



# **ABOUT BANK OF MAURITIUS**



## View of Port Louis Harbour from Tonneliers Island



Strategically located at the entrance of the Port, the Tonneliers Island was linked to mainland Mauritius by a causeway named after the Chevalier de Tromelin. During the Dutch period, the island was known as Kuipers Eylandt as it served as a postal depot for receiving and dispatching mail. Letters were deposited inside inverted bottles hung on trees and emptied or filled up by sailors. Under the French Administration, the Island was used for the manufacturing of barrels that were filled with fresh water to cater for ships coming to the Port of call. Thereafter, Tonneliers Island gradually disappeared to become Mer Rouge, emerging from a port modernisation project in the early 1970's.

# ABOUT BANK OF MAURITIUS



## OBJECTS AND FUNCTIONS

The Bank of Mauritius was established under the Bank of Mauritius Ordinance 1966 and is, by statute, the central bank of the Republic of Mauritius. The Bank is governed by the Bank of Mauritius Act 2004 and, in terms of Section 3 of the Act, the Bank is a body corporate with perpetual succession.

- Primary Object**

  - Maintain price stability and promote orderly and balanced economic development
- Other Objects**

  - Regulate credit and currency in the best interests of the economic development of Mauritius
  - Ensure the stability and soundness of the financial system
  - Act as central bank for Mauritius
- Monetary Policy**

  - Conduct monetary policy consistent with the Bank's objectives
- Operations**

  - Sole issuer of currency
  - Oversee and supervise the national payment systems to support the smooth functioning of the economy
  - Safeguard the rights and interests of depositors and creditors



### Other Functions

Conduct monetary policy and manage the exchange rate of the rupee, taking into account orderly and balanced economic development of Mauritius	Regulate and supervise financial institutions falling under its purview, and promoting their soundness and their compliance with governing laws, rules and regulations	Manage, in collaboration with other relevant supervisory and regulatory bodies, the clearing, payment and settlement systems of Mauritius	Collect, compile, disseminate, on a timely basis, monetary and related financial statistics	Formulate and implement appropriate policies to promote economic activities having due regard to domestic and international economic developments	Manage the foreign exchange reserves of Mauritius
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# ABOUT BANK OF MAURITIUS



## CORPORATE GOVERNANCE

### Board of Directors

The Board's statutory responsibility is to formulate the general policy of the affairs and business of the Bank other than the formulation and determination of monetary policy. The Board of Directors is chaired by the Governor and comprises the two Deputy Governors, and six other Directors.

The Board is statutorily required to meet at the seat of the Bank at least once every two months. At any meeting of the Board, six members constitute a quorum. Decisions are taken by simple majority. In the event of an equality of votes, the Chairperson has a casting vote.

The Board of Directors held 10 meetings during FY2020-21.

### Composition of the Board of Directors as at 30 June 2021

#### Harvesh Seegolam

Governor, Chairperson [10/10]

#### Mardayah Kona Yerukunodu

First Deputy Governor, Director [10/10]

#### Hemlata Sadhna Sewraj-Gopal

Second Deputy Governor, Director [9/10]

#### Antoine Seeyave

Director [9/10]

#### Saïd Toorbuth

Director [6/10]

#### Ishwar Anoopum Gaya

Director [10/10]

#### Christine Marie Isabelle Sauzier

Director [8/10]

#### Piragalathan Chinnapen

Director [10/10]

#### Melissa Prishni Ramsahye

Director [9/10]

*Note: Number of meetings attended in square brackets*



Harvesh Seegolam



Mardayah Kona  
Yerukunodu



Hemlata Sadhna  
Sewraj-Gopal



Antoine Seeyave



Saïd Toorbuth



Ishwar  
Anoopum Gaya



Christine Marie Isabelle  
Sauzier



Piragalathan  
Chinnapen



Melissa Prishni  
Ramsahye

# ABOUT BANK OF MAURITIUS



## Audit and Risk Committee

The Audit and Risk Committee of the Bank provides oversight over the adequacy of the Bank's internal controls, governance, financial reporting system and compliance with legal requirements. The Committee also oversees the Bank's risk management processes.

The Committee comprises three non-executive Board Directors, namely:

Chairman	Saïd Toorbuth
Member	Ishwar Anoopum Gaya
Member	Melissa Prishni Ramsahye

The Committee held two meetings during FY2020-21. The Officer-in-Charge of the Internal Audit Office is in attendance at the Audit and Risk Committee meetings.

## MONETARY POLICY COMMITTEE

As stipulated in Section 5(1)(a) of the Bank of Mauritius Act 2004, the Bank is responsible for the conduct of monetary policy and for managing the exchange rate of the rupee, taking into account the orderly and balanced economic development of Mauritius. To that end, the Monetary Policy Committee (MPC), set up under Section 54 of the Bank of Mauritius Act 2004, formulates and determines monetary policy to be conducted by the Bank to achieve its primary object. In its decision-making process, the MPC takes into account latest international economic developments, current domestic economic conditions, staff projections and the balance of risks to inflation and GDP growth. The MPC signals the monetary policy stance through changes in the Key Repo Rate, which is the policy rate.

**Table 1.1: Monetary Policy Committee Meetings**

		Meetings attended			Total fees Rs
		08.07.20	23.09.20	04.02.21	
<b>Harvesh Seegolam</b>	Governor, Chairperson	✓	✓	✓	600,000
<b>Mardayah Kona Yerukunondu</b>	First Deputy Governor	✓	✓	✓	360,000
<b>Hemlata Sadhna Sewraj-Gopal</b>	Second Deputy Governor	✓	✓	✓	360,000
<b>Sanjeev Kumar Sobhee</b>	External Member, Appointed by the Prime Minister	✓	✓	✓	360,000
<b>Lim Chan Kwong Lam Thuon Mine</b>	External Member, Appointed by the Prime Minister	✓	✓	✓	360,000
<b>Streevarsen Narainen</b>	External Member, Appointed by the Finance Minister	✓	✓	✓	360,000
<b>Mohammad Mushtaq Namdarkhan</b>	External Member, Appointed by the Finance Minister	✓	✓	✓	360,000
<b>Christine Marie Isabelle Sauzier</b>	External Member, Appointed by the Finance Minister	✓	✓	✓	360,000

Note: ✓ Attended.

# ABOUT BANK OF MAURITIUS



The MPC comprises the Governor, who is the Chairperson, the two Deputy Governors, two members appointed by the Prime Minister and three members appointed by the Minister of Finance. The MPC is required to publish a Code of Conduct to govern its meetings and report once a year to the Board of Directors regarding its compliance.

The MPC usually meets on a quarterly basis, but stands ready to meet in between its regular meetings, should the need arise. After every MPC meeting, the Governor

holds a press conference on the same day to explain the motivations behind the MPC decision. The press statement of the Governor is posted on the Bank's website, along with a media release that provides an assessment of prevailing economic and financial conditions as well as forecast for inflation and GDP growth rates. The Minutes of the meeting are also posted on the Bank's website two weeks after the meeting and contain the voting pattern of the MPC members.

## Composition of the Monetary Policy Committee as at 30 June 2021



**Harvesh Seegolam**



**Mardayah Kona  
Yerukunondu**



**Hemlata Sadhna  
Sewraj-Gopal**



**Sanjeev Kumar Sobhee**



**Lim Chan Kwong  
Lam Thuon Mine**



**Streevarsen  
Narrainen**



**Mohammad Mushtaq  
Namdarkhan**

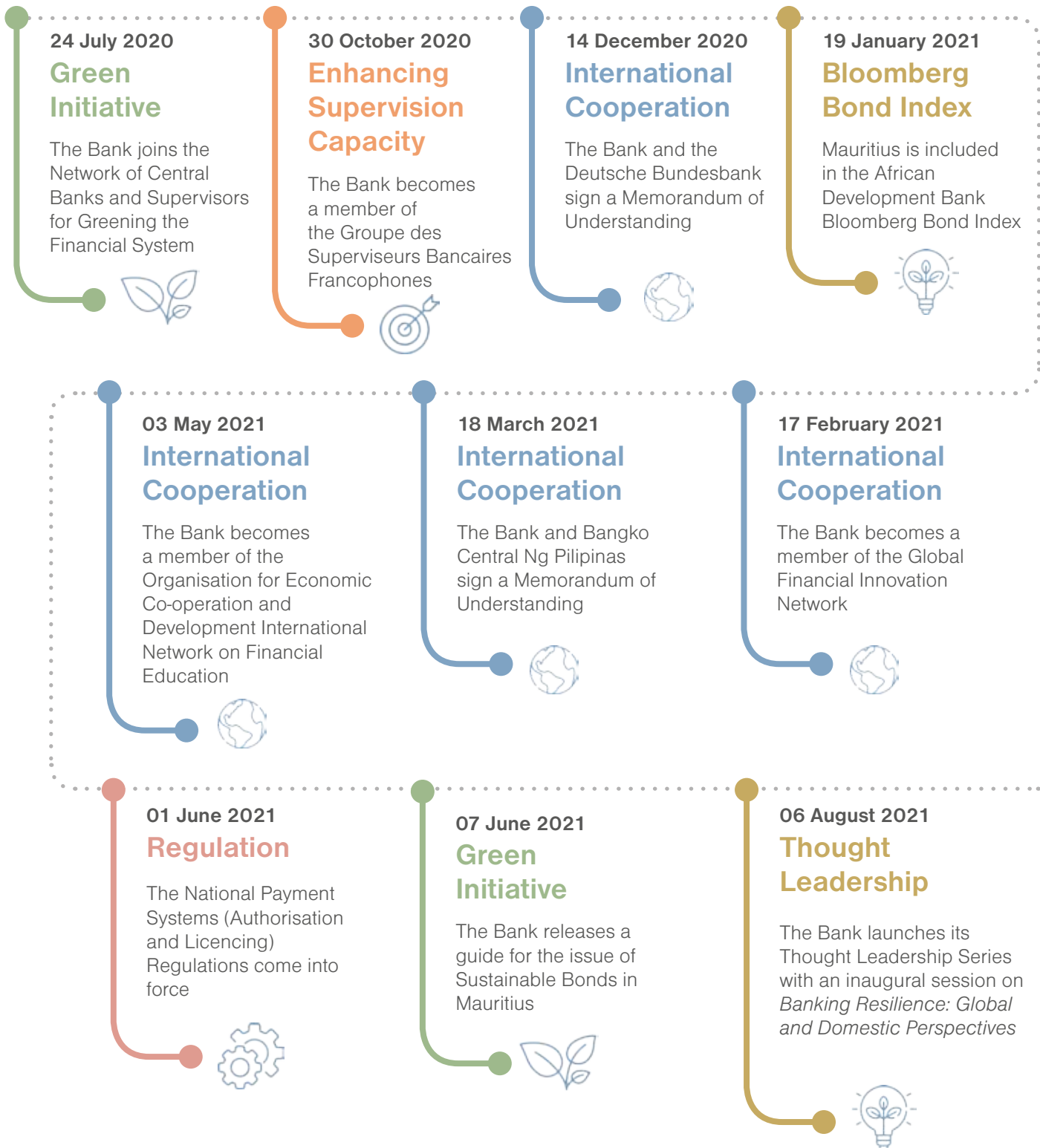


**Christine Marie Isabelle  
Sauzier**

# ABOUT BANK OF MAURITIUS

## LANDMARK EVENTS

During FY2020-21, the Bank undertook several initiatives pertaining to novel climate change practices by central banks, enhancing supervision and regulatory capacity, as well as further improving international cooperation with leading institutions. Some of these are outlined below.



# ABOUT BANK OF MAURITIUS



## ORGANISATIONAL STRUCTURE

Following the change in the Bank's leadership in March 2020, the Bank's organisation structure was reviewed in August 2020. New directorates focusing on Financial Crime, Enforcement & AML/CFT and Digital Innovation and Payment Systems were set up to enable the Bank to meet the challenges facing the banking landscape.

### Enterprise Risk Management

Risk management is fundamental to the Bank. Being able to adopt a pragmatic and systematic enterprise-wide risk approach is key, especially in the light of evolving risks posed by the COVID-19 pandemic, climate change and sustainability issues. The Bank has revamped its governance structure and redefined its existing Risk and Product Control Division as the Enterprise Risk Division to reinforce its focus and commitment to risk management. The implementation of a modern Enterprise Risk Management (ERM) framework will facilitate a risk-based operating environment which prioritises the assessment and management of risks throughout the Bank.

Risk is unavoidable and present in virtually every situation. The Bank will identify and assess the principal risks across the range of its functions and activities, evaluate the resulting impact on its operations and implement the appropriate responses in alignment with its risk appetite.

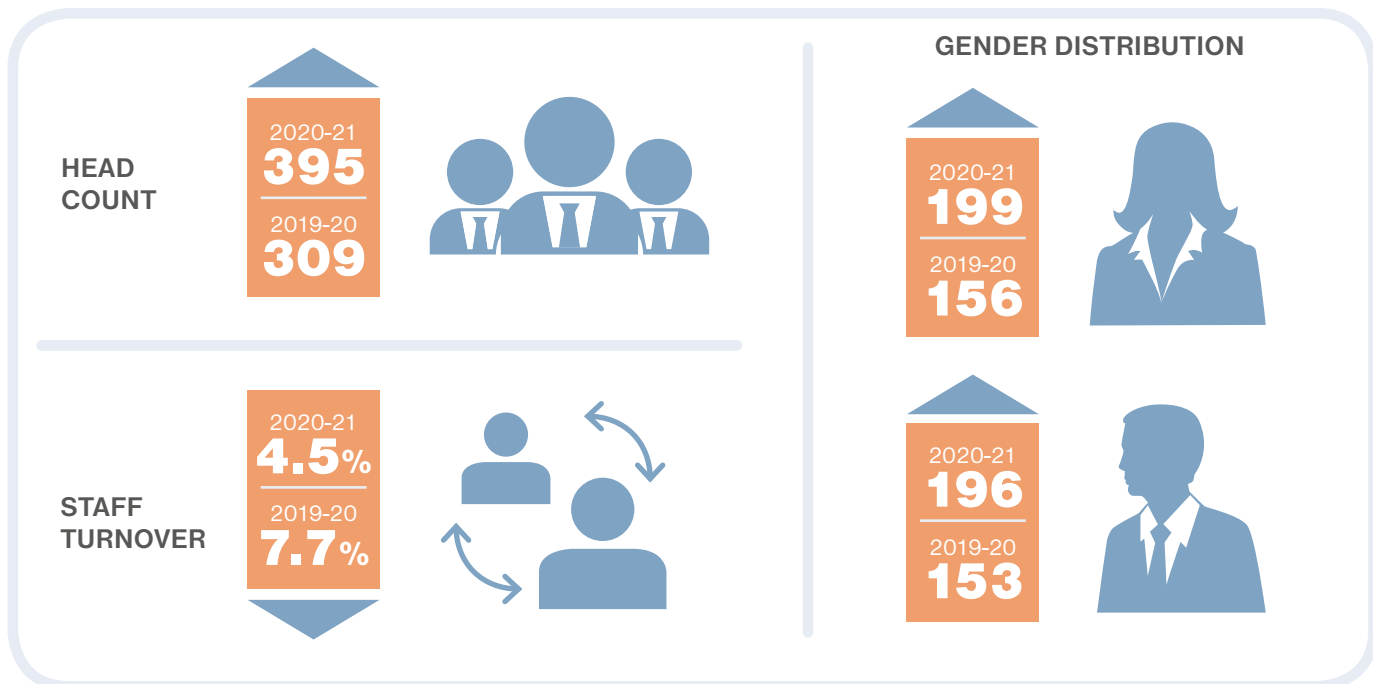
## HUMAN RESOURCES

The Bank holds its personnel at the heart of its achievements and of its business resilience. The Bank boasts of a skilled and diverse workforce focused on achieving the strategic objectives of the Bank. Despite the challenges that the second wave of the COVID-19 pandemic posed, Bank staff were guided towards the efficient continuity of the Bank's operations and adopted the concept of Work from Home. Staff well-being and safety were put at the forefront, and effective people management was crucial in the Bank's approach in dealing with the unprecedented challenges induced by the pandemic.

### Workforce

The Bank remains committed to attracting and retaining a talented and diverse workforce. In FY2020-21, the Bank recruited 114 staff across all divisions of the Bank to consolidate the existing pool of qualified workforce. As at 30 June 2021, the Bank employed 395 staff members, of whom 389 were on the permanent and pensionable establishment and 6 on contractual basis.

With a view to catering for the Bank's succession planning strategy and ensuring a committed and motivated workforce, 66 staff members were promoted during the period under review. The staff turnover rate stood at 4.5 per cent for FY2020-21 compared to 7.7 per cent in the previous year.

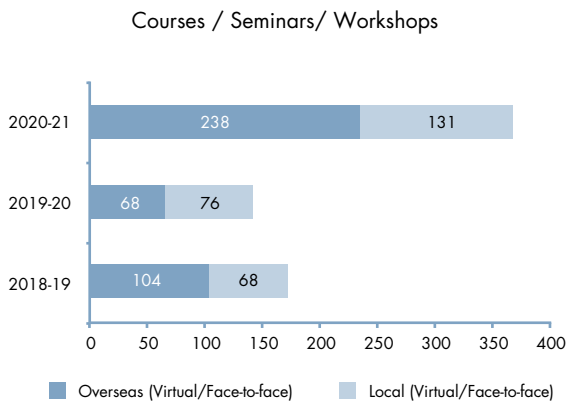




# ABOUT BANK OF MAURITIUS

## Training and Development

The Bank provides continuous learning and development opportunities to its staff with a view to promoting a culture of high performance. As social interactions were being restricted due to COVID-19, almost all training courses, seminars and workshops transited to online platforms to enable employees to continue enhancing their skills. Due to the convenience of virtual training and learning, a marked increase in courses attended by employees was recorded during FY2020-21.



## Internship

The Bank's Internship Programme continues to attract numerous applications, mainly from university students. The programme provides students with valuable exposure and work experience, specifically for those seeking to pursue a career in the banking and financial sector. In FY2020-21, 34 interns were recruited and were posted in divisions relevant to their field of study.

## Employee Welfare

Each year, the Bank engages in celebrations and employee events to enhance the work environment and strengthen bonding amongst its workforce.

The year 2020-21 was very challenging for the staff as most outdoor activities were restricted due to the COVID-19 pandemic.



## Celebrations

To celebrate Diwali, the Bank's canteen was filled with brightness and warmth. The canteen was enlivened with lights, and the entrances were decorated by staff members with beautiful and intricate patterns of the Rangoli, as well as flower garlands. For Diwali and Eid festivals, sweet treats were shared with all employees.

No Christmas is complete without carolling. In December 2020, the "Chorale de la Cathédrale Saint Louis" performed Christmas Carols at the Bank, spreading joy and the Christmas spirit on Christmas Eve.



# ABOUT BANK OF MAURITIUS

## Seasons 2020 Decorations

To enliven the festive season, the Bank organises a Christmas Decoration Competition every year. Staff members were invited to conceptualise the decorations in their respective departments inspired from ecofriendly themes and materials. The Bank of Mauritius Tower was also adorned with festive decorations, adding to the feel of the holiday season.



## End of Year BoM Got Talent Competition 2020

Launched in 2018, the BoM Got Talent Competition has become an end-of-year tradition at the Bank. Staff members teamed up to display a plenitude of talent ranging from traditional dance to singing and acting.



## BoM Football Tournament

The Bank has always encouraged its staff to participate in sports activities with a view of building team spirit among employees. In November 2020, a football tournament was conducted at Muga Phoenix, with competition among six teams of eight players.



## Reaching out to the Community

At the Bank of Mauritius, we strongly believe in community engagement as part of our Corporate Social Responsibility. Upon the initiative of the Employee Welfare Committee and the Bank of Mauritius Employees Union, the 'Christmas Gifts for the Children' event was a great success owing to the support and generosity of staff members.

Gifts and other basic necessities were purchased and gifted to babies, children and teenagers at two Child Development Unit regulated shelters. From toys to stationeries and clothes, staff donated generously towards bringing a smile and festive cheer to these children.



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## COVID-19

In an effort to address the adverse sanitary impact of the second wave of the pandemic, the Bank implemented a COVID-19 protocol to ensure a safe working environment, while ensuring continuity of its operations. All visitors and employees are required to go through a temperature screening control at the entrance. Regular disinfection and cleaning exercises are conducted at the Bank to ensure that the workplace is COVID secure. Furthermore, staff members who have been in close contact with positive cases or suspected cases are closely monitored and regular follow ups are carried out in line with the Bank's COVID-19 sanitary protocol.

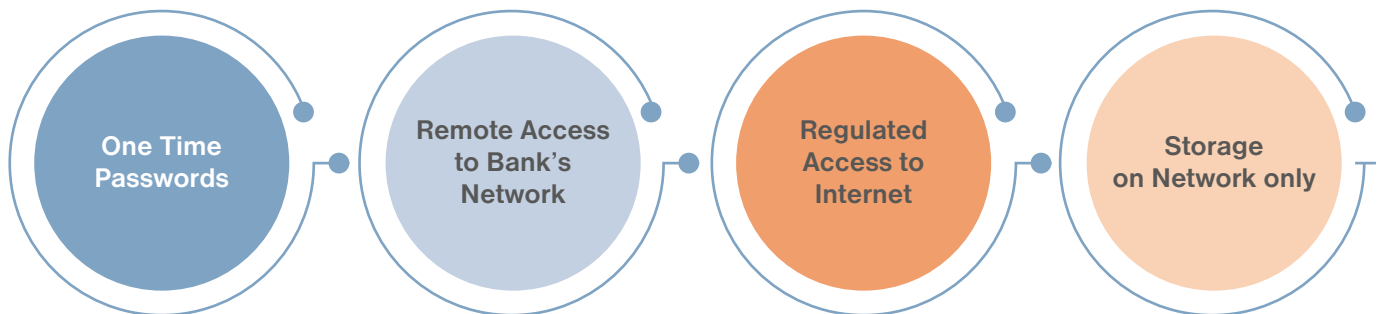
Employees were given the option to work from home and only staff members performing critical tasks were granted work access permits to attend duty at the Bank. All necessary precautions were put in place, including maintaining social distancing, using hand sanitisers and wearing of masks at all times at the work place. Regular communication was maintained with staff members through the Bank's Intranet and IT-Support platform. Users were trained and better equipped to carry out their daily tasks from home. Network and security configuration were already set up and only had to be re-activated. The IT Division's involvement in setup and organisation of various online meetings throughout the Bank was crucial.

COVID-19 has required a more flexible and pragmatic approach to work. In this light, the Bank has effectively managed the changes to the work environment by being agile and responsive, providing support to ensure that operations remain unhindered at the Bank.

## IT Security

The Bank continues to invest internally in new technologies to safeguard its digital assets and support flexible work arrangements. The Bank acknowledges the importance of cyber security and resilience by integrating these into its broader strategic objectives and establishing appropriate governance. It is sustaining business continuity by anticipating and adapting to cyber threats.

The rapid adoption of telework has increased the threat of cyberattacks. Recent significant investments in its information technology systems and continuous process improvements enabled the Bank to effectively mitigate these risks. With the 'Work from Home' programme introduced since the first lockdown in March 2020 and pursued in 2020-21, several measures were adopted to ensure a secure work environment while staff worked from home. These included, amongst others:



# ABOUT BANK OF MAURITIUS



## Measures to support the Economy

The Bank stood ready to support the economy, more specifically economic operators, SMEs, households and individuals, with measures aimed at providing relief in the wake of the disruption to economic activity caused by the pandemic. These are further detailed below.

### March 2020

- A reduction of 50 basis points in the Key Repo Rate (KRR) to 2.85 per cent
- Implementation of the COVID-19 Support Programme
- Special Relief Amount of Rs5 billion to help meet cash flow and working capital requirements of economic operators directly impacted by COVID-19
- Reduction of the Cash Reserve Ratio from 9 per cent to 8 per cent
- Moratorium on capital repayment for loans, including household loans
- Payment of interest by the Bank over 3 months for households earning a combined monthly basic salary of up to Rs50,000
- Easing of banking guidelines on Credit Impairment Measurement and Income Recognition
- Issue of 2.5 % Two-Year Bank of Mauritius 2020 Savings Bond
- Provision of Special Foreign Currency (USD) Line of Credit of USD300 million to banks for funding purposes
- Introduction of USD/MUR swap arrangement of USD100 million to enable banks to support import-oriented businesses

### April 2020

- A reduction of 100 basis points in KRR to 1.85 per cent
- Reduction of interest rate on Special Relief Amount by 100 basis points

### May 2020

- Review of Guideline on Standardised Approach to Credit Risk and Guideline on the Computation of Debt-to-Income Ratio for Residential Property Loans
- Deferral of implementation of the last tranche of the capital conservation buffer in respect of the

Guideline on Scope of Application of Basel III and Eligible Capital

- Setting up of the Mauritius Investment Corporation Ltd
- One-off exceptional contribution of Rs60 billion to Government
- Measure in favour of economic operators, SMEs, households and individuals regarding MCIB report for those who have availed themselves of moratorium facilities.

### July 2020

- Extension of specific measures under the COVID-19 Support Programme such as Special Relief Amount facility
- Increase of USD/MUR swap arrangement by USD100 million and extension of facility
- FX line of credit to banks raised from USD300 million to USD500 million

### September 2020

- Extension of moratoriums to 31 December 2020

### December 2020

- Further extension of moratoriums and Special Relief Amount to 30 June 2021

### January 2021

- Payment of interest by the Bank for another 3 months for households
- Introduction of transitional arrangements for the regulatory capital treatment of IFRS9 provisions

### June 2021

- Additional extension on moratoriums and Special Relief Amount to 30 June 2022 and reduction in the Cash Reserve Ratio maintained until 30 June 2022.



# ABOUT BANK OF MAURITIUS



## Museum

During FY2020-21, around 4,000 people visited the Bank of Mauritius Museum, roughly the same as the previous year. The Bank of Mauritius Museum was not spared by the effects of the COVID-19 pandemic. It was closed to the public for almost four months, as from March 2021.

The Bank of Mauritius Museum has been working on developing alternate methods of disseminating history and culture. Among the social media used by the Museum, its Facebook page recorded a significant increase in the number of followers. Moreover, the publicity of the Bank of Mauritius Museum on other Search Engine Optimisations, such as Google Ads and YouTube, added visibility to the Museum which registered more views.

Prior to the lockdown of March 2021, the Bank of Mauritius Museum worked in collaboration with the Centre de Lecture D'Animation Culturelle and the Senior Citizens Council. The day spent at the Museum by the visitors from these organisations have improved their understanding of the central bank's basic operations. In addition, it was an opportunity for them to reminisce about the rich history of currency in Mauritius. Students were also invited to discover this long history.

The Bank of Mauritius Museum celebrated the International Museum Day virtually through an interactive map of International Council of Museums under the theme **"The Future of Museums: Recover and Reimagine"**, which helped the Museum garner more visibility.

