

*Government Notice No. 74 of 2020***FINANCIAL SERVICES ACT****FSC Rules made by the Financial Services Commission
under section 93 of the Financial Services Act****1. Citation**

These Rules may be cited as the Financial Services (Family Office) Rules 2020.

2. Interpretation

In these Rules –

“**Act**” means the Financial Services Act;

“**Family**” means a group of individuals who are connected in at least one of the ways set out in schedule 1;

“**MFO**” means a holder of a Family office (Multiple) licence;

“**SFO**” - means a holder of a Family office (Single) licence;

“**Family office licence**” means an:

Family office (Single) licence; or

Family office (Multiple) licence.

3. Application for a Family office licence

(1) No person shall carry out family office services (Single or Multiple) without a Family office licence issued by the Commission.

(2) An application for a Family office shall be made in accordance with Part IV of the Act in such form and manner as may be specified in the Financial Services (Consolidated Licensing and Fees) Rules 2008.

- (3) An application for a Family office services (single or multiple) licence must be made by a person with relevant experience in the field of wealth management, private banking, investment management (and/or any relevant field as deem appropriate by the Commission).

4. Scope of the rules

- (1) These rules shall apply to any person carrying out a family office activity from Mauritius.
- (2) The family office must have no clients other than “family clients” as defined under Schedule 1. The family office, whether it is an MFO or SFO may be: (1) wholly-owned by family clients; and (2) exclusively controlled by family members/family entities.
- (3) These rules shall be read in conjunction with the relevant Acts and any guidelines which the Commission may issue from time to time.

5. Activities of holder of a Family office Licence

- (1) The categories of family office services, which a holder of a Family Office (Single) or (Multiple) may provide shall include, but not be limited to, the following –
 - (a) administration and management of investments, assets and/or estate(s);
 - (b) administration and management of concierge services;
 - (c) management of accounting and reporting;
 - (d) administration and management of philanthropic services;
 - (e) providing training and development to the incoming generations;

- (f) administration and management of disaster recovery planning;
 - (g) administration of risk management;
 - (h) provision of administrative support;
 - (i) ensuring compliance with domestic and international legislations;
 - (j) establishing family governance, wealth strategies, family board(s) including family charter(s);
 - (k) providing tax advisory and compliance services;
 - (l) advising on wealth planning and protection; and
 - (m) any other activities as may be approved by the Commission.
- (2) The value of the assets and/or investments of each family under SFO or MFO management must be more than USD 5 million.

6. Designation of an officer

- (1) A family office shall, at all times, designate an approved officer who shall be responsible for:
- (a) filing an application for a licence with the Commission;
 - (b) filing with the Commission such document as may be required under these Rules, the relevant Acts or by virtue of any other enactment;
 - (c) filing with the Commission such other document as may be required including the annual compliance statement in the Schedule 2;
 - (d) obtaining, keeping and maintaining appropriate records of the SFO or MFO to substantiate that it is

compliant with the Rules or under any relevant Acts;
and

- (e) responding promptly to any request made by the Commission.
- (2) The designated officer shall:
- (a) be the point of contact between the Commission and the Family office (Single or Multiple);
 - (b) be approved by the Commission;
 - (c) be a member of the senior management of the SFO .or MFO;
 - (d) have unrestricted access to information about the members of the SFO or MFO; and
 - (e) have access to sufficient resources to fulfil his responsibility.

7. Designation of a Money Laundering Reporting Officer

Each family office shall, at all times, have a designated Money Laundering Reporting Officer and a Deputy Money Laundering Reporting Officer approved by the Commission, who shall comply with its duties under the Rules and any relevant Acts.

8. Minimum stated unimpaired capital requirements

- (1) A Family office (Single) shall, at all times maintain a fully paid minimum stated unimpaired capital of at least USD 35,000.
- (2) A Family office (Multiple) shall, at all times maintain a fully paid minimum stated unimpaired capital of at least USD 70,000.

- (3) Where an SFO or MFO is unable to maintain the fully paid minimum stated unimpaired capital under paragraph (1) or (2), it shall immediately notify the Commission.
- (4) Where the Commission receives a notification under paragraph (3), it shall take such action as it deems appropriate under the relevant Acts.

9. Professional Indemnity Cover

The holder of an SFO or a MFO shall subscribe to such insurance policies as are necessary to cover:

- (a) fraudulent activities of employees;
- (b) fraudulent instructions;
- (c) losses arising from the malicious or fraudulent corruption of electronic data or electronic transactions;
- (d) liabilities arising from breaches of professional duties; and
- (e) any other activities as the SFO or MFO deems appropriate.

10. Annual compliance statement form

A holder of an SFO or an MFO shall submit to the Commission an annual statement of compliance, in the form specified in the Schedule 2, not later than 6 months after the financial year end.

11. Risk Management

A holder of an SFO or an MFO must develop and adopt an integrated risk management approach, which must be reviewed on a yearly basis. The risk management system must include, amongst others, factors such as risk identification, risk measurement, risk reporting and risk mitigation.

12. Ceasing to carry on business

An SFO or an MFO shall notify the Commission, that the entity has ceased or intends to cease to carry out business as an SFO or an MFO, or has commenced winding up proceedings.

13. Transitional Provisions

Any person who, immediately before the commencement of these Rules, was carrying out Family Office activities as set out under Rule 5 in Mauritius shall, within 3 months of the commencement of these Rules, apply for a Family Office (Single) or Family Office (Multiple) licence in accordance with these Rules.

14. Commencement

These Rules shall come into operation on 7 March 2020.

Made by the Financial Services Commission on 7 March 2020.

SCHEDULE 1
(Rule 2)

Connected Persons within a SFO or MFO

1. The following persons are connected persons in relation to an individual within a SFO or MFO —
 - (a) spouse;
 - (b) the descendants of the individual and their spouses;
 - (c) parents, including step-parents;
 - (d) grandparents;
 - (e) parents-in-law, including step-parents-in-law;
 - (f) brother, step-brother, sister, step-sister and their spouses;
 - (g) spouse's grandparents;
 - (h) spouse's brother, step-brother, sister, step-sister and their spouses and children;
 - (i) parent's brother, step-brother, sister, step-sister and their spouses;
 - (j) children of the brother, step-brother, sister or step-sister of the individual's parents, both present and future, including stepchildren, and their spouses; and
 - (k) children of the individual's brother, step-brother, sister or stepsister, both present and future, including step-children, and their spouses.

2. For any of the relationships listed in paragraph 1 that may be established by blood, that same relationship may also be established by adoption.

3. In paragraph 1(b), the term “descendants of the individual” means the individual’s children, the children of that individual’s children, the children of those children, and so on.
4. For the purpose of paragraph 3, the term “children” includes step-children.

SCHEDULE 2**Annual Statement of Compliance for holders of Family offices (Single) and Family office (Multiple) Licences.**

[Date:]

The Chief Executive

(Attention; Directorate of Authorisation and Supervision)

Financial Services Commission-Mauritius

Dear Sir,

**RE: ANNUAL STATEMENT OF COMPLIANCE FOR
[INSERT NAME OF THE Licensee].**

I, as a Director of [insert name of the Licensee], hereinafter referred to as the Company, hereby confirm that during the financial year from [insert date] to [insert date]:

- (i) there has been no material change in the legal and beneficial ownership of the Company, as well as in its licensed activities under Section 14 of the Financial Services Act;
or
- (ii) There has been no material change in the legal and beneficial ownership, as well as in the licensed activities of the Company with exception to the matters detailed below.