

# **LAUNCH CEREMONY OF AFRINEX**

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**SPEECH BY HON PRAVIND KUMAR JUGNAUTH  
PRIME MINISTER**

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**MONDAY 25 OCTOBER 2021 AT 0930 Hrs**

**VENUE: HENNESSY PARK HOTEL,  
EBÈNE**

**Honourable Ministers,**

**His Excellency Mr Pankaj Choudhary, Minister of State for Finance,**

**Her Excellency the High Commissioner of India to Mauritius,**

**The Managing Director and Chief Executive of Bombay Stock Exchange,**

**Directors of AFRINEX,**

**The Managing Director and Chief Executive Officer of AFRINEX,**

**Distinguished guests,**

**Ladies & Gentlemen,**

**Good Morning.**

It is with a deep sense of satisfaction and pride that I join you this morning for the launch of AFRINEX only a few days after Mauritius was removed from the grey list of the Financial Action Task Force (FATF) well before schedule.

Getting out of the FATF grey list was a major challenge for our jurisdiction. But we have proved that if we join our forces, no challenge is unsurmountable. Although we always claimed that our jurisdiction was a clean and reputable one, we set out to satisfy the FATF with all the seriousness and commitment it required.

Relevant ministries, regulators and other concerned stakeholders worked resolutely with a positive mindset, under my leadership, to achieve compliance with the recommendations put forward by the FATF. We left no stone unturned, considered every single detail and the result is there for everybody to see.

The decision of the FATF comforts us in our conviction that we should be constantly doing everything possible to consolidate and preserve the repute and seriousness of our financial jurisdiction. It sends a strong signal to investors and boosts the element of trust that has made of Mauritius a financial centre of excellence. On the back of this outstanding achievement, I am now confident that Mauritius will soon leave the black list of the European Union.

It is, therefore, in a very conducive climate of feel good factor that we are launching a new Securities Exchange in Mauritius.

The setting up of a pan-African Securities Exchange in our country espouses my vision to consolidate the attractiveness of our jurisdiction as a leading International Financial Centre of substance.

The idea was first discussed with the Department of Economic Policy Affairs, Government of India in February 2018, on my behalf, by the then Private Parliamentary Secretary, Mr Raj Rampersad, and soon after, with the blessings

of the Government of India, the Bombay Stock Exchange was invited as private partner to support this Mauritius-India initiative.

The project rapidly gathered momentum and on 12 March 2018, AFRINEX signed a Memorandum of Understanding with the Bombay Stock Exchange for technical and skill assistance. One year after, during my visit to India in January 2019, I attended a function at the Bombay Stock Exchange where I unveiled the brochure of AFRINEX. Mock-trading commenced on 31 May 2021 in the presence of my spouse and today it pleases me to participate in this launching ceremony.

I wish to heartily thank the Government of India for making this new venture a reality and adding to the Mauritius-India cooperation, yet another significant landmark.

I extend my warmest congratulations to AFRINEX as a new stakeholder in the financial community of Mauritius. We are having another securities exchange after almost 30 years. This testifies that our capital market is expanding and deepening while assuming a larger role in the development and integration of the regional capital market.

AFRINEX will certainly contribute to further establish Mauritius among the newly developed emerging capital markets of the region.

## **Ladies and Gentlemen,**

You will all agree with me that this event is particularly timely, not only for the capital markets sector in Mauritius, but for the whole economy and the jurisdiction. The growing internationalisation of markets combined with changes in the regulatory landscape in the current post-crisis environment mean that, in practice, there is a need to review key policies and regulatory and supervisory strategies. A purely national response is no longer adequate and policy response in all key areas must have both a domestic and an international dimension. Policy makers are being called upon to engage in a series of reforms. Further, in light of the pandemic, the focus of governments and policymakers are to reshape the financial landscape and ensure financial markets are more resilient. Regulators are continuously re-strengthening their respective frameworks with new policies to meet the challenges posed recently by the Covid-19 pandemic and attract investments. Many jurisdictions are reorienting towards new products and services. It is thus timely for the country that a new securities exchange is starting to operate. There is a need to partner with new stakeholders and bring innovation in the financial markets. These are the essential ingredients to position our jurisdiction as an avant-garde International Financial Centre.

I strongly believe that our mindset has to change if we are to realise our full economic potential. We need to increase our national level of savings, mobilise capital, and channel those financial resources into productive investments that create jobs and incomes and earn foreign exchange. A new Securities Exchange is a vital intermediary in that process.

I am confident that as a Pan-African focused international securities exchange, AFRINEX will contribute to provide more market depth and liquidity to African Exchanges.

It is very encouraging to see that in spite of our economy being rocked by the Covid-19 pandemic, entrepreneurs keep striving. This is an absolute show of confidence in our economy and our country that inspires Government to forge ahead and pursue with even greater resolve its developmental agenda.

The financial services sector has a central role to play in our development pursuit. It has the highest productivity among all sectors and it is only logical that we invest more of our resources in that sector – away from low productivity activities.

In fact, a prominent feature of our development is to promote the shifting of resources, in particular our country's human resources, from low to high

productivity economic activities in order to optimise their participation and improve their earning capacity.

The financial services sector is also becoming increasingly outward looking. In the past two decades our banks have made significant investments to set up and expand operations in other countries in the region and beyond.

We also see the financial services sector as one of the most resilient in our economy. This is borne out by its positive growth performance last year when our economy experienced a deep recession.

Government will, therefore, continue its policy to further expand, diversify, and consolidate that industry.

In fact, this year, to further leverage Mauritius as an attractive jurisdiction for raising capital and for listing on our stock exchanges, we have brought about significant improvements in the relevant laws. Accordingly, the Securities Act and a number of FSC rules (the Securities (Public Offer) Rules, the Securities (Preferential Offer) Rules, the Securities (Authorisation of Foreign Investment Dealers Rules), and the different Brokerage Fees Rules made under the Act were amended. The amendments were also made to ensure that our legal and regulatory framework embeds latest and best international practices, and to streamline regulatory compliance.

As I said earlier, we will stop at nothing to maintain and uphold the reputation of our jurisdiction as one that follows international best practices and where the laws and the operators are fully compliant with international exigencies.

As regards capital market development, we will ensure that international best practices, as set out by the International Organisation of Securities Commissions' objectives and principles, are strictly followed. These include developing, implementing, and promoting adherence to internationally recognised and consistent standards of regulation, oversight and enforcement in order to protect investors, maintaining fair, efficient, and transparent markets, and seeking to address systemic risks.

**Ladies and Gentlemen,**

I have no doubt that AFRINEX will also represent a major plus in our broader Africa Partnership Strategy where Mauritius has a role to promote the development of financial services that will benefit not only Mauritius but other African countries as well.

Let me conclude by making an appeal to all operators in the financial industry, banks and non-bank financial companies, local and foreign, to do their utmost

to innovate and actively participate in the process we have set as a nation to emerge stronger together and confidently embrace the future.

I again congratulate AFRINEX and wish it all the best for its much appreciated pan African focus.

I thank you for your kind attention.

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