



PRIMARY DEALER SYSTEM FOR MAURITIUS

- The Bank of Mauritius announces the establishment of a Primary Dealer System for Mauritius with effect from Friday, 1 March 2002. Initially four commercial banks, namely, Barclays Bank PLC, The Hong Kong & Shanghai Banking Corporation Limited, The Mauritius Commercial Bank Limited and State Bank of Mauritius Limited have been appointed as primary dealers in the new System.
- The purpose of establishing a Primary Dealer System is to enhance the liquidity of the domestic market for Government of Mauritius securities. Prospective investors will be able to either purchase or sell a range of eligible Government securities through the primary dealers of their choice at all times during normal banking hours. In this respect the four primary dealers are committed to provide continuous two way pricing for these securities. The range of eligible Government securities may be obtained from the primary dealers.
- For the initial stages of the Primary Dealer System, dealing activity will be confined to Government of Mauritius Treasury Bills with a maturity not exceeding one year. As the System develops and in the light of experience, longer dated Government securities will be added to the list of eligible securities.
- A Memorandum of Understanding which has been agreed between the Bank of Mauritius and the four primary dealers, sets out the operational framework for the Primary Dealer System. Among other matters, the Memorandum specifies a set of obligations for primary dealers in exchange for a set of privileges. The Memorandum of Understanding may be consulted at the website of the Bank of Mauritius **<http://bom.intnet.mu>**.
- The Bank of Mauritius will in due course consider applications for primary dealer status from other entities which meet the eligibility criteria established by the Bank.
- For more information on the services which primary dealers can provide, prospective investors are advised to contact the Treasury Departments at the Head Offices of any of the four abovementioned commercial banks.

Bank of Mauritius
1 March 2002