

**PQ B/733**

**PARLIAMENTARY QUESTION**

The Honourable Third Member for Port Louis South and Port Louis Central (**Mr Osman Mahomed**)

*To ask the Honourable Prime Minister, Minister of Home Affairs, External Communications and National Development Unit, Minister of Finance and Economic Development –*

**Whether, in regard to the public sector debt repayment, he will give the list of the Boards of Statutory Bodies which will be required to remit the surpluses of accumulated revenue reserves thereof in the Consolidated Fund, Treasury Certificates or in other Government Securities, indicating the proposed processes and procedures therefor?**

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**REPLY**

Madam Speaker,

I am tabling a list of statutory bodies that will be required to transfer their surplus of accumulated revenue reserves to the Consolidated Fund for the Financial Year 2019-2020. These bodies have been identified at the time of budget preparation on the basis of their

financial position and after considering their liquidity requirements, planned capital investment and repayment of loans and other expenditure commitments.

These transfers are in accordance with the provisions of the Statutory Bodies (Accounts and Audit) Act.

The procedures for the transfer are as follows:

- (a) First, a formal request is made to the concerned bodies by the Ministry of Finance and Economic Development; and
- (b) Second, the Board of the statutory body remits such amount to the Consolidated Fund without affecting its operations.

I would, however, like to clarify that surplus of accumulated revenue reserves transferred to the Consolidated Fund is used to finance general Government operations and not specifically for repayment of public sector debt as it has always been the practice.

With regard to Treasury Certificates and other Government Securities, I would also like to clarify that statutory bodies do not remit but rather invest their surplus of accumulated revenue reserves in these instruments. Thus, the funds invested still belong to them and they earn interest on these investments.

The procedures for non-financial public sector bodies to invest their surplus of accumulated revenue reserves in Treasury Certificates were spelt out in Circular No. 6 of 2019 issued by the Ministry of Finance and Economic Development on 20 May 2019. These procedures were reviewed and simplified and are spelt out in the Prospectus issued by the Bank of Mauritius on 7<sup>th</sup> June.

Basically, a Prospectus for the issue of Treasury Certificates for a maturity of 182 days is posted on the website of the Bank of Mauritius every Monday. Applications for purchase of this instrument can be submitted from Monday to Friday.

As for investment in other Government Securities, statutory bodies can buy directly from the four Primary

Dealers which are authorised by the Bank of Mauritius to trade these securities on the secondary market.

Statutory Bodies, just like other investors, can consult the websites of the Primary Dealers for bid and offer prices for Government Securities and liaise with them for the purchase or disposal of the desired securities.

**PKJ**