

**Ministry of Financial Services, Good Governance, Institutional Reforms, Technology,
Communication and Innovation**

COMMUNIQUE

KPMG Mauritius

The Ministry has taken note of the communiqué of KPMG Mauritius dated 16 September 2015, which contains erroneous facts. In the public interest and with a view to setting the record straight, the following facts are highlighted. Firstly,

- (a) KPMG Mauritius, the auditor of BAI Co. (Mtius) Ltd presented the results of its audit for year ended 31 December 2010 to the Audit Committee and directors of BAI Co. (Mtius) Ltd on 29 March 2011, depicting the financial schemes and other fraudulent malpractices within the Group including ‘round tripping’ of transactions in 2009 and actual and estimated losses attributable to the ‘Super Cash Back Gold’ scheme.
- (b) Nevertheless, **clean** audit reports have been issued by KPMG Mauritius for the year ended 31 December 2011 and subsequent years ended 31 December 2012, 2013 and 2014.
- (c) The above mentioned facts have **not** been denied by KPMG Mauritius in its communiqué dated today, which was published in the morning edition of today’s *l’express* newspaper.
- (d) KPMG Mauritius did not make any report to the Financial Intelligence Unit, the Financial Reporting Council and the Financial Services Commission (‘FSC’) as required by law.

Secondly,

Whilst this communiqué was issued by KPMG Mauritius, the Ministry had convened Mr Trevor Hoole, Chief Executive of KPMG-South Africa, to attend a meeting on 4 September 2015, in presence of the Chairperson and Vice-Chairperson of the FSC, to highlight the shortcomings of KPMG Mauritius and their financial responsibility towards insurance policy holders in Mauritius.

The Hon. Minister of Financial Services, Good Governance, Institutional Reforms, Technology, Communication and Innovation statements during the MBC TV program, which took place at 20:30 hrs on 11th September 2015, accurately reflected the discussions of the meeting and an email received earlier on the same day, i.e. 11th September 2015, from the Chief Executive of KPMG-South Africa, addressed to the Chairperson of the FSC with subject: “*Follow up to meeting with KPMG on 04 September*”.

It was explained that KPMG-South Africa had commissioned its own full internal review of the matter and the ‘fact finding’ on KPMG Mauritius is being conducted by a team of specialists “*independent of*” KPMG Mauritius.

The CEO of KPMG-South Africa further stated that KPMG-South Africa has “*communicated the full extent of the situation to our **Global Leadership**. They have offered to come to Mauritius to meet with you as required. Should you wish to meet me and Steven, please let me know.*”

The CEO of KPMG-South Africa concluded by stating: “*We take the matter **most seriously** and wish to see it resolved **to your satisfaction**.*”

16 September 2015