CIRCULAR LETTER

CL20260309

08 September 2026

To: The Board of Directors of Management Companies

Dear Sir/Madam,

RE: REGULATORY POLICY ON MANAGED CORPORATE SERVICE PROVIDERS (“MCSP”) AND REVOCATION OF PRACTICE NOTES ON MCSP

1. Purpose & Background

1.1. The Financial Services Commission (“the Commission”) has recently reviewed its regulatory policy regarding Management Companies operating under a Managed Corporate Service Provider (“MCSP”) structure.

1.2. The MCSP model was introduced as an administrative arrangement governed by the *Practice Notes on Managed Corporate Service Providers (PN-010105)* (“Practice Notes”) issued on 06 January 2005 under the Financial Services Development Act 2001, which is now repealed. The arrangement was originally intended to enable established foreign trust and corporate service providers of repute to test the Mauritian jurisdiction and build local capacity prior to establishing a full-fledged presence.

1.3. In light of supervisory findings, market developments, and the need to maintain robust regulatory standards and effective supervision across the non-bank financial services sector, the Commission is suspending the MCSP policy with immediate effect and is hereby revoking the Practice Notes.

2. Regulatory Decisions

2.1. **Cessation of new Applications:** With immediate effect, the Commission will cease entertaining, receiving, or processing new applications for Management Company licences structured as MCSPs.

2.2. **Revocation of Practice Notes:** Pursuant to Section 7(1)(a) read in conjunction with Section 10(1)(d) of the Financial Services Act, Section 25 of the Interpretation and General Clauses Act and Paragraph 12 of the Practice Notes, the *Practice Notes on Managed Corporate Service Providers* are revoked with immediate effect.

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3. Transitional Provisions

3.1. Applicants with Pending Applications

- **Option to Restructure:** Applicants with pending MCSP applications may opt to restructure their applications to apply for a full-fledged Management Company ("MC") Licence under the Financial Services Act. Processing fees already remitted to the Commission will be applied toward the full-fledged MC application.
- **Refund of Fees:** Where an applicant chooses not to proceed with an application for a full-fledged MC Licence, the processing fees paid to the Commission will be refunded in full.

3.2. Existing MCSPs Exceeding the Three-Year Limit

- **Transitional Period:** Existing MCSPs that have exceeded the three-year operational threshold established under the revoked Practice Notes will be granted a strict transitional period not exceeding **one (1) year** from the date of this Circular to apply for conversion to a full-fledged MC.

- **Failure to Convert:** The Commission reserves its full regulatory powers to initiate such enforcement action, as it deems appropriate, in respect of any MCSP whichcontinues to offer services as MCSP without converting to a full-fledged MC upon the expiry of the transitional period.

- **Recent MCSPs (Licensed in 2024, 2025 and 2026):** MCSPs licensed in 2024, 2025 and 2026 will be allowed to operate for their respective remaining individual 3-year terms subject to strict supervisory monitoring of the Host/Managing MCs to ensure there is no misuse of the structure during the remaining term. No further extensions beyond their initial 3-year approved plan will be entertained. They will be required to submit mid-term progress reports demonstrating their roadmap to full-fledged operational capacity and independence (premises, dedicated staff, systems).

4. Assessment Criteria

4.1 The Commission emphasizes that all applications for conversion to a full-fledged MC will be assessed in accordance with the current provisions of the Financial Services Act and applicable regulatory requirements. The Commission will not grant approval to any application that fails to demonstrate full compliance with statutory requirements, including governance, substance, operational independence, and capital adequacy.

Signed by D. P. Chinien, Chief Executive, on 08 September 2026.