

## A regional commodities exchange to be set up in Mauritius

India's Financial Technologies Group will establish a pan African Commodities Exchange in Mauritius. The Financial Services Commission has given an in principle approval to the setting up of the Exchange.

FSC's Chief Executive, Mr. Milan J. N. Meetarbhan, has welcomed the proposal to establish the commodities exchange in Mauritius.

The setting up of the pan African commodities exchange was announced by the Chairman and Managing Director of the Financial Technologies Group, Mr. Jignesh Shah, in Port Louis, on 29 November, in the presence of the Minister of Finance and Economic Development, Mr. Rama Sithanen, and of the Chief Executive of the Financial Services Commission.

"We welcome the setting up of a commodities exchange which will have a regional dimension and thus reinforce our image as an International Financial Centre. We have, as you are no doubt aware, called for international listing on the Mauritius Stock Exchange. The setting up of a regional commodities exchange and the listing of international companies, here, will help us to convince those who still think that we are only a place for conduit or shell companies, that we are serious about enhancing our reputation as a jurisdiction of substance," he said.

"Mauritius as a gateway to Africa for Asian businesses has been the essence of the IFC (and Freeport) concepts", Mr. Meetarbhan highlighted. Back in the 80s and the 90s, when Mauritius started promoting itself as an International Financial Centre, "little did we know that Mauritius will become the investment platform that it is now recognised to be," he added.

"Structuring international business in certain parts of the world will today inevitably lead fund managers and other promoters to consider Mauritius as one of the most appropriate jurisdictions for establishing investment vehicles," said Mr. Meetarbhan.

He outlined that "the financial services sector can be an engine of growth for the services sector as a whole and the setting up of a regional commodities exchange will no doubt help to further establish Mauritius as a sophisticated International Financial Centre." Furthermore, he added that the commodities exchange will enable a transfer of technological know-how at a time when our country is actively promoting the ICT sector.

The FSC will have further talks with the promoters in the course of implementation of the project. The Exchange will be operational after the appropriate legislative amendments have been made and the relevant trading rules have been approved by the FSC. The setting up of the commodities exchange entails the establishment of the normative framework and of the technological infrastructure, as well as the training and the licensing of intermediaries. The FSC will have to make sure that there are adequate safeguards to protect the interests of all market participants and an adequate mechanism for market surveillance before the Exchange is operational.

### **Sugar Board**

Mr. Meetarbhan said that he has had talks with the promoters of the commodities exchange about the setting up of a Sugar Board on the proposed Exchange "in view of our nation's history and of its contribution to international sugar trade agreements."

"It is particularly apt that Mauritius, whose history is inextricably linked to sugar, should today be chosen as a place for setting up a regional commodities exchange. Sugar is one of the major commodities traded on international exchanges, and as a country whose economy and people thrived on this commodity for over a century, we will be happy to host a commodities exchange," he concluded.