



**MAURITIUS DEPOSIT INSURANCE CORPORATION LTD**

**Guideline on Compensation Process**

**28 April 2026**

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## **1 Introduction**

In terms of section 4 of the Mauritius Deposit Insurance Scheme Act 2019 (“Act”), the objects of the Mauritius Deposit Insurance Scheme (“Scheme”) are to:

- (a) protect insured depositors of banks and non-bank deposit taking institutions (hereinafter referred to as member institutions) by providing insurance against the loss of insured deposits; and
- (b) contribute to the stability of the financial system in Mauritius by ensuring that depositors have prompt access to their insured deposits, in the event of failure by a member institution.

## **2 Objective**

With a view to attaining these statutory objectives, this Guideline is issued to establish a framework governing the compensation process, detailing the specific conditions and operational mechanics for the prompt reimbursement of insured deposits following a trigger event.

## **3 Authority**

The Guideline is issued pursuant to sections 22 and 28 of the Act.

## **4 Scope of Application**

This Guideline applies to all member institutions of the Mauritius Deposit Insurance Scheme.

## **5 Effective date**

The Guideline shall come into effect on 28 April 2026.

## **6 Interpretation**

### **6.1 In this Guideline -**

“**payment date**” means the first day insured depositor claims are available for payment to depositors;

“**Paying Agent Bank**” means a bank, operating in Mauritius and selected by the Board for the execution of the compensation process in the name of and for the Agency as its paying agent;

“**Statutory Administrator**” means the receiver or liquidator appointed under the Banking Act;

“**trigger event**” means an event as referred to at subsection 8.1 of this Guideline; and

“**trustee**” means a person who holds the title to property for the benefit of a third party.

6.2 Any term which is used in this Guideline, and which is not defined shall have the same meaning as in the Act.

## **7 Pre-Compensation Process**

In a bid to ensure operational readiness and the capacity to deliver on compensation payment in a timely manner, the Agency will, on a prior basis, undertake scenario planning and testing of member institution potential closures and reimbursement processes. This will include coordination with the Resolution Authority, Paying Agent Bank and other stakeholders, as may be relevant.

## **8 Conditions triggering payment of compensation**

### **8.1 Overview of Statutory Triggers**

- (a) Upon the occurrence of an event referred to in sub-sections 21(1) or 21(1A) of the Act, the Agency shall initiate the process for payment of compensation from the Fund to insured depositors.
- (b) The obligation to pay compensation under the Act, shall arise exclusively when a member institution is formally designated as a "failed member institution" by the Board as a result of actions of the Bank of Mauritius ("Bank"), acting as Resolution Authority.

### **8.2 Notification and Commencement of Process**

- (a) Upon the occurrence of any trigger event referred to in paragraph 8.1, the Bank shall formally and immediately notify the Agency.
- (b) Where the Agency is notified of a trigger event, the Agency may initiate the compensation process, which shall be subject to:
  - (i) coverage limit;
  - (ii) eligibility criteria; and
  - (iii) computational parameters prescribed under section 23 of the Act.

## **9 Obligations of the Statutory Administrator**

### **9.1 General Duty of Cooperation and Facilitation**

- (a) The Statutory Administrator shall facilitate the prompt and accurate payment of compensation.

- (b) The Statutory Administrator shall extend full cooperation to the Agency and the Bank to ensure a seamless execution of the compensation process.

## **9.2 Compilation and Submission of Depositor Records**

The Statutory Administrator shall extract and transmit the member institution's insured deposit liability data, as hereunder, to the Agency to enable the Agency to execute payouts efficiently:

### **9.2.1 Single Customer View (SCV)**

The Statutory Administrator shall prepare an updated and consolidated list of depositors formatted as a Single Customer View. This requires aggregating all eligible deposit accounts (including savings, current and time deposits) held by an individual resident depositor across all branches of the failed member institution into a single, unified profile.

### **9.2.2 Data Integrity**

The Statutory Administrator shall verify the accuracy of the depositor database, ensuring that all Know Your Customer (KYC) information, contact details and account balances are up to date as of the date of the trigger event.

## **9.3 Computation of the Payable Amount**

The Statutory Administrator shall compute the provisional compensation amount payable to each insured depositor prior to transmitting the data to the Agency. This calculation must adhere to the following parameters prescribed under the Act:

### **9.3.1 Gross Deposit Calculation**

The baseline amount shall comprise the principal balance of the eligible deposits plus any accrued but unpaid interest, calculated precisely up to the date of the trigger event.

### **9.3.2 Treatment of Joint and Trust Accounts**

- (a) All joint accounts shall be aggregated with the deposits reallocated equally between joint accountholders unless the deposit contract states otherwise;
- (b) If an insured depositor is a trustee for the account of a third party, any deposits held for the third party shall not be taken into account to determine the compensation amount of the trustee; and

- (c) A third party shall have the total for the deposit added to all other deposit accounts in his or her name for the application of the deposit coverage limit.

### **9.3.3 Statutory Deductions and Set-Offs**

- (a) The Statutory Administrator shall deduct from the gross deposit amount, any legally enforceable liabilities owed by the depositor to the failed member institution; and
- (b) For the avoidance of any doubt, where a contractual set-off agreement exists between the failed member institution and the depositor, the Statutory Administrator shall offset against the deposit any debt owing by the depositor if such debt has matured or is past due.

### **9.3.4 Application of the Coverage Limit**

Following the calculation of the net deposit position (Gross Deposit minus Set-Offs), the Statutory Administrator shall apply the coverage limit. The final payable amount reported to the Agency shall be the net deposit position or the maximum insured limit prescribed under the Act, whichever is lower.

## **9.4 Prescribed Deadlines and Submission Formats**

Time is of the essence in the preservation of financial stability and depositor confidence. The Statutory Administrator shall strictly adhere to the following procedural deadlines:

### **9.4.1 Electronic Transmission**

All depositor lists and compensation computations must be submitted to the Agency via secure, encrypted channels in the standardized electronic format prescribed by the Agency.

### **9.4.2 Statutory Timeframe**

The Statutory Administrator shall submit the fully validated SCV records and the finalized computations of the payable amount to the Agency no later than 3 working days following the date of the winding up order or the date of the purchase and assumption transaction.

### **9.4.3 Exception Reporting**

In the event the Statutory Administrator encounters systemic impediments that threaten compliance with the prescribed deadline, a formal notification detailing the constraints and proposing a remedial timeline shall be submitted to the Bank and the Agency within 48 hours of identifying the impediment.

## **10 Statutory Obligations of the Agency**

### **10.1 Mandate and Execution of Compensation**

The Agency shall, pursuant to section 21(1) of the Act, manage and execute the payment of compensation to insured depositors of a failed member institution. In the discharge of its obligation under section 21(1) of the Act, the Agency shall intervene promptly upon the occurrence of a trigger event to ensure depositors have access to their insured funds, thereby mitigating systemic risk and preserving public confidence in the financial system.

### **10.2 Validation of the Single Customer View and Final Determination**

- (a) The Agency shall be responsible, under section 23 of the Act, for the final determination of the compensation amount payable to each insured depositor and shall grant authority for the payment of such compensation.
- (b) Upon receipt of the SCV records from the Statutory Administrator, the Agency shall validate the submitted computations to ensure compliance with the Act. In discharging this duty, the Agency shall verify that:

#### **10.2.1 Accurate Aggregation**

All eligible deposit accounts held by an individual resident depositor across all branches of the failed member institution have been properly aggregated.

#### **10.2.2 Lawful Deductions**

Any legally enforceable liabilities owed by the depositor to the failed member institution have been accurately set off against the gross deposit balance.

#### **10.2.3 Strict Application of Coverage Limits**

The prescribed statutory coverage limit has been correctly applied to the

net balance. The Agency shall ensure that the final compensation authorized for disbursement to any single depositor does not, under any circumstance, exceed the maximum coverage limit in force at the time of the trigger event.

### **10.3 Administration of Depositor Claims**

- (a) The Agency shall, in discharging its duties under section 24 of the Act, process and validate the claims of depositors based on the SCV records submitted by the Statutory Administrator.
- (b) To safeguard the Fund, the Agency reserves the right to withhold payment and demand further documentary evidence, including enhanced proof of identity, should any anomalies or discrepancies be identified in a depositor's claim.

### **10.4 Discharge of Agency and Subrogation of Rights**

#### **10.4.1 Complete Discharge**

Upon payment of the compensation computed in accordance with the Act, to an insured depositor, the Agency shall be fully and finally discharged from any further liability or obligation to that depositor in respect of the insured deposits held at the failed member institution.

#### **10.4.2 Statutory Subrogation**

- (a) The Agency shall, under section 24 of the Act, have claims against the failed member institution in liquidation to recover any amount paid out from the Fund.
- (b) Upon effecting payment of the compensation under the Act, the Agency shall, under section 24(7) of the Act, be subrogated to all the rights and remedies of each compensated depositor.

## **11 Modalities of the Compensation Process**

### **11.1 Designation of the Paying Agent Bank**

To ensure the secure, efficient, and orderly disbursement of compensation funds, the Agency shall designate a Paying Agent Bank to act on its behalf. All clearing, settlement, and liquidity management activities related to the compensation payout shall be exclusively routed through the Paying Agent Bank.

## **11.2 Statutory Timeline for Payout**

The Agency will, within a reasonable timeframe, validate the finalized SCV records received from the Statutory Administrator. It shall then, in coordination with the Paying Agent Bank, ensure that all authorized compensation payments are initiated within seven (7) working days for the validated SCV records.

## **11.3 Successful Purchase and Assumption transaction**

Where a financially sound institution agrees to assume all insured deposits of a failed member institution in a purchase and assumption transaction under section 24(5)(b) of the Act, the Agency may cause all deposits to be transferred directly to the institution as determined by the Bank.

## **11.4 Priority of Electronic Payments**

To expedite the receipt of funds and mitigate operational risk, the Agency shall prioritize electronic settlements. Depositors who hold an active and verified account in another local banking institution shall have their compensation credited directly to that account via electronic funds transfer.

## **11.5 Payment by Crossed Cheque**

Depositors who do not possess an active account in a local bank shall be compensated by means of a crossed cheque drawn on the Paying Agent Bank. Such cheques must be collected in person by the depositor, or a legally authorized representative, at the seat of the Paying Agent Bank. The release of the cheque shall be strictly subject to the presentation of a valid identification and the execution of a formal signature of discharge.

## **11.6 Compensation of Foreign Currency Deposits**

In compliance with the Act, all eligible deposits maintained in foreign currencies at the failed member institution shall be compensated exclusively in Mauritian Rupees (MUR). The conversion shall be executed using the mid-rate of the Consolidated Exchange Rates published by the Bank of Mauritius, as prevailing on the date of the trigger event.

## **11.7 Provision of Advance or Interim Payments**

11.7.1 Subject to the submission of preliminary data, reports, and overall assessment provided by the Statutory Administrator, the Agency may

effect advance or interim payments to insured depositors prior to the finalization of the full payout process.

11.7.2 **Advance Payments:** The advance payments shall take the form of expedited partial disbursements of the estimated compensation amount. The Agency may authorize advance payments to provide depositors with immediate liquidity to meet urgent living expenses while the full SCV records are still undergoing final statutory validation.

11.7.3 **Interim Payments:** These interim payments shall take the form of partial or staggered payments authorized by the Agency. The Agency may authorize interim payments where the validation of certain account classes is protracted and the Agency may allow for the undisputed portion of the compensation to be released while the remainder is being reconciled.

11.8 Any advance or interim payment disbursed to a depositor shall be strictly deducted from his or her final total authorized compensation amount.

#### **11.9 Extent of Guarantee and Potential Loss of Funds**

11.9.1 The Agency shall ensure clear communication regarding the statutory limits of the deposit guarantee and the specific circumstances under which a depositor may experience a loss of funds. The compensation framework operates strictly within the prescribed coverage limits:

**(a) Fully Protected Deposits (No Loss of Funds):** Depositors whose total eligible deposits—inclusive of accrued interest and strictly net of any legally enforceable liabilities —amount to MUR 300,000 or less, shall be compensated in full. These depositors are fully guaranteed under the Scheme and will not incur any loss of funds.

**(b) Partially Protected Deposits (Uninsured Residuals):** Depositors whose net eligible deposits exceed the statutory threshold of MUR 300,000 shall receive the maximum compensation payout of MUR 300,000 from the Agency. A depositor will not be compensated for any amount exceeding the limit of MUR 300,000. However, for this residual uninsured amount, he or she may lodge a formal claim with the Statutory Administrator. The recovery of this residual

balance will be subject to the liquidation process and the priority of claims as established under section 86 the Banking Act.

## **12 Duties and Responsibilities of Insured Depositors**

### **12.1 General Duty of Cooperation**

The efficient, secure, and timely execution of the compensation process requires the active cooperation of the insured depositors. Upon the occurrence of a trigger event, depositors are strictly obligated to act in good faith and comply with all directives, public notices, and procedural instructions issued by the Statutory Administrator, the Agency and the Bank.

### **12.2 Maintenance and Provision of Accurate Information**

To prevent delays in the validation of the SCV records and the subsequent disbursement of funds, depositors must adhere to the following:

#### **12.2.1 Up-to-Date KYC Information**

Depositors shall be primarily responsible for ensuring that their Customer Due Diligence and KYC profiles are accurate and current. Upon request by the Statutory Administrator or the Agency, depositors shall promptly submit valid proof of identity, current residential address and any other requisite statutory documentation.

#### **12.2.2 Clear Account Details for Settlement**

To facilitate the electronic transfer of compensation as prescribed in section 11 of this Guideline, depositors must provide clear, accurate, and verifiable details of an alternative active account held in their name at another local banking institution.

### **12.3 Responsiveness to Statutory Inquiries**

Depositors shall respond promptly and comprehensively to any queries, notices, or requests for clarification raised by the Statutory Administrator or the Agency. This includes, but is not limited to, resolving discrepancies in account balances, clarifying joint account mandates or verifying the status of outstanding liabilities owed to the failed member institution.

#### **12.4 Timely Claim and Collection**

- (a) Depositors are required to execute their rights within the operational and statutory timeframes governing the payout mechanism.
- (b) Depositors receiving compensation via crossed cheque must present themselves at the seat of the Paying Agent Bank for collection and signature of discharge within the notified period.

#### **12.5 Consequences of Non-Compliance**

The Agency reserves the right to suspend, delay or withhold the payment of compensation to any depositor who fails to provide verified KYC documentation, supplies inaccurate settlement account details or fails to respond to statutory inquiries. In such instances, the prescribed seven working day payout timeframe shall be paused until the depositor has fully rectified the informational deficiency to the satisfaction of the Agency.

### **13 Public Notification and Communication Protocol**

For the purpose of section 21(3) of the Act, upon the formal designation of a failed member institution and the initiation of the compensation process, the Agency shall promptly execute a public notification protocol. As soon as practicable, the Agency shall issue a formal notice to inform the public and insured depositors that compensation funds have been made available.

#### **13.1 Mandatory Medium of Publication**

To ensure maximum visibility and statutory compliance, the formal notice shall be published through the following channels:

- (i) The Government Gazette of Mauritius;
- (ii) At least two (2) daily newspapers of wide and general circulation within Mauritius; and
- (iii) Prominent display on the official website of the Agency.

#### **13.2 Prescribed Content of the Notice**

The notice published under section 21(3) of the Act shall serve as the primary directive for insured depositors and must contain all essential operational information established under this Guideline. Specifically, the notice shall outline:

- The identity of the failed member institution;
- The designation of a Paying Agent Bank;
- The modalities and prescribed timelines for depositors to access their funds;
- The requirement for depositors to maintain up-to-date KYC documentation and provide accurate alternative account details;
- Information regarding the potential provision of advance or interim payments; and
- Clear guidance on the statutory coverage limit and advising depositors that, for any deposit balance exceeding MUR 300,000, they may lodge a formal claim with the Statutory Administrator.

## **14 Post-Compensation Review**

Further to the completion of a compensation process, the Agency shall conduct a review to identify any elements in the process that can be enhanced and any control gaps that can be addressed. This will involve an end-to-end assessment of, *inter alia*, data quality, payout execution, delayed payments, subrogation and coordination with the Statutory Administrator.

**Mauritius Deposit Insurance Corporation Ltd**

**28 April 2026**