

Financial services sector – New legislation adopted at the National Assembly

Three Bills relating to the financial services sector were adopted by the National Assembly on 24 July 2007:

1. **The Financial Services Bill**
2. **The Insurance (Amendment) Bill**
3. **The Securities (Amendment) Bill**

Introducing the Bills to Parliament, the Deputy Prime Minister and Minister of Finance and Economic Development, Mr Rama Sithanen said: *“in line with our philosophy to simplify processes and procedures, to remove hurdles to investment, to facilitate delivery of services, and to achieve international standards in every activity so as to be globally competitive, we are improving and modernising the legal framework that govern the non-bank financial services sector.”*

The **Financial Services Bill** will replace the Financial Services Development Act 2001 and provide a common framework for licensing and supervision of all financial services other than banking and for the global business sector.

The new law specifically provides for the independence of the Financial Services Commission as a regulatory body.

The Financial Service Bill redefines the concept of global business. Under the new provisions, all resident companies conducting business outside Mauritius may opt for an alternative legal regime. The former restrictions on activities conducted by Category 1 Global Business Companies are being removed.

The Bill also provides for the designation of industry associations in all financial services sectors as Self Regulatory Organisations.

Full text of the Financial Services Bill is available at:

<http://www.gov.mu/portal/qoc/assemblysite/file/bill1607.pdf>

The **Insurance (Amendment) Bill** and the **Securities (Amendment) Bill** amend the Insurance Act 2005 and the Securities Act respectively and pave the way for coming into force of the 2005 Acts.

The Securities (Amendment) Bill extends the scope of “securities” and “exchanges”, thus enabling the Commission to approve the trading of a wider range of instruments and license Commodity and other exchanges.

The Insurance (Amendment) Bill removes certain administrative obligations on branches of foreign insurers operating in Mauritius and provides for greater flexibility in exceptional circumstances.

Full texts of the Securities (Amendment) Bill and the Insurance (Amendment) Bill are available at:

Securities (Amendment) Bill:

<http://www.gov.mu/portal/qoc/assemblysite/file/bill1707.pdf>

Insurance (Amendment) Bill:

<http://www.gov.mu/portal/qoc/assemblysite/file/bill1807.pdf>

The full text of the speech (Second reading) by the Deputy Prime Minister and Minister of Finance and Economic Development, Mr Rama Sithanen, is available at:

http://www.gov.mu/portal/site/MOFSite/menuitem.37d33af2d526d8f4e0aad110a7b521ca/?content_id=2f24a67edbfd3110VgnVCM1000000a04a8c0RCRD.