



COMMUNIQUE

The Bank has recently been the subject of some inaccurate and incomplete commentaries both in the written press and on radio. These commentaries refer to issues relating to the Bank's Information Technology Plan, its Restructuring Programme and the Salaries Review Exercise.

In this respect, the Bank would wish to bring the following facts to the attention of the public :

(i) **Information Technology**

The Regional Payment and Settlement System (RPSS) is a regional project of the COMESA Clearing House with regard to cross-border trade among the 19 COMESA States. The position of a Settlement Bank is a coveted position and the Bank of Mauritius won the position through competition from other Member States as well as the Federal Reserve Bank. As the Settlement Agent, the Bank of Mauritius retained the vendor chosen by COMESA as the least cost option for the entire COMESA system-wide clearing operation with functionalities that do not exist in the current software used by the Bank of Mauritius for the National Clearing System. The software procurement was duly approved by the Board of the Bank of Mauritius. The approval of the Board is still awaited for the hardware procurement, since a submission was made in mid-August this year.

The Bank is satisfied that it has at no time breached any terms of its current licence with the provider of its Real Time Gross Settlement System (RTGS) which is used for domestic clearing in Mauritius and which does not have the functionality of going regional.

(ii) **Restructuring and Salaries Review**

The restructuring process started as far back as February 2007 and the matter has been taken up at Board level on a number of occasions. The Board approved, following a tender exercise, the appointment of a Salaries Commissioner (HayGroup of South Africa) to review the salaries and conditions of service at the Bank. Subsequently, the Board also approved the undertaking of a job evaluation exercise by the HayGroup with a view to examining the core activities of each job position and establishing a fair differential of pay between the various levels of responsibilities. The HayGroup produced a report in terms of its mandate. By virtue of the provisions of the Bank of Mauritius Act 2004, it is now incumbent on the Management of the Bank to implement the report. However, the law also requires that budgetary implications be approved by the Board of Directors. The report was accordingly taken to the Board for Members to

make the appropriate budgetary provisions as required by law. The Board did not agree to approve the budgetary implications of the report which it has itself commissioned and decided by a majority on a motion during the meeting that the Report be rejected in toto, the Governor and the First Deputy Governor dissenting.

The issue of restructuring of the Bank is an administrative matter which vests with the Management by law and is not within the province of the Board of Directors.

The Bank will be issuing a more detailed communiqué on its website around 18 hours today*. The public is invited to visit the Bank of Mauritius website on <http://bom.intnet.mu>.

* The communiqué was published on Wednesday evening.

19 November 2008