

**SEM's new Automated Trading platform,**

**Le Sirius, Labourdonnais Hotel**

**Thursday 19 May 2022**

**19h00**

**Mr Dipak Chummun, Chairperson of the Stock  
Exchange of Mauritius & Members of the Board  
of Directors**

**Mr Zack Hodgson, Chairperson of Securities and  
Trading Technology**

**Mr Sarwansingh Purmessur, Permanent  
Secretary, of my Ministry**

**Mr Dhanesswurnath Thakoor, Chief Executive of  
the Financial Services Commission**

**Mr Sunil Benimadhu, Chief Executive of the  
Stock Exchange of Mauritius**

**Captains of Industry**

**Members of the press**

**Distinguished guests**

**Ladies and Gentlemen**

**Good evening**

It is a pleasure to be here this evening and address  
you on this milestone development in the financial  
services sector.

We cannot speak about the Stock Exchange of Mauritius without being reminded of successive progress from the Box method, the *'à la criée method'* to the fully automated trading system in 2001.

And today, we are moving the exchange to an influential investment position poised to play a key role in the country's financial architecture.

The natural consequences of such innovative development for policy-makers and market players

is the contribution of the capital market to our country's economic development and ultimately to **Wealth Creation for our People.**

**Ladies and Gentlemen**

Against a fluid and rapidly-evolving global financial landscape, the introduction of this enhanced automated platform will further liberalise and modernise our capital market ecosystem to **maintain our country's edge, our relevance and our competitiveness in the international marketplace.**

Indeed, the imperative is for us to remain at par with

global best practices and front-line developments in technology and business models.

And in so doing, this will take to another level the evolution of the Mauritius International Financial Centre as a business-friendly and conducive environment for investments and reinforce our position as a trustworthy facilitator for investments into Africa.

## **Ladies and Gentlemen**

As eloquently mentioned by Sunil Benimadhu and Zack Hodgson, the benefits are clear. Investors and

brokers will trade more proficiently, settle more efficiently, and track more effectively.

I would wish to share with you some thoughts on the main vantages from a policy perspective.

I would start with the internationalisation strategy of the Stock Exchange.

We are today changing gear to improve our global positioning as an Africa-focused jurisdiction of both repute and substance and strengthening our attractiveness as a multicurrency capital-raising and listing platform for Africa-focused investors.

As the Exchange extends its reach beyond borders, scales up the range of innovative products, improves connectivity between players and increases speed of transactions across time-zones, it will speak better to both local and international investors.

As Minister for Financial Services and Good Governance, I am giving every support to provide the necessary enabling legal and regulatory environment for the Exchange to pursue its internationalization strategy.

The aim is now to open Mauritius even more to the world by allowing international brokers and custodian banks across the world to connect to our platform at a mere click.

I would wish here to mention that as we build bridges with the world and invite more players into the system, we are stimulating competition in the domestic market and thus infuse dynamism in the ecosystem. Competition will help improve the **Customer-Obsessed Culture** we wish to see in the market and it will help bring competition in pricing strategies.

We are also providing new business opportunities to the Global Business sector for their growth-seeking clients to fund their expansion through a SEM listing and raise capital in different international currencies and asset classes.

Furthermore, I have no doubt that improved **access, connectivity and speed** offered by the Open Management System will appeal to the more savvy investors who will henceforth use their Broker's channel to place their orders.

## **Ladies and Gentlemen**

We are at a watershed moment which will be remembered as a milestone event in the history of our Exchange.

We are re-defining what a Capital Market represents for us by adding a derivatives' component to the platform and hopefully soon trade in futures and options once the preconditions for a successful derivatives market are met.

For more clarity, I would like to use the image of a four-legged table from Randall Dodd, Director of the

## Financial Policy Forum and Derivatives Study

Centre in Washington DC.

A more complete view of capital markets can be synonymous to a four-legged table made up of –

- (i)** A securities market issuing and trading bonds and equity shares
- (ii)** A banking industry issuing loans and providing payment and settlement services
- (iii)** Insurance and pension funds providing future income and collateral for lending and

(iv) A Derivatives markets offering better risk management and price discovery.

All four legs serve to support the table.

To the very informed audience which I am addressing this evening, you will fully appreciate the range of benefits which a Derivatives market will bring to our economy.

Amongst others, it will help in risk shifting providing excellent opportunities to hedge risks for

different kinds of participants from importers to export-oriented enterprises.

### **Distinguished Regulators**

It is important for us to highlight one of the very important components of this system which will allow SEM's Surveillance Team to pick up in real-time alerts relating to market abuse, manipulative practices and other irregular trading activities.

This new functionality will also greatly assist the FSC in its supervisory role.

**Ladies and Gentlemen,** for a small open economy like ours with increasing reliance on the contribution

of the Financial Services Sector to GDP, we just cannot afford to have our reputation as a jurisdiction and the reputation of our financial institutions to be tarnished by any association with financial crime and irregular practices.

Government is committed to responding to evolving threats.

The new system allowing enhanced surveillance comes in to strengthen our resolve and ability to maintain our reputation as a clean and trusted International Financial Centre.

We should continue to work towards a financial system that is as safe and as trustworthy as can be.

## **Ladies and Gentlemen**

I will now say a few words on the mySEM app.

Indeed, it is all about digitalization but it is also about empowerment of local and international investors.

Trading is all about getting the Timing Right.

The stock market is all about volatility.

An opportunity can disappear in a matter of seconds.

The solution lies in trading from mobile devices.

Within palm-reach, SEM App allows investors to follow the market real-time, order real-time as well as login to CDS accounts and access interactive charting of a company's shares over 1 year.

We have seen Mauritius Telecom proudly announcing having reached one million mobile customers.

With the proliferation of smartphones and mobile data in the country, we have every reason to be hopeful that mobile trading will gain popularity.

For people who do not have access to a computer, even a basic smartphone provides accessibility to a trading platform.

I have had the opportunity to mention at SEM events on the importance of financial literacy and awareness raising.

More developed economies have demonstrated the success of automation in changing market behaviour and mindsets.

With the appropriate education, mobile-based trading will definitely help make the stock market more accessible to the public and pursue

Government's vision of building a nation of

Investors, **an Inclusive Mauritius leaving nobody behind.**

I wish to take the opportunity to commend the Board, the Management and Staff of SEM for

promoting the Stock Exchange of Mauritius as an  
**Agent of Social Change.**

This initiative will support endeavours at further democratising the share ownership culture in Mauritius and placing the stock market within greater reach of retail investors.

You have a critical role in driving sustainable growth, mobilising and channelling savings to finance key government projects as well as businesses which in turn create jobs.

I wish to **reiterate here** that beyond profits, beyond economic success and beyond GDP measures, you have a colossal task ahead to educate people and investors.

### **Distinguished Guests**

We will leave no stone unturned for our jurisdiction to elevate and maintain a dominant position in the worldwide capital and investment arena and pursue its mission of being a magnet for investment into Africa.

**Ladies and Gentlemen,** we are well on course in the 21<sup>st</sup> Century Trading trajectory.

By further constructing and improving our capital market, by offering a world-class exchange platform which is key to a modern economic system, we are placing ourselves in a much better position to serve high-quality economic and social development for the prosperity of our People.

I wish SEM and the Automated Trading System all the very best.

I thank you for your attention and for the opportunity to speak to you.

