



Financial Services Commission  
Mauritius

***FSC CE's Welcome Address  
Presentation on AIFMD  
16<sup>th</sup> September 2014***

**Mr. Rajesh Ramloll, Chairperson of the FSC Mauritius**

**Mr. David Bailey, Chief Guest**

**Ladies and Gentlemen**

**Good afternoon**

**Welcome to FSC House**

Over a year ago (22 July 2013), the Alternative Investment Fund Managers Directive (AIFMD) EU Directive came into force. Many operators in the financial services sector argued that this was tantamount to another 'over-regulation'. But these additional regulations and the global heightened scrutiny are here to stay.

The US and EU agencies have flexed their muscles to demonstrate that what they are doing is for the protection of investors and is also best for the stability of the marketplace. The developed countries have been policy makers, whereas the emerging markets have been takers of these reforms.

Nevertheless, given that there are still significant investors in the developed markets like Europe, looking for investment opportunities with higher growth and returns, these additional compliance imposed by the like of AIFMD should not be viewed as business prevention.

The AIFMD is aimed at regulating all investment funds operators, be it fund managers, companies managing funds etc. in Europe as well as those based outside of Europe but with activities in Europe. For non-EU funds to be marketed in Europe, two routes are available – Private Placement and the Passport system (to be available after 2015 for non-EU).

To be able to make use of these routes, cooperation agreements need to be in place between the country of the fund/Fund manager and the EU Member State(s) where the fund is being marketed. We might say that the regulations and enforcement remains a national affair.

In our case, the cooperation agreements were in the form of MoUs – While being bilateral agreements between the national securities supervisors in the EU countries and the FSC Mauritius, they were centrally negotiated by ESMA in 2013.

The signing of these agreements reaffirms the FSC's commitment to the highest standards in international cooperation and information sharing.

Mauritius was amongst the first 34 countries (including the USA, Switzerland, Brazil, India, Singapore, Hong Kong and Dubai) to receive ESMA's approval.

In 2013, 23 EU Member States have signed the MoU with the FSC allowing funds in Mauritius the opportunity to commence the process of registering with the relevant EU/EEA securities regulators in these jurisdictions.

In 2014, FSC Mauritius signed an MoU with Gibraltar FSC under the AIFMD.

We have started talks with Germany in view of a possible signing of the MoU and we are also targeting Italy and Spain.

The AIFMD is now a reality and doing business with Europe within its parameters need to be well understood.

Since the adoption of the Directive, FSC Mauritius has constantly been at the forefront of the subsequent developments on this topic.

FSC Mauritius has been regularly communicating with the local industry as well as providing any necessary assistance, among others:

- An *Industry Update* organized by the Commission on 20 June 2013;
- A brochure issued in June 2013 for promoters of funds on the *ESMA MoU: What does it mean for you?* ;
- An FAQ on AIFMD issued by the Commission which provided details on the Directive and its impact on the Mauritian Funds as well as some information on the application process.

In its endeavor to best assist its local stakeholders the FSC is pleased to welcome David Bailey of Augentius LLP whose presentation today will serve as a refresher on the topic of AIFMD.

Thank you all for being here today. Thank you for your attention.

**Clairette Ah-Hen**

16<sup>th</sup> September 2014