

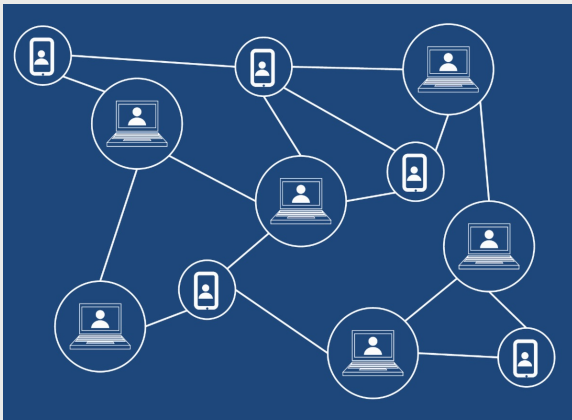


March, 2021

MBA NEWSLETTER

New Lockdown

Continuity of service



After 9 months, Mauritius went back into lockdown on 10 March 2021. Banks, as an essential service, remained open (as per MBA Protocol for banks), and ensured continuity of service to the public and corporates. Some of the measures implemented by banks during the confinement include the suspension of ATM fees for the duration of confinement, to help ensure the public has access to cash. The MBA has helped coordinate Work Access Permits (WAPs), and, with experience acquired during the last lockdown, a relatively smooth transition for banks.

Banks operating in Red Zone



Further to the designation of specific regions as 'Red Zones' with access restrictions during the lockdown on 10 March 2021, banks organised themselves within a few days to maintain the provision of ATM services, and open a small number of branches in that area, staffed by employees residing in the Red Zone. Exceptionally, two banks very rapidly deployed ATMs to other Red Zones, in order to ensure that the public in those regions have access to cash at all times – MCB in the village of Canot, and SBM at the village of Dubreuil; with the strong support of the Bank of Mauritius and Government authorities.

Vaccination campaign

As an essential service, bank employees have been requested to work in the



frontline during confinement, and Banks have participated in the National Vaccination campaign. The MBA worked through the public holiday week-end to coordinate the vaccination programme for banks with Business Mauritius, the Ministry of Health and the Economic Development Board. Approximately 1,900 frontliners have been vaccinated to date, and our work is ongoing. Banks support the Government objective to vaccinate the population and achieve herd immunity, so that we may safely learn to live with the virus.

Business as usual for MBA

SME development



The MBA Sub-committee on SME Development met twice to discuss measures to further support SMEs. A number of proposals were made, which the MBA will be submitting to the Ministry of Finance as part of budget consultations. Some key elements include: additional capital of SME Equity Fund; SME Guarantee fund, Angel investor scheme, and Venture Capital/Private Equity scheme.

Half-day workshop on AML *Capacity Building*

LIBOR transition



Further to the decision of the Financial Conduct Authority (FCA) to cease the London Inter-Bank Offering Rate (LIBOR), the MBA set up a Working Group (WG) in order to facilitate a consistent LIBOR transition for its Member banks by the end 2021. During a first meeting held at the beginning of March, members brainstormed on the latest international developments regarding LIBOR transition, identified common areas on which the WG would focus. These include the calculation of credit adjustment spreads, fall-back language for bilateral loan contracts, a standardised MBA communication to clients, IT systems and requirements, harmonised timelines for implementation. The Working Group will meet on a monthly basis.



On 23 March, the MBA organised a webinar on Anti-money Laundering (AML) for senior Compliance professionals. The MBA was grateful to host Ms. Yotsna Lalji Venketasawmy, CEO of Konformitas Consulting, and Mr. Guillaume Ollivry, former director of the Financial Intelligence Unit, to share their experience and perspectives with members. Topics covered by their presentations included the Financial Action Task Force (FATF) process, the role and responsibilities of the private sector with regards to the FATF Outcome 4 (preventative measures), best practices around Suspicious Transaction Report (STR) filing for the banking sector, and the lessons learned from the ESAAMLG Mutual Evaluation. The training event was part of the MBA's ongoing commitment to ensure its members adhere to the highest standards in relation to Financial Crime Compliance.

National campaign on Cybersecurity

Community Engagement



As part of its Financial Literacy initiatives, the MBA has conducted a radio campaign from 15 March to 28 March

Career fair for the banking sector

Capacity- Building



As part of its Capacity Building mandate, the MBA is in discussion with the University of Mauritius to organise a career fair dedicated to the banking sector. The idea was met positively by the Vice-Chancellor of the UoM at a meeting held with the MBA earlier this month. After the MBA's career fair at Middlesex University on 24 February 2021, preparations are currently ongoing for the organisation of the career fair, which will be held on campus, at the seat of the Octave Wiehe Auditorium, Réduit. Member banks wishing to participate are invited to contact the MBA for more information.

Accessibility

Community Engagement



The MBA is currently working on making banking services more accessible to customers with special needs. The MBA has collected data from its member banks on existing accessibility measures offered by banks, and is working on

2021, encouraging customers to use digital channels, such as Mobile & Internet banking for their banking transactions, in order to limit transmission of the Coronavirus, while ensuring their safety online. The **campaign** is part of the monthly series of financial awareness tips by the MBA, which focused on Cybersecurity for the month of March.

Moody's downgrades Government of Mauritius rating



Following the decision by Moody's Investors Service (Moody's) to downgrade the Government of Mauritius rating from Baa1 to Baa2 on 4 March 2021, the MBA has issued a **communiqué**. In spite of this change of rating, Mauritius remains the only investment-grade International Financial Centre in Sub-Saharan Africa. The rating of three banks has been consequently reviewed by Moody's. Banks operating in Mauritius are stable, highly liquid, with comfortable capitalisation levels and buffers. The MBA is committed to working with Government authorities to ensure that Mauritius retains its status as a stable, reliable investment grade jurisdiction.

International collaboration

making this information more accessible to clients. The MBA has also contributed to the upcoming Disabilities Bill at a workshop organised by the Ministry of Social Security on the Promotion of the Rights of Persons with Disabilities, held on 4 March 2021.

Consultations

Advocacy



- The MBA is participating in the Ministry of Finance consultation exercise regarding the introduction of a Digital Asset Bill
 - The MBA is participating in the Virtual Asset Risk Assessment Working Group, as set up by the Ministry of Financial Services and Good Governance, to identify Money Laundering/Terrorist Financing Risks emerging from Virtual Assets activities and operations of the Virtual Asset Service Providers.
 - Disability Bill
 - Several measures ahead of the National Budget, including social housing and support for SMEs.
 - Ongoing Working Session with the World Bank on Secured Transactions Reforms.
-

Trade Financing & the Mauritius-China FTA



On 8 March 2021, the MBA participated in a webinar with Mr. Alastair Graham, Secretary General of the Global Banking Education Standards Board, an international body set up by 25 leading banking institutes to harmonise training standards internationally, to see how they can support the MBA with professional development for bankers in Mauritius. Mr. Graham has previously worked as a consultant for banking institutions in Mauritius.

Covid-19 Measures

International Developments



The US Senate has voted in favour of a USD 1.9 trillion relief bill to further support the US economy. Some of the measures include direct payments to the population, the extension of jobless benefits, funding for Coronavirus testing, vaccine distribution, and adequate financial support to **States and local governments**, as well as to schools, to help them reopen. While in the UK, following the National Budget in the beginning of March 2021, the Furlough Scheme has been extended from April



On 2 March 2021, the CEO of the MBA, Mr. Daniel Essoo, moderated a panel on Trade Financing and the opportunities opened up by the Mauritius-China Free Trade Agreement (FTA), at a conference organised by the Economic Development Board. The panel comprised Mr. Daniel Lam Chun, Coverage Executive, Franco-Lusophone Africa, TDB, Mr. Ahmed Parkar, CEO of Star Knitwear Group, Ms. Nathalie Daynes, Head - Sales & International Networks and Mr. Sunil Ramgobin, Director – Corporate & International Banking, ABSA Bank (Mauritius). Some of the key aspects discussed include: specific financing needs that the FTA will give rise to, key gaps in the market and current areas of difficulty in relation to trade finance, and solutions available to clients in order to tap into the full potential of the Mauritius-China FTA.

Latest updates from the FATF

International Developments



The FATF and Egmont Group of Financial Intelligence Units (FIUs) have published a

2021 till September 2021. The Furlough Scheme is applicable across the UK and covers up to 80 percent of an employee's salary for the hours they are unable to work; up to a maximum of GBP 2,500 per month. This will however result in an increase of the taxation rate on company profits, from 19 percent to 25 percent, effective from 2023 onwards; with the exception for smaller firms.

report on trade-based money laundering, to help the public and private sector better identify suspicious activity in international trade. The **report** includes risk indicators on the structure of the business, trade activity, trade documents and commodities, and account and transaction activity. The FATF has also issued a **Guidance** on risk-based supervision, with a view to assist supervisors in addressing the full spectrum of risks and focusing resources where risks are the highest.

Mauritius Bankers Association Limited

Level 15, Newton Tower,
Sir William Newton Street,
Port Louis, Mauritius
Tel: (230) 213 2390, 213 2391
Fax: (230) 213 0968
Information: mba@mba.mu

Connect with us

