Financial Services Commission MAURITIUS

CIRCULAR LETTER

CL210819

21 August 2019

The Board of Directors
Management Companies

Dear Sir/Madam,

Re: Cyber Security Risk Governance

The FSC refers to its letter dated 29 May 2018 addressed to Management Companies (MCs), whereby MCs were reminded of their obligation to comply with the Guiding Principles set out in Paragraph 4 of the Code of Business Conduct issued under section 7(1)(a) of the Financial Services Act 2007. In particular, MCs must at all times observe high standards of market conduct and must comply with all regulatory requirements applicable to the conduct of their business activities. They must also manage their business in a responsible and sustainable manner while ensuring that adequate controls are maintained.

The FSC further refers to the National Code of Corporate Governance, which requires that the board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The board should ensure the maintenance of a sound internal control system.

The objective of this Circular Letter is to ensure that the Board competently exercise its oversight over the risk governance function and is appraised of the adequacy and effectiveness of the MCs overall cyber resilience programme.

From a cyber security risk governance perspective, the FSC will expect as a minimum from the MCs the following:

- understanding of the cyber risks, vulnerabilities and impact associated in running their businesses, with supporting documentation;
- putting into place appropriate policies and procedures duly approved by the board to mitigate the risks;
- carrying out an annual cyber security risk assessment which is reported to the board;
- conducting regular IT audit and addressing identified loopholes accordingly;
- conducting penetration testing to ensure that their systems are not vulnerable or susceptible to cyber attacks;
- putting in place appropriate contingency arrangements that they can be deployed in the event of a cyber attack, including but not limited, maintaining service levels for clients and informing relevant parties and authorities about the attack and its impact; and
- running a comprehensive technology risk and cyber security training programme at all levels.

Notwithstanding the above, it is understood that MCs shall remain subject to the obligations arising under other enactments.

Yours faithfully

Signed by Mr Harvesh Seegolam, Chief Executive, on 21 August 2019

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