

Discussions with Dentons

Panel Summaries

Panel 1: Project Finance

PANELISTS:

- **Christopher Showalter**, CEO, KellTech
- **Anju Umrowsing-Ramtohol**, Head of Credit Origination and Structuring, Mauritius Commercial Bank (MCB)
- **Sanjiv Bhasin**, CEO, AfrAsia Bank Ltd
- **Raj Kulasingam**, Senior Counsel, Dentons

MODERATOR:

- **Sivakumaren (Robin) Mardemootoo**, Managing Partner, Dentons Mauritius

Panel 1 addressed the subject of project finance from a banking and legal perspective. The panelists had an engaging exchange on the various factors affecting project financing structures and shared their cross-jurisdictional experiences.

Moreover, there were in-depth discussions about the allocation of risks between the public and private sectors in PPP contracts.

The participants shared the common opinion that the primary consideration when putting in place a project-financing structure is to assess and mitigate

the financial and geopolitical risks and ensure that the interests of the sponsors and the funders are upheld.

Another crucial aspect, according to the panelists, to be taken into account in relation to the financing of PPP is the key element of public interest. In fact, the challenge here is how to create the appropriate mechanism to align both private and public interests.

The panelists also debated project financing in Asia and more particularly in Africa.

The growing demand for infrastructure has made Africa an attractive destination for project finance over the last decade, with a significant increase in the number of projects implemented.

It was observed that African project finance is under-invested, is hampered by difficulties in terms of identifying investable projects, is over-reliant on sovereign support and lacks regulatory framework. Despite all these challenges, the project finance market in Africa is becoming increasingly resourceful in structuring deals to address the continent's growth and infrastructure needs.



Panel 2: Fintech

PANELISTS:

- **Jonathan Garforth**, Partner, Dentons
- **Shailen Ramgoolam**, Partner, Africa, India & Middle East Advisory Services, Ernst & Young
- **Baptiste Hippert**, Digital Transformation Programme Manager, Mauritius Commercial Bank (MCB)

MODERATOR:

- **Priscilla Balgobin-Bhoynul**, Senior Partner, Dentons Mauritius

Panel 2 was highly interactive and provided a succinct insight into the evolution of the FinTech industry. In short, the following issues were addressed: the definition of FinTech; the similarity, or lack of similarity, between the approach endorsed by the UK and that endorsed by Mauritius; the future growth of the FinTech industry; the regulatory environment and issues encountered in it; the impact of Brexit; and the risks associated with it as well as the manner in which these are tackled and the crucial role of the local ecosystem.

It was observed that the UK is spearheading the development of the FinTech industry. In contrast Mauritius is treading carefully. The pace at which Mauritius is progressing and whether there is a real need for Mauritian businesses or regulators to join the rush was also addressed. The race to acquire the most advanced digital equipment to ensure that one's business keeps pace with the latest technology was also thoroughly scrutinized and a few believed that the "FinTech craze" is merely the result of "hype". Many observed that, regardless of the trend, it does not appear that FinTech has significantly affected the manner in which activities are being carried out or that it truly enhances efficiency.

The FinTech sector is highly appealing to sophisticated customers and competing businesses. Interestingly, the eagerness of the young African population to earn a living through FinTech was emphasized. FinTech can be seen in a positive or a negative light: either as a threat or as providing ample new opportunities which contribute to the flourishing of the business. It was observed that the sector is dynamic and agile. Issues pertaining to ICOs, P2P lenders, Nutmeg robo-advisors etc were also discussed. A comparative analysis between FinTech businesses and the traditional financial services as well as the respective regulatory environment was conducted. In addition, issues pertaining to blockchain were scrutinized including policies surrounding bitcoin and cryptocurrencies.

A new phenomenon or not so new? An industry which has proved its mettle or one which thrives on the "hype"? The views were varied and hotly debated. Yet FinTech has taken the world by storm. Although its future is unpredictable, its evolution is being closely monitored and Panel 2 provided an interesting platform to brainstorm the strengths and weaknesses of FinTech.



Panel 3: Compliance

PANELISTS:

- **Cynthia DeGabrielle**, Counsel, Dentons, Houston
- **David Hotte**, International Consultant
- **Guillaume Ollivry**, Director, Financial Intelligence Unit (FIU), Mauritius
- **Shomika Luchmun**, Head of Business Development, State Bank of Mauritius (SBM)

MODERATOR:

- **Sivakumaren (Robin) Mardemootoo**, Managing Partner, Dentons Mauritius

This very dynamic discussion gave the attendees an insight into the world of investigation and prosecution of violations of compliance laws and the consequences in the US and the EU.

There were interesting exchanges between the panelists on the enforcement actions under US laws and other international laws on corruption, bribery and anti-money laundering. There were also in-depth discussions on how a breach of compliance in Mauritius could trigger investigations and prosecutions in the US or the EU and how the authorities in the US can impose sanctions on companies and individuals dealing in US dollars despite those companies or individuals being based outside the US.

The panelists also explained the international standards set by the FATF and how, if a country was listed by the OECD, another country, such as Mauritius, could have access to that information.

Additionally, the role of the Financial Intelligence Unit in combating money laundering and terrorism financing was clarified and how it assists other countries with their requests for information on tax evasion.

The challenges encountered by banks with regard to compliance guidelines when having to do enhanced due diligence, especially in African countries, was also raised. The audience questioned the practicality of the requirement to do enhanced due diligence on clients and the difficulty of carrying out business efficiently and swiftly today because of compliance.



Panel 4: Is Mauritius still relevant?

PANELISTS:

- **Ben Lim**, Chief Executive Officer, Intercontinental Trust Limited
- **Santosh Gujadhur**, Co-founder, GFin Corporate Services Ltd
- **Afsar Ebrahim**, Partner, BDO Mauritius
- **Jyoti Rai**, Associate Director, Business Development & Advocacy, Edwelweiss Prime Brokerage Services

MODERATOR:

- **Renu Audit**, Counsel, Dentons Mauritius

The moderator launched the discussion by setting out the various attributes of Mauritius as a reputable International Financial Center (IFC), including: a strong regulatory framework; good corporate governance rules; competitive operating costs; and a transparent legal regime. The moderator engaged with the members of the panel as to how Mauritius could stay relevant as an IFC of choice and excellence in the coming years. The following points were made:

- Mauritius needs to innovate the range of products that it offers to its clients. The introduction of innovative financial products will be of benefit to Mauritius, attracting a wider range of investors.
- Mauritius already has a skilled workforce but should aim to attract more skilled foreigners to work within the Mauritius IFC. The arrival of highly skilled and specialized individuals will help to improve client service as well as contributing to better training and exposure for the existing workforce.
- Mauritius needs to be more proactive and aggressive when it comes to selling its attributes as an IFC. Generally, Mauritius has been acting on the defensive in respect of various criticisms aimed at it but should adopt a more forceful and organized strategy when it comes to portraying its IFC in a more positive light.
- Mauritius, as a whole (including the government and the private sector), needs to adopt a coherent and structured strategy going ahead as an IFC.

The views of the members of the panel were generally that, should the recommendations set out above be adopted, Mauritius is destined to continue its growth as a very promising and expanding IFC.