



BANK OF MAURITIUS

website: <http://bom.intnet.mu>

On-line Auctioning of Government of Mauritius Securities/Bank of Mauritius Bills

The Bank of Mauritius has since 1992 been issuing Government of Mauritius Securities through auctions conducted using paper-based techniques. Over the years, a number of improvements have been made relating to the number of instruments, frequency of issues and the lengthening of the maturities. As from August 2003, there has been a separation of debt management from monetary management with Government of Mauritius Treasury Bills being issued solely for government borrowing requirements and Bank of Mauritius Bills issued for monetary policy purposes. However, the auctioning process has remained paper-based.

With the increase in the frequency and number of debt instruments (Treasury Bills, Treasury Notes, Five Year Government of Mauritius Bonds and Long Term Bonds with maturities ranging from 7 to 20 years), it has become imperative to modernise the issuance process starting from the date of announcement to the conduct of the auctions and the settlement of cash and transfer of securities.

With a view to injecting more efficiency in the auctioning process and reducing costs associated thereof, the Bank of Mauritius has decided to implement, on a pilot basis, for a period of six months starting from the auction to be held on Friday 27 February 2009, on-line auctioning of Government of Mauritius Treasury Bills using web-based techniques.

Under this new system, eligible bidders will be able to submit their bids to the Bank of Mauritius from their premises. Upon completion of the auction process by the Bank of Mauritius, bidders will be able to view the results of the auctions as well as verify whether their bids have been accepted or rejected. Successful bids would automatically be settled through the Real Time Gross Settlement System (RTGS). Bidders will also be able to print reports relating to the auctions from their work-stations.

Bank of Mauritius

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