

THE BANK OF MAURITIUS ORDINANCE 1966

Ordinance No. 43 of 1966

Proclaimed by [\[Proclamation No. 12 of 1967\]](#) w.e.f 1st July 1967

Parts I and II

Proclaimed by [\[Proclamation No. 16 of 1967\]](#) w.e.f 14th August 1967

Parts III, IV, V, VI, VII and VIII

Proclaimed by [\[Proclamation No. 26 of 1966\]](#) w.e.f 15th October 1966

Part IX

Repealed by [\[Act No. 34 of 2004\]](#)

I assent,

28th September, 1966.

J. S. RENNIE,
Governor.

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An Ordinance to establish the Bank of Mauritius

ENACTED by the Legislature of Mauritius, as follows-

1. Short title.

This Ordinance may be cited as the Bank of Mauritius Ordinance, 1966.

2. Interpretation.

In this Ordinance unless the context otherwise requires-

"authorized bank" means a bank or branches thereof authorized to transact business in Mauritius under the Banking Ordinance, 1958

"the Bank" means the Bank of Mauritius established pursuant to section 3 of this Ordinance

"the Board" means the Board of Directors appointed under the provisions of section.6 of this Ordinance ;

"Currency Board" means the Board of Commissioners of Currency established under the Mauritius Currency Ordinance, 1962;

"Director" means a member of the Board and includes the Governor of the Bank and the Managing Director;

"Managing Director" means the Managing Director appointed under section 6 of this Ordinance;

"Mauritius" means the island of Mauritius and the dependencies thereof;

PART I

ESTABLISHMENT OF THE BANK

3. Establishment.

- (1) There is established for the purposes of this Ordinance a bank to be known as the Bank of Mauritius.
- (2) The provisions of the Banking Ordinance, 1958 and of the Companies Ordinance, shall not apply to the Bank established under this section.

- (3) The Bank shall not be liable to any tax imposed on income, profits or capital gains.

4. Legal status of the Bank.

- (1) The Bank shall be a body corporate having perpetual succession and a common seal; it shall under the above-mentioned name be capable of suing and of being sued through its Managing Director, and it shall subject to the provisions of this Ordinance, and notwithstanding anything to the contrary in any other law, Ordinance or enactment, be capable of acquiring, holding and alienating property movable and immovable, and of doing all such acts and things as bodies corporate may do and perform.
- (2) Service of any process by or on the Bank shall be sufficient if made on behalf of or on the Managing Director.

5. Purposes of the Bank.

- (1) The purposes of the Bank shall be to exercise the functions of a central bank in accordance with the provisions of this Ordinance and to safeguard the internal and external value of the Currency of Mauritius and its international convertibility.
- (2) The Bank shall further direct its policy towards achieving monetary conditions conducive to strengthening the financial system and increasing the economic activity and the general prosperity of Mauritius.

PART II

ADMINISTRATION

6. The Board.

- (1) The general policy and administration of the affairs and business of the Bank shall, subject to the provisions of this Ordinance, be entrusted to a Board of Directors.
- (2) The Board shall consist of-
- a) a Governor of the Bank who shall be the Chairman;
 - b) a Managing Director ; and
 - c) such number of other Directors not being less than three and not more than five.
- (3) The Governor of the Bank shall be the principal representative of the Bank and responsible for the general supervision of the Bank,
- (4) The Managing Director shall, subject to the general supervision of the Governor of the Bank, be responsible for the day-to- day management of the Bank's affairs and business. He shall have power to act for the Governor of the Bank in the absence of the Governor of the Bank.
- (5) The Governor of the Bank shall be a person of recognised experience in affairs

appointed by the Governor on the advice of the Premier and shall hold office for such period not exceeding five years and on such terms and conditions as the Governor may determine.

- (6) The Managing Director shall be a person of recognised experience in banking and currency administration appointed by the Governor on the advice of the Premier for such period and on such terms and conditions as the Governor may determine.
- (7) Except with the approval of the Governor, the Governor of the Bank and the Managing Director shall not during their tenure of office hold any other office whether remunerated or not.
- (8) Nothing in this section shall prevent either the Governor of the Bank or the Managing Director from becoming-
 - (a) a member of any commission established by or with the approval of the Government to enquire into any matter affecting currency or banking in Mauritius;
 - (b) a Governor, director or member of a Board, by whatever name called of any international authority to which the Government shall have adhered or given support or approval;
 - (c) a director of any corporation in Mauritius in which the Bank may participate under Section 12.
- (9) The Governor of the Bank and the Managing Director shall be answerable to the Board for their acts and decisions.
- (10)(i) The other Directors shall be persons of experience in banking or public finance or in one or more of the major economic activities of Mauritius or persons who by reason of their recognised standing in professional or business activities will, in the opinion of the Minister, contribute to the formulation of a sound monetary policy and the effective administration of the Bank.
- (ii) Such Directors shall be appointed by the Premier on the recommendation of the Minister and shall hold office for a term of three years :

Provided that, in the first instance, two of the Directors shall be appointed for a period of two years.
- (iii) Such Directors may receive such allowances as may from time to time be determined by the Board with the approval of the Minister.
- (11) A person who has held the office of Governor of the Bank, Managing Director or Director shall be eligible for re-appointment to that office or for appointment to any other of these offices.
- (12) A person shall be disqualified from holding the office of Governor of the Bank, Managing Director or Director if-

- (a) he is a director, an official, an employee or a shareholder of any commercial bank which carries on business in Mauritius;
 - (b) he is in the public service and a person shall vacate any such office if he becomes subject to any such disqualification.
- (13) The Governor of the Bank, Managing Director or other Director may resign his office on giving at least three months' notice of his intention in writing to the Governor or the Premier, as the case may be.
- (14) The Governor of the Bank, the Managing Director or any other Director shall vacate his office, or shall otherwise be removed from office by the Governor or the Premier, as the case may be, if he-
 - (a) has become insolvent or has assigned his estate for the benefit of his creditors or has made an arrangement with his creditors ; or
 - (b) has committed any misconduct, default or breach of trust in the discharge of his duties as Director under this Ordinance or otherwise which, in the opinion of the Governor renders him unfit to continue to be a Director; or
 - (c) has been convicted of an offence of such nature as in the opinion of the Governor renders it desirable that he should be removed from office; or
 - (d) is suffering from such mental or physical infirmity as in the opinion of the Governor renders him unfit to discharge his duties as a Director.
- (15) Where any Director dies, resigns, vacates his office or is removed from office under the provisions of this section, a person appointed to fill the vacancy shall hold office until the time when the person in whose place he was appointed would regularly have retired, and shall then retire.
- (16) if any Director is temporarily absent from Mauritius or temporarily incapacitated through illness or for any other sufficient reason for the performance of his duties as Director, another person may be appointed in his place in the same manner as such Director was appointed, but shall hold office only during such absence or incapacity of such Director.
- (17) The Governor of the Bank shall preside at all meetings of the Board. In the absence of the Governor of the Bank from any meeting the Managing Director shall preside.
- (18) (a) Three Directors of whom one shall be the Governor of the Bank or Managing Director shall constitute a quorum.
 - (b) Questions arising at any meeting of the Board shall be decided by a majority of the votes of the Directors present, and, if at any such meeting the votes are equally divided, the person presiding shall have a second or casting vote.
- (19) The Board shall meet once every two months, or more often if required.

- (20) Every meeting of the Board shall be convened at the request of the Chairman or of three Directors of the Board, by such officer as may be appointed for that purpose.

7. Execution of documents and signing of cheques.

Unless otherwise provided for by rules made by the Board -

- (a) all deeds, instruments, contracts and other documents shall of be deemed to be duly executed by or on behalf of the Bank if signed underneath the name of the Bank by the Governor of the Bank, Managing Director or any Director, or officer of the Bank as may be appointed by the Board for that purpose.
- (b) A cheque upon any banking account kept by the Bank shall be signed by any two of the following persons-

The Governor of the Bank.

The Managing Director.

Such Director or officer of the Bank as may be appointed by the Board for that purpose.

8. Appointment of officers etc.

- (1) The Board shall appoint and employ at such remuneration and on such terms and conditions as it thinks fit such officers and servants as it may think necessary.
- (2) No salary, fee, wage or other remuneration or allowance paid by the Bank shall be computed by reference to the net or other profit of the Bank.

9. Secrecy.

Except for the purpose of the performance of his duties or the exercise of his functions or when lawfully required to do so by any court or under the provisions of any law, no Director, officer, or employees of the Bank, shall disclose to any person any information relating to the affairs of the Bank or of any other bank or of a customer of the Bank or of any other bank which he has acquired in the performance of his duties or the exercise of his functions.

PART III

CAPITAL, RESERVES AND PROFITS

10. Capital.

- (1) The authorized capital of the Bank shall be ten million Rupees of which there shall be paid up, not later than the day on which the Bank's issue functions under section 29 commence, an amount, not being less than half the authorized capital, as may be resolved by the Board.
- (2) There shall be paid up such further amounts as the Board may from time to time resolve, with the agreement of the Minister.
- (3) Subject to the provisions of sections 42 and 46 all the paid-up capital shall be

subscribed and held only by the Government.

11. Determination and allocation of profits.

- (1) The Board shall determine the net profits of the Bank for each financial year after meeting all current expenditure for that year and after making such provision as it thinks fit for bad and doubtful debts, depreciation in assets, contributions to staff funds and superannuation funds and other contingencies.
- (2) The net profits shall be allocated at the end of each financial year as follows-
 - (a) to a General Reserve Fund to be established by the Bank-
 - (i) in respect of any year at the end of which the said Fund does not exceed the paid-up capital of the Bank, one quarter of the net profits ; or
 - (ii) in respect of any year at the end of which the Fund exceeds the paid-up capital of the Bank but does not exceed twice the paid-up capital of the Bank, one eighth of the net profits ;
 - (iii) such amount as the Board may with the approval of the Minister determine after the advance mentioned in the next succeeding paragraph has been fully repaid
 - (b) one quarter of the remainder of the net profits shall be applied to the repayment of any sum outstanding which forms part of the advance deemed to have been made to the Bank in terms of subsection (3) of section 46 ;
 - (c) the remainder shall be paid to the Government,

12. Activities of the Bank.

The Bank may-

- a) issue demand drafts and effect other kinds of remittances;
- b) purchase and sell gold coins or gold bullion;
- c) open accounts for, accept deposits from, and act as banker to-
 - i) the Government;
 - ii) funds and institutions controlled by the Government;
 - iii) such statutory or corporate bodies as the Board may approve;
 - iv) authorized banks;
 - v) any credit institution in Mauritius;
- d) open and maintain current accounts for members of its staff, if the Board so resolves;
- e) purchase, sell, discount and rediscount inland bills of exchange and promissory notes arising out of bona fide commercial transactions and bearing two or more acceptable signatures, one of which shall be that of an authorized bank or other credit institution which is a customer of the Bank, and maturing within ninety days, exclusive of days of

grace, from the date of their acquisition by the Bank;

- f) purchase, sell, discount and rediscount inland bills of exchange and promissory notes bearing two or more acceptable signatures, one of which shall be that of an authorized bank or other credit institution which is a customer of the Bank, drawn or issued for the purpose of financing the movement, marketing or processing of agricultural produce or minerals and maturing within one hundred and eighty days, exclusive of days of grace, from the date of their acquisition by the Bank.
- g) Purchase, sell, discount and rediscount Treasury Bills of the Government forming part of a public issue and maturing within ninety-three days;
- h) Purchase and sell securities of the Government maturing in not more than twenty years which have been publicly offered for sale or form part of an issue which is being made to the public at the time of acquisition:

Provided that at any particular date the total value in the books of the Bank of such securities of a maturity exceeding two years in the Bank's ownership, other than securities acquired in terms of paragraph (i) or held by the Bank as collateral under sub-paragraph (ii) or paragraph (l) shall not together at any time exceed thirty per cent of the total demand liabilities of the Bank.

- i) invest in securities of the Government for any amount, and to mature at any time, on behalf of staff funds and super-annuation funds and other internal funds of the Bank.
- j) With the approval of the Minister, subscribe to, hold and sell shares of any corporation set up with the approval of or under the authority of the Government for the purpose of facilitating the financing of economic development:

Provided that the total value in the books of the Bank of any such holdings of such shares shall not at any time exceed twenty per cent of the General Reserve Fund of the Bank;

- k) grant advances for fixed periods not exceeding three months to customers against publicly issued Treasury Bills of the Government maturing within ninety-three days;
- l) grant advances for fixed periods not exceeding three months to customers at a minimum rate of interest of at least 1 per cent above the Bank's minimum rediscount rate against promissory notes secured by the pledge with the Bank of-
 - i) gold coins or gold bullion;
 - ii) securities of the Government which have been publicly issued and are to mature within a period of 20 years;

Provided that no advance so secured shall at any time exceed 75 per cent of the market value of the security pledged;

- (iii) Such bills of exchange and promissory notes as are eligible for purchase, discount or rediscount by the Bank:

Provided that no advance so secured shall exceed 75 per cent of the nominal value

of the instruments pledged.

- iv) warehouse warrants, or their equivalent securing possession of goods, in respect of staple commodities or other goods duly insured and with a letter of hypothecation from the owner:

Provided that no such advance shall exceed 60 per cent of the current market value of the commodities or goods in question;

- m) purchase and sell external currencies and purchase, sell, discount and rediscount bills of exchange and Treasury Bills drawn in or on places abroad and maturing within ninety-three days, exclusive of days of grace, from the date of acquisition;
- n) purchase and sell payable in external currencies where such securities are issued or guaranteed by the Government of a country outside Mauritius or by international organizations or institutions of which Mauritius is a member;
- o) maintain accounts with central banks and other banks abroad and act as correspondent, banker or agent for any central or other bank or other monetary authority and for any international bank or international monetary authority of which Mauritius is a member or associate;
- p) undertake on behalf of customers and correspondents the purchase, sale, collection and payment of securities, currencies and credit instruments at home and abroad, and the purchase and sale of gold and silver;
- q) undertake on behalf of customers the employment in Mauritius of their balances with the Bank;
- r) conduct such other activities in respect of the Government and of the authorized banks and other credit institutions as are specified in Part V and Part VI of this Ordinance;
- s) appoint authorized banks to act as its agents in Mauritius and banks abroad to act as its agents or correspondents;
- t) subject to the express provisions of this Ordinance generally conduct business as a bank, and do all such things as are incidental to or consequential upon the exercise of its powers or the discharge of its duties under this Ordinance.

13. Limitations on activities of the Bank.

The Bank may not-

- (a) except as expressly authorized by this Ordinance engage in any trade or otherwise, have a direct interest in any commercial, agricultural, industrial or any other undertaking, unless such interest is acquired in satisfaction of debts due to the Bank:

Provided that any interest so acquired shall be disposed of at the earliest suitable

moment;

- (b) save as provided for in sub-paragraph (j) of section 12 purchase the shares of any corporation or company including the shares of any banking company;
- (c) grant loans upon the security of any shares;
- (d) subject to the provisions of section 17, grant unsecured advances or advances secured otherwise than as laid down in paragraphs (k) and (1) of section 12 :

Provided that in the event of any debts due to the Bank becoming in the opinion of the Bank endangered, the Bank may secure such debts on any real or other property of the debtor and may acquire such property, which shall be resold at the earliest suitable moment ;

- (e) purchase, acquire or lease real property except in accordance with the proviso to paragraph (d) of this section and except so far as the Bank shall consider necessary of expedient for the provision, or future provision, of premises for the conduct of its business, the residence of staff or other similar requirements incidental to the performance of its functions under the terms of this Ordinance.
- (f) draw or accept bills payable otherwise than on demand;
- (g) allow the renewal or substitution of maturing bills of exchange purchased, discounted or rediscounted by or pledged with the Bank :

Provided that, in exceptional circumstances, the Board may by resolution authorize one renewal or one substitution only in either case of not more than fifty per cent of the original amount of any such bill for a period not exceeding ninety days;

- (h) pay interest on customers balances otherwise than as provided in paragraph (8) of section 22;
- (i) accept for discount, or as security for an advance made by the Bank, bills or notes signed by members of the Board or by the Bank's officials or other employees;
- (j) open accounts for and accept deposits from persons otherwise than as provided in paragraphs (c), (d) and (o) of section 12.

14. Publicity of discounts and advances rates.

The Bank shall at all times make public its minimum discount and advances rates.

PART V

RELATION WITH THE GOVERNMENT

15. Bank to act as banker to the Government.

The Bank shall act as banker to the Government:

Provided that-

- a) the Government may, for so long as may be determined by the Minister on the advice of the Bank, maintain accounts with other banks in Mauritius;
- b) the Bank may appoint authorized banks in Mauritius to undertake as its agent the execution of the Government's banking business in places where the Bank is not otherwise represented.

16. Bank to issue loans for Government etc.

The Bank may undertake the issue and management of loans publicly issued in Mauritius by the Government, by local authorities or by statutory or corporate bodies as may be approved by the Board.

17. Grant of advances.

- (1) Anything to the contrary notwithstanding in paragraph (d) of section 13, the Bank may grant advances to the Government in respect of temporary deficiencies of budget revenue at such rate or rates of interest as the Bank may determine.
- (2) The total amount of such advances outstanding shall not at any time exceed ten per cent of the estimated current budget revenue as laid before the Legislative Assembly for the financial year in which the advances are granted.
- (3) All such advances shall be repaid as soon as possible and shall in any event be repayable by the end of the financial year in which they are granted. No further advances shall be made until the outstanding advances have been repaid.

18. Bank to act as Government's agent.

Unless inconsistent with the provisions of this Ordinance or with its duties and functions as a central bank, the Bank may act generally as agent for the Government on such terms and conditions as may be mutually agreed.

19. General Directions.

- (1) The Minister may from time to time give such directions to the Bank as, after consultation with the Governor of the Bank, he considers necessary in the public interest.
- (2) Subject to any such directions, the affairs of the Bank shall be managed by the Board of Directors in accordance with subsection (1) of section 6 of this Ordinance.

PART VI

RELATIONS WITH THE OTHER BANKS

20. Co-operation with other Banks.

The Bank shall whenever necessary request the co-operation of, and co-operate with,

authorized banks-

- a) to promote and maintain adequate and reasonable banking services for the public;
- b) to ensure high standards of conduct and management throughout the banking system;
- c) to further such policies not inconsistent with this Ordinance as shall be in the national interest.

21. Organisation of a clearing house.

The Bank may, in conjunction with authorized banks, organize a clearing house to facilitate the clearing of cheques and other credit instruments for such banks.

22. Average minimum balance.

- (1) The Bank may, on giving not less than four weeks' notice in the Gazette, require all authorized banks to maintain with it such average minimum balance as it may from time to time specify.
- (2) The minimum balance shall not at any time exceed four per cent of the average over the previous four weeks of each bank's specified liabilities:

Provided that the Bank may, in exceptional circumstances and on giving not less than four weeks' notice in the Gazette, require all authorized banks to maintain with it such average minimum balance exceeding four per cent but not exceeding twelve per cent of each bank's specified liabilities as it may from time to time specify.

- (3) Where the Bank gives notice under subsection (1) or subsection (2) of this section it shall at the same time by publication in the Gazette define the basis of computation of the said average minimum balances. The Bank may, from time to time, vary such basis of computation on giving not less than four weeks' notice in a like manner.
- (4) In this section the expression "specified liabilities" means the total of the demand liabilities of each bank payable in Mauritius including such other classes of liabilities as the Bank may specify.
- (5) Where the Bank specifies other classes of liabilities to be included in "specified liabilities", the Bank may enforce such minimum balance ratios for them not exceeding the percentages mentioned in sub-section (2) of this section.
- (6) The Bank may impose on any bank which fails to maintain a minimum balance required under this section a penalty charge not exceeding an annual rate of three times the Bank's minimum advances rate calculated on the deficiency for so long as it continues and such charge may be recovered by deduction from any balance of, or moneys owing to, the bank concerned or as a civil debt.
- (7) No bank shall be required to maintain a minimum balance involving a larger percentage of specified liabilities than any other bank.
- (8) Where the banks are required under this section to keep a minimum balance

exceeding four per cent in respect of any class of liability, the Bank shall pay interest on such excess at a rate per annum not being less than one per cent, or more than five per cent, as it may determine.

23. Powers of Bank under other Ordinances.

The Bank may under any other Ordinance relating to banking carry out such functions not inconsistent with provisions of this Ordinance.

24. Dealings of Bank with credit institutions.

The Bank may, with the approval of the Minister and on giving not less than four weeks' notice in the Gazette require any credit institution other than an authorized bank-

- (a) to open an account with the Bank and maintain on it such average balances as would be required from time to time under section 22 if it were an authorized bank and on the same terms and conditions as are laid down in that section;
- (b) to furnish such information relating to its affairs as the Bank may deem necessary to ensure the proper management of that credit institution.

PART VII

CURRENCY AND EXTERNAL RESERVES

25. Unit of currency.

The unit of currency in Mauritius shall be the Rupee, which shall be divided into one hundred cents.

26. Par value of Rupee.

The par value of the Rupee in terms of gold shall be determined by the Governor in Council acting on the advice of the Bank in accordance with international agreements to which Mauritius is a party or with which Mauritius is associated.

27. Reserve of gold or convertible external currencies.

The Bank shall at all times maintain a reserve of gold or convertible external currencies equivalent to not less than fifty per cent of the total value of the Bank's notes and coins in circulation and other liabilities payable on demand;

Provided that in exceptional circumstances the Minister may, on a unanimous recommendation of the Board, authorize the Bank to alter the minimum reserve to such higher or lower proportion and for such period of time, which shall not exceed six months without a resolution to that effect in the Legislative Assembly, as may be specified by notice in the Gazette.

28. Convertible external currencies.

The convertible external currencies referred to in section 27 of this Ordinance shall consist

of all or any of the following-

- a) notes and coins;
- b) balances and money at call with banks in the country in which the external currency in question is legal tender;
- c) Treasury Bills maturing in not more than one hundred and eighty four days issued by the Government of the country in which the external currency in question is legal tender;
- d) Bills of exchange bearing at least two acceptable signatures manufacturing in not more than ninety days, exclusively of day of grace, payable in the country in which the external currency in question is legal tender.
- e) Securities of or guaranteed by the Government of the country in which the external currency in which such securities are payable is legal tender:

Provided that-

- (i) the market value of the value in the books of the Bank whichever is lower of the securities so held shall not exceed forty per cent of the value of the reserve specified in section 27;
 - (ii) not more than one-third of the securities shall have a maturity exceeding five years;
- f) such fixed-interest-bearing securities of or guaranteed by international organizations or institutions of which Mauritius is a member, maturing in not more than ten years as may be approved by the Minister:

Provided that the market value or the value in the books of the Bank whichever is lower of the securities so held shall not exceed five per cent of the value of the reserve specified in section 27.

29. Issue and form of currency notes and coins.

- (1) The Bank shall have the sole right of issuing Mauritius currency notes and coins and neither the Government nor any other person shall issue currency notes bank notes or coins or any documents or tokens payable to bearer on demand being documents or tokens which are likely to pass as legal tender.
- (2) The Bank shall-
 - a) arrange for the printing of currency notes and the minting of coins;
 - b) issue and reissue currency notes and coins;
 - (c) arrange for the safe Custody of unissued stocks of currency notes and coins and for the preparation, safe custody and destruction of plates and paper for the printing of currency notes and of dies for the minting of coins.

- (3) Currency notes issued under this Ordinance shall be of such denominations and of such form and design and printed from such plates and on such paper and be authenticated in such manner as may from time to time be approved by the Minister.
- (4) Coins issued under this Ordinance shall be of such denominations (not exceeding one rupee) and of such weight form and design and made of such metal or metals as may from time to time be approved by the Minister.

30. Legal tender of currency notes issued under this Ordinance.

Currency notes issued under this Ordinance, unless they have been illegally dealt with, shall be legal tender in Mauritius for the payment of any amount.

31. Legal tender of coins issued under this Ordinance.

- (1) Coins issued under this Ordinance, unless they have been illegally dealt with, shall be legal tender in Mauritius up to the following limits respectively-
 - a. in the case of coins of one rupee denomination, up to two hundred rupees;
 - b. in the case of coins of half-rupee denomination, up to one hundred rupees;
 - c. in the case of coins of quarter-rupee denomination, up to fifty rupees;
 - d. in the case of coins of denominations lesser than quarter-rupee, up to five rupees.
- (2) A coin shall be deemed to have been illegally dealt with where the coin has been impaired, diminished or lightened otherwise than by fair wear or tear, or has been defaced by having any name, word, device or number stamped or engraved thereon, whether the coin has or has not been thereby diminished or lightened.

32. Recovery of lost, stolen etc. currency notes and coins.

- (1) No person shall be entitled to recover from the Bank the value of any lost, stolen, mutilated or imperfect currency note or coin.
- (2) The circumstances in which, and the conditions and limitations subject to which, the value of lost, stolen, mutilated or imperfect currency notes or coins may be refunded as of grace shall be within the absolute discretion of the Bank.

33. Legal tender of currency notes and coins not issued under this Ordinance.

Currency notes and coins issued prior to the coming into operation of this part of this Ordinance and being legal tender at the commencement of this Ordinance shall, after such commencement, continue to be legal tender and shall be deemed to have been issued under this Ordinance.

34. Demonetisation of currency notes and coins.

The Board may, with the approval of the Minister, by publication in the Gazette, declare

that any currency notes or coins shall cease to be legal tender and provide for any matters incidental to the calling in and demonetisation of such currency notes or coins (hereinafter referred to as demonetised currency notes or coins)

Provided that the holders of any demonetised currency notes or coins that have not been illegally dealt with shall not be debarred from claiming payment of the face value thereof from the Bank.

35. Evidence.

(1) In any proceedings in which the genuineness of any currency note or coin purporting to have been issued by the Bank shall be in question a certificate under the hand of the Managing Director to the effect that such currency note or coin is spurious shall be received in all courts of law as conclusive evidence of the spuriousness of such currency note or coin.

(2) The Managing Director shall not be examined or cross-examined with respect to any such certificate.

(3) The certificate shall be in the following form-

"This is to certify that the Managing Director of the Bank of Mauritius has personally examined the currency note/coin shown to him and marked purporting to be a currency note/coin of the following description-

.....
.....
and that the said currency note/coin is spurious.

.....Managing Director of the
Bank of Mauritius

36. Forgery.

Whosoever shall forge or counterfeit or alter any currency note or any word, figure, mark, sign, signature or facsimile upon or attached to any such note, or shall offer, utter, dispose of, or put off any currency note, knowing the same to be forged or counterfeited or altered, shall be guilty of an offence and shall on conviction be liable to penal servitude.

37. Imitation of currency notes.

(1) If any person makes or causes to be made or uses for any purpose whatsoever, or utters any document purporting to be or in any way resembling or so nearly resembling, as to be calculated to deceive, any currency note or any part thereof, he shall be liable on conviction to a fine not exceeding one thousand rupees in respect of each such document and it shall be lawful for the Court to order the document in respect of which the offence was committed and any copies of that document any plates, blocks, dies, or other instruments used for or capable of being used for printing or reproducing any such document, which are in the

possession of such offender to be destroyed.

- (2) If any person whose name appears on any document the making of which is an offence under this section refuses to disclose to a Police Officer the name and address of the person by whom it was printed or made he shall be liable on conviction to a fine not exceeding five hundred rupees.
- (3) Where the name of any person appears on any document in respect of which any person is charged with an offence under this section or on any other document used or distributed in connection with that document it shall be prima facie evidence that that person caused the document to be made.
- (4) The expression "currency note" in this section means a note issued under this Ordinance and includes also any note of a similar character by whatever name called, issued by and on behalf of the Government of any part of the Commonwealth or by part of the Commonwealth or by the Government of any foreign state.

38. Procession of counterfeit or incomplete currency notes.

Whosoever, without lawful authority or excuse (the proof whereof shall lie on the person accused), shall have in his possession, knowing the same to be forged, counterfeited or altered any forged, counterfeited or altered currency note or any unfinished or incomplete currency note purporting to be issued by the Bank, shall be guilty of an offence, and shall on conviction be liable to penal servitude.

39. Possession of paper for currency notes.

- (1) Whosoever, without lawful authority or excuse, (the proof whereof shall lie on the person accused), shall make use of or knowingly have in his possession any paper with any word, figure, device or distinction peculiar to and appearing in the substance of the paper used for currency notes or any material upon which the whole or any part of any currency note purporting to resemble a currency note shall have been engraved or made or any facsimile of the signature of any of the Directors or of any person who has held office as a Director or Commissioner of Currency and whose signature appears on currency notes, shall be guilty of an offence, and shall on conviction be liable to penal servitude.
- (2) Whosoever, without lawful authority or excuse (the proof whereof shall lie on the person accused), mutilates, cuts, tears, or perforates with holes any currency note or in any way defaces a currency note whether by writing, printing, drawing or stamping thereon, or by attaching or affixing thereto anything in the nature or form of an advertisement, shall on conviction be liable to a fine not exceeding five hundred rupees.

40. Assets etc. of Currency Board and repeal of Ordinance No. 39 of 1962.

- 1) On the appointed day-
 - (a) the Bank shall take over all the assets and liabilities of the Currency Board and such assets and liabilities shall vest in, and be enforceable against the

Bank;

- (b) the final business year of the Currency Board shall be deemed to have ended on the preceding day;
- (c) the Mauritius Currency Ordinance, 1962 shall be repealed:

Provided that notwithstanding such repeal the Commissioners of Currency shall continue for so long as may be necessary, to do all such things as may be necessary to complete their duties and functions under the Mauritius Currency Ordinance, 1962, in respect of the final business year of the Currency Board.

- 2) In this section "appointed day" means the day appointed by proclamation for the coming into operation of this part of this Ordinance.

41. Bank to hold certain assets of Currency Board.

- 1) For a period not exceeding five years, any assets taken over by the Bank under the provisions of section 40 of this Ordinance may-
 - (a) in so far as they are external assets ineligible for inclusion in the external reserve provided for in section 27 be nevertheless held as part of such reserve;
 - (b) in so far as they are other assets which the Bank may not otherwise hold in terms of this Ordinance be nevertheless held by the Bank,
- (2) The respective totals of any assets held under the provisions of paragraphs (a) and (b) of subsection (1) of this section shall be shown separately in the books, accounts and statements of the Bank.

42. Appropriation of surplus of assets of Currency Board.

The Bank shall-

- (a) From the surplus of assets over liabilities taken over under the provisions of section 40-
 - i) pay to the Government such sum as the Currency Commissioners may establish as due to the Government under section 12(3) of the Currency Ordinance, 1962, in respect of the Board's final business year;
 - (ii) appropriate such sums to increase the paid up capital of the Bank as may be resolved by the Board with the agreement of the Minister. The increase so made shall be deemed to have been subscribed, and shall be held, by the Government in accordance with section 10;
 - (iii) pay on behalf of the Government, subscriptions due in gold or convertible currencies to the International Monetary Fund and other international financial institutions established under Government auspices;

(iv) appropriate such sums as it may determine to repay to the Government past or all of any advance deemed to have been made to the Bank under subsection (3) of section 46.

(b) appropriate the balance of surplus assets-

i) to establish the General Reserve Fund provided for in section 11 at a level which the Board considers appropriate;

(ii) to make such provision for contingencies as the Board may determine.

PART VIII – ACCOUNTS AND STATEMENTS

43. Financial Year.

The financial year of the Bank shall begin on 1st July of each year and end on 30th June:

Provided that the first financial year of the Bank shall be deemed to end on 30th June, 1967.

44. Accounts to be audited.

(1) The accounts of the Bank shall be audited annually by an auditor appointed by the Board with the approval of the Minister.

(2) Without prejudice to the provisions of subsection (1) the Minister may at any time request the Director of Audit to make an examination of, and submit a report on, the accounts relating to the issue, reissue, exchange and withdrawal of notes and coins by the Bank or, in what the Minister shall think to be exceptional circumstances; the accounts of the Bank as a whole, and the Director of Audit shall do so accordingly and the Bank shall provide all necessary and proper facilities therefor.

45. Furnishing and Publication of Accounts. Reports and Returns.

(1) The Bank shall, as soon as may be after the close of each financial year, cause to be made and transmit to the Minister-

a) a copy of the annual accounts certified by the auditor; and

b) a report on its operations during that year and such report shall be published by the Bank.

(2) The Minister shall as soon as possible after their receipt-

(a) cause a copy of the report and statement of accounts to be laid before the Legislative Assembly, and

(b) cause a copy of the annual statement of accounts to be published in the Gazette.

(3) The Bank shall, as soon as may be, after the last working day of each month make

up and publish a return of its assets and liabilities as at the close of business on that day. A copy of the return shall be transmitted to the Minister and shall be published in the Gazette.

46. Transitory Provisions.

- (1) Any act done and preliminary expenses sanctioned by the Minister in connection with the formation of the Bank shall have the same effect and validity as if such act had been validly done and such expenses validly incurred by the Board; and the Board may continue any act so commenced prior to the coming into force of this Ordinance as if such act or thing had been initiated by the Board under the provisions of this Ordinance.
- (2) All lands, buildings, whether finished or not, and movable property (including unissued stocks of currency notes and coins) obtained or provided by the Government prior to the day on which the first subscription of capital is made under subsection (1) of section 10 shall on that day vest in the Bank ; and such lands, buildings and property (but excluding any value of stocks of currency notes and coins) shall be deemed to be a subscription in money's worth to the capital of the Bank in terms of the said sections.
- (3) Any other expenditure incurred by the Government in connection with the formation of the Bank, including the cost of the printing of currency notes and the minting of coins and any money provided for the initial administration expenses of the Bank, shall be deemed to have been advanced to the Bank and the Bank shall be liable to repay such advance in the manner provided in paragraph (a) of section 42 and subsection (2) of section 11.

47. Liquidation of Bank.

The Bank shall not be placed in liquidation except pursuant to legislation passed for that purpose.

48. Restriction on Banks names.

Save with the written consent of the Minister on the on recommendation of the Board, no bank shall, after the coming into force of this Ordinance, be registered by a name which includes any of the words "Central", "National", "Mauritius", "Mauritian", "Reserve" or "State" or their equivalent in any other language.

49. Power to make rules.

The Board may, with the approval of the Minister, make rules for the good order and management of the Bank.

50. Commencement

Proclaimed by [\[Proclamation No. 12 of 1967\]](#) w.e.f 1st July 1967

Parts I and II

Proclaimed by [\[Proclamation No. 16 of 1967\]](#) w.e.f 14th August 1967

Parts III, IV, V, VI, VII and VII

Proclaimed by [\[Proclamation No. 26 of 1966\]](#) n w.e.f 15th October 1966
Part IX

- (1) This Ordinance shall come into operation on such date as the Governor may by Proclamation appoint.
- (2) Different dates may be appointed by Proclamation under this section for different parts of this Ordinance and any reference in any part of this Ordinance to the commencement of this Ordinance shall, unless otherwise provided by any such Proclamation, be construed as a reference to the date on which that part comes into operation.