

“Our focus: IFC competitiveness, digitalisation, talent—and sustainable finance.”

Abrar Anwar

Chairperson | **Mauritius Bankers Association**

Abrar Anwar, Chairperson of the Mauritius Bankers Association, frames banking as the engine of the IFC—directly contributing roughly the same as tourism and anchored by a mix of global, regional and domestic players. He points to high compliance standards through correspondent networks and an investment-grade position that supports Africa-facing finance, while warning that rising operating, regulatory and tax costs must be managed to stay competitive. On digital, broad mobile uptake now needs stronger rails—digital KYC/biometrics and public education—to curb phishing. On sustainability, banks are advancing green taxonomies, SUNREF pipelines and ESG roadmaps. The MBA’s agenda: competitiveness, a “Future of Banking” blueprint with the BoM, talent, and scalable green finance.

What is the role of the banking sector within the Mauritius IFC ecosystem today, and how does it compare with other regional jurisdictions?

The Financial Services sector represents a direct contribution of about 13–14% of GDP, and Banking makes up about half of this, about 7%. The rest is made up of insurance, asset management, and the Global Business sector. Mauritius has a good combination of Global, regional and domestic banks: banking underpins the Mauritius IFC, and most of the

value-addition of our IFC is captured. In fact, when the IFC was being set up, International Banking was launched first, in 1989; the Global Business followed in 1992.

If we look at the direct contribution of the Banking sector to GDP, it is similar to that of tourism; the indirect contribution of banking is even more important, as we support all sectors of the economy as well as all trade activity. While this is a very material contribution to the economy, it is worth noting that, in some other

jurisdictions, Financial Services represent a much higher proportion of the economy – about 60% in Cayman, 40% in Jersey, 24% in Hong Kong. So, while we have a very strong Financial Services sector, Mauritius has a strong, diversified economy, serving both the domestic market and the international market, and still has enormous growth potential.

With evolving international regulations (OECD, FATF, EU), what have been the main challenges for Mauritian banks, and how has the sector adapted?

For Mauritian banks, compliance to international standards is a fundamental feature. Indeed, regulation is constantly evolving, to keep up with changes in technology and in crime patterns. However, this is something that all financial institutions the world over need to adapt to. Being present in 53 markets, and offering correspondent bank services to other banks, Standard Chartered Bank is constantly updating its practices. In turn, the banks that Standard Chartered Bank services also have to adapt. Because all Mauritian banks are connected to international correspondent banks, the effective standard of regulation here is very high, and remains up-to-date.

So while the FATF process reviews the local regulations and their effectiveness, banks are also subject

to the standards of their groups and/or correspondent banks. This helps to build up Mauritius as a safe, compliant and trustworthy financial centre.

Mauritius is often promoted as a financing platform for Africa. What concrete opportunities do you see for member banks in this positioning?

Mauritius is lucky to be an Investment-grade International Financial Centre within the African continent. Only Mauritius, Botswana and, since 26 September, Morocco, have an Investment Grade status on the continent. Our legal system, our network of treaties and trade agreements, and the strong mix of banks give us a unique positioning and competitive advantage.

Today, most Mauritian banks are leveraging this strong positioning to channel financing and support transactions with the African continent. In fact, recently, a respected bank acquired a stake in a systemic Mauritian bank as part of its pan-African strategy. We are also seeing the growing interest of India and Japan in leveraging their relationship with Mauritius to transact with the African continent at large. The Mauritian banking sector is positioned as a facilitator and provider of financing.

Global interest-rate cycles, currency volatility, and geopolitical tensions are reshaping financial flows. Which macroeconomic factors are most relevant for banks operating in Mauritius today?

It is fair to say that these are uncertain times. However, the strength of a stable financial centre is that it provides mitigants in the face of uncertainty. Mauritius has been a trading hub for 300 years, by virtue of its strategic positioning and economic value-add. We sit at the confluence of several very important trade agreements with India, China, the EU and the African continent. Mauritius recently secured a 15% tariff rate on exports to the US, which is a very competitive rate, opening up an opportunity for traditional exporters to the US to set up shop in Mauritius.

Digital transformation and fintech innovation are changing banking services worldwide. How are Mauritian banks integrating these developments while ensuring security and compliance?

The digital revolution is already here, and all banks are at different stages of a digitalisation strategy. The public in Mauritius has already widely

adopted mobile banking. Banks are also adopting new technologies and embedding AI in processes which were previously manual – ranging from loan approvals to customer service queries, and even account opening. These tools add considerable convenience – instead of physically travelling to a bank during banking hours, people can now transact 24/7 from the comfort of their home.

However, this convenience comes with new challenges: cases of phishing and cyber crime are on the rise – not only in Mauritius but worldwide. Now, there are clear solutions to these new risks. Part of this lies in educating the public – the MBA and commercial banks regularly run campaigns to tell people not to share their PIN and use anti-virus software. But another part lies in the upgrading of the ecosystem – using digital KYC and biometrics, which materially reduce the incidence of crime.

However, some customers and even some regulators are not comfortable with the idea of using biometrics. The world is going digital, and it is a good time to look at international best practice and see how, in Mauritius, we can adopt these best practices. Standard Chartered Bank is one the most innovative banks, and already operates fully digital banks in a number of markets, and is happy to share its best practices with Mauritius to take the jurisdictions to new heights.

Sustainable finance and ESG criteria are gaining importance globally. How can the Mauritian banking sector contribute to positioning the IFC as a hub for green finance?

Today, most Mauritian banks have a clearly defined Green Finance offering. In fact, several Mauritian banks have been participating in the SUNREF programme for 15 years. The sector is very active on this front – working with public authorities and Development Financing Institutions such as the AFD, the EU, the UK Government, the World Bank, among others, on a Green Taxonomy, regulations, renewable energy frameworks and several specific projects – including electrical buses, energy efficiency, water management.

Specifically, the Mauritius Bankers Association is receiving technical assistance from the EU and AFD to develop capacity within the Banking Sector in the field of Sustainable Finance. We are also hosting a consultant from the UK Task Force on Access to Climate Finance, who is helping the Mauritian Government to

devise funding solutions for strategic projects. Mauritian banks not only have liquidity and know how, but can also bring in expertise to help customers and public authorities to achieve their green objectives. I would like to add that all banks are now required to have an ESG Roadmap – ESG is about more than green finance – it is also about driving good behaviour from a Social and Governance perspective as well.

With growing competition from IFCs such as Dubai and Singapore, what do you see as Mauritius’s distinctive strengths, and which areas require improvement?

This is a very pertinent question. Indeed, banks operate in a global village, and we compete directly with other countries. Dubai and Singapore have positioned themselves as strong financial centres and have a strong value proposition. Now, each IFC has its own competitive strengths. Mauritius is known for its high compliance and its expertise when it comes to Africa as well as Asia – especially India, but people may not realise that very sophisticated cross-border business is conducted from Mauritius.

Our Banking sector is truly global. But in a competitive world, it is essential that the sector remain competitive. In recent years, operating costs, regulatory costs and taxation have increased materially. We are still a very competitive jurisdiction, but it is important that policy makers reflect carefully on our competitive positioning. Capital is highly fungible, and operators as well as policy makers need to ensure that we maintain our competitiveness.

Looking ahead, what are the MBA’s priorities for the next three to five years to strengthen the credibility and attractiveness of the Mauritius IFC?

The MBA’s purpose is to nurture an innovative, competitive and trustworthy banking environment for the welfare of society. We collaborate with regulators and Government to develop the sector. We are working with the Bank of Mauritius on a project called the Future of Banking, which is a strategic blueprint for the sector’s development. At the moment, our main priorities are, firstly – working on the competitiveness and positioning of our IFC; secondly, charting out our digitalisation strategy; thirdly, developing our talent pool, and fourthly, building a strong foundation for banks to bring sustainable finance to Mauritius and the region.