



**SPEECH OF THE CHAIRPERSON, Dr. RENGANADEN PADAYACHY,
OF THE FINANCIAL SERVICES COMMISSION ON THE LAUNCH
OF THE FSC REGIONAL CENTRE OF EXCELLENCE IN
COLLABORATION WITH OECD
15 MARCH 2019**

Your Lordship Meghnad Desai, Member of the House of Lords, United Kingdom and Chairman of the Advisory Board of OMFIF;

Her Excellency Mrs Usha Dwarka Canabady, Ambassador and Secretary for Foreign Affairs;

Your Excellencies, Ambassadors, High Commissioners and Members of the Diplomatic Corps;

Mr Yandraduth Googoolye, Governor of the Bank of Mauritius;

Mr Greg Medcraft, Director, Directorate for Financial and Enterprise Affairs, OECD;

Members of the Board of the FSC;

Mr Harvesh Seegolam, Chief Executive of the Financial Services Commission,

Heads of Investigation, Regulatory and Intelligence Authorities & Chief Executives of Public Institutions and Bodies;

Distinguished Speakers,

Captains of the Industry, Members of the press;

Ladies and Gentlemen

All protocols observed

Good morning.

It is my great pleasure and honour to welcome you all at the launching ceremony of the FSC's Regional Centre of Excellence in collaboration with the Organisation for Economic Cooperation and Development (OECD).

At the outset, allow me to highlight that the idea of this Centre of Excellence for the region originated in the Budget 2018/2019 when the Government of Mauritius announced that the Financial Services Commission, in collaboration with the OECD, would host a Regional Centre to foster capacity building and eliminate financial malpractices.

The establishment of the FSC's Regional Centre of Excellence in Mauritius underlines the willingness of our country to bring financial services to the next level. This initiative also bears testimony to the strong ties which exist between Mauritius and the OECD. The latter is deeply committed to provide the Government of Mauritius and the region with the appropriate human resources, expertise and guidance to improve the soundness and resilience of our financial systems.

Indeed, the vision of the Government of Mauritius is to work closely with the OECD in the Southern and Eastern Africa region to:

- deliver capacity building programmes;
- conduct research and draft policy papers; and
- reflect on the best practices and potential standards at the regional level.

Ladies and gentlemen, this close collaboration with the OECD was sealed in September 2018 through a Memorandum of Understanding (MoU) that was signed by the Honourable Prime Minister Pravind Kumar Jugnauth and His Excellency, Mr Angel Gurria, Secretary General of the OECD.

With the setting-up of this Centre of Excellence, the FSC is more than determined to strengthen its capabilities with a view to meeting its strategic objectives and rising to future challenges.

Speaking of strategy, I am delighted to announce that the FSC has recently finalised its Corporate Plan for the years 2019 and beyond. This latest plan highlights our long-term vision and how we are actively shaping our strategies to respond to regulatory and industry developments as well as future challenges.

Ladies and gentlemen, I will now elaborate on some of the pivotal strategies that we have decided to implement, as from the current financial year.

Firstly, the FSC will continue on its innovation path to become a **fully digitally enabled organisation**. The FSC will in this respect introduce a new system, the

'FSC One Platform, before the end of this year. This innovative platform will enable all of our internal processes (including authorisation, supervision, finance and enforcement) to be monitored on a real-time basis and thereby allow the FSC to:

- adopt a paperless policy and step into the league of environment-friendly organisations;
- introduce Digital Signatures and E-certificates;
- revamp its Risk Based Supervision regime; and
- support data mining and big data analysis.

Ladies and gentlemen, in this competitive world, one of the major challenge of regulators is the appropriate time-frame for the assessment of applications and the granting of licenses.

Different regulators have devised their own means and strategies to address this. Whilst some have opted to extend their office hours to reduce processing time, others have introduced new procedures for processing applications on a fast track basis.

On this front, I am pleased to announce that our **second** key strategy for 2019 will be the introduction of a **Fast Track Application Scheme**. Under this new scheme, the processing framework for authorisation will be upgraded to reflect industry expectations.

The FSC will introduce the "Known to the Commission" concept and will specify a set of criteria that must be met by applicants to qualify for submitting an application under this new scheme. For that purpose, new applications forms, guidelines and checklists are being developed.

Thirdly, ladies and gentlemen, once a licence is granted by the FSC, supervision and monitoring then become crucial. Therefore, we have made provision for the use of Supervisory Technologies (SupTech) in Risk-Based Supervision of our licensees.

This enhanced Risk-Based Supervisory Approach will have the following characteristics:

- New parameters will be defined for risk-based ratings of licensees
- Various new warning tools will be introduced. These will be supported by appropriate data analytics, AI and market intelligence.
- Specialised teams will be set up to conduct joint on-site inspections with other regulatory bodies
- New risk-based supervisory guidelines will be developed.

Fourthly, enforcement issues have been extensively considered in our Strategic plan. The FSC is actually reviewing its enforcement mechanisms to ensure, timely and efficient enforcement actions, and prevent, non-compliance and financial malpractices.

In this endeavour, we are restructuring the mandate of our Enforcement Directorate to have it in line with international best practices. We equally look forward to publishing an Enforcement Manual which will be in line with the recommendations of International Regulatory Associations.

Our **fifth** strategy is an element that has been recommended in the Blueprint for the Financial Services Sector.

This pertains to the development of a new Future Proof Regulatory Framework.

This augmented framework will be accompanied by:

- amendments to legislation, regulations and rules;
- introduction of a Takeover Panel;
- introduction of a new framework for Management Companies; and
- an innovative framework for Digital Finance and Fintech.

Ladies and gentlemen, while we move internally to adopt new regulatory and supervisory approaches, we must also continue to nurture our engagements with international standard-setters.

In this regard, as part of our international strategy and outreach approach, the FSC will ensure that the Mauritius IFC meets the standards set by the OECD and the ESAAMLG report.

Through our **sixth** strategy, the FSC will simultaneously engage with other regulatory counterparts to create one common voice for regulators of recognised IFCs vis-à-vis of the EU and other standard-setting bodies.

The FSC will continuously explore avenues of further collaboration with its international counterparts, especially across Africa and Asia.

Ladies and gentlemen, I would like to conclude my speech by stressing on the significance of active collaboration between industry players and regulators in Mauritius.

To further build trust and confidence in our IFC, there is no other way forward than playing by the rules of the game.

Je terminerais mon discours avec une citation de René Descartes:

« La volonté est tellement libre de sa nature qu'elle ne peut jamais être contrainte. »

I thank you for your attention and I wish you a fruitful deliberation over the next two days.

Friday 15 March 2019, Ebène, Mauritius