

INTERCONTINENTAL TRUST e-NEWS

Aug 2020



Intercontinental Trust Ltd

Mauritius News

News snippets from the Global Business Industry and others

Legislative Updates

The Finance Bill 2020, which aims at putting in place the legislative framework for the budgetary measures announced by the Finance Minister in June 2020, was voted with amendments on 4th August 2020 by the members of the National Assembly. Stay tuned for our Finance Act 2020 newsletter which will be released in the coming days!

Global Business

FSC: extension of regulatory relief on filing and reporting obligations

The Covid-19 pandemic crisis has impacted on many licensees, including those registered as reporting issuers, and on their ability to meet their regulatory filing deadlines. This has prompted the Financial Services Commission (FSC) to adopt a flexible approach towards the monitoring of compliance of its licensees with regards to their filing and reporting obligations. Initially, the FSC had issued a communique on 12 June 2020 informing its licensees that no administrative penalties in respect of late filing of audited financial statements/annual reports and quarterly/interim financial statements will be charged provided that the relevant filings are done by 30 September 2020.

Following representations made by industry stakeholders, the FSC has granted yet another extension of the filing deadlines, this one being the final one, as detailed below:

Type of Report	Year Ended	Applicable time-frame for submission under the Relevant Acts or FSC Rules	Date until which administrative penalties will not be levied
Annual Reports / Audited Financial Statements and Financial Summary	30 June 2020	Not later than 90 days or 3 months of its balance sheet date	30 November 2020
Type of Report	Year Ended	Applicable time-frame for submission under the Relevant Acts or FSC Rules	Date until which administrative penalties will not be levied
Quarterly / Interim Financial Statements	31 July 2020 to 30 September 2020	Not later than 45 days after the end of each quarter	30 November 2020

To access the official communique issue by the FSC to that effect, please click [Here](#)

FSC: exemption to Reporting Issuers for the physical distribution of audited financial statements

Following the Practice Direction (No.5 of 2020) pursuant to section 20(A) of the Companies Act 2001) issued by the Registrar of Companies which provides flexibility to reporting issuers in complying with their regulatory obligations with regards to the sending of annual reports during the Covid-19 period and post Covid-19 period, the Financial Services Commission (FSC) issued a communique to that effect on 21 July 2020 (the “Communique”). According to the Communique, an exemption is being granted to Reporting Issuers from sending hard copies of the audited financial statements together with the directors’ report to every member of reporting issuers and every holder of debt securities issued by the reporting issuers (together “shareholders”) as required under Rule 6 (c) and (d) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, provided that:

- Reporting issuers publish a communique in 2 local newspapers and/or their websites informing their shareholders that their audited financial statements together with the directors’ report can be accessed on their respective websites or can be consulted at their registered offices (or at any other place of business as may be designated by the reporting issuers); and
- Copies of the audited financial statements including the directors’ report can be requested by the shareholders from the company secretary. Same will have to be sent by e-mail or by any other means acceptable to the shareholders within 2 working days of the request.

To access the official Communique issued by the FSC, please click [Here](#)

Tax Transparency in Africa 2020: Mauritius a transparent jurisdiction

The Tax Transparency in Africa 2020 report (the “Report”), a joint publication by the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum), the African Union Commission and the African Tax Administration Forum, was released in June 2020. The Report provides a detailed account of the progress achieved by the Africa Initiative¹ in 2019 in terms of global tax transparency and exchange of information in Africa – both having been recognized worldwide as effective tools for combatting illicit fund flows. It is estimated that illicit fund flows (IFFs) in Africa could amount to anything between USD 50 and 80 billion annually. IFFs impede effective Domestic Resource Mobilisation and it is estimated that every year, Africa loses USD 40 – USD 80 billion in tax evasion - which is incredibly high considering that most African countries generate GDP² of less than USD80 billion annually.

According to the Report, significant progress has been achieved on two pillars of the Africa Initiative as follows: (i) raising political awareness and commitment in Africa and (ii) developing capacities in African countries in tax transparency and exchange of information.

In 2019, 3 additional African Countries namely Guinea, Mali and Namibia joined the Global Forum and are thus new adherents of the Africa Initiative. The number of exchange of information requests also spiked by 48% in the same year compared to 2018 which translated into increased tax revenue – in 2019, 5 African countries recouped nearly USD12 million as additional tax revenue whilst the cumulative tax revenue received by 8 African countries since the start of the Africa Initiative in 2014 amounts to nearly USD189 million. The Report also highlights that 74% of the outgoing exchange of information requests made since 2014 emanated from 4 African countries as tabled below:

Country	Number of partners that each jurisdiction sent information to in 2019
Seychelles	66
Mauritius	65
South Africa	63
Ghana	56

According to the Report, Mauritius was found to be compliant in the second round of the Exchange of Information on Request (EOIR) Reviews in 2017 which is a marked progression since the first round of review completed in 2014 when it was found to be largely compliant. The Report also highlights that Mauritius has adequate EOI Infrastructure in place as well as a clear strategy to integrate EOI in tax audits and investigations. It was also found to have confidentiality and data safeguards framework aligned to the Automatic Exchange of Information (AEOI) standard.

To access the full Report, please click [Here](#)

1. About the Africa Initiative: The Africa Initiative was launched as a partnership between the Global Forum, its African members and a number of regional and international organisations and development partners: African Tax Administration Forum, Cercle de Réflexion et d'Echange des Dirigeants des Administrations Fiscales, World Bank Group, France (Ministry of Europe and Foreign Affairs) and the United Kingdom (Department for International Development). Initially set up for a period of three years (2015-2017), the Africa Initiative was renewed for a second phase (2018-2020) in November 2017 at the Global Forum plenary meeting held in Yaoundé, Cameroon. With encouraging first results, additional development partners joined the Africa Initiative: the African Union Commission, the African Development Bank Group, the European Union, Norway (Norwegian Agency for Development Cooperation), Switzerland (State Secretariat for Economic Affairs) and the West African Tax Administration Forum. The Africa Initiative is open to all African countries and currently has 32 African member jurisdictions. It is supported by 11 partners and donors. The Africa Initiative members meet every year to take stock of the progress made and reflect on the remaining challenges.

2. Source: <https://www.statista.com/statistics/1120999/gdp-of-african-countries-by-country/>

Banking and Finance

The Bank of Mauritius joins NGFS

In a statement issued on 24th July, the Bank of Mauritius has confirmed its admission as a member of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). The NGFS' mission is to help strengthening the global response required to meet the goals of the Paris agreement, providing an unprecedented platform to its members with a platform for sharing experience and best practices relating to climate risk management in the financial sector.

The BOM's adhesion to the NGFS is a testimony of its commitment to further integrating the climate agenda into its banking sector transformation strategy.

About the NGFS

Its purpose is to help strengthening the global response required to meet the goals of the Paris agreement and to enhance the role of the financial system to manage risks and to mobilize capital for green and low-carbon investments in the broader context of environmentally sustainable development. To this end, the NGFS defines and promotes best practices to be implemented within and outside of the Membership of the NGFS and conducts or commissions analytical work on green finance. For more information about the NGFS, please visit their website by clicking [Here](#)

Seychelles News

News tidbits from Seychelles

New AML/CFT strategy adopted by Seychelles Government

In July 2020, the government of Seychelles approved its first National Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Strategy (the “Strategy”) which comprises 5 key strategic objectives which ultimately aim at addressing the deficiencies identified by the 2017 National Risk Assessment and the 2018 Mutual Evaluation Report. These are listed as follows:

- Enhancing Seychelles’ AML/CFT legal framework consistent with international standards of combating Money Laundering (ML), terrorism financing and proliferation financing;
- Strengthening domestic and international cooperation in the fight against money laundering, terrorism financing and proliferation financing;
- Developing capacities of relevant public and private sector entities to combat money laundering, terrorism financing and proliferation financing;
- Implementing effective risk-based supervision and enforcement of AML/CFT and countering proliferation financing; and,
- Strengthening intelligence, investigations, confiscation and prosecution of money laundering, terrorism financing and proliferation financing.

A series of actions have been devised and will be implemented to ensure that the above objectives are met at the earliest. Several laws, aimed at reinforcing the Seychelles AML/CFT framework, have already been enacted while others will be tabled before the National Assembly including the following:

- the new AML/CFT Act, 2020;
- the Beneficial Ownership (BO) Act, 2020;
- the Proceeds of Crime (Civil Confiscation) (Amendment) Bill, will be tabled before the National Assembly for approval.

It is expected that Seychelles will complete the implementation of its Strategy by the end of 2022.

EPI 2020: Seychelles 1st in Africa

The Yale University released its 12th edition of the Environment Performance Index (EPI 2020) in July 2020. The EPI is released every 2 years and provides a data-driven summary of the state of sustainability around the world. The EPI 2020 used 32 performance indicators across 11 issue categories and ranks 180 countries on environmental health and ecosystem vitality. It offers a powerful policy tool in support of efforts to meet the targets of the UN Sustainable Development Goals and to move society toward a sustainable future.

Renowned for their pristine beaches and having around 50% of land under conservation, the Seychelles have once again outshined their African counterparts on the EPI, ranking 1st in the continent. Worldwide, the Seychelles are placed at the 38th position which is an improvement of 1 place compared to its 2018 ranking.

The Seychelles government remains more than ever committed to the safeguard of their environment as it aims to improve its global ranking on the EPI.

To access the EPI 2020 Country Profile for the Seychelles, please click [Here](#)

Seychelles resume commercial flights

Effective as from 1st August 2020, the Seychelles have resumed their commercial flights operations albeit only with countries that have been assessed as having low to medium risks with regards to the Covid-19 pandemic spread. Inbound visitors will be required to undertake a Polymerase Chain Reaction (PCR) test, not more than 72 hours before flying to Seychelles to ensure that they are free of COVID-19. Passengers will also be required to wear their own masks in the arrival terminal and will be subject to a temperature check before proceeding to the check-in counters. Visitors are advised to consult with their travel agents prior to making any flight bookings to the Seychelles.

More information can be accessed [Here](#)

For any additional information please contact us.

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