MAURITIUS BANKERS ASSOCIATION LIMITED

JANUARY, 2021

MBA NEWSLETTER

Editorial

Dear readers,

Welcome to the first edition of the MBA's Newsletter.

The objective of this monthly publication is to provide the banking community, and the public at large, with regular updates on developments which are of relevance to the banking industry in Mauritius and internationally.

The mission statement of the MBA is 'to nurture an innovative, competitive and trustworthy banking sector for the welfare of society'. In order to achieve this mission, our work is structured around our 4 main strategic pillars: Advocacy, Thought Leadership, Capacity Building, and Community Engagement.

Covid-19

Advocacy

The MBA is actively working with the Bank of Mauritius and other stakeholders to ensure that banks are able to support economic operators through the Covid-19 crisis. We welcome the Bank of Mauritius decision, on 5 January, to extend the BOM Support Programme until June 2021, and to re-issue the BOM Support Scheme for Households. We also welcome the positive engagement of the Mauritius Investment Corporation to ensure a coordinated approach in relation to support for systemic companies. The MBA is also maintaining an ongoing dialogue with the Bank of Mauritius regarding Banking Resilience, and is discussing a number of potential measures to ensure that banks remain resilient throughout the current situation. To date banks have proved resilient and there has not been a need for material regulatory forbearance; however, given the uncertain outlook, the Bank of Mauritius has deferred the last tranche of the implementation of the Capital

2020 was a year of many challenges, and in many ways, 2021 will be a defining year for our economy.

On the domestic market, the main issue remains Covid-19: ensuring that the economy bounces back, and that banks are able to support their customers through this difficult period. On the international front, the inclusion of Mauritius on the EU's list of jurisdictions under increased monitoring, and the global repercussions of the global pandemic remain key concerns. These remain key focus points for our **Advocacy** work.

At the same time, it is essential that the local ecosystem adapts to international changes in the economic and financial landscape. Our **Thought Leadership** agenda focuses on issues such as Digitalisation, the development of the Fintech ecosystem, and the strategic positioning of Mauritius financial services sector in the wake of the 2018 Blueprint.

Given the rapid pace of innovation and chance in financial services, the banking community, and the financial services ecosystem at large, must attract and nurture the right skills and talent to take our sector into the future. This is the focus of our **Capacity Building** work.

Finally, it is important to build awareness, in the wider community, of the above developments. The innovations in banking must be matched by higher levels of financial literacy, to ensure that the community is equipped to make the best of the tools and services available to them. This newsletter, and our recent media campaigns, are part of our **Community Engagement** mission.

Over the coming months, this newsletter will highlight key developments for our industry, and will help us keep in more regular contact with you. You can also follow us on social media (click on the links below).

Our best wishes for 2021.

Mr. Daniel Essoo – CEO of the Mauritius Bankers Association

Accessibility
Community Engagement

Adequacy Ratio, and introduced some flexibility under the transitional measures for the implementation of IFRS9.

Inclusion of Mauritius on the FATF list of jurisdictions under increased monitoring
Advocacy

Further to the inclusion of Mauritius on the FATF list of jurisdictions under increased monitoring, the Government of Mauritius is maintaining its plan to fully implement all remedial actions well ahead of the FATF's proposed schedule. The progress made by the authorities as at end 2020 was reviewed during a 'face-to-face' follow-up evaluation exercise with the FATF's ICRG on Friday 22nd January 2021. The conclusions of this review will be presented at the FATF's next plenary session, which will be held from 22 to 25 February 2021.

BoM Fintech committee
Thought Leadership

Further to the publication, in 2018, of the Blueprint for Financial Services, the MBA is

The MBA is currently working with the Ministry of Social Security on an Outreach Programme for Mauritian residents aged over 60. There are approximately 238,000 seniors in Mauritius, of whom about 58,000 still collect their monthly pension in cash from the post office at the end of each month. While banks offer a range of services for the convenience and safety of our seniors, there appears to be limited awareness of these services, and the outreach programme will look bridge this gap. Banks have also embarked on a number of initiatives to make banking services more accessible to customers with special needs, and these will be released during the year.

Digitalisation

Capacity Building

Since 2020, the MBA has held a number of working sessions with its members and the University of Mauritius to clearly identify and bridge the IT skills gap in the banking sector. Earlier this month, the MBA and the Mauritius Africa Fintech Hub held a working session to map out the participating in several initiatives which are under way across the Financial Services sector to review, update and implement the recommendations of the Blueprint. The Bank of Mauritius is currently holding a consultation exercise on this matter in relation to the banking sector. As part of this project, a Fintech Committee has been set up, to look at concrete ways to support and accelerate the development of a Fintech ecosystem. Working groups have been set up on topics such as Talent & Skills, Regulation, Innovation and Capital. The banking sector is represented on this Committee by members of the MBA Bureau (the MCB, HSBC, Bank One, and the MBA), and a first outline is expected in the month of February. MBA Member banks are invited to share their thoughts and suggestions through the MBA.

Engagement with students

Community Engagement

On 19 January, the MBA team gave a presentation to secondary school students on the role of banks, the MBA and Financial Education. This was also an opportunity for the MBA team to discover the Bank of Mauritius museum and its Knowledge Centre, which houses local and international documentation on the banking and financial services industry. The MBA is already collaborating with the Bank of Mauritius on training events for journalists, and will now be joining forces with the Bank of Mauritius regarding outreach to the student population.

skills shortfall, and brainstorm on concrete steps to bridge this gap. While banks are currently able to recruit senior systems architects, there is a clear shortfall of coders with practical knowledge of specific coding languages. The MBA and MAFH are working jointly on a series of short (6-month), focussed coding programmes, to be delivered from mid 2021.

International developments & collaboration

The MBA regularly monitors international developments such as on Covid-19 response mechanisms, and prudential measures. In that regard, we are sharing with our members a recent report on Global Risks, released by the World Economic Forum. The MBA also monitors the work of other bankers' associations and occasionally engage into collaborations with them. In that regard, we are pleased to share that numerous bank employees have registered for a leadership course offered by the Egyptian Banking Institute; the official training arm of the Central Bank of Egypt. Please click **here** to access the report.

National qualifications framework

Capacity Building

Since the beginning of this year, the MBA has held two working sessions with the MQA, with a view to updating the current National Qualifications framework in relation to banking. This was an opportunity for the MBA to share the work of the MBA HR Committee on a proposed new syllabus for a National Certificate Level 4 in Banking, which is currently being reviewed by the MQA, and is being proposed as the basis for future courses on Banking. The MBA has also embarked on a revision of the National Certificate Level 5 in Banking Operations, which has been reviewed by MBA members. The output of this work will set out a new, updated competence framework, and enable local training institutions to tailor courses to meet the today's industry needs.

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