

Newsletter

The main functions of the **Financial Reporting Council** comprise amongst others



Licensing of auditors



Monitoring the truth and fairness of financial reporting through reviews of annual reports of PIEs



Monitoring the work of auditors, by conducting onsite/offsite practice reviews



Monitoring compliance with the requirements of the National Code of Corporate Governance

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VISION

To be a model organization ensuring quality in auditing, financial and non-financial reporting

MISSION

To bring corporate confidence in auditing, financial and non-financial reporting among users of financial statements



1.0 MESSAGE OF THE CHIEF EXECUTIVE OFFICER



The year ended 30 June 2025 was a year of consolidation, strengthened regulatory oversight and enhanced international standing for the Financial Reporting Council ('FRC'), as we continued to serve the public interest and reinforce confidence in Mauritius financial reporting and audit framework.

The Council and its Panels operated effectively within the framework of the Financial Reporting Act and the National Code of Corporate Governance, ensuring proportionate regulation, transparency and due process across financial reporting reviews, audit practice reviews and enforcement activities. These collective efforts underpin the integrity and credibility of the financial reporting ecosystem.

A key highlight of the year was Mauritius hosting the 19th Inspection Workshop of the International Forum of Independent Audit Regulators (IFIAR) in March 2025 at Le Meridien Hotel. The workshop brought together Inspectors from the IFIAR's 66 member jurisdictions and reaffirmed Mauritius position as a respected and trusted participant in the global audit regulatory community.

At the regional level, FRC Mauritius was re-elected as Chairperson of the African Forum of Independent Accounting and Auditing Regulators ('AFIAAR') for a second consecutive two-year term, reflecting the confidence of our peers in Mauritius leadership and contribution to strengthening audit and accounting regulation across Africa.

Operationally, the FRC remained focused on its core mandate, including the licensing of auditors and audit firms, monitoring corporate reporting of Public Interest Entities, audit practice reviews and enforcement. The introduction of assessments of audit firms' systems of Quality Management in line with international standards marked an important step towards promoting sustainable audit quality.

Looking ahead, the FRC will continue to strengthen regulatory effectiveness while preparing the jurisdiction for evolving reporting expectations, including developments in sustainability related and integrated reporting, in a manner that is proportionate, consultative and aligned with international best practices.

I extend my sincere appreciation to the Council members, Panel Members, Management and staff of the FRC, as well as to our stakeholders, for their continued support and collaboration.

Viswajithsing Tuhobol

Chief Executive Officer

09 January 2026

2.0 TECHNICAL UPDATES

IASB Updates

For the quarter ended 31 December 2025, the International Accounting Standards Board ("IASB") had published the following updates with respect to International Financial Reporting Standards ('IFRS') and corporate reporting on its website:

I. Projects Proposals

The IASB met to discuss about the following project proposals in areas of research and standard setting and maintenance and consistent application, whereby tentative decisions were made:

- Business Combinations—Disclosures, Goodwill and Impairment
- Statement of Cash Flows and Related Matters
- Amendments to the Fair Value Option (IAS 28)
- Provisions—Targeted Improvements
- Equity Method
- Rate-regulated Activities
- Presentation of Non-income Taxes

II. IASB proposes new accounting model to reflect how financial institutions manage interest rate risk

The IASB had proposed a new accounting model to better reflect how financial institutions manage interest rate risk throughout their portfolios.

The proposed Risk Mitigation Accounting model responds to feedback from financial institutions and investors that the current hedge accounting requirements do not adequately reflect how interest rate risk is managed in practice. The model aims to provide greater transparency into how interest rate risk management affects financial performance and future cash flows in a dynamic environment.

To integrate the new accounting model and enhance companies' disclosures about their interest-rate risk management activities, the IASB is proposing amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. The IASB is also seeking feedback on its proposal to withdraw IAS 39 *Financial Instruments: Recognition and Measurement*.

The IASB's consultation on the Risk Mitigation Accounting model is open for comment until 31 July 2026.



IASB Updates (cont'd)

III. ISSB issues targeted amendments to IFRS S2 to support implementation

The International Sustainability Standards Board ('ISSB') had issued targeted amendments to greenhouse gas ('GHG') emissions disclosure requirements in IFRS S2 *Climate-related Disclosures* in response to specific application challenges that were identified as companies started to apply the Standard.

These changes provide reliefs and clarifications to support companies in applying the Standard, while keeping investor information needs in focus and minimising disruption to jurisdictions that are in the process of adopting or otherwise using ISSB Standards.

The amendments are effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The ISSB had also issued consequential amendments to align financed emissions metrics in three SASB Standards with the corresponding amended requirements in IFRS S2.

The amendments:

- clarify that an entity is permitted to limit measurement and disclosure of Scope 3 Category 15 GHG emissions to financed emissions as defined in IFRS S2;
- permit the use of alternative classification systems—beyond the Global Industry Classification Standard—to disaggregate information about financed emissions;
- clarify the availability of the jurisdictional relief from using the GHG Protocol Standard, if only part of an entity is required to use a different method for measuring GHG emissions; and

III. ISSB issues targeted amendments to IFRS S2 to support implementation (cont'd)

- introduce a jurisdictional relief from using global warming potential values from the latest IPCC Assessment Report for converting GHG emissions.

IV. IASB issues amendments for translating financial information into hyperinflationary currencies

The IASB had issued amendments that clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.

These narrow-scope amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* are effective for annual periods beginning on or after 1 January 2027. Companies can choose to apply them earlier.



IASB Updates (cont'd)

V. IASB issues illustrative examples on reporting uncertainties in financial statements (cont'd)

The IASB had issued illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

The examples use climate-related scenarios as practical illustrations, but the underlying principles apply more broadly to all uncertainties.

Stakeholders told the IASB that the information companies provide about the effects of uncertainties is sometimes insufficient or appears inconsistent with the information provided outside their financial statements. To help address this, the IASB developed these illustrative examples to improve the application of existing disclosure requirements. In finalising the examples, the IASB also considered stakeholder feedback.

As accompanying materials to IFRS Accounting Standards, these illustrative examples do not have an effective date. However, companies would be expected to implement any change in their reporting on a timely basis.

For further details, refer to the website of the IASB.



IFAC Updates

For the quarter ended 31 December 2025, the International Federation of Accountants ('IFAC') had published the following updates on its website:

I. IAASB publishes new illustrative reports to support ISSA 5000 implementation

The International Auditing and Assurance Standards Board ('IAASB') had published a new set of illustrative practitioner's assurance reports to further support the implementation of International Standard on Sustainability Assurance ('ISSA') 5000, *General Requirements for Sustainability Assurance Engagements*.

While ISSA 5000 includes four illustrative reports that reflect the baseline requirements of the standard, this new publication provides more specific examples to help practitioners apply the standard in real-world scenarios.

The examples illustrate how ISSA 5000 can be applied across a range of engagements:

- Five examples of assurance reports with unmodified assurance conclusions, addressing common engagement types:
 - Assurance on sustainability disclosures aligned with IFRS S1 and S2, for both limited and reasonable assurance engagements
 - Assurance on selected sustainability disclosures in an entity's sustainability report
 - Assurance on sustainability disclosures prepared using multiple reporting frameworks
 - Assurance engagements combining limited and reasonable assurance

I. IAASB publishes new illustrative reports to support ISSA 5000 implementation (cont'd)

- A further three examples of assurance reports with modified conclusions illustrating a:
 - Qualified conclusion
 - Disclaimer of conclusion
 - Adverse conclusion

Together, these illustrative reports help bring ISSA 5000 to a practical level, demonstrating how technical issues can be addressed in practice. They reflect questions and issues that regulators, practitioners, and others have begun to encounter as they adopt and apply the new standard.

This publication is part of the IAASB's broader efforts to support the adoption and implementation of ISSA 5000 and provide guidance to help practitioners apply the standard with confidence and consistency.

For further details, refer to the website of the IFAC.



IPSAS Updates

During the quarter ended 31 December 2025, the International Public Sector Accounting Standards Board ('IPSASB') had published the following updates:

I. Project proposals

- **Climate-related Disclosures**

The IPSASB reached a significant milestone with the approval of IPSASB SRS 1, *Climate-related Disclosures*. This achievement supports the expanding information needs of users of general-purpose financial reports and marks a major step forward in public sector reporting, establishing disclosure requirements for climate-related risks and opportunities for public sector entities. The IPSASB set an effective date of January 1, 2028 for IPSASB SRS 1, with earlier adoption permitted.

- **Natural Resources**

The IPSASB approved IPSAS 51, *Tangible Natural Resources Held for Conservation*. IPSAS 51 fills an important public sector reporting gap in the IPSASB's literature. The IPSASB set an effective date of January 1, 2028 for IPSAS 51, with earlier adoption permitted.

- **Strengthening Linkages Between IPSAS Standards and GFSM**

The IPSASB approved Exposure Draft ('ED') 94, *Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)*. This ED proposes guidance to help maximize the benefits of using IPSAS Standards-based accounting data for statistical compilation, to support better decision-making. The ED is expected to be published in Q1 2026 with a 4-month comment period.

I. Project proposals (cont'd)

- **Presentation of Financial Statements**

The IPSASB had completed its conceptual and technical discussions on requirements for the presentation of financial statements and confirmed that its draft Consultation Paper ('CP') fully captures its views, subject to revisions to capture December discussions. Next quarter, the IPSASB will review the final piece of the developing illustrative ED related to disclosure requirements with a plan to approve the CP at the March 2026 meeting.

- **Improvements**

The IPSASB agreed to the proposed amendments regarding the lack of exchangeability to IPSAS 4, *The Effects of Changes in Foreign Exchange Rates*. In addition, the IPSASB agreed to the narrow scope amendments regarding the definition of an operation and the recognition of assumed contingent liabilities to IPSAS 40, *Public Sector Combinations*.



IPSAS Updates(cont'd)

I. Project proposals (cont'd)

• Improvements (cont'd)

These amendments will be included in the next Improvements to IPSAS Standards ED expected to be approved in March 2026.

II. IPSASB issues updated IPSAS standard to ease first-time adoption

The IPSASB had issued an updated IPSAS 33, *First-time Adoption of Accrual Basis International Public Sector Accounting Standards*.

IPSAS 33 lays out how an entity that has never applied accrual IPSAS Standards can begin doing so in a consistent, credible way. Moving to accrual accounting can be technically complex and lengthy process. IPSAS 33 provides transitional reliefs (temporary exemptions and accommodations) to reduce burden and ease the transition to accrual-based IPSAS Standards.

IPSAS 33 was originally issued in 2015 and has been applied by a number of public sector entities during their transition to accrual basis IPSAS Standards. In response to user feedback, the updated IPSAS 33 provides:

- More user-friendly guidance to support the entity's broader accrual transition journey;
- Clearer relief provisions throughout the entire transition process; and
- Reliefs that encourage earlier recognition and measurement of items, helping entities achieve IPSAS compliance as early as possible.

IPSAS 33, *First-time Adoption of Accrual Basis International Public Sector Accounting Standards* is effective January 1, 2028.

III. IPSASB conforms its definition of material

The IPSASB had issued *Definition of Material (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)*.

The amendments:

- Clarify that an entity is required to consider the information needs of primary users instead of other users of GPFs; and
- Align the definition of material in IPSAS 1, *Presentation of Financial Statements*, with Chapter 3 of the Conceptual Framework on Qualitative Characteristics.

The amendments will help strengthen accountability by ensuring financial statements focus on information most relevant to primary users. They will enhance consistency through conforming the definition of the term material between the Conceptual Framework and within IPSASB's authoritative guidance and lay the foundation for planned guidance on materiality judgments in financial and reporting.

The second phase of the project includes developing non-authoritative guidance aligned with IFRS Practice Statement 2, *Making Materiality Judgements*, to efficiently and promptly address constituents' need for additional guidance on making materiality judgments when preparing financial statements in accordance with IPSAS Standards.

The amendments to IPSAS Standards in the *Definition of Material (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)* are effective January 1, 2027. An earlier application is permitted. The amendments to the Conceptual Framework are effective immediately.

For further details, refer to the website of the IPSASB.

3.0 LICENSING

31 December 2025



Licensed Auditors: 235



Registered Audit Firms: 113



Foreign Auditors: 4



Removal from Register of Audit Firms: Nil



Removal from Register of Licensed Auditors:
Nil



Removal from Register of Foreign Auditors:
Nil

4.0 ENFORCEMENT

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During the quarter ended 31 December 2025, two auditors were issued private warnings and another auditor was issued a letter of concern following the audit practice reviews carried out in accordance with section 77 of the Financial Reporting Act.



SANCTIONS

Auditor 1 and 2 - Letters of Warning

Warning letters were issued to two auditors for failing to comply with section 39(2) Financial Reporting Act as the audits of their 2 engagement files were not conducted in accordance with the relevant International Standards on Auditing ('ISAs').

Follow-up reviews would be carried out to assess whether appropriate remedial actions have been implemented with a view to improving audit quality and ensuring compliance with Section 39(2) of the Financial Reporting Act.



Auditor 3 - Letter of Concern

The third auditor was issued a letter of concern after considering the findings from the audit practice review.

From the engagement files of the auditor, FRC observed that there were instances of missing audit documentation in certain areas of the audit.

It is also noted that individually the observations were not considered material but in aggregate they were assessed as pervasive.

5.0 FINANCIAL REPORTING (GOING CONCERN DISCLOSURES PRACTICES) GUIDANCE

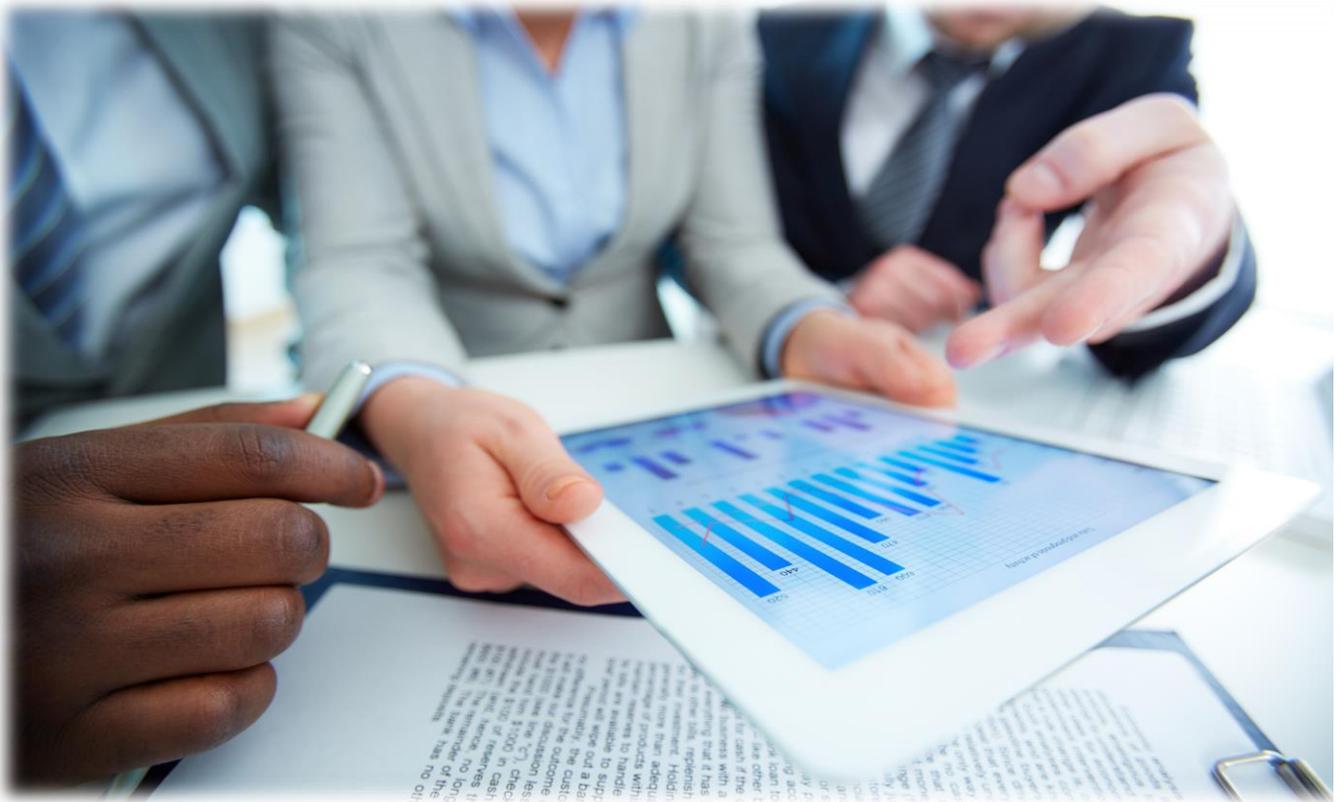
The Financial Reporting Council ('FRC') had issued the Financial Reporting (Going Concern Disclosures Practices) Guidance, which was approved by the Council at its meeting held on 05 December 2025.

The purpose of this Guidance is to assist entities, in making sufficient and appropriate disclosures relating to Going Concern as required by IFRS, in the light of any prevailing events (actual and/or subsequent) that may impact going concern. It is applicable to entities preparing their financial statements under IFRS.

This Guidance has been prepared by following a due process which interalia includes:

- Internal consultations;
- Draft of the Guidance on Going Concern Disclosures Practices;
- Finalisation of the Guidance;
- Approval of Council; and
- Dissemination to the stakeholders.

A copy of the Guidance on Going Concern Disclosures Practices is available on the website of FRC.



6.0 AFRICAN FORUM OF INDEPENDENT ACCOUNTING AND AUDITING REGULATORS ('AFIAAR')

Established in 2018, the African Forum of Independent Accounting and Auditing Regulators ('AFIAAR') comprises regulators from 17 jurisdictions across Africa. AFIAAR serves to promote effective and harmonised regulation, build institutional regulation capacity and provide a platform for dialogue, collaboration and the exchange of regulatory best practices. The FRC Mauritius is a member of AFIAAR.

✚ Re-election of Mr V. Tuhobol as Chairperson of the AFIAAR

The AFIAAR has adopted a Charter where Section 7 of the AFIAAR Charter deals with the election of Officers. The term of office of the officers is set at two years with re-election being possible.

The FRC is pleased to inform that at the AFIAAR H1 2025 Members Plenary Meeting held on Friday 23 May 2025, following due process in terms of the Charter and Rules of Procedure, Mr V. Tuhobol, Chief Executive Officer of the FRC has been re-elected as the Chairperson of the AFIAAR for a term of 2 years.



✚ The AFIAAR Working Groups

To meet the objectives of AFIAAR, 3 Working Groups have been established each having its own terms of reference. The FRC Mauritius is a member in each of the 3 Working Groups.

6.0 AFRICAN FORUM OF INDEPENDENT ACCOUNTING AND AUDITING REGULATORS ('AFIAAR') (CONT'D)

✚ The AFIAAR Working Groups (cont'd)

The Working Groups and the membership are illustrated in the table below.

1. AFIAAR Inspection Working Group ('AIWG')

Country	Institution
South Africa	Independent Regulatory Board for Auditors ('IRBA')
Mozambique	Ordem dos Contabilistas e Auditores de Mocambique ('OCAM')
Malawi	Malawi Accountants Board ('MAB')
Mauritius	Financial Reporting Council (Mauritius) ('FRC')
Botswana	Botswana Accountancy Oversight Authority ('BAOA')
Nigeria	Financial Reporting Council (Nigeria) ('FRC')
Namibia	Public Accountants and Auditors Board (Namibia) ('PAAB')
Tanzania	National Board of Accountants and Auditors ('NBAA')

2. AFIAAR Standard Working Group ('ASWG')

Country	Institution
Botswana	Botswana Accountancy Oversight Authority ('BAOA')
South Africa	Independent Regulatory Board for Auditors ('IRBA')
Rwanda	The Institute of Certified Public Accountants of Rwanda ('ICPAR')
Zimbabwe	Public Accountants and Auditors Board (Zimbabwe) ('PAAB')
Mauritius	Financial Reporting Council (Mauritius) ('FRC')
Namibia	Public Accountants and Auditors Board (Namibia) ('PAAB')

3. AFIAAR Enforcement Working Group ('AEWG')

Country	Institution
Tanzania-	National Board of Accountants and Auditors ('NBAA')
South Africa-	Independent Regulatory Board for Auditors ('IRBA')
Botswana-	Botswana Accountancy Oversight Authority ('BAOA')
Mauritius-	Financial Reporting Council (Mauritius) ('FRC')
Rwanda-	The Institute of Certified Public Accountants of Rwanda ('ICPAR')

6.0 AFRICAN FORUM OF INDEPENDENT ACCOUNTING AND AUDITING REGULATORS ('AFIAAR') (CONT'D)

Webinar organised by the AFIAAR Inspection Working Group ('AIWG')

The AIWG has organised a Webinar on 'Sharing Inspection Approaches Across Africa' which was held through the Ms Teams Platform on 27 November 2025.

The Co-presenters at the Webinar were the following:

Mr V Tuhobol	Chief Executive Officer of FRC Mauritius
Ms Lane Obotseng	Head of Technical Department of the Botswana Accountancy Oversight Authority
Mr Sadhir Issirinarain	Senior Professional Manager at the Independent Regulatory Board for Auditors of South Africa
Mr Askin Akbulut	Chairperson of the IFIAR Inspection Workshop Working Group

There were 62 participants from 14 African countries who attended the Webinar. The Technical Staff of FRC also participated at the Webinar. This enables them to have a better understanding of the approaches to audit inspection in Africa.

The topics covered in the webinar were as follows:

- Audit landscapes in Mauritius, Botswana and South Africa;
- Inspection processes;
- Challenges faced; and
- Initiatives to enhance audit quality.



6.0 AFRICAN FORUM OF INDEPENDENT ACCOUNTING AND AUDITING REGULATORS ('AFIAAR') (CONT'D)

✚ Pan African Regulatory Roundtable

The Second AFIAAR Regulatory Roundtable on Sustainability Reporting Standards was hosted by the FRC Mauritius in collaboration with AFIAAR and IFRS Foundation on 9-10 October 2025 at the Maritim Resort & Spa, Mauritius.

This year's roundtable was especially significant in identifying practical pathways for adopting sustainability disclosure standards and unlocking capital flows to African markets. It brought together about 100 delegates from 36 countries and local stakeholders who had exchanged insights and best practices in inspections-related matters.

The roundtable's key highlights included:

- Exclusive investor insights: A dedicated panel featuring leading African institutional investors and asset managers will share their perspectives on how sustainability disclosures influence capital allocation decisions;
- Implementation-focused sessions: Hands-on workshops demonstrating the ISSB Roadmap Development Tool, complemented by case studies from early adopting jurisdictions; and
- Regulatory collaboration: An unparalleled opportunity to align with peers from over 20 African jurisdictions on implementation strategies.



7.0 STEERING COMMITTEE ON SUSTAINABILITY REPORTING

Sustainability reporting is gaining prominence and is becoming an important part of how companies show responsibility and good governance. Investors, and other stakeholders are increasingly expecting companies to share their environmental, social, and governance impacts in their annual reports.

Cognizing the importance of sustainability reporting, FRC is of the view that it is high time to embark on sustainability by starting an adoption journey. In this respect, FRC has established a Steering Committee on sustainability comprising key stakeholders.

The Steering Committee comprises members who are representatives of the following institutions:

Bank of Mauritius
Stock Exchange of Mauritius
Financial Services Commission
Registrar of Companies
Ministry of Finance
Ministry of Environment
Ministry of Financial Services and Economic Planning
Deloitte
Ernst & Young
HSBC Bank
Financial Reporting Council

The members of the Steering Committee are for the adoption of IFRS S1 and S2 issued by the ISSB. In this regard, the journey to sustainability reporting will amongst others include the following:

- Gap assessment and capacity building;
- Development of an implementation roadmap;
- Stakeholder engagement; and
- Pilot implementation and reporting framework.

To help companies to adopt sustainability reporting:

- (a) Two roundtables have been hosted by FRC in collaboration with AFIAAR and ISSB
 - (i) Roundtable held in May 2024 – At this roundtable the importance of sustainability disclosure standards in unlocking capital flows to Africa and potential next steps in the region was discussed; and
 - (ii) Round table held in October 2025 – This roundtable carried particular significance on practical pathways for adopting sustainability disclosure standards and their critical role in unlocking capital flows to African markets.

7.0 STEERING COMMITTEE ON SUSTAINABILITY REPORTING (CONT'D)

- (b) Meeting with representatives of the UK Climate Finance Taskforce

FRC had a meeting with the representatives of the UK Climate Finance Taskforce to discuss on how they can collaborate with the FRC to provide finance for capacity building and other areas in making sustainability reporting a success.

- (c) Meeting with representatives of Grant Thornton (Advisory Services) India was held to share the plan of FRC in embarking on sustainability reporting.

The main challenges to embark on reporting on sustainability reporting that have been identified are:

- (i) Limited private sector data integration; and
- (ii) Capacity-building and technical expertise which are critical for effective sustainability reporting

FRC is at present assessing the readiness of reporting on sustainability more specifically with respect to **Capacity Building** and **Data Availability**.



8.0 STAFF WELFARE

End of year celebrations

End of year functions are important events to celebrate and recognise employees' hard work and achievements and create lasting memories. They are festive events which bring teams together and set a positive tone for the coming New Year.

In December 2025, the FRC invited its team to celebrate the End of Year lunch at City Orient Restaurant and hosted office lunches as part of Christmas and New Year's celebrations.

The Chief Executive Officer reflected on the accomplishments that came during the year and took an opportunity to provide a brief outlook for the coming year. He also thanked the employees for their hard work and commitment showed during the year 2025.



Resources

The FRC on a monthly basis publishes on its website updates from the International Accounting Standards Board ('IASB'), International Federation of Accountants ('IFAC') and International Public Sector Accounting Standards Board ('IPSASB'). For more information on these updates, you may refer to the following websites:

- FRC – frc.govmu.org
- IASB – iasb.org
- IFAC – ifac.org
- IPSASB - ipsasb.org



For more details on the topics referred in this issue, the reader may visit the website of FRC (<http://frc.govmu.org>) or contact the FRC.

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The FRC cannot be held liable for any error or omission.