



Financial Services Commission
Mauritius

CIRCULAR LETTER (CL260608)

26 June 2008

To: Directors
Reporting Issuers

Dear Sir/Madam

Disclosure obligations related to Reporting Issuers

The Securities Act 2005 ("the Act") and the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 ("the Rules") provide for disclosure and notification obligations on a reporting issuer and an insider of a reporting issuer.

Following representations made by representatives of reporting issuers, the Financial Services Commission ("the Commission") is issuing this Circular to provide for exemptions and modifications in relation to provisions on the abovementioned obligations pursuant to Section 146 of the Act and clarifications on such applicable provisions.

1. Under Section 88(3) of the Act, a reporting issuer is required to file with the Commission and make public an annual report which includes audited comparative financial statements not later than 90 days of its balance sheet date.

However the Commission has decided that the following alternative arrangements will be accepted as fulfilment of the above obligations:

- The reporting issuer may file with the Commission only its audited financial statements prepared in accordance with Section 88(3) of the Act and publish it not later than 90 days of its balance sheet date. A copy of the statements must be sent at the same time to any securities exchange, where the securities of the reporting issuer are listed.
- The reporting issuer may, instead of making public the full audited financial statements, publish an abridged form thereof not later than 90 days of its balance sheet date.

Where only an abridged form of the audited financial statements is published, a copy of the full audited financial statements has to be made available upon

request, free of charge and within a reasonable delay, to every member of a reporting issuer and to every holder of debt securities issued by the reporting issuer. A note to that effect must be included conspicuously in the abridged form of the audited financial statements published, specifying the place where and the person to whom the request should be addressed.

- In case the reporting issuer opts for the above alternative arrangements, the annual report prepared in accordance with Section 88(3) of the Act will have to be filed with the Commission and made public not later than 6 months after its balance sheet date. The reporting issuer must at the same time send a copy thereof to any securities exchange, where the securities of the reporting issuer are listed, and other persons specified in rule 6 of the Rules.
2. Under rule 8(1)(c) of the Rules the obligation towards members and holders of debt securities will be deemed to be complied with where a note is included conspicuously in the quarterly report published, specifying the place where and the person to whom a request should be addressed to receive a copy of the quarterly reports.
 3. The requirement to file quarterly reports with the Commission will not apply for the quarter where the closing date coincides with the balance sheet date.
 4. The statement of direct and indirect interest required under rule 8(2)(m) of the Rules may be excluded from the quarterly report published, provided that a copy of the statement is made available upon request, free of charge within a reasonable delay. A note to that effect should be included conspicuously in the quarterly report, specifying the place where and the person to whom the request should be addressed.

This exemption will not apply to the copy of the quarterly report sent to the Commission and to any securities exchange on which the securities of the reporting issuer are listed.

5. An 'insider of a reporting issuer' is defined under Section 2 of the Act as:

(a) the reporting issuer itself, its subsidiaries, its officers and those of its subsidiaries;

(b) any person who exercises -

(i) control over more than 5 per cent of a class of shares of a reporting issuer to which are attached voting rights; or

(ii) an unlimited right to a share of the profits and in its assets in case of winding-up, other than securities that were the object of an underwriting and are in the course of an offering;

(c) the officers of a person mentioned in paragraph (b);

For the purposes of the notification and disclosure requirements under the Act and the Rules relating to an insider of a reporting issuer, the following exemptions will apply:

- With respect to officers of subsidiaries only the senior officers of these subsidiaries, namely a member of the board of directors, a chief executive, a managing director, a chief financial controller, an executive or a secretary or a person holding a similar function, will be required to comply with these requirements.
 - Similarly with respect to officers mentioned in paragraph (c) of the definition, only the senior officers, as described in the paragraph above, will be required to comply with these requirements.
6. With respect to Section 90 and Section 91 of the Act, an insider of a reporting issuer may opt to exclude notification of interest-
- of his associates in the securities of a reporting issuer; and
 - in the securities of the associates of a reporting issuer.

This exemption will also apply in relation to information or disclosure of interest required under the Rules relating to the associates of an insider of a reporting issuer and associates of a reporting issuer.

This Circular will not limit the Commission's power to request for any information at any time it considers necessary in administering the relevant Acts under its purview and to achieve its regulatory functions. The Commission may at any time revoke or alter any exemptions or modifications made without giving any reason.

Yours faithfully,



J.N. Meetarbhan
Chief Executive