



# BANK OF MAURITIUS

## *Media Release*

29 February 2016

### *Consultation Document:*

### *Deposit Insurance Scheme Bill*

1. The Bank of Mauritius ('Bank') has, today, issued a draft [Deposit Insurance Scheme Bill \(Bill\)](#) for public consultation.
2. The main object of the Bill is to:
  - a. establish a deposit insurance system to protect depositors and guarantee the repayment of their deposits to such extent as may be feasible, in the case a bank or non-bank deposit taking institution licensed by the Bank ("financial institution") fails;
  - b. establish a Deposit Insurance Scheme, as a wholly-owned subsidiary of the Bank;
  - c. establish a Deposit Insurance Fund to operate the Deposit Insurance Scheme; and
  - d. provide for other related matters.
3. A deposit insurance system is designed to act as a safety net. It aims at minimizing the risk of loss of depositors' funds with financial institutions. It takes the form of a guarantee to depositors that they will be compensated up to a specified amount of their deposits in the event the financial institutions where they placed their deposits fail. By providing for the security of those funds, deposit insurance contributes to the stability of the financial system. It also supports the smooth functioning of the payment system and credit mechanisms.
4. A clear legal and regulatory framework and mandatory financial institution's participation are necessary for a deposit insurance system to inspire public confidence. The draft Bill comprises those key general principles and the benefits that will accrue to both depositors and our financial system as a whole.
5. The Bank hereby invites the views and comments of all stakeholders on the draft Bill, which should reach the Bank not later than **25 March 2016**. All submissions will be treated as public documents unless it is specifically requested to treat the whole or part of the submission as confidential. Representations should be made in writing, either by letter or email, to:

The Second Deputy Governor  
Bank of Mauritius  
Sir William Newton Street  
PORT LOUIS

Email: [dis@bom.mu](mailto:dis@bom.mu)  
Phone: 202 3942

---

*Bank of Mauritius, Sir William Street, Port Louis, Mauritius.*

<https://www.bom.mu>

[communications@bom.mu](mailto:communications@bom.mu)