



News snippets from the Global Business Industry and others

Global Business & Financial Services

FSC: Regulatory relief from administrative penalties for late filing of financial statements

The Financial Services Commission (FSC) issued a communique on 8 March 2021 with regards to the waiving of administrative charges for the late filing of financial statements relating to certain year-end/quarter-end. The FSC hereby confirms that no administrative charges will be imposed on licensees for the late filing of financial statements, provided that these were filed before 31 December 2020, as specified below:

Type of Reports	Year Ended/ Quarter Ended	As per current statutory requirement under the relevant Acts/ FSC Rules	Date until which administrative penalties will not be levied
1. Audited Financial Statements/ Financial Summaries	Year ended 31.10.2019 to 31.05.2020	Not later than 6 months of its balance sheet date	31.12.2020
2. Annual Reports/ Audited Financial Statements	Year ended 31.12.2019 to 31.08.2020	Not later than 90 days or 3 months of its balance sheet date	31.12.2020
3. Quarterly/ Interim Financial Statements	Quarter ended 29.02.2020 to 31.10.2020	Not later than 45 days after the end of each quarter	31.12.2020

This communique overrides two previous ones released by the FSC dated:

- 12 June 2020 on Regulatory relief on filing and reporting obligations; and
- 21 July 2020 on Regulatory relief on filing and reporting obligations for licensees with financial year ended 30 June 2020 and Quarterly/ Interim Financial Statements quarter ending 31 July 2020 to 30 September 2020.

To access the official communique, please click [Here](#)

Admission of the FSC Mauritius to the Monitoring Group Steering Committee of IOSCO

The International Organisation of Securities Commissions (IOSCO) regroups the world's securities regulators and is recognized as the global standard setter for the securities sector. Recently, IOSCO has admitted the Financial Services Commission (FSC) to its Monitoring Group Steering Committee (MG SC) as an Africa / Middle – East Regional Committee (AMERC) representative for the term 2021-2022.

Prior to this admission, the FSC was already an ordinary member of the IOSCO since September 2018 as a representative of AMERC's largest user of the Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (MMoU).

As member of the MG SC, the FSC aims at strengthening existing cooperation with other signatories of the IOSCO MMoU as well as provide a sound avenue for industry players.

The FSC will be subject to the following responsibilities under this position:

- Approving the process, content and periodicity of the consultation of the MMoU MG members on matters of common concern;
- Recommendations and decisions on any follow-up action to be taken by the MGSC in respect of issues identified;
- Discussions on ongoing or future initiatives in relation to the MMoU and undertaking any other assignment.

Access the full communique [HERE](#).

Financial Services Commission: Amendment to the Guidelines on Stress Test Requirements for long-term insurers

The Financial Services Commission (FSC) released a Circular Letter on the Guidelines on stress test requirements for long-term insurers (the “Guidelines”). The FSC informs the public of an amendment to Part I of paragraph 2.5.8.3 (ITEM h(ii): Worse investment return capital adequacy requirement) of the Guidelines that has been made.

It will be recalled that the objective of the Guidelines is to assist long term insurers in calculating the stress test requirement, as required by the Insurance (Long Term Insurance Business Solvency) Rules 2007. The revision is effective for reporting periods beginning on or after 1 January 2020. The updated Guidelines can be accessed on the FSC website:

Guidelines on Stress Test Requirements for long-term insurers: [HERE](#)

Launch of Mauritius Finance

Mauritius Finance (MF), a new platform regrouping key players of the finance sector such as management companies, banks, accounting firms and Stock Exchange of Mauritius amongst others, was launched on 10 February 2021. MF is the result of a merger between the Association of Trust and Management Companies (ATMC) and Global Finance Mauritius (GFM).

Further to the current position of Mauritius on the FATF grey list, the establishment of this platform further highlights the impending need to focus on reinforcing the use of existing laws and regulations to strengthen Mauritius’ position as a compliant jurisdiction.

MF aims at promoting constant dialogue and mutual cooperation between public and private parties, and serves the purpose of defending the interests of the Mauritian International Finance Centre on both the local and international fronts.

As one of the main players in the Global Business sector, representatives of Intercontinental Trust Limited, sit on the various technical committees set up by Mauritius Finance.

Finance and Economy

FATF Grey list: Mauritius Updates

The Government of Mauritius released a communique in January 2021 reiterating its commitment to exit FATF’s ‘countries under increased monitoring’ list (also referred to as the “FATF Grey List”) at the earliest.

At a virtual face-to-face meeting between the Mauritian Delegation, headed by the Governor of the Bank of Mauritius and FATF African Middle East Joint Group on Friday 22 January 2021, Mauritius was once again lauded for the continuous progress made in the implementation of the FATF Action Plan.

As was communicated in our past editions¹, Mauritius was placed on FATF Grey List in February 2020, following which the country was placed on the EU High Risk Third countries list (referred to as the “EU Blacklist”). Since then, the Government has worked towards amending its strategic deficiencies within its Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) regimes.

We recall the enactment of the Anti-Money Laundering and Combating of the Financing of Terrorism (Miscellaneous Provisions) Act 2020, as well as two progress reports sent – one in March 2020 and another one in November 2020 - as part of the Action Plan designed to have Mauritius exit FATF Grey list at the earliest.

At the FATF Plenary Session held in February 2021, the report of the assessors as well as due clarifications received from the Mauritius representatives and the Second Progress Report were taken into consideration. The FATF took note that Mauritius should continue to address its strategic deficiencies through the following approaches:

1. implementing risk-based supervision plans effectively for The Financial Services Commission and relevant Designated Non-Financial Business and Professions (DNFBP) supervisors and increase the diversity of STR filing, especially among higher risk sectors;
2. ensuring the access to accurate basic and beneficial ownership information by competent authorities in a timely manner;
3. demonstrating that law enforcement agencies have capacity to conduct money laundering investigations, including parallel financial investigations and complex cases;
4. implementing a risk-based approach for supervision of its NPO sector to prevent abuse for TF purposes; and
5. demonstrating the adequate implementation of targeted financial sanctions through outreach and supervision.

It is important to note that in January 2021, the Eastern and Southern African Anti-Money Laundering Group (“ESAAMLG”) issued its 3rd Follow-up Report (the “Report”) for Mauritius following a re-rating exercise on the compliance status of Mauritius with regards to the FATF 40 Recommendations. According to the Report, Mauritius is on the overall compliant, largely compliant and partially compliant on **39 Recommendations** out of the 40 Recommendations.

¹ Our past publications on the EU blacklist can be accessed at below links:

Dec 2020: [HERE](#)

Oct 2020: [HERE](#)

June 2020: [HERE](#)

May 2020: [HERE](#)

The Mauritius-China Free Trade Agreement

As communicated in a past edition¹ of our newsletters, the Mauritius-China Free Trade Agreement (FTA), signed in October 2019 in Beijing, has entered into force on 1 January 2021. The FTA is expected to breathe new life into the economic relationship between both countries. It will be recalled that negotiations pertaining to the FTA began in 2016 and were concluded in 2019 when it was signed by both countries.

Backed by a solid regulatory and banking framework and endowed with a highly skilled population, Mauritius has positioned itself over the years as an investment platform for Africa. Unbeknownst to many, Mauritius has one of the largest Exclusive Economic Zone (EEZ) in the world, boasting around 2.3 million square kilometers of oceanic area that remains largely unexploited, as at date – this tiny dot on the world map could eventually prove itself to be a treasure trove of opportunities for investors and strategic partners. Moreover, the African Continental Free Trade Area was launched on the 1 January 2021; investing in and through Mauritius will inevitably open doors to the African market, which is home to around 1.3 billion consumers.

It is not sheer coincidence that the Asian powerhouse, which is poised to become the world’s largest economy by 2028, singled out Mauritius as the first African country with which to conclude a FTA.

The economic spinoffs of the FTA are expected to be quite significant for both countries. To delve into the various pillars covered under the FTA, the Economic Development Board in Mauritius (EDB), hosted a 2-day workshop on 1-2 March themed “Shaping future economic perspectives”, under the aegis of the Ministry of Finance, Economic Planning and Development in collaboration with the Ministry of Foreign Affairs, Regional Integration, and International Trade and the Embassy of the People’s Republic of China in Mauritius.

Under the FTA, Mauritius will benefit from the following:

- Pertaining to trade in goods, Mauritius benefits from immediate duty free access on the Chinese market on some 7,504 tariff lines. Tariffs on an additional 723 tariff lines will be phased out over a 5 to 7-year period starting on 01 January 2021;
- An additional Tariff Rate Quota for 50,000 tonnes of sugar will be implemented on a progressive basis over a period of 8 years with an initial quantity of 15,000 tonnes;
- Both Mauritius and China have agreed to remove restrictions in more than 100 service sectors. These include financial services, telecommunications, Information and Communications Technology, professional services, construction and health services.

¹ Please click [here](#) to access our January 2021 release

Mauritius and India signs Comprehensive Economic Cooperation and Partnership Agreement

The Comprehensive Economic Cooperation and Partnership Agreement (CECPA) between Mauritius and India was signed on 22 February 2021 during the visit of His Excellency H.E Dr. Subrahmanyam Jaishankar to Mauritius. The CECPA marks the first agreement signed between India and an African country.

This agreement covers three key components namely Trade in Goods, Trade in services and economic cooperation. Under Trade in Goods,

- Mauritius gains preferential access into India on a list of 615 products
- India benefits from market access into Mauritius on a list of 310 products

For services, market access will be provided in sectors such as financial services, tourism, education, distribution, ICT and professional services. The CECPA provides an opportunity to consolidate an already longstanding bilateral cooperation between India and Mauritius.

The ratification process having already been agreed upon in Mauritius, the Indian government will be duly informed of this decision as well as the completion of all internal processes for its entry into force once these steps have been completed. We now await for India to complete the ratification process on its side for the coming into force of the agreement.

You can access more information on the CECPA at below link:

Comprehensive Economic Cooperation and Partnership Agreement: [HERE](#)

BoM : Key Repo Rate maintained at 1.85%

The Bank of Mauritius (BoM) keeps the Key Repo Rate (KRR) unchanged at 1.85% per annum following a meeting conducted by the Monetary Policy Committee (MPC) held on 4 February 2021. The MPC has agreed upon this decision after careful monitoring of the current global and domestic economic situation and it was concluded that the current monetary policy stance is appropriate and supportive of our economic recovery. Despite global economic recovery being bound to the efficacy of Covid-19 vaccination campaigns to curb the spread of the virus, a slight recovery was noted. Likewise, an increase in consumption expenditure and investment during the third quarter was recorded domestically.

More information on the KRR can be accessed [HERE](#).

Covid-19 Latest Updates

Covid 19- Implementation of nationwide lockdown in Mauritius.

As communicated in our recent newsflash¹, following a resurgence in local Covid-19 cases since Friday 5 March 2021 after nearly 9 Covid-free months, the Government of Mauritius has implemented a nationwide lockdown, effective since 10 March 2021. The lockdown will be for an initial period of 2 weeks until 25 March 2021 and may be reviewed by the Government in light of the evolution of the situation.

As at 18 March 2021, the contact tracing exercise has revealed 5 clusters of infected patients and the total number of active local cases has reached 153. All patients tested positive for Covid-19 are currently in quarantine and are being provided with the necessary treatment in line with the established protocol.

Mauritius has been widely praised for its timely response to the pandemic last year, which helped in curbing and containing the spread of the virus. In a bid to immunise the population against the virus, a National Covid-19 vaccination programme has debuted in March 2021. Previously targeted to frontline healthcare staff treating Covid patients, and workers meeting passengers at the airport, the vaccination campaign has been extended to the whole population.

We will endeavor to keep our valued clients informed of the developments in that regards.

ITL v/s Covid-19

As a safeguard measure, ITL Management had already reinstated its Work-From-Home (WFH) policy as from Monday 8 March. ITL Management firmly believes that professional success is not reliant on location if there is the proper virtual workplace infrastructure in place.

As previously communicated, our WFH facilities have been tried and tested for a number of years already and these are fully compliant with our data privacy and data security protocols. During the first lockdown more than 90% of our operational workforce were connecting daily on our WFH platform. Therefore, our operations, other than those that fall beyond our control, will remain functional. Your contact persons at ITL will remain primarily reachable by e-mail and Zoom.

¹ ITL Newsflash 9 March 2021: [HERE](#)

FSC maintains service level during the lockdown

The Financial Services Commission (FSC) issued a communique on 10 March 2021 to inform stakeholders and the public in general that it has deployed its Work-From-Home protocol since the implementation of the lockdown. Services will be provided remotely all throughout the lockdown period.

To access the official communique, please click [here](#)

SEM & CDS: Resumption of Trading and Settlement

Following the announcement of the implementation of a nationwide lockdown in Mauritius, trading and settlement activities were temporarily suspended on 10 March.

In a joint communique issued on 10 March 2021, the Stock Exchange of Mauritius Ltd (SEM) and the Central Depository & Settlement Co. Ltd (CDS) informed market participants and the public in general that trading and settlement activities would resume on Monday 15 March. Trades executed on Friday 5 March and that should have been settled on 10 March, would be settled on Monday 15 March given that Thursday 11 March and Friday 12 March were public holidays in Mauritius.

Furthermore both the SEM and CDS have activated their Work-From-Home protocol and this will ensure that Trading and Settlement activities carried out during normal trading hours remain uninterrupted provided that:

- Participants have adequate funds in their bank accounts by 10:30 Hrs on each day;
- The relevant settlement banks submit debit instructions to Bank of Mauritius by 11:00 Hrs on each day; and
- Bank of Mauritius transfers the funds among the settlement banks by 12:00 Hrs on each day.

To access the official communique, please click [here](#)

Travel & Tourism: Travel restrictions to Mauritius

As previously communicated on our past e-news¹, passengers from certain countries were barred from having access to the island. Following the recent development, the Government has taken the decision to enforce travel restrictions to Mauritius as per the below:

Up to 26 March 2021:

- No passengers will be allowed entry into Mauritius.
- Departing passengers will be allowed to board the authorized flights, should there be any departing flights.

From 27 March 2021 to 31 May 2021:

Travel restrictions have been extended until 31 May 2021 but exceptional flights may be programmed to Mauritius.

All prospective passengers (including children and infants) travelling to Mauritius must possess the following documents:

1. a certificate of a negative COVID – 19 PCR test administered between 5 and 7 days prior to the date of boarding at the last point of embarkation.
2. a valid air ticket to Mauritius; and
3. proof of purchase of a travel package including accommodation, on a full board basis, at a designated hotel for a mandatory 14-day in-room quarantine.

The above may be revised depending on the evolution of the Covid-19 situation in Mauritius. We will endeavor to keep our valued clients informed accordingly.

¹ ITL e-News January 2020: [HERE](#)

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