



FINANCIAL REPORTING COUNCIL

COVID 19 Measures to Companies and Auditors

The unprecedented Covid-19 pandemic situation has led to a range of intervening measures by the government and the central bank to support businesses and households which are expected to remain in place throughout the period of disruption. The Financial Services Commission and the Companies Division have also relaxed some of their requirements regarding filings of accounts as a measure to help companies to better manage this never imagined difficult situation.

Among the measures the Authorities have taken to date:

Ministry of Finance, Economic Planning and Development

Government has decided to implement a Wage Assistance Scheme during the COVID-19 Curfew Period through the Mauritius Revenue Authority (MRA). Every business in the private sector, in respect of the month of March 2020, will be entitled to receive an amount equivalent to the 15 days' basic wage bill for all of its employees drawing a monthly basic wage of up to Rs 50,000 subject to a cap of Rs 12,500 of assistance per employee.

<http://mof.govmu.org/English//DOCUMENTS/WAGE%20ASSISTANCE%20SCHEME.PDF>

Bank of Mauritius

The Bank of Mauritius has put on hold the Guideline on Credit Impairment Measurement and Income Recognition, which was effective since January 2020. This measure will allow commercial banks to continue supporting enterprises facing cash flow and working capital difficulties in the context of COVID-19.

<https://www.bom.mu/media/actions-regarding-covid-19/bank-mauritius-introduces-support-programme-accompany-local-economic-operators-covid-19>

Financial Services Commission

The Commission has communicated that it will adopt measures of flexibility towards companies which may face challenges in meeting their forthcoming filing and reporting obligations due for end March 2020. The Commission shall apply a flexible approach when monitoring compliance to the filing and reporting obligations falling strictly during the curfew period, provided submissions are made by 30 June 2020.

<https://www.fscmauritius.org/media/84878/communiqu%C3%A9-covid-19-reporting-requirements-and-administrative-penalties.pdf>

Corporate and Business Registration Department

The CBRD has in a Communiqué brought to the attention of all stakeholders that the approval and filing of Financial Statements, due or likely to be due during the confinement period, will be extended to one month from the lifting of the confinement.

[http://companies.govmu.org/English/Documents/communiqu%202020/COMMUNIQUE%20\(3\)%20FOR%20APPROVAL%20OF%20FIN%20SUM.pdf](http://companies.govmu.org/English/Documents/communiqu%202020/COMMUNIQUE%20(3)%20FOR%20APPROVAL%20OF%20FIN%20SUM.pdf)

FRC's Guidance for auditors

In order to be able to give an audit opinion, the auditor must obtain sufficient, appropriate audit evidence. However, the current circumstances create obstacles to carrying out audit procedures arising from restrictions over accessing information from companies, social distancing measures taken since the outbreak of the COVID 19; and the challenges posed by the current uncertain economic environment. Given these concerns, the FRC has issued a guidance to auditors intended to provide practical help.

<http://frc.govmu.org/English//DOCUMENTS/COVID%2019%20-%20GUIDANCE%20TO%20AUDITORS.PDF>

Given the actual situation, and to ensure that stakeholders obtain reliable information for their day-to-day decision making, whereby audit quality is not impaired in a situation when precise information is crucial, the FRC is taking the following actions to ensure information continues to flow to investors and support the continued functioning of the capital markets by relaxing some of its regulatory requirements. This includes:

- ***Reduction of FRC demands on companies and audit firms.***
 - The FRC will, where possible, delay or extend the deadlines for audit practice review comments;
 - FRC will wait for at least one month before writing fresh letters to companies following its review of their annual reports and accounts;
 - FRC will adjust its audit quality review work to reduce demands on audit firms by focusing for the moment on offsite reviews.

This guidance is intended to help auditors deal with the current COVID 19 situation and will be withdrawn when circumstances return to normal.

16 April 2020