

Objectives & Key Functions

The Journey Continues ...

The Bank of Mauritius, established under the Bank of Mauritius Ordinance 1966, started its operations on 14 August 1967. In 1971, the Bank's headquarters building was completed at Sir William Newton Street and was inaugurated in 1972. The establishment of the Bank of Mauritius marked the beginning of a new phase in the monetary history of Mauritius. The Bank was vested with *'the sole right to issue legal tender currency in the country and was charged with the responsibility of maintaining the internal and external value of the currency and its international convertibility'*.

The Bank issued its first banknotes in 1967 which consisted of four denominations, namely the Rs5, Rs10, Rs25 and Rs50. Over the years, new families of bank notes were issued with major changes brought in the design and security features including varying banknote numbering systems, types of security threads, variation in the pattern of the Mauritian Coat of Arms, and ultraviolet light latent printing. The family of banknotes issued in 1985 was the first to move away from the effigy of Queen Elizabeth II to that of Mauritian personalities. Currently, the family of banknotes in circulation comprises seven denominations of Rs25, Rs50, Rs100, Rs200, Rs500, Rs1000 and Rs2000 respectively.

In August 2013, as a major innovation in banknote technology, the Bank launched its first polymer banknotes in three denominations of Rs25, Rs50 and Rs500. These are being circulated alongside the paper banknotes. The newly issued polymer banknotes contain numerous security features that include a transparent window showing image of the dodo, numbers printed with magnetic ink which become fluorescent under ultraviolet light, and swing features printed in iridescent ink that change colour in transparent light. It is a great pride to record that the polymer banknotes of Rs25 and Rs500 were shortlisted at the International Association of Currency Affairs (IACA) 2014 Technical Excellence in Currency Awards in which the Rs25 banknote was awarded 2nd prize for Best New Currency Feature or Product.



Objectives



As per section 4 of the Bank of Mauritius Act 2004, the primary object of the Bank is to maintain price stability and to promote orderly and balanced economic development. Other objectives of the Bank are (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.

Key Functions

To fulfil its mandate, the Bank performs a number of core functions that include (a) conducting monetary policy and managing the exchange rate of the rupee, taking into account the orderly and balanced economic development of Mauritius; (b) regulating and supervising financial institutions carrying on activities in, or from within, Mauritius; (c) managing, in collaboration with other relevant supervisory and regulatory bodies, the clearing, payment and settlement systems of Mauritius; (d) collecting, compiling and disseminating, on a timely basis, monetary and related financial statistics; and (e) managing the foreign exchange reserves of Mauritius.

The Bank also formulates and implements appropriate policies to promote economic growth while taking into account global and regional developments, the domestic real economy and the financial sector. In addition, the Bank constantly monitors factors that may impact negatively on the financial soundness of institutions falling under its purview. It is further necessary for the Bank to safeguard the rights and interests of depositors and creditors of financial institutions.

Evolving with Time...

Right from its primary responsibility of issuing currency notes, the role of the Bank has evolved with time... as its mandate broadens and deepens in spheres such as repressing improper practices through market intelligence and investigations, promoting regional cooperation, and contributing to enhance financial literacy. With a view to fostering the sustained growth of the banking sector, and as custodian for the welfare of bank customers, the Bank launched the *Banking Your Future* campaign by advocating for reforms that will bring fairer deals between stakeholders and improve the bank-customer relationship. By improving its channel of communication through forward guidance and being more transparent, the Bank is making further headway... towards building an inclusive and modern banking sector.

The Bank's new headquarters building was inaugurated on 18 December 2006.

