



Financial Services Commission  
Mauritius

## Public Notice

### **Disqualification of Mrs Fracess Henriette Marie Michelle from holding position as officer**

The Enforcement Committee (the "EC") of the Financial Services Commission (the "FSC") has concluded that Mrs Fracess Henriette Marie Michelle ("Mrs Fracess Henriette") was not a fit and proper person and has consequently, on 24 August 2016, disqualified her from holding position as officer in any licensee of the FSC for a period of five (5) years pursuant to sections 7(1) (c) (ii) and 52(3) of the Financial Services Act 2007 (the "FSA").

Mrs Fracess Henriette held directorship in RDL Management Ltd ("RDL") and after due consideration of her written representations, the EC has concluded that during her tenure in office as director, RDL has:

- i. breached section 105(1) (c) of the Securities Act 2005 (the "SA"), since its directors have served their own interests to the detriment of those of the investors;
- ii. infringed section 105(1) (g) of the SA insofar as breaches committed by Lancelot Global PCC and Four Elements PCC, two funds under its administration, were not reported to the FSC;
- iii. failed to act in accordance with Regulation 34(d) of the (Collective Investment Schemes and Closed-end Funds) Regulations 2008 (the "CIS Regulations 2008"), since it did not take all reasonable steps and exercise due diligence to avoid the assets of the collective investment schemes to which it provided CIS management services from being invested in contravention of the CIS Regulations 2008;
- iv. breached regulation 34(e) of the CIS Regulations 2008 insofar as there were grounds to believe that in Two Seasons PCC, there was significant manipulation of the Net

Asset Value (“NAV”) which was being calculated using predetermined NAV figures while the offer document stated otherwise;

- v. failed to comply with regulation 34(j) of the CIS Regulations 2008 since RDL failed to keep such books, records and other documents as set out in the Eighth Schedule to the CIS Regulations 2008 as were necessary for the proper recording of its business transactions and financial affairs and the transactions which it executed on behalf of the collective investment schemes (“CIS”) under its management or participants in those CIS; and
- vi. infringed regulation 63 of the CIS Regulations 2008 pursuant to which all transactions carried out by or on behalf of the collective investment scheme must be at arm's length, especially when the transactions involved the directors of the collective investment scheme as the other parties. The number of related party transactions entered into and the terms thereof were not carried out at arm's length but seemed to favour the borrowers to the detriment of the collective investment scheme. For instance, substantial amounts of money had been loaned out without any collateral, loans had been given interest free, failure by borrowers to repay the loans did not carry any penalty and repayment period for the loans had been repeatedly extended.

In accordance with section 53(4) of the FSA, Mrs Francess Henriette may apply to the Financial Services Review Panel for a review of the decision of the EC within 21 days from the date on which he has been notified of the EC's decision.

The disqualification of Mrs Francess Henriette from holding position as officer in any licensee of the FSC shall be effective at the expiry of the abovementioned 21 days period.

***Financial Services Commission, Mauritius***

***24 August 2016***