

CONSULTATION PAPER ON GLOBAL SHARED SERVICES

1.0 Introduction

- 1.1 The Financial Services Commission, Mauritius (the 'FSC Mauritius') is issuing this consultation paper on the introduction of a regulatory framework for Global Shared Services and invites comments from industry participants and the public on the framework of this new business activity.
- 1.2 Comments must be addressed to the Chief Executive of the FSC Mauritius at the following email address: gssconsultation@fscmauriti.us.org **not later than 15 May 2019.**

2.0 Objectives

- 2.1 The National Budget 2018/19 provided for the regulation of Global Shared Services to capitalise on the potential for job creation and economic growth brought by Global Shared Services Centres.
- 2.2 The Mauritius International Financial Centre (MIFC) wishes to ensure that regulated financial services companies and their related entities are afforded an opportunity to optimise their business operations and centralise their key functions, eliminating the duplication of these functions across companies within the group.

3.0 Global Shared Services licence

- 3.1 Who shall apply?
- (a) Where a Management Company derives at least 10% of its total income from the provision of Global Shared Services (as defined at paragraph 3.2) to companies within its group structure, it shall incorporate a separate company to hold the Global Shared Services licence to provide these services under this new company.
- (b) Notwithstanding the above, where a Management Company does not satisfy the conditions at paragraph 3.1 (a), it may still incorporate a separate company to hold the Global Shared Services licence to provide the services defined at paragraph 3.2 to companies within its group structure.

3.2 Scope of the licence

The services that may be provided under this licence includes:

- Record-keeping
- Reconciliations
- Payment of Bills
- Periodic Reporting
- Tax advisory and administration
- Other services as may be approved by the FSC Mauritius

3.3 The applicant shall not carry out any other financial business activity which requires a licence or authorisation under the relevant Acts.

4.0 Salient Features

4.1 It is proposed that the Global Shared Services licence should possess the following features:-

Features	Global Shared Services licence
Services	The applicant shall hold this licence if it provides the services mentioned at paragraph 3.2 to regulated financial services entities within its group.
Outsourcing	The applicant will not be allowed to outsource any of the services covered under its licence.
Resources and Infrastructure	<p>The applicant would be expected to have premises and adequate IT infrastructure to service its client companies.</p> <p>The applicant would be required to demonstrate that its base of employees comprises staff with expertise relevant to the services it provides.</p> <p>The applicant shall have office premises and ensure that net new employment be in excess of 20 staff, resident in Mauritius.</p>
Processing Fees	USD 1,000 or its equivalent in MUR.

Annual Fee	USD 2,500 or its equivalent in MUR.
Minimum expenditure	The applicant shall incur a minimum expenditure in Mauritius of at least USD 100,000 per year.
Professional Indemnity Insurance	The applicant shall maintain a Professional Indemnity Insurance Cover which commensurate with the nature, scale and complexity of its activities.

5.0 Other requirements

5.1 The applicant will be required to comply with the following:

- (a) The Board of Directors of the company shall consist of at least 2 resident directors;
- (b) The company must have its principal bank account in Mauritius; and
- (c) The company is expected to implement adequate internal controls, risk management and governance policies and procedures.

6.0 Audit

6.1 When submitting its annual audited financial statements, the applicant will be expected to submit a confirmation from its auditor as to whether the activities carried out by the company did not include any financial business activity.

FINANCIAL SERVICES COMMISSION

03 May 2019