



NOVEMBER, 2021 MBA NEWSLETTER

During the Covid pandemic, one of the key areas of the MBA's work has been to ensure the orderly access to vaccination for bank employees. Through our membership of Business Mauritius, the MBA was instrumental in obtaining the reinstatement of the EDB's booking facility. As of 24 November 2021, bank employees can book their vaccination slot via the Economic Development Board. This new mechanism will allow banks, and all private sector operators, to plan for an orderly 3rd dose vaccination. The MBA supports the national vaccination programme, and encourages employees across the banking sector to get vaccinated.



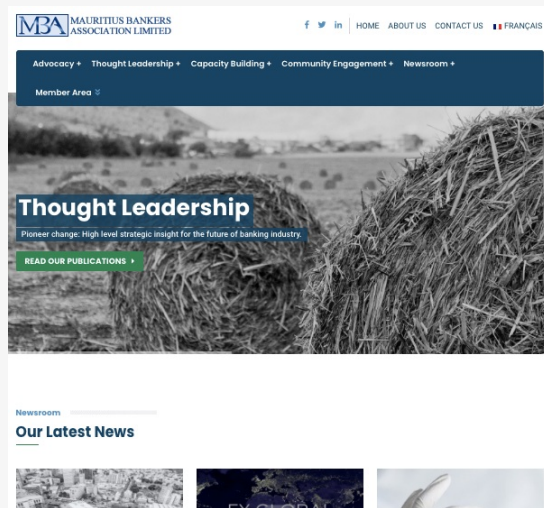
Quarterly Board meeting

On Friday 26 November 2021, the MBA Board held its last meeting of the year. This event is usually followed by a get together, but was held virtually this year, owing to the prevailing sanitary condition. We are delighted to welcome Silver Bank Limited on board, in continuation of Banyan Tree Bank Limited's membership.

Guideline on Private Banking Business Advocacy

The MBA and member banks participated in a constructive working session with the Bank of Mauritius on the revised Guideline of Private Banking, on 22 November 2021. The Bank of Mauritius provided responses and clarifications to comments submitted by the MBA and member

banks on the draft guideline, which is currently in the final stage of the consultation process.



Mauritius IFC webinar *Thought Leadership*

On 25 November 2021, the CEO of the MBA, Mr. Daniel Essoo, moderated a webinar on "Mauritius, an emerging International Financial Centre of Resilience, substance and excellence", along with panellists Messrs. Alain Law Min, Gary Gowrea, Assad Abdullatif & Sridhar Nagarajan. During the webinar, panellists commented on the financial sector's resilience during the Covid pandemic, the exit from the FATF (Financial Action Task Force) list in record time, the minimal impact of the Global Minimum Tax, as well as new trends in business. The webinar, along with the launch of the Mauritius IFC logo on 26 November 2021, aim to increase the promotion of Mauritius in a post-Covid and post-FATF context.

Accessibility map *Community Engagement*

One of the priority areas of the MBA is ensuring that banking services are accessible to customers requiring special assistance. An interactive Accessibility map of branches and ATMs, highlighting those which have special Accessibility features, will be launched on our website on 3 December 2021, which is the International Day of Persons with Disabilities. The MBA website is already equipped with software that supports accessibility for individuals with physical disabilities. Of note, all bank branches provide a dedicated service for guiding customers with specific needs, and a fast-tracking counter is available in most branches for customers requiring special assistance. We invite customers to call their bank before a visit, to avoid peak periods, and to use remote channels as far as possible.



Working Session with VISA *Capacity Building*

Following requests from the industry, the MBA's Card Fraud Prevention Forum, in collaboration with Visa, conducted a free virtual session on Cards Risk Strategic for member banks on 23 November 2021. The event covered topics such as best practice for account enumeration & bin attack risk management, emerging risk/threats in the payment space and acquiring risk management.

Legal Reforms *Advocacy*

Two areas of law which are of key importance for banks – the Insolvency regime, and Secured Transactions – are currently under review, with the technical assistance of consultants from the World Bank.

In relation to Insolvency Act Reform, two working sessions led by the Registrar of Companies and including insolvency practitioners, Government, Mauritius Revenue Authority officials, banks, and World Bank consultants, were held in November. A key area of the work of MBA regards greater fairness in the order of preferential claims, and the MBA's representations are aligned with international best practice.

Similarly, on Secured Transactions Reform, MBA member banks have been actively engaging with the



Registrar General, EDB and World Bank consultants on proposed reforms to the legal framework for secured transactions relating to movable assets. The objective of this project is to improve the ease of doing business and align the Mauritian framework and process with international best practice.



Covid-19 measures *Advocacy/Capacity Building*

In light of the rising number of Covid-19 cases, the MBA held a meeting of the HR sub-committee, as well as an informal meeting of a few retail banks on 12 November 2021, to take stock of the situation, and exchange best practice regarding keeping employees and customers safe. Most banks were experiencing disruption to staffing, but would do their utmost to ensure continuity of operations as we enter the busiest period of the year for banks. The Chief Operating Officer of Business Mauritius, Mr. Pradeep Dursun, intervened virtually during the HR sub-committee meeting, to discuss Covid-19 precautions and employment legislation, as well as the Heavy Rainfall Protocol.



Digital Currency Global Initiative *Thought Leadership*

On 19 November and 23 November 2021, the MBA and its members banks participated in two webinars on digital currency, organised by the International Telecommunications Union (ITU). The main objectives of these webinars were to showcase digital currency pilot implementations and innovations taking place at the global level. The MBA and its member banks would also engage with the Central Bank on this topic for further brainstorming.

Meetings/Consultations *Advocacy*

- On 9 November 2021, the MBA CEO and Chair participated in a stakeholder meeting with the new Chairman of the Mauritius Investment Corporation (MIC), Mr. Mark Florman. MIC presented its current scope of action, and invited stakeholder comments and suggestions, as it shapes its future strategies.
- On 16 November 2021, the MBA participated in a stakeholder meeting of the COMESA Business Council. Through our membership of the MCCI, we are members of the



- The MBA is a member of the SADC Banking Association, which operates

COMESA Business Council. This is a platform which seeks to develop regional integration, and is in line with the MBA mission to promote the strategic regional development. Members interested in this can contact the MBA.

the SIRESS payment system. The system is currently being upgraded to adopt ISO20022, and a technical meeting was organised on that 16 November 2021. This issue is currently under discussion among the Mauritian banks operating the SIRESS system and the Bank of Mauritius.



Economic Commissions Advocacy

The work of the Economic Commissions set up in the last Budget continues, and a meeting of the co-chairs of sub-committees was held on 12 November 2021 to ensure the consultation process is progressing smoothly. All sub-committees have met a number of times and identified recommendations, which are being discussed and refined. The purpose of the Economic Commissions is to identify measures which will boost economic growth, and make recommendations to Government between now and the National Budget exercise next year. The CEO of MBA co-chairs the Economic Commission on Export of Services, which includes the following sub-sectors: Financial Services, Tourism, Healthcare, Real Estate and Education.

Global Minimum tax

Following a meeting of the National Tax Working Group on 29 October 2021 to take stock of latest international developments, a meeting of the MBA Tax Working Group was held in 10 November 2021 to discuss the impact on the banking sector. The major reform to the international tax system implies that Multinational Enterprises (MNEs), will be subject to a minimum of 15% tax as from 2023. As per the timetable provided by the OECD, model rules to define the scope and mechanics of the Global Minimum Tax (GMT) are expected to be published by end November 2021. The MBA has already engaged with both the Central Bank and the Mauritius Revenue Authority on this issue. The MBA has also invited its member banks to conduct an initial impact assessment concerning potential implications of the GMT on their businesses as well as their internal finances.

Future of Banking Thought Leadership

The MBA is actively involved in the joint BOM-MBA Future of Banking



initiative, where international consultants are currently helping the industry to define a pathway for the future. The MBA had a project update meeting with the consultants on 17 November. The project is progressing well, and after the diagnostic phase, has now entered into the solution design phase.



LIBOR Transition *Thought Leadership*

As the international deadline for London Inter-Bank Offered Rate (LIBOR) transition approaches (31 December 2021), the MBA and its member banks met virtually on 23 November 2021 to discuss and exchange views on key aspects of the transition. Latest developments were underscored as well as the rates being adopted as from 1st January for cash, derivatives and limit-based products (such as overdrafts). Members also discussed about their general states of readiness, systems issues and fine-tuning, the adopting of SoFR term rates and Alternative Reference Rates. As per LIBOR experts, the transition away from LIBOR would herald a multi-rate world, which would be based on specificities as well as clients' choices. The MBA has already published two sets of FAQs, a simplified version and a detailed version, addressed to retail



Cap Business Ocean Indien *Thought Leadership/Advocacy*

Cap Business OI, formerly known as the Union des Chambres de Commerce et d'Industrie de l'océan Indien (UCCIOI), is the representative body which regroups the different Chambers of Commerce in the region, including the Mauritius Chamber of Commerce and Industry – of which the MBA is a member. The MBA, together with some 200 institutions across the region, participated in a survey on priority areas of focus for CAP Business OI and its engagement with the Public sector. Furthermore, a dedicated working session was conducted with all stakeholders on 18 November 2021. The main objective of this working session was to devise a roadmap for the Cap Business (OI) as well as the elaboration and finalisation of an advocacy document for the Council of Ministers of the Indian Ocean Commission. Based on feedback obtained, the main priority

customers/small businesses and large corporates respectively.

areas for Cap Business OI over the 2021-2026 horizon are as follows: Sustainable tourism, Energy transition and efficiency, Blue Economy, Agriculture and Agro-industry, improving Connectivity and Regional value chains.

Sustainability

In addition to being a member of the Task Force on Regulation and Supervision, which falls under the Bank of Mauritius Climate Change Centre, the MBA has also been working with stakeholders towards the greening of the financial ecosystem:

- Since September 2021, the MBA has held meetings with the Tourism Authority & the international consultancy **CSCP** on the greening of the Tourism industry. An interactive working session with banks will be organised on 9 December 2021.
- The MBA is participating in the Mauritius Standards Bureau consultation on a new environmental standard, DMS ISO/DIS 14100 - Guidance on environmental criteria for projects, assets and activities to support the development of green finance.



- On 12 November, we participated in a workshop organised by Business Mauritius and AFD on Climate Change in context of COP26.
- On 25 November and 3 December, the MBA is participating in a UN project to map food systems in place in Mauritius and the Seychelles, with a view to developing tools to ensure a more sustainable approach to food provision and production.

