

## **Terms of Reference: Mauritius Securities Law**

### **Project goal and purpose**

The GOAL of the project is to strengthen the capital markets in Mauritius.

The PURPOSE of the project is to draft a Securities Bill in line with best international practice which reinforces the Government's commitment to enact a Securities Act before the end of the year and to strengthen industry confidence.

### **1. Project output**

The key output for this project is a draft Securities Bill which reflects best international practices and standards, takes into account local market conditions and comments of stakeholders, and is acceptable to the Parliament.

### **2. Project benefits**

The key benefits of this project are:

- Mauritius will have a modern Securities Act that conforms with best market practices and international standards and principles, in particular with the IOSCO Objectives and Principles; will pave the way for a new regulatory architecture for the Securities Market in Mauritius; and
  - will ensure an adequate balance between regulation and the protection of investors and the interests of the market
  - builds up public confidence in the securities market
  - sets the right framework for economic development.
- A high level of confidence in the market that comprises of both local and foreign investors will be developed by the new regulatory structure proposed in the new Securities Act.
- The new Securities Act will contribute towards achieving an adequate level of protection of investors and to ensure a fair, efficient and transparent market by putting in place a system of proper disclosure and of control and supervision of the intermediaries and the self-regulatory organizations.
- The enactment of the Securities Act will kick-start other projects such as the making of full-fledged Regulations for Collective Investment Schemes, the broadening of product range such as the new listing facility for offshore funds and specialised products that is being developed by the Stock Exchange of Mauritius (SEM).

### **3. Terms of Reference for the consultants**

This project requires strong experience in the drafting of securities legislation and proven knowledge of emerging markets. The Consultant should have a strong legal background with proven experience in the drafting of Securities laws and regulations compatible with the core principles of the IOSCO.

He/she will work in close collaboration with a team comprising the Chief Executive and Staff of the FSC and counsel(s) from the Attorney General's Office of Mauritius to gather appropriate information, appraise the policy proposals behind the Bill and to seek appropriate clarification and drafting instructions.

The Consultant will:

- Review the working document on the Securities Bill
- Advise on any amendments to be made to the Working Document and
- Support the final drafting of the Securities Bill

The specific activities to be undertaken include:

*Appraisal of policy proposals and seeking clarification and drafting instruction on any matter arising. (3 working days)*

- The Consultant will identify any gaps or omissions in the policy instructions to enable him to draft the Bill and obtain drafting instructions.
- The Consultant will have to advise and make recommendations on the policy proposals to ensure that the Bill is in line with international best practices including the IOSCO Core Principles.
- The Consultant will review the draft Securities Bill in light of policy directions and any proposals gathered through the consultation process that Government has agreed to incorporate in the Bill
- The Consultant will discuss, advise and obtain definitive instructions on the Consequential Amendments, Transitional Provisions and other required areas of the law.

**Deliverable:** Confirmation of the drafting instructions for the whole Bill including the transitional provisions, consequential amendments and the Explanatory Memorandum to the Bill.

*Drafting of the Securities Bill (10 working days)*

- The Consultant will draft legislative provisions of the Bill in line with drafting instructions received.
- The Consultant will also draft the Explanatory Memorandum.
- The Consultant will submit a first preliminary draft of the Bill for first review by FSC and the Attorney General's Office.

**Deliverable:** Submission of the first draft of the Bill for first review by FSC and the Attorney General's Office

*Taking cognisance of comments and suggestions to make final amendments to the draft Bill. (7 working days)*

- The Consultant will revise the draft Bill in light of review comments received from FSC and the Attorney General's Office, and return it to the FSC and Attorney General's Office for final checking.

**Deliverable:** Final draft of the Bill.

*Mentoring (5 working days)*

Subsequent to the submission of the Bill, a period of up to 5 working days will be available over the next three months for the consultant to address parliamentary queries on the Bill remotely and as a follow-up for an industry professionals' update after the adoption of the Bill.

#### 4. Project timetable

To meet the calendar of the National Assembly, the Bill needs to be submitted to Cabinet by the 26 of November 2004 at latest. The project, therefore, should start on 4 October 2004 and is expected to be completed by 19 November 2004.

<b>OFF-SITE</b>		
<b>1</b>	<i>Start of Project</i>	<b>04 October 2004</b>
<b>2</b>	<i>Appraisal of policy proposals and seek clarification and drafting instruction on any matter arising.</i>	<b>04 – 05 October 2004</b>

<b>ON-SITE</b>		
	<b>DELIVERABLES</b>	<b>EXPECTED DATE</b>
<b>3</b>	<i>Confirmation of the drafting instructions for the whole Bill including the transitional provisions, consequential amendments and the Explanatory Memorandum to the Bill.</i>	<b>06-08 October 2004 (including travelling to Mauritius)</b>
<b>4</b>	<i>Submission of the first preliminary draft of the Bill for first review by FSC and the Attorney General's Office</i>	<b>20 October 2004</b>
<b>5</b>	<i>Feedback, discussions and final policy decisions</i>	<b>28 October 2004</b>
<b>6</b>	<i>Submission of the final draft of the Bill to FSC, Ministry and Attorney General's Office</i>	<b>05 November 2004</b>
<b>7</b>	<i>Administrative clearance by Attorney General's Office</i>	<b>12 November 2004</b>

<b>PROCESSING TO NATIONAL ASSEMBLY</b>		
<b>8</b>	<i>Ministry submits Bill to Cabinet for approval to be table in the National Assembly</i>	<b>19 November 2004</b>
<b>9</b>	<i>Tabling of Bill in National Assembly for first reading</i>	<b>30 November 2004</b>

#### 5. Reporting

The consultant will be expected to provide an inception report no later than one week after his/her initial meeting confirming/commenting on the TORs and achievability within the envisaged timescale. Thereafter, the consultant will inform the MU if there is a risk that project TORs or timetables will not be met or any action is needed by the MU or the FSC. The consultant will also assist in the preparation of the Project Completion Report.