

Williams & Wilson

CODE OF BUSINESS CONDUCT

**Issued under section 7(1) (a) of the Financial
Services Act 2007**

(October 2015)

1. SCOPE OF THE CODE

- 1.1. The Code of Business Conduct (the “Code”) is part of the Fair Market Conduct Programme which the Financial Services Commission (the “Commission”) is implementing.
- 1.2. The Code has 9 Guiding Principles, which set out in general terms a licensee’s obligations to ensure the sound conduct of business.
- 1.3. The objectives of the Code are to:
 - ensure sound conduct of business in the financial services sector;
 - instil confidence in the financial services sector;
 - establish standards in order to preserve and maintain the good repute of Mauritius as an international financial centre; and
 - ensure fair treatment of consumers of financial services and the public in general.
- 1.4. Some of the Guiding Principles are already embedded in existing legislative provisions or market practices. The onus is on the licensee to adopt appropriate processes and procedures, in line with their business model, to meet their obligations under the Guiding Principles.

2. APPLICATION OF THE CODE

- 2.1. All licensees must meet their obligations as set out under the Guiding Principles.
- 2.2. The licensees should ensure that their officers, employees and any other persons acting on their behalf comply with the Code and that the practices followed by them are in conformity with the Guiding Principles as set out in the Code.
- 2.3. The Commission expects the professional bodies and industry associations, regrouping different categories of licensees, to come up with guidance notes to supplement the Code.
- 2.4. The Commission may also come up with supplementary codes of conduct for particular licensees in due course.

3. EFFECTIVE DATE

- 3.1. The Code shall come into effect on 01 January 2016.

4. NINE GUIDING PRINCIPLES

The Guiding Principles are intended to ensure that licensees conduct their business in a way that promotes the best interests of consumers and the integrity of the financial services industry.

Where the Commission has deemed it necessary to illustrate a particular Guiding Principle, explanatory notes have been included.

4.1. Skill, Care and Diligence

Licensees must act with due skill, care and diligence towards their customers and other stakeholders.

Explanatory Notes

Licensees must have in place appropriate safeguards against occurrences of behaviour that constitute a lack of due skill, care and diligence amounting to culpable negligence. These safeguards include appropriate staff training.

Licensees must also apply the “fit and proper” test for their officers and persons acting on their behalf.

4.2. Business Integrity

Licensees must observe high standards of honesty, integrity and fairness and ensure that all business transactions are carried out and recorded fairly and accurately.

Explanatory Notes

This principle includes any obligation to avoid misleading and deceptive acts or representations.

4.3. Conflict of Interests

Licensees must avoid situations of conflict of interests, and in case a conflict arises, licensees are required to ensure the fair treatment of all their customers.

Explanatory Notes

This principle recognises that conflict of interests may be managed and that proper management to ensure fair treatment of customers may require disclosure, internal rules of confidentiality, or other appropriate methods or combinations of methods.

4.4. Communicating with Customers

4.4.1. Licensees must seek the necessary information about their customers’ individual circumstances and financial objectives.

4.4.2. Licensees must also ensure that customers are provided with accurate, timely and comprehensible information that would enable them to make informed decisions.

Explanatory Notes

This principle includes any obligation of the licensees:

- *to know their customers and to fulfil any suitability requirements;*
- *to acquire and to provide information, including information about risks, required by the customer to make informed investment decisions;*
- *to provide timely and accurate reports to the customer about business undertaken with the customer.*

4.5. Protection of Customer's Assets

Licensees must ensure that, in cases where they have control over their clients' assets, these are, at all times, properly segregated and identifiable. This includes ensuring that client's money is properly segregated.

Explanatory Notes

Licensees must segregate the clients' assets which they hold from their own. The aim is to ensure that client's assets are protected from risk of loss and that they can be easily identified in case of insolvency of the licensee or the client.

4.6. Compliance

Licensees must observe high standards of market conduct and must comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of customers and the integrity of the market.

Explanatory Notes

Licensees must ensure compliance with all applicable laws, including, but not limited to the relevant Acts, regulations, rules and guidelines issued thereunder.

4.7. Financial Resources

Licensees must ensure that they maintain, at all times, adequate financial resources to meet their financial obligations and that they implement appropriate risk management policies in their business.

4.8. Internal Affairs

Licensees must manage their business in a responsible and sustainable manner while ensuring that adequate controls are maintained. They must also ensure that, at all times, proper systems and procedures are in place in respect of operations, record keeping, human resources, training, compliance as well as such other matters as the Commission may deem necessary.

4.9. Relationship with the FSC Mauritius

Licensees must deal with the Commission in a co-operative manner and must comply with their disclosure obligations in a prompt manner.

5. COMPLIANCE WITH THE CODE

- 5.1. All licensees must comply with the Code.
- 5.2. The Board and other officers of licensees are responsible for setting the tone and guiding business practices in the organisation so that all employees of the licensees and other persons acting on the behalf of the licensees can contribute to sound business conduct.
- 5.3. Licensees must keep appropriate records of any arrangements made to comply with the Code. These records must be available for inspection by the Commission, at any time, upon request.
- 5.4. Non-compliance with the Code will expose the licensee to regulatory actions in accordance with the relevant Acts.

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