



Speech of

Mr Harvesh Seegolam, Governor, Bank of Mauritius
at the Signing of the Memorandum of Understanding
with the Bank of Ghana

Friday 26 November 2021

Bank of Mauritius
Port Louis
Mauritius

Your Excellency Governor Addison, Governor of the Bank of Ghana

Madam Addo Awadzi, Deputy Governor, Bank of Ghana

My First Deputy Governor

My Second Deputy Governor

Madam Chairperson of the Mauritius Bankers Association Ltd

Chief Executive Officer of Mauritius Bankers Association Ltd

Chief Executive Officers of Banks

Members of the accompanying delegation of Governor Addison

Colleagues from the Bank

Ladies and gentlemen

A very good morning to you.

I am very pleased to welcome among our midst today the Governor of the Bank of Ghana, together with his accompanying delegation. I must however say that the initial plan was to welcome you, dear Ernest, as our key guest at the Bank's Annual Economic Operators dinner this year. However, due to the sanitary context, to mark the cementing of the bonds between our two institutions – the Bank of Mauritius and the Bank of Ghana – we have opted for a hybrid event format.

We have with us present virtually all CEOs of Banks operating in the country as well as key representatives and staffs. The signature of the MoU is a clear testimony of the spirit of cooperation between the Bank of Mauritius and the Bank of Ghana, as well as between the banking sectors of both countries respectively. Such international cooperation remains the linchpin for effective information exchange and collaboration on various topics between like-minded Central Banks.

Ladies and gentlemen,

It's a truism that our financial system is globalised, interconnected and complex and geographic boundaries are no longer a constraint. Transactions can be executed in one place, the counterparties can be located in another, and the economic impact sometimes felt in a third place. One of the lessons from the current pandemic has been to highlight the close economic and financial ties of the world

economy. Thus, the pandemic exposes the paramount importance of international agreements regarding cooperation among financial and monetary authorities worldwide. And this, as I believe we have already learned, is indispensable both in times of crisis and in those periods of relative calm which we call normal.

This MoU will pave the way for exchange of information, staff secondment, staff exchange and sharing of experience among others across a number of topics, including but not limited to areas of monetary policy, financial stability, banking supervision, digital and financial technologies, AML/CFT, digital currencies and environmental challenges to mention but a few. All these are key ingredients for the effective stewardship of our respective financial systems.

This MoU equally marks the continuation of the collaboration which started at national level between our two countries. I vividly recall the presence of Dr Mahamudu Bawumia, Vice President of Ghana, as Chief Guest at our National Day Celebrations in 2017. At that time, it was resolved that both countries will work together in regional and international to take the African agenda forward on all issues of common interest, including climate-change, environmental preservation, Sustainable Development Goals and security. At that time, a Double Taxation Avoidance Agreement was also signed.

When I assumed office in March 2020, the establishment of cooperative ties with central banks and other institutions, both regionally and globally was one of my over-arching priorities. We have successfully drawn up MoUs with central banks and institutions and are looking forward to further broadening our network – across our continent and beyond.

Over the past 18 months, I have had the honour to sign 9 MoUs, including with the Deutsche Bundesbank, the Bank of Philippines, the Bank of Russia, and today the Bank of Ghana to name only a few.

I am pleased to announce that there are more to come in the following weeks.

Ladies and gentlemen,

You are all aware of the tremendous achievement of Mauritius on the AML/CFT front, with its delisting from the FATF list of countries under increased monitoring, well before the specified timeline by the FATF. The delisting reaffirms the commitment of Mauritius as a trusted jurisdiction for banking and financial services. It does not only increase confidence in the jurisdiction, but also comes at an opportune time as we see trade and investment gathering more momentum as we remain on track with respect to our economic recovery. More importantly, it helps to address all hurdles that the banking sector had to face since our inclusion in the said list.

This would not have been achievable had it not been for two key factors. First the high-level political commitment together with the pro-activeness and tremendous efforts that have been put in by all Competent Authorities, and the private sector operators including banks.

And second, the invaluable support and guidance we have received from friendly countries, regional and international bodies and counterpart Central Banks and regulatory bodies, including the Bank of Ghana.

I recall very well the call I had with Governor Addison as Ghana was exiting the FATF list earlier this year. The call was imminently followed by a technical committee formed at the level of both our institutions, led by our second deputy governors respectively. I have to thank the Governor and the entire team of the Bank of Ghana which was instrumental in guiding us through this process.

As we progress on our AML/CFT journeys, I look forward to further nurturing working ties between our AML teams to ensure sustainability and effectiveness of all actions undertaken in the present, medium and long term. This experience has taught us that if we have to remain in the forefront, we have to be able to continuously adapt and re-adapt ourselves to the changing global landscape of international norms and best practices.

Ladies and gentlemen,

The Bank of Mauritius and the Bank of Ghana share commonalities in the effective discharge of their respective mandates. Both of our economies are highly dependent on the vagaries of the weather. Mauritius is a highly tourism dependent economy while crude oil, cocoa and timber are major exports of Ghana. This implies an interconnectedness among these sectors and the banking sector which might lead to contagion. Climate-change policies are, therefore, at the centre stage in both central banks and we can all learn from each other's experience.

Further to the setting up of the Bank of Mauritius' Climate Change Centre earlier in October this year, I am now looking forward to forge exchanges and ties with counterpart Central Banks. I am sure that this will be yet another area where our teams will exchange on in the near future.

Ladies and gentlemen,

The pandemic has accelerated the use of digital channels and terminologies like digitalisation and FinTech are now gaining traction. In Mauritius, the law was amended to grant the Bank the power to issue full-fledged digital bank licences as well as Regulatory Sandbox Licences for tech-enabled banking solutions. We have also set up a FinTech Committee comprising the main actors of the digital world and commercial banks to continuously reflect on key initiatives required for our digital progress. The Bank's organisation structure was also recently revised to include a dedicated Payment Systems

and Digital Currency Division, as well as a Digital Innovation and FinTech Division. Moreover, we are in the process of setting up our Open Lab which will be a state-of-the-art development and test platform for new tech enabled solutions for the banking and financial world.

As the Bank of Ghana started licencing Fintech companies in April last year, and continues to make interesting strides on the topic, we look forward to also linking with your FinTech and Innovation Office. A symbiotic relationship could develop between the technical teams from both banks.

We are also both working on the introduction of Central Bank Digital Currencies (CBDCs) in our respective territories. I look forward to hearing from Governor Addison about the CBDC journey Ghana is adopting and how best we can leverage on each other in this crucial development phase.

Ladies and gentlemen,

I am a firm partisan of cooperative ties as our population can benefit from the central bank being robustly engaged with the international community. We may have different legal frameworks or approaches to doing things. However, through dialogue and vigorous advocacy, we can move forward advancing the values we hold dear – the betterment of the lives of our respective populations.

The flagship today is that the signing of this MoU opens up an array of exciting possibilities for cooperation between both central banks in Mauritius and Ghana. We will continue to exchange and share our experiences, especially in the very dynamic and challenging economic times which we are living due to the ongoing pandemic.

Central banks have been at the forefront, accompanying their respective economies and banking sectors during these tough times, with the aim of preserving confidence and financial stability. We remain on our guards and closely monitor all indicators as our countries embark on economic recovery phases. It is in such times that learning from each other becomes instrumental. I therefore look forward to ongoing engagements and collaboration between Central Banks.

With these words, ladies and gentlemen, I thank you all for your attention.

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