



FEBRUARY, 2021

## MBA NEWSLETTER

### Outcomes of Virtual FATF Plenary

*Advocacy*



A Financial Action Task Force (FATF) Plenary meeting was held from 22 to 25 February in Paris. In the course of this meeting, the list of jurisdictions under increased monitoring was revised, and the progress made by various jurisdictions was reviewed. While Mauritius has been maintained on the list, the FATF noted a number of achievements in the fields of outreach and training. Further work on the 5 action points of the agreed action plan is required in order to address strategic deficiencies. Four new countries, including Morocco, have now been included on the FATF list. For more information on this, please click [here](#).

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### Representations to BoM Fintech Committee

*Thought leadership*

### Business Mauritius sub-committee on Africa strategy

*Community Engagement*



The month of February saw two meetings of the Business Mauritius sub-committee on Africa Strategy, whose mission is to define private-sector priorities in relation to developing trade and investment between the country and the rest of the African continent. Chaired by Mr. Amédée Darga, it includes the MBA, Standard Chartered Bank Mauritius and ABC Banking, as well as senior figures from other key sectors of the Mauritian economy. The committee is currently discussing a wide-range of initiatives which include defining priority markets, public-private collaboration, promotion, and initiatives to increase the ease of doing business, as well as positioning Mauritius as a bridge between Africa & Asia, with a view to prepare proposals ahead of the Government's forthcoming National Budget 2021-2022. MBA members are invited to share their representations and



The MBA has actively participated in the deliberations of the BoM Fintech Committee and its four working groups (on Regulation, Innovation, Talent, and Capital), which have met on a weekly basis in February. Some of the key proposals supported by the MBA include setting up coding bootcamps to rapidly build cohorts of programmers, enabling digital onboarding of customers, simplifying the use of third-party technology, the creation of an innovation lab, and new funding mechanisms to support the development of Fintech. The Fintech Committee aims to produce a report which will set out a clear roadmap for the development of the Fintech sector.

## Interactive training session for banks' Heads of HR

*Capacity Building*



The MBA Human Resources (HR) forum was honoured to host the Chief Operating Officer of Business Mauritius (BM), Mr. Pradeep Dursun, who gave a comprehensive Business Mauritius presentations to MBA members on recent changes to employment legislation. Business Mauritius is the apex

proposals through the MBA.

## Consultations

*Advocacy*



The MBA has participated in several consultations in February, as part of our Advocacy efforts:

- The “Guide for the issue of Sustainable bonds in Mauritius” released by the Bank of Mauritius (BoM) has benefited from inputs from the MBA, and the technical support of Standard Chartered Bank Mauritius. This Guide sends a strong signal to the international community that Mauritius now has a sustainable finance framework, for both local and international operators.
- The MBA also participated in a BoM consultation exercise regarding the Guideline on Outsourcing by Financial Institutions.
- For the past year, the MBA Legal Sub-Committee has also been participating in a two-year technical assistance project, under the guidance of consultants from the World Bank, on Secured Transactions Reform. This project aims to update both the legal framework and the IT platform for such transactions and improve the ease of doing business in Mauritius.
- The MBA is also in the process of preparing its Budget Memorandum ahead of the forthcoming National Budget 2021-2022. In that connection, member banks are invited to submit their proposals through the MBA by 15 March 2021.
- MBA member banks responded to consultations on a Scorecard prepared by the National Committee on Corporate Governance (NCCG).

private sector body for matters relating to employment, and MBA is one of its Partner Members. Mr. Dursun provided updates on recent changes to employment law in relation to the Portable Retirement Gratuity Fund, short-term contracts, fixed-term contracts, atypical employment. The wide-ranging session also covered updates on taxation, such as the Solidarity Levy, the CSG, as well as several other initiatives, such as BM's flagship Code of People Practices and the updated Heavy Rainfall Protocol for the private sector. For further information, please click [here](#).

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## Media Trust awards 2021 sponsorship

*Community engagement*



This year, the MBA partnered with the Media Trust for the annual Media Trust Awards- Category Economy, Business & Finance, with the aim to support, recognise, and promote excellence in Journalism, and Business Journalism in particular. During a ceremony held in the presence of the President of the Republic of Mauritius on 20 February, winners Anaïs Rock & Bazile Yanick, from La Vie Catholique publication, were each awarded a gift and a sponsorship package of up to Rs 10,000 towards the cost of any business-related academic course to be undertaken. This partnership is the result of a continued collaboration between the MBA and the Media Trust in order to encourage and promote ethical business journalism.

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## Middlesex University Mauritius Careers fair *Capacity- Building*



As part of its Capacity Building mandate, the MBA provided its support to the Middlesex University Mauritius Careers fair. Four banks are supporting the initiative, which aims to give university students an insight into employment prospects within the banking sector. Around 200 students are participating in the careers fair being held from 15 February to 19 March, which is open to students of all universities. This has also provided an opportunity for some member banks to identify participants for project-specific internships. On 24 February, the CEO of the MBA gave an interactive presentation to students on the banking landscape, and on employment avenues within the banking sector in Mauritius.

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## Monthly financial wellness tips on social media *Community Engagement*

## International collaboration

### *Community engagement*



Collaboration with international partners is an essential part of the MBA's mission to nurture an innovative banking sector. This month, the CEO of the MBA held meetings with the British High Commissioner to Mauritius, and the Ambassador of the European Union in Mauritius, to discuss issues relating to the fight against Money Laundering, and explore collaboration on capacity building with British and European institutions. Through the support of BCP Bank, the MBA is currently working with the Groupement des Banques Privées du Maroc on a number of opportunities for their respective member banks to share their expertise and explore complementarity; given that Morocco and Mauritius are the two investment-grade jurisdictions on the African continent. Additionally, through the MBA's participation in the Alliance of African Institute of Bankers (AAIOB), five Mauritian bank employees were selected to participate in a pan-African leadership training session organised by the Egyptian Banking Institute, as part of their first round of the Fully Funded "African Emerging Leaders Program" for African bankers.

## Forthcoming changes in international taxation

### *International Developments*



Well-informed banking customers can make the best of their banking ecosystem, especially in relation to digital banking services. In order to ensure that customers are aware of the tools available to them, and the best way to make use of same, the MBA has introduced a series of monthly financial wellness tips, delivered through our social media. The messaging for February was centred around Budgeting, with a view to sharing ideas on how to commit to a spending plan, and reach financial goals. For more information, click on our social media buttons below.

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## LIBOR Transition-ISDA fallbacks

### *International developments*



Across the world, banks are engaging with the complex issue of the phasing out of the LIBOR. In this connection, the International Swaps and Derivatives Association (ISDA) has published IBOR Fallbacks Supplement and IBOR Fallbacks Protocol. This will amend ISDA's standard definitions for interest rate derivatives to incorporate fallbacks for derivatives linked to certain IBORs, with changes being effective from 25 January



Reforms to the international fiscal landscape are gathering pace, with three recent developments. In January 2021, the EU voted to review its list of non-cooperative jurisdictions for tax purposes, and crackdown on zero-tax jurisdictions, with legally binding restrictions intending to kick in at the **end of the year**. There are also anticipated initiatives under Pillar 2 of the Base erosion and profit shifting (BEPS), wherein a roadmap for the introduction of a minimum rate of tax is expected by the end of 2021. An international minimum corporate tax rate is also being called for by a recent **report** released by the United Nations panel on financial integrity for sustainable development. Mauritius is a compliant member of the OECD's Forum on Harmful Tax Practices and the Mauritian Partial Exemption regime is fully compliant with the OECD's standards. The MBA is a member of the Mauritius Revenue Authority's Tax working group, which works to ensure that Mauritius adheres to the highest standards of tax compliance.

2021. This is in line with the progressive phasing out of the LIBOR by end 2021, which concerns five currencies (USD, EUR, GBP, CHF, JPY), and 7 tenors for each currency, i.e., a total of 35 rates. Furthermore, Regulators in the UK have recommended that, from the end of March 2021, sterling LIBOR no longer be used in any new lending or other cash products that mature after the end of 2021. For more information, click **here**.

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