



COMMUNIQUE

Extension of Trading Hours and Shortening of Settlement Cycle at SEM and CDS

The Stock Exchange of Mauritius Ltd (SEM) and the Central Depository & Settlement Co. Ltd (CDS) are pleased to announce the extension of trading hours in April 2026 and the planned shortening of the settlement cycle to T+2 within one year, to align with global market trends.

The proposed extension of trading hours will enable investors in different time zones globally to have extended real-time access to our platform, improve trading opportunities and as part of a broader effort potentially enhance liquidity. This initiative also constitutes an important step towards nurturing the conducive environment in future for longer trading hours to match global trends, driven by mobile trading, fostering retail investor participation, and demand for time-zone flexibility. As from April 2026 and subject to regulatory approval, the continuous trading session at SEM will therefore be extended by one hour, starting at 9:30 Hrs (GMT+4) and closing at 15:00 Hrs (GMT+4) instead of starting at 10:00 Hrs (GMT+4) and closing at 14:30 Hrs (GMT+4) as current practice. The objective of SEM and CDS is to eventually extend the continuous trading session to 15:30 Hrs (GMT+4) within 6 months.

The following reasons underpin the rationale behind the shortening of the settlement cycle at the global level:

- Global Alignment and Competitiveness
- Reduction of Counterparty Risk and Margin Requirements
- Improved Capital Efficiency
- Operational Efficiencies
- Improve Cash and Securities Liquidity

It should be noted that at the level of the CDS, counterparty risk is well managed with measures such as settlement limits, the Guarantee Fund and capital adequacy requirements. There has never been any failed trade since the start of operations. Margin requirements are relatively low with the Guarantee Fund mechanism and the fact that capital surpluses of investment dealers significantly contribute to increase their settlement limits.

Similarly, to improve liquidity the CDS has already implemented turnaround trading (the ability of an investor to sell shares purchased earlier during a trading session), enabling securities purchased to be sold sooner.

However, it becomes important for the SEM and CDS to shorten the settlement cycle, as investors increasingly gravitate toward venues offering faster settlement. A move from T+3 to T+2 represents an incremental pathway to move fast to a shorter settlement for the SEM and the CDS. This option primarily involves tightening existing processes while still allowing ample buffers for trade affirmation, funding, and settlement. With the implementation of T+2, custodians will have to confirm trades

allocated to their clients by 14:00 Hrs (GMT+4) on T+1. This will require careful coordination among investors, investment dealers (local and foreign), global custodians and local custodian banks, to avoid potential trade failures. Investors will also be required to make payment to their investment dealers in a prompt and efficient manner to ensure that funds are available in the latter's account by 10:30 Hrs (GMT+4) on T+2 at latest. SEM and CDS count on the collaboration of all parties to maintain the clean record of zero failed trades in the Mauritian market.

These two-pronged market announcements fit with the array of transformative changes brought by the SEM and the CDS over time to our operational framework to internationalise our platform, and move up the value chain of services offered to our stakeholders namely investors, investment dealers, market-makers, custodians, data distributors and index providers.

About SEM:

The Stock Exchange of Mauritius Ltd (SEM) started its operations in July 1989 as a domestic equity-centric Exchange. SEM's transformative momentum took a new turn in 2010 when the Exchange undertook a fundamental shift of its strategic orientation, embarking with the internationalisation of its operational and regulatory framework. The outcome of this strategic shift has been quite compelling. 180+ securities are listed on SEM, cutting across different asset-classes and issued by a diverse group of local, African and international issuers. SEM today boasts a streamlined listing regime catering for the specialist nature and requirements of a variety of asset classes. These cover equity products (ordinary/preference shares), debt products (fixed income/floating rate debt/specialist debt products and Eurobonds), ETFs, ETNs, DRs and Structured Products. The above products are issued and listed by domestic Issuers, International Issuers, Investment entities, Specialist companies (including GBCs) and Public sector issuers.

For more information, please visit: www.stockexchangeofmauritius.com

About CDS:

The Central Depository & Settlement Co. Ltd (CDS) was established in 1996 to provide centralized depository, clearing and settlement services for the Mauritian equity and debt markets in line with international standards. The CDS has played a key role in the modernisation of the infrastructure of the Mauritian stock market, and in attracting foreign issuers and investors to the local market. The CDS has also been actively involved in the implementation of trading and depository systems at a number of African stock exchanges and depositories.

For more information, please visit: www.stockexchangeofmauritius.com/cds

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