



THE INTERNATIONAL ORGANIZATION OF SECURITIES
COMMISSION (IOSCO)

AFRICA / MIDDLE-EAST REGIONAL COMMITTEE (AMERC)

PUBLIC CONFERENCE

*Navigating Tomorrow's Financial Landscape:
Innovation, Inclusion, and Sustainability*

Opening Remarks by

Mr Mardayah Kona Yerukunondu, FSC Chairperson

21 February 2024

Westin Turtle Bay Resort & Spa, Balaclava

Honourable Soomilduth BHOLAH, Minister of Financial Services and Good Governance

Mr Rajeshsharma RAMLOLL, Senior Counsel, Solicitor General and Vice Chairperson of the Financial Services Commission

Mr Sarwansingh PURMESSUR, Permanent Secretary of the Ministry of Financial Services and Good Governance and Board member of the Financial Services Commission

Board Members of the Financial Services Commission

Mr Dhanesswurnath **THAKOOR**, Chief Executive of the FSC

Mr Tajinder **SINGH**, IOSCO Deputy Secretary General

Mr Ian **JOHNSTON**, IOSCO AMERC Vice Chairperson

IOSCO AMERC Delegates

Distinguished Panel Speakers

Representatives of industry associations

Members of the Press

Distinguished Guests

Ladies and Gentlemen

A very good morning to you all.

In February 2016, we hosted the Africa Middle East Regional Committee (AMERC) Meeting and Conference here in Mauritius. Today, 8 years after, here we are, receiving you again in Mauritius. History repeats itself, but this time it is with renewed warmth and enthusiasm.

It is with delight therefore that, I extend a warm welcome to you all, for today's Public Conference under the theme '*Navigating Tomorrow's Financial Landscape: Innovation, Inclusion, and Sustainability*'.

Since 2016, for some it may be the second time that you are attending the Conference in Mauritius, while others may have left or been replaced, but the AMERC continues. There was then another Chairman of the FSC. Now there is another Chairman and he is standing before and addressing you today. This is how life goes.

Ladies and gentlemen, I think it is now opportune for me to say a few words on the FSC's involvement with the IOSCO/AMERC.

Our engagement with the IOSCO dates back to 1992. We have been an active ordinary member of the IOSCO. We have, over these past three decades, participated in the several surveys and activities of the IOSCO and the AMERC. Since September 2018, the FSC holds a seat on the IOSCO Monitoring Group Steering Committee as a representative of AMERC. The FSC was re-elected to hold the seat for another term from 2021 to 2022. The FSC is currently an AMERC Representative on the

IOSCO Board for the term 2022-2024. We heartily thank the IOSCO and the AMERC for the sustained confidence, they have placed on us.

The AMERC Conference has today established itself as a key event on the AMERC calendar. It brings together key players of the securities market and regulators from the region to discuss matters of common interest and offers the public also an opportunity to participate.

This conference revolves around three topics; innovation, inclusion and sustainability; of which each topic is equally important and have an impact on the development of capital markets.

Today **innovation** has become the cornerstone of progress. It is the driving force that propels us forward, opening new avenues and possibilities. From digital banking solutions to blockchain technology, innovation holds the key to unlocking new opportunities and reshaping the financial industry.

Ladies and Gentlemen, the FSC is committed to foster a conducive regulatory and business environment that encourages fintech innovation, while ensuring an appropriate level of compliance and consumer protection. In particular, the FSC aims to improve the competitiveness of our Financial Centre through the diversification of its products and by supporting industry-led initiatives to develop technology-powered and innovation-driven financial products. The FSC has a dedicated cluster that looks at Innovation and Fintech matters. The FSC has also embarked in several other initiatives namely;

- the establishment and administration of the Regulatory Sandbox Authorisation and Fintech Innovation Hub;

- proactive engagement with market participants, stakeholders and the broader community; and
- the continuous alignment of the legal and regulatory framework to accommodate new or evolving business models and the handling of their associated risks.

As we navigate this new era of finance, it is crucial that all stakeholders – from innovators and investors to regulators and consumers – collaborate to foster a responsible and inclusive financial ecosystem that harnesses the full potential of technologies.

In the world of fintech and crypto, intermediaries are fading away. Instead, technologies and decentralised finance platforms have enabled peer-to-peer transactions and eliminated the need for intermediaries. This shift has not only streamlined processes and reduced costs, but has also democratised access to financial services, empowering individuals to take control of their own financial destinies. As a result of these developments, regulators are facing new challenges in how to oversee the financial industry.

The role of intermediaries and regulators is thus changing, in response to the transformative power of fintech and cryptocurrencies. New models of regulation and oversight are being developed to accommodate the evolving financial ecosystem, ensuring that innovation is nurtured while also safeguarding against potential risks and abuses.

Addressing an audience at an IOSCO event in Kuala Lumpur, Sir David Tweedie, former Chairman of the International Accounting Standards, referred to a Texas billionaire who offered his house or his money or the hand of his daughter to anyone who was courageous enough to swim across a pool of crocodiles. When a

man plunged and made it to the other side, the billionaire asked the man which of the prize he wanted. The guy said 'I want to know the guy who pushed me in.' As regulators, we feel that way sometimes, "pushed in".

Ladies and gentlemen, this brings us to the second topic, that is, **inclusion**. Inclusion is not just about providing access to financial services but also about fostering a culture of diversity and equality within the industry. Financial inclusion ensures that prosperity is widely shared. It is democracy.

As we strive for economic prosperity and equality, it is crucial that we make strides towards including everyone in the financial system. It is important to acknowledge the role of technology in the development of innovative and inclusive financial products and services, particularly for those living in remote or underserved areas. Mobile banking, digital wallets and online payment platforms, and now the Central Bank Digital Currency, are expanding access of financial services to previously unreachable people. We must hence stand firm to ensure that everyone has equal access to the financial tools and resources they need. While financial inclusion may not solve all of our economic challenges, it does offer a potential for positive change. Financial inclusion is a great service to mankind, especially the needy. The Prime Minister of India, Honourable Narendra Modi said, '*I dream of a Digital India where mobile and e-banking services ensures financial inclusion.*' This should be the dream of every country.

We now move on to the third topic which relates to **sustainability**. In an era of rapid technological advancements, global connectivity and growing environmental challenges, the nexus between innovation and sustainability has become important for business viability and societal impact.

The financial services sector has the potential to greatly impact the environment, society and the economy. The traditional banking and investment practices have somehow contributed to environmental degradation and social inequality. It is therefore high time to consider environmental, social and governance (ESG) factors in the way organisations operate and reflect on the long-term impact of investment decisions on the planet and on future generations. Responsible investing considers the environmental impact it has on companies, their treatment of employees and communities and the governance and ethical practices of their leadership, thus contributing to a more sustainable and equitable world.

Ladies and gentlemen, there is also a need to focus on transparency and accountability in financial practices through sustainability reporting and disclosure. Embracing sustainability in the financial services sector is not just a moral imperative but also a strategic one. Companies that prioritise sustainability are better positioned to navigate long-term risks and opportunities, retain existing clients and attract new ones. By being open and transparent about its sustainability efforts, an organisation can build trust with clients and stakeholders and inspire broader change within the industry.

The IOSCO has in 2023, endorsed the International Sustainability Standards issued by the International Sustainability Standards Body, the ISSB, and has called upon its members to consider ways in which they could adopt, apply or otherwise be informed by the ISSB Standards.

The FSC published guidelines on the issuance of Green Bonds in December 2021 to set out the legal and supervisory framework for the issuance of Corporate and Green bonds. The objective is to demonstrate our commitment to protect Mauritius from climate change risk in line with the 2030 United Nations Sustainable

Development Goals (SDGs). The FSC is confident that, with the adoption of green finance, the jurisdiction will become more attractive to investors and promote the country as a capital markets destination.

Ladies and gentlemen, today's three topics are not only crucial but also intertwined in any jurisdiction. Cooperation and capacity-building are instrumental in helping jurisdictions to advance in those three areas. I am sure that Innovation, Inclusion, and Sustainability remain a priority for the AMERC region.

We must remember that the earth does not belong to us, we belong to the earth. People must feel that the natural world is important, valuable, beautiful and wonderful, an amazement and a pleasure too.

I am convinced that the high-level intervention of speakers and panelists will provide an interactive platform for regulators and industry participants to debate on challenges and how best to address them.

Ladies and gentlemen, to end I shall recite an extract of poem on climate change by G. A. Meyers. I hope you find it interesting:

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Climate change is already here

There's a lot of things we can't resist

The lovely earth that we should kiss

Let us save our Mother nature

Let us make it in perfect structure

Life is pleasant here on earth

Don't let disaster become her birth.

On this note, ladies and gentlemen, I thank you for your attention.

Mr Mardayah Kona Yerukunondu

21 February 2024