

CSDs: Mauritius CDS (Mauritius)

Date: 31 Mar 2011

SMI Markets: Mauritius

CMIRR Markets: Mauritius

Securities Trading and Settlement In Foreign Currency - Update

In an update to our previous newsflash, the Stock Exchange of Mauritius (SEM) is planning to allow trading for listed securities denominated in USD on its platform, in addition to securities denominated in GBP and Euros. While the procedures for clearing/settlement in the Central Depository & Settlement (CDS) have been changed to accommodate for the multi-currency settlements, securities will continue to settle on a T+3 basis.

Regarding the cash leg of the trade, the CDS will implement separate net settlement mechanisms for each currency. In this sense, participants will be required to have bank accounts with the respective currency.

At this stage no implementation date has been confirmed for this project.

CSD Risk Impact

Mauritius CDS (Mauritius)

CSD Rating: A+

CSD Flash Impact: Stable

Impacted Risk Type: Liquidity Risk

Current Rating = A+

Flash Impact = Positive

Impacted Risk Type: Financial Risk

Current Rating = AA

Flash Impact = Positive

The possibility to undertake transactions in foreign currency is expected to increase the turnover of securities traded and settled, which in turn should have a positive impact on the depository's revenue. Hence, the expected new fees will have a positive impact on the Financial Risk.

The option of settling trades in USD should be deemed as a positive development for Liquidity Risk since more securities will be available for settlement, especially as the use of the foreign currency may facilitate investment from non-residents.

Market Information Impact

Mauritius

This information affects the data contained in the Stock Market sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Mauritius

Market Rating: A

Market Flash Impact: Stable

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Related Flash: [Securities Trading and Settlement In Foreign Currency, 28/01/2011 \(click to view\)](#)

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