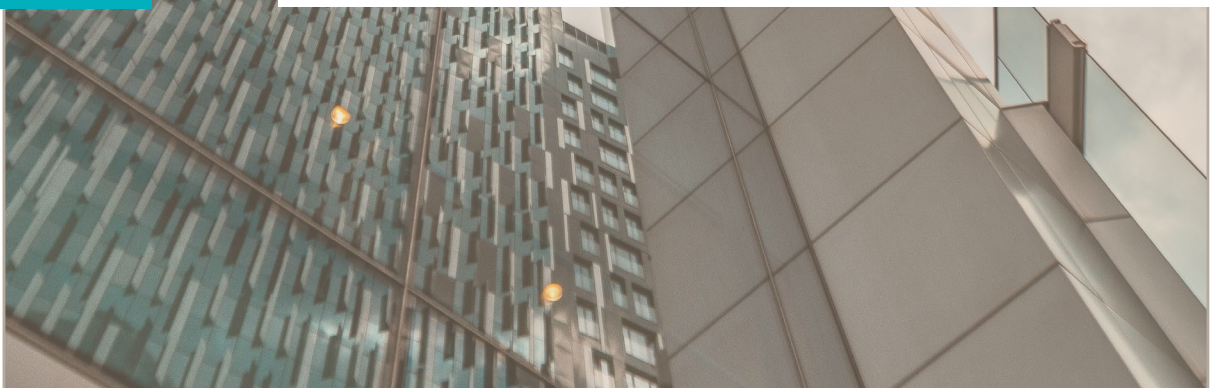




Intercontinental Trust Ltd

ITL e-News March 2023



MAURITIUS NEWS

Global Business and Financial Services

FSC: New application procedures for CIS and CEF

On 2 February 2023, the Financial Services Commission (FSC) released a communique to inform the public and relevant stakeholders of new application procedures with regard to Collective Investment Scheme (CIS) and Closed-End Fund (CEF) [hereinafter collectively referred to as “Funds”].

The new processes will aim to increase the efficiency of the application process for Funds and are applicable with immediate effect. The FSC is further looking to implement these procedures for other types of licences in the future.

Going forward, Management Companies (MCs)/applicants will need to provide confirmations and undertakings – via the FSC One Platform – in the approved form together with:

- A signed declaration by two resident directors of the MCs/applicants; and
- A legal certificate confirming that the constitutive documents and the offer document accompanying the application are in compliance with the Securities Act, the Securities (Collective Investment Schemes and Closed-End Funds) Regulations 2008, other relevant Acts, any guidelines issued by the FSC and any other applicable Laws.

The FSC further notifies MCs/applicants that penalties against them and the two resident directors are applicable in the event of the false declaration by the latter.

Incomplete applications which are deficient will not be entertained by the FSC unless the shortcomings have been addressed within 15 days. Furthermore, within 6 months of the issuance of authorisation, the FSC will conduct an on-site inspection.

Access the full communique from the FSC [here](#) for more information.

CEPA between the United Arab Emirates and Mauritius

On 16 January 2023, the Mauritian Government has announced the agreement of the Terms of Reference that establishes the principles, methodology and scope for the negotiation of a Comprehensive Economic Partnership Agreement (CEPA) between the United Arab Emirates and Mauritius.

The CEPA which will aim to enhance bilateral economic and trade relations between the two countries would include, inter alia:

- Chapters on Trade in Goods;
- Rules of Origin;

- Customs Administration and Trade Facilitation;
- Trade Remedies;
- Investment Facilitation;
- Trade in Services;
- Transparency in Government Procurement;
- Intellectual Property Right;
- Innovation and Technology Transfer;
- Economic Cooperation;
- Competition; and
- Dispute Settlement.

As the relationship between these two countries continue to strengthen, we will endeavour to provide you with more information on the introduction of the CEPA.

FSC issues FAQ on Moneylending Licence

The Financial Services Commission (FSC) issued an FAQ on Moneylending Licence on 8 February 2023 with a view to addressing pertinent queries on this type of activity.

The FAQ highlights the following conditions under which a Global Business Company ('GBC') should apply for a Moneylending Licence:

1. In the instance where the GBC is engaged or intends to engage in the business of moneylending in Mauritius, it should apply for a Moneylending Licence;
2. In the instance where the GBC is solely engaged or intends to engage in the business of moneylending outside Mauritius, a Moneylending Licence would not be required.

With regard to a GBC lending money to another GBC, the transaction shall be deemed as conducting business outside Mauritius.

The FAQ further provides for the following:

Fees (applicable for GBC)		Minimum stated unimpaired capital
Processing	Annual	MUR 30,000,000 (or its equivalent) / 5% of the Moneylender's total liabilities
USD 1,000 (MUR 43,000)	USD 1,900 (MUR 82,000)	

Consult the official communique [here](#) for more information on the application process.

FSC: Introduction of an AI Powered Due Diligence Platform

Owing to its long-term vision of fostering an environment that favours innovation and digitalisation, the Financial Services Commission (FSC) has launched an Artificial Intelligence (AI) Powered Due Diligence Platform on 2 February 2023.

This project, in partnership with the Mauritius Research and Innovation Council (MRIC), encourages stakeholders within the local financial services landscape to revamp their operations and onboard technology-based solutions to address existing gaps. The Platform will aim to automate the steps of the due diligence process and make the data collection task more efficient, therefore enhancing the credibility and accuracy of this regulatory activity.

In line with international standards, the AI Platform puts our already robust International Financial Centre (IFC) on the path to digitalisation and enhanced security, especially when it comes to the regulatory frameworks of its broad service offerings.

Read the full communique from the FSC [here](#)

Banking and Finance

BoM: Introduction of a new Monetary Policy framework

The Bank of Mauritius (BoM) has introduced a new Monetary Policy Framework (MPF) in an effort to address the shortcomings in the former one as well as create a framework that is aligned with shifting economic and financial conditions. In the same wavelength, the Key Rate – which is replacing the Key Repo Rate – will rely on the interest rate channel to manoeuvre economic uncertainties through the implementation of strategic monetary policy instruments, such as:

- a well-defined and flexible inflation target;
- prominent role for inflation forecasts as intermediate targets;
- review of the operational target;
- greater clarity on the foreign exchange and money markets nexus; and
- appropriate institutional design for different aspects of the monetary policy decision-making process.

This new MPF will seek to provide a more conducive environment for the BoM to have better control on inflation and mitigate fluctuations in price – an occurrence which remains their main concern.

The BoM has currently set the Key Rate at 4.50%. The new Monetary Policy framework came into force on 16 January 2023 and supersedes the former one set up in December 2006.

Access the official communique from the BoM [here](#) for more information on the implications of this new framework.

BoM unanimously voted president of the GSBF

The members of the Groupe des Superviseurs Bancaires Francophones (GSBF) unanimously approved the election of the Bank of Mauritius (BoM) as president of this supervisory body for a two-year mandate. The BoM, having joined the GSBF in September 2020, was voted to spearhead efforts around the adoption of highest standards of anti-money laundering and combating the financing of terrorism (AML/CFT) by banking supervisors during this term.

The GSBF regroups banking supervisors both from Basel Committee member and non-member jurisdictions with the prime objective of encouraging interaction between the Basel Committee and non-member francophone supervisors. The unprecedented decision of all 28 country members to nominate the BoM for the next presidency is testament to the institution's commitment to strengthen collaboration among these banking supervisors on key global issues.

Check out the communique [here](#) for more information.

Travel and Tourism

Additional Flights between India and Mauritius

Effective as from 26 March 2023, Vistara, a full-service Indian carrier, will operate five weekly flights to Mauritius. This travel update was announced on 8 February 2023 by the Minister of Tourism of Mauritius at a Gala Dinner hosted by the Mauritius Tourism Promotion Authority (MTPA) in Delhi.

Sponging on an already strong bilateral cooperation, the new flights add a new dimension to the local tourism sector as it will aim to increase seat capacity amid a growing need to accommodate high passenger traffic between Mauritius and India.

In an effort to further encourage travel between the two countries, Air Mauritius, the national airline, is further planning to operate two weekly flights to Delhi as from May 2023, in addition to the current six weekly flights to Mumbai.

More information can be accessed [here](#)

International Benchmarks

WIPO: Mauritius joins Madrid system for trademark registration

On 6 February 2023, the World Intellectual Property Organisation (WIPO) announced that Mauritius has become the 114th member to join the Madrid System, which is an international centralised trademark system aimed at facilitating trademark application and protection. Through the filing of one international application and payment of a single set of fees, brand owners from Mauritius are now able to seek protection of their trademarks in any of the other 129 countries covered by the Madrid System.

New users worldwide now have the ability to designate Mauritius when securing international protection for their trademarks, while existing members of the Madrid System can expand the geographical scope of protection of their registrations to include Mauritius.

With the prominent role that Intellectual Property (IP) plays on the development of Mauritius' knowledge-based economy, this newly adopted policy will aim to further position the country as a hub that promotes and actively protects research and innovation vis-à-vis international parties.

The Madrid Protocol will enter into force in Mauritius on 6 May 2023.

More information on the above can be accessed [here](#)

IIAG: Mauritius maintains first spot in Africa

The Ibrahim Index of African Governance (IIAG) measures and monitors governance performance in countries across Africa. Through four main components – Safety & Rule of Law, Participation & Human Rights, Sustainable Economic Opportunity and Human Development – which are further broken down into sub-indicators (81 in total) which cut across all aspects of governance and allows for quantifiable measures.

From the 2022 Index Report, we note that Mauritius maintains its topmost position in Africa, having ranked first over the whole decade, with a score of 74.9. The country ranks among the top three countries across all four components. Seychelles follows slightly behind with an overall governance score of 73.4, which is deemed to be the largest improvement in the region in 2022-2021.

Access the full report [here](#) for more information.

Democracy Index 2022: Mauritius remains only “full democracy” in Africa

The Economic Intelligence Unit (EIU) published its Democracy Index (the “Index”) for the year 2022, an edition which generated high expectations for its analysis of the state of global democracy after major lifting of pandemic-related curbs worldwide.

By assessing the scores across five categories – electoral process and pluralism, functioning of government, political participation, political culture, and civil liberties – the Index classifies each country under four types of regimes, namely:

- Full democracy;
- Flawed democracy;
- Hybrid regime; and
- Authoritarian regime

At the 21st spot, and with an overall score of 8.14, Mauritius enters the rank of “full democracy” and remains the only nation in Africa to fall under this regime. This prime position is testament to how Mauritius emerges as a robust democratic and economic model in the region as it depicts the country faring as well as member countries of the G20 ranked in the Top 20 (Australia, Canada, Germany, Japan and the United Kingdom).

From a more global perspective, the Index which provides a snapshot of the state of democracy worldwide across 165 independent states and two territories further highlights that 72 out of these countries/territories covered can be democracies.

Should you wish to have more information on EIU’s analysis, access the full report [here](#)

General Update

Application of e-certificate of character

Starting 9 February 2023, local citizens and foreigners alike can now apply for their Certificate of Character by electronic means in Mauritius. With the existing system becoming less streamlined to handle a surge in the number of applications, the launch of the platform comes at a time where the Government is increasingly looking to bridge the information dissemination gap between the public and the authorities.

The Certificate of Character system which further allows for payment facilities via the credit card payment and debit card can be accessed [here](#)

SEYCHELLES NEWS

News tidbits from Seychelles

Corruption Perceptions Index 2022: Seychelles tops the African region for the 5th consecutive year

The latest analysis from the 2022 Corruption Perceptions Index (CPI) depicts a gradual decrease in the level of peace globally, a phenomenon largely attributed to most countries losing the fight against corruption. This report from Transparency International ranks 180 countries and territories by their perceived levels of levels of public sector corruption and assigns scores from 0 (highly corrupt) to 100 (very clean).

Seychelles yet again boasts a phenomenal performance by ranking 23rd globally and scoring 70 points. The nation therefore remains the least corrupt country in Africa.

Indeed, the country has gained 18 points on its score since 2012, reflected through, amongst others, amendments to its Anti-Corruption Act in 2019.

The full CPI can be accessed [here](#)

2023 Q1 Passport Index: Seychelles leads the African region

On 10th January 2023, Henley & Partners released its Passport Index ranking for the first quarter of the year, and as customary, the report provides an overview of the current trends influencing mobility patterns across the World. A combination of datasets from Henley Passport Index and World Bank GDP, this report classifies all 199 passports according to their Henley Passport Power (HPP) score which is indicative of the percentage of global GDP each passport provides to its holders visa-free.

With a strong hold on the first position in Africa, Seychelles ranks at the 29th spot globally, ahead of Mauritius which witnessed a slight decline on the ranking since the 2022 Q3 (from 31st to 33rd).

These rankings entail that Seychelles and Mauritius provide visa-free/visa-on arrival access to 153 and 146 destinations respectively and uphold their titles as the most travel friendly passports on the African continent.

Check out the full report and commentaries [here](#)

For any additional information please contact us.

Mauritius Office

Email: mauritius@intercontinentaltrust.com
Website: www.intercontinentaltrust.com

Seychelles Office

Email: seychelles@intercontinentaltrust.sc

South Africa Office

Email: sa@intercontinentaltrust.com

Singapore Office

Email: singapore@intercontinentaltrust.com.sg



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