



Policy on Related Party Transactions & Conflicts of Interest

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DEFINITION

Control Functions Functions that have a responsibility independent from management to provide objective assessment, reporting and/or assurance. This includes the risk management function, the compliance function and the internal audit function.

Credit Exposure A commitment by a financial institution to provide funds or substitute of funds, including leasing facilities other than operating leases, investment in equity, investment in fixed dated securities/debentures and off-balance sheet funds to a customer or group of connected counterparties on a secured or unsecured basis.

Market Terms And Conditions means

- i. In respect of a loan or other credit facilities, the terms and conditions are no more favourable than those offered to the public by the financial institution in the ordinary course of business;
- ii. In respect of other transactions, the terms and conditions, including those relating to price, rent, or interest rate, that might be reasonably expected to apply to similar transactions in an open market where parties deal at arm's length, acting knowledgeably and willingly; and
- iii. The adoption of follow-up and enforcement actions that might be reasonably expected of a prudent person in similar situations;

Related Party

in relation to a financial institution means-

- (a) a person who has significant interest in the financial institution or the financial institution has significant interest in, or controls, the person;
- (b) a director or senior officer of the financial institution; or of a body corporate that controls the financial institution or of a body corporate which the financial institution controls;
- (c) the spouse, a child, the parent or ascendant or descendant of a natural person covered in paragraphs (a) and (b);
- (d) an entity that is controlled by a person described in paragraphs (a) to (c); or
- (e) a person or class of persons who has been designated by the central bank as a related party because of its past or present interest in or relationship with the financial institution being such that it might be reasonably expected to affect the exercise of best judgment of the financial institution in respect of a transaction;

Senior Officer

Of a financial institution means -

- (a) The chief executive officer, deputy chief executive officer, chief operating officer, chief financial officer, secretary, treasurer, chief internal auditor or manager of a significant business unit of the financial institution; or
- (b) A person with similar position and responsibilities

as a person in paragraph (a);

Significant Interest means –

- (a) Owning, directly or indirectly, alone or together with a related party, or otherwise having a beneficial interest amounting to, 10 per cent or more of the capital or of the voting rights of a financial institution;
- (b) Having the ability, directly or indirectly, alone or together with a related party or the power, to appoint 20 per cent or more of the members of the board of a financial institution; or;
- (a) Directly or indirectly exercising a significant influence over the management of a financial institution as the central bank may determine;

1. OVERVIEW

In line with *Section 28(2)* of the *Banking Act 2004*, the Bank of Mauritius may determine limits to which a non-bank deposit taking institution may grant credit to a related party and to all related parties. The Bank of Mauritius issued guidelines on Related Party Transactions (“RPT”) in December 2001 which has last been revised in May 2022. The RPT Guideline sets out the limits and other rules governing related party transactions of banks and non-bank deposit taking institutions. The revised guidelines, inter-alia, require the Board of Directors of a financial institution to establish a comprehensive policy on RPT.

In this connection, The Mauritius Civil Service Mutual Aid Association Ltd (“MCS Mutual Aid”) has formulated its “*Policy on Related Party Transactions and Conflicts of Interest*”.

The primary function of this policy is to set out the principles, roles and responsibilities with regard to Related Party Transactions and Conflicts of Interest of the MCS Mutual Aid.

2. CONFLICTS OF INTEREST

Conflicts of interest can be defined as any situation in which an individual or company is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit. A conflict of interest occurs when an individual or organisation is involved in multiple interests, one of which could possibly create unfavorable influence for an act in the other.

Personal interests of a Director/Senior Officer or persons closely associated with the Director/Senior Officer must not take precedence over those of the Association and the shareholders. Directors and Senior Officers should make the best effort to avoid

conflicts of interests or situations which others may reasonably perceive to be conflicts of interests.

The Directors have a legal obligation to act in the best interest of the Association and should make their best effort to avoid cases where there may be potential conflict of interest. The personal interests of a Director, or persons closely associated with the Director should not take precedence over those of the organisation and its shareholders.

3. RELATED PARTY TRANSACTIONS

- **Who is a “Related Party”?**

A related party is defined as

- (a) A person who has significant interest in the Association or the Association has significant interest in, or controls, the person;
- (b) A Director or Senior Officer of the Association; or of a body corporate that controls the Association or of a body corporate which the Association controls;
- (c) The spouse, a child, the parent or ascendant or descendant of a natural person covered in paragraphs (a) and (b);
- (d) An entity that is controlled by a person described in paragraphs (a) to (c); or
- (e) A person or class of persons who has been designated by the central bank as a related party because of its past or present interest in or relationship with the Association being such that it might be reasonably expected to affect the exercise of best judgment of the Association in respect of a transaction;

- **What is a “Related Party Transaction”?**

As a general rule, related party transactions include the following:

- (a) Credit exposure, that is credit, financial leasing, non-fund based commitments such as documentary credits, guarantees on behalf of a related party, acquiring a loan made by a third party to a related party, investment in equity or other debt instruments of a related party, and any other commitment to provide funds or substitute of funds to a related party;
- (b) Placements made by the Association with a related party;
- (c) Conditional sales agreements with a related party;
- (d) Consulting or professional service contracts with a related party;
- (e) Deposits placed with the Association by a related party;
- (f) Acquisition, sale or lease of assets of a related party; and
- (g) Any pecuniary relationship or other transactions or arrangement with a related party (including by way of service arrangements or contracts).

- **Identification of Related Parties**

The list of the Association’s related parties, as defined in the BoM Guideline on Related Party transactions, is set out below:

Related Parties of MCS Mutual Aid is classified into the following three categories:

CATEGORY 1

- (a) A person who has significant interest in the Association;
- (b) A Director of the Association;
- (c) A Director of a body corporate that controls the Association;
- (d) The spouse, child and parent of a natural person covered in (a) or (b) or (c) above;
- (e) Any entity that is controlled by a person described in (a) or (b) or (c) or (d) above; and
- (f) Any entity in which the Association has significant interest, excluding a subsidiary of the Association as mentioned in paragraph 17(e).

CATEGORY 2

- (a) Senior Officers, which are outside the terms and conditions of employment contracts;
- (b) The spouse, child and parent of Senior Officers;
- (c) Senior Officers of a body corporate that controls the Association;
- (d) Any entity that is controlled by a person described in (a) or (b) or (c) above; and
- (e) A subsidiary of the Association with no shareholder (natural person) holding directly or indirectly more than a significant shareholding in the parent Association.

CATEGORY 3

Senior officers, which are within the terms and conditions of employment contracts.

4. ADDRESSING AND MANAGEMENT OF RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

- The Directors are fully aware of the requirements set out in *Section 48* of the *Banking Act* which provides for disclosure of interest.
- Any Director or Senior Officer of the Association who is in any manner, whether directly or indirectly, interested in an advance, loan or credit from the Association, or has any direct or indirect interest in relation to any matter or undertaking which he may have with the Association is required to
 - (a) disclose in writing the nature and extent of his interest to the Board of Directors of the Association; and
 - (b) not take part in any deliberation or any decision-making process in relation thereto.
- Any Director or Senior Officer of the Association who holds office or acquires property whereby, whether directly or indirectly, duties or interests might be created in conflict with his duties or interests as Director as a consequence thereof or otherwise or Senior Officer of the Association, he is required to disclose in writing, at a meeting of the Board of Directors of the Association. The fact, nature and extent of the conflict and where the Board of Directors determines that the Director or Senior Officer is in a situation of conflict of interest, he shall abstain from taking part in any decision on or vote taken by the Board of Directors on the matter.
- All the disclosures made by the Directors under *Section 48* of the *Banking Act* are recorded in the minutes of the meeting and are also recorded in a separate

register in a chronological order which shall be kept by the Company Secretary/ Manager (Corporate).

- There is no conflict of interest between the Directors and the Company and shall such conflicts happen, the Directors have an obligation to disclose their interests in the Company's register of interests so that this conflict can be managed accordingly.
- Board members and Senior Officers of the Association shall disclose conflicts or potential conflicts on a *Conflict of Interest Disclosure Form* provided by the Association as per *Annex I*.
- Every position as per *Annex II* is also urged to disclose conflicts as they arise, as well as to disclose those situations that are evolving that may result in a conflict of interest. Advance disclosure must occur so that a determination may be made as to the appropriate plan of action to manage the conflict as soon as the person with the conflict/potential conflict or appearance of a conflict identifies it.

5. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors of MCS Mutual Aid shall:

- (a) Review and approve the policy on Related Party Transactions and Conflicts of Interest periodically at intervals not exceeding one year;
- (b) Require the Senior Management of the Association to establish policies, systems and procedures to among others comply with the policy on Related Party Transactions and Conflicts of Interest and requirements of the Bank of Mauritius Guideline on Related Party Transactions;

- (c) Ensure that the policies, systems and procedures are subject to regular review by control functions to ensure their continuing effectiveness, adequacy and enforcement;
- (d) Establish procedures to ensure that Board members and staff with conflict of interest are excluded from the approval and monitoring process of related party transactions;
- (e) Ensure that the Association has a robust system of checks and balances to monitor compliance with the regulatory limits, uphold impartiality and prevent credit activities of any kind which override established credit approval policies and procedures when granting credit facilities to related parties;
- (f) Ensure that any transaction with related parties that may have a material effect on the stability and solvency of the Association is identified and dealt with in a timely manner;
- (g) Ensure that it is promptly apprised of material developments on related party transactions; and
- (h) Receive periodic reports, at intervals not exceeding three months, from the Audit Committee, the Risk Management Committee, Senior Management, the Chief Risk Officer, control functions and other relevant functions on related party transactions. The report shall, inter alia, cover:
 - (i) New related party transactions;
 - (ii) The performance of the Association's related party exposures including compliance with policies and procedures (including internal/ regulatory limits), breach of covenants, deterioration in credit quality, impairment of assets and non-perfection of collateral;

- (iii) The performance of services provided by related parties and other arrangements/ contracts with related parties including compliance with agreed service level agreements; and
- (iv) The findings and status of recommendations of control functions, the Audit Committee and the Risk Management Committee in respect of related party transactions.

6. ROLES AND RESPONSIBILITIES

1. Risk Management

The Risk Management function is responsible for ensuring that appropriate processes and controls are in place for identifying, managing, monitoring and reporting of related party transactions and conflicts of interest while complying with laws and regulations.

2. Compliance Department

Compliance department will monitor adherence to the Bank of Mauritius Guideline on related party transactions.

3. Internal Audit

Internal Audit shall provide independent oversight and report on any issues of non-compliance identified through the internal audit process in respect of related party transactions and lending to related parties.

4. Finance Department

Finance department is responsible to monitor that the Association complies with regulatory limits for supervisory purposes.

5. Business Units

Business Units are required to ensure that all business practices and processes comply with the related party transactions policy.

6. Human Resource (HR)/Corporate

The HR function shall be responsible for:

- (a) Maintaining a related party database which shall be kept up to date.
- (b) Ensuring that *Related Party Declaration Form* as per **Annex III** has been used to capture transactions between the Association and the close relatives of Directors and Senior Officers which would fall under the definition of a ‘related party transaction’.
- (c) Requesting details of related parties at the time Directors and Senior Officers join employment. *Declaration of Related Party Transaction and Consent Form* as per **Annex IV** shall be completed by the Directors and Senior Officers.
- (d) Ensuring that the related party database is updated **within the next working day** when any related party:
 - (i) Leaves the Association (resignation, retirement or demise);
 - (ii) Has an addition (new born or spouse); and
 - (iii) Changes in name (arising from change in marital status).

Addition:

The changes for (i) and (ii) above be made within the next working day and for (iii), the soonest possible on availability of necessary documents.

7. PROCEDURES

➤ Category 1

1. Normal Loan / Fixed Deposits / RSS application form shall be filled in by the related party.
2. The AOO/OO Customer Service / Fixed Deposits shall reception the application as per the Association prevailing procedures.
3. Upon input of the CIF on Finacle, the system triggers a pop up notification to warn the staff that the customer is a related party.
4. The AOO/OO (Customer Service) / (Fixed Deposits) shall notify the SOO (Customer Service) / (Fixed Deposits) and copy to Manager (Loans & Deposits) by way of email that an application has been received which relates to a related party transaction.
5. The SOO (Customer Service) / (Fixed Deposits) or Manager (Loans & Deposits) shall notify the following departments: Compliance, Risk and Internal Audit by way of email.
6. In line with *section 3(h)* of the ***Bank of Mauritius Guideline on Related Party Transaction*** the Compliance, Risk and Internal Audit shall design their respective reports and present same to the Audit and Corporate Governance Committee and Finance and Risk Management Committee.
7. In the case of a **loan application**:
 - a. Before disbursement, the application shall be sent to the Manager (Corporate) or approved authorised signatories¹ for completion of

¹The approved authorised signatories of the Mutual Aid Association are CEO, DCEO, Manager (Finance), Manager (Corporate), Manager (IT) and Assistant Manager (Finance).

the “*STATEMENT FOR APPLICATION FOR LOAN FROM RELATED PARTY*” (“the Statement”) and signature.

- b. After signing the Statement the Manager (Corporate)/Authorised signatory² shall submit the Loan Application Pack along with the signed statement to Senior Management for approval.
- c. The Loan application pack **MUST obtain the approval by way of signature** of the following persons from the Senior Management:
 - i. Deputy Chief Executive Officer
 - ii. Chief Executive Officer
 - iii. Manager Finance
 - iv. Manager Corporate

➤ **Category 2**

Currently the Association does not have any Category 2 Senior Officer.

➤ **Category 3 and Staff member**

1. Normal Fixed Deposits / RSS application form shall be filled in by the Senior Officer / staff member.
2. In case of Fixed Deposits and RSS application, the prevailing process as per Deposits and RSS procedure manual to be followed.
3. In case of Loan Application, the Senior Officer / staff member shall fill-in the Staff Loan Application pack.

² The authorised signatory signing in Part C of the Statement for Application for loan from Related Party shall not sign in Part D of the document.

4. The AOO/OO Customer Service shall acknowledge the application as per the Association prevailing Loan procedure.
5. Before disbursement, the application pack shall be sent to the Manager (Corporate) and the Manager (Finance) respectively for their needful action.
6. The application pack shall be sent for approval to the Senior Management - Deputy Chief Executive Officer and Chief Executive Officer.
7. After approval from the Senior Management the application pack shall be sent to the Manager (Loans & Fixed Deposits) for disbursement.
8. After the loan which relates to the Senior Officer has been disbursed, the SOO (Loan Processing) shall notify the following departments: Compliance, Risk and Internal Audit by way of email.
9. In line with *section 3(h)* of the *Bank of Mauritius Guideline on Related Party Transaction* the Compliance, Risk and Internal Audit shall design their respective reports and present same for the Audit and Corporate Governance Committee and Finance and Risk Management Committee.

8. APPROVAL OF RELATED PARTY TRANSACTIONS

1. The board shall approve the following:
 - (a) The terms and conditions for credit facilities to the staff of the Association under the terms and conditions of employment contracts;
 - (b) Credit facilities to staff which are not in line with the terms and conditions as approved by the board under (a) above;

- (c) Credit exposures to related parties where the aggregate of credit exposures to any single related party and/or its group of connected counterparties exceed 2 per cent of the Tier 1 capital of the Association or MUR500 million, whichever is lower;
 - (d) Any other transaction with related parties where the aggregate amount due by/to any single related party and/or its group of connected counterparties exceed 2 per cent of the Tier 1 capital of the Association or MUR 500 million, whichever is lower; and
 - (e) All related party transactions posing special risks to the Association.
2. The board shall establish the approval authorities and processes for related party transactions which do not meet the criteria set out at paragraph 1 for board approval. Such transactions should be **reported to the board on a regular basis**. The board shall ensure that:
- (a) The approval authorities are commensurate with the riskiness, size and complexity of the transactions; and
 - (b) In no case a related party transaction **is approved by a forum consisting of less than three persons at Senior Management level** with the exception of staff loans under the terms and conditions of employment contracts as approved by the board.
3. Notwithstanding paragraph 2, a board may opt for all related party transactions to be approved by the board.
4. Board members and the staff of the Association approving/monitoring the related party transactions shall declare their interest (if any) and shall, in the case of conflict of interest, be excluded from the approval/monitoring process

of related party transactions. The declaration of interest shall be duly documented.

5. All transactions with related parties must be carried out on terms and conditions that are at least as favourable to the Association as market terms and conditions.
6. Notwithstanding paragraph 5, the Association may grant credit facilities to its staff which are not at prevailing market terms and conditions, provided that these terms and conditions:
 - (a) Are within the terms and conditions of employment contracts; and
 - (b) Have been approved by the board.
7. The approving authority shall ensure that:
 - (a) Credit facilities extended to staff are within board approved terms and conditions; and
 - (b) All other related party transactions are at market terms and conditions.

The approval including compliance with market terms and conditions should be duly documented.

Write-off of Related Party Exposures

Write-offs of related party credit exposures shall be subject to the prior approval of the Board of Directors.

9. REGULATORY LIMITS

Having categorized the related parties into 3 categories as above, the Bank of Mauritius Guideline on RPT provide that credit exposure to any single borrower/group of connected counterparties who are related parties to the financial

institution shall be governed by the *Guideline on Credit Concentration Risk*, subject to the following conditions:

- The aggregate of credit exposures to and investments in equity shares of all related parties in category 1, other than investments in subsidiaries and associates, **should not exceed 60 per cent** of the association's tier 1 capital; and
- The aggregate of credit exposures to and investments in equity shares of all related parties in category 1 and category 2, other than investments in subsidiaries and associates, **should not exceed 150 per cent** of the association's tier 1 capital.

The Bank of Mauritius may consider requests for the grant of facilities to related parties, which would cause the credit exposure of the association to exceed the regulatory limits. Such requests shall be entertained by the Bank of Mauritius **on the express condition** that the additional credit exposure shall be deducted from the financial institution's tier 1 capital. The Bank of Mauritius may also **impose other conditions** thereto.

10. EXEMPTION FROM REGULATORY LIMITS

MCS Mutual Aid shall be exempted from the regulatory limits on the following credit exposures:

- (a) A credit exposure to the extent to which it is collateralised by deposits with the Association or Government of Mauritius securities or a loan to the extent to which it is guaranteed by the Government of Mauritius;

- (b) A credit exposure to the extent to which it is collateralised by securities issued by another government or a loan to the extent to which it is guaranteed by another government provided that the exposure is:
 - (i) Denominated and funded in its national currency, and
 - (ii) Approved by the Bank of Mauritius under *paragraph 6* of the *Guideline on Standardised Approach* to Credit Risk for a zero per cent risk weight;
- (c) A credit exposure to parastatal bodies and to an entity in which Government has more than 50 per cent shareholding;
- (d) Inter-bank transactions as part of treasury operations;
- (e) Credit exposures, including aggregate credit exposures to a group of connected counterparties as defined at **Annex II** to the *Guideline on Credit Concentration Risk*, representing less than 2 per cent of the financial institution's Tier 1 capital; and
- (f) Category 3 type of related party exposures.

11. MCS MUTUAL AID LIMITS

1. Deposits

Category 1, Category 2, Category 3 and staff members are awarded deposits at market terms and conditions same as customers of the Association.

2. Loans

Category 1 of Related party are awarded all types of loans open to MCS Mutual Aid Association members at market terms and conditions.

Category 3 of Related Party and staff members can avail the following types of loans:

- Staff Personal Loan
- Staff Housing Loan
- Staff Special Personal Loan
- Car Loan
- Auto cycle / Motorcycle Loan
- RSS Loan

Note 1:

Only confirmed staff members are eligible for the above mentioned loans.

Note 2:

RSS Loan for category 3 and staff members are granted at market rate of interest and under current market conditions.

3. Limits of staff loans

➤ Staff Personal Loan

Description	Limits								
Loan ceiling	MUR 300,000 or (13 months' salary + 52% of 12 months travelling expenses <i>viz</i> annual remuneration as defined under the Banking Act, 2004) whichever the higher								
Rate of Interest	4.0% per annum								
Type of Interest	Fixed								
Repayment Period	Up to 216 months								
Repayment Amount	Total repayment of loan/s should not exceed in aggregate 50% of the salary of applicants								
Security Offered	(i) 1 or 2 personal guarantors acceptable to the Association or (ii) the option to pledge their RSS/Fixed Deposits.								
Administrative Costs	Processing fee of 1.0% on the loan amount. Mutual Solidarity Contribution <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="background-color: #fff9c4;">Age limit</th> <th style="background-color: #fff9c4;">Percentage (%)</th> </tr> </thead> <tbody> <tr> <td><45 years old</td> <td>4.5</td> </tr> <tr> <td>45 years old ≤ 60 years old</td> <td>5.0</td> </tr> <tr> <td>>60 years old</td> <td>5.5</td> </tr> </tbody> </table>	Age limit	Percentage (%)	<45 years old	4.5	45 years old ≤ 60 years old	5.0	>60 years old	5.5
Age limit	Percentage (%)								
<45 years old	4.5								
45 years old ≤ 60 years old	5.0								
>60 years old	5.5								
Conditions	(i) On resignation, the remaining loan balance will be recomputed at commercial fixed rate of interest and payable in not more than 60 months. (ii) On retirement, 50% of the outstanding loan balance will be deducted from retirement gratuity and remaining 50% from monthly pension provided the deduction does not exceed 50% of the pension and 70 th birthday of the retiring officer.								

➤ **Staff Housing Loan**

Description	Limits
Loan ceiling	MUR 5,000,000
Rate of Interest	2.50% per annum
Type of Interest	Fixed
Repayment Period	Up to 360 months
Repayment Amount	Total repayment of loan/s should not exceed in aggregate 50% of the salary of applicants
Security Offered	<ul style="list-style-type: none"> (i) First Rank Fixed Charge on property to be acquired or on property (with bare ownership at least belonging to the employee or on which he has a 'droit de surelevation) on which construction is projected; or (ii) A 'Pai-Passu' fixed charge provided that the total loan amount (i.e. Staff Housing Loan plus other loans secured by the same property) does not exceed 70% of the value of the property offered as security; or (iii) A leasehold property held in the name of an applicant or his spouse provided that the duration of the loan does not exceed that of the lease; or (iv) A land on which the applicant has acquired a 'droit de surélévation' from his father, mother, brother or sisters and witnessed by a duly registered notarial deed.
Costs	<ul style="list-style-type: none"> (i) Processing fee of 1% of loan amount up to a maximum of MUR 25,000. (ii) 50% valuation costs borne by the Association. (iii) Inspection fees and Registration costs borne by the

	<p>staff member & Association (split in the ratio of 25%-75% respectively).</p> <p>(iv) EITHER</p> <ul style="list-style-type: none"> - A Decreasing Term Assurance (DTA) policy covering the loan amount should be subscribed by the applicant and pledged in favour of the Association; OR - Mutual Solidarity Contribution – 5% of contribution to loan amount.
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➤ **Staff Special Personal Loan**

Description	Limits
Loan ceiling	MUR 4,000,000
Rate of Interest	3.50% Per annum
Type of Interest	Fixed
Repayment Period	Up to 420 months
Repayment Amount	Total repayment of loan/s should not exceed in aggregate 50% of the salary of applicants
Security Offered	<p>(i) First Rank Fixed Charge on property to be acquired or on property (with bare ownership at least belonging to the employee or on which he has a 'droit de surelevation) on which construction is projected; or</p> <p>(ii) A 'Pari-Passu' fixed charge provided that the total loan amount (i.e. Staff Housing Loan plus other loans secured by the same property) does not exceed 90% of the value of the property offered as security; or</p> <p>(iii) A leasehold property held in the name of an applicant or his spouse provided that the duration of</p>

	<p>the loan does not exceed that of the lease; or</p> <p>(iv) A land on which the applicant has acquired a 'droit de surélévation' from his father, mother, brother or sisters and witnessed by a duly registered notarial deed.</p> <p>(v) In the case of leasehold in Rodrigues, permission/clearance (right of lease) from Government of Mauritius/Rodrigues Regional Assembly.</p> <p>(vi) The Security for Staff Special Personal Loan should not be on the Primary Residence of applicant.</p>
Loan amount to value of property	Loan amount, based on the repayment capacity, should not exceed 90% of the value of property.
Costs	<p>(i) Processing fee of 1% of loan amount up to a maximum of MUR 25,000.</p> <p>(ii) 50% valuation costs borne by the Association.</p> <p>(iii) Inspection fees and Registration costs borne by the staff member & Association (split in the ratio of 25%-75% respectively)</p> <p>(iv) EITHER</p> <ul style="list-style-type: none"> - A Decreasing Term Assurance (DTA) policy covering the loan amount should be subscribed by the applicant and pledged in favour of the Association; OR - Mutual Solidarity Contribution – 5% of contribution to loan amount.

➤ **Staff Car Loan**

Description	Limits
Grades	MA 8 and above
Interest Rate	0.5% below Repo rate per annum.
Type of Interest	Floating
Repayment Period	72 equal monthly instalments
Conditions	<ul style="list-style-type: none"> (i) Eligible for a cash grant equivalent to 100% of the customs duty and the VAT payable on the customs duty element thereon on a standard 1600cc car subject to a maximum of 8 months' salary. (ii) Loan facilities up to a maximum of 18 months' salary for the purchase of a motor vehicle. (iii) The employee may also opt for the payment of a monthly allowance in lieu of the cash grant for the amount equivalent to 100% of the excise duty and the VAT payable on the excise duty element thereon subject to a maximum of 8 months' salary. (iv) Allowed to renew their car at the expiry of 6 years. (v) If an employee leaves before 48 months of benefitting from the cash grant for the purchase of a motor vehicle, the balance will be refunded on a pro-rata basis.
Grades	MA 7 and MA 7 (1)
Interest Rate	0.5% below Repo rate per annum.
Type of Interest	Floating
Repayment Period	84 equal monthly instalments
Conditions	(i) Eligible for a cash grant equivalent to 70% of the excise duty and the VAT payable on the duty

	<p>element thereon payable on a standard 1500 cc car, subject to a maximum of 8 months' salary; and loan facilities up to a maximum of 18 months' salary for the purchase of a motor vehicle.</p> <p>(ii) The employee may also opt for the payment of a monthly allowance in lieu of the cash grant for the amount equivalent to 70% of the excise duty and the VAT payable on the excise duty element thereon subject to a maximum of 8 months' salary.</p> <p>(iii) Allowed to renew their car at the expiry of 7 years.</p> <p>(iv) If an employee leaves before 48 months of obtaining a cash grant for the purchase of a motor vehicle, the balance will be refunded on a prorate basis.</p>
Grades	MA 6
Interest Rate	0.5% below Repo rate per annum.
Type of Interest	Floating
Repayment Period	84 equal monthly instalments
Conditions	<p>(i) Eligible for a car loan of not more than 21 months' salary for purchase of a car of not more than 7 years old or a second hand reconditioned car of not more than 5 years old subject to statutory regulations being adhered to.</p> <p>(ii) Allowed to renew their car at the expiry of 7 years.</p> <p>(iii) On retirement, the full outstanding balance will be deducted from retirement gratuity. Alternatively, a life Assurance Policy to be pledged in favour of the Company should be produced for the balance as an additional security.</p>

➤ **Auto cycle / Motorcycle Loan**

Description	Limits
Grades	MA 1, MA 2 and MA 3
Interest Rate	0.5% below Repo rate per annum.
Type of Interest	Floating
Repayment Period	84 equal monthly instalments
Conditions	<ul style="list-style-type: none"> (i) Holding the appropriate driving licence (ii) Eligible once every seven years for a loan of not more than 21 months' salary for the purchase of an auto cycle/motorcycle. (iii) Allowed to renew their vehicle every 7 years. (iv) Upon renewal of their vehicle, employees will be entitled to loan facilities up to a maximum of 15 months' salary.

12. REPORTING REQUIREMENT

The Association shall disclose its related party transactions in accordance with the requirements of the *Guideline on Public Disclosure of Information*.

The Association shall report to the Bank of Mauritius on a **quarterly basis**, in such form and manner as may be determined by the Bank of Mauritius, all information relating to credit exposures to related parties, including exemptions from the regulatory limits on credit exposures detailed under Section 10 - *Exemption from Regulatory Limits*.

13. REVIEW OF THE POLICY

This Policy document will be comprehensively reviewed and approved by the Board of Directors on an **annual basis**. However, mid-term review will be undertaken by Risk Department, to facilitate any changes in existing policy consistent with any changes in Association's strategic plans, goals, risk tolerance, strength of capital, as Management may deem may fit.

14. ENFORCEABILITY OF THIS POLICY

Breach(es) of this Policy are likely to result in:

- Non-compliance with statutory requirements/reporting;
- Penalties/fines under prevailing law;
- Non-compliance with the National Code of Corporate Governance for Mauritius;
- Disciplinary action against employees and officers, which may lead to termination of employment and/or damages; and
- Civil legal action and/or criminal prosecution.

ANNEX I – CONFLICT OF INTEREST DISCLOSURE FORM

CONFLICT OF INTEREST DISCLOSURE FORM



PRIVATE AND CONFIDENTIAL

NAME	:	
COMPANY	:	
POSITION HELD	:	
NIC	:	

Please describe below any relationships, transactions, positions you hold, or circumstances that you believe could contribute to a conflict of interest between The Mauritius Civil Service Mutual Aid Association Ltd or its subsidiary and your personal interests, financial or otherwise:

I, have no conflict of interest to report.

I, have the following conflict of interest to report (please specify other profit Boards you and/or your dependents sit on. Refer to examples given in rear page).

1. _____
2. _____
3. _____
4. _____
5. _____

I hereby certify that the above information is true and complete to the best of my knowledge. I have read and agree to abide by, the Related Party Transactions and Conflicts of Interest Policy of The Mauritius Civil Service Mutual Aid Association Ltd.

Signature: _____ Date: ____/____/____. (DDMMYY)

ANNEX II – TABLE OF DISCLOSURE LEVELS

SN.	POSITION	DISCLOSURE TO
1.	Chairman of the Board	Manager (Corporate)
2.	Board Members	Manager (Corporate)
3.	Chief Executive Officer	Manager (Corporate)
4.	Deputy Chief Executive Officer	Manager (Corporate)
5.	Managers	Manager (Corporate)
6.	Compliance Officer	Manager (Corporate)
7.	Chief Risk Officer	Manager (Corporate)
8.	Head of Internal Audit	Manager (Corporate)
9.	Money Laundering Reporting Officer (MLRO)	Manager (Corporate)
10.	Deputy MLRO	Manager (Corporate)
11.	Employees	Manager (Corporate)

ANNEX III – STATEMENT FOR APPLICATION FOR LOAN FROM RELATED PARTY

THE MAURITIUS CIVIL SERVICE MUTUAL AID ASSOCIATION LTD							
STATEMENT FOR APPLICATION FOR LOAN FROM RELATED PARTY							
PART A - CURRENT LOAN APPLICATION							
DATE OF APPLICATION	NAME OF RELATED PARTY	RELATIONSHIP WITH ASSOCIATION	LOAN AMOUNT (Rs)	LOAN TYPE	REFUND PERIOD (Months)	INTEREST RATE (% p.a)	
PART B - STATUS ON EXISTING LOANS							
NO.	LOAN APPROVAL DATE	LOAN AMOUNT (Rs)	LOAN TYPE	LOAN PERIOD (Months)	INTEREST RATE (% p.a)	LOAN ABATEMENT (Rs)	LOAN BALANCE (as at 07.10.2024) (Rs)
1							
2							
3							
4							
5							
6							
7							
TOTAL		-				-	-
PART C - MANAGEMENT'S RECOMMENDATION FOR NEW LOAN APPLICATION							
I certify that the above information are correct as per terms, conditions and parameters set by the Board:							
Net disbursement (Rs)		New Monthly Abatement (Rs)		Previous Monthly Abatement (Rs)		Total Abatement (RS) See Note A	
Note A: Total Abatement :							
Name	Post Held			Signature		Date	
Mrs P. FOKEERCHAND	Manager (Corporate)						
PART D - APPROVAL OF SENIOR MANAGEMENT							
Application at Part A above approved / not approved * subject to terms, conditions and parameters set by the Board.							
Name		Post Held		Signature		Date	
1. Mr L. RAMJATTON		DCEO					
2. Mr N. DABEESINGH		CEO					

* Delete as appropriate

LI/KS/MS/05.08.2024

DATES REVIEWED AND APPROVED			
SN	Senior Management	Audit and Corporate Governance Committee	Board of Directors
1.	<i>July 2022</i>	<i>July 2022</i>	<i>July 2022</i>
2.	<i>October 2022</i>	<i>October 2022</i>	<i>October 2022</i>
3.	<i>October 2023</i>	<i>October 2023</i>	<i>November 2023</i>
4.	<i>October 2024</i>	<i>October 2024</i>	<i>October 2024</i>
5.	<i>November 2024</i>	<i>November 2024</i>	<i>December 2024</i>

Circulated to all staff members: July 29, 2022, October 28, 2022, November 15, 2023, October 16, 2024, December 05, 2024.
