

COMMUNIQUÉ

Regulatory framework for the Custodian Services (Digital Asset) Licence

Further to the report of the Regulatory Committee on FinTech and Innovation-Driven Financial Services, the Financial Services Commission (the “FSC”) has made significant progress in establishing the Mauritius International Financial Centre (the “Mauritius IFC”) as the FinTech hub, in and for, Africa.

Following the recognition of Digital Assets as an asset-class for investment by Sophisticated and Expert Investors on 17 September 2018, the FSC issued, on 05 November 2018, a Consultation Paper seeking feedback from stakeholders and the public on the proposed regulatory framework for the Custodian Services (Digital Asset) Licence, which allows its holder to provide custody services for Digital Assets.

This regulatory framework will be effective as from 01 March 2019, positioning the Mauritius IFC as the first jurisdiction globally to offer a regulated landscape for the custody of Digital Assets. Holders of the Custodian Services (Digital Asset) Licence will equally have to comply with the applicable framework for AML/CFT, in line with international best practices.

Commenting on this avant-garde supervisory infrastructure, the Honourable Pravind Kumar Jugnauth, Prime Minister of the Republic of Mauritius stated that *“In revolutionising the global FinTech ecosystem through this regulatory framework for the custody of Digital Assets, my Government reiterates its commitment to accelerating the country’s move to an age of digitally-enabled economic growth. As an African country, we look forward to fostering further innovation and bringing more prosperity to the region.”*

According to the Chairman of the FSC, Dr Renganaden Padayachy *"The Blueprint has identified a number of key opportunities that we have to tap into to foster further value-added activities in our jurisdiction. This new framework is in line with this strategy and we are confident that it is yet another addition that will increase the competitiveness of our jurisdiction."*

The Chief Executive of the FSC, Mr Harvesh Seegolam expressed that *"The FSC is committed to implementing enabling frameworks which facilitate the development of the Mauritius IFC. We continue to collaborate with our international counterparts and stakeholders in introducing the appropriate regulatory mechanisms. I wish to put on record the active participation of all parties during the consultation phase preceding the introduction of this revolutionary structure for our jurisdiction."*

In the words of the Governor of the Bank of Mauritius, Mr Yandraduth Googoolye, *"The Bank of Mauritius is supportive of innovation in the financial services sector. Banks, depending on their respective risk appetite, are encouraged to develop business relationships with players in the Digital Assets segment."*

The FSC has participated fully in discussions at the level of the Organisation for Economic Cooperation and Development (OECD) on the governance and regulation of Digital Financial Assets, and the regulatory framework for the Custodian Services (Digital Asset) Licence has been developed in reference to these international consultations.

For media queries, please contact the FSC on communications@fscmauritius.org

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