



Financial Services Commission
Mauritius

***FSC CE's Opening speech:
“Crisis Preparedness for Banking and Securities Regulators”
in collaboration with the Toronto Centre.
In-house training programme
30th June to 4th July 2014***

Ms Hooi Eng Phang

Ms Andrea Corcoran

Mr Jan Willem Van der Vossen

Mr Richard Britton

Mr Deng Cheang Leo

Mr Gerry Lewis

Colleagues of FSC Mauritius

A very good morning to you all

I am sure you will find the next five days most valuable and beneficial, when we first planned to run this training, I tried to ensure that few meetings are scheduled during the whole week so that you can all focus on the programme.

As you are aware, following the global financial crisis, the Financial Stability Board called upon national regulators to take measures for preventing future financial crisis, and emphasised the importance of preparedness of regulatory authorities to respond to such crisis.

So, the Financial Stability Committee - Minister of Finance, Financial Secretary, Governor of the Bank of Mauritius and Chief Executive of FSC - met and agreed that financial stability should be high on our agenda. In addition, since February 2012, I have been attending the Financial Stability Board's Regional Consultative Group (FSB-RCG) for Sub Saharan Africa (SSA) to discuss financial

stability issues of the region and elaborate action plans for SSA. At the FSC, the Financial Stability Research and Economics unit has followed the deliberations closely and made preliminary assessments and recommendations. But any plan will not be successful without involvement and commitment of the various clusters.

The major overhaul of the regulatory framework which has taken place has focused on crisis prevention, with a view to preventing serious problems from emerging in the financial sector and reducing the potential impact of failures, should they occur. The regulatory steps to improve the supervision of the financial sector included:-

- (1) reinforcing macro-prudential oversight,
- (2) strengthening the overall resilience of banks (e.g. Basel III),
- (3) bringing currently unregulated or under-regulated sectors under the scope of regulation (e.g. work related to shadow banking),
- (4) reducing opaqueness in some financial transactions (e.g. central clearing of Over-The-Counter derivatives); and
- (5) providing the authorities with tools and powers to intervene at a sufficiently early stage, with a view to minimising externalities of a crisis, such as the interruption of core financial services, contagion to other market players and, more generally, fiscal costs.

By increasing our preparedness, by having tools such as recovery and resolution plans in place, we are reinforcing prevention - a model which is familiar to us and used at the Commission in our licensing process.

When I read the Toronto Centre's 'Crisis Preparedness and Management' training Programme, I knew that this was what was needed to help us move forward. The Toronto Centre (TC), as you are already aware, promotes financial stability globally by building the capacity of financial sector regulators and supervisors.

Fortunately, our Head of HR was already in contact with the Toronto Centre. I am pleased today to welcome TC resource persons to FSC House and thank them for accepting to run this training 'Crisis Preparedness Program for Banking and Securities Regulators' for us.

This training programme will help the Commission be better prepared to deal with potential crisis efficiently and effectively.

Working in collaboration with Toronto Centre brings the quality and high standard we are aiming for in our crisis preparedness and management initiative.

Please make the most of these next few days.

Thank you for your attention.

Clairette Ah-Hen

30th June 2014