



BANK OF MAURITIUS

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COMMUNIQUÉ

BANK OF MAURITIUS SIGNS A MEMORANDUM OF UNDERSTANDING WITH THE COMPETITION COMMISSION OF MAURITIUS

The Bank of Mauritius (the Bank) has, on 26 August 2010, signed a Memorandum of Understanding (MoU) with the Competition Commission of Mauritius (CCM) which sets out the framework of their co-operation in the common pursuit to promote and maintain a fair, competitive, efficient and sound financial environment in Mauritius.

The Bank and the CCM recognise the importance of mutual consultation regarding issues relevant to competition in the financial system and reaffirm their commitment to conduct their regulatory responsibilities in the public interest.

The signing of the MoU is a significant step toward promoting mutual assistance between the Bank and the CCM. The MoU aims at enhancing co-operation and coordination in cases of anti-competitive behaviour where the Bank and CCM have overlapping powers and also facilitates the treatment of cases of anti-competitive behaviour within the banking sector.

The Bank and the CCM also recognise the importance of sharing information as well as the need to minimise the duplication of activity and to improve understanding of their respective roles.

In his address, Mr Rundheersing Bheenick, Governor of the Bank of Mauritius stated that *“as a central bank we need to keep our wards, namely banks and other deposit taking institutions, in a fairly competitive mode for the benefit of consumers. We need competition but competition within limits.”* Governor Bheenick added that the Bank is willing to share its responsibility and cooperate with the CCM. He highlighted the special nature of banking, which is a sector that must be approached in a very prudential manner because of systemic risks.

Mr Rajiv Servansingh, Acting Chairman of the CCM, on his part, stated that *“the Competition Act actually makes it an obligation for the Competition Commission to sign similar MoU’s with sectoral regulators.”* He further reaffirmed the intention of the CCM to collaborate with the Bank in the field of banking and its willingness to bring the expertise it collects over competition issues as a complement to the work that the Bank is already doing in the supervision of banking institutions.

This MoU is the fifth in a series of MoU's which aim at strengthening and facilitating co-operation between the Bank and other institutions and agencies in Mauritius. The Bank has already entered into MoU's with the Financial Services Commission, the Central Statistics Office, the Financial Intelligence Unit and the Mauritius Revenue Authority.

The Bank remains committed in enhancing its network of co-operation with other counterpart institutions which have regulatory functions in different parts of the Mauritian economy.

Bank of Mauritius

27 August 2010