



Stock Exchange of Mauritius

COMMUNIQUE

Opening up the SEM to ICSD's

The Stock Exchange of Mauritius (SEM) has in recent years successfully brought an array of transformative changes to its regulatory and operational framework to internationalise its platform, diversify its product offerings, attract new listings across different asset classes and move up the value chain of services it offers to its different stakeholders. The results of these initiatives have been quite compelling, doubling the number of listings on SEM from 100+ in 2010 to 200+ today in 2020, thereby positioning the SEM firmly as a driver of innovative changes within the Exchange space in Africa.

In recent months, the SEM has added a new strategic dimension to its innovative thrust by amending its Trading Rules to create a conducive environment for the establishment of links with International Central Securities Depositories (ICSD's) like Euroclear and Clearstream. This new enabling environment specifically applies to Debt Securities, Specialist Debt Securities, Eurobonds, Exchange Traded Funds (ETF's), Exchange Traded Notes (ETN's) and Structured Products listed on SEM and issued by foreign issuers to foreign investors or investment entities holding a Global Business Licence. In practice, this initiative allows foreign investors who own the above-named securities listed on the SEM and which have an 'XS' ISIN issued by an ICSD, to transfer these securities directly via the ICSD to other investors. It should, however be noted that in line with SEM's prevailing regulatory framework, all trades executed on the automated trading system of SEM remain cleared and settled through the Central Depository & Settlement Co. Ltd (CDS).

This initiative is expected to enhance the attractiveness and raise the profile of the SEM and Mauritius as an issuance and listing platform for Debt Instruments, ETF's and Structured Products targeted to international investors. This new strategic orientation is also in line with a measure announced in a previous Budget Speech to transform the local debt market by ensuring that some qualified international products listed on the SEM are Euroclearable. The SEM is currently involved in consultations with key stakeholders and service providers to explain the new opportunities that this new opening framework with ICSD's can generate.

28th January, 2020