

9 October 2024

Dear Member,

### **General Elections November 2024**

With the upcoming Mauritian General Elections set for 10 November 2024, Business Mauritius calls upon its membership and the business community at large to reflect upon and observe the established principles of the National Code of Corporate Governance particularly with respect to elections, the political process and financial contributions to political parties. The relevant section of the NCCG, annexed here, covers various aspects, including donations in the form of monetary gifts, sponsorships, and provision of services, and provides clear guidelines regarding the responsibilities of the Board, compliance with legal requirements, and the imperative for transparency and accountability.

Often cited as a model for postcolonial economic success, our Republic embodies the dual values of independence and integrity. Accordingly, our laws contain several safeguards for freedom, independence and integrity, among which the right to information; the clear separation of powers among judiciary, executive and legislative branches; as well as established codes for good governance. As the country moves towards modernity, further safeguards must be put in place, including:

- (i) a robust legislative framework around the financing of political parties;
- (ii) the application of principles of governance and meritocracy in the appointment of boards and directors of public institutions and parastatal bodies; and
- (iii) the observance of ESG standards to ensure sustainability and inclusiveness in national development.

#### **I. Legislation around financing of political parties**

This includes, inter alia, the passing of a law around the financing of political parties; the obligation for political formations to be registered and have legal locus standi before enlistment by the Electoral Commission; a requirement to disclose sources of funds; capping of donations to 5% of a party's total campaign budget; no overseas contributions; political parties to file financial statements and auditors' reports; expanded obligations for the ESC, with powers to sanction upon failure to abide by regulations. (Please refer also Section 8.5.1 of the National Code of Corporate Governance for Mauritius, cited below, for the existing guidelines around political party financing).

## **II. Strengthening of governance structures within public institutions**

In our National Business Roadmap published in 2019, Business Mauritius emphasised the need to establish maintain strong governance within public institutions. Several recommendations were made to this effect, in particular regarding private sector representation on the boards of parastatal bodies, and on the need for clear independence for these boards and their senior Chief Executives. Such bodies include the FSC, EDB, HRDC, IVTB, HEC, Ecole Hotelière, MCIA, MSB, MRA/Customs and MPA.

(The National Business Roadmap, available on the Business Mauritius website, provides further details on this.)

## **III. ESG and Sustainable and Inclusive Development**

Any growth today is only as effective as its ability to be sustainable and inclusive. With this in mind, governments and private businesses across the world are increasingly incorporating Environmental, Social and Governance (ESG) principles within their strategies and operations. Going forward, it is our collective responsibility to ensure that these principles are adhered to.

In the run-up to the national elections 2024, Business Mauritius strongly encourages members of the business community to prioritise these considerations around governance and independence, with a view to upholding the highest standards of integrity, meritocracy and transparency to which Business Mauritius is committed.

Yours sincerely,

**Kevin Ramkaloan**  
**CEO**

**National Code of Corporate Governance for Mauritius (2016)**  
**[Principle 6: Reporting with Integrity]**

**Charitable and Political Contributions** - It is the responsibility of the Board to decide whether the organisation should make donations to charities, political parties or other causes. Any donations or funding should be within the law and in the interests of the organisation. A donation includes gifts of money or other property; any sponsorship, membership subscription or fee; the payment of expenses; and the provision of services, facilities or loans other than on commercial terms. Political contributions include any expenditure incurred by the organisation for the preparation and distribution of publicity material for any political party or organisation or independent candidate or for any other activities that could reasonably be regarded as intended to affect public support for a political party or organisation or independent candidate. If the directors decide that it is appropriate to provide funds for charitable or political parties or causes, then that contribution should be declared in the annual report. Boards are encouraged to provide details of each contribution.