

THE BANK OF MAURITIUS BILL
(No. XXXVI of 2004)

Explanatory Memorandum

The main object of the Bill is to repeal and replace the law relating to the Bank of Mauritius, and to provide for related matters.

2. Provision is also made in the Bill for –
- (a) the Governor of the Bank of Mauritius to be assisted by 2 Deputy Governors;
 - (b) the setting up of a Monetary Policy Committee;
 - (c) greater transparency through regular publication of statements on the monetary policy of the Bank.

27 August 2004

P.K. JUGNAUTH
Deputy Prime Minister,
Minister of Finance and Economic Development

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A BILL

To repeal and replace the law establishing and relating to the Bank of Mauritius and to provide for related matters

PART I - PRELIMINARY

1. Short title

This Act may be cited as the Bank of Mauritius Act 2004.

2. Interpretation

In this Act -

“Bank” means the Bank of Mauritius established under section 3;

“bank” has the same meaning as in the Banking Act 2004;

“banking laws” has the same meaning as in the Banking Act 2004;

“Bill” means a Bank of Mauritius Bill issued under section 6(1)(m);

“Board” means the Board of Directors referred to in section 12;

“Committee” means the Monetary Policy Committee set up under section 54;

“Consolidated Fund” means the Consolidated Fund referred to in section 103 of the Constitution;

“credit” has the same meaning as in the Banking Act 2004;

“Deputy Governor” means the First Deputy Governor, or Second Deputy Governor, appointed under section 14;

“Director” means any member of the Board of Directors of the Bank, referred to in section 12(2);

“financial institution” has the same meaning as in the Banking Act 2004;

“freely convertible currency” means a currency which is freely negotiable and transferable in international exchange markets;

“Government’s recurrent revenue” -

- (a) means the total estimated budget recurrent revenue, whether from the recurrent or capital budget, as laid before the National Assembly or the Rodrigues Regional Assembly, for any financial year; but
- (b) does not include –
 - (i) loans raised;
 - (ii) proceeds from the sale of fixed or financial assets; and
 - (iii) grants to the Rodrigues Regional Assembly;

“Governor” means the Governor of the Bank appointed under section 13;

“Minister” means the Minister to whom responsibility for the subject of finance is assigned;

“other Director” means a Director, other than the Governor and the Deputy Governors;

“repealed Bank of Mauritius Act” means the Bank of Mauritius Act repealed by section 71.

PART II – CONSTITUTION OF THE BANK

3. Establishment of the Bank of Mauritius

(1) The Bank of Mauritius established under the repealed Bank of Mauritius Act shall be deemed to have been established under this Act.

(2) The Bank shall -

- (a) be a body corporate with perpetual succession;
- (b) have a common seal; and
- (c) be capable of entering into contracts, of acquiring, holding and disposing of property, whether movable or immovable and of suing and being sued.

(3) Subject to this Act, the Bank shall, in the pursuit of its objects, perform its functions independently.

(4) Subject to this Act, the Companies Act 2001 and the Banking Act 2004 shall not apply to the Bank.

4. Objects of the Bank

(1) The primary object of the Bank shall be to maintain price stability and to promote orderly and balanced economic development.

(2) The other objects of the Bank shall be –

- (a) to regulate credit and currency in the best interests of the economic development of Mauritius;
- (b) to ensure the stability and soundness of the financial system of Mauritius; and
- (c) to act as the central bank for Mauritius.

5. Functions of the Bank

(1) The Bank shall have such functions as are necessary to achieve the attainment of its objects and, in particular, it shall -

- (a) conduct monetary policy, taking into account the orderly and balanced economic development of Mauritius;
- (b) regulate and supervise financial institutions carrying on activities in, or from within, Mauritius;
- (c) manage, in collaboration with other relevant supervisory and regulatory bodies, the clearing, payment and settlement systems of Mauritius;
- (d) collect, compile, disseminate, on a timely basis, monetary and related financial statistics; and
- (e) manage the exchange rate of the rupee and the foreign exchange reserves of Mauritius.

(2) The Bank shall -

- (a) for the purposes of subsection (1)(a), determine, with the concurrence of the Minister, the accepted range of the rate of inflation during a given period consistent with the pursuit of the price stability objective;
- (b) for the purposes of subsection (1) generally, formulate and implement appropriate policies to promote economic activities having due regard to domestic and international economic developments.

- (3) For the purposes of section 4(2), the Bank shall -
- (a) ascertain and promote the soundness of financial institutions and their compliance with governing laws, rules and regulations;
 - (b) ensure the adoption by financial institutions of policies and procedures designed to control and manage risks effectively;
 - (c) adopt policies to safeguard the rights and interests of depositors and creditors of financial institutions, having due regard to the need for financial institutions to compete effectively in the market and take reasonable risks;
 - (d) monitor system-wide factors that might have or potentially have a negative impact on the financial condition of financial institutions.

6. Powers of the Bank

- (1) Subject to this Act, the Bank may -
- (a) open accounts for, accept deposits from, and pay interest on such deposits to -
 - (i) the Government, and institutions and funds controlled by the Government;
 - (ii) financial institutions;
 - (iii) such statutory or corporate bodies as the Board may approve;
 - (iv) the receiver, the receiver and manager or the liquidator of any financial institution in liquidation;
 - (b) maintain accounts with foreign central banks and other foreign financial institutions outside Mauritius and act as correspondent, banker or agent for any other central bank, financial institution or other monetary authority and for any international bank or international monetary authority of which Mauritius is a member or associate;
 - (c) hold and manage the official foreign exchange reserves of Mauritius;
 - (d) formulate and implement appropriate intervention policies in the foreign exchange market;
 - (e) promote the development of the money market of Mauritius;
 - (f) purchase and sell gold coins, gold bullion or gold;
 - (g) issue bills and demand drafts, and effect remittances of funds;

- (h) purchase and sell freely convertible currencies and purchase, sell, discount and rediscount bills of exchange and Treasury Bills drawn in, or outside Mauritius and maturing within 184 days, exclusive of days of grace, from the date of acquisition;
- (i) purchase, sell, discount and rediscount bills of exchange and promissory notes arising out of *bona fide* commercial transactions and bearing 2 or more acceptable signatures, one of which shall be that of a bank which is a customer of the Bank, maturing within 90 days, or, in the case of bills relating exclusively to exports, maturing within 12 months, exclusive of days of grace, from the date of acquisition by the Bank;
- (j) purchase and sell, outright or by way of repurchase agreement, securities of the Government maturing in not more than 20 years, which have been publicly offered for sale or form part of an issue which is being made to the public at the time of acquisition on condition that at any particular date the total value in the books of the Bank of such securities in the ownership of the Bank, other than securities held in terms of paragraph (k), or held by the Bank as collateral under this Act, shall not together at any time exceed 20 percent of the average of the last 2 published figures of the Government's recurrent revenue;
- (k) invest in securities of the Government, for any amount, to mature at any time, on behalf of staff funds and superannuation funds and other internal funds of the Bank;
- (l) purchase and sell securities payable in freely convertible currencies where such securities are issued or guaranteed by the government of a foreign country or by an international organisation or other institution of which Mauritius is a member;
- (m) issue Bank of Mauritius Bills;
- (n) grant advances for fixed periods not exceeding 3 months to customers against -
 - (i) gold coin or gold bullion;
 - (ii) securities of the Government which have been publicly issued and are to mature within a period of 20 years;
 - (iii) such bills of exchange and promissory notes as are eligible for purchase, discount or rediscount by the Bank on condition that no advance so secured shall exceed 75 per cent of the nominal value of the instruments pledged;

- (iv) warehouse warrants or their equivalent securing possession of goods, in respect of staple commodities or other goods duly insured and with a letter of hypothecation from the owner on condition that no such advance shall exceed 60 per cent of the current market value of the commodities or goods in question;
- (o) in exceptional circumstances, grant advances to financial institutions on such terms and conditions and against such security as the Board may determine;
- (p) grant such advances as may be approved by the Board to the receiver, receiver and manager or liquidator of a bank in receivership, or in liquidation, as the case may be;
- (q) undertake on behalf of customers and correspondents, the purchase, sale, collection, and payment of securities, currencies and credit instruments in Mauritius and abroad, and the purchase and sale of gold and silver;
- (r) enter into agreements with international financial organisations to raise funds for the purpose of financing projects or for such other purpose as the Board may approve;
- (s) undertake such investment in Mauritius of funds of customers on deposit with the Bank as may be specifically directed by such customers;
- (t) notwithstanding any other enactment, appropriate assets of banks or other financial institutions pledged in favour of the Bank, in satisfaction of sums of money owed to the Bank and secured by the pledge;
- (u) open and maintain accounts for the Governor, Deputy Governors and members of the staff of the Bank;
- (v) appoint banks and other financial institutions to act as its agents in Mauritius, and banks and other financial institutions abroad to act as its agents or correspondents abroad;
- (w) regulate the fees or charges in respect of the services provided by financial institutions;
- (x) appoint, on such terms and conditions as it may deem fit, fit and proper persons to act as Primary Dealers; and
- (y) under any other banking law, carry out such other functions as are not inconsistent with this Act;

- (z) subject to the express provisions of this Act, generally conduct business as a bank and do all such things as are incidental to or consequential upon the exercise of its powers or the discharge of its duties under this Act.
- (2) (a) The Bank may raise, for monetary policy purposes, loans by the issue of Bank of Mauritius Bills.
- (b) Every Bill shall -
 - (i) be issued by the Bank in such form and subject to such conditions as may be determined by the Bank;
 - (ii) be in such multiples and currencies as may be determined by the Bank;
 - (iii) be payable at par at the Bank; and
 - (iv) specify the date of its maturity.
- (c) A Bill may be redeemed, before the date of its maturity, on such terms and conditions as may be agreed.
- (d) The proceeds of the issue of Bills shall be paid to the Bank.
- (e) Every Bill shall, on redemption, be cancelled by the Bank.
- (3) Notwithstanding subsection (1), any shares of any corporation or company held by the Bank under the repealed Bank of Mauritius Act, immediately before the coming into operation of this Act, shall continue to be held by the Bank under this Act.

7. Endorsement of security under the Code Civil Mauricien

(1) Where a security is pledged by any bank or other financial institution in favour of the Bank or another bank or financial institution and the relevant entries have been made by the Bank in its books and records in this respect, such entries shall constitute the endorsement of the security for the purpose of Article 2076 of the Code Civil Mauricien and the registration of the pledge for the purpose of Article 2077 of the Code Civil Mauricien.

(2) Articles 2129 –1 to 2129 – 6 and Articles 2150 – 1 to 2150 – 6 of the Code Civil Mauricien shall apply to the Bank as if the Bank were a bank established under the Banking Act 2004.

8. Publication of interest rates

The Bank shall, at all times, make public its interest rates applicable to deposits made with it by, and advances granted to, banks.

9. Limitations on activities of the Bank

(1) Subject to this Act, the Bank shall not -

- (a) engage in any trade or acquire any interest in any commercial, agricultural, industrial or any other undertaking, except where -
 - (i) such interest is acquired in satisfaction of debts due to the Bank; and
 - (ii) the interest so acquired is disposed of at the earliest opportunity;
- (b) purchase, acquire or lease immovable property, except where the premises are necessary for the conduct of its business under this Act;
- (c) grant loans upon the security of any shares;
- (d) draw or accept bills payable otherwise than on demand;
- (e) allow the renewal or substitution of maturing bills of exchange purchased, discounted or rediscounted by or pledged with the Bank;
- (f) accept for discount, or as security for an advance made by the Bank, bills or notes signed by the Governor, a Deputy Governor, any other Director or an employee of the Bank;
- (g) open accounts for and accept deposits from persons, otherwise than as provided for in section 6 (1) (a), (b) and (u);
- (h) guarantee loans or advances for the Government or any person, nor grant loans or advances to the Government or any person, except as provided for in sections 6(1), 48(3) and 58.

(2) Subject to section 58, the Bank shall not grant any advances, otherwise than as specified in section 6(1)(n), (o) and (p).

(3) Notwithstanding subsection (1)(b), where the Bank is of the opinion that any debt due to it is at risk, the Bank may secure such debts on any immovable or other property of the debtor and may acquire such property, which shall be resold at the earliest available opportunity.

(4) Notwithstanding subsection (1)(e), the Board may, in exceptional circumstances by resolution, authorise either one renewal or one substitution of not more than 50 per cent of the original amount of any such bill for a period not exceeding 90 days.

PART III - CAPITAL AND RESERVE

10. Capital

(1) Subject to subsection (2), the stated capital of the Bank shall be one billion rupees.

(2) The Minister may, upon the recommendation of the Board, increase from time to time the amount paid as capital of the Bank by transfer from the General Reserve Fund.

(3) The amounts paid as capital shall -

- (a) be not less than one billion rupees;
- (b) be subscribed and held solely by the Government; and
- (c) not be transferable or subject to any encumbrance.

(4) The amount paid as capital of the Bank may be increased from time to time by transfer from the General Reserve Fund referred to in section 11, or the Special Reserve Fund referred to in section 47, of such amounts as the Board may, with the approval of the Minister, resolve.

(5) Notwithstanding any other provision of this Act, the Minister shall cause to be transferred in full ownership to the Bank, negotiable interest-bearing securities issued from time to time by the Government at market rates for such an amount as, in the opinion of the Board, is necessary for the purpose of preserving the amount paid as capital of the Bank from any impairment.

(6) The interest on the securities referred to in subsection (5) shall be equal to-

- (a) the interest that the Government is currently paying on securities of one year maturity; or
- (b) where securities of such maturity are not outstanding, the interest on any other form of government indebtedness of which the maturity is closest to one year.

11. General Reserve Fund

(1) The Board shall determine the net profits of the Bank for each financial year, after meeting all current expenditure for that year and after making such provision as it thinks fit for bad and doubtful debts, depreciation in assets, contributions to staff funds and superannuation funds and other contingencies.

(2) The Bank shall establish a General Reserve Fund to which shall be allocated, at the end of every financial year of the Bank, 15 per cent of the net profits of the Bank.

(3) The balance of the net profits for the financial year remaining after the allocation made under subsection (2) shall, subject to subsection (4), be paid into the Consolidated Fund as soon as practicable after the end of every financial year.

(4) Subject to subsection (5), the balance in the General Reserve Fund shall be at least equivalent to the amount paid as capital of the Bank.

(5) Where, at any time, the balance in the General Reserve Fund is less than the amount paid as capital of the Bank, the Bank shall endeavour to bring the balance to the required level.

(6) No allocation under subsection (3) shall be made where, in the opinion of the Board -

- (a) the assets of the Bank are, or after such allocation would be, less than the sum of its liabilities and paid up capital; or
- (b) the Bank would not be in a financial position to conduct its activities properly.

PART IV - BOARD, MANAGEMENT AND STAFF

12. Board of Directors

(1) The general policy of the affairs and business of the Bank shall, subject to this Act, be entrusted to a Board of Directors.

(2) The Board shall consist of -

- (a) the Governor, who shall be the Chairperson;
- (b) two Deputy Governors; and
- (c) not less than 5 and not more than 7 other Directors appointed in accordance with section 16.

(3) In the exercise of its functions, the Board shall not be subject to the direction or control of any other person or authority.

(4) Every Director, other than the Governor and the Deputy Governors, shall be paid such fees as the Minister may determine.

13. Governor

(1) The Governor shall be appointed by the President, on the recommendation of the Prime Minister.

(2) No person shall be appointed as Governor unless the person -

- (a) is a citizen of Mauritius;
- (b) holds a professional qualification or university degree; and
- (c) has recognised experience in banking or financial matters.

(3) The Governor shall be the principal representative of the Bank and shall be responsible for the general supervision of the Bank.

(4) The Governor shall, in the discharge of his functions under this Act, be answerable to the Board.

14. Deputy Governors

(1) The First and Second Deputy Governors shall be appointed by the President, on the recommendation of the Prime Minister.

(2) No person shall be appointed as Deputy Governor unless the person -

- (a) is a citizen of Mauritius;
- (b) holds a professional qualification or university degree; and
- (c) has recognised experience in banking or financial matters.

(3) The Deputy Governors shall, under the general supervision of the Governor, be responsible for the execution of the policy of the Board.

(4) In the absence of the Governor, the First Deputy Governor shall act as Governor and, in the absence of the Governor and the First Deputy Governor, the Second Deputy Governor shall act as Governor.

(5) The Deputy Governors shall be answerable to the Governor for their acts and decisions.

15. Tenure of office and declaration of assets

(1) (a) Subject to paragraph (b), the Governor and the Deputy Governors shall be appointed on such terms and conditions as may be specified in the instrument of appointment.

(b) The Governor and Deputy Governors shall hold office for a term not exceeding 5 years and shall be eligible for re-appointment.

(2) The Governor or the Deputy Governors shall not, during their tenure of office, hold any other office, whether remunerated or not, except with the consent of the President or as may be expressly provided in any enactment.

(3) Notwithstanding subsection (2), the Governor or any Deputy Governor may be appointed-

(a) member of any commission established by or with the approval of the Government to enquire into any matter affecting banking and financial matters in Mauritius; or

(b) Governor, director or member of a board or committee, by whatever name called, of any international authority to which the Bank or Mauritius is a member or party.

(4) A declaration of assets, in the form specified in the First Schedule, shall, within 30 days of his appointment or of the coming into operation of this Act, be deposited by a Governor with the Minister in respect of himself, his spouse, his minor children and grandchildren and subject to subsection (6) the children of age.

(5) For the purposes of subsection (4), "Governor" means the Governor or a Deputy Governor.

(6) The declaration shall, in relation to children of age, specify any property sold, transferred or donated to each one of them in any form or manner whatsoever including income or benefits from any account, partnership or trust.

(7) A Governor shall make a fresh declaration of assets by means of an affidavit every 2 years and at the expiry or termination of his employment on any ground.

16. Directors other than Governor and Deputy Governors

(1) The Directors, other than the Governor and Deputy Governors, shall be appointed by the Minister.

- (2) The other Directors shall-
- (a) be fit and proper persons of recognised experience in the field of economics, banking, finance, business or law;
 - (b) be persons of high integrity;
 - (c) not be actively engaged in any political activity.

(3) (a) Subject to paragraphs (b) and (c), the other Directors shall be appointed on such terms and conditions as may be specified in the instrument of appointment.

(b) The other Directors shall hold office for a term not exceeding 3 years, provided that not more than 2 of the other Directors shall terminate their term of office in the same year.

(c) The other Directors appointed under this section shall be eligible for reappointment.

17. Disqualification

A person shall be disqualified from holding the office of Governor, Deputy Governor or other Director if he -

- (a) is employed in any capacity in the public service or holds any office or position for which any salary or other remuneration is payable out of public moneys;
- (b) is a director, a partner, an official, an employee or a shareholder of any bank or other financial institution;
- (c) has committed any default or breach of trust or is guilty of serious misconduct in the discharge of his duties under this Act which, in the opinion of the President or Minister, as the case may be, renders him unfit to be appointed or to continue in office;
- (d) has been convicted of an offence of such nature as, in the opinion of the President or Minister, as the case may be, renders it desirable that he should be removed from office; or
- (e) is suffering from such mental or physical infirmity as to render him unfit to discharge his duties under this Act.

18. Resignation from office

Any Director may resign his office by giving at least 3 months' notice in writing of his intention to resign -

- (a) in the case of the Governor or a Deputy Governor, to the President; and
- (b) in the case of any other Director, to the Minister.

19. Vacation of office

The office of a Director shall become vacant -

- (a) on his death;
- (b) if he fails to attend 3 consecutive Board meetings without leave of the Board;
- (c) where he becomes subject to any disqualification under section 17;
- (d) has become insolvent or has assigned his estate for the benefit of his creditors or has made an arrangement or composition with his creditors;
- (e) where he resigns from office.

20. Vacancies in office of Director

Where the office of a Director becomes vacant before the expiry of the term for which he has been appointed, another person shall be appointed, for the unexpired period of the term of office of the Director in whose place he is appointed, in accordance with this Part.

21. Meetings of the Board

- (1) The Board shall meet at the seat of the Bank at least once every month.
- (2) The Governor shall preside at all meetings of the Board.
- (3) Every meeting of the Board shall be convened by the Secretary to the Board at the request of -
 - (a) the Governor; or
 - (b) in the absence of the Governor, of the First Deputy Governor; and
 - (c) in the latter's absence, of the Second Deputy Governor; or
 - (d) at least 3 members of the Board.
- (4) At any meeting of the Board, 6 members shall constitute a quorum.

(5) A decision required to be taken by the Board shall be resolved by a simple majority of the members present and voting except that, in the event of an equality of votes, the Chairperson shall have and exercise a second or casting vote.

(6) Subject to this section, the Board shall regulate its meetings and proceedings in such manner as it thinks fit.

22. Disclosure of interest

(1) Where a Director, his spouse or next-of-kin has any direct or indirect interest in relation to any matter before the Board, the Director shall -

- (a) disclose, at or before the meeting convened to discuss that matter, the nature of his interests; and
- (b) not take part in any deliberation or decision-making process in relation to that matter.

(2) Every disclosure of interest made under this section shall be recorded in the minutes of the Board.

23. Secretary

(1) There shall be a Secretary to the Bank, who shall be appointed by the Board on such terms and conditions as the Board thinks fit, and who shall be assigned such duties as may be determined by the Board.

(2) The Secretary to the Bank may act as Secretary to the Board.

(3) The Secretary to the Board shall –

- (a) prepare and attend every meeting of the Board;
- (b) keep minutes of its proceedings; and
- (c) perform such other duties as may be determined by the Board.

24. Appointment of staff

(1) The Bank may employ, on such terms and conditions as it thinks fit, such persons as may be necessary for the proper discharge of its functions.

(2) Every employee shall be under the administrative control of the First Deputy Governor or the Second Deputy Governor, as the case may be.

25. Consultants and other persons engaged to perform services

(1) The Bank may, on such terms and conditions as the Board may determine, engage any consultant, or other person, suitably qualified to provide advice to the Bank in the discharge of its functions.

(2) The terms and conditions of the engagement shall be determined by the Board.

(3) Any person engaged under this section shall, during the period of his engagement, be deemed to be an officer of the Bank for the purposes of section 26.

26. Confidentiality

(1) Every Director, every officer or employee of the Bank or any person appointed by the Bank pursuant to the banking laws shall -

- (a) in the case of a Director or head of department, take an oath of confidentiality in the form set out in the Second Schedule; and
- (b) in any other case, make a declaration of confidentiality before the Chairperson of the Board in the form set out in the Third Schedule,

before he begins to perform any duties under the banking laws.

(2) Except -

- (a) for the purposes of -
 - (i) the performance of his duties or the exercise of his functions under the banking laws; or
 - (ii) meeting the requirements of an agreement or understanding reached by the Bank with any other relevant supervisory body; or
- (b) when lawfully required to do so -
 - (i) by an order of a Judge in Chambers or any court of law; or
 - (ii) under any enactment,

no person referred to in subsection (1) shall, during and after his relationship with the Bank, disclose directly or indirectly to any person any information relating to the affairs of the Bank, of any other bank or financial institution or of any of its customers, which he has acquired in the performance of his duties or the exercise of his functions.

(3) Any person who contravenes this section shall commit an offence and shall, on conviction, be liable to a fine not exceeding one million rupees and to imprisonment for a term not exceeding 5 years.

- (4) Nothing in this section shall preclude -
- (a) the exchange or disclosure of any information, under conditions of confidentiality, between the Bank and the Financial Services Commission established under the Financial Services Development Act or between the Bank and any other foreign regulatory agency performing functions similar to those of the Bank under this Act, pursuant to any existing or future treaty, or agreement or memorandum of understanding entered into by the Bank or the State of Mauritius;
 - (b) the disclosure of any information pursuant to an order made by the Judge in Chambers under section 6 of the Mutual Assistance in Criminal and Related Matters Act 2003; or
 - (c) the disclosure of any information to the Financial Intelligence Unit pursuant to section 22 of the Financial Intelligence and Anti-Money Laundering Act 2002.

27. Execution of documents

(1) Subject to subsection (2), a deed, instrument, contract or other document shall be executed by or on behalf of the Bank if it is signed underneath the name of the Bank by the Governor or a Deputy Governor.

(2) In the absence of the Governor and the Deputy Governors, the powers under subsection (1) shall be exercised by such officer of the Bank as may be appointed by the Board for that purpose.

28. Authorisation of cheques or payment instructions

Any cheque or payment instruction upon any banking account kept by the Bank shall be signed or authorised, as the case may be, jointly by any 2 of -

- (a) the Governor;
- (b) a Deputy Governor;
- (c) officers of the Bank appointed by the Board for that purpose.

29. Indemnity

(1) The Governor, Deputy Governors, other Directors, and every officer or other employee of the Bank shall be indemnified by the Bank against all losses and expenses incurred by any of them by reason of any contract entered into, or act or deed done, in the proper discharge of his duties under the Act.

(2) No person referred to in subsection (1) shall be liable to the Bank for any loss or expense incurred by the Bank on account of the insufficiency or deficiency of value of, or title to, any property or security acquired or taken on behalf of the Bank or on account of the insolvency, bankruptcy or wrongful act of any customer or debtor of the Bank, unless such loss or expense was due to wilful default in the execution of his duties under the Act.

PART V – ACCOUNTING, STATEMENTS AND TRANSPARENCY

30. Financial year

The financial year of the Bank shall begin on 1 July of each year and end on 30 June of the succeeding year.

31. Accounts and audit

(1) The accounting of the Bank shall, at all times, be carried out in conformity with accounting principles applicable to central banks and best international practices.

(2) The accounts of the Bank shall be audited at least once a year by such auditors as may be appointed by the Board.

(3) Subject to subsection (4), no auditor shall be appointed under subsection (2) continuously for a period of more than 5 years.

(4) Where an auditor is appointed continuously for a period of 5 years or less, that auditor shall not be reappointed before a period of 5 years from the date of termination of his last appointment.

32. Budget, annual accounts, annual report and returns

(1) The budget of the Bank in respect of a financial year shall be determined by the Board not later than 15 June immediately preceding that financial year.

(2) The annual accounts of the Bank shall be established in a transparent manner to ensure true and complete data on the financial status of the Bank.

(3) The Bank shall, not later than 4 months after the close of its financial year, cause to be made and submit to the Minister a copy of the annual accounts certified by the auditors together with a report on its operations during that year.

(4) The Minister shall, at the earliest available opportunity, lay a copy of the annual report and audited accounts before the National Assembly.

(5) The Bank shall, as soon as may be practicable, after the last working day of each month, prepare and publish a return of its assets and liabilities as at the close of business on that day.

(6) A copy of the return under subsection (5) shall be submitted to the Minister, who shall cause it to be published in the *Gazette*.

(7) A copy of the annual report and audited accounts under subsection (4) shall be published by the Bank not later than 6 months after the close of its financial year.

33. Transparency

(1) In the conduct of its operations, the Bank shall promote open discussions and comments on its monetary and financial stability policies.

(2) The Bank shall publish -

(a) at least once a year, statements on its monetary policy;

(b) at least twice a year, statements on price stability and on the stability and soundness of the financial system.

PART VI - CURRENCY

34. Unit of currency

The unit of currency in Mauritius shall be the rupee, which shall be divided into 100 cents.

35. Sole right to issue currency

(1) The Bank shall have the sole right to issue Mauritius currency notes and coins.

(2) Any person, other than the Bank, who issues Mauritius currency notes, bank notes or coins or any documents or tokens payable to bearer on demand having the appearance of or purporting to pass as legal tender or as currency, shall commit an offence and shall, on conviction, be liable to a fine not exceeding 2 million rupees and to penal servitude.

36. Printing of bank notes and minting of coins

(1) The Bank shall, after consultation with the Minister, determine the denominations, form, design, content, weight and composition of its bank notes and coins.

(2) The Bank shall -

(a) arrange for the printing of currency notes and the minting of coins and for all matters relating thereto;

(b) issue and reissue currency notes and coins;

(c) arrange for the security and safe keeping of unissued stocks of currency notes and coins and for the preparation, safe custody and destruction of any paper, plate, block, die or other instrument used for the printing of currency notes and for the minting of coins.

37. Legal tender

(1) Currency issued by the Bank under this Act shall be legal tender in Mauritius -

- (a) in the case of notes, for the payment of any amount;
- (b) in the case of coins, for the payment of any amount not exceeding 50 times with regard to coins of denomination of less than five rupees and not exceeding 100 times with regard to coins of 5 rupees and higher denominations .

(2) Any currency note issued under this Act shall cease to be legal tender where it is no longer in conformity with the specifications published by the Bank.

(3) Any coin issued under this Act that has been impaired, diminished or lightened otherwise than by fair wear and tear, or has been defaced by having any name, word, device or number stamped or engraved on it, whether the coin has or has not been thereby diminished or lightened, shall no longer be legal tender.

38. Demonetisation of currency notes and coins

(1) Subject to subsection (2), the Board may, by publication in the *Gazette*, declare that any currency note or coin shall cease to be legal tender and provide for any matters incidental to the calling in and demonetisation of such currency notes or coins.

(2) The holder of any demonetised currency note or coin, referred to in subsection (1), may, within such time and upon such conditions as may be determined by the Board and published in the *Gazette*, claim payment of the face value of such notes and coins from the Bank.

39. Recovery of lost, stolen, mutilated or otherwise damaged currency

(1) Subject to subsection (2), no person shall be entitled to recover from the Bank the value of any lost, stolen, mutilated or imperfect currency note or coin.

(2) The circumstances in which, and the conditions and limitations subject to which, the value of lost, stolen, mutilated or imperfect currency notes or coins may be refunded shall be within the absolute discretion of the Bank.

40. Possession of paper for currency notes

(1) Any person who, without lawful authority or excuse, makes use of or knowingly has in his possession a paper with a word, figure, device or distinction peculiar to and appearing in the substance of the paper used for currency notes or material upon which the whole or part of a currency note purporting to resemble a currency note has been engraved or made or any facsimile of the signature of any signatory whose signature has appeared or appears on currency notes, shall commit an offence and shall, on conviction, be liable to penal servitude.

(2) Any person who, without lawful authority or excuse, mutilates, cuts, tears or perforates a currency note, or in any way defaces a currency note whether by writing, printing, drawing or stamping or by attaching or affixing to it anything in the nature or form of an advertisement, shall commit an offence and shall, on conviction, be liable to a fine not exceeding 500,000 rupees.

41. Imitation of currency notes

- (1) Any person who-
- (a) makes or causes to be made;
 - (b) uses for any purpose; or
 - (c) alters,

any document purporting to be or in any way resembling or so nearly resembling, as to be calculated to deceive, a currency note or a part of a currency note shall commit an offence and shall, on conviction, be liable to penal servitude.

(2) Any person who, without lawful authority or excuse, makes or knowingly keeps in his possession any plate, block, die or other instrument used for, or capable of being used for, printing or reproducing any such document shall commit an offence and shall, on conviction, be liable to penal servitude.

(3) Any person whose name appears on a document, the making of which is an offence under this section, who refuses to disclose to a police officer the name and address of the person by whom it was printed or made shall commit an offence and shall, on conviction, be liable to a fine not exceeding 500,000 rupees.

(4) The court may, upon the conviction of a person under subsection (1) or (2), order the document and any copies of that document and any plates, blocks, dies or other instruments, which are in the possession of the offender, to be destroyed.

(5) Where the name of a person appears on a document in respect of which a charge for an offence under this section has been laid or on any other document used or distributed in connection with that document, it shall be *prima facie* evidence that that person caused the document to be made.

(6) In this section, "currency note" means a note issued under this Act and includes a foreign currency note that is legal tender in the jurisdiction of a foreign State.

42. Counterfeit currency notes

Any person who, without lawful authority or excuse has in his possession, any forged, counterfeited or altered currency note or any unfinished or incomplete currency note purporting to be issued by the Bank, knowing same to be forged, counterfeited or altered, shall commit an offence and shall, on conviction, be liable to a fine not exceeding one million rupees and to penal servitude.

43. Counterfeiting of coins

(1) Any person who makes or causes to be made, or knowingly offers, utters, disposes of or passes off a counterfeit coin shall commit an offence and shall, on conviction, be liable to penal servitude.

(2) Any person who, without lawful authority or excuse, makes or knowingly keeps in his possession any die or other instrument or machine used or intended to be used for coinage or counterfeiting shall commit an offence and shall, on conviction, be liable to penal servitude.

(3) Any person who, without lawful authority or excuse, has in his possession, knowing the same to be counterfeit, counterfeit coin or tokens purporting to have been issued as coin by the Bank, shall commit an offence and shall, on conviction, be liable to penal servitude.

(4) Any person who, without lawful authority or excuse, melts down, breaks up or uses otherwise than as currency, any coin which has been or is legal tender, whether in Mauritius or in any other country, shall commit an offence and shall, on conviction, be liable to penal servitude.

(5) In this section -

“coin” means a coin issued or deemed to have been issued under this Act;

“counterfeit coin or token” means any coin or token which is counterfeit or resembles or so nearly resembles a coin or token as to be calculated to deceive;

“token” means any chip, coupon or other document which is held out as having been issued as a coin by the Bank and which is intended or calculated to be used as such.

(6) The court shall, on conviction, order the forfeiture and destruction of every coin or token which is the subject matter of an offence under this section and any metal or other material, die, machine or other equipment or instrument used for, or capable of being used for, making such coins or tokens.

44. Forgery

Any person who -

- (a) forges or counterfeits or alters a currency note or a word, figure, mark, sign, signature or facsimile upon or attached to the note; or
- (b) offers, utters, disposes of, or passes off a currency note, knowing it to be forged or counterfeited or altered,

shall commit an offence and shall, on conviction, be liable to a fine not exceeding 2 million rupees and to penal servitude.

45. Evidence in proceedings

(1) In any proceedings in which the genuineness of a currency note or coin purporting to have been issued by the Bank is in question, a certificate under the hand of a Deputy Governor to the effect that such currency note or coin is spurious or genuine shall be received in all courts as conclusive evidence of the spuriousness or genuineness, as the case may be, of such purported currency note or coin.

(2) The Deputy Governor shall not be examined or cross-examined with respect to any such certificate.

(3) The certificate shall be in the form specified in the Fourth Schedule.

**PART VII - OFFICIAL FOREIGN RESERVES
AND SPECIAL RESERVE FUND**

46. Official foreign reserves

(1) Subject to subsection (2), the Bank shall maintain and manage the official foreign exchange reserves of Mauritius consisting of all or any of the following -

- (a) gold;
- (b) foreign exchange in the form of currency or bank balances held abroad;
- (c) the holdings by Mauritius of Special Drawing Rights of the International Monetary Fund;
- (d) assets expressed in freely convertible currencies.

(2) The Bank shall determine the composition of the official foreign exchange reserves and it shall aim to achieve their security, liquidity and return.

47. Special Reserve Fund

(1) Any net realised gains or losses in any financial year of the Bank arising from changes in the valuation of its assets or liabilities in, or denominated in, gold, Special Drawing Rights, or foreign currencies as a result of any change in the values or exchange rates of gold, Special Drawing Rights, or foreign currencies in terms of the domestic currency, shall be credited or debited to a Special Reserve Fund.

(2) Neither net gains nor net losses referred to in this section shall be included in the computation of the annual income of the Bank.

(3) The balance standing in the Foreign Exchange Rate Fluctuation Reserve held by the Bank shall be deemed to be transferred to the credit of the Special Reserve Fund.

(4) Where the balance of the Fund is insufficient to cover any net unrealised losses in any financial year, the Government shall, notwithstanding any other provision of this Act, issue to the Bank negotiable interest bearing Government securities to the extent of the deficiency.

(5) Funds out of the Special Reserve Fund may be used for the purpose of increasing the amount paid as capital of the Bank in accordance with section 10(4).

PART VIII - RELATIONS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

48. Clearing house and payments system

(1) The Bank may, in conjunction with banks, organise a clearing house to facilitate the clearing of cheques and other payment and credit instruments and issue instructions concerning such instruments, their processing, collection, payment and retention and the functioning of other clearing houses that it may authorise.

(2) The Bank may set up such electronic system as it deems fit for the settlement of payments and participate in other ways in the settlement of payments.

(3) The Bank may, for the purposes of promoting the function of payments system, grant intraday credit to participants in the system.

(4) No credit under subsection (3) shall be granted unless the credit is secured by such adequate collateral as may be approved by the Bank.

(5) Subsection (4) shall not apply to the Government.

(6) The Bank may issue instructions under this section or may make regulations under section 70 for the smooth functioning of a clearing house and payments system.

49. Minimum cash balances

(1) The Bank may require all banks to maintain minimum cash balances up to 25 per cent of each bank's total deposit and other liabilities as may be specified by the Bank.

(2) Notwithstanding subsection (1), the Bank may, as it thinks fit, not impose a minimum cash balance requirement in respect of deposits and other liabilities of a bank, to the extent that such deposits and other liabilities have no impact on the money supply in Mauritius.

(3) Cash balances under subsection (1) shall consist of balances held with the Bank and may also include currency notes and coins in the vaults of banks.

(4) Subject to the overall limit specified in subsection (1), the Bank may prescribe different ratios for different types of liabilities and may further prescribe the method of computing the amount of required reserves provided that the ratios shall be uniform for all banks.

(5) Any requirement by the Bank under subsections (1) and (3) shall be notified in writing and shall take effect upon receipt of the notification or at such other time as may be specified in the notice by the Bank.

(6) The Bank may impose on any bank which fails to maintain the minimum balances required under this section, a penalty charge at such rate of interest, which shall not be more than 3 times the prevailing published interest rate on advances to banks in accordance with section 8, as may be determined by the Bank from time to time calculated on the deficiency for so long as the failure continues and such charge may be recovered by deduction from any balance of, or money owing to, the bank concerned, or as if it were a civil debt.

(7) The Bank may require any financial institution to maintain such minimum cash balances as would be required under subsections (1) and (3) as if it were a bank and on the same terms and conditions as are specified in subsections (5) and (6) provided that the requirements are applied fairly and impartially but may not necessarily be the same for all financial institutions, as the case may be.

50. Power to issue instructions

(1) The Bank may, whenever necessary, require the co-operation of, and co-operate with, banks and other financial institutions –

- (a) to promote and maintain adequate and reasonable banking services for the public;
- (b) to ensure high standards of conduct and management throughout the banking and credit system;
- (c) to regulate the banking and credit system so as to ensure a proper distribution of credit and a sound financial structure; and
- (d) to further such policies as may be in the national interest and not inconsistent with this Act.

(2) The Bank may, for the efficient achievement of the purposes of this Act, by notice in writing to banks or to other financial institutions, issue instructions or guidelines or impose requirements on or relating to the operations and activities of and standards to be maintained by the banks and other financial institutions.

(3) Any instructions or guidelines issued or requirements imposed under subsection (2) which shall be applied fairly and impartially but may not necessarily be the same for all banks and other financial institutions, shall take effect upon receipt of the notice or at such other time as may be specified by the Bank, being a date not earlier than the date of the notice.

(4) Any person to whom instructions or guidelines are issued or requirements are imposed under subsections (2) and (3) shall comply with those instructions, guidelines or requirements.

(5) Any person who contravenes subsection (4) shall commit an offence and shall, on conviction, be liable to a fine not exceeding 500,000 rupees and to imprisonment for a term not exceeding 5 years.

51. Information from banks and other financial institutions

(1) The Bank may require any bank or other financial institution to furnish at such time and in such manner and form as may be approved by the Bank such information and data as the Bank may require for the proper discharge of its functions and responsibilities.

(2) Subject to subsection (3), the Bank may publish in whole or in part, at such times as it may decide, the information or data furnished under subsection (1).

(3) No information so obtained shall be published which would disclose the financial affairs of any individual or enterprise without the consent in writing of the individual or enterprise.

(4) The Bank may examine the accounts, books, records and papers, whether they are in written form or are kept on microfilm, magnetic tape, or any other form of mechanical or electronic data retrieval mechanism, of any bank in order to verify its compliance with any requirement under this Act.

52. Establishment of a Credit Information Bureau

(1) Notwithstanding section 51(4) or any other enactment, the Bank may, for the purpose of ensuring the operation of a sound credit information system in Mauritius, establish, in conjunction with banks, a Credit Information Bureau and require, on such terms and conditions as it may deem fit, any bank or other financial institution to furnish at such time and in such manner such credit information as it may require for the purpose of -

- (a) maintaining a data base on borrowers and guarantors;
- (b) collecting, consolidating and collating trade, credit and financial information on borrowers, whether fund-based or non fund-based;
- (c) storing the information so collected; and
- (d) disclosing, or allowing access, to such institutions as it may approve, the information so collected, subject to such conditions as it may impose.

(2) The credit information so collected shall be used exclusively for the purpose of meeting the objectives of the Credit Information Bureau and shall be kept confidential between the Bank and participating financial institutions.

(3) Banks and other financial institutions processing an application for credit facilities shall have recourse to the information from the Credit Information Bureau for this purpose and shall inform the customer that all available information will be used for the processing of the application.

(4) Where the applicant for credit facilities is not satisfied with the credit information obtained from the Credit Information Bureau for that purpose, he may consult the Credit Information Bureau and the Credit Information Bureau shall inform him of the manner in which his total credit exposure was arrived at.

(5) Where it appears to the Bank that any bank or other financial institution has refrained from complying, or negligently failed to comply, with any requirement imposed under this section, the Bank may -

- (a) by directive, require the bank or other financial institution to remedy the situation;
- (b) impose such penalty or charge not exceeding 50,000 rupees for each day on which such breach occurs and such penalty may be recovered by deduction from any balance of or money owing to the Bank, as if it were a civil debt; or
- (c) in the absence of any reasonable excuse, proceed against it under section 11 or 17 of the Banking Act 2004 on the ground that it is carrying on business in a manner which is contrary to the interests of the public.

(6) Neither the Bank nor any financial institution shall be liable to any prosecution, action or suit in respect of any matter or thing done by them in the discharge, in good faith, of their duty under this section.

53. Offence by bank or financial institution

Any bank or other financial institution which -

- (a) fails to comply with section 49, 50 or 51; or
- (b) fails to furnish, within the time limit specified by the Bank, any information required to satisfy the Bank that it is complying with the provisions of section 49, 50 or 51,

shall commit an offence and shall, on conviction, be liable to a fine not exceeding 100,000 rupees for each day on which the offence occurs or continues.

PART IX – MONETARY POLICY COMMITTEE

54. Monetary Policy Committee

(1) There is set up for the purposes of section 5(1)(a) and (2)(a) a Monetary Policy Committee which shall consist of -

- (a) the Governor, who shall be the Chairperson of the Committee;
- (b) the two Deputy Governors;
- (c) 2 other Directors, having recognised experience in the field of economics, banking or finance, who shall be appointed by the Minister; and
- (d) 3 other persons, not being Directors or employees of the Bank, having recognised experience in the field of economics, banking or finance, who shall be appointed by the Minister.

(2) The persons referred to in subsection (1)(d) shall –

- (a) not be actively engaged in any political activity; and
- (b) be appointed on such terms and conditions as the Minister may determine.

(3) The Committee shall regulate its meetings and proceedings in such manner as it thinks fit.

55. Functions of Committee

(1) The Committee shall be responsible for the formulation of the monetary policy pursuant to section 5(1).

(2) The Committee shall submit to the Board its recommendations and findings, together with such underlying research papers as may assist in a better understanding of the recommendations and findings.

(3) On receipt of the recommendations and findings of the Committee under subsection (2), the Board shall determine the monetary policy to be conducted by the Bank.

(4) As soon as practicable after every meeting of the Committee, the Board shall cause to be published the gist of -

- (a) the recommendations submitted by the Committee under subsection (1);
- (b) the monetary policy determined by the Board pursuant to subsection (2).

PART X - RELATIONS WITH THE GOVERNMENT

56. Government banker and financial adviser

(1) Subject to subsection (2), the Bank shall be the banker to the Government, its adviser on monetary and financial matters and the depository of the official foreign exchange reserves of Mauritius and of Government funds.

(2) The Bank may also act in such capacities to any Ministry, Government Department, local authority or statutory corporation.

(3) The Government may maintain working balances, at such market rates as may be determined by the Bank, and shall generally make use of the services of banks on such terms and conditions as may be agreed between the Bank, the Government and the parties concerned.

(4) The Minister may request the Bank to tender advice and to furnish reports on matters relating to the objects of the Bank.

(5) The Bank shall advise the Minister on any matter which is likely to affect the achievement of its objects.

57. Bank may issue public loans

The Bank may undertake the issue and management of loans publicly issued in Mauritius by the Government.

58. Advances to and deposits from the Government

(1) Notwithstanding section 6(1)(a), the Bank may grant advances to the Government in respect of temporary deficiencies of Government's recurrent revenue at such rate as may be agreed with the Government.

(2) The total amount of such advances outstanding, together with the amount of Government securities in the ownership of the Bank, other than under repurchase agreements and those held under section 6(1)(j), shall not at any time exceed 25 per cent of the Government's recurrent revenue for the current financial year.

(3) Any advances under subsection (1) shall be repaid as soon as possible and shall, in any event, be repayable not later than 4 months after the end of the financial year in which they are granted.

(4) Where any advances have not been repaid within the time specified under subsection (3), any advances outstanding shall be converted into Government securities at market rates.

(5) Any Government deposits with the Bank shall be compensated at such market rates as may be determined by the Bank in accordance with section 56(3).

59. Bank to act as Government's agent

Unless inconsistent with this Act or with its duties and functions as a central bank, the Bank may act generally as agent for the Government on such terms and conditions as may be mutually agreed.

PART XI - MISCELLANEOUS**60. Deposit insurance**

The Bank may -

- (a) advance funds to the deposit insurance scheme established pursuant to section 93 of the Banking Act 2004, on such repayment terms and conditions as it deems fit for the administration of the scheme; and
- (b) where the entity responsible for the administration of the deposit insurance scheme is a company, purchase share capital of that entity.

61. Restriction on names of banks

Except on the recommendation of the Board and with the written consent of the Minister, no bank shall, notwithstanding the Companies Act 2001, be registered by a name which includes the word "Central", "National", "Mauritius", "Mauritian", "Reserve", "Republic" or "State" or its equivalent in any other language.

62. Standards of good administration

- (1) The Bank shall -
 - (a) use the powers given to it under the banking laws equitably and uniformly and in accordance with sound administrative practices; and
 - (b) refrain from using any such power to serve an objective for which the power was not given or in excess of what shall be required to achieve the objective for which the power was given.
- (2) Every decision of the Bank taken pursuant to banking laws shall be -
 - (a) impartial;
 - (b) motivated only by objective and rational considerations; and
 - (c) executed with fairness and restraint.

63. Immunity

No action shall lie against the Bank, the Board or any Director, officer, employee or agent of the Bank, in respect of any act done or omitted to be done by the Bank, the Board or any Director, officer, employee or agent of the Bank, in the execution, in good faith, of its or his functions under this Act or any regulations made thereunder.

64. Exemption from taxes

Notwithstanding any other enactment, the Bank shall not be liable to any tax imposed on income, profits or capital gains.

65. Liquidation and reduction of capital of Bank

The Bank shall not be placed in liquidation, nor shall its capital be reduced, except pursuant to an Act passed for that purpose.

66. Records

Every record of the Bank shall be kept in written form, or on microfilm, magnetic tape, optical disk or any other form of mechanical or electronic data storage and retrieval mechanism, for a period of at least 10 years after the completion of the transaction to which it relates, or the date of the record, as the case may be.

67. Service of process

Service of any process by or on the Bank shall be sufficient if made on behalf of, or on, a Deputy Governor.

68. Prosecution for offence

(1) Any person who contravenes any regulations made under this Act shall commit an offence and shall, on conviction, be liable to a fine not exceeding 200,000 rupees and to imprisonment for a term not exceeding 3 years.

(2) No prosecution for an offence under this Act or any regulations made thereunder shall be instituted except by or with the consent of the Director of Public Prosecutions.

69. Compounding of offences

(1) The Bank may, with the concurrence of the Director of Public Prosecutions, compound any offence committed by a person under this Act which is prescribed as a compoundable offence, where the person agrees in writing to pay such amount not exceeding the maximum penalty specified for the offence, acceptable to the Bank.

(2) Every agreement to compound shall be final and conclusive and on payment of the agreed amount, no further proceedings in regard to the offence shall be taken against the person who agreed to the compounding.

70. Regulations

- (1) The Minister may -
 - (a) make such regulations as he thinks fit for the purposes of this Act;
 - (b) by regulations, prescribe the offences which shall be compoundable offences for the purposes of section 69;
 - (c) by regulations, amend the Schedules.
- (2) Any regulations made under this section may -
 - (a) provide for the payment of fees and the levying of charges; and
 - (b) provide that any person who contravenes them shall commit an offence and shall, on conviction, be liable to a fine not exceeding 200,000 rupees and to imprisonment for a term not exceeding 3 years.

71. Repeal and savings

- (1) The following enactments are repealed -
 - (a) the Bank of Mauritius Act; and
 - (b) the Bank of Mauritius Regulations 1968.
- (2) On the coming into operation of this Act -
 - (a) the person who was Governor of the Bank immediately before the coming into operation of this Act shall continue to hold office as Governor under this Act until the expiry of his term of office, on terms and conditions no less favourable than those that applied to his office under the repealed Bank of Mauritius Act;
 - (b) notwithstanding section 14(1), the person who was the Managing Director of the Bank immediately before the coming into operation of this Act shall be appointed First Deputy Governor under this Act on terms and conditions no less favourable than those that applied to his office under the repealed Bank of Mauritius Act;
 - (c) the persons who were members of the Board of Directors of the Bank immediately before the coming into operation of this Act shall continue to hold office as Directors under this Act until the expiry of their term of office;

- (d) the person who was employed as Secretary to the Bank immediately before the coming into operation of this Act shall be appointed Secretary to the Bank under this Act, on terms and conditions no less favourable than those on which he was employed under the repealed Bank of Mauritius Act;
- (e) all persons who were employed by the Bank of Mauritius immediately before the coming into operation of this Act shall continue to be employed by the Bank under this Act on terms and conditions no less favourable than those on which they were employed under the repealed Bank of Mauritius Act.

(3) There shall be no break or interruption in the employment of any person referred to in subsection (2) by reason only of the coming into operation of this Act.

(4) On the coming into operation of this Act -

- (a) all assets and liabilities of the Bank under the repealed enactments shall be transferred to and vest in the Bank under this Act;
- (b) every agreement, whether in writing or not, and every deed or other instrument to which the Bank under the repealed enactments was a party shall have effect as if the Bank under this Act were a party to it;
- (c) the Bank established under this Act becomes the owner of all documents, books and other records of the Bank relating to the operations of the Bank under the repealed enactments;
- (d) any guidelines, codes of practice or circulars issued by the Bank under the repealed enactments and in force on the date immediately before the coming into operation of this Act shall be deemed to have been issued under this Act;
- (e) all proceedings, judicial or otherwise, under the repealed enactments commenced before and pending on the date immediately before the coming into operation of this Act shall be deemed to have been commenced, and may be continued, under this Act; or
- (f) any act or thing done under the repealed enactments shall be deemed to have been done under this Act.

(5) Currency notes and coins issued prior to the coming into operation of this Act which are legal tender on the coming into operation of this Act shall, on the coming into operation of this Act, continue to be legal tender and shall be deemed to have been issued under this Act.

72. Consequential amendments

(1) The Criminal Procedure Act is amended in the Third Schedule, by deleting the words -

Bank of Mauritius Act	section 38	possession of incomplete or forged, altered or counterfeited notes
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and replacing them by the words -

Bank of Mauritius Act 2004	section 42	possession of counterfeit currency notes
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(2) The Financial Services Development Act 2001 is amended in section 4(2)(a), by deleting the words “the Managing Director” and replacing them by the words “a Deputy Governor”.

(3) The Financial Intelligence and Anti-Money Laundering Act 2002 is amended in section 5(1), by deleting the words “sections 30 and 31 of the Bank of Mauritius Act” and replacing them by the words “section 37 of the Bank of Mauritius Act 2004”.

(4) Section 6 of the Mutual Assistance in Criminal and Related Matters Act 2003 is amended in subsection (9), by deleting the words “section 9 of the Bank of Mauritius Act” and replacing them by the words “section 26 of the Bank of Mauritius Act 2004”.

73. Commencement

(1) Subject to subsection (2), this Act shall come into operation on a day to be fixed by Proclamation.

(2) Different days may be fixed for the coming into operation of different provisions of this Act.

FIRST SCHEDULE
(*section 15(4)*)
DECLARATION OF ASSETS

I,.....
being appointed Governor/Deputy Governor of the Bank of Mauritius make oath/solemnly affirm/declare that -

1. I am unmarried/married under the system of (*matrimonial regime*)
2. My assets and those of my spouse, minor children and grand children in Mauritius and outside Mauritius are as follows -
 - (a) immoveable property -
 - (i) freehold
 - (ii) leasehold
 - (b) interest in any partnership, société, joint venture, trust or succession
 - (c) motor vehicles
 - (d) jewellery and precious metals.....
 - (e) securities including treasury bills, units, etc.....
 - (f) cash in bank.....
 - (g) cash in hand exceeding 50,000 rupees
 - (h) other assets exceeding 50,000 rupees in the aggregate
3. My liabilities and those of my spouse, minor children and grand children are as follows -.....
4. Property sold, transferred or donated to my children of age during the period of 12 months immediately preceding the date of this declaration
5. Any other relevant information

.....
Signature

Sworn/solemnly affirmed/declared by the abovenamed before me at this
..... day of

Master and Registrar
Supreme Court

SECOND SCHEDULE*(section 26(1)(a))***Oath of confidentiality****IN THE SUPREME COURT OF MAURITIUS.**

I being appointed
 do hereby swear/solemnly affirm that I shall maintain
 during or after my relationship with the
 confidentiality of any matter relating to the banking laws which comes to my knowledge and
 shall not, on any account and at any time, disclose directly or indirectly to any person, any
 matter or information relating to the affairs of the Bank or of any other bank or financial
 institution or the affairs of any of their customers, otherwise than for the purposes of the
 performance of my duties or the exercise of my functions under the banking laws or meeting
 the requirements of an agreement or understanding reached by the Bank with any other
 relevant supervisory body or when lawfully required to do so by a Judge in Chambers, or any
 court of law, or under any enactment.

Sworn/solemnly affirmed/declared by the abovenamed before me at this
 day of

*Master and Registrar
 Supreme Court*

THIRD SCHEDULE

(section 26(1)(b))

Declaration of confidentiality

I being appointed
 do hereby declare that I shall maintain during or after my
 relationship with the
 confidentiality of any matter relating to the banking laws which comes to my knowledge and
 shall not, on any account and at any time, disclose directly or indirectly to any person, any
 matter or information relating to the affairs of the Bank or of any other bank or financial
 institution or the affairs of any of their customers, otherwise than for the purposes of the
 performance of my duties or the exercise of my functions under the banking laws or meeting
 the requirements of an agreement or understanding reached by the Bank with any other
 relevant supervisory body or when lawfully required to do so by a Judge in Chambers, or any
 court of law, or under any enactment.

Signature of declarant Made before me this

Signature

.....

Name

Chairperson of the Board

FOURTH SCHEDULE
(section 45(3))

Certificate

I,
Deputy Governor of the Bank of Mauritius, do hereby certify that I have personally examined
the currency note/coin shown to me and marked purporting to be a currency
note/coin of the following description and that the said currency note/coin is
spurious/genuine.

.....
Deputy Governor of the Bank of Mauritius
