



Bank of Mauritius
website: <https://www.bom.mu>

Communiqué

COMESA Regional Payment and Settlement System starts live operations

The Bank of Mauritius, as the settlement bank of the Regional Payment and Settlement System (REPSS) of the Common Market for Eastern and Southern Africa (COMESA), is pleased to announce that the REPSS will start live operations as from 3 October 2012.

The REPSS, a secure and reliable payment infrastructure, was introduced by the COMESA Clearing House in a quest to promote further development in the COMESA region. The REPSS allows for an easy transfer of funds among member countries by allowing importers to pay for goods and services in their local currencies, whilst enabling exporters to invoice their products in their domestic currencies.

The Bank of Mauritius was chosen to act as the settlement bank of the REPSS, that is, the bank which holds the accounts of all participating COMESA central banks in the currencies of settlement.

Governor Bheenick stated: *"I am delighted that this project in which the Bank has been closely involved since 2007 has finally come to fruition. The REPSS is expected to stimulate intra-regional trade. I sincerely hope that it will live up to expectations and stakeholders and commercial banks will make full use of this system"*.

Initially, settlement will be made in US dollar and euro but the system is flexible enough to allow use of other currencies notably Pound sterling, South African rand and Japanese yen. The system eliminates the need for confirmed letters of credit and associated costs as the central bank guarantees payment through pre-funding of commercial banks' accounts held with the concerned central bank. Consequently, payments will be made on the same day at much lower costs.

COMESA, a preferential trading area with 19 member states, including Mauritius, is spread over a total area of 12.8 million square kilometres and has a population of 413 million inhabitants. Intra-regional trade in COMESA stood at US\$17.4 billion in 2010, while cross-border payments cost around US\$600 million per year.

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