

Harvesh Seegolam: Keynote address - Grant Agreement

Keynote address by Mr Harvesh Seegolam, Governor of the Bank of Mauritius, at the signature of Grant Agreement between the Regional Centre of Excellence and the Organisation for Economic Cooperation and Development, Balaclava, 18 May 2023.

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- Dr. Carmine Di Noia, our special guest from the OECD, Director of Finance and Enterprise Affairs, OECD
- First Deputy Governor of the Bank of Mauritius and Chairperson of the FSC
- Second Deputy Governor of the Bank of Mauritius
- Director General, Independent Commission against Corruption
- Chairperson of Information and Communication Technologies Authority
- Board members of the Bank of Mauritius
- Board members of the Financial Services Commission
- Chief Executive of the FSC
- Chief Executive Officers of industry associations
- Chief Executive Officers of banks and other institutions
- Members of the RCE Governing Board
- Members of the Press
- Ladies and Gentlemen
- All protocols observed

Good afternoon

It gives me immense pleasure to address this forum today for the Signature of the second Grant Agreement between the Regional Centre of Excellence (RCE) and the Organisation for Economic Cooperation and Development ("OECD"). I am deeply honoured to witness this momentous event as Chairperson of the Governing Board of the RCE.

The gratification I have in seeing that the RCE, an institution, the setting up of which was done by me in my then capacity of CE of the FSC, in 2019 is living fully to its expectations is even more overwhelming. I would like to congratulate the RCE team on their dedication to establish the institution as a reference in our region.

The genesis of an RCE for the region is found in the 2018/2019 budget. At that time, the creation of a Regional Centre of Excellence was announced with the objective of strengthening and supporting effective regulation, sound corporate governance and good conduct in the Southern and Eastern African regions.

This was followed by the signature of a Memorandum of Understanding between the Government of Mauritius and the OECD in September 2018. The RCE was launched in April 2019 and is the first of its kind institution to collaborate with the OECD on the African continent.

Ladies and gentlemen,

Capacity-building institutions abound in the world. But very few are tailored to the pragmatic elements that are pertinent to the work of financial regulators and law enforcement agencies. The latter often has to grapple with a number of complex objectives, ranging from macro-objectives, namely: maintaining financial stability and safeguarding financial integrity of a jurisdiction, to more micro ones, including consumer protection, without compromising on technological developments.

Our partnership with the OECD can only provide more credence to our jurisdiction as an international financial centre of repute and will, at the same time, strengthen and facilitate adoption of international best practices. Under the agreement signed today, we shall cooperate in key fields covering a wide spectrum of economic and financial sector policies.

In the long term, this initiative will not only be confined to cooperation but will also provide a range of exciting network opportunities for our benefit. It will build the capacity of the regulatory bodies and law enforcement agencies in our region. I look forward to witnessing the relationship flourish over time and becoming a reference in our region in the elevation of African specialists in the financial services and law enforcement fields towards excellence.

Ladies and gentlemen,

I need not remind you of the numerous challenges over the past few years, ranging from the COVID-19 pandemic to geo-politically inflicted global inflationary environment, and more recently to some financial market turmoil in the US and Europe with the onset of financial trouble in certain US banks. As such, as regulators, we need to comprehend that we are at the epicenter of seismic shifts in macroeconomic and macro-financial environment and that these changes have implications on our work. These events are reminiscent that we are in need of continuous adaptation in order to survive the new rules of the game in a new world economic order. Being ahead of the curve is the norm.

It is crucial for us, regulators, to uphold the public good and to deliver on our socially-mandated goals with panache by taking cognizance of all scenario-based challenges as well as by being adequately equipped with the appropriate toolkits for dealing with those challenges. In this realm, I can positively confirm that, through its rich program delivery over the past few years, the RCE has ceremoniously assisted regulators in the region in taking cognizance of these manifold challenges.

The RCE has organised various workshops in the past year in a number of topical areas, including financial technology, climate change and combating financial crime, to name just a few. Developments in these fields are taking place at breakneck speed and are consistently plaguing the regulatory landscape with new insights that were hitherto outside the purview of regulators.

The rapid inroads of technology and blockchain innovation into the payments landscape, for instance, has a number of ostensible implications for financial inclusion and access but requires concerted efforts of all regulatory bodies, including those overseeing fintechs, techfins and telcos, so as to avoid regulatory capture and regulatory arbitrage. There is a growing interest in participating in the activities of the

RCE. It has, so far, conducted 10 workshops and trained over 2,800 participants around the globe.

My key message here, ladies and gentlemen, is that we are no longer living in a microcosmic world but in a heavily interconnected one. Actions in one jurisdiction have wide-ranging and far-reaching cross-border implications for other jurisdictions. As such, regulatory excellence in a jurisdiction cannot be achieved on a stand-alone basis without being mindful of these potential cross-border externalities. That is why knowledge exchange, as well as information dissemination and collaboration between different jurisdictions become a sacrosanct exercise.

To illustrate, sustaining efforts to tackle corruption and financial crimes so as to uphold the financial integrity of a jurisdiction has become a policy priority for many jurisdictions worldwide.

However, as the case of Mauritius illustrates when the country exited the high-risk lists of a number of international institutions, this can only be effectively discharged through a collaborative approach among all stakeholders within and across jurisdictions.

I would therefore encourage regulators from the region to continue leveraging on the unique opportunity offered by the RCE as the fulcrum for capacity-building, knowledge transfer and advocacy in fields that they are privy to.

Ladies and Gentlemen,

The Governing Board remains committed to providing the jurisdiction and the region with the appropriate human resources, expertise and guidance to improve the soundness and resilience of our financial systems. In fact, the signature ceremony is being accompanied by a two-day hybrid workshop on "*Promoting good corporate governance*" covering inter-alia the G20/OECD Principles of Corporate Governance and sustainability.

I am sure that each one of you present here today will agree that a sound corporate governance framework is the linchpin for the effective functioning of any organization. This is even more critical in the financial services industry dealing with massive funds. History is littered with examples of failures of institutions, including venerable ones, due to poor corporate governance practices.

Our governance structure needs constant adaptation to changes to ensure its continued relevance. It cannot be a one-size-fits-all approach. I am happy to see that members of the National Governance Committee are also present.

It serves us as a stark reminder that the perennity of any organization cannot be ensured in the absence of an adequate system of corporate governance. The workshop will provide you with valuable insights on the latest developments in the area of corporate governance and will be the perfect springboard for necessary reforms that you wish to bring in this particular area.

Ladies and Gentlemen,

We have embarked on an initiative that will provide benefits to strengthen our reputational legacy not only to us but also to our future generations. It is therefore my conviction, that with the expertise and experience of the OECD, we can take our respective financial systems to new heights.

Ladies and Gentlemen,

Before I conclude, I would like to put on record the excellent support that we have been having from the OECD all throughout the last few years and we look forward to further nurturing these working relations. I would also like to put on record the excellent support I have been receiving from all members of the Governing Board to achieve what we have been able to achieve so far. There is certainly a more exciting journey awaiting us going forward.

With these words, Ladies and Gentlemen, I would like to wish you all every success in that construction process and I thank you for your attention.