



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



Platinum
Sponsors



FS Club



ABU DHABI
GLOBAL MARKET





Platinum Sponsors



Gold Sponsors



Silver Sponsors



Bronze Sponsors



Contributor Sponsors





Mauritius Offers An Attractive & Stable Environment For Captive Insurance Companies

Financial Services Commission, Mauritius

Thursday, 21 June 2023



A Word From Today's Chairman

Hugh Morris
Senior Research Partner
Z/Yen Group





Platinum Sponsors



Gold Sponsors



Silver Sponsors



Bronze Sponsors



Contributor Sponsors





Today's Agenda

- 10:00 – 10:05 Chairman's Introduction – **Hugh Morris**
- 10:05 – 10:15 Keynote Presentation – **Dhanesswurnath Thakoor**
- 10:15 – 10:30 Overview of Captive Insurance Framework - **Aakash Mishra**
- 10:30 – 10:45 Authorisation Process – **Kamalsing Burun**
- 10:45 – 10:55 Share Experience on Captive Insurance Market: **Kabir Ruhee**
- 10:55 – 11:05 Share Experience on Captive Insurance Market: **Chakanyuka Goodman**
- 11:05 – 11:15 Share Experience on Captive Insurance Market: **David Too Sai Voon**
- 11:15 – 11:30 Q&A and Concluding Remarks – **Hugh Morris**



Today's Speakers



<p>Mr. Dhanesswurnath Thakoor</p> <p>Chief Executive FSC</p>	<p>Mr. Aakash Mishra</p> <p>Assistant Director FSC</p>	<p>Mr. Kamalsing Burun</p> <p>Assistant Director FSC</p>
<p>Mr. Kabir Ruhee</p> <p>CEO RCCIMS</p>	<p>Dr. Chakanyuka Goodman</p> <p>Director of Executive Credit Risk Management TCI</p>	<p>Mr. David Too Sai Voon</p> <p>Director ProtectSure</p>

Mauritius offers an attractive and stable environment for Captive Insurance Business

22 June 2023, 13.00 hrs MUT



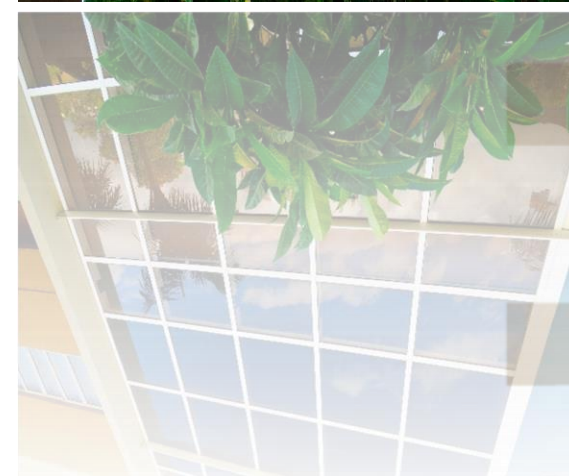
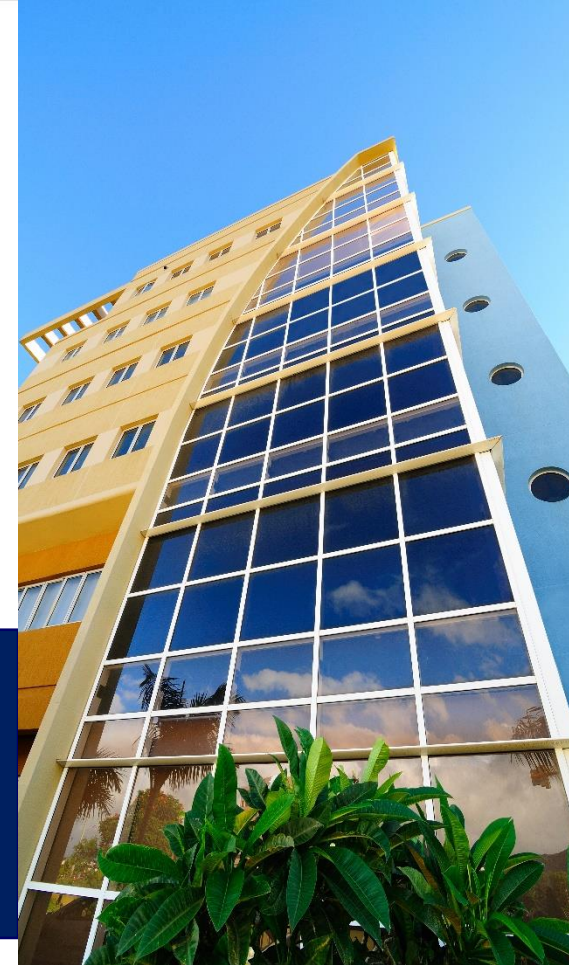
Financial
Services
Commission
MAURITIUS



**Financial
Services
Commission**
MAURITIUS

Captive Insurance Framework

Mr. Aakash MISHRA – Assistant Director
Insurance and Pensions Supervision

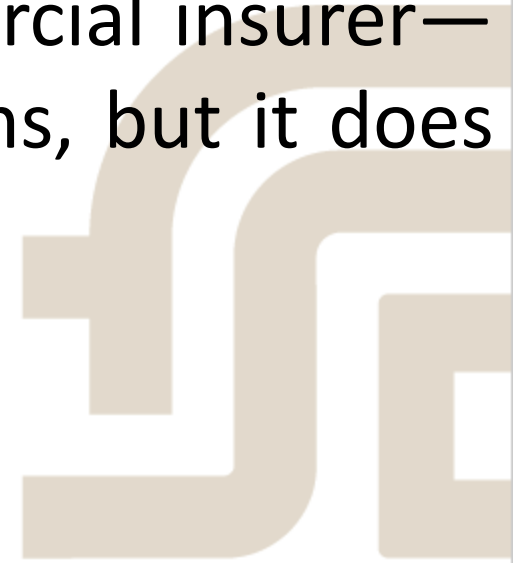


OBJECTIVES

- To position Mauritius as a Captive domicile of choice.
- Currently, the Captive Insurance Act allows for the licensing and supervision of 'Pure Captive Insurance Business' as a category of captive insurance business.
- While allowing this type of captive to continue to develop, the aim is to attract more pure insurance captives from corporations or multinational groups;
- To keep the high reputational status of Mauritius as a financial centre and establish a legislation with strong quality standards

OVERVIEW

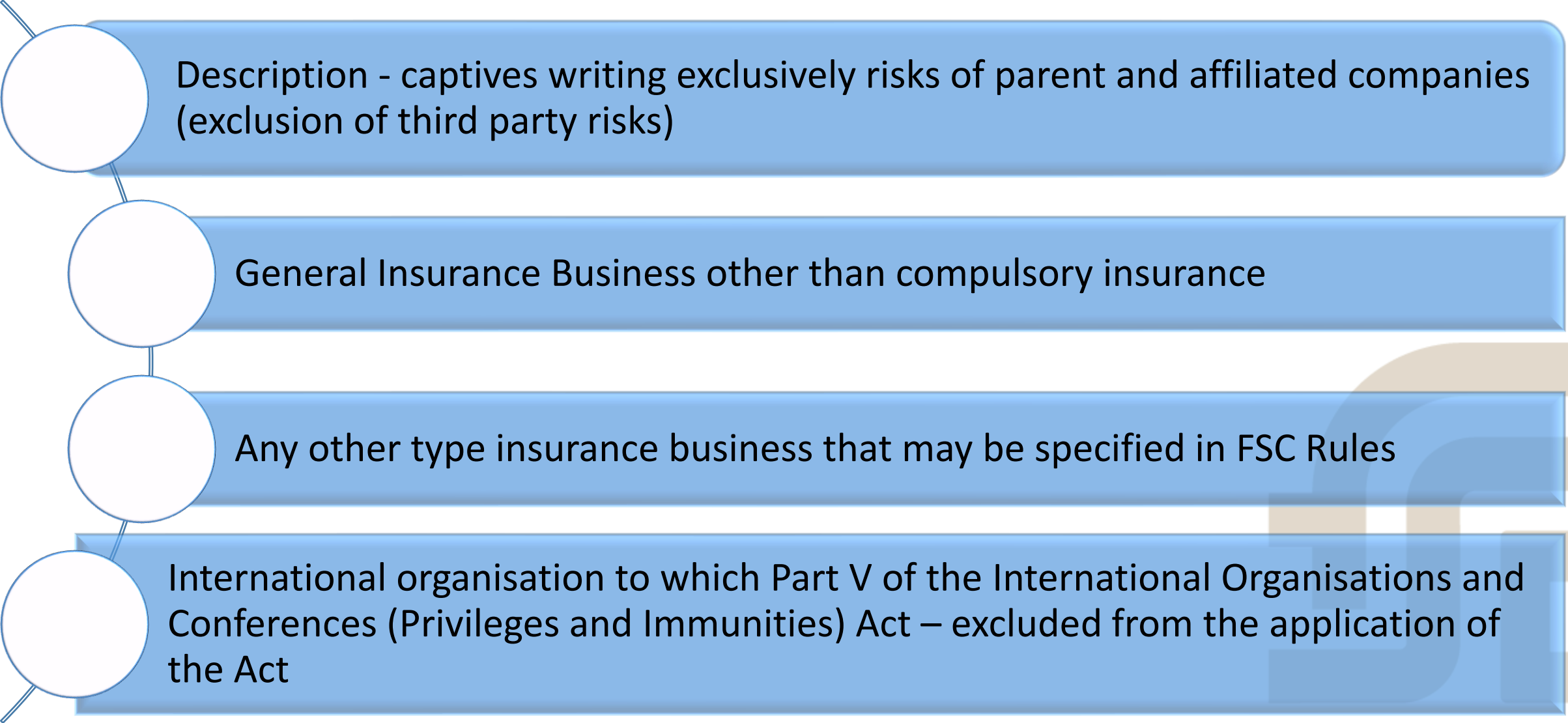
- Formed to primarily insure, or reinsure the risks of its parent;
- Pure captive - business of undertaking liability restricted exclusively to the risks of the parent and affiliated corporations;
- Once established, the captive operates like any commercial insurer— i.e., it issues policies, collects premiums and pays claims, but it does not offer insurance to the public.



SALIENT FEATURES OF CAPTIVE FRAMEWORK



SALIENT FEATURES



Description - captives writing exclusively risks of parent and affiliated companies (exclusion of third party risks)

General Insurance Business other than compulsory insurance

Any other type insurance business that may be specified in FSC Rules

International organisation to which Part V of the International Organisations and Conferences (Privileges and Immunities) Act – excluded from the application of the Act


SALIENT FEATURES

Captive Insurance Agent

Who can be a captive insurance agent (Prior approval required)	Who can't be a captive insurance agent	Responsibilities of a captive insurance agent
Public Accountant	Minor	Application process
Actuary	Bankrupt	Filing of Statutory Documents
Law Practitioner	Person with any mental impairment	Receiving and communication of any correspondence, notice
Management Company	Person convicted with fraud or dishonesty	Maintaining of records
Insurance Manager		

SALIENT FEATURES

Governance



Minimum 3 Directors with at least 1 resident director
Other applicable provisions for GBL regime will apply



SALIENT FEATURES

Solvency Requirements

Provision	Details
Minimum capital	Pure captives: MUR 3m
Solvency margin	Capital requirement ratio (Capital available / MCR) = 100% MCR = sum of asset capital and underwriting capital
Simplified calculation of MCR	<ul style="list-style-type: none"> ➤ Capital for balance-sheet assets renamed “Asset Capital”; ➤ Capital for Concentration risk is removed; ➤ Capital required for policy liability and capital for catastrophes are merged and renamed “Underwriting capital”; ➤ No Capital Charge for reinsurance ceded;
Technical reserves	As per best practices and include liabilities for: Unexpired risks, Outstanding and incurred claims, IBNR & Policy benefits which have not become claimable – basis acceptable to the Commission

SALIENT FEATURES

Solvency Requirements

Provision	Details
Valuation of assets	<ul style="list-style-type: none"> • Fair value measurement is maintained - allows to be aligned with IFRS principles
Calculation of capital available	<ul style="list-style-type: none"> • Eligible items : Paid share capital, Share premium, Retained earnings, reserves. • Subject to FSC approval - [subordinated loans and/or irrecoverable letter of credit]
Admissible assets covering solvency margin	<ul style="list-style-type: none"> • Cash • Irrevocable letter of credit • Investments as authorized for assets covering technical reserves • Any other security deemed appropriate by the Commission (catch-all provision), may include intragroup loan

SALIENT FEATURES

Other Requirements

Provision	Details
Investments	<ul style="list-style-type: none"> ➤ No concentration limits ➤ Principle-based (« prudent person » rules) ➤ Investment strategy to be submitted to the Commission
Reports and statements	<ul style="list-style-type: none"> • In line with usual standards - Flexibility with respect to timing, use of various principles of accounting or of different currency (e.g. currency of the home country of the parent organisation) • Not subject to administrative penalty
Global Business Structure	<p>Potential applicants may choose to be set up under the GB regime (should they wish to) in addition to applying for a captive insurance business licence</p>

SALIENT FEATURES

Substance Requirements

- Core income generating activities to be conducted in or from within Mauritius
 - Predicting and calculating risks
 - Insuring and reinsuring against risk
 - Providing related services
- How?
 - Employing an adequate number of suitably qualified people (directly or indirectly through an insurance manager);
 - Having a minimum expenditure proportionate to its level of activities
- Insurance Manager
 - a person who carries on, or holds himself out as carrying on, the business of managing insurance business or captive insurance business, and whose activities consist of accepting an appointment from any insurer or captive insurer licensed under the Captive Insurance Act
- Tax Holiday – 10 years from date of proclamation

SALIENT FEATURES

Reports

- Within 6 months of the end of the financial year
 - Audited Financial Statements
 - *IFRS or on approval – GAAP*
 - *Reporting currency acceptable to the Commission*
 - Auditor’s Certificate
 - Actuarial Valuation Report
 - Certification of Solvency
 - Management report



- Regulations being finalised
 - New Categories of Captive being introduced, namely :
 - Class 1 third party captive insurance business;
 - Class 2 third party captive insurance business;
 - Class 3 third party captive insurance business; and
 - Multi-owner pure captive insurance business
 - Amendments to Pure Captive Category
 - Introducing Unrelated business as an optional activity)
 - Undertaking liability for risk of entities for which ownership of the parent is between 20% to 50%;
 - Unrelated business shall not exceed 10% or MUR 30m;

- Rules being finalised
 - Captive Insurance (Captive Insurance Business) Rules;
 - Requirements applicable to all categories of captive insurance business. It includes the following key sections:
 - scope and conduct of captive insurance business;
 - governance and management of captive insurance business including the Risk Management Framework;
 - solvency requirements; and
 - audit, actuarial and reporting requirements.
 - Captive Insurance (Returns) Rules;
 - Statutory returns
 - Aligned to IFRS 17
 - Licensing Criteria;



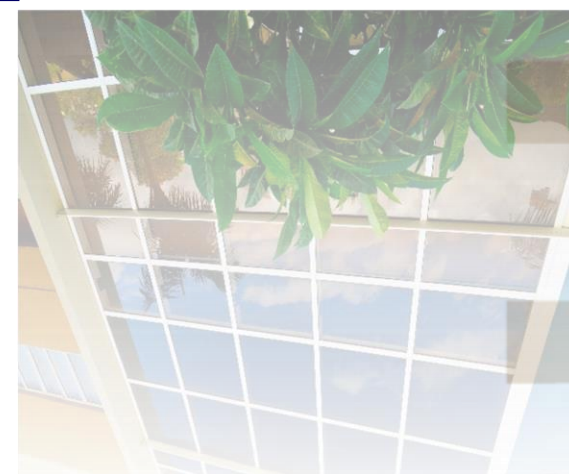
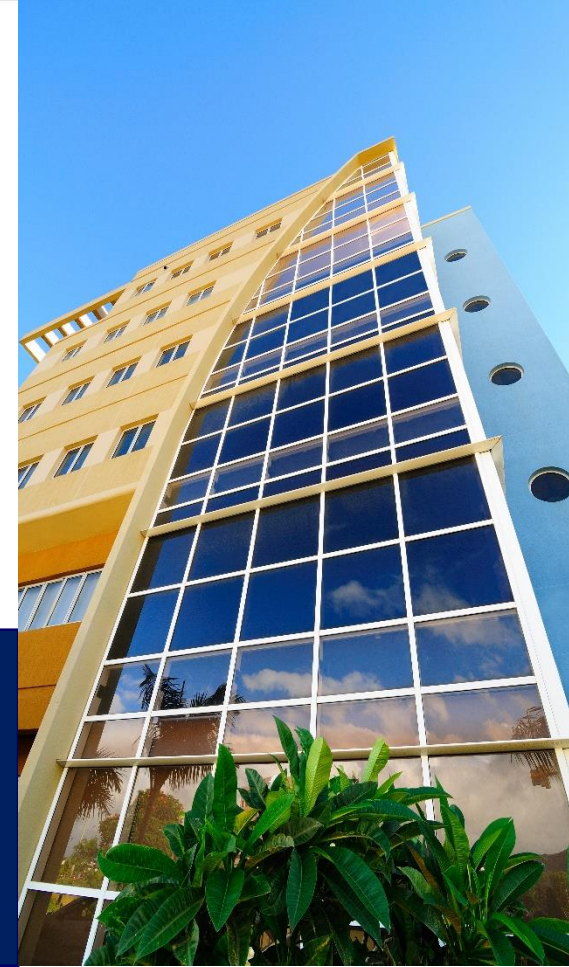
THANK YOU



**Financial
Services
Commission**
MAURITIUS

Licensing Process for Captive Insurers

Mr. Kamalsing BURUN – Assistant Director
Authorisation Directorate



Agenda

- Legal framework governing captive insurance business
- Features of pure captive insurance business under the Captive Insurance Act 2015
- Licensing requirements
- Licensing process
- Requirement to have a captive insurance agent in Mauritius



Legal framework governing captive insurance business

- Captive Insurance Act 2015
- Captive Insurance (Pure Captive Insurance Business) Rules 2016
- Financial Services (Consolidated Licensing and Fees) Rules 2008
- Financial Intelligence and Anti Money Laundering Act 2002
- Financial Intelligence and Anti Money Laundering Regulations 2018
- Licensing Criteria



Features of pure captive insurance business under the Captive Insurance Act 2015

Description: business of undertaking liability restricted exclusively to risks of parent/affiliated corporations (exclusion of third party risks)

Permissible classes of business: general insurance business other than compulsory insurance, Alternative Risk Transfer, any other type of insurance business that may be prescribed

Captive insurance business may consist of reinsurance on risks ceded by any other insurer in the same manner as for direct insurance

Captive insurers may choose to benefit from the Global Business regime.

Captive insurers may be structured as Protected Cell Companies.

Licensing requirements

Submission of business plan, investment policy, adequacy of loss prevention programmes

Demonstration of expertise, experience and character of persons who will manage the business

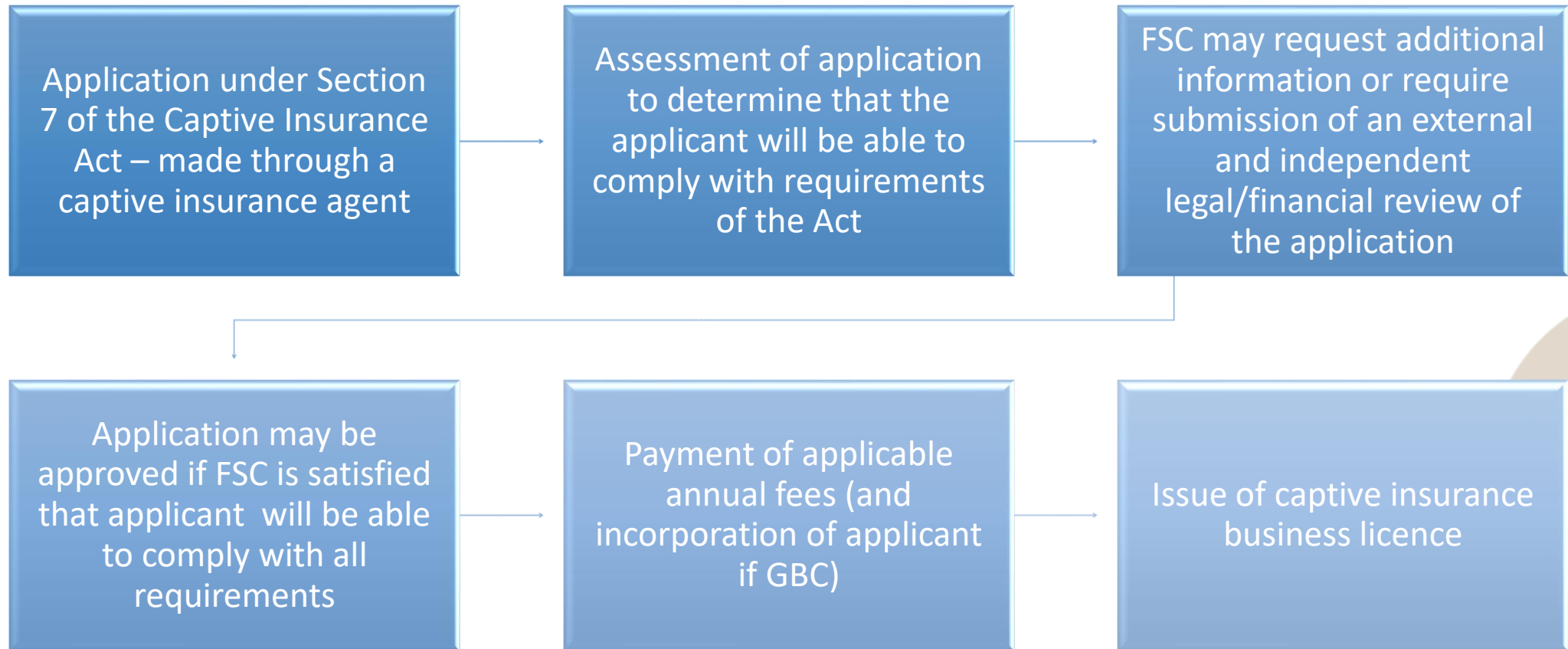
Fitness and propriety of substantial shareholders, directors, captive insurance agent and proposed officers

Minimum of 3 directors with at least one resident in Mauritius

Minimum paid up and unimpaired stated capital of MUR 3 million

Substance requirements: Conduct of core income generating activities in or from within Mauritius, maintaining its registered office in Mauritius

Licensing process



Requirement to have a captive insurance agent in Mauritius

Who can be a captive insurance agent

- An actuary, an insurance manager, a law practitioner, a management company, a public accountant or such other person as may be prescribed

Who cannot be a captive insurance agent

- A minor, bankrupt, person with mental impairment, person convicted of fraud or dishonesty, a company involved in proceedings which may result in it being wound up or dissolved

A hand in a dark suit sleeve points towards the center of the frame. The background is a dark blue digital interface with various data visualizations, including bar charts, line graphs, and a grid. The overall aesthetic is professional and technological.

THANK YOU



**Financial
Services
Commission**
MAURITIUS

Mr. Kabir RUHEE
Chief Executive Officer
22 June 2023

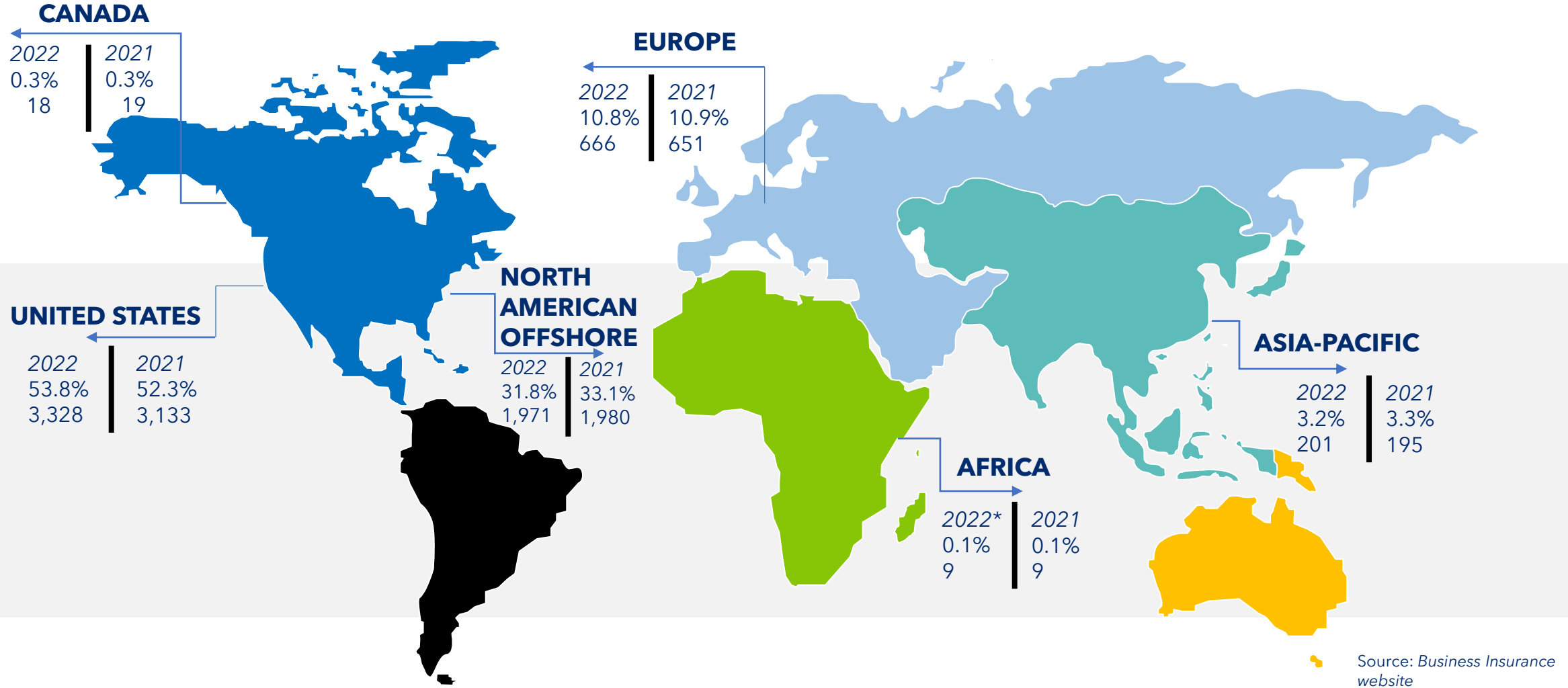


**OUR TRACK-RECORD AS A
SOPHISTICATED &
EXPERIENCED CAPTIVE
INSURANCE AGENT**



Market share of captives per geography

(excl. microcaptives, series captives, or individual cells or cell members in protected cell companies)



Analysis: The above spread of **Pure Captives** registered around the World seems to indicate a greenfield for Mauritius in Africa especially. We need to be proactive to take advantage of this opportunity

Why has this Business not taken off already in Africa?

1. Biggest Barrier is lack of awareness around the capability

2. Relevant to Group Businesses with a minimum Group expenditure on Insurance Premiums. Feasibility study is pivotal


3. Regulatory requirements for local insurance. This challenge can now be addressed through proper structuring

4. Only now becoming increasingly relevant as businesses expand beyond borders and move into new (regional) jurisdictions

This type of structuring may be relevant to businesses in various industries including financial services, healthcare, automotive, telecommunications & technology amongst others. Essential Components (from a Captive Manager perspective) of a successful Captive Insurance Operation from Mauritius include:



Strong Administration and technical capabilities e.g. in house apart from general administration, reporting and secretarial activities, our team also includes experts in technical insurance matters



Ability to coordinate with professional service providers locally and internationally e.g., Actuaries, Reinsurers, Auditors, Brokers



Strict Compliance requirements to be observed to maintain good standing of the Captive Insurance Company

Thank you



TDB Captive Insurance Company (TCI)- Subsidiary of Eastern and Southern African Trade and Development Bank (TDB)

Dr. Chakanyuka GOODMAN
Executive-Credit Risk Management

22 June 2023






Overview of Trade & Development Bank Group ('TDB Group')

TDB Profile

- The Bank was established by charter on 6 November 1985, pursuant to the provisions of Chapter 9 of the Treaty establishing the Preferential Trade Area (PTA) for Eastern and Southern African States
- The Bank is similar in structure to other African supranational trade and development banks, such as the AfDB¹, Afrexim² and EADB³ and is headquartered between Mauritius and Burundi. The Bank has regional hubs in Kenya, Zimbabwe and Ethiopia, and the Democratic Republic of Congo Office
- TDB's mission is to be at the forefront of extending development capital and services to advance regional growth and integration through a range of products and services (including long term and short term debt) offered to private and public sector

Rating Agency Actions

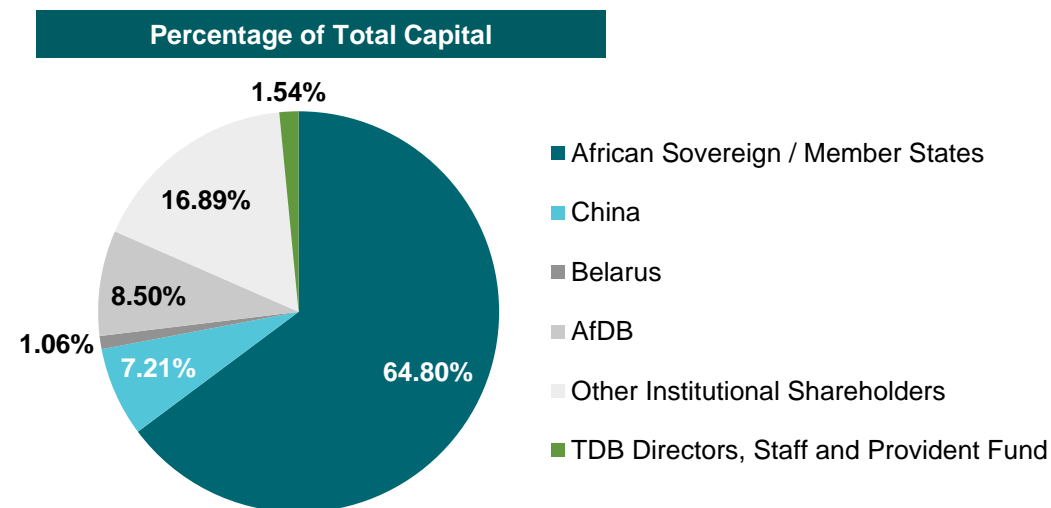
Rating Agency	Latest Releases
 Baa3 (Negative Outlook)	In September 2022, Moody's affirmed the Bank's Baa3 rating Stable outlook
 BB+ (Positive)	In March 2023, Fitch affirmed the Bank's BB+ rating and revised Outlook from Positive to Stable
 BBB+ (Stable)	In September 2022, GCR upgraded the Bank's rating to BBB+ Stable outlook from BBB.

Financial Snapshot (as of December 2021)

(US\$ m unless stated otherwise)	December 2022
Total Assets	8,304
Gross Trade Finance & Project Finance Loans	6,506
Total Equity	1,965
Non-Performing Loans Ratio (%)	2.9%
Capital Adequacy Ratio (%)	41%

Shareholding (as of December 2022)

TDB has US\$ 2.90bn in subscribed capital – all subscribed Class B shares and 20% of the subscribed Class A shares (or US\$ 581mn in aggregate) was payable, leaving US\$ 2.32bn as callable capital



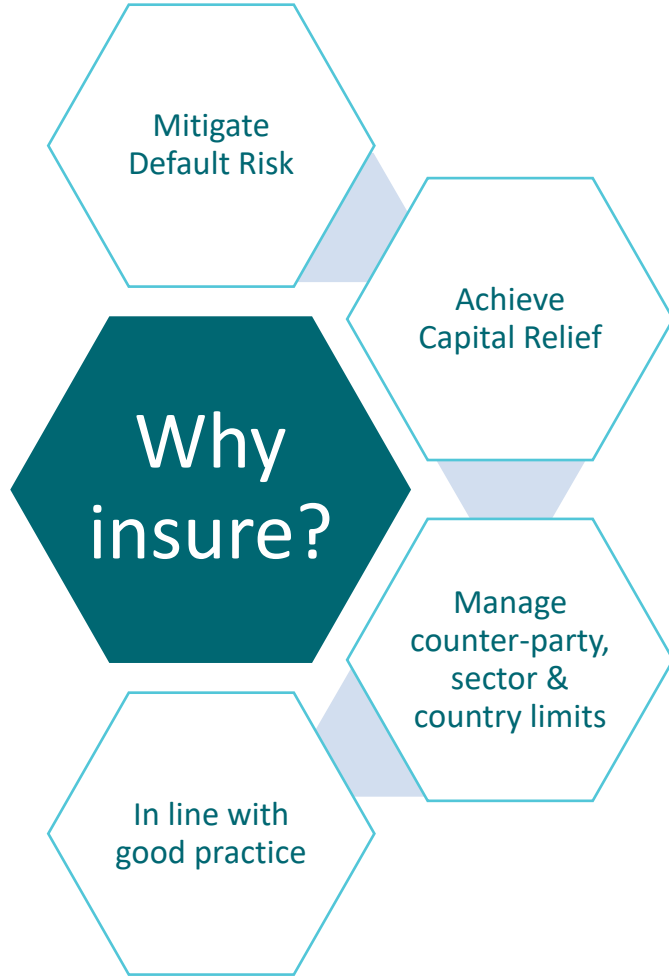
Source: TDB, TDB 2021 Audited financial report, Moody's, Fitch Ratings, GCR Ratings

¹AfDB: African Development Bank; ²Afrexim: African Export-Import Bank; ³EADB: East African Development Bank

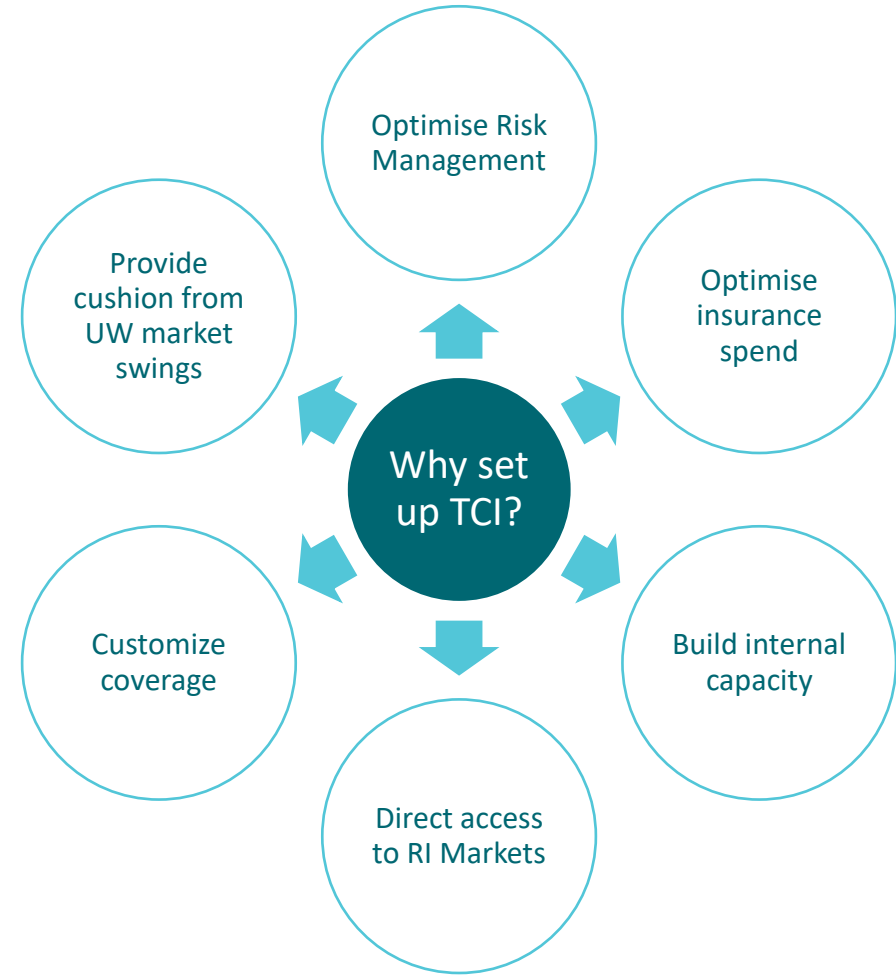
Figures are rounded to the nearest whole number

Background & Reasons for Setting up the Captive

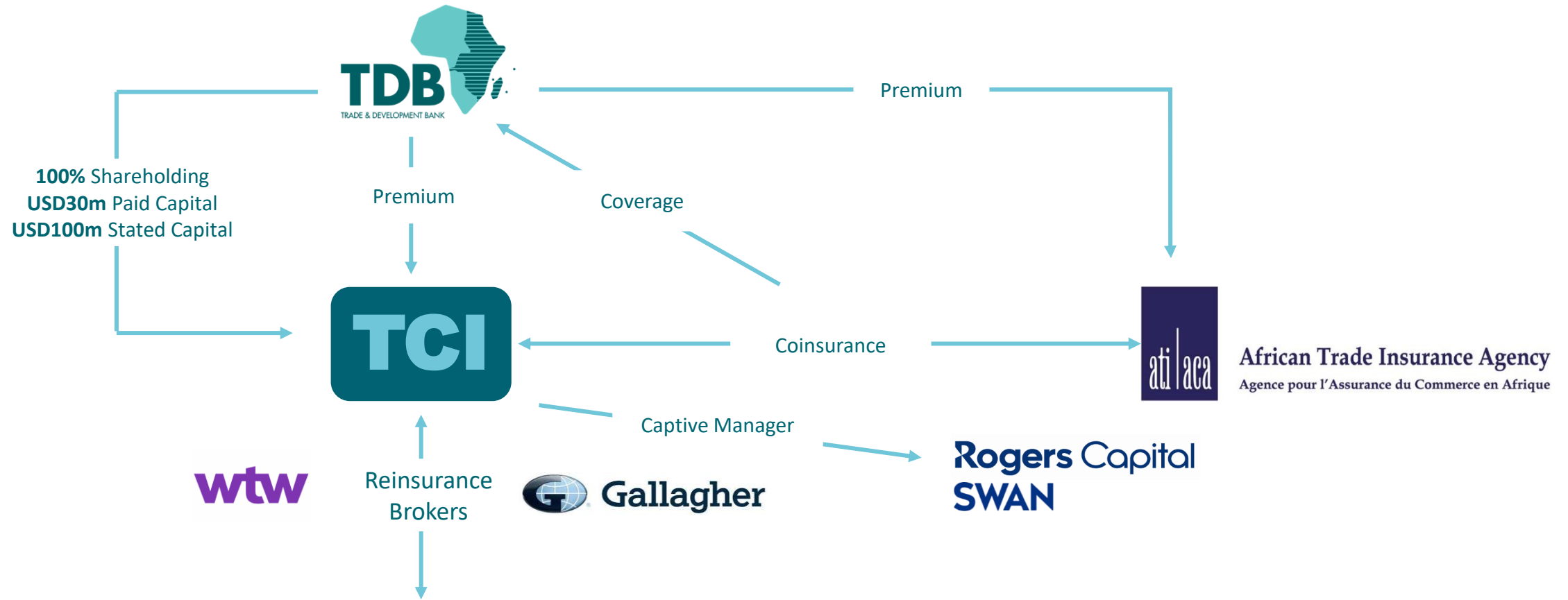
Motivations for insuring loan book



Motivations for setting up Captive



Positioning TCI



Reinsurance markets

LLOYD'S

AXA

Aspen

HDI

THE HARTFORD

X Insurance Reinsurance

Munich RE

Lancashire

Swiss Re

AIG

EVEREST convex

TOKIOMARINE HCC

MS Amlin

TDB Preferred Creditor Status

TDB enjoys Preferred Creditor Status (PCS) in all its Members States. This is one of the conditions agreed to by Member States under the membership Subscription Agreement.

The PCS entails that TDB obligations rank above others, and also get preferential treatment in the face of challenges such as foreign currency shortages.

Over the past year, 3 new states join TDB, being Republic of Ghana, Republic of Botswana, Republic of Senegal



Why Mauritius

Captives can be formed in any territory, but the vast majority are found in domiciles with specific legislation and/or with regulatory engagement with the captive industry

01

Captive insurance companies based in Mauritius benefit from lower capital requirements than commercial insurers and reinsurers & solvency requirements of captives are much lower than commercial insurers

04

Mauritius is the only TDB Member State that has legislation in place that allows for a captive to be set up, in line with its Mandate, TDB plays catalytic role to create markets – others will take a cue from TDB

02

The Bank works closely with the Mauritian Government with whom we have a privileged relationship as a Multilateral institutions with operations on the island

05

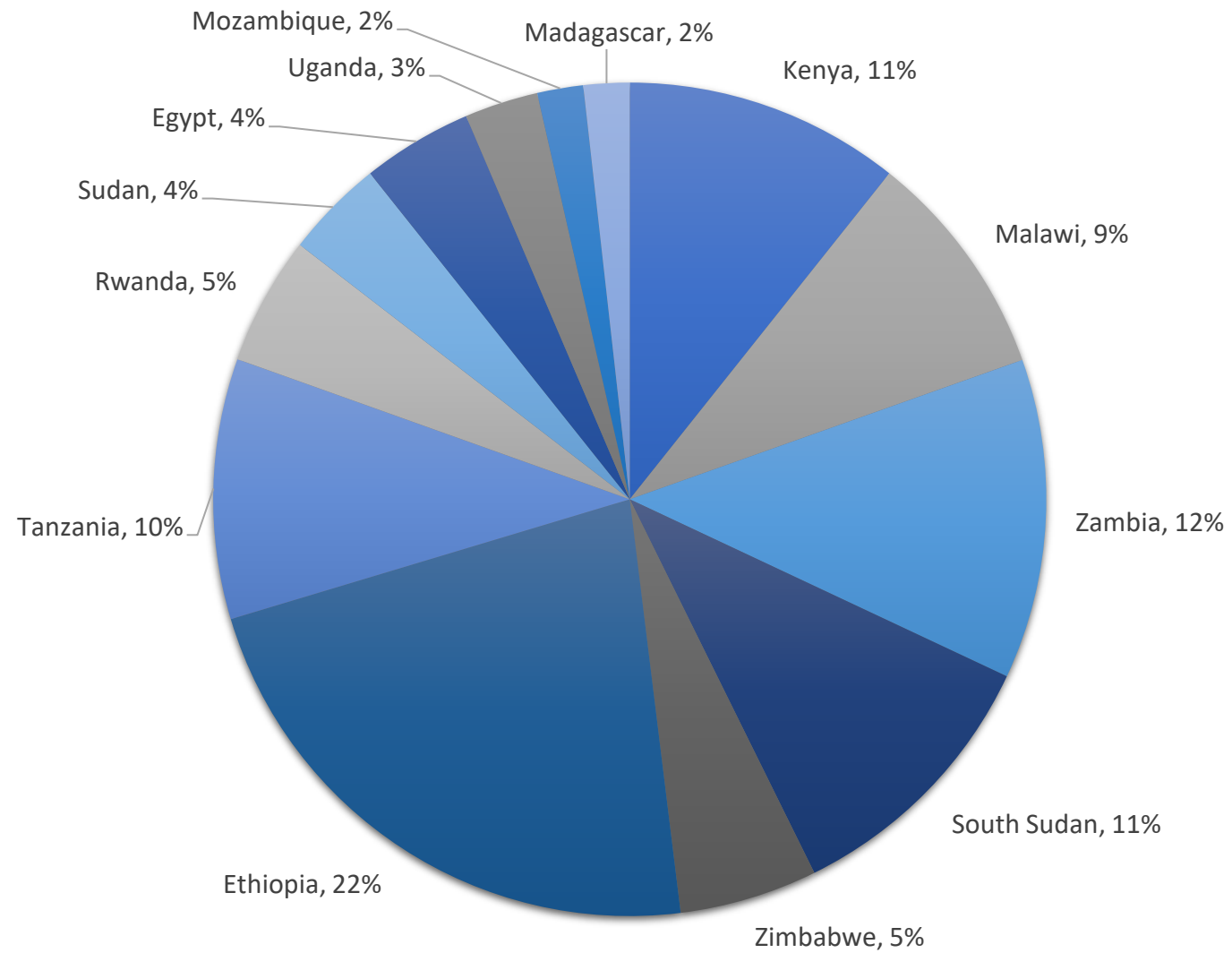
Our Feasibility Study addressed the favoured location of Mauritius and contrasting with leading regional domiciles such as Guernsey, Bermuda, Cayman, Isle of Man, Malta and Barbados.

03

Engagements with Mauritian authorities led to the promulgation of Mauritius GN No. 83 Of 2021 clarifying the privileges and immunities granted to TDB subsidiaries operating in Mauritius

06

Current Portfolio



TDB Captive Insurance Company (TCI)- Subsidiary of Eastern and Southern African Trade and Development Bank (TDB)

Thank you



A man in a dark suit, white shirt, and dark tie is walking towards the left. He is wearing sunglasses and has a beard. He is holding his suit jacket open with both hands. The background is a dark, textured cityscape with a grid of buildings.

ProtectSure Captive Insurance Company
and
Compagnie Mauricienne de Textile Ltée
(CMT) and Group of Companies

Mr. David TOO SAI VOON
Director

22 June 2023

Introduction

Compagnie Mauricienne de Textile Ltée (CMT) and Group of Companies

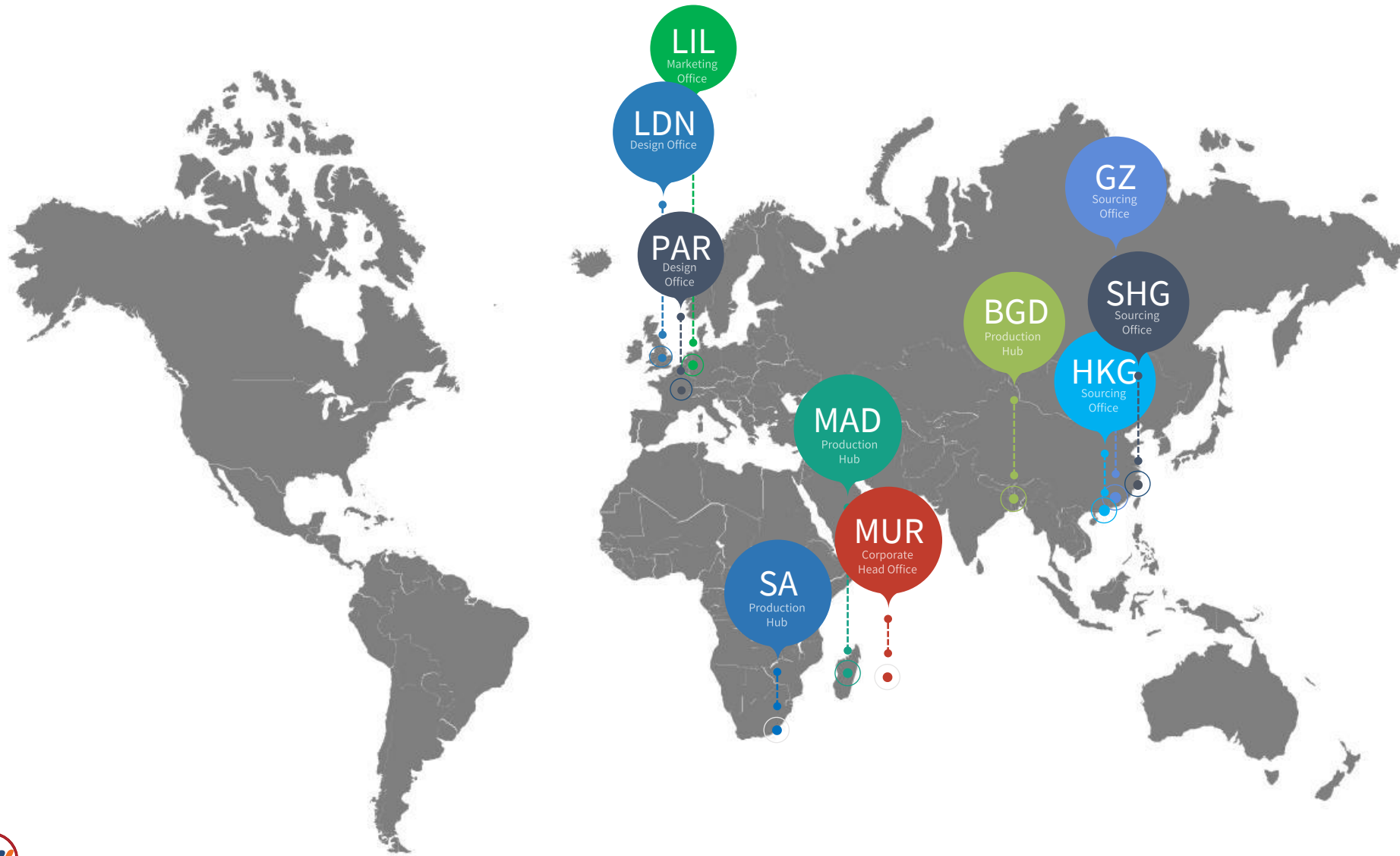
Compagnie Mauricienne de Textile Ltée (CMT) is one of the leading garment manufacturers in the world. Headquartered in Mauritius with design and marketing offices in the UK and France, CMT is specialised in fast-fashion jersey wear for high street retailers in Europe and the US.

- 1986-2023: 37 years of growth & development
- Annual Turnover: USD 200 m
- 100% Mauritian Capital base
- Present in 8 different countries
- Manpower: ~16,000 employees
 - Mauritius – 6,000 employees
 - Bangladesh – 6,000 employees
 - Madagascar – 4,000, increasing to 5,000 employees

Annual production: ~40 millions garments



CMT : A Global Company



Vertical Integration - Spinning



Raw cotton fiber is converted into yarn through the spinning process.



Vertical Integration - Knitting



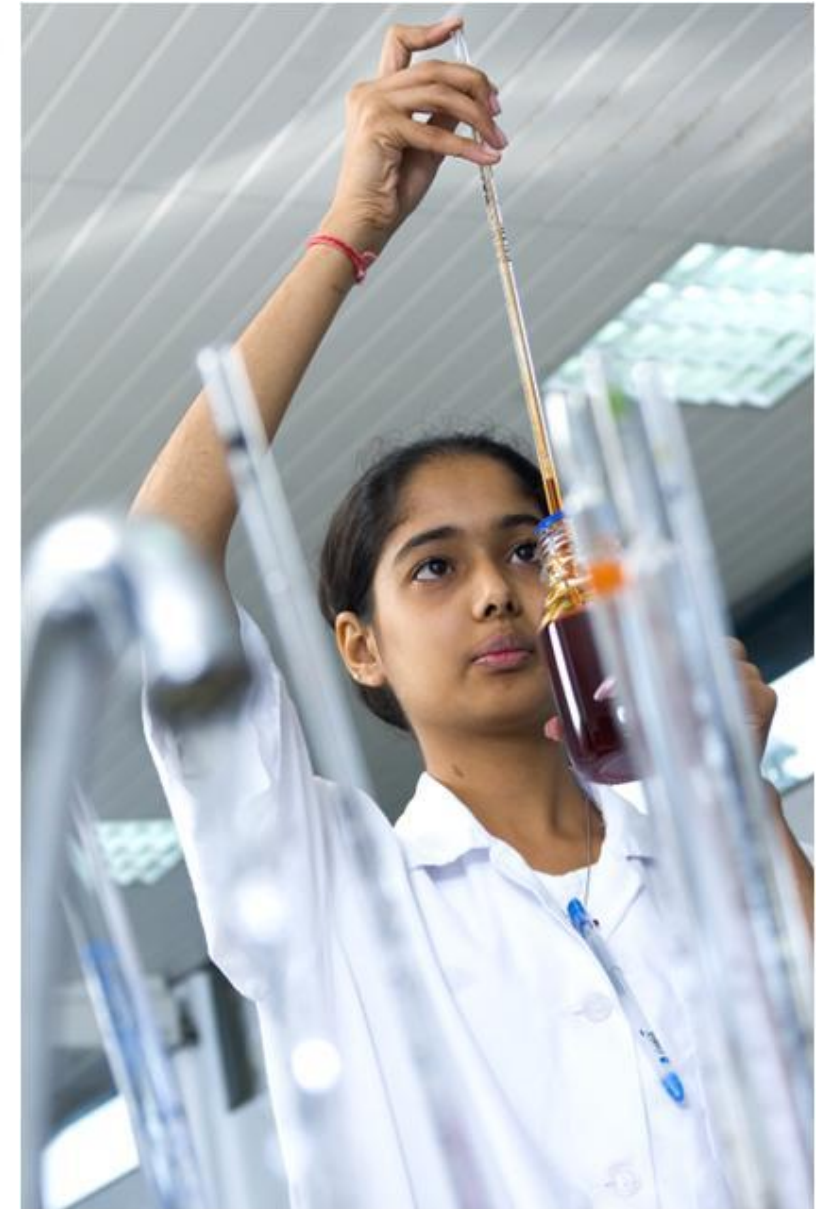
The yarn is then sent to the Knitting plant to produce greige fabric.



Vertical Integration - Dyeing



The greige fabric is sent to the dye-house for coloring and the fabric is finished for stability.



Vertical Integration – Cutting, Sewing and Export



The finished dyed fabric is thereafter sent to the cutting room and to the sewing floor to be converted in garments.



Challenge 1: Group Interdependencies

CMT Mauritius		CMT Bangladesh		CMT Madagascar		CMT South Africa	
Process	Available	Process	Available	Process	Available	Process	Available
Spinning	Yes	Spinning	Yes (Depends Partly on Mauritius)	Spinning	No (Depends on Mauritius)	Spinning	No (Depends on Mauritius)
Knitting	Yes	Knitting	Yes	Knitting	No (Depends on Mauritius)	Knitting	No (Depends on Mauritius)
Dyeing	Yes	Dyeing	Yes	Dyeing	No (Depends on Mauritius)	Dyeing	Yes
Sewing	Yes	Sewing	Yes	Sewing	Yes	Sewing	Yes
Marketing	Yes	Marketing	No (Depends on Mauritius)	Marketing	No (Depends on Mauritius)	Marketing	Yes

A vertically integrated structure spanning across countries generates substantial interdependencies. Having stand-alone insurance covers in each country becomes problematic due to these interdependencies. The dynamic nature of the business is such that these interdependencies keep evolving and it is difficult for stand-alone policies to respond such changes.



Challenge 2: Domestic Insurance Industry

	Mauritius	Bangladesh	Madagascar	South Africa
State of the Domestic Insurance Industry	OK	Unsophisticated + Compulsory State Re-Insurer + Rating of Reinsurers on the low side	Unsophisticated + Rating of Reinsurers on the low side	OK



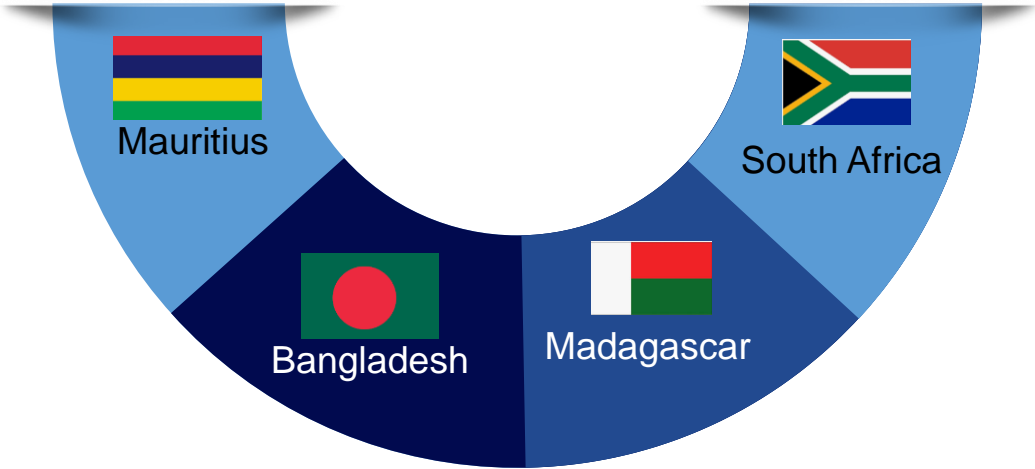
A man in a blue suit with arms crossed, standing against a textured wall. The bottom of the image features a black and white illustration of a city skyline. A blue rectangular box is overlaid on the right side of the image, containing white text.

**How could these challenges
be addressed?**

CMT's own Captive Insurance Company

Previously

Stand Alone Insurance
Covers in different
Jurisdictions



NOW

Bundled in a Global
Placement Insurance
Programme via the
Captive

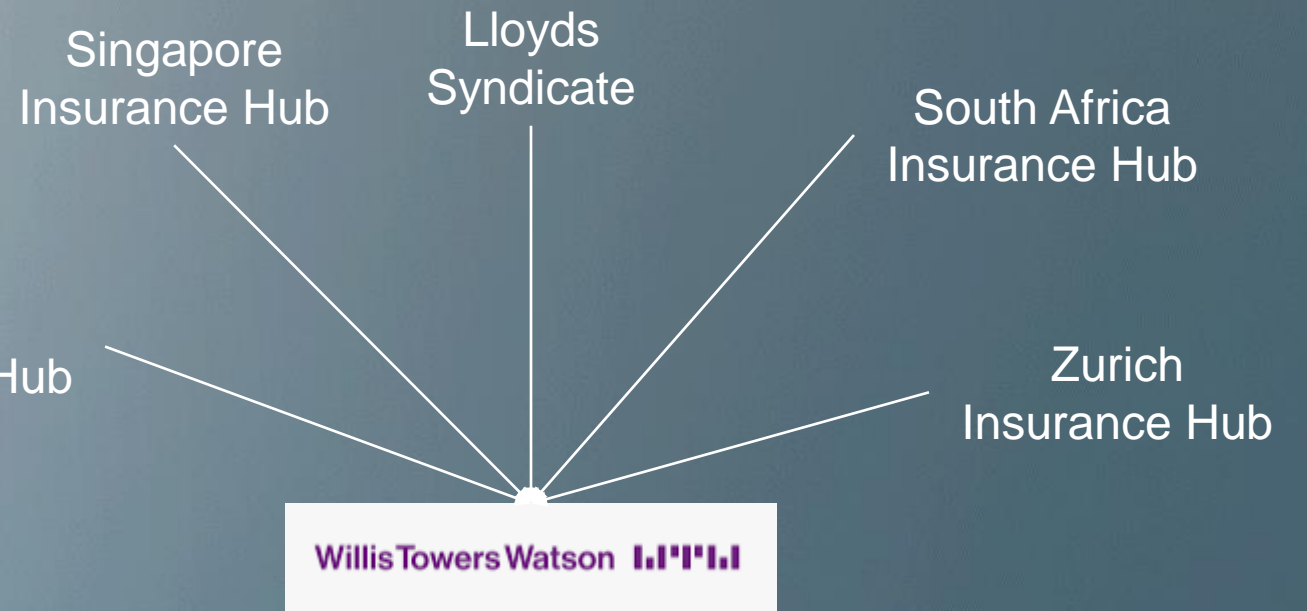


ProtectSure Captive Insurance Company Ltd
DBM Industrial Estate c/o CMT Ltée, Phoenix, Republic of Mauritius
Tel : (+230) 601 8892 Fax : (+230) 697 1818



One Global
Insurance
Placement
instead of
multi-covers





ProtectSure Captive Insurance Company Ltd
DBM Industrial Estate c/o CMT Ltée, Phoenix, Republic of Mauritius
Tel : (+230) 601 8892 Fax : (+230) 697 1818

Licensed since
Sep 2016
No CBL1600001

CMT Group of
Companies

Advantages of the Captive

- ✓ One Global placement – Economies of Scale + Benchmarked insurance rates + more leverage
- ✓ Interdependencies not subjected to sub limits as opposed to stand alone policies
- ✓ Access to Global Insurance Market – A+ rated reinsurers + Cherry Picking + Direct relationship with reinsurers
- ✓ Economic – No fronting fee
- ✓ Global Risk Management philosophy
- ✓ More Sophistication possible – E.g. Stop loss insurance programme for primary layers





Why Mauritius?

- Main asset base in Mauritius
- Ease of doing business + Cost Competitive
- Fiscal Incentives – 10 Year tax Holiday
- Properly Structured Jurisdiction -Well regulated + Clear legal framework
- Transparent platform

A man in a dark suit, white shirt, and dark tie is walking towards the left. He is wearing sunglasses and has a beard. He is holding a dark folder or bag. The background is a stylized, dark-toned city skyline with various skyscrapers. The overall tone is professional and modern.

**ProtectSure Captive Insurance Company
and
Compagnie Mauricienne de Textile Ltée
(CMT) and Group of Companies**

Thank you



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

- Wed, 28 June (09:00-09:45) Financial Centres Of The World 2023: Focus On Liechtenstein
- Thu, 29 June (11:00-11:45) An Update On EU Financial Services Legislation & Associated Initiatives
- Tue, 4 July (10:00-10:45) What Should We Teach Our Children About Money?

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

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