



SIXTH NATIONAL ASSEMBLY

PARLIAMENTARY

DEBATES

(HANSARD)

FIRST SESSION

FRIDAY 24 APRIL 2015

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THE CABINET**(Formed by the Rt. Hon. Sir Anerood Jugnauth, GCSK, KCMG, QC)**

Hon. Sir Anerood Jugnauth, GCSK, KCMG, QC	Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit
Hon. Charles Gaëtan Xavier-Luc Duval, GCSK	Deputy Prime Minister, Minister of Tourism and External Communications
Hon. Showkutally Soodhun, GCSK	Vice-Prime Minister, Minister of Housing and Lands
Hon. Ivan Leslie Collendavelloo, GCSK	Vice-Prime Minister, Minister of Energy and Public Utilities
Hon. Seetanah Lutchmeenaraidoo, GCSK	Minister of Finance and Economic Development
Hon. Pravind Kumar Jugnauth	Minister of Technology, Communication and Innovation
Hon. Yogida Sawmynaden	Minister of Youth and Sports
Hon. Nandcoomar Bodha	Minister of Public Infrastructure and Land Transport
Hon. Mrs Leela Devi Dookun-Luchoomun	Minister of Education and Human Resources, Tertiary Education and Scientific Research
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Dr. the Hon. Mohammad Anwar Husnoo	Minister of Local Government
Hon. Prithvirajsing Roopun	Minister of Social Integration and Economic Empowerment
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Hon. Sudarshan Bhadain	Minister of Financial Services, Good Governance and Institutional Reforms
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Hon. Mrs Fazila Jeewa-Daureeawoo	Minister of Social Security, National Solidarity and Reform

Institutions

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Hon. Marie Roland Alain Wong Yen Cheong, MSK	Minister of Civil Service and Administrative Reforms
Hon. Soodesh Satkam Callichurn	Minister of Labour, Industrial Relations, Employment and Training

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MAURITIUS

Sixth National Assembly

FIRST SESSION

Debate No. 23 of 2015

Sitting of 24 April 2015

The Assembly met in the Assembly House, Port Louis at 2.30 p.m.

The National Anthem was played

(Madam Speaker in the Chair)

PAPERS LAID

The Prime Minister: Madam Speaker, the Papers have been laid on the Table –

A. Office of the President

The Annual Report 2014 of the National Human Rights Commission. (In Original)

B. Prime Minister's Office

Certificate of Urgency in respect of the Road Traffic (Amendment) Bill (No.VI of 2015). (In Original)

C. Ministry of Housing and Lands

The Annual Report and Financial Statements 2013 of the Town and Country Planning Board.

D. Ministry of Finance and Economic Development

The Report of the Director of Audit on the financial statements of the Mauritius Ex Services Trust Fund (MESTF) for the year ended 31 December 2013. (In Original)

E. Ministry of Technology, Communication and Innovation

(a) The Fifth Annual Report of the Data Protection Office for period January to December 2013.

(b) The Sixth Annual Report of the Data Protection Office for Period January to December 2014.

F. Ministry of Education and Human Resources, Tertiary Education and Scientific Research

The Annual Report 2012 of the Mahatma Gandhi Institute.

G. Ministry of Local Government

(a) The Municipal Council of Curepipe (Fees for Classified Trades) Regulations 2015 (Government Notice No. 53 of 2015).

(b) The District Council of Flacq (Cemetery/Crematorium) Regulations 2015 (Government Notice No. 63 of 2015).

(c) The Municipal Town Council of Beau Bassin-Rose Hill (Naming of Public Places) Regulations 2015 (Government Notice No. 64 of 2015).

(d) The Municipal Town Council of Beau Bassin-Rose Hill (Naming of Public Places) (No.2) Regulations 2015 (Government Notice No. 65 of 2015).

(e) The Municipal Council of Quatre Bornes (Markets) (Amendment-Amendment of Schedule) Regulations 2015 (Government Notice No. 66 of 2015).

H. Ministry of Agro Industry and Food Security

The Annual Report 2014 of the Sugar Investment Trust.

I. Ministry of Industry, Commerce and Consumer Protection

The Rodrigues Consumer Protection (Control of Price of Taxable and Non-Taxable Goods) (Amendment No. 7) Regulations 2015 (Government Notice No. 62 of 2015).

J. Ministry of Social Security, National Solidarity and Reform Institutions

- (a) The National Savings Fund (Collection of Contributions) (Amendment) Regulations 2015 (Government Notice No. 54 of 2015).
- (b) The National Savings Fund (Collection of Contributions) (Amendment No. 2) Regulations 2015 (Government Notice No. 55 of 2015).
- (c) The National Pensions (Increase in Pensions) (Amendment) Regulations 2015 (Government Notice No. 56 of 2015).
- (d) The National Pensions (Increase in Pensions) (Amendment No.2) Regulations 2015 (Government Notice No. 57 of 2015).
- (e) The National Pensions (Pension Points) (Amendment) Regulations 2015 (Government Notice No. 58 of 2015).
- (f) The National Pensions (Collection of Contributions) (Amendment) Regulations 2015 (Government Notice No. 59 of 2015).
- (g) The National Pensions (Amendment of Schedules) Regulations 2015 (Government Notice No. 60 of 2015).
- (h) The National Pensions (Industrial Injuries) (Amendment) Regulations 2015 (Government Notice No. 61 of 2015).

ORAL ANSWER TO QUESTION

BRAMER BANK & BAI CO. (MTIUS) LTD – EMPLOYEES, LICENCE, ETC.

The Leader of the Opposition (Mr P. Bérenger) (*by Private Notice*) asked the Minister of Finance and Economic Development whether, in regard to the Bramer Banking Corporation Ltd. and the BAI Co. (Mtius) Ltd., he will, for the benefit of the House, obtain information as to -

- (a) if the respective employees thereof have become employees of the National Commercial Bank and of the National Insurance Company, respectively, and if so, indicate if the respective years of service thereof are being reckoned;
- (b) the time at which the licence of the Bramer Banking Corporation Ltd. was revoked by the Board of the Bank of Mauritius and if the minutes of the Board of the Bank of Mauritius in relation thereto will be circulated;
- (c) the date when the Board of the Financial Services Commission decided to replace Ms C. A-H as the Chief Executive thereof, and
- (d) if the appointed conservators of the BAI Co. (Mtius) Ltd. were informed of the stand of Government concerning the policyholders thereof.

Mr Lutchmeenaraidoo: Madam Speaker, let me recall for the benefit of the House that since the revocation of the banking licence of the Bramer Bank, Government has been giving utmost priority to dealing with the crisis situation and working out the most appropriate remedial measures in the national interest. We have acted expeditiously.

As I explained in reply to PNQ of 07 April 2015, Government took immediate steps to protect the clients and employees of the Bank. Government gave the assurance that deposits of all clients would be safeguarded and I enumerated a number of actions that we had taken already.

Thus, to-date the clients of the former Bramer Bank are able to have access to banking services from the newly set up National Commercial Bank Ltd and all depositors have normal access to their funds.

To recap, the new entity, National Commercial Bank Ltd was incorporated on Monday 06 April 2015 and subsequently received the banking licence from the Bank of Mauritius on Friday 10 April.

The transfer of all assets and liabilities of the Bramer Bank was done on Saturday 11 April and the new Bank became operational on Monday 13 April. All the 20 branches and the 28 ATMs became fully functional for business on that day.

The situation in the new bank is stable and the element of trust of the clients in the National Commercial Bank Ltd is now well entrenched.

These prompt actions have been effective in averting any systemic risks arising from the failure of the Bramer Bank and the social upheavals it could have generated.

Madam Speaker, as regards part (a) of the question, the employees have been seconded to the National Commercial Bank Ltd but are still under the responsibility of the Receivers of Bramer Banking Corporation Ltd (in receivership).

Let me here reiterate Government's commitment to ensure that employment is safeguarded. Already all employees have been paid their April salary on the 20th of this month.

As regards parts (c) and (d) of the question and matters relating to the National Insurance Co Ltd in part (a), I wish to point out that the FSC and the insurance sector fall within the portfolio of my colleague, the Minister of Financial Services, Good Governance and Institutional Reforms. Consequently, it would not be appropriate for me to reply to matters relating to FSC and the insurance sector. The hon. Leader of the Opposition may wish to address these questions to the Minister concerned.

Mr Bérenger: Madam Speaker, again, as the hon. Minister did, when I put my PNQ on 07 April, he did not say anything about the years of service of the employees of both the Bramer Bank and the BAI Co. (Mtius) Ltd. Can I again ask what will happen to their years of service?

Mr Lutchmeenaraidoo: Yes. In fact, this question was answered in my paper, it must be somewhere. It is quite natural that the years of service of each employee is being taken care of. Either they have a portable pension or whichever, the years of service of each officer working in Bramer Bank is being take care of.

Mr Bérenger: The Minister has replied for Bramer Bank only, but he gave a full proof, total guarantee as far as all the full-time employees of BAI Co. (Mtius) Ltd is concerned. Do I take it that, because it was full proof, all the full-time employees will be

guaranteed their employment; does that guarantee the employment of the 30 companies for which Mr Sattar Hajee Abdoula has been appointed Administrator?

Mr Lutchmeenaraidoo: Well, as far as the National Insurance Company is concerned, the question of transfer of years of service will apply. Now, the commitment of Government is limited to what we have done with Bramer Bank afterwards and what we have done with the BAI Co. (Mtius) Ltd afterwards, that is, we have taken total commitment for those two companies. And maybe the House would like to know also, the Rt. hon. Prime Minister just had a press conference to say that we have gone a long way. I think we are walking out of a major crisis because Cabinet today and the Rt. hon. Prime Minister just announced it, we have found a solution for those who have been the direct victims of the Ponzi players. I mean the 24,000 people.

(Interruptions)

Yes. But maybe within your question, this answer would fit in. If you do not mind, I will just complete it by saying that Government will forthwith refund all those policyholders the first Rs500,000 which have been invested and, through this measure, we are covering, in fact, nearly 50% of those Ponzi victims. I think this is something which is extraordinary. I must here congratulate...

(Interruptions)

my colleague the Minister for...

(Interruptions)

Yes. So, this...

(Interruptions)

Madam Speaker: Please! Please!

(Interruptions)

Avoid...

(Interruptions)

Please!

(Interruptions)

Order!

(Interruptions)

Order!

(Interruptions)

Order, please!

(Interruptions)

Order! Allow the hon. Minister of Finance to reply!

(Interruptions)

Mr Bérenger: Yes, but the Minister is replying - I will come to that later on. We are on employees. Do I take it, from what I have just heard, that the guarantee given to the employees of BAI Insurance does not include a guarantee for the safety of employment of the employees of the 30 companies that are now administered by Mr Sattar Hajee Abdoula? That is my point.

Mr Lutchmeenaraidoo: The 30 companies are not covered by this guarantee.

Mr Bérenger: Well, as we know, Mr Sattar Hajee Abdoula who has been appointed *administrateur* of these 30 companies has been very tough publicly. Does the hon. Minister have any comment to offer on his stand that he *is seul maître à bord* and that he is going ahead with what he is going ahead with? Does the hon. Minister have any comment on that?

Mr Lutchmeenaraidoo: *Je ne sais pas s'il est maître à bord d'un bateau qui coule!* That is his problem! However, this issue concerns directly my colleague the Minister of Financial Services, Good Governance and Institutional Reforms, and the FSC, and I am sure that this question would be better answered by him.

Mr Bérenger: I did not hear the Minister tell us at what time in the middle of the night the banking licence of the Bramer Bank was revoked. Is there any reason? Did the clock stop?

Mr Lutchmeenaraidoo: No, there is no secret there. A Government that is moving fast works 24 hours round-the-clock!

(Interruptions)

Therefore, in this case, the decision to revoke the licence was taken by a Board of Directors of the Bank of Mauritius at probably 10.00 p.m. or later.

Mr Bérenger: Is the hon. Minister prepared to circulate that part of the minutes of proceedings relating to the revocation, of that Board decision?

Mr Lutchmeenaraidoo: It would not be proper, under the Banking Act, to circulate the information requested.

Mr Bérenger: Since the hon. Minister is not prepared to circulate the minutes, will he, at least, tell us whether all members of the board were present on that occasion and whether Government exercised any pressure on that board that evening?

Mr Lutchmeenaraidoo: How can Government put pressure on any member of the board? The board was convened, as a matter of urgency, and the decision was taken, as far as I know, by consensus. In fact, there had to be consensus for the banking licence to be revoked. All members were present, hon. Leader of the Opposition.

Mr Bérenger: The hon. Minister gave us two pieces of information when replying to the Private Notice Question on 07 April. One, he told us that in a letter dated 27 February, the Bank of Mauritius directed Bramer Bank to invest Rs350 m. by 31 March 2015. Can we have a copy of that letter from the Bank of Mauritius to Bramer, and can we know what was the reaction of Bramer to that?

Mr Lutchmeenaraidoo: I cannot take on myself to decide on this issue. This is governed by the Bank of Mauritius. But what I can say is that, following the liquidity crisis of Bramer - when I speak of liquidity crisis, I mean that Bramer was reverting more and more on overnight credit facilities from other banks, interbank facilities - when this point was reached, Bramer Bank made a request for a line of credit of Rs1 billion. Following an investigation which was done by the Bank of Mauritius in its normal course of business, the Bank of Mauritius came to the conclusion that Bramer was in need of Rs2.5 billion of capital injection to be in a position with the law, as far as ratios are concerned.

The Bank of Mauritius, on the request of the Rs1 billion line of credit, asked Bramer Bank to inject fresh capital of Rs350 m.

Mr Bérenger: Give us a copy of this and the reply!

Mr Lutchmeenaraidoo: Well, this I cannot promise now! There are issues which are governed by the Banking Act. The hon. Leader of the Opposition has to take me by my words!

Mr Bérenger: We want to go to the bottom of that!

Mr Lutchmeenaraidoo: We can go further down the bottom also, if the hon. Leader of the Opposition wants to! Nevertheless, the question would not...

(Interruptions)

What I am telling you is: what happened exactly because I was briefed by the Governor of the Central Bank, and I believe what he told me! What he told me was that Bramer had to inject Rs350 m. by 31 March. This was not done. At one time, BAI said that they could inject this amount, but that we will have to agree that they would increase their related parties' transactions. The Bank of Mauritius could not go with this! No one will go with the principle whereby they increase their inter-companies dealings. So they were requested to inject fresh funds. That was the point! They refused. They refused and they never paid that money! So, on the basis of this event, non-payment which would have released - the House should know that the Bank of Mauritius would have released Rs1 billions of line of credit had the Bank increased its injection of capital by Rs350 m. It never did so!

Mr Bérenger: We are wasting time, Madam Speaker! Now, again, on the same day, replying to the Private Notice Question, the Minister said that on 27 March, one month later, the bank wrote to the Bank of Mauritius referring to massive withdrawals of deposit. Again, can we be provided with a copy of that letter from Bramer Bank to the Bank of Mauritius?

Mr Lutchmeenaraidoo: If the hon. Leader of the Opposition has a copy, then he should not ask for it!

(Interruptions)

I do not have one!

(Interruptions)

I am working...

(Interruptions)

Well, if the hon. Leader of the Opposition has this type of information with him, referring to the letter from Bramer...

Mr Bérenger: The hon. Minister said so! He was replying to the Private Notice Question and he said so!

Mr Lutchmeenaraidoo: Then if I said so, then it is so!

(Interruptions)

Well, I do not refuse. I have nothing to hide on this issue. I just trust the Central Bank and the Governor of the Central Bank who gave me this information, and I think it is in line with what happened afterwards.

Mr Bérenger: Can I ask the hon. Minister whether he has discussed with the Governor why, instead of starting by revoking the licence then appointing receivers, therefore, Bramer Bank losing all its value, it no longer had a licence and it could not go and look for purchasers, for people who wanted from overseas or here to buy the bank, instead of doing that, they went the other way round, revoked the licence, crashing down the value of the assets of the bank, including its licence? Why did they go the other way round? Why did they not appoint receivers, close the branches temporarily, so that there is no run on the accounts, and see what to do instead of starting by revoking the licence and, therefore, bringing down completely the value of the assets of the bank?

Mr Lutchmeenaraidoo: The question is good because some people have put the question as to whether there were other ways of dealing with the bank. There is none! Under the banking law there is only one solution: you revoke the licence! There is none! No second solution!

(Interruptions)

Mr Bérenger: I do not hold a brief for that bank, but it is not legally true what the hon. Minister is saying! There were plenty of options; including administrators could have been appointed in the case of the bank, just as administrators and not liquidators have been appointed in the case of BAI Investment Co. Ltd. This is the law. Can I the hon. Minister whether he is aware of it before he tells us that the real thing that could be done is revoking the licence!

Mr Lutchmeenaraidoo: I do not say that we are perfect. The House should understand that crisis management is crisis management, and I had to move fast! It is very fine to become wise after the event, to say that we could have done certain things. We could have, but we have not because we were dealing under a crisis situation, and I am sure that we took the right decision also. There might have been other alternatives probably, but in crisis management we did what we had to do. When you have your house on fire, you do not look for the type of water you want to use or the colour of the water. You use water just to ...

(Interruptions)

Mr Bérenger: Last time, when replying to my PNQ, the hon. Minister replied on certain matters dealing with the FSC whereas today he backtracks on that and refers to his colleague. Therefore, I will come back later on.

As far as the last part of my question is concerned: ‘if the appointed conservators of the BAI Co. (Mtius) Ltd were informed of the stand of Government concerning the policyholders thereof?’, why I am putting that? It is because, on again, while replying to my PNQ, the hon. Minister was forthwith, and I am sure he will repeat that, that all the 138,933 ordinary insurance policyholders - he said - would lose nothing; whereas, in the report dated 17 April, the administrators have come forward and recommended to Government that losses should be shared between the two categories, that is, losses should be shared between these 138,933 and those holding the Super Gold Cash *machin truc*. According to what I have read in the report, which I am not supposed to have, what the administrators have proposed is that each should lose about one third of the value of the assets, which is in contradiction with what the hon. Minister said. So, will he please reconfirm, that, as far as these 138,933, they will lose nothing and that, therefore, these proposals from the administrators to share losses between the two categories concerned will not be followed by Government?

Mr Lutchmeenaraidoo: Madam Speaker, we have gone much further than the conservators, in the sense that the 137,000 something will not lose anything, their policies being totally respected by 100%. However, we have gone further than this. The 24,000 victims who have lost Rs1.6 billion, well, we have gone much further, in the sense that what the Rt. hon. Prime Minister has announced today is really a total solution for all the Ponzi victims, inclusive the 24,000. I must tell you one thing, I am quite impressed by the teamwork which has been going on since the past two weeks within our Ministries and which has allowed this country to come with the proposal that is just allowing us to move out of a major crisis. Replying to the hon. Leader of the Opposition, I would say that we have gone further than what was promised before.

Mr Bérenger: I wanted to be reassured and we are reassured that the recommendations from the administrators will not be applied. That is what I wanted to hear and that those 138,933 will be fully in possession of all their pension rights. Now, I am really surprised. I have just heard the hon. Minister, again, talk of 24,000 policyholders in the so-called Gold *machin truc* Scheme. Well, will he confirm that, in fact, there are no - he said that when replying to the PNQ and the Rt. hon. Prime Minister corrected that in the press conference. Now, he tells us, again, that there are 24,143. Will the hon. Minister correct that?

These are policies but, in fact, will he correct that we are dealing with 14,754 policyholders and, therefore, he should stop referring to 24,000 policyholders? There are 24,000 policies, but 14,000 policyholders. Is that correct?

Mr Lutchmeenaraidoo: The hon. Leader of the Opposition is right. It is correct. In fact, we are speaking of 24,000 policies, but even then I have to beg for the House to understand that we were operating under exceptional circumstances. It is only after that, and even it is, in fact, a few days back that, while working through the policies, we realised that there were some policies which had the same name. Therefore, there were 24,000 policies concerned and 14,000 something of policyholders. In addition, those are the people now which shall be dealt with through the proposals we have made today.

Mr Bérenger: Before I leave the floor to others, Madam Speaker. With your permission, Madam Speaker, although probably the Minister will refer me to the Minister of Financial Services, but this is a national issue. The law provides - it has provided since the Insurance Act has been voted years back, I think in 2007 if I'm not mistaken - that there should be a compensation fund with operators, and those contributing regularly into that to build up a compensation fund, precisely to compensate people in the case that we have met with now. Have the hon. Minister and his colleague responsible for the Insurance Sector, and Government, looked into that and are we going to set up what the law provides for years, since 2007, for a compensation fund?

Mr Lutchmeenaraidoo: For a compensation fund, the principle has been approved. In fact, I was going to announce it in the last Budget, but then it needs further studies. What the fund means is that banks will need to contribute to a fund that will build up in the course of years and, if a bank crashes, then this fund, some form of insurance policy, will intervene to compensate the depositors who have lost their money. Therefore, we have already approved in principle the setting up of this fund.

Madam Speaker: Yes, hon. Uteem!

Mr Uteem: Thank you, Madam Speaker. I need, first of all, to declare my interest. I am a shareholder of Bramer Banking Corporation and my shares were worth around Rs350,000 at the time it went into receivership. Now, we have been informed that the whole of the bank has been sold for one Rs1. May I know from the hon. Minister whether the Government or the Central Bank or even the National Commercial Bank is coming forward

with any plan in regard to those thousands of shareholders of the listed Bramer Bank who are now going to get zero cent because the bank which was worth billions has been sold for Rs1?

Mr Lutmeenaraidoo: My friend will know that when you take the risk of investing in the stock market, you have to bear the risk of losing everything. This is a common practice everywhere in the world: a company collapses, all shares are worth zero! Therefore, what I would say is that those who had shares in the Bramer have taken the risk of investing in a bank which was going to collapse. That is their problem, not ours!

(Interruptions)

Mr Uteem: This being the case, may I ask the hon. Minister if he could initiate an enquiry at the level of his Ministry as regards the National Pensions Fund, Port Louis Fund and the State Investment Corporation which have been massively selling shares they own in Bramer Bank since January to March - I understand more than 2.5 million of shares have been sold by the Government? Will the hon. Minister talk to the FSC to initiate an action to see whether there is any criminal offence of insider dealing?

Mr Lutchmeenaraidoo: We should not mislead the House. The hon. Member should not do it! Those are brokers working on the floor of the Stock Market and that are selling shares. They are brokers, we call them stockbrokers. Now, do not tell me that the stockbroker where the Government has an interest should be responsible for selling shares of Bramer. In fact, you should know also that we have invested in Bramer Bank. SIC has invested in Bramer Bank and is losing money. Therefore, it is not only individuals, all those who have invested money have lost including State Investment Corporation.

Madam Speaker: Hon. Ganoo!

Mr Ganoo: May I ask a question to the hon. Minister of Finance. In view of what has happened in the past concerning the closure of banks and the present saga concerning the Bramer Bank, doesn't the hon. Minister think that it is high time for Government to come up with a legislation, a Depositors' Protection Scheme Bill - as has been announced many times in the past in different Budgets so that, in the future, the depositors may be afforded better protection, as it obtains in other countries?

Mr Lutchmeenaraidoo: Yes, I think that the hon. Member's question has been answered. The Leader of the Opposition asked if we are proposing to set up a fund that will insure people who have had their account in banks in case of failure. So, the principle of this

insurance fund has been approved already. It is now a question of working on it and setting it up.

Madam Speaker: Hon. Uteem!

Mr Uteem: Thank you, Madam Speaker. The hon. Minister of Finance mentioned in the first PNQ, two weeks ago, that the Central Bank had required Bramer Bank to inject Rs3.5 billion in a phased manner, and the first tranche was Rs350 m. Today, he mentioned Rs2.5 billion, but I think he will stand by Rs3.5 billion. May I know then from the hon. Minister of Finance whether he is satisfied with the Central Bank's decision to award the licence? We are talking about the same banking business, same depositors' money, same liabilities, but requiring only an injection of Rs200 m., whereas they were asking for Rs3.5 billion previously.

Mr Lutchmeenaraidoo: It is not just Rs200 m., Madam Speaker. We have guaranteed the total amount of investment made by depositors in this bank. We have gone a long way into not only securing the employees continuation of work, but we have also guaranteed as a Government. It could have been a multi-billion payment on our side. This is the risk we have taken to maintain the stability of the financial system and to avoid a systemic risk. So we did the right thing. It is not only Rs200 m. It is a commitment taken by this Government - and it is a huge one - to come forward and say, 'We guarantee all depositors'. And we have done it.

Mr Bérenger: My last question. I think we can all agree that this Bramer Bank/BAI saga and the way Government has handled it is doing a lot of harm to our image as a financial sector. I am sure the hon. Minister is aware that, apart from that, there is the Belvedere Management Company dimension where it is alleged that there is a multi-billion dollars international Ponzi Scheme based in Mauritius - the FSC started action against them in a recent past - and their partner is Capital World Markets, based in London, where 13 people from them have already been arrested on 03 March by the London City Police. All this is damaging when, here, the Ponzi Scheme is referred to in the case of Bramer/BAI. 'The Economist' of 18 April has mixed it altogether; Ponzi Scheme in the case of Bramer/BAI, international Ponzi Scheme in the case of the Belvedere Management Company with their partner. What are the Government, the Rt. hon. Prime Minister, the Minister of Finance - the Minister responsible - doing to stop that hurting still more the image of Mauritius? What is happening?

Mr Lutchmeenaraidoo: Well, I beg to disagree. I appreciate that when you put order, there is disorder. In fact, we have taken the commitment to cleanse. The concept of cleansing means disorder first. What we are all seeing in Mauritius is the consequence of the commitment of Government to cleanse the country, and part of the cleansing process is what we are discovering: on one side, coffers, on the other side, coffins. Well, this is part of the game. The second point is: is this affecting our world image? Is this Ponzi Scheme affecting the financial image of Mauritius? It is very funny! I would say, 'no'. In fact, I met this morning with bankers from Luxembourg, and they said that they are coming to Mauritius because they know that there is here a Government committed to putting order in the House; that there is a Government here committed to transparency and good governance. So, what I would conclude is that we might get the impression of disorder, of chaos. The chaos is only the consequence of putting order, that is all. It is quite normal that when you put order you have some chaos. But then, further down the road, I think that the image of Mauritius will be multiplied, will be much better that it is now. Much better!

Madam Speaker: Time is over!

MOTION

SUSPENSION OF S.O. 10 (2)

The Prime Minister: Madam Speaker, I move that all the business on today's Order Paper be exempted from the provisions of paragraph (2) of Standing Order 10.

The Vice-Prime Minister, Minister of Housing and Lands (Mr S. Soodhun) rose and seconded.

Question put and agreed to.

STATEMENT BY MINISTER

**SUBRAMANIA BHARITI EYE HOSPITAL, MOKA –
AVASTIN INJECTION – INCIDENT**

The Minister of Health and Quality of Life (Mr A. Gayan): Madam Speaker, with your permission, I wish to make a statement regarding the incident which arose as a result of injections of Avastin at the Subramania Bharati Eye Hospital at Moka.

The House will recall that four patients developed complications in their eyes as a result of the Avastin Injection. On 22 May 2014, 28 patients attended Subramania Bharati Eye Hospital for intra vitreal Avastin injection for retinal disorders.

They were admitted for treatment at Moka Eye Hospital on 23, 24 and 25 May, 2014 respectively. As there was no improvement in their condition, three of them were sent to Sankara Nethralaya Hospital, Chennai, India on 16 June 2014 and the fourth patient on 23 June 2014. The four patients, however, lost vision of their injected eyes.

On 09 July 2014, a Committee of Enquiry, chaired by Dr. Isabelle, Consultant in Ophthalmology, was consequently set up to look into the circumstances of this incident. I have recently received the report and I am tabling a copy of that report.

Thank you.

PUBLIC BILLS

Third Reading

On motion made and seconded, the Appropriation (2015) Bill (No. III of 2015) and the Appropriation (2015-2016) Bill (No. IV of 2015) were read a third time and passed.

Question put and agreed to.

First Reading

On motion made and seconded the Road Traffic (Amendment) Bill (No. VI of 2015) was read a first time.

(3.12 p.m.)

Second Reading

THE ROAD TRAFFIC (AMENDMENT) BILL

(No. VI of 2015)

Order for Second Reading read

The Minister of Public Infrastructure and Land Transport (Mr N. Bodha):
Madam Speaker, I move that the Road Traffic (Amendment) Bill (No. VI of 2015) be read a second time.

Madam, Speaker, the Bill before this House today is meant first and foremost to address a major injustice inflicted on our road users, since the coming into force of the Penalty Point System. The system, which was qualified by the previous Prime Minister, as “a landmark in the history of road safety in Mauritius”, in fact, marked history as the most repressive road safety measure implemented so far in the country. I would like at the very outset to state clearly, Madam Speaker, that this Government has very much at heart the safety of our road users and is also conscious of the fact that the severity of sanctions for road traffic offences is directly proportional to the level of compliance.

However, we are also very much alive to the fact that our citizens should be treated with fairness and dignity and as such, any road sanctioning mechanism should be compatible with the norms, values and sense of justice held by the people themselves.

Madam Speaker, as rightly pointed out by the famous research psychologist, Noordzij, in one of his report “influencing road users’ behaviour”, if we really want to increase road traffic compliance, the following five basic rules must be fulfilled: Traffic laws

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- (i) must be known and accepted by road users;

- (ii) must be easy to understand;
- (iii) must be easy to follow;
- (iv) must not be in contradiction or conflict with any other laws, and
- (v) above all, must be easy enough for anyone to identify any violation of the law.

A closer look at the Penalty Point System recently introduced in Mauritius reveals that it has none of the characteristics just highlighted. Indeed, Madam Speaker, the dual system of fixed speed cameras and Penalty Points is seen as unfair and is not supported by the majority of our road users.

The unfairness in the system stems from the fact that in addition to the normal penalty such as fines imposed for road offences, penalty points were also meted out to the offender. Besides, the system was viewed as quite complex making it difficult for road users to understand its functioning, which explains why some of them were often caught unaware. Members of the House will agree that this huge mechanism put into place was viewed more as revenue generating mechanism, rather than a measure to reduce the number of road accidents in Mauritius. In addition, Madam Speaker, we have seen that the way it was conceived, was not only repressive, but administratively and legally cumbersome.

More than half of the 120,000 road traffic offenders still have their cases pending before Court. Studies have proved that when there is too much a gap between violation and sanction, the link between the two becomes weak and this does not lead to major changes in road users' behaviour.

Madam Speaker, the safety of our road users remains a priority of this Government and as such, much effort is being put at the level of my Ministry to reinforce the road safety measures and bring in new ones. The ambitious goal of the Ministry is to significantly reduce the number of killed and seriously injured - what we call the KSI - by the year 2020 and to achieve our objective, a new road safety strategy 2015-2020 will be developed soon. This strategy will consist of a new set of initiatives with significant potential to reduce road trauma and frustration which may eventually lead to road rage. It will address key areas such as road safety education, enforcement, as well as road environment and road safety engineering issues amongst others.

Madam Speaker, in introducing this Bill, our aim, first and foremost, is to honour our commitment towards the citizens of this country, by doing away with the Penalty Points System as promised and by replacing it by a new penalty system which is more humane and

which takes into consideration the concerns of the various parties, while ensuring that road safety remains our main focus.

In fact, I wish to inform the House that during the preparation of this amendment Bill, a number of consultations were held with different stakeholders and most of their views and suggestions have been taken on board.

Madam Speaker, this Bill aims at changing the behaviour and attitude of road users through the introduction of the five crucial measures, namely -

- (i) The replacement of the penalty point system by a new sanctioning mechanism for certain specified serious driving offences;
- (ii) The introduction of a graduated scale of fines for persons convicted of exceeding speed limits;
- (iii) The disqualification of persons convicted of more than 5 specified serious driving offences and cancellation of the driving licences for those who have been disqualified a second time, and
- (iv) The introduction of a rehabilitation course for repeated traffic offenders.

Let me now elaborate on these five key elements, Madam Speaker.

Firstly, as announced by this Government at the beginning of its mandate, road traffic offenders will no longer be sanctioned through the system of penalty points. Accordingly, while clause 28 of the Bill makes provision for all penalty points accrued before the coming into force of this new legislation, they will be rendered ineffective. Clause 10 of the Bill provides for section 123 AG of the principal Act, which relates to “Allocation of Penalty Points”, to be repealed and to be replaced by a new section 123 AG which will instead provide for “Cumulative Road Traffic Offences”.

Before I elaborate further on the first amendment, I would like, at this point, Madam Speaker, to emphasise that the new sanctioning mechanism for serious road traffic offences, under section 123 AG, will relate to a limited list of offences.

In fact, the list of 19 serious road traffic offences contained in the Third Schedule in the Act is being reviewed and will be brought down to 11 serious offences, which will be easy to understand and may be memorised by road users.

Coming back to the core amendment relating to section 123 AG, the “Penalty Point Certificate” provided for under the Ninth Schedule, will be replaced by the “Cumulative Road Traffic Convictions Certificate”. The purpose of this document is to assist repeat

offenders to keep track of the number of offences committed, with a view to avoiding any future disqualification or cancellation of their driving licences. The offences will be fed into an electronic offence recording system at the Police Department and the “Cumulative Road Traffic Convictions Certificate” will be issued to the road user upon application, if he wants to have it.

In view of the fact that the Penalty Point System will no longer be effective, sections 191, 192, 193, 195 and 196 of the Act are being amended, as per clauses 14 to 18 of the Bill to remove any references to the Penalty Point System and to cater for the new sanctioning mechanism.

Madam Speaker, the Bill also provides for the Court to suspend the driving licence of any person convicted on a sixth occasion, within a period of 24 months, of one or more serious road offences and to disqualify that person from driving or obtaining a driving licence for a period of 6 to 12 months. This amendment, Madam Speaker, aims at bringing a more humane touch to the Bill and constitutes a major turnaround in the terms of sanction. Instead of imposing heavy penalties for the very first offence, we intend to provide repeat offenders enough opportunities to improve their driving behaviours.

However, if the driver fails to take advantage of the opportunities provided to him and turn out to be a chronic offender in spite of the various warnings, disqualification, or in the worst situation cancellation, will ensue.

Madam Speaker, speeding remains the number one road safety problem not only in Mauritius, but in many countries around the world and also constitutes an aggravating factor in all road accidents.

In spite of a common understanding of the risks linked to high speed, the prevalence of speeding remains high. To properly address the issue of illegal speeding, much efforts and resources have to be put in on the enforcement side. Studies conducted so far show that speed camera is an effective intervention in reducing fatal road accidents.

In line with the same principle of encouraging a change in behaviour following the commission of the first offence, this Bill provides for the level of sanction for speeding offences to escalate, as the level of the speeding above the authorised speed limit increases. Accordingly, clause 21 of the Bill provides for a minimum fine of Rs1,000 for exceeding the speed limit by not more than 15 kilometres; a fine of Rs1,500 for exceeding the speed limit

by more than 15 kilometres but not more than 25 kilometres per hour, and a fine of Rs2,500 for driving at a speed of more than 25 kilometres, above the authorised speed limit.

Madam Speaker, notwithstanding the payment of fines, as a form of sanction, for the first five offences, this Bill also makes provision for severe penalties such as disqualification or cancellation to be applied to chronic offenders. But these penalties will be imposed by the Court, over and above the payment of fines, in respect of repeat offenders and our aim here is to keep on monitoring and addressing the risk posed by high-risk drivers with patterns of dangerous driving behaviour.

Accordingly, road traffic offenders will be disqualified from driving if they commit more than 5 offences within a period of 24 months.

Furthermore, if in spite of a first disqualification, the person keeps on defaulting and is disqualified on a second occasion, within a period of 3 years from the date of expiry of the first disqualification, he will have his licence cancelled and in addition he will have to successfully undergo a fresh driving test, for a new licence to be issued, after the period of disqualification. Holders of provisional driving licences will be subjected to the same types of sanctions, while the period of disqualification for persons without a valid driving licence or international driving permit will range from 12 to 24 months instead of 6 to 12 months.

Madam Speaker, the Bill aims at dealing equally forcefully with Mauritian as well as foreign drivers. The holder of a foreign driving licence who has been disqualified from driving in Mauritius, will also have his driving licence suspended.

However, if he needs to travel abroad within the period of disqualification, he will have to submit an application to the Court and his foreign driving licence will be restored upon departure from Mauritius and in case he returns to Mauritius within the period of disqualification, he will have to surrender his Driving Permit again to the licensing officer within 5 days of his arrival.

Madam Speaker, Clauses 9 and 12 of the Bill provide for the amendment of Sections 53 and 123 AI of the Act to enable the restoration of driving licences, among others following a period of disqualification. The procedures for the restoration of the driving licences for different categories of licence holders and permit have been clearly detailed out in the Bill. I wish to point here, Madam Speaker, that, in the case of provisional driving licence holders, the provisional driving licence is cancelled and is not restored if the person has been

disqualified under Section 123 AG. In that case, a new application has to be put in, after the period of disqualification.

As regard the disqualification of driving instructors, the driving instructors' licence would have to be surrendered to the Commissioner of Police and will be restored after the disqualification period.

Madam Speaker, I will now come to one of the most salient features of this Bill and which can be qualified as a major breakthrough as regards to road safety in Mauritius. So far only financial penalties, penalty points or institutional convictions were imposed on road traffic offenders to improve their driving skills. This Bill will assist us in moving one step further through the introduction of an Intensive Traffic Offenders Rehabilitation Program aimed at helping chronic road offenders to be aware of their driving behaviour through education, with a view to motivating them to change their attitudes.

Madam Speaker, it is a well-known fact that traffic violators primarily do not lack driving skills but they mostly lack positive attitudes towards social responsibility. Our objective is to engage the participants in the process and to help them to understand that driving does not require manoeuvring skills only, but they should be aware of the principles of social responsibility as well. Studies have shown that punishment and withdrawal of driving licences are not sufficient to change driving behaviours and to keep our road safe. To prevent recidivism, those persons need to be rehabilitated and that is the reason why we are now introducing different types of rehabilitation courses, tailored to the deficit of the client and based on the nature of the offence committed.

The rehabilitation courses will be imposed by the Courts, as part of the package of penalties to be inflicted in respect of repeat offenders only. Accordingly those who have committed more than 5 offences within a period of 24 months will not only be disqualified from driving, but will also be compelled, upon a Court Order, to follow a rehabilitation course, failing which their driving licences will not be restored.

The course will be designed on the basis of best international practices and will be conducted either by the Police Department or an authority approved by the Commissioner of Police. A certificate of attendance will be issued to the trainee at the end of the session and should be produced at time of application for restoration of the driving licence and we will have the help of the driving schools to design this rehabilitation course.

I would like here, Madam Speaker, to draw the attention of the House to the fact that the rehabilitation courses proposed will also apply to serious road traffic offences provided for under the Second Schedule to the Road Traffic Act, in cases of disqualification.

These include drink driving, careless and inconsiderate driving among others. Accordingly, Sections 52 and 53 of the Road Traffic Act are being amended as per Clauses 8 and 9 of the Bill.

My last point, Madam Speaker, relates to the speed limit signs posted on various types of roads to prohibit the driving of motor vehicles above the authorized speed limit. Currently, for any change in speed limit along any road, be it permanent or temporary, the Ministry has to proceed through a cumbersome process of Gazetting.

For practical purposes, the Bill will now amend Section 124 of the Road Traffic Act to enable the Ministry to cause speed limit signs to be erected over any type of road without Gazetting. Consequently, the Bill also makes provision at Clause 27(2)(b) for the Road Traffic (Speed) Regulation 2011 to be amended to bring it in line with Section 124 of the Act. Madam Speaker, we are also seizing this opportunity to amend Regulation 7 of the Road Traffic (Speed) Regulation 2011 to enable the Ministry to cause the speed limit to be decreased, based upon the geometric design of the road which we couldn't do formerly.

Currently, the law caters for speed limits to be reduced for various reasons, except for geometric design speed of the road. Consequently, whenever such a situation arises, the attention of motorists is drawn only through warning signs and no legal action can be taken even if they are driving at inappropriate speed.

Madam Speaker, in line with our objective to reduce the number of road accidents, the Bill also makes provision at Clause 27(2)(d), for the harmonisation of speed limit along our roads for different classes of vehicles. Accordingly, the Schedule to the Road Traffic (Speed) Regulation 2011 is being repealed and replaced by the Sixth Schedule to the Act. The purpose of this amendment is to reduce and provide a safe speed limit for certain classes of vehicles, along certain categories of roads and to render the speed limit system more user friendly, only two speed limits will be posted for different categories of roads.

For example, the maximum speed limit on motorways will either be 110 km per hour or 80 km per hour. This process will be carried out administratively under Section 124 of the Road Traffic Act.

With regard to the speed camera system, my Ministry is currently carrying out a survey for the removal and relocation of some speed cameras, which in some cases, may be viewed as a speed trap rather than a device to deter speeding. The visibility of speed cameras will also be enhanced through the provision of a yellow retro reflectorized sheeting. In addition, the attention of drivers will be drawn to the presence of speed cameras through transverse road markings at a distance of 300, 200 and 100 metres from the cameras.

Madam Speaker, road accidents are a leading cause of death and injury worldwide. The World Health Organisation has projected that, by 2020, road crash injuries will be the third highest threat to public health, outranking other serious public health problems.

As our nation's economy will keep on growing, the challenges in terms of road safety will also increase, mostly in terms of growing level of traffic, more sophisticated and powerful vehicles and increase mobility, amongst others. This will put more pressure on our road network and to cope with these challenges, and to offer a better level service across our roads, the road network would have to be extended.

Our second challenge, Madam Speaker, relates to the worldwide phenomenon whereby road accidents disproportionately affect the cyclists, motorcyclists and pedestrians. In Mauritius, out of 3610 road casualties reported in 2013, 41% were motorcyclists and 38 of them were fatal, involving mostly male drivers under the age of 45.

In view thereof, my Ministry is putting into place a new strategy for motorcyclists, which will include an improved licencing scheme as well as the setting up of "*moto-école*", which as now is not available in Mauritius. In that respect, my Ministry has already engaged in high level discussions with the authorities in Reunion Island to get the required assistance from them.

With regard to the Driving Examination Centres, we have embarked in a decentralization process, Madam Speaker, and a new driving centre has been set up at Curepipe recently. According to figures available from the Police Department, 1250 driving tests have already been carried out for the last two months in Curepipe. This number will tend to increase, thus significantly relieving the pressure at Port Louis and at the Line Barracks. In line with our objective to make our roads safer, we intend to come up in the near future, with new regulations to raise the driving standard in Mauritius.

Madam Speaker, lack of awareness and consciousness about road safety also account for the rise in the number of road accidents. Accordingly, we will see to it that we have a two

year road safety communication strategy which is under preparation and we will have to see how it will impact on school children at primary and secondary level.

Madam Speaker, we are also laying a lot of emphasis among school children, as I said.

Madam Speaker, although road crashes are classified among modern society's biggest social ills, they remain nevertheless a hidden concern. Our mission is to try by all means to raise awareness on the risks associated with dangerous driving and to leave no stone unturned to mitigate those risks. My Ministry is therefore committed to bringing real and meaningful change to make our roads safer.

Before I end, Madam Speaker, I would like to pay tribute to all the drivers and road ushers who have daily contributed to our road safety, since January last in spite of the fact that all the speed cameras were not operating. In fact, the number of accidents has gone down. I hope I would be able to rely on their continued support to keep our road safer.

With these words, Madam Speaker, I commend the Bill to the House.

Mr Sawmynaden rose and seconded.

Mr Bérenger: I understand that it has been agreed that I move for adjournment of the debates so that we have time to study the speech from the Minister. If that is the case, then I would request the Minister to let us have a copy of his speech straightaway so that we can spend some fruitful hours rereading it. So, if that is the case, I move for the adjournment of the debates.

Mr Uteem rose and seconded.

Question put and agreed to.

Debates adjourned accordingly.

ADJOURNMENT

The Prime Minister: Madam Speaker, I beg to move that this Assembly do now adjourn to Tuesday 28 April 2015 at 11.30 a.m.

The Vice-Prime Minister, Minister of Housing and Lands (Mr S. Soodhun) rose and seconded.

Question put and agreed to.

Madam Speaker: The House stands adjourned.

At 3.38 p.m. the Assembly was, on its rising, adjourned to Tuesday 28 April 2015 at 11.30 a.m.