



Intercontinental Trust Ltd

SEM: Approved stock exchange under the Jersey Company Law

Last year, the Stock Exchange of Mauritius (SEM) in collaboration with the Ministry of Finance of Mauritius requested that the SEM be included in the list of approved stock exchanges by the Jersey Authorities. In line with this request, the Companies (Transfers of Shares - Exemptions) (Jersey) Order 2014 has been amended to include as an approved stock exchange, the Stock Exchange of Mauritius Ltd (in respect only of its “Official Market”).



The effect of this amendment is that any Jersey company listed on an approved stock exchange (which would now include the SEM) would be exempt from the requirement of Article 42 of the Companies (Jersey) Law 1991, which requires an instrument of transfer of shares in writing to be delivered to the company in order for a transfer to be registered, and also the requirement of Article 50(1) of that Law to produce a certificate in respect of allotments or transfers of its shares within 2 months of the allotment or transfer, as the case may be.

The exemption from Article 42 is provided for on the basis that a transfer of shares is made to or from an approved central securities depository (as defined in Article 1 of the Companies (Transfers of Shares – Exemptions) (Jersey) Order 2014) or by means of a computer system which has been approved by the competent authority that has also approved the central securities depository.

The Jersey Financial Services Commission is currently in the process of making the consequential amendment to their list of Recognised Exchanges.

The National Code of Corporate Governance 2016 (the “Code”)

In a bid to further enhance the country’s corporate governance standards and bring them at par with international best practices, the Code was launched on 13 February 2017.



The Code is a departure from the ‘comply-or-explain’ approach as it now employs an ‘apply-and-explain’ methodology. Henceforth, all Public Interest Entities (“PIE”) as defined by the Financial Reporting Act 2004 (FRA 2014), Public sector organisations and other entities required to report on corporate governance will have to apply all the principles contained in the Code and to explain in their annual reports how these principles have been applied.

According to the FRA 2014, PIE include the following entities:

1. companies listed on the Stock Exchange of Mauritius;
2. banks and non-banking financial institutions;
3. any company which has during 2 consecutive preceding years, at least one of the following:
 - an annual turnover exceeding MUR 500m (USD 13.5m); or
 - total assets exceeding MUR 500m (USD 13.5m).

4. any group company which has during two consecutive preceding years, at least one of the following:
 - an annual turnover exceeding MUR 1bn (USD 27.3m) ; or
 - total assets exceeding MUR 1bn (USD 27.3m).
5. public sector organisations listed as PIE under the First Schedule of the FRA 2014.

The Code is applicable as from reporting period 30 June 2018 implying that all relevant reporting entities should adhere to the provisions of the Code as from 1st July 2017.

A number of representations were made by the stakeholders of the Global Business industry to the Financial Reporting Council (FRC) to clarify if the Code will apply to holders of a Category 1 Global Business Licence that do not hold special activity licences. At the time of writing, these discussions are still ongoing and a formal confirmation is being awaited from the FRC.

Watch out for our next newsletter for a detailed analysis of the Code and its likely impact on the global business industry!

2017 Index of Economic Freedom: Mauritius retains top spot in Africa

Rated as a “Mostly Free” economy by the 2017 Index of Economic Freedom (IEF 2017) Mauritius ranks 21st globally but remains the top scoring country in Africa. The IEF 2017 assesses 180 countries and is based on 12 quantitative and qualitative factors, grouped into the following four broad categories:



1. Rule of Law (property rights, government integrity, judicial effectiveness)
2. Government Size (government spending, tax burden, fiscal health)
3. Regulatory Efficiency (business freedom, labor freedom, monetary freedom)
4. Open Markets (trade freedom, investment freedom, financial freedom)

According to the IEF 2017, countries boasting higher scores of economic freedom generate higher per capita income and their populations also displayed higher level of general well-being compared to the lower-scoring countries.

To read the full report, click [here](#)

Mauritius and Senegal: Joint Development Agreement

A Joint Development Agreement between Mauritius and Senegal was signed in January 2017 in relation to the development of a Special Economic Zone (SEZ) in Senegal that kick started in 2015.



The project is being conducted through a joint venture company, Société des Infrastructures d’Affaires Atlantique (SIAA), which is jointly held by the Government of Senegal and the Government of Mauritius through the Fonds Souverain d’Investissements Stratégiques (FONSIS) and the Mauritius Africa Fund (MAF) respectively.

The SEZ will be developed on a plot of land extending over an area of 53 hectares which is strategically situated between Dakar and the new Blaise Diagne International airport. The SEZ will offer the opportunity for Mauritius to tap into the West African market.

2017 Global Talent Competitiveness Index: Mauritius 1st in Africa

The Global Talent Competitiveness Index 2017 (GTC 2017), assesses 118 countries and attempts to analyse the impact of the digital revolution on talent competitiveness. As companies become more efficient with the advent of new technologies, workers encounter both challenges and opportunities.



As countries compete to grow better talents, attract the ones they need, and retain those workers who contribute towards competitiveness and efficiency, the GTC 2017 attempts to provide quantitative instruments that will help to design and implement better policies. According to the GTC 2017, the top scoring countries have:

- Combined strong infrastructure & information connectivity;
- Invested in knowledge hubs; and
- Attracted international companies.

On the overall, Mauritius occupies the 46th position but maintains the lead over its African counterparts.

To access the full report, click [here](#)

Monetary Policy Committee maintains Key Repo Rate at 4% per annum

According to the Monetary Policy Committee (MPC), the increase in world growth projected by the IMF in their recent World Economic Outlook Update report is expected to be undermined by increasing risks and uncertainties. Rise in prices of commodities and global monetary policy stances are expected to induce stronger global inflationary pressures on domestic inflation.



In line with the economic conditions in the foreseeable future, the MPC has decided to maintain the Key Repo Rate at 4% p.a.

Amendments to Section 23 of the Financial Services Act 2007

The Financial Services Commission (FSC) advised through a communiqué issued on 30 January 2017 the following amendments to Section 23 of the Financial Services Act 2007 (FSA 2007):



·Section 23(1A) of the FSA 2007:

For listed licensees or licensees held by listed entities: the FSC has to be notified on a yearly basis about the change in the shares or legal or beneficial interest of the licensee

For other licensees: No pre-approval is required for licensees wishing to transfer of shares or legal or beneficial interest of less than 5% provided that such transfer does not result in a change in control. Instead, the FSC only needs to be notified of the change within 14 days of the transaction

• **Sections 23(4) & 23 (4A) of the FSA Section 23(4) of the FSA 2007:**

Amendments were made to allow the FSC to issue a new set of rules exempting licensees from seeking approval for transfer of certain classes/types of shares or legal or beneficial interest (Financial Services (Exemption from Approval of Controllers and Beneficial Owners) Rules 2016). Going forward, licensees are exempted from seeking pre-approval from the FSC for the issue or transfer of shares or legal or beneficial interest which do not carry voting rights.

Click [here](#) to access the communiqué

New MoU: Financial Services Commission, Mauritius and the Abu Dhabi Global Market Financial Services Regulatory Authority



The Financial Services Commission (FSC) and the Abu Dhabi Global Market Financial Services Regulatory Authority signed a Memorandum of Understanding (MoU) on 19 December 2016. The main objective of the MoU is to ensure that there is a proper framework in place for mutual assistance and exchange of information between both jurisdictions for the purpose of enforcing and securing compliance with the respective Laws and Regulations.

Click [here](#) to access the communiqué.

Enhanced air connectivity: introduction of direct flights for Amsterdam-Mauritius route



As from 30 October 2017, KLM Royal Dutch Airlines in collaboration with Air Mauritius will introduce direct flights from Amsterdam to Mauritius. The proposed flight schedule will as follows:

Days	Departure time (Amsterdam)	Arrival time (Mauritius)	Departure time (Mauritius)	Arrival time (Amsterdam)
Monday	17:20	07:35 (Tuesday)	09:45 (Tuesday)	18:35 (Tuesday)
Thursday	17:20	07:35 (Friday)	09:45 (Friday)	18:35 (Friday)
Saturday	17:20	07:35 (Sunday)	09:45 (Sunday)	18:35 (Sunday)

Extension of visa-free period for Mauritians visiting China



Henceforth, Mauritians will be able to visit China without a visa for a period of 60 days. The visa-free period has been extended from 30 to 60 days following a request that was put forward to the Chinese government by the current Prime Minister of Mauritius, Hon. Pravind Jugnauth, when he visited China last year.

Update on the Rotation of Audit Firm for listed companies

One of the proposals put forward in the Budget Speech 2016/2017, was the introduction of a mandatory audit firm rotation policy of every 7 years for listed entities in a bid to achieve more independence of auditors.

It has now been clarified that the mandatory rotation policy will not affect listed companies in cases where joint auditors have been appointed.



For any additional information please contact us.

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