type: none">• System fully operational

* The helpdesk will continue to operate throughout the above time frame.

6. What is expected of Licensees

- The hard copy of documents under reporting requirements of the relevant Acts (including interim reports, financial reports, financial statements etc.) duly signed by an authorised signatory must be sent to the Commission.
- It is the obligation of the licensee to submit accurate and timely information to the Commission. The licensee should inform the Commission of the name and position of its officer who would act as main contact person for the on ward submission.
- The licensees have an obligation to inform the Financial Services Commission of any material changes which arise during the year as is currently the practice, irrespective of the regular submission information for the RBS.

7. Looking ahead

A risk-based framework entails the FSC making informed choices about supervisory priorities, using the best and most pertinent information available. The framework will thus be continually refined to stay relevant and robust.

Yours faithfully

P. Seewoosunkur
for Chief Executive