



Platinum Sponsors



Global Times Consulting



Gold Sponsors



Silver Sponsors



Bronze Sponsors



Contributor Sponsors



Contributor
Sponsors  FS Club



Bronze
Sponsors



FS Club



Silver
Sponsors



FS Club



valcon



The Technium Global
SERVICE WITH INTEGRITY



CL-CLOUDSOFT

Gold
Sponsors



FS Club



FEATURE
SPACE

OUTSMART RISK



Crown Agents

Bank

CERIDIAN



Platinum
Sponsors



FS Club



ABU DHABI
GLOBAL MARKET



Global Times Consulting





Platinum Sponsors



Global Times Consulting



Gold Sponsors



Silver Sponsors



Bronze Sponsors



Contributor Sponsors





FS Club
News Events Partnerships



Virtual Asset Regulatory Developments & Highlights From Mauritius

Tuesday, 18 April 2023



A Word From Today's Chairman

Hugh Morris
Senior Research Partner
Z/Yen Group





Platinum Sponsors



Global Times Consulting



Gold Sponsors



Silver Sponsors



Bronze Sponsors



Contributor Sponsors





Today's Agenda



- 10:30 – 10:35 Chairman's Introduction
- 10:35 – 11:45 Keynote Presentations
- 11:45 – 11:50 Closing Remarks



Today's Speakers

Mr Dhanesswurnath Thakoor, Chief Executive, FSC

Ms Teenoosha Boyjoo, Acting Manager, FSC

Mr Ashveen Gopee, Managing Partner, Lex Frontier

Mr Kamal Burun, Assistant Director, FSC

Mr Shailendrasingh Doongoor, Acting Senior Manager, FSC

Mrs Hemlata Nundoochan, Chief Supervision, Bank of Mauritius

Mrs Jessica Naga, Managing Director, Digital Associates Ltd



Mr Dhanesswurnath Thakoor
Chief Executive
FSC

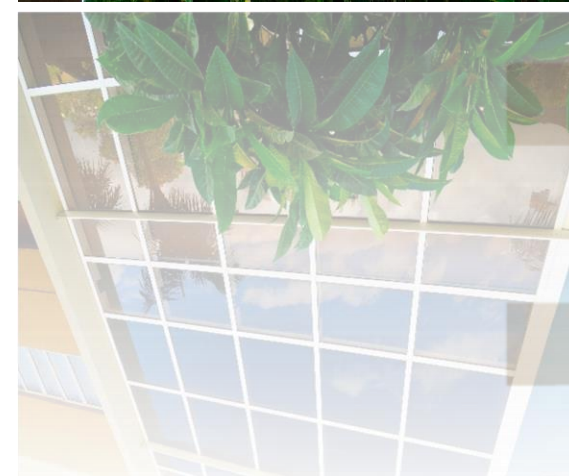
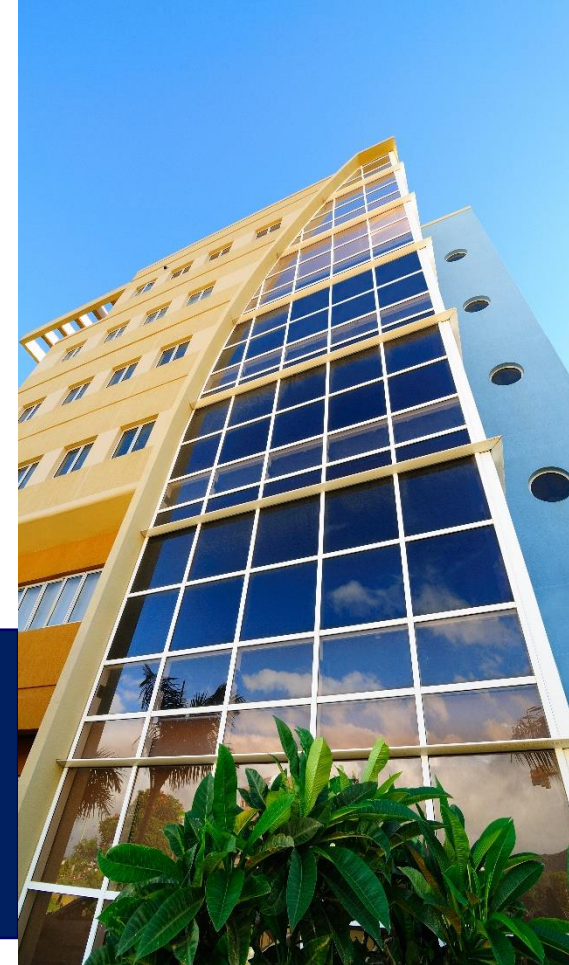
Overview of VAITOS Act and initiatives

Ms. Teenoosha BOYJOO

18 April 2023

FSC House, 54 Ebene, Cybercity, Mauritius

Tel: +230 403 7000 | Fax: +230 467 7172
Email: www.fscmauritius.org



Agenda

- Overview & Objectives of the Act
- Legislative framework
- Types of Licenses
- Supervision of VASPs
- Enforcing the VAITOS
- Unlicensed/ unregistered operators
- Collaboration with other stakeholders
- Enforcement actions taken



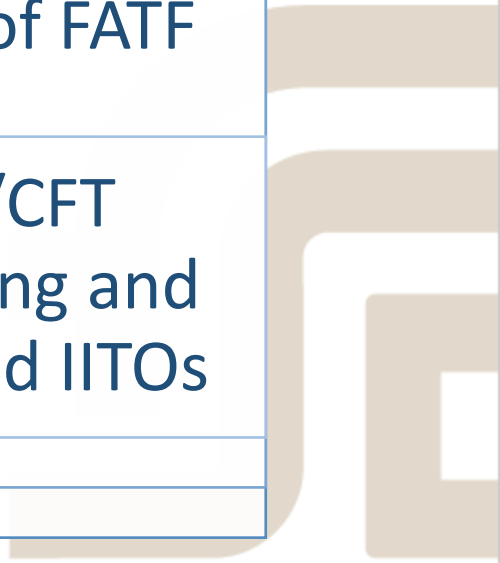
Overview & Objectives of the Act



The Virtual Asset and Initial Token Services Act 2021

Comprehensive legislative framework for VASPs and IITOs in line with the international standards of FATF

FSC designated as the prudential and AML/CFT supervisory authority, responsible for regulating and supervising the business activities of VASPs and IITOs



Legislative framework

- **FSC Rules in 2022:**
 - **Capital and Other Financial Requirements**
 - **Client Disclosure**
 - **Custody of Client Assets**
 - **Cybersecurity**
 - **Publication of Advertisements**
 - **Risk Management**
 - **Statutory Returns**
 - **Travel Rules**

- **AML/CFT Guidance Notes for Virtual Asset Service Providers (VASPs) & Issuers of Initial Token Offerings (IITOs)**

The Financial Services Act

The Financial Intelligence and Anti-Money Laundering Act

The Financial Intelligence and Anti-Money Laundering Regulations 2018

United Nations (Financial Prohibition, Arms Embargo and Travel Ban) Act

- Section 7 (1) of the Act provides that no person shall carry out the business activities of a virtual asset service provider in or from Mauritius unless he is the holder of a virtual asset service provider's licence.
- The 2nd Schedule to the Act provides for 5 classes of licences as follows:

Class of licence		Business Activities
Class "M"	Virtual Asset Broker-Dealer	- exchange between virtual assets and fiat currencies; or - exchange between one or more forms of virtual assets
Class "O"	Virtual Asset Wallet Services	- transfer of virtual assets
Class "R"	Virtual Asset Custodian	- safekeeping of virtual assets or instruments enabling control over virtual assets - administration of virtual assets or instruments enabling control over virtual assets
Class "I"	Virtual Asset Advisory Services	- participation in and provision of financial services related to an issuer's offer and/or sale of virtual assets
Class "S"	Virtual Asset Market Place	- a virtual asset exchange

Supervision of VASPs

➤ Prudential Supervision

- The FSC will keep stakeholders and the public informed about possible scams through the issue of communiqués/investor alerts on its website and widely read newspapers.
- In addition to issuing the VASP licences and registering issuers of ITOs, the FSC's additional powers and functions including the following:
 - i. Register of all VASPs ITOs
 - ii. Monitor their business activities;
 - iii. Issue guidelines to ensure compliance
 - iv. Promote investor education
 - v. Take any measures with the BOM to ensure the stability of the financial system
 - vi. Carry out onsite inspections, and exchange information with other supervisory bodies and law enforcement agencies

➤ RBS Supervision

- Application of FSC's Risk Based Supervision Framework for FIs (including VASPs)
- **Entity Risk Assessment based on FSC's risk matrix – 4 levels of rating**
- **Prioritization of supervisory attention to the identified highest-risk areas as per follows:**
 - Full scope onsite inspections for **Very High risk**
 - Targeted inspection for **High risk** and **Medium risk**
 - Offsite Reviews for **Low risk**
- **Implementation of supervisory cycles**

Enforcing the VAITOS: Powers of the FSC - Request for information

➤ Section 36 (1) of the VAITOS

- Every VASP, IITO, Controller (present or past) and any other person who ought to be licensed under the VAITOS must furnish/produce to the FSC all such information/records/documents as may be required of him in writing
- Information: Any type of information including client-related CDD and KYC

Enforcement Powers

- S. 39 - Investigation
- S 40 – Special Investigation
- S.41- Agent to conduct inspection and investigation
- S. 43 - Suspension of licence
- S.48 - Disciplinary proceedings
- S. 49 - Administrative Sanction



Unlicensed/ unregistered operators

➤ OSINT

- The FSC has implemented a web scrapping tool using an OSINT (Open-source intelligence) with dark web integration for the purpose of supporting in the investigation and/or identification of unlicensed or unregistered VASPs in Mauritius.
- The tool automates the OSINT scan (both from clear and dark web) of a given target along with scraping information from target websites.

➤ BLOCKCHAIN TOOL

- Mauritius has acquired a blockchain analytics tool to show how cryptocurrency is transferred and held by entities.
- The platform and data provide the ability to navigate the cryptocurrency landscape, gain valuable insights into digital assets, vet new opportunities, alerting, monitoring, assessing direct and indirect exposure and investigative tools.
- Training of officers



Collaboration with other stakeholders

Supervisory Authorities

Apply a risk-based
approach in
supervising VASPs

Enhance monitoring
capabilities

LEAs

Investigative Tools and
Resources

Sanctions and other
enforcement
Measures

Intelligence Agencies

Enhanced cooperation
protocols

MOUs

Cooperation with
foreign counterparts

Enforcement Actions taken

23 Letters issued to entities allegedly operating as VASPs regarding the requirement to be licensed

8 Letters issued to persons potentially operating as VASPs regarding the requirement to be licensed

9 directions issued to persons potentially operating as VASPs

8 Special investigations launched pertaining to persons potentially operating as VASPs and referred to Mauritius Police Force

9 directions issued with respect to special investigations

1 Letter issued to an entity requiring it to stop its advertising activity

1 General Alert issued [against Scammers and Fraudsters of Virtual Assets](#)

5 Investor Alerts issued and the assistance of Computer Emergency Response Team of Mauritius was sought to pull down the said websites of the 5 companies

IP addresses referred to the Mauritian Police Force.

**THANK YOU
FOR YOUR KIND ATTENTION**



**Financial
Services
Commission**
MAURITIUS

Ongoing Initiatives

Mr. Ashveen Gopee

Managing Partner of Lex Frontier

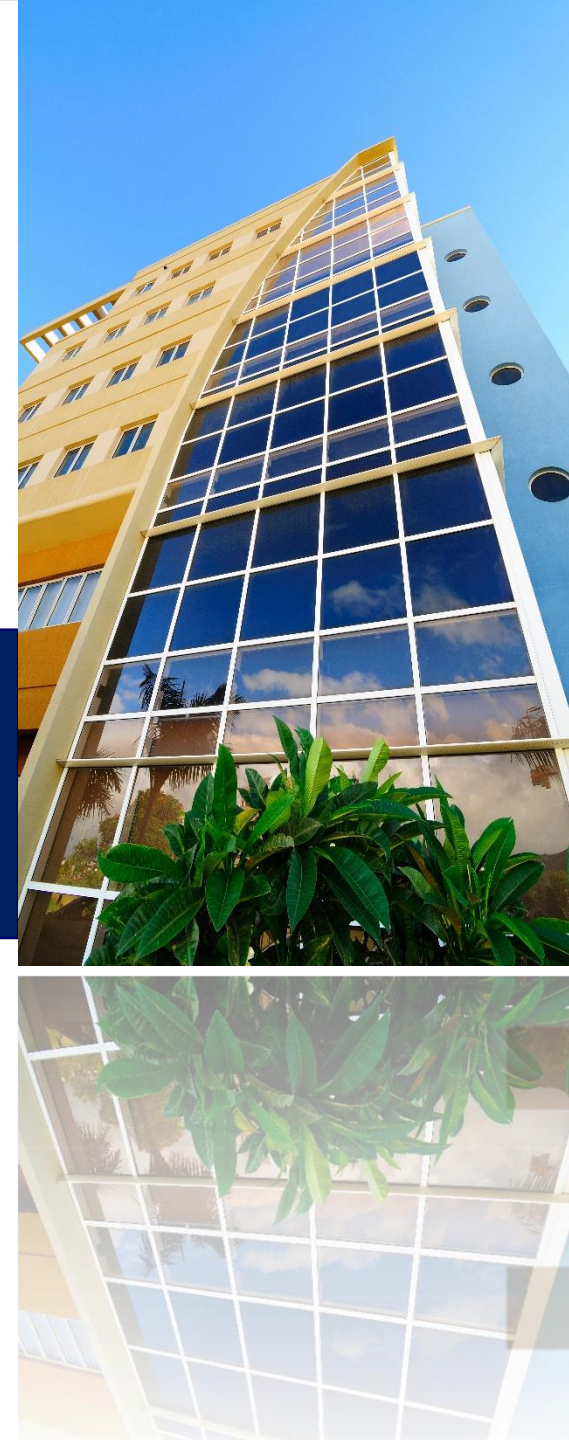


**Financial
Services
Commission**
MAURITIUS

Authorisation Process of Virtual Assets Services Providers

Mr. Kamal BURUN
18 April 2023

FSC House, 54 Ebene, Cybercity, Mauritius
Tel: +230 403 7000 | Fax: +230 467 7172
Email: www.fscmauritius.org



Agenda

1. VASP Licences under VAITOS Act
2. How to Apply?
3. Determination of Application
4. Process Flow of Application
5. Relevant Rules under the VAITOS Act



VASP Licences under VAITOS Act

Class M (Virtual Asset Broker-Dealer)

- Carry out activities such as exchange between VAs and fiat currencies; or exchange between one or more forms of Virtual Assets (VAs).

Class O (Virtual Asset Wallet Services)

- Pertain to the transfer of VAs.

Class R (Virtual Asset Custodian)

- Responsible for safekeeping of VAs or instruments enabling control over VAs; administration of VAs or instruments enabling control over VAs.

Class I (Virtual Asset Advisory Services)

- Required for the participation in and provision of financial services related to an issuer's offer and/or sale of VAs.

Class S (Virtual Asset Market Place)

- Facilitates the exchange of VAs for fiat currency or other VAs on behalf of third parties for a fee, a commission, a spread or other benefit.

An issuer of Initial Token Offering must be registered with the FSC.

How to Apply?

FSCOne Platform

- Application has to be submitted on FSCOne Platform for both domestic and global business companies

Global Business Companies

- Global business companies have to submit application(s) through a management company licensed by the FSC

Domestic Companies

- Domestic companies have to be incorporated prior to submitting application(s)

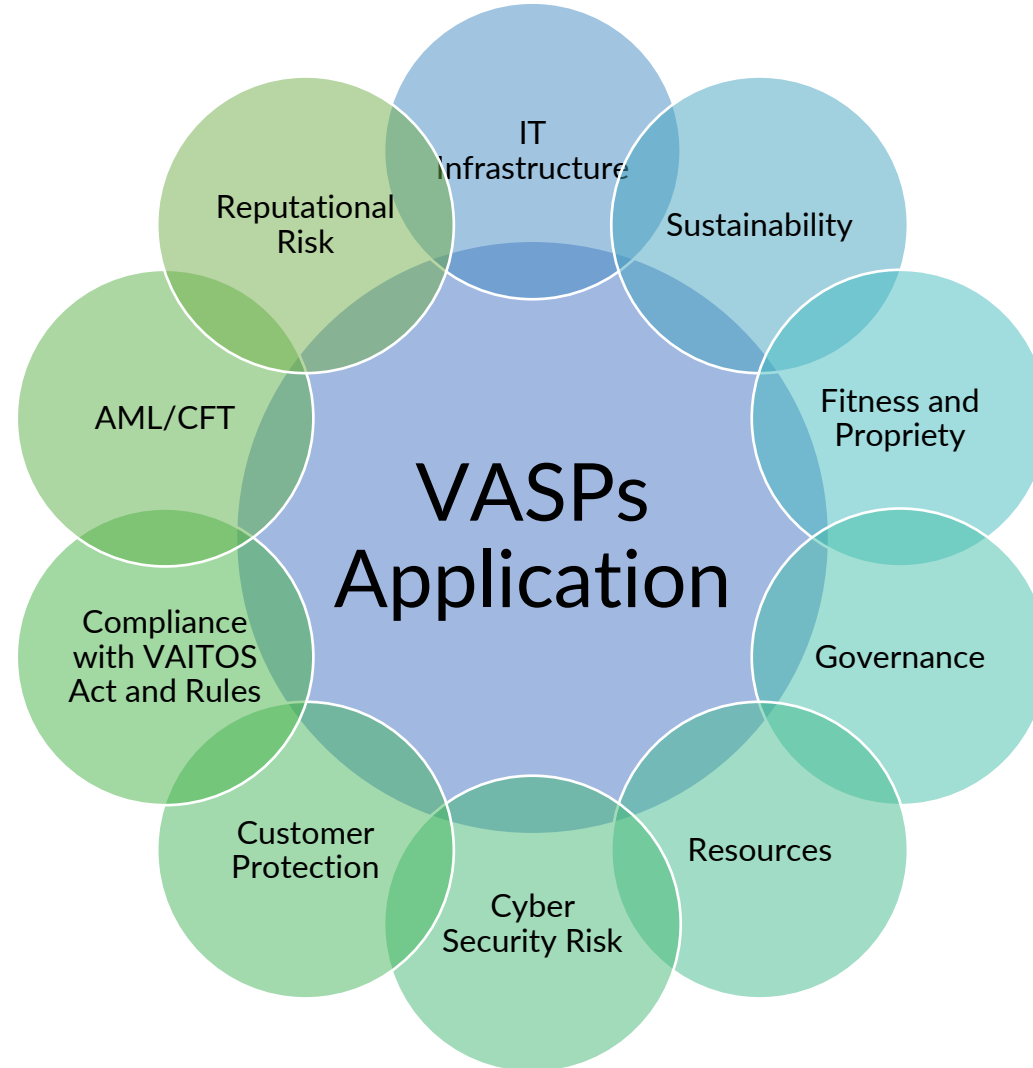
Licensing Criteria

- Application has to be submitted according to licensing criteria – available on the FSC website
[<https://www.fscmauritius.org/en/others/codified-list>]

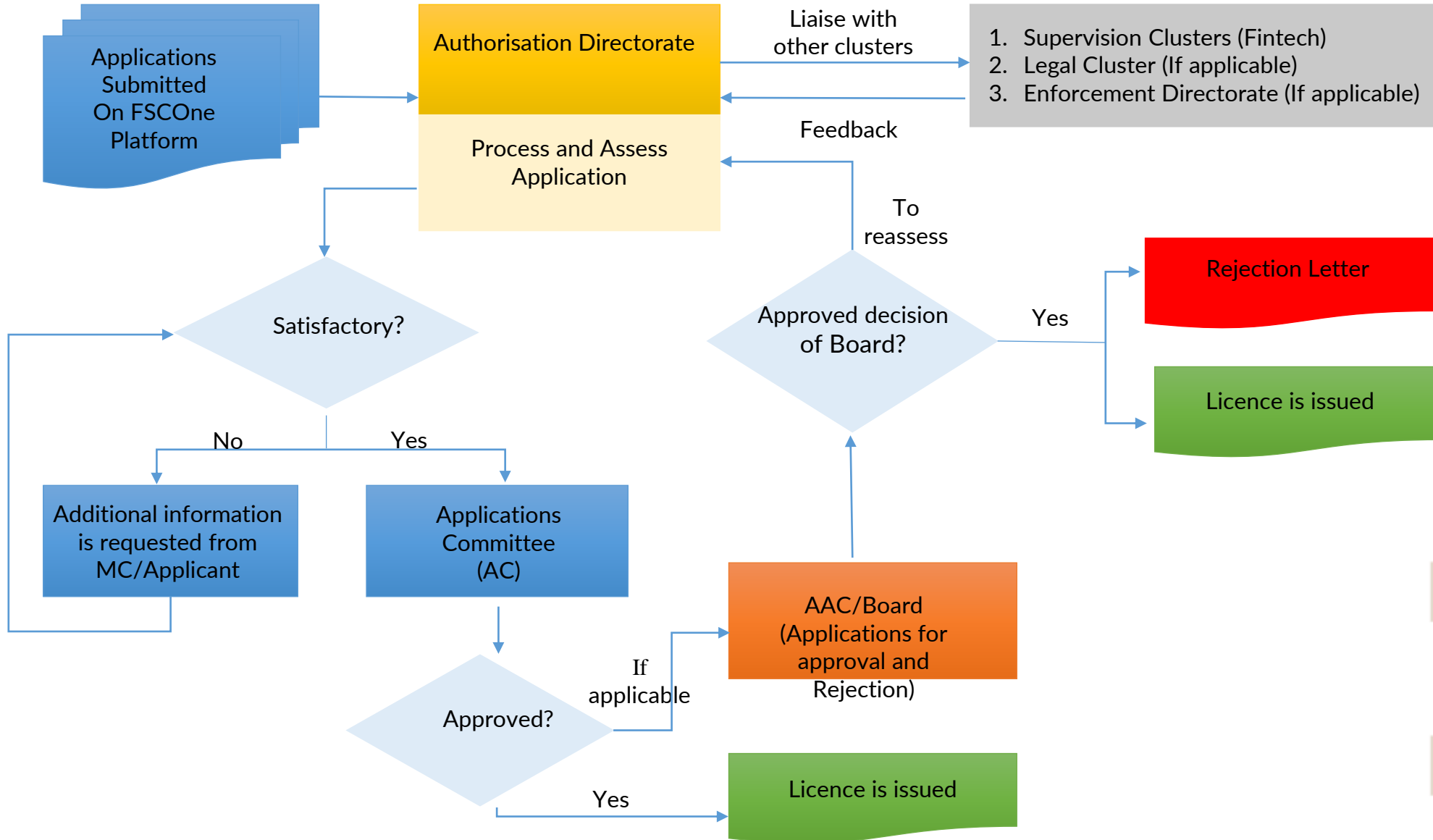
Fees

- Payment of processing fees to be made through FSCOne platform

Determination of Application



Process Flow of Application



Relevant Rules under the VAITOS Act

VAITOS (Capital and Other Financial Requirements) Rules 2022

VAITOS (Custody of Client Assets) Rules 2022

VAITOS (Cybersecurity) Rules 2022

VAITOS (Publication of Advertisements) Rules 2022

VAITOS (Risk Management) Rules 2022

VAITOS (Client Disclosure) Rules 2022

VAITOS (Statutory Returns) Rules 2022

VAITOS (Travel) Rules 2022



**THANK YOU
FOR YOUR KIND ATTENTION**



**Financial
Services
Commission**
MAURITIUS



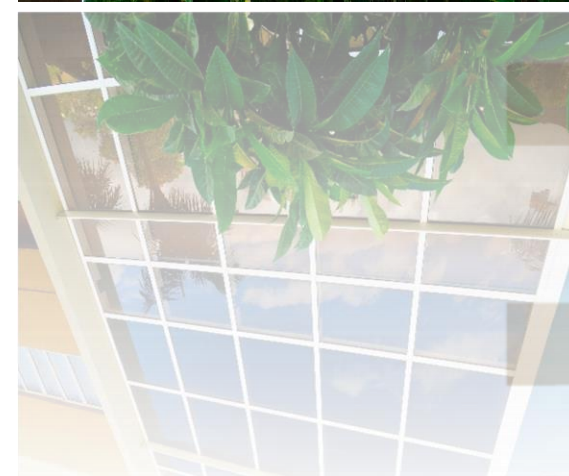
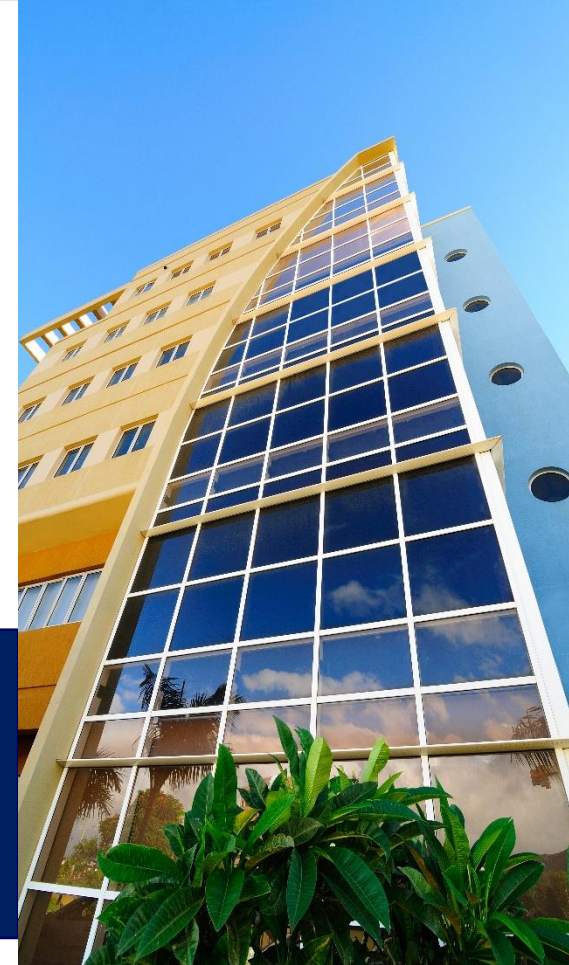
**Financial
Services
Commission**
MAURITIUS

Supervision of Virtual Assets Services Providers

Mr. Shailendrasingh DOONGOOR
18 April 2023

FSC House, 54 Ebene, Cybercity, Mauritius

Tel: +230 403 7000 | Fax: +230 467 7172
Email: www.fscmauritius.org



On-site Supervision

➤ Section 37(1) of the VAITOS Act 2021 prescribes that the Commission may, at any time, cause to be carried out an inspection into the business activities of a virtual asset service provider and an issuer of initial token offerings, and cause to be carried out an audit of their books and records.



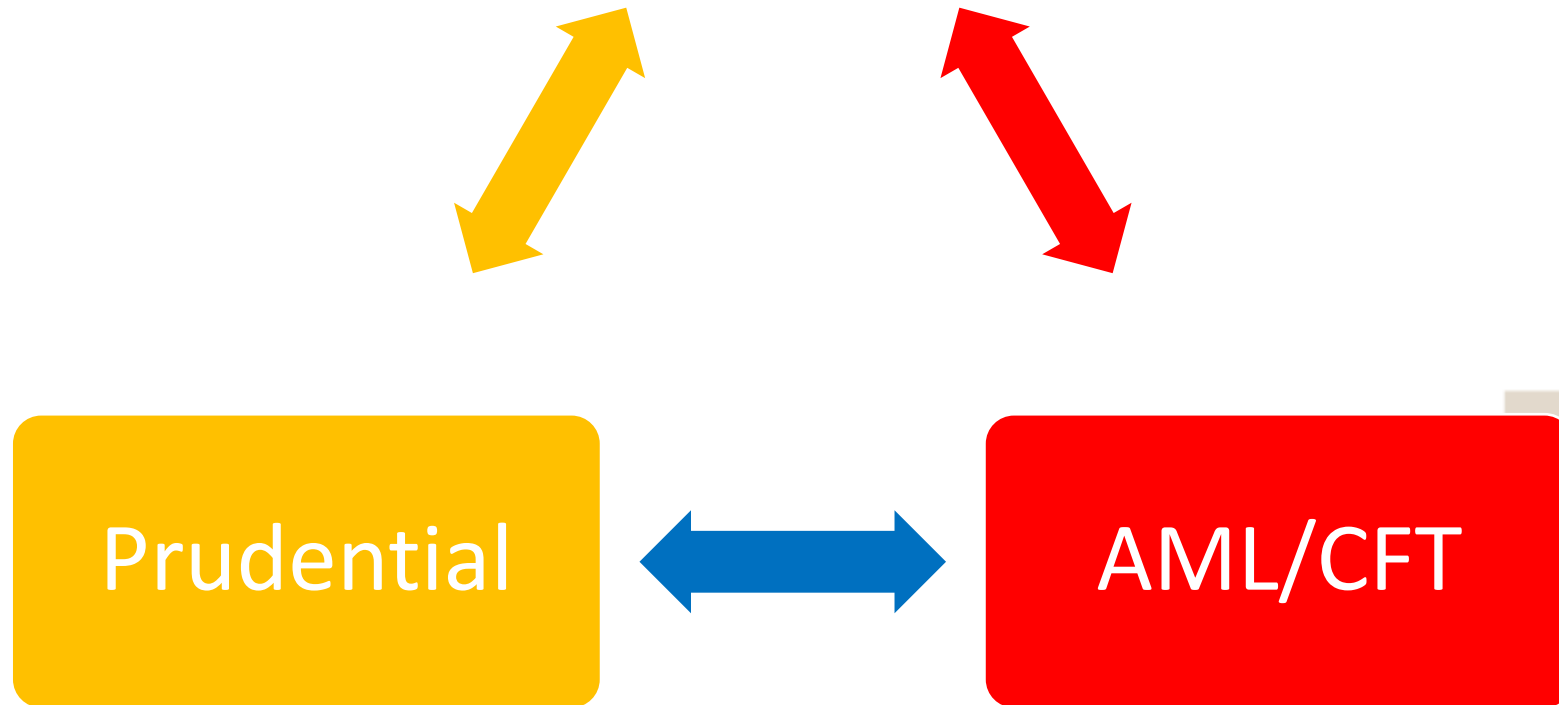
➤ Any person who, during an inspection;

- i. intentionally obstructs the Chief Executive in the discharge of his functions and exercise of his powers;
- ii. fails, without reasonable excuse, to comply with the directions of the Chief Executive in the discharge of his functions and exercise of his powers,

shall commit ***an offence*** and shall, on conviction, be liable to ***a fine not exceeding one million rupees*** and to ***imprisonment for a term not exceeding 5 years***.

On-site Supervision

On-site
Inspection



Key objectives of on-site Supervision

- assessing the market conduct for fairness and transparency;
- checking adherence to AML/CFT legislation;
- ensuring soundness of corporate governance principles;
- evaluating risk management processes;
- evaluating the internal control procedures; and
- maintaining the sound repute of the jurisdiction.



On-site Supervision

➤ Onsite Supervision

- Conduct of inspection virtually and at the premise of the licensee;
- Interviews with the Senior Management, MLRO, Compliance and staff to gain understanding of the licensee's operations/activities;
- Assess the AML/CFT programme in its current and future state;
- Assess the knowledge and competency of the staff;
- Take note of deficiencies and breaches of the law;
- Exit meeting with Board members;
- Issue of recommendation letter detailing the deficiencies observed during onsite inspection;
- Follow-up with licensee to restore compliance.

➤ Non-Compliance

- Non-compliance are rectified through normal supervisory processes by requiring the licensee(s) to take necessary remedial actions to restore compliance with relevant statutory requirements.
- Licensees are allowed 7 days to propose a remedial plan.
- Upon approval, licensees then have 2 months to implement the remedial plan.

Off-site Supervision

- Off-site supervision is also fundamental in monitoring the conduct of business activities of licensees.

- It entails reviewing and analysing of the audited financial statements, statutory returns and any other reports submitted by licensees.

- The review allows the FSC to ascertain, *inter alia*, the:
 - compliance status of licensees with relevant laws;
 - financial soundness and solvency position of licensees, and
 - ongoing assessment of licensees.



Key ongoing obligations of VASPs:

- Adherence to the legal framework and licensing conditions, inter-alia:
 - **Prior approval for the appointment of Officers and Senior Executives;**
 - **Obligations of Senior Executive to report;**
 - **Prior approval for any change in shareholding/beneficial interest;**
 - **Ongoing monitoring of clients, regular risk assessments and conduct EDD where necessary;**
 - **Transaction monitoring;**
 - **Suspicious transaction reporting;**
 - **Perform PenTest on the IT infrastructure to guard against cybersecurity risks;**
 - **Ensure marketing materials are accurate and not deceptive;**
 - **Address consumer complaints promptly.**



Key ongoing obligations of VASPs:

- Internal controls to ensure proper monitoring of business activities
- Adherence to the Rules under the VAITOS Act
- Financial Obligations
 - **Filing of audited financial statements every year**
 - **Compliance with capital and other financial resources requirements**
- Maintain professional conduct and confidentiality
- Data protection
- Timely settlement of FSC Fees
- Adherence to Corporate governance best practices



Investigation

Pursuant to **Section 39(1) of the VAITOS Act**, where the Chief Executive **has reasonable grounds to believe** that a VASP or an ITO has committed, is committing or is likely to commit a breach of

–

- (i) this Act and any applicable Acts;
 - (ii) any condition of its licence or registration, as the case may be;
 - (iii) any direction issued by the Commission under this Act;
- (b) has carried out, is carrying or is likely to carry out its business **activities which may cause prejudice to the soundness and stability of the financial system of Mauritius** or to the reputation of Mauritius or which may threaten the integrity of the system, **the Chief Executive may order that an investigation be conducted into its respective business activities**

Investigation

Penalty in case of breach of obligations under **Section 39**:

1. Any person who, in respect to a question put to him during an investigation –

(i) says anything that the person –

(a) knows to be false or misleading in a material particular; or

(b) is reckless as to whether it is false or misleading in a material particular; or

(ii) refuses, without reasonable excuse, to answer,

shall commit an offence and shall, on conviction, be liable to ***a fine not exceeding one million rupees*** and ***to imprisonment for a term not exceeding 5 years.***

Statutory Provisions and Penalties

The VASPs and IITOs have an obligation to abide by the provisions of VAITOS Act.

In case of breach, pursuant to **Section 50 of the Act**, a virtual asset service provider or an issuer of initial token offerings that contravenes this Act shall commit an offence and shall, on conviction, be liable, where no specific penalty is provided, **to a fine not exceeding 5 million rupees** and **to imprisonment for a term not exceeding 10 years**.



➤ Referral to Enforcement:

- In cases of serious or repeated non-compliance, matters are referred to Enforcement for appropriate sanctions.
- FSC's Enforcement Manual and Administrative Penalties Regulatory Framework provide for the processes/procedures in place for assessing and applying enforcement actions.
https://www.fscmauritius.org/media/84932/enforcement-manual_03aug2020.pdf

➤ Sanctions include:

- Suspending a licence;
- Revoking a licence;
- Disqualification of officers;
- Giving directions;
- Giving warnings;
- Issuing public censure;
- Imposing administrative penalties;
- Applying to the Judge in Chambers for freezing assets;
- Applying to the courts for injunction and restitution orders; and
- With the consent of the Director of Public Prosecutions, prosecuting various offences.



**THANK YOU
FOR YOUR KIND ATTENTION**



**Financial
Services
Commission**
MAURITIUS



Initiatives in the Virtual Assets Sphere

Mrs H. Nundoochan
Chief-Supervision Department

Bank of Mauritius

18 April 2022

Agenda



- 1. Developments related to Fintech at the Bank of Mauritius**
- 2. Draft Guideline for Virtual Asset Related Activities**



Developments related to Fintech at the Bank of Mauritius

Developments related to Fintech at the Bank of Mauritius (BOM)

- In 2011, the BOM implemented a **Bulk Clearing System** which clears cheques based on electronic images within a clearing cycle of maximum 2 days and processes high volume low value retail payments through Electronic Fund Transfer (EFT) and Direct Debit.
- In 2014, the BOM launched the **XBRL project**, which is an automated data management system for the collection, storage and processing of data from reporting entities.
- In 2017, the BOM recognised that financial institutions may have recourse to cloud-based services to enhance their operations and service efficiency and therefore updated its “**Guidelines on Outsourcing by Financial Institutions**” to include a section on “**cloud-based services**”.
- In 2019, the BOM implemented a **National Payment Switch, the Mauritius Central Automated Switch (MauCAS)**, a, state-of-the-art 24/7 digital payment system, which makes banking, e-commerce and mobile payments interoperable and encourages cashless means of payment.



Developments related to Fintech at the Bank of Mauritius (BOM)

- In September 2021, the BOM launched the **MauCas QR code** in order to develop an interoperable retail payment eco-system, and to facilitate digital payments at national level through the dedicated QR Code.
- Following the promulgation of the National Payment Systems (Authorisation and Licensing) Regulations 2021, and, the **BOM has licensed 3 Payment Service Providers** which offer digital payment solutions in Mauritius.
- The BOM developed a regulatory framework for digital banks in Mauritius and issued its **“Guideline for Digital Banks”** in December 2021. The Banking Act 2004 was amended to allow the BOM to license digital banks, that is, banks which can carry on banking business exclusively through digital means or electronically.



Developments related to Fintech at the Bank of Mauritius (BOM)

- In line with its endeavours to support the ongoing digital transformation of the banking sector, the BOM released its **“Guideline on the Use of Cloud Services”** in September 2022.
- The BOM is now looking into the rationalisation of reporting requirements including the use of relevant regtech/suptech solutions with the objective of reducing the regulatory burden and compliance costs associated with regulatory reporting. In this respect, the BOM is closely following the developments on Project Ellipse: regulatory reporting and data analytics platform under the BIS Innovation Hub.



Developments related to Fintech at the Bank of Mauritius (BOM)

- In view of the heightened cybersecurity risks through the fast-changing banking landscape in this digital age, the BOM has issued a “**Guideline on Cyber & Technology Risk Management**” for consultation, which will be finalised in the near future.
- In keeping with the VAITOS Act 2021 of February 2022, the BOM has issued a “**Guideline for virtual asset-related activities**” for public consultation to ensure that financial institutions engaging in such activities operate within a sound framework and duly mitigate the associated risks.
- The BOM is developing a **Central Bank Digital Currency (the Digital Rupee)**, around which the banking sector can build new solutions. The focus of the BOM is on offline capabilities of CBDCs to offer consumers an alternative electronic payment mode with cash-like features but designed to meet AML/CFT/P requirements.



Developments related to Fintech at the Bank of Mauritius (BOM)

CBDCs will change international monetary system – IMF panel - Central Banking (14/4/2023)

“The governor of the Bank of Mauritius, Harvesh Kumar Seegolam, told Central Banking he welcomes experiments into programmable CBDCs..... He emphasised the role public acceptance and global co-ordination will play in rolling out digital currency tech via central banks. The governor said CBDC’s second greatest opportunity, behind protecting monetary sovereignty, would be to assist AML/CFT systems

Governor Seegolam.....said the bank started its digital currency journey in 2020, “on the back of a very solid payment system”. He said working on a CBDC system to understand the technology was the prudent approach.

The Bank of Mauritius began by examining legal impediments, he said. Then it created a conceptual framework, followed by a feasibility study. Next, the bank worked on a sandbox exercise – which helped it conclude its digital currency will not bear interest.

The central bank now plans to create a retail, offline-accessible CBDC, with the objective of limiting the use of CBDC and ensuring it co-exists with the traditional payment system. It hopes to complete its experiments within two to three months. By year’s end, officials hope to launch a pilot.”



Forums/Platforms set up related to Fintech

- In November 2020, the BOM established a **multilateral Fintech Committee** comprising various agencies to chart a roadmap for the financial industry to embrace fintech and adapt the regulatory framework accordingly.
- The Banking Act 2004 was amended to empower the Bank to grant a **regulatory sandbox authorisation** to a financial institution, a licensee under the National Payment Systems Act or a body corporate. The authorised entity can use the regulatory sandbox to experiment with fintech, regtech or other innovation-driven financial services falling under the purview of the Bank in a controlled testing environment
- The Bank is working in close collaboration with the Ministry of Information Technology, Communication and Innovation, representatives of banks and the MBA to use the MoKloud platform and the central database of the Civil Status Office, **the InfoHighway**, to come up with a mechanism to facilitate digital onboarding of customers and online verification and validation of identity.
- In December 2021, the BOM and the Commission de Surveillance du Secteur Financier (CSSF) have signed a MoU. The MoU establishes collaboration in the fields of financial inclusion, digital innovation in financial services **and Fintech regulation**. Private banking, green finance, risk-based supervision and macro-prudential supervision, virtual assets and cybersecurity, AML/CFT are also key elements of the MoU.



Bank of Mauritius : FinTech Innovation Hub and Digital Lab

Background

The core objective of the digital lab is to provide an Integrated Development Environment (IDE) that can be used by existing financial institutions (FIs) including banks, insurers and payment service providers, new fintech companies and users from academia to test for new innovative digital solutions.

The Innovation Hub and Digital Lab will focus on the development of FinTech applications for the banking and financial services industry in relation to 6 key themes, namely:

- SupTech & RegTech;
- Central Bank Digital Currency;
- Open Finance;
- Cyber Security;
- Green Finance;
- Financial Market Infrastructures (e.g. next-gen payment systems)



Draft Guideline for Virtual Asset Related Activities.

Draft Guideline for Virtual Asset Related Activities.

The “VAITOS Act”, which came into force on 7 February 2022, sets out a comprehensive legislative framework to regulate the business activities of virtual assets service providers and initial token offerings.

Section 8(3) of the VAITOS Act provides that a bank may, with the **written approval of the Bank of Mauritius**, apply:

- (i) for a class “**R**” **licence** (Virtual Asset Custodian) or class “**I**” **licence** (Virtual Asset Advisory Services) to carry out the business activities of a virtual asset service provider; and
- (ii) through its subsidiary, for a class “**M**” **licence** (Virtual Asset Broker-Dealer), class “**O**” **licence** (Virtual Asset Wallet Services) or class “**S**” **licence** (Virtual Asset Market Place) to carry out the business activities of a virtual asset service provider.

In addition to the above, banks may provide services to virtual asset service providers, issuers of initial token offering and to customers dealing in virtual assets. Bank may also have direct/indirect exposures to virtual assets, virtual assets service providers and issuers of initial token offering.



The guideline sets out the principles to be followed by banks involved in activities related to virtual assets, covers the prudential classification and the prudential treatment of virtual assets, and, amongst others, states that:

- Prior to engaging in any virtual asset-related activity, banks shall ensure that the strategy, risk appetite, risk limits, and risk management framework, including relevant policies, are duly approved by the board.
- Banks may be exposed to credit risk; therefore, banks shall ensure that the credit risk assessment takes into consideration the risks associated with virtual assets and that there are appropriate systems in place to monitor the value of virtual assets provided as collateral.
- Banks shall assess the potential impact of exposures to virtual assets on the liquidity position of banks and factor such exposures into their internal liquidity adequacy assessment processes.
- Banks shall ensure that internal operational risk and cyber and technology risk management frameworks duly cover the risks associated with activities related to virtual asset.
- Banks shall identify, assess, and understand the ML/TF/P risks that may arise from virtual asset related activities and take appropriate measures to manage and mitigate these risks.



Prudential Treatment of Virtual Assets

- Minimum Capital Requirements for Credit Risk and Market Risk for Group 1 Virtual Assets
- Minimum Capital Requirements for Credit and Market Risk for Group 2 Virtual Assets
- Minimum Capital Requirements for Operational Risk: Infrastructure Risk for Virtual Assets

Link to the Guideline:

https://www.bom.mu/sites/default/files/guideline_for_virtual_asset_related_activities.pdf





Thank You

FSC PRESENTATION

BUILDING A DIGITAL ASSETS ECOSYSTEM: AN OPERATOR'S PERSPECTIVE



INDEX
GROUP

The following presentation is property of MINDEX Holdings Limited and may contain proprietary and confidential information including trademarks, service marks and patents protected by intellectual property laws and international intellectual property treaties. MINDEX Holdings Limited authorizes you to view and make a single copy of portions of its content for offline, personal, non-commercial use only. Our content may not be sold, reproduced, or distributed without our written permission. Any third-party trademarks, service marks and logos are the property of their respective owners. Any further rights not specifically granted herein are reserved.



TRADITIONAL REASONS TO CHOOSE MAURITIUS AS AN IFC

A low-risk country with a favorable infrastructure:

- **1st country in Africa for good governance** ([Ibrahim Index of African Governance – IIAG](#)) & **13th international country for ease of doing business** ([World Bank Ease of Doing Business Report 2020](#))
- **stable multiparty parliamentary democracy** and historically no real friction after elections
- **clear constitutional separation of powers** between the Judiciary, the Executive, and the Legislature.. The Supreme Court is the highest court and ultimate appeals sit with the Privy Council.
- **A workforce bilingual in English and French,**
- **one of the the most well-developed infrastructures in Africa:** at least 65% of the population of Mauritius connected to internet ([World Bank](#)), at least 25% fixed broadband subscriptions ([tradingeconomics.com](#))
- recently been voted as **the 4th best country in the world to work remotely from** ([KAYAK](#))





TRADITIONAL REASONS TO CHOOSE MAURITIUS AS AN IFC

A strong financial policies framework:

- **29 Investment Promotion Protection Agreements (IPPAs)** signed and in force along with 15 other agreements awaiting ratification (see mauritiusifc.mu)
- **very straight forward tax system** : flat tax rate of 15% for corporate and individuals, no withholding tax on dividends and no capital gains tax (cf mra.mu)
- **extensive network of Double Taxation Avoidance Agreements (DTAAs)** within African and beyond with 45 tax treaties and counting (more on mra.mu)
- **no exchange control provisions** and allows locals and foreigners to hold **multi-currency accounts with local banks**
- approximately **19 local and international banks** operating in Mauritius (cf [Mauritius Bankers Association Limited](#)), and
- a well developed **legal and accounting sector**, including branches of the Big 4





THE 40 FATF RECOMMENDATIONS DULY MET BY MAURITIUS

As an International Financial Centre (IFC) of note, Mauritius received the ultimate nod of approval from the Financial Action Task Force (FATF) last year, and has been, since September 2022, a **pioneering jurisdiction in Africa ‘compliant’ or ‘largely compliant’ with all of the 40 FATF recommendations.**

The last piece of the puzzle that it took for Mauritius to join the elite group of countries, with all 40 FATF recommendations successfully adhered to, was **Recommendation 15 on New Technologies**. It was no fortuitous series of coincidences but deliberate steps taken to coordinate its destiny as an IFC of the future that led to this milestone, with FinTech being a key pillar on which the Mauritian government and local industry players had been focussing for some time.





MAURITIUS' CLEAR REGULATORY FRAMEWORK BRINGS CERTAINTY TO VIRTUAL ASSET STAKEHOLDERS

Virtual Asset and Initial Token Offering Act 2021 (commonly referred to as VAITOS)

“Virtual assets” means –

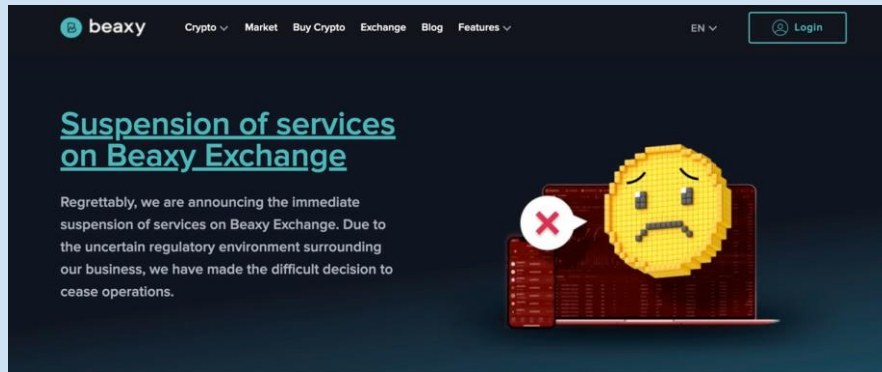
- A. digital representation of value that may be digitally traded or transferred, and may be used for payment or investment purposes; but
- B. does not include a digital representation of fiat currencies, securities and other financial assets that fall under the purview of the Securities Act;

“initial token offerings” or “ITO” means an offer for sale to the public, by an issuer of initial token offerings, of a virtual token in exchange for fiat currency or another virtual asset;





RISKS TO OPERATORS - LACK OF CERTAINTY ^{1/3}



“US SEC Files Charges Against Crypto Trading Platform Beaxy: Here's Why” (MARCH 2023)

“The US Securities and Exchange Commission (SEC) on Wednesday registered charges against crypto trading firm Beaxy and executives at the company ...”

SEC Chairman Gary Gensler said, "We allege that Beaxy and its affiliates performed the functions of an exchange, broker, clearing agency, and dealer without registering with the Commission and complying with clear, time-tested rules governing those activities."

“Following the SEC actions, the firm announced the immediate suspension of services on the Beaxy Exchange.”



RISKS TO OPERATORS - LACK OF CERTAINTY ^{2/3}



US Judge sanctions NBA-Branded 'Top Shot Moments' NFTs as potential Securities, post-event (FEBRUARY 2023)

U.S. Southern District of New York Judge Victor Marrero overruled a motion to dismiss the class-action lawsuit filed against Dapper Labs and its CEO. The lawsuit alleged they had “violated federal securities laws by offering a non-fungible token (NFT) collection – the NBA Top Shot Moments – without first registering with the U.S. Securities and Exchange Commission (SEC)”.





RISKS TO OPERATORS - LACK OF CERTAINTY ^{3/3}



OpenSea

“U.S. CHARGES OPENSEA EX-EMPLOYEE IN FIRST NFT INSIDER TRADING CASE” (JUNE 2022)

U.S. prosecutors in Manhattan charged a former product manager at OpenSea, the largest online marketplace for non-fungible tokens, with insider trading, the first such case involving digital assets.

Nathaniel Chastain, 31, of Manhattan, was accused of secretly buying 45 NFTs on 11 separate occasions based on confidential information that the tokens, or others by the same creator, would soon be featured on OpenSea's home page.

Prosecutors said Chastain chose which NFTs to feature, and sold his NFTs shortly after they were featured, typically for two to five times what he paid.

"NFTs might be new, but this type of criminal scheme is not," U.S. Attorney Damian Williams in Manhattan said in a statement. "Today's charges demonstrate the commitment of this office to stamping out insider trading - whether it occurs on the stock market or the blockchain."



MINDEX GROUP ECOSYSTEM

MINDEX (“MINDEX Group” or “MINDEX Holding”) is a **digital securities and virtual asset exchange ecosystem**, headquartered in Mauritius and licensed by the Financial Services Commission.





CONCLUSION: MAURITIUS AS A FINTECH HUB OF CHOICE FOR AFRICA AND BEYOND, FOR CAPITAL RAISE & EXCHANGE

It might appear as an onerous choice for Mauritius to go the highly regulated way in a new and innovative sector, as applications and go-lives take longer and pose higher costs. However, that is a judicious choice if the decision is to build a sustainable and trusted FinTech hub of choice, for capital raise purposes, by leveraging :

- (a) trusted regulators, laws and legal system;
- (b) a tried and tested traditional financial system, with seasoned regulated players;
- (c) an innovative digital financial infrastructure that the **MINDEX Group is leading the way in building, on the back of blockchain technology;**
- (d) skilled bilingual human resources and;
- (e) a pioneering regulatory framework to reassure investors



CONTACT INFO

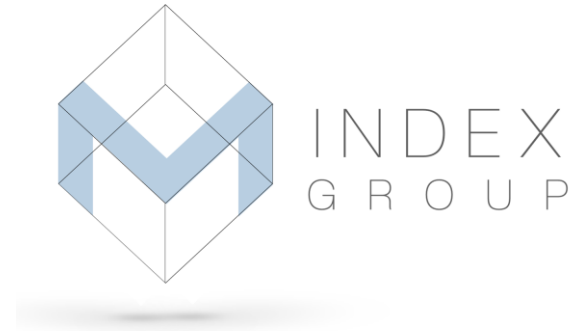
telephone: + 230 696 2612

mail: info@mindexgroup.com

Address: 19, Riverwalk, Vacoas, Mauritius

Website: mindex.group

Linkedin: [MINDEX Group](#)





Comments, Questions & Answers



横浜市営地下鉄

レールライン

Yokohama Line Subway



観光案内所

Question & Answer

问讯处 詢問處 안내소

西口

West Exit

西出口 서쪽



Platinum Sponsors



Global Times Consulting



Gold Sponsors



Silver Sponsors



Bronze Sponsors



Contributor Sponsors





Thank You For Participating



Forthcoming Events

- Thu, 20 Apr (09:00-09:45) Launch Of Global Green Finance Index 11
- Thu, 27 Apr (08:00-09:30) The Future Of Green Hydrogen - BizTech Huìhuà Chat
- Thu, 27 Apr (11:00-11:45) Esop Sofa: Hot Topics In Employee Share Ownership – Newspaper Review VI
- Tue, 02 May (10:00-10:45) Harnessing Markets To Deliver Paris

Visit <https://fsclub.zyen.com/events/forthcoming-events/>

Watch past webinars <https://www.youtube.com/zyengroup>