



SIXTH NATIONAL ASSEMBLY

PARLIAMENTARY

DEBATES

(HANSARD)

FIRST SESSION

TUESDAY 28 APRIL 2015

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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
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Dr. the Hon. Mohammad Anwar Husnoo	Minister of Local Government
Hon. Prithvirajsing Roopun	Minister of Social Integration and Economic Empowerment
Hon. Marie Joseph Noël Etienne Ghislain Sinatambou	Minister of Foreign Affairs, Regional Integration and International Trade
Hon. Ravi Yerrigadoo	Attorney General
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Hon. Ashit Kumar Gungah	Minister of Industry, Commerce and Consumer Protection
Hon. Mrs Marie-Aurore Marie-Joyce Perraud	Minister of Gender Equality, Child Development and Family Welfare
Hon. Sudarshan Bhadain	Minister of Financial Services, Good Governance and Institutional Reforms
Hon. Soomilduth Bholah	Minister of Business, Enterprise and Cooperatives
Hon. Mrs Fazila Jeewa-Daureeawoo	Minister of Social Security, National Solidarity and Reform

Institutions

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Shipping and Outer Islands

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QPM

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Disaster and Beach Management

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Cheong, MSK

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Reforms

Hon. Soodesh Satkam Callichurn

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Employment and Training

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MAURITIUS

Sixth National Assembly

FIRST SESSION

Debate No. 24 of 2015

Sitting of 28 April 2015

The Assembly met in the Assembly House, Port Louis at 11.30 a.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 Speaker

The Annual Report and Audited Accounts of the Independent Commission Against Corruption as at 31 December 2013.

B. Prime Minister's Office

Certificate of Urgency in respect of the following Bills -

- (i) The Supplementary Appropriation (2013) Bill (No.VII of 2015);
- (ii) The Insurance (Amendment) Bill (No.VIII of 2015); and
- (iii) The Employment Rights (Amendment) Bill (No.IX of 2015).

C. Ministry of Finance and Economic Development

The Estimates of Supplementary Expenditure (2013) of 2015.

ORAL ANSWERS TO QUESTIONS

BELVEDÈRE MANAGEMENT LTD – ALLEGED PONZI SCHEME

The Leader of the Opposition (Mr P. Bérenger) (*by Private Notice*) asked the Minister of Financial Services, Good Governance and Institutional Reforms whether, in regard to the allegations against the Mauritius-based Belvédère Management Ltd of an international giant Ponzi scheme scam, he will –

(a) state the –

- (i) sums allegedly involved, and
- (ii) alleged links between Belvédère Management Ltd and the London-based Capital World Markets, whereby thirteen staff members thereof were arrested by the City of London Police on 03 March 2015, indicating if anyone of Belvédère Management Ltd has been arrested as at to date, and

(b) obtain from the Financial Services Commission, the actions taken in relation thereto as at to date, if any.

Mr Bhadain: Madam Speaker, I am informed that Belvedere Management Ltd, a company incorporated in Mauritius on 24 September 2008 obtained a licence on 03 November 2008 from the Financial Services Commission in respect of the following activities -

- (i) provision of formation, administration and management of global business companies;
- (ii) provision of corporate trusteeship services, and
- (iii) provision of investment fund administration services.

Since October 2012 the Financial Services Commission has conducted three on-site inspections on Belvedere Management Ltd in accordance with Section 43 of the Financial Services Act. These inspections were in respect of the management company business, fund administration business, and also to assess whether Belvedere is complying with the provisions of the relevant legislations, regulations and rules of the FSC. After each inspection, the FSC has issued inspection reports to Belvedere making recommendations for remedial actions in respect of several deficiencies, namely, non-compliance with Section 24 of the Financial Services Act with regard to appointment of officers without the prior approval of FSC, the FSC AML/CFT (Anti-Money Laundering/Combating Financial

Terrorism) Code, including incomplete Customer Due Diligence (CDD) documents on the beneficial owners of its client companies and also, Madam Speaker, failure to conduct verifications on the source of funds.

With regard to part (a) (i) of the question, I am informed by the FSC that the sums allegedly involved worldwide are around USD 16 billion involving several jurisdictions, including Guernsey, British Virgin Islands, Cayman Islands, Gibraltar, Switzerland, Seychelles, South Africa, Panama, England and Mauritius.

With regard to part (a) (ii) of the question, Madam Speaker, according to available information at the FSC as at date, there are no confirmed links between Belvedere Management Ltd and the London based Capital World Markets. According to press reports, CWM FX.com is operated by Leverage Financial Services Ltd, a Cyprus investment firm, licenced and regulated by the Cyprus Securities and Exchange Commission and its Chief Executive Officer is Mr Antony Constantinou. Mr Constantinou is among the thirteen persons who have been arrested by the City of London Police in UK.

The CWM is not licenced by the Financial Services Commission in Mauritius and the FSC has sought information from the UK Financial Conduct Authority on 20 March 2015 on Capital World Markets. The FSC issued a reminder to the Financial Conduct Authority in the UK on 30 March 2015 and a reply is still awaited.

I am further informed, Madam Speaker, that the Independent Commission against Corruption was also investigating into the matter. On 19 March 2015, the ICAC requested the Mauritius Police Force to lodge an arrest on departure against the directors of Belvedere Management Ltd, namely K.M, L.L.H.H and D.C.

Unfortunately, D.C., who is a non-resident director, left Mauritius in the early morning of 20 March 2015 by flight on MK 851 to Johannesburg prior to the Immigration Authorities in Mauritius being able to act.

I am further informed that the ICAC's investigation has progressed to the stage of further enquiry and K.M. and L.L.H.H. have since last week been convened for investigation in relation to this case, and their lawyers have confirmed that they will attend ICAC on Thursday 30 April 2015.

With regard to part (b) of the question, Madam Speaker, the Financial Services Commission has been working with various counterparts on the matter, including regulators from Guernsey, British Virgin Islands (BVI), Cayman Islands, Gibraltar, South Africa, England, Ireland, the Federal Territory of Labuan and Tanzania. Some 125 correspondences have been exchanged since June 2014 with regulators from these countries to ensure the

veracity of documents and to construct the flow of funds given that the companies under the management of Belvédère have been advancing loans to entities in various jurisdictions. It is to be noted, Madam Speaker, that through the exchange of information with other jurisdictions such as Guernsey, it has been possible for the investigation to be initiated at that end.

The FSC conducted investigation on two investment funds under the administration of Belvédère Management Ltd., namely –

- Lancelot Global PCC (protected cell company), and
- Four Elements PCC.

The investigation has revealed that there is a flow of funds from a company based in Guernsey. Assistance was, therefore, sought from the Guernsey Financial Services Commission to probe into this flow of funds. The investigation conducted by the Guernsey FSC resulted into three entities, namely –

- ‘The Global Mutual Fund PCC Limited’;
- ‘The Universal Mutual Fund ICC Limited’ (including seven incorporated cells), and
- ‘The Worldwide Mutual Fund PCC Limited’, being placed under administration by the Royal Court of Guernsey.

This has been possible due to the work which has been carried out by the Financial Services Commission in Mauritius.

The FSC has been informed that the application regarding Lancelot Management Limited and Trinity Global Fund will be decided by the court in Guernsey at a later date.

Moreover, as a result of the intelligence shared, the Guernsey FSC appointed an inspector to examine the practices of the licensees linked to Belvédère Management Ltd. The Guernsey FSC imposed a prohibition on Global Mutual Fund and its cells to cease all trading as from 30 January 2015.

The FSC has also sought the assistance of the Financial Services Board of South Africa in view of the fact that many related party loans with entities based in South Africa have been noted in this case. The Financial Services Board of South Africa has initiated enquiries into connected transactions with Mr Jacobus Kellerman, the business partner of Mr David Cosgrove, one of the beneficial owners of Belvédère Management Ltd.

On 20 March 2015, the Financial Services Commission in Mauritius revoked the C1 GBL Licences of Lancelot Global PCC and Four Elements PCC in accordance with section

74 (5) of the Financial Services Act 2007, and its authorisation to act as a Collective Investment Scheme (CIS) has also been withdrawn pursuant to Regulation 13 of the Securities (Collective Investment Schemes and Closed End Funds) Regulations 2008. Joint administrators have been appointed by the FSC to manage the business activities of Lancelot Global PCC and Four Elements PCC. Accordingly, Madam Speaker, the report of the joint administrators will be submitted to the Financial Services Commission shortly.

Furthermore, on 30 March 2015, the CIS Manager Licence of RDL Management Ltd., investment manager of Lancelot Global PCC and Four Elements PCC amongst others, was also suspended by the Financial Services Commission.

Finally, Madam Speaker, I wish to inform the House that the FSC in Mauritius has been positively cited in press reports internationally ‘to be an inflexible and impressionable regulator in Mauritius’.

Mr Bérenger: Then, why should we get rid of that lady? The last comment is very good! Madam Speaker, can I ask the hon. Minister whether I heard correctly that, in fact, the sum allegedly involved is 15 billion dollars ...

Mr Bhadain: It is 16 billion dollars worldwide.

Mr Bérenger: Has the FSC provided information on how many hedge funds, in fact, supposedly Belvédère Management Ltd. was managing?

Mr Bhadain: Yes, the FSC has been conducting on-site inspections, as I have mentioned, Madam Speaker. Of course, there are certain deficiencies which have been noted in the operations of Belvédère Management Ltd. in Mauritius, and remedial actions have been prescribed by the FSC. Belvédère Management Ltd., has, I understand today, not fulfilled all those remedial actions and the FSC is taking action on that accordingly.

Mr Bérenger: Can I ask the hon. Minister whether he is aware that a specialist publication called ‘OffshoreAlert’, which is a specialist information regular sheet, international sheet on financial crime, has quoted this Belvédère issue as, I quote –

“One of the biggest offshore criminal financial enterprises in history”?

Mr Bhadain: Yes, Madam Speaker, I am fully aware of that. Actually, I subscribe to ‘OffshoreAlert’, and so does the hon. Minister of Finance I understand. I can reassure the hon. Leader of the Opposition that when we became aware of the article which has been published in ‘OffshoreAlert’, we straightaway, on the same day, had a meeting with the FSC and other authorities, and all the actions which had to take place have taken place in March 2015 following the meeting which was initiated by my Ministry - to answer the question on the lady, before.

Mr Bérenger: Madam Speaker, on the issue of what the Financial Services Commission has been doing to override this situation, on 18 March 2015, the FSC issued a communiqué where it said, I quote –

“An inspection was conducted in 2015 and the FSC Mauritius shall issue a notice in due course.”

Can I know whether any such notice has been issued?

Mr Bhadain: Yes, the communiqué which was issued on 18 March 2015, Madam Speaker, was following the meeting that I have just referred to at my Ministry. No, I am not aware of any notice which has been issued in relation to that particular communiqué yet.

Mr Bérenger: Can I know whether local firms have been enquiring into this Belvédère issue, in particular PricewaterhouseCoopers and Grant Thornton?

Mr Bhadain: With regard to the joint administrators, Madam Speaker, I am aware that Mr Rajeev Basgeet and Mr Mushtaq Oosman from PricewaterhouseCoopers have been appointed joint administrators, as I have mentioned before. With regard to Grant Thornton, I am not aware of any involvement of Grant Thornton.

Mr Bérenger: On the last part of my question or rather the possible links between Belvédère Management Ltd. and the London-based Capital World Markets, I heard the hon. Minister say that no links have been established - I take it by the Financial Services Commission - to date. Can I ask the hon. Minister whether he is aware of that article of 18 April 2015 in ‘The Economist’, which is not just any publication, where it is said –

“CWM (...)”

That is, the London-based company.

“(...) strongly denies the police’s allegation that it is connected to fraud. Yet some claim the raid is tied to events at Belvedere because the two groups are linked. On a now-deleted part of its website, CWM stated it is part of the same group as Belvedere.”

Has the FSC looked into that following ‘The Economist’ article?

Mr Bhadain: Madam Speaker, just to go back on the earlier supplementary question, I have received a note saying that Grant Thornton was not appointed in Mauritius, but Grant Thornton was apparently appointed in the UK. So, probably that is why the hon. Leader of the Opposition is referring to Grant Thornton.

With regard to CWM, as I have stated earlier, there were no confirmed links which have been established by the Financial Services Commission in Mauritius, but I am perfectly aware of “The Economist” magazine publication and it is true that in that particular article,

the reporter actually states that there has been some kind of deletion of what was on the website of CWM, where mention was made that it had involvement of so and was part of Belvédère. Now, we don't know whether we are talking about Belvédère in Mauritius or in any other jurisdiction, but, as I have stated, the FSC has actually got in contact with the Financial Conduct Authority in the UK and there is information which is still awaited following a reminder which was sent by the FSC in Mauritius to the Financial Conduct Authority in the UK on 30 March 2015.

Mr Bérenger: We have been informed - if I heard the hon. Minister rightly - that the three key people in this Belvédère thing, are two foreigners who, unfortunately, have got out of the country before any action was taken at Passport and Immigration, but the third one, I am given to understand, is a Mauritian. That is why I asked whether there has been any arrest, including that Mauritian and whether Police or the FSC have questioned that Mauritian gentleman.

Mr Bhadain: There are actually two Mauritians and one foreigner, I understand. In fact, as I have stated before, the ICAC had already taken the initiative of notifying the Commissioner of Police that these people should not leave the country without ICAC being notified and they had to be arrested on departure. ICAC should be notified.

For the two Mauritians, it is still the case; for the one foreigner, DC, I believe that he left Mauritius the next morning because the time it took for the ICAC to notify the Police and the Police to notify the Immigration Authorities, the gentleman had already boarded the MK 851 and left Mauritius.

Mr Bérenger: May I have a last question if others don't have a question. My last question is of a general nature. Being given that this article in "The Economist" - I put it to the Minister, but through him to Government - has done a lot of damage - but it is not the only article; in Bloomberg also, there have been other articles - linking all this together, specially in a very awkward and dangerous manner, linking this Belvédère alleged Ponzi scheme to the Bramer Bank/BAI, in that article itself, linking it to the Bramer Bank/BAI issue here and all this, the end result, it is presenting Mauritius as an international hub for Ponzi schemes. Can I know what concrete action is being taken by the FSC, by Government, including the possibility why was not a letter sent to "The Economist" from our High Commission in London or from here, to break this image being presented of our financial sector as an international hub for Ponzi schemes?

Mr Bhadain: Madam Speaker, only yesterday, I was in touch with the US Embassy and we have a meeting planned for Thursday this week to, in fact, address this issue because

the way that “The Economist” magazine has portrayed things by linking the Belvédère case with the Bramer case, which has got no connections whatsoever, of course, does portray an image which is not desirable for the reputation of our country as an international financial centre of repute. Now, there are numerous initiatives which are being put in place. Of course, the FSPA which is being set up now, will take care of the promotional activities to boost up the image of Mauritius at international level and to show the good things that are being done. I remember the hon. Minister of Finance referred to in Parliament the other day his meeting with investors who basically saw, as a very positive step, that Mauritius is actually taking transparent measures to clean up the system.

Now, I can also confirm to the hon. Leader of the Opposition that I had a meeting with a large group of Swiss Bankers, Luxembourg Bankers and people from Monaco who want to set up a huge enterprise in Mauritius and they actually told us that there had a choice between three jurisdictions: Morocco, Dubai and Mauritius. I was pleased when I heard that they chose to come to Mauritius because they have seen that we don’t sweep things under the carpet. We are moving in line with the best practices in terms of good governance and we are being very transparent in terms of all these issues which have happened. Things like that happen in financial jurisdiction. It is how you deal with it which is important.

Mr Bérenger: A very last one. Being given the very rosy picture being painted by the hon. Minister, can I ask him whether it is not a fact that since this Bramer Bank/BAI mess has come into the news, that there has been a drastic slowdown in the number of new applications for businesses that want to register in our financial sector, that ask for registration from the FSC and is it not a fact, unfortunately, that more than Rs1 billion have been withdrawn by foreigners from our Stock Exchange since, as I have said, this Bramer Bank/BAI issue has cropped up?

Mr Bhadain: Well, Madam Speaker, the issue is being addressed by the FSC and also by the Ministry of Financial Services and other authorities as well. I believe that it will become very apparent very soon as to the measures that are being put in place to enhance the image of our sector.

Madam Speaker: Hon. Members, the Table has been advised that Parliamentary Question No. B/308 has been withdrawn. Parliamentary Question No. B/314 will be replied by the hon. Minister of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands. Parliamentary Question No. B/317 will be replied by the hon. Minister of Financial Services, Good Governance and Institutional Reforms. Parliamentary Question Nos. B/330 and B/331 will be replied by the Rt. hon. Prime Minister, time permitting.

DRUGS - SEIZURE

(No. B/303) Mr S. Rughoobur (Second Member for Grand' Baie & Poudre d'Or) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to drugs, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number of reported cases of offences in relation thereto over the past five years, on a yearly basis, indicating the -

- (a) value thereof seized, and
- (b) number of alleged illegal traffickers thereof arrested in connection therewith.

The Prime Minister: Madam Speaker, I am tabling the information requested by the hon. Member.

Mr Rughoobur: Madam Speaker, on strategy relating to prevention and rehabilitation, not much has been done during the last decade. My question is: will the Rt. hon. Prime Minister confirm this information?

Secondly, is the Rt. hon. Prime Minister in favour of setting up a national agency to look into specifically this issue of prevention of drug trafficking and rehabilitation of the consumers of drugs? Is the Rt. hon. Prime Minister ready to set up a national agency at the Prime Minister's Office to look into this whole issue of prevention and rehabilitation?

Madam Speaker: You have made your point, hon. Rughoobur. Allow the Rt. hon. Prime Minister to reply!

The Prime Minister: Well, insofar as all these matters are concerned, as I have said before, there will be a commission, there will be recommendations and we will take all these matters together after that.

DRUGS - COMMISSION OF INQUIRY

(No. B/304) Mr F. Quirin (Fourth Member for Beau Bassin & Petite Rivière) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the proposed setting up of a Commission of Inquiry on drugs, he will state where matters stand.

The Prime Minister: Madam Speaker, action has already been initiated at the level of my Office for the setting up of the Commission of Inquiry on Drug Trafficking as announced in the Government Programme 2015-2019. In fact, a draft of the terms of reference of the Commission is in the process of being finalised.

The proposed terms of reference have been prepared after consultations with the different stakeholders so as to take on board all important aspects of drug trafficking and its ramifications in the country.

The President of the Republic will be advised to appoint the Commission of Inquiry as soon as the Terms of Reference have been finalised.

Madam Speaker: Hon. Leader of the Opposition!

Mr Bérenger: Can I know from the Rt. hon. Prime Minister, because I heard him refer repeatedly to drug trafficking, whether the terms of reference include only the combating drug trafficking or will it be larger, that is, a review of penalties for consumption also and we know what issue there has been around the Subutex problem and so on. So, my point is: will the term of reference be only on trafficking, repression of trafficking or will it be larger and will it include a review of penalties for drug consumption?

The Prime Minister: Well, insofar as the penalties are concerned, we will have to consider as a Government and we will do the needful to amend the legislation as we think fit.

Madam Speaker: Hon. Baloomoody!

Mr Baloomoody: May I ask the Rt. hon. Prime Minister whether the Commission of Inquiry will look into that issue of synthetic drugs, because there is an increase in the market of these types of drugs which is not in the Schedule of the Dangerous Drugs Act?

The Prime Minister: Well, they will be looking into all aspects of all types of drugs.

Mr Bérenger: The Rt. hon. Prime Minister said that the Commission will be appointed by the President of the Republic as soon as the terms of reference are finalised, which seems to indicate that the Commission thereof has already been decided upon. Is that the case? Has the person who will chair especially, been identified and will it include foreigners?

The Prime Minister: We are looking into that.

Madam Speaker: Hon. Ganoo!

Mr Ganoo: Can the Rt. hon. Prime Minister inform the House whether, according to the terms of reference with regard to the setting up of the Commission of Inquiry, Government will consider the possibility of specifying a time-frame for the Commission of Inquiry to complete its task?

The Prime Minister: Well, I am sure that the person who will be chairing the Commission will be somebody very responsible. I don't think we should put a time frame. We must give them all the latitude so that they come with a very serious report and recommendations.

Madam Speaker: Last question!

Mr Ganoo: Madam Speaker, with regard to the penalties inflicted today by our courts of law including consumers and I am sure the Rt. hon. Prime Minister knows that the Criminal Procedure Act specifies that the delay to pay a fine is 12 months only. Many consumers are sometimes inflicted a high penalty in terms of fine, but they cannot pay the fine within the delay of 12 months so that, therefore, they are sent to jail. Can the Rt. hon. Prime Minister consider the possibility of advising that these specific sections of the Criminal Procedure Act be amended to extend the delay to allow consumers, especially the young consumers, to have a longer period of time to pay the fine imposed upon them to avoid them being sent to prison?

The Prime Minister: Personally, I don't think it is necessary to do that. If they can't pay the fine in one year, they will have to undergo imprisonment.

GAMBLING REGULATORY AUTHORITY BETTING CONTROL SYSTEM - OPERATIONAL

(No. B/305) Mr G. Lesjongard (Second Member for Savanne & Black River) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the Central Monitoring System, he will, for the benefit of the House, obtain from the Gambling Regulatory Authority, information as to -

- (a) if it is fully operational;
- (b) the number of equipment connected thereto, indicating the -
 - (i) number of interventions carried out, and
 - (ii) actions taken, if any, in relation thereto, and
- (c) between 2010 to 2014, the number of -
 - (i) faults, and
 - (ii) reported cases of tampering with gaming machines.

The Prime Minister: Madam Speaker, as I informed the House on 07 April 2015, while replying to PQ B/255, set by the hon. First Member for Beau Bassin and Petite Rivière, the Gambling Regulatory Authority Betting Control System which was transferred to the Mauritius Revenue Authority, in March 2013, is still being used to monitor horse racing betting and football betting.

Following the transfer, the Mauritius Revenue Authority has effected several improvements on the server hosting the Gambling Regulatory Authority Betting Control System namely, with respect to -

- (i) recording horse racing betting transactions on the central server, on a continuous on-line basis, by all on-course and off-course bookmakers;
- (ii) resolving the frequent electrical outage, abrupt shutdown of GRA server, data corruption of horse racing transactions and guarantee continuous online recording of betting transactions, and
- (iii) improving compliance of bookmakers with regard to taxes through the use of Business Analytics Tools.

As regards the Central Electronic Monitoring System, the Mauritius Revenue Authority has informed that a Request for Information is under preparation with a view to seeking consultancy services to conduct a study on “monitoring system for gaming activities” and for preparing the Request for Proposal document for this purpose. The decision to purchase and install a new central server will be taken on the basis of the results of this exercise.

213 equipment are connected to the Gambling Regulatory Authority Betting Control System, that is, 206 in respect of horse racing betting and 7 for football betting. On average 5 interventions are carried out per week.

In respect of (b) (ii), I am informed that the following actions have been taken, to improve the equipment -

- (a) wireless network infrastructure has been replaced by wired landline connectivity which is more reliable to guarantee transmission of betting transactions to the central server;
- (b) a team of IT staff, from both the Gambling Regulatory Authority and the Mauritius Revenue Authority, monitors the continuous online recording of betting transactions on the central server;
- (c) *ad-hoc* interventions are carried out on the machines of bookmakers which have problems to transmit betting transactions to the Mauritius Revenue Authority, due to hardware and networking connectivity issues;
- (d) the server infrastructure has been completely revamped to resolve the frequent electrical outage, abrupt shutdown of the Gambling Regulatory Authority

server, data corruption of horse racing transactions and to guarantee continuous online recording of betting transactions;

- (e) two bookmakers operating through remote communication have been shifted from batch mode to continuous online recording, and
- (f) the Gambling Regulatory Authority Betting Control System has been extended to accommodate the multiple bet type (*Levé Pilé*).

With regard to part (c), the Mauritius Revenue has informed that gaming operators are not connected to the Gambling Regulatory Authority Betting Control System. Control is maintained through tax audits on returns submitted by gaming operators. To date, 90 cases have been audited and Rs558 m. have been claimed on assessments.

Mr Lesjongard: Madam Speaker, since the Rt. hon. Prime Minister stated that due to electrical outages very often the system does not work correctly, can we know what is the frequency of those outages and is it very often that those systems are not connected to the Central Monitoring System?

The Prime Minister: I can't say. I can't give figures about how many times and how frequent, but remedial action is being taken.

Mr Lesjongard: With regard to football betting, I understand from the Rt. hon. Prime Minister that only seven such equipment are connected to the Central Monitoring System. Can we know what percentage this represents?

The Prime Minister: I can't say, unfortunately.

Mr Bhagwan: Madam Speaker, will the Rt. hon. Prime Minister ask his office to enquire whether in the recent past nearly Rs100 m. has been spent for the consultancy and commissioning of a server and which has been *jeter dans l'eau*? It has always been a mafia operating within the MTC, with the GRA to prevent that server from being operational, but there should never be a server. Will the Rt. hon. Prime Minister enquire how this Rs100 m. has been spent and make sure that this server be operational in the public interest?

The Prime Minister: We will look into it.

Madam Speaker: Next question, hon. Lesjongard!

**GAMBLING REGULATORY AUTHORITY – CHAIRPERSON &
EMPLOYEES**

(No. B/306) **Mr G. Lesjongard (Second Member for Savanne & Black River)** asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the Gambling Regulatory Authority, he will, for the benefit of the House, obtain therefrom, information as to the –

- (a) names and qualifications of the persons who have held office as
 - (i) Chairperson;
 - (ii) Vice-Chairperson, and
 - (iii) Chief Executive thereof, since 2010 to 2014, indicating in each case, the salaries and allowances paid thereto, and
- (b) number of employees attached thereto, indicating in each case, the respective
 - (i) salaries
 - (ii) allowances, and
 - (iii) age thereof.

The Prime Minister: Madam Speaker, I am tabling the information requested as regards part (a) (i), (ii) and (iii) of the question.

As regards part (b), I am informed that there are four officers on permanent and pensionable establishment, five officers employed on a month to month contract basis and three officers are seconded from the Ministry of Finance and Economic Development, including the Acting Chief Executive. I am tabling the detailed information as requested.

A complete overhaul of the Gambling Regulatory Authority is being worked out in line with the findings/ recommendations of the Commission of Inquiry on horse racing in Mauritius.

Mr Lesjongard: May I ask the Rt. hon. Prime Minister whether he finds it normal for such an important regulator to have only four permanent officers on a staff with an establishment of 24 which has been operational for the past four years?

The Prime Minister: Well, I suppose the hon. Member was in the House at that time. He should have queried why this has been going on. It is like this.

(Interruptions)

Madam Speaker: Next question, hon. Jhugroo!

ICAC – FORMER DIRECTOR-GENERAL – SALARIES & ALLOWANCES

(No. B/308) Mr P. Jhugroo (Second Member for Mahebourg & Plaine Magnien) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the former Director-General of the Independent Commission against Corruption, he will, for the benefit of the House, obtain from the Commission, information as to –

- (a) the amount of money paid thereto in terms of salaries and allowances;
- (b) the make and model of car put at the disposal thereof, and
- (c) the number of overseas trips he has undertaken during his tenure of office, indicating in each case, the
 - (i) countries visited;
 - (ii) amount of *per diem* paid thereto, and
 - (iii) cost of air tickets.

(Withdrawn)

MAURITIAN CITIZENSHIP - MR R. S. & MR P. A. C.

(No. B/309) Mr P. Jhugroo (Second Member for Mahebourg & Plaine Magnien) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to Mr R. S. and Mr P. A. C., he will state the grounds on which the Mauritian citizenship was granted thereto, respectively, indicating, in each case, with regard to the application for citizenship, the –

- (a) date of submission and of approval thereof, and
- (b) if the granting of the citizenship was made in compliance with the legislation and the procedures laid down therefor.

The Prime Minister: Madam Speaker, I am informed that Mr R. S., a Canadian national, born in Uganda, on 20 August 1964 submitted an application for Mauritian citizenship on 19 July 2012 under section 5 of the Mauritius Citizenship Act pertaining to the Registration of Commonwealth citizens.

Mr R. S. was granted Mauritian citizenship on 25 September 2012 under section 5 (3) of the Mauritius Citizenship Act which stipulates that –

“the Minister may cause any Commonwealth citizen to be registered as a citizen of Mauritius if he is satisfied that it is in the public interest to do so”.

He accordingly paid the registration fees of Rs15,000.

Madam Speaker, I am further informed that on 12 February 2008, Mr P. A. C., an Italian national, applied for Mauritian citizenship under section 7 of the Mauritius Citizenship Act. He is the spouse of a Mauritian citizen whom he married on 03 July 1988, in Rome.

Though Mr P. A.C. was married to a Mauritian citizen for more than 19 years at the time of his application, he did not meet the residence criteria required by the law, as he had not stayed in Mauritius for the period of four years immediately preceding his application for registration. Despite this fact, he was granted Mauritian citizenship on the same day. He also paid the registration fees of Rs5,000 applicable at that time.

Mr Jhugroo: Madam Speaker, can the Rt. hon. Prime Minister - I know if he has not got the CVs of both applicants - table a copy of the CVs of these two applicants later on?

The Prime Minister: Well, we will try to get the information.

Mr Jhugroo: Can we know from the Rt. Prime Minister who, in the Home Affairs Division of the PMO, processed the application of each applicant before submitting them to the former Prime Minister?

The Prime Minister: Well, I don't know who was there, I will have to get the information. But from what I see it is evident that the Prime Minister wanted to give the citizenship and he did it. It doesn't matter who was there as officer.

Madam Speaker: Next question, hon. Dr. Joomaye!

RIVIÈRE DES ANGUILLES & SOUILLAC - PROJECTS EARMARKED

(No. B/310) Dr. Z. Joomaye (Second Member for Rivière des Anguilles & Souillac) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to Constituency No. 13, Rivière des Anguilles and Souillac, he will, for the benefit of the House, obtain from the National Development Unit, information as to the projects –

- (a) being implemented thereat and
- (b) earmarked for implementation thereat in the near future.

The Prime Minister: Madam Speaker, I am informed by the NDU that Works Orders to the tune of Rs54,976,590.46 are in progress for Constituency No. 13. I am tabling the list of the projects presently being implemented.

As regards part (b) of the question, I am informed by the NDU that the Parliamentary Private Secretary responsible for the Constituency No. 13 has submitted a proposed list of projects pertaining to roads, amenities and drains. Same is presently being examined by the

NDU. The list of projects identified for implementation on the basis of availability of funds will be tabled in due course.

Dr. Joomaye: Madam Speaker, I would like to know from the Rt. hon. Prime Minister whether in the amount stated, is there any fund to start the construction of the Rivière des Anguilles Dam?

(Interruptions)

The Prime Minister: It can't be!

POLICE OFFICERS – OFFICIAL CAR - ELIGIBILITY

(No. B/312) Mr P. Jhugroo (Second Member for Mahebourg & Plaine Magnien) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the Police Officers, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the eligibility criteria for the entitlement thereof for the use of an official car, indicating the Police Officers posted at the National Security Services over the period 2006 to 10 December 2014 who have benefitted therefrom, and, in each case, if the Police Officer concerned –

- (a) satisfied the eligibility criteria, and
- (b) was also in receipt of travelling allowances/travel grant over the same period of time and, if so, indicate if inquiries will be carried thereinto.

The Prime Minister: Madam Speaker, I am informed by the Commissioner of Police that the eligibility criterion for the entitlement for the use of official car by Police Officers is the salary scale as provided for in the Pay Research Bureau (PRB) Reports.

As from 2003, there have been three PRB Reports. According to PRB report covering period 01 July 2003 to 30 June 2008, public officers drawing a monthly basic salary of Rs47,500 and above were entitled to an official car.

In the report covering period 01 July 2008 to 31 December 2012 public officers drawing a monthly basic salary of Rs80,000 and above were entitled to an official car.

In the last PRB report 2013, this eligibility criterion was further increased for public officers drawing a basic salary of Rs102,000 and above.

I am further informed by the Commissioner of Police that during the period 2006 to December 2014, the former Director General, National Security Services, was the only officer of the unit who was entitled to and benefitted from this privilege.

In regard to part (b) of the question, I am informed that no travel grant or travelling allowance had been paid to the former Director General of the National Security Services.

Madam Speaker: Next question, hon. Jhugroo!

PMO - MAURITIAN & FOREIGN LEGAL ADVISERS –

2005 - 2014

(No. B/313) Mr P. Jhugroo (Second Member for Mahebourg & Plaine Magnien) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the Mauritian and foreign legal advisers whose services were retained in his Ministry and in the statutory bodies, state owned companies and parastatal bodies which fell under the aegis of his Ministry, over the period July 2005 to 10 December 2014, he will indicate and obtain information therefrom, in each case, as to the –

- (a) period thereof, and
- (b) amount of retainer and/or any other fee paid thereto.

The Prime Minister: Madam Speaker, the information sought by the hon. Member is being gathered from the various parastatal bodies and state-owned companies, most of which no longer fall under the aegis of my Office. The information will be placed in the Library of the National Assembly as soon as the exercise is completed.

However, the information sought in respect of public companies listed on the Stock Exchange cannot be disclosed.

Madam Speaker: Hon. Jhugroo!

Mr Jhugroo: Is the Rt. hon. Prime Minister aware whether a new car was put at the disposal of Mr Geoffrey Cox and, if so, can we know the model, the cost and in which capacity he was entitled?

Madam Speaker: Hon. Jhugroo, I do not think this question should be asked.

The Prime Minister: I am not aware, Madam Speaker.

Madam Speaker: Yes. Hon. Rutnah, next question!

P.Q. No. B/314 – See after P.Q. No. B/356

MAURITIUS TURF CLUB – MR B. G - ALLEGED ASSAULT

(No. B/315) Mr S. Rutnah (Third Member for Piton & Rivière du Rempart) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to Mr B. G., he will, for the benefit of the House, obtain from the Commissioner of Police, information as to if a case had been reported against him for an alleged assault which purportedly took place within the premises of the Mauritius Turf Club in 2013 and, if so, indicate the outcome of the –

- (a) inquiry carried out thereinto, and
- (b) court case, if any.

The Prime Minister: Madam Speaker, I am informed by the Commissioner of Police that no case of alleged assault purportedly having taken place within the premises of the Mauritius Turf Club in 2013 has been reported against Mr B. G.

However, I am informed by the Commissioner of Police that on 01 May 2011, one Mr A. G. made a declaration at Pope Hennessy Police Station to the effect that on 30 April 2011 around 17.15 hrs, whilst he was in the Grand Stand at Champ de Mars, the said Mr B. G. slapped him on his face.

Madam Speaker, as regards part (a) of the question, I am further informed by the Commissioner of Police that on 24 June 2011, Mr A. G. gave a statement to the Police stating that he was withdrawing the case against Mr B. G. as the latter had tendered his apologies.

The case was set aside on 18 May 2012 by the then Superintendent of Police of Pope Hennessy Police Station.

Madam Speaker: Yes, hon. Rutnah!

Mr Rutnah: Can the Rt. hon. Prime Minister confirm whether it is not correct that it is the Office of the Director of Public Prosecutions which should decide, even if there is a withdrawal statement, whether a case to be proceeded for prosecution or not, by virtue of section 72 of our Constitution?

The Prime Minister: Normally, it should be so and I hope this can be done even now.

Madam Speaker: Next question, hon. Bhagwan!

MEDIA TRUST – BOARD COMPOSITION

(No. B/316) **Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière)** asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the Media Trust, he will, for the benefit of the House, obtain therefrom, information as to if the Board thereof has been constituted and, if so, indicate –

- (a) when;
- (b) the composition thereof, and
- (c) the name of the Chairperson thereof.

The Prime Minister: Madam Speaker, at the very outset, let me inform the House that the Board of the Media Trust was last constituted in February 2004 for a period of two years.

The Media Trust has remained inactive for the last nine years although millions of rupees have been spent on rent, utilities and salary.

Madam Speaker, my Government is fully committed to give a new impetus to the functioning of the Media Trust.

As a matter of fact, as soon as my Government assumed office, we initiated action for the reconstitution of the Board of the Media Trust.

The elections of the four representatives of the Press who will sit on the Board of the Media Trust for the years 2015-2016 have already been carried out by the Electoral Commissioner's Office on 17 March 2015.

The Chairperson and the other Members of the Board of the Media Trust will be appointed soon.

Madam Speaker, I would also like to inform the House that, in the 2015-2016 Budget, the amount of funds allocated to the Media Trust has been increased by 33% to Rs2.7 m.

Madam Speaker: Hon. Bhagwan!

Mr Bhagwan: It is a fact that this institution has not been working for many years as rightly pointed out by the Rt. hon. Prime Minister. Now that the whole *corps de journalistes* is involved, they have done the election, can we have the assurance from the Rt. hon. Prime Minister that the right person will be chosen because I think it is the Rt. hon. Prime Minister

who will appoint. There are names which are being circulated and which are *très controversés!* Can we rely on the Rt. hon. Prime Minister to make sure that the names which are controversial within the *secteur du journalisme* will not be appointed and that this Media Trust be given life again as soon as possible?

The Prime Minister: Well, I hope it will be so.

Madam Speaker: Time is over! Hon. Members, the Table has been advised that Parliamentary Questions Nos. B/341, B/344, B/346, B/347, B/348, B/349 and B/354 have been withdrawn. Parliamentary Question No. B/336 addressed to the hon. Minister of Arts and Culture will be replied by the hon. Vice-Prime Minister, Minister of Housing and Lands, Parliamentary Question No. B/357 addressed to the hon. Minister of Social Security, National Solidarity and Reform Institutions will be replied by the hon. Minister of Finance and Economic Development. Hon. Dr. Sorefan!

P.Q. No. B/317 – See after P.Q. No. B/314

RAPID LIGHT RAIL PROJECT – COMPULSORY ACQUISITION

(No. B/319) Dr R. Sorefan (Fourth Member for La Caverne & Phoenix) asked the Vice-Prime Minister, Minister of Housing and Lands whether, in regard to the lands compulsorily acquired in connection with the Rapid Light Rail Project, he will state the names of the owners thereof, indicating, in each case, the –

- (a) extent of the land so acquired, and
- (b) amount of money proposed to the owners thereof.

The Vice-Prime Minister, Minister of Housing and Lands (Mr S. Soodhun): Madam Speaker, for the purposes of the Mauritius Light Rapid Transit and based on the preferred alignment option, 88 plots of private land have been compulsorily acquired.

Admittedly, the compilation of the detailed information in a structured manner requires some time. I am arranging for the relevant information to be placed in the Library of the National Assembly in two weeks' time.

Dr. Sorefan: The hon. Vice-Minister has mentioned 88 plots. May we know the exact amount that has been earmarked for these plots?

Mr Soodhun: With pleasure, I am going to place the information in the Library.

Mr Bhagwan: Can I just ask the hon. Vice-Prime Minister whether he has inquired into a case of encroachment by an individual - a former politician - who has constructed a chalet on the *trajet* of *métro léger* along the ex-railway track from Cité Barkly downwards? I raised that issue with him personally some time back.

Mr Soodhun: I am going to look into it, Madam Speaker.

Dr. Sorefan: The largest plot of all these 88 goes to a multichannel retail company, which is next to Iframac Ltd. at Phoenix. I know the *superficie* is around 13,000 square metres. Can the hon. Vice-Prime Minister give us an idea of the amount that is going to be paid to this company?

Mr Soodhun: As I mentioned, Madam Speaker, I will be very glad to share the information with my good friend, but I don't have it right now.

Madam Speaker: Alright. Next question hon. Dr. Sorefan!

RAPID LIGHT RAIL PROJECT – COMPULSORY ACQUISITION - ROAD DECONGESTION PROGRAMME

(No. B/320) **Dr. R. Sorefan (Fourth Member for La Caverne & Phoenix)** asked the Minister of Public Infrastructure and Land Transport whether, in regard to the lands compulsorily acquired in connection with the Rapid Light Rail Project, he will state if Government is proposing to use the said lands in connection with the proposed new Road Decongestion Programme, and if so, give details thereof.

Mr Bodha: Madam Speaker, my Ministry will address the problem of road congestion on two fronts. In this respect, we are working on a new Road Decongestion Programme as well as on the modernisation of the Land Transport System.

The Road Decongestion Programme will be implemented in phases over a number of years, and the road alignments will consequently be finalised depending on new developments which will take place with the implementation of smart cities and the techno parks, as announced in the Budget Speech 2015/2016.

Madam Speaker, I am advised that since the plots which have been acquired for the Mauritius Light Rapid Transport project will be needed by some components of both projects, that is, the Road Decongestion Programme and the Transport Modernisation System, it has been decided to retain these plots, as my colleague, in fact, already indicated in reply to Parliamentary Question No. B/191.

Dr. Sorefan: Madam Speaker, the hon. Minister has talked about certain plots that will be retained. There are many small plots coming from Phoenix M1 going to St Jean Roundabout, and we have the M1 3 lanes already. Some plots are of 38 m², from what I see on the plan that I have. Can I know whether the hon. Minister is going to retain these? Because they belong to certain persons who could develop them. I don't see those small plots forming part in the enlargement of roads.

Mr Bodha: Well, we will have a collaborative approach with the Ministry of Housing and Lands. As regards to the plot mentioned by the hon. Member, Madam Speaker, we are working on a flyover, which will include the three roundabouts of Phoenix and Jumbo. Once we have made the final design, we have to see whether all the plots which have been acquired will be finally needed or not. It will take some time because we are finalising the design together with the Ministry of Housing and Lands.

Mr Bhagwan: Madam Speaker, since the Minister has mentioned that he is finalising the Road Decongestion Programme, can I know whether, with regard to the issue of road decongestion at the entrance of Rose Hill, from Ebène and Vandermeersch Street, in that programme, this very acute problem is being addressed?

Mr Bodha: This problem is being addressed, not specifically; but the problem is being addressed as regards to traffic from the west, taking into account Beau Bassin which will be linking the centre of the island.

Dr. Sorefan: The track goes to Richelieu and Plaine Lauzun also. There are about 15 plots of land that have been acquired, especially in Richelieu, which go in the middle of a *morcellement*. May we know from the hon. Minister where do they fit in in the decongestion programme?

Mr Bodha: Well, that is a very specific question, Madam Speaker. But what I am saying is that, together with the Ministry of Housing and Lands, we will work out on the land which has been acquired and the final designs, and if we see that the land acquired will not be used, I think the best thing will be to see to it whether the plots can be given back to the former owners. But I am of the opinion, Madam Speaker, that we should have a land bank for infrastructure projects and that we should be able then to use them as and when required in the decongestion programme.

Madam Speaker: Yes, next question, hon. Dr. Sorefan!

SSR INTERNATIONAL AIRPORT – PARKING SPACE

(No. B/321) **Dr. R. Sorefan (Fourth Member for La Caverne & Phoenix)** asked the Deputy Prime Minister, Minister of Tourism and External Communications whether, in regard to the Sir Seewoosagur Ramgoolam International Airport, he will, for the benefit of the House, obtain information as to if consideration will be given for the –

- (a) construction of a multi-storey parking building thereat, and
- (b) existing parking facilities to be redesigned and to make provision for the installation of pavements thereat.

The Vice-Prime Minister, Minister of Housing and Lands (Mr S. Soodhun): Madam Speaker, with your permission, I shall reply to the parliamentary question.

With regard to part (a) of the question, I am informed by the Chief Executive Officer of *Airport Terminal Operations Limited (ATOL)* that there is already enough parking space at the Sir Seewoosagur Ramgoolam International Airport and it is not proposed to construct a multi-storey car park.

The car park at the Sir Seewoosagur Ramgoolam International Airport has the capacity to accommodate 1,457 vehicles, and only 1,200 vehicles are using the available parking space daily.

With regard to part (b) of the question, I am informed that ATOL is working on the improvement of on-road circulation and parking facilities which will involve demarcation of zoning, enhancing a more prominent way-finding and providing more convivial pedestrian facility.

Dr. Sorefan: May we know from the hon. Vice-Prime Minister if he is aware that to get a parking in the new parking you have to do three or four rounds? But I see that the answer given states that only some parking are being used. Moreso, when you do get a parking space...

Madam Speaker: Ask your question, hon. Dr. Sorefan!

Dr. Sorefan: You have to walk on the road...

Madam Speaker: Ask your question!

Dr. Sorefan: Is the Vice-Prime Minister aware that when you park your car, you do not have a pavement? All people walk on the road to get access to the airport.

Mr Soodhun: I totally agree with the hon. Member, and the fact that this is the case, the new management is looking into that issue. I am sure that my colleague will come with a solution.

Mr Jhugroo: Madam Speaker, being given that the Government is planning to attain two million tourists per year and, at the same time, increase the number of flights every day, will the parking be enough for so many landings every day?

Mr Soodhun: According to the information that I have, there is enough. They are not utilising the existing parking. But there is a problem that we all know. From the parking to the terminal, there is a long distance and there is some problem. The issue is being looked into by the new management.

Madam Speaker: Next question hon. Rughoobur!

MAURITIUS TOURISM AUTHORITY – RESTRUCTURATION

(No. B/322) Mr S. Rughoobur (Second Member for Grand' Baie & Poudre d'Or) asked the Deputy Prime Minister, Minister of Tourism and External Communications whether, in regard to the Mauritius Tourism Authority, he will –

- (a) state if consideration will be given for –
 - (i) a restructuration and review of the functioning thereof, and
 - (ii) an audit of the existing resources thereof, following the two recent accidents at sea, and
- (b) for the benefit of the House, obtain therefrom –
 - (i) information as to if it has an enforcement arm and, if so, indicate the number of staff thereof and the number of contraventions booked over the past six months in respect of sea activities and, if not, why not, and
 - (ii) table the names and addresses of the different types of licensed pleasure crafts operators of the past six months.

The Vice-Prime Minister, Minister of Housing and Lands (Mr S. Soodhun): It is a very lengthy question, Madam Speaker.

Madam Speaker, with your permission, I shall reply to the question.

With regard to part (a), I wish to inform the House that in the Government Programme 2015-2019 it has been announced that 'the Tourism Authority will be transformed into a business facilitator leveraging on new technologies to provide a more efficient service to the stakeholders'.

In line with this policy, the Tourism Authority has already started an exercise for its reorganisation with a view to providing the Authority with the appropriate structures. The restructuring exercise is in progress and a new organigramme is being worked out, whereas new units will be created and existing sections will be reinforced. The exercise will also include a comprehensive human resource audit.

As regards parts (b) (i) and (ii) of the question, I am informed that the Tourism Authority has set up a Monitoring and Compliance Unit since 2007 to ensure, *inter alia*, that the operators comply with the relevant legislations, regulations, standard, guidelines and code of conduct.

The unit is currently manned by one Acting Manager and four Tourism Enforcement Officers. However, provision has been made in the budget for the recruitment of additional Tourism Enforcement Officers to reinforce the monitoring capacity of the unit.

For the past six months, the Monitoring and the Compliance Unit has established 19 contraventions in respect of the sea activities.

Madam Speaker, I am tabling the names and addresses of the operators to whom pleasure craft licences have been issued from October 2014 to 24 April 2015.

Madam Speaker: Yes, hon. Rughoobur!

Mr Rughoobur: Thank you, Madam Speaker. We know that we have got licence canvassers in hotels. There is a proliferation these days, in the north, especially in the hotels, of illegal canvassers. Can the hon. Vice-Prime Minister look into this issue and kindly inform the Tourism Authority to ensure that there is more enforcement in those hotels and that the licensed taxi drivers or any other operators in the tourism sector are not unjustly penalised?

Mr Soodhun: Madam Speaker, I will convey this information.

Madam Speaker: Next question, hon. Rughoobur!

WETLANDS - SURVEY

(No. B/323) Mr S. Rughoobur (Second Member for Grand' Baie & Poudre d'Or) asked the Minister of Agro-Industry and Food Security whether, in regard to the flood prone areas, he will state if his Ministry will consider –

- (a) carrying out a survey of all the wetlands and introducing legislation for the protection against the illegal exploitation thereof;
- (b) urgently appointing a team of experts to evaluate the extent of the wetlands which have been developed for residential or industrial purposes over the past ten years and to -
 - (i) assess the immediate and future repercussions thereof, and
 - (ii) propose remedial measures therefor, and
- (c) appointing a full inquiry on the award of development permits on wetlands by the local authorities, over the past ten years.

Mr Seeruttun: Madam Speaker, Mauritius is a Contracting Party to the Convention on Wetlands of International Importance also known as the Ramsar Convention, the objective

of which is the conservation and wise use of all wetlands through local and national actions and international cooperation. Hence, we have an international obligation to protect all our wetlands.

As regards part (a) of the question, my Ministry does not propose to carry out a survey of all the wetlands as such an exercise was already carried out by the Ministry of Environment in 2008. That study included a demarcation and inventory of all wetlands in Mauritius and Rodrigues. The report is available at the Ministry of Environment for consultation.

Regarding the legislation on the protection of wetlands, a Wetlands Bill is being prepared and will be introduced into the House in due course.

As regards part (b) of the question, the National Ramsar Committee which operates under the aegis of my Ministry examines applications and makes recommendations for all development near or within wetlands. This Committee comprises representatives of relevant Ministries and Departments as well as non-governmental organisations. It normally assesses all implications before granting a Ramsar clearance for any project together with conditions. I shall request the National Ramsar Committee to compile a list of all projects for which Ramsar clearance has been granted and the extent of wetlands developed for residential and industrial purposes during the last 10 years. I shall, thereafter, table the information. As the National Ramsar Committee comprises of experts in the field of wetlands conservation and management, the question of appointing another team of experts does not arise.

With regard to part (c) of the question, the number of development permits issued by local authorities over the past 10 years in respect of projects on wetlands is also being compiled with a view to determining whether the recommendations of the National Ramsar Committee have been complied with. In the light of this exercise, a decision will be taken as to whether any inquiry needs to be carried out or not.

Madam Speaker: Yes, hon. Rughoobur!

Mr Rughoobur: Will the hon. Minister confirm that almost every three years there are conferences on this whole issue of the Ramsar Convention on wetlands? Will he as well confirm that in November 2008 one such report was prepared by Government? I am going to table this report, Madam Speaker. Will the hon. Minister confirm that almost all the recommendations in this report which I would like to list very quickly, that is –

- (i) establishment of a Wetland Bill;
- (ii) comprehensive survey of all wetlands;

- (iii) nomination of more Ramsar sites of international importance, and
- (iv) conservation and management of wetlands and awareness for the public in general.

all these four recommendations, I see that nothing has been implemented since 2008 which is in this report, and I'm going to table a copy of this report. So, I urge the hon. Minister to please ensure that these recommendations are put in place and that the Bill comes before the House as early as possible.

Mr Seeruttun: Madam Speaker, like I have said in my reply, a Bill is being prepared at the moment and will be soon in this House. As regards the new site, I would like to inform the House that there are two sites that have been identified, namely –

- the Midlands Dam, and
- the Caverne Patate of Rodrigues

that would soon be recommended for recognition within the Ramsar Convention.

RODRIGUES WIND FARM & BAMBOUS SOLAR PHOTOVOLTAIC FARM

(No. B/324) Mr O. Mahomed (Third Member for Port Louis South & Port Louis Central) asked the Vice-Prime Minister, Minister of Energy and Public Utilities whether, in regard to the Rodrigues Wind farm and the Bambous Solar Photovoltaic Farm which are in operation, he will, for the benefit of the House, obtain from the Central Electricity Board, information as to the experience these renewable energy farms have provided thereto in respect of the further deployment of similar projects in Mauritius.

Mr Collendavelloo: Madam Speaker, I am informed by the Central Electricity Board as follows -

- (i) Rodrigues has a total installed wind generation capacity of 1280 kW;
- (ii) the first 3x60 kW wind farm was commissioned at Trefles in December 2003 and the second one at Grenade in 2010 - a project which had been initiated before 2005 - with the installation of 4 units of 275 kW each, and
- (iii) the share of wind energy generation represents 10% of the overall energy mix in the island.

With regard to the Bambous solar PV project, I am informed by the Central Electricity Board that it was commissioned in February 2014 and has generated some 20.2 GWh by December 2014.

As I have stated in my previous replies in this House, Government is encouraging the development of wind and solar energy projects. Several other projects are in the pipeline and my Ministry will shortly issue a public invitation for communication of Expressions of Interest so as to receive proposals for renewable energy generation systems.

Madam Speaker: Yes, hon. Osman Mahomed!

Mr Mahomed: I thank the hon. Vice-Prime Minister for his reply. In regard to the Rodrigues windfarm, is the hon. Vice-Prime Minister aware that at night when the power consumption goes down, the percentage of renewable energy entering the grid sometimes goes as high as 30% and this causes instability on the grid? I would like to know whether this issue is being resolved because it is important going forward even for the Republic of Mauritius?

Mr Collendavelloo: I take note and I will see whether that is correct.

Madam Speaker: Yes, hon. Leader of the Opposition!

Mr Bérenger: Can I ask the hon. Vice-Prime Minister - being given that he has confirmed that we intend to move forward in the use of renewable energy - whether there is any report or communication from the Central Electricity Board stating from their point of view what changes they feel should be brought to the grid to sustain those developments to come?

Mr Collendavelloo: I have raised this matter on several occasions with the new General Manager of the CEB, who, as everybody knows, has a vast experience of more than 30 years in the CEB. He has told me that he is now studying, since he has taken office, all measures that are to be taken in order to render the grid adaptable to new generation systems from renewable energy. I have recruited an Adviser to the Minister, to me, who used to work at the CEB and who is working now on what steps should be taken to improve the grid of the CEB. She is going to work in conjunction with the new General Manager. I hope to be in a position to inform the House in a few weeks as to what is the situation.

Mr Bérenger: Can the hon. Minister tell us whether she is a local or overseas expert?

Mr Collendavelloo: Local expert Mrs Boolaky.

Mr Ganoo: Can the hon. Minister inform the House whether he has the information with regard to the comparative price of the kilowatt hour of the two sources of energy, that is, between renewable energy, wind energy and fossil energy? What price do we pay per kilowatt hour with regard to these two sources?

Mr Collendavelloo: Well, as the hon. Member knows very well, the past experience is that energy from Saraco is Rs6 compared to Rs3 approximately for fossil energy. I don't

have the exact figures in mind, but we have to think forward. Today fossil prices, fuel oil is very cheap. The price of sun is not going to fluctuate, but the machines...

(Interruptions)

I don't believe that we can look only at the immediate price that it costs us. For wind, it is about Rs4, I think. It is less than Saraco, Saraco is the highest price and then we have the Roches Noires Aerowatt which is going to be commissioned, they already agreed to a price which is about Rs3. Probably I am wrong, but I need notice in order to be able to give the exact price.

MAURICE ILE DURABLE - RENEWABLE ENERGY

(No. B/325) Mr O. Mahomed (Third Member for Port Louis South & Port Louis Central) asked the Vice-Prime Minister, Minister of Energy and Public Utilities whether, since Cabinet took note, on 02 August 2013 that, under the Maurice Ile Durable Policy, Strategy and Action Plan, the contribution of renewable energy, that is, Hydro, Bagasse, Wind, Photovoltaic, Landfill Gas-to-Energy and Small Scale Distributed Generation, is estimated at 23.4% of total energy generation in 2014 and to reach 35% in 2025, he will state the projects which have been undertaken, indicating -

- (a) in each case, the projected capacity thereof, and
- (b) the estimated net increase in total renewable energy production in Mauritius, in terms of percentage, following the implementation thereof.

Mr Collendavello: I am informed by the CEB, Madam, that the following renewable energy projects have been undertaken some of them since well before 2013 -

- (a) a 3 MW Landfill Gas to Energy Facility at Mare Chicose;
- (b) a 15 MW_p PV Farm at Bambous;
- (c) 3 MW Small Scale Distributed Generations, and
- (d) two mini hydro power plants at Midlands dam and Nicoliere feeder canal.

These projects together with the existing bagasse and hydro power plants contribute to 18% of the total energy generation mix. No new project has been implemented since I took office as I am insisting on a transparent and fair process prior to being considered.

Other Renewable Energy Projects being implemented are two wind farms which will generate 40 MW, 5 PV farms of 2 MW each and a bagasse plant at Medine to generate 11 MW.

As regards part (b) of the question, some 44 GWh of clean energy have been produced by the already commissioned renewable energy projects in 2014. This will

increase to some 106 GWh when the projects in the pipeline are fully commissioned, representing 23% of total energy generation by 2016.

To reach the target of 35% of renewable energy in 2025, new projects will have to be commissioned. As mentioned in the Government programme, we are formulating a Renewable Energy road map and setting up a Mauritius Renewable Energy Agency, the Marina.

I have to conclude that as everybody knows the impetus to renewable energy projects was initiated as a result of the 1982 Government Programme as implemented in the late 1980's and early 1990's. These projects gained new impetus under the Government of 2000 to 2005. After 10 years of status quo save for Saraco, we are now initiating a new avant-garde project which will lead us to a quantum leap into the 21st century.

Mr Mahomed: Madam Speaker, that Cabinet decision caters for projects amounting to 70 Mega Watts. The list is here. My specific question was: how much was it before, the percentage of renewable energy before these projects meaning from bagasse and hydro and how much will it be? According to the Cabinet decision, it is 22.4 % so what is the difference in percentage that MID has brought onto the grade?

Mr Collendavelloo: I am sorry this is not how I read the question, but if you wish I will go and do the calculation and come back to you.

Mr Bérenger: The hon. Minister, I think, mentioned a new bagasse plan at Medine. Will it be a new plan and will it be produced in electricity the year through or only during the sugar crop season?

Mr Collendavelloo: Let me come back with a fresh statement on that matter.

Mr Ganoo: I would like to ask the hon. Minister a question with regard to small scale distributed generation, that is, SSDG which is, in fact, the democratisation of renewable energy. These are the projects where families should be encouraged to set up on their roof top solar panel as a source of supply of energy. Can the hon. Minister tell us what is his road map for this particular source of energy?

Mr Collendavelloo: The first step will be in the hon. Member's Constituency. When we look at the relocation of the La Ferme squatters where we intend - I've already had a meeting - to try and see whether we can do a smart village in the area of Beaux Songes for these persons. I think the hon. Member is aware of this project where we will use these small scale generating units for these houses and we will have to encourage this sort of production. On the 01 of December 2014, CEB introduced a sort of levy on these small domestic

generation units. I am asking that these regulations be revoked immediately and I hope that they will be revoked very, very soon. I've just signed the papers this morning and this is unacceptable. We have to encourage roof top, small scale generation units because, first of all, they don't cost much; secondly, the house owners do their own maintenance and they look after their own systems because it is theirs, it does not cost much again. We've got to encourage people to copy what has happened to Bagatelle, the commercial centres which are a bit larger of course, which are not small scale and try and extend them to Shoprite, Jumbo etcetera and alleviate therefore the burden which is on CEB. But we will also have to go into fiscal incentives. We shall see in the Finance Bill that there will be fiscal incentive for these household owners to take some of their money to invest in renewable energy, we need to give them fiscal alleviations. That will be the incentive.

Madam Speaker: Next question, hon. Mahomed! We've got to take the other questions.

Mr Mahomed: Madam Speaker, with due respect to you, can we take another question because I have just to finish off this question. One last one.

Madam Speaker: I have already said that we are passing on to the next question. You will come back some other time with another supplementary question.

Mr Mahomed: I wanted to assist the hon. Minister actually.

Madam Speaker: Just take the next question!

(Interruptions)

RING ROAD PROJECT - SURVEY

(No. B/326) Mr O. Mahomed (Third Member for Port Louis South & Port Louis Central) asked the Vice-Prime Minister, Minister of Housing and Lands whether, in regard to the survey recently carried out in Port Louis, he will state if same is related to the Ring Road Project and, if so, indicate if an assessment has been made of the possible impact that the road alignment in relation thereto will have on the existing dwelling units in the regions of Vallée Pitot and Tranquebar and, if so, indicate the measures, if any, that are being envisaged to compensate the households which would be affected therewith.

The Vice-Prime Minister, Minister of Housing and Lands (Mr S. Soodhun): Madam Speaker, with your permission, I shall reply to both PQ B/326 and PQ B/337 as they relate to the same subject of relocation of the inhabitants who may be affected by the Ring Road alignment.

I am informed by the Road Development Authority that in the revised Road Decongestion Programme it is proposed to construct the Ring Road Phase 3 project on an elevated viaduct structure along Boulevard Avenue up to Military Road and then to Mer Rouge region. Any revised alignment for the Ring Road Phase 2 or Ring Road Phase 3 would have a direct bearing on inhabitants living in the regions of Tranquebar and Vallée Pitot.

In the region of Tranquebar, there are, within the Phase 2 of the Ring Road alignment, some 82 squatters found over private properties. The private properties have already been acquired by Government. Arrangements have already been made for these 82 squatters to be relocated in Pointe aux Sables over a plot of land acquired from the State Land Development Company. An integrated housing project has been implemented there for the purpose. The housing units and the associated infrastructure have already been completed. The drawing of lot exercise would soon be effected.

Insofar as Vallée Pitot is concerned, initially there were to be 73 possible cases of relocation of squatters. However, if the new alignment option does not impact on the site where they are presently squatting, my Ministry will consider the possibility of regularising their situation *in situ*. Otherwise, depending on the actual circumstances, where relocation will be required, the families concerned will be accommodated in Pointe aux Sables.

Madam Speaker, the question of compensation does not arise as these families are not owners of the land which they are presently occupying.

Mr Mahomed: So, only squatters who are illegal and have not been regularised so far that are concerned, is that right? There are no other properties than those that have not been regularised that are concerned here, is that right?

Mr Soodhun: This is what I have mentioned. I think I was very clear in my answer concerning the 82 and 73 squatters?

Madam Speaker: Yes, hon. Baloomoody!

Mr Baloomoody: May I know from the hon. Minister exactly how many families will be lodged at Pointe aux Sables?

Mr Soodhun: For the time being, we have to wait for the road alignment and then, I will be in a position to say exactly the number of people who are going to be relocated.

Mr Baloomoody: May I know from the hon. Vice-Prime Minister where exactly in Pointe aux Sables these people will be relocated?

Mr Soodhun: I am told that it will be in Pointe aux Sables. Within Pointe aux Sables!

(Interruptions)

Madam Speaker: You have got another supplementary question! Alright! I suspend the sitting for one and a half hour for lunch.

At 1.03 p.m. the sitting was suspended.

On resuming at 2.36 p.m with Madam Speaker in the Chair.

NATIONAL ENERGY COMMISSION REPORT - RECOMMENDATIONS

(No. B/327) Mr O. Mahomed (Third Member for Port Louis South & Port Louis Central) asked the hon. Vice-Prime Minister, Minister of Energy and Public Utilities whether, in regard to the Report of the National Energy Commission, dated October 2013, he will, for the benefit of the House, obtain from the Central Electricity Board, information as to if the recommendations contained therein on how to avoid a power deficit and how to foster a sustainable energy future will be taken on board in the planning for electricity production.

The Vice Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavelloo): The House may wish to refer to my reply to the Private Notice Question of 01 April 2015 in which I referred the House to the independent evaluation by the World Bank of the electricity demand forecast and power generation plans of the CEB. This study takes into account the recommendations of the National Energy Commission report.

I also informed the House that the CEB is taking measures to ensure electricity supply in the short term as follows –

- optimisation of maintenance schedules from CEB's plants and IPPs, with the main objective of reducing generation capacity under maintenance during off crop summer season;
- extension of the Power Purchase Agreement with Consolidated Energy Ltd for three more years up to 2018 for 22 MW, and
- addition of 60 MW at St Louis Power Station to be commissioned in mid-2017.

Most of the projects announced in the Government Programme and the budget are in line with the recommendations of the Commission.

As regards fostering sustainable energy, I refer to the answer I have just provided in reply to PQ No. B/325.

Mr Bérenger: Can we have any indication when the World Bank report will be ready?

Mr Collendavelloo: I have just received it. I have just received it, it is under study and I will communicate following a study on this.

Madam Speaker: Hon. Quirin!

9TH INDIAN OCEAN ISLANDS GAMES – ATHLETES

(No. B/328) **Mr F. Quirin (Fourth Member for Beau Bassin & Petite Rivière)** asked the Minister of Youth and Sports whether, in regard to the 9th Indian Ocean Islands Games, he will, for the benefit of the House, obtain from Club Maurice, information as to the number of athletes that will form part of the delegation thereof, indicating the number thereof-

- (a) per discipline, and
- (b) genderwise.

Mr Sawmynaden: Madam Speaker, I have been informed by Club Maurice that 314 athletes comprising 167 males and 147 females will form part of the delegation participating in the 9th Indian Ocean Island Games.

I am tabling a list giving details of the number of athletes per discipline and gender wise.

Mr Quirin: Madame la présidente, l'honorable ministre peut-il indiquer à la Chambre les différents responsables du Club Maurice, je veux dire par cela, les chefs de missions, les responsables des équipes, s'ils ont été choisis et de bien vouloir nous donner les noms?

Mr Sawmynaden: Madam Speaker, a total of 95 officials will form part of the delegation. The 95 officials are the 51 coaches, 26 referees, 14 presidents or representatives of Sports Federation, head of delegation, head of mission -1, team managers - 1 for male and 1 for female. As regards the names, the officials in quota will be circulated shortly and there are some which will be *hors* quota. But as regards sports federations, I think it is up to them to give the names of who are going to attend.

Mr Quirin: Madame la présidente, le ministre peut-il nous dire si le comité de suivi pour les jeux des îles, au sein de son ministère, fonctionne toujours ? Si oui, de bien vouloir déposer une copie de son dernier rapport sur la préparation de nos sélections nationales.

Mr Sawmynaden: Yes, there is a *comité de suivi* in my Ministry. I will definitely table a copy.

Mr Bhagwan: Can I know from the hon. Minister what arrangement is being made for Mauritian supporters to participate actively in attending the activities in the different disciplines like it was in the past? I would like to know whether the Ministry will issue a communiqué and how the Mauritians will be able to have tickets to attend.

Mr Sawmynaden: Madam Speaker, I have already given instructions to the officials of my Ministry to issue a communiqué - I think it will be done either today or tomorrow -

asking any Mauritians interested to attend the games to make themselves known to my Ministry, so that we can make arrangement of tickets regarding the discipline that they want to attend.

Madam Speaker: Next question, hon. Quirin!

MAURITIUS SPORTS COUNCIL – HANDYMEN - EMPLOYMENT

(No. B/329) Mr F. Quirin (Fourth Member for Beau Bassin & Petite Rivière) asked the Minister of Youth and Sports whether, in regard to the Mauritius Sports Council, he will, for the benefit of the House, obtain therefrom, information as to the number of handymen attached thereto, indicating the conditions of employment thereof.

Mr Sawmynaden: Madam Speaker, I am informed by the Mauritius Sports Council that there are presently 99 handyworkers in post at the Council. These workers are being paid salary in line with the Pay Research Bureau Report and Errors, Omissions and Anomalies Committee's Report in the monthly salary scale ranging from Rs9,450 to Rs16,175 plus compensation at approved rates.

As regards the other conditions of employment, they are the same which prevail in the public sector for this category of workers.

Mr Quirin: Madame la présidente, l'honorable ministre peut-il nous dire si ces employés, ces *handymen*, sont toujours sous contrat, ou est-ce qu'ils ont été employés à plein temps?

Mr Sawmynaden: Madam Speaker, all the employees have been employed since January 2014. So, now they are on full-time basis.

SPECIAL EDUCATION NEEDS SCHOOLS – TEACHERS/SENIOR TEACHERS - APPOINTMENT

(No. B/332) Mr D. Ramful (Third Member for Mahebourg & Plaine Magnien) asked the Minister of Education and Human Resources, Tertiary Education and Science Research whether, in regard to the long serving Teachers/Senior Teachers for General Purpose and Oriental Languages, respectively, who are presently seconded for duty in the Special Education Needs Schools, she will state the number thereof in each case, indicating where matters stand as to their appointment to the permanent post of Educator for Special Education Needs.

Mrs Dookun-Luchoomun: Madam Speaker, there are currently 73 teachers/senior teachers and educators (Primary) who have been seconded for duty in Specialised Education Needs Schools, and the breakdown is as follows –

- 35 General Purpose teachers/senior teachers
- 19 Oriental Languages teachers/senior teachers
- 10 General Purpose educators, and
- 9 Oriental Languages educators.

Out of these 73 teachers/senior teachers and educators, 12 reckon more than five years of experience on secondment in SEN schools.

Madam Speaker, in the context of the ongoing reforms, the Ministry made proposals for re-engineering the SEN sector to make it more responsive to the present needs of both the children and the teaching personnel. In its 2008 Report, the PRB accordingly paved the way for a new career structure for SEN sector with the creation of a new grade of Educator (SEN), and the restyling of three existing grades as follows –

- Superintendent, Specialised Schools was converted into Inspector, Specialised Schools;
- Head of Schools for Blind, for the Deaf and for Sub-normal Children were converted into Head, Specialised Schools;
- Instructor and Instructress of these schools were converted into Deputy Head, Specialised Schools.

Entry to the new grade of Educator (SEN) was to be made by selection from two streams, namely –

- (i) “(...) from among Educators reckoning at least four years’ experience in a substantive capacity and possessing the Diploma (SEN)”,
and
- (ii) “from among teachers/senior teachers, teachers/senior teachers Oriental Languages who have successfully completed their appropriate training courses and are presently seconded for duty to serve in Special Schools”.

Madam Speaker, the scheme of service for the post of Educator was worked out in consultation with the relevant unions and federations and prescribed in September 2011. A

selection exercise was carried out by the Public Service Commission in March 2012 for the filling of 34 vacancies in the grade.

On 10 April 2012, representations were made by the Government Teachers Union before the Conciliation Service of the Ministry of Civil Service and Administrative Reforms to the effect that the scheme of service for the post of Educator (SEN) did not make provision for teachers posted to specialised schools and not possessing the Diploma (SEN).

The Ministry, therefore, requested the PSC to stay action on the selection exercise pending finalisation of the conciliation case. However, by July 2012, no consensus could be reached on the matter, and I am informed that the then president of the Conciliation Service advised the GTU to refer the matter for voluntary arbitration to the Employment Relations Tribunal.

As at 09 October 2012, no response from the GTU was obtained, and since the SEN sector was adversely suffering due to non-filling of existing vacancies in the grade of Educator, the Ministry requested the PSC, in the interest of the children with special education needs, to proceed with the selection exercise.

Consequently, following the selection exercise, eight teachers/senior teachers were found to meet the requirements for the post and were offered employment as Educator (SEN) in February 2013. As at to date, only five of them are in post.

Madam Speaker, as regards the teachers/senior teachers and educators, both General Purpose and Oriental Languages, who did not have any relevant training to work in the SEN sector, the Ministry approached the Mauritius Institute of Education in June 2012 to mount an appropriate course for them. The Educators' Licence in Special Education Needs (ELSEN) course, which is of six months duration, was eventually mounted in October 2012 and dispensed as from January to June 2013 to a batch of 24 teachers and senior teachers and primary educators as well. These teachers and educators were all sponsored by the Ministry to follow the ELSEN course given that they were already working in the SEN sector. In September 2014, all the teachers had successfully completed the ELSEN Course.

In July 2014, with a view to giving priority to consideration to these teachers, the Ministry requested the Ministry of Civil Service and Administrative Reforms to amend the qualifications requirements of the post by inserting a cut-off date to enable only the cohort of ELSEN 2013 to compete for the post of Educator (SEN) along with the Diploma (SEN) holders.

This proposal has been subject to lengthy consultations and discussions with the Ministry of Civil Service and Administrative Reforms in view of entailing implications. A consensus has now been reached between my Ministry and the Ministry of Civil Service on the scheme of service...

Madam Speaker: Hon. Minister, do you have a long reply?

Mrs Dookun-Luchoomun: Non, je termine.

...to provide for appointment to the grade of Educator (SEN) to also be made from among “teachers/senior teachers and teachers/senior teachers (Oriental Languages) possessing their Educator’s Licence - Special Education Needs and reckoning at least two years’ teaching experience in specialised schools.”

My Ministry has consulted the relevant federations and unions and no response has been obtained as at the deadline set. On March 31st, my Ministry has referred the matter to the Civil Service and Administrative Reforms Ministry for action to be taken for the prescription of the amended scheme of service and the Ministry of Civil Service Affairs has referred the case to the PRB on 02 April 2015. Thereafter, the 29 vacancies existing in the grade will be reported to the PSC with a view to be filled.

Mr Ramful: Do I take it, therefore, that now, following the various actions that have been taken at the level of the Ministry, those teachers and senior teachers would be eligible for the next promotional exercise?

Mrs Dookun-Luchoomun: This is what is expected, Madam Speaker.

Madam Speaker: Next question, hon. Lesjongard!

PAILLES TREATMENT PLANT PROJECT – CONTRACT

(No. B/334) Mr G. Lesjongard (Second Member for Savanne & Black River) asked the Vice-Prime Minister, Minister of Energy and Public Utilities whether, in regard to the Design-Build/Turnkey and to Operate the Upgraded Pailles Treatment Plant Project, he will, for the benefit of the House, obtain from the Central Water Authority, information as to where matters stand, indicating -

- (a) the initial estimated cost thereof;
- (b) the cost thereof at the time of the award of the contract, and
- (c) if the contract therefor was awarded through the emergency procurement method and, if so, indicate the reasons therefor.

The Vice-Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavelloo): Madam Speaker, the hon. Member may wish to refer to my reply to PQ No. B/147 on 03 March 2015 and to the reply made by my predecessor on 16 July 2013 to PQ No. B/716.

I am informed by the Central Water Authority that all major civil and electro-mechanical works have been completed on 22 April and commissioning tests will last for three weeks. One sedimentation tank and two out of eight filters will be operational as from the end of April and the remaining by the third week of May 2015.

The original completion date was end of March. However, there has been a delay due to late delivery of mechanical and electrical equipment due to cyclone Bansi and procurement of filtration sand.

With regard to part (a), I am informed that –

- (i) the Consultant GIBB (Mauritius) Ltd. provided the initial cost estimate under two options, namely chemical pre-treatment: Rs429 m. and physical pre-treatment: Rs450 m.
- (ii) during the bid evaluation, the Central Procurement Board revised the estimated cost to Rs670 m., based on additional items, not estimated by the Consultant.

With regard to part (b), I am informed by the Central Water Authority that the cost at the time of the award of the contract was Rs725,814,684.41, inclusive of 7.5% contingencies and 15% VAT.

As regards part (c), I am informed by the Central Water Authority that the Central Procurement Board decided not to approve any award of contract on the ground that the bid price did not represent value for money. One aggrieved bidder appealed to the Independent Review Panel which recommended that the decision to cancel the bid be annulled and the bids be re-evaluated.

Consequently, in June 2013, the Central Water Authority decided to award the contract as an emergency procurement on the grounds that the heavy rainfall in February 2013 had caused disruption in the supply in Port Louis and surrounding regions, representing serious health hazards to consumers and a fresh bidding exercise would have delayed the project by at least one year, resulting in increased costs.

The procurement was carried out in accordance with Section 21 of the Public Procurement Act after obtaining the advice of the Attorney General's Office with regard to the situation of emergency.

Madam Speaker: Hon. Lesjongard!

Mr Lesjongard: Madam Speaker, thank you. May I ask the hon. Vice-Prime Minister whether he is satisfied with the emergency procurement of that contract?

Mr Collendavelloo: It is not a question of my being satisfied or not. This was a decision taken. I probably would not have reached the same decision or I probably would have reached the same decision, I don't know. I don't sit as a judge of my predecessor.

Madam Speaker: Hon. Mahomed!

Mr Mahomed: Thank you, Madam Speaker. In his reply, the hon. Vice-Prime Minister has said that commissioning is still ongoing?

(Interruptions)

The plant is still being commissioned. But the water supply, right now, in Port Louis is the same as it used to be, I mean the water cuts. Would the hon. Vice-Prime Minister be able to say whether after commissioning has been done the water supply will be better, the water cut will be less and, why not a 24-hour supply?

Mr Collendavelloo: Well, time and time again, I have been told by the CWA that with the Pailles Water Treatment Plant all the problems of Port Louis will be solved. Let us hope that it will be the case. For the moment, the treatment plant is being commissioned and it is too early days for us to say. I hope for the General Manager of the CWA himself, to start with, that his predictions prove true.

Madam Speaker: Hon. Tarolah!

BEL AIR RIVIÈRE SÈCHE –MARKET - CONSTRUCTION

(No. B/338) Mr K. Tarolah (Third Member for Montagne Blanche & GRSE) asked the Minister of Local Government whether, in regard to the project for the construction of a new market at Bel Air Rivière Sèche with enhanced capacity to accommodate the increasing number of vegetable sellers and buyers and the provision of parking facilities, he will, for the benefit of the House, obtain from the Flacq District Council, information as to where matters stand.

Dr. Husnoo: Madam Speaker, I am informed that the former Government had on 30 May 2014 agreed to the construction of a market fair at Bel Air Rivière Sèche. In this context, the Ministry of Finance and Economic Development had raised no objection to the

National Development Unit (NDU) undertaking the project at an estimated cost of Rs60 m. subject to all clearances being obtained. The Ministry of Finance and Economic Development had also informed that an amount of Rs30 m. would be disbursed in financial year 2014 and the remaining balance of Rs30 m. in financial year 2015.

I am further informed that a plot of land of the extent of 2 *arpents* near the Bel Air State Secondary School was vested in the District Council of Flacq for the project. Unfortunately, quite a number of problems cropped up. Firstly, during a site visit held on 09 September 2014 by all the stakeholders, the representative of the Ministry of Health and Quality of Life indicated that the site which adjoins the Bel Air SSS could be a source of disturbance to the good running of the school and, as such, a setback of 30 metres had to be provided along the boundary facing the school. Secondly, the Rector of Bel Air SSS informed the National Development Unit (NDU) on 17 September 2014 that the proposed market would cause an increase in the volume of traffic and would impact negatively on the road safety for the students and staff. Thirdly, on 24 September 2014, the Water Resources Unit informed that the site was located in a flood prone area and on a very permeable aquifer system which connects to the nearby river.

I am informed that as at date, no work has started in view of these diverging problems on the site and, moreover, funds earmarked for the project have lapsed. Nevertheless, I think there is merit in this project as it would improve the facilities in the area. I will discuss it with the different stakeholders and we will try to find an alternative site for the market in the future.

Madam Speaker: Hon. Tarolah!

Mr Tarolah: Thank you, hon. Minister. Since September 2014, has the Minister earmarked another site for this market?

Dr. Husnoo: No, unfortunately, we have not, but I am going to discuss with my colleague, the Vice-Prime Minister, Minister of Housing and Lands to find an alternative site for the market.

Madam Speaker: Next question, hon. Tarolah!

BEL AIR - OPEN UNIVERSITY CAMPUS

(No. B/339) Mr K. Tarolah (Third Member for Montagne Blanche & GRSE) asked the Minister of Education and Human Resources, Tertiary Education and Science Research whether, in regard to the Open University Campus, at Bel Air, she will, for the benefit of the House, obtain therefrom, information as to the courses being run thereat, indicating in each case, the number of –

- (a) students enrolled therefor, and
- (b) staff members employed thereat.

Mrs Dookun-Luchoomun: Madam Speaker, I am informed that the Open University of Mauritius started courses at its Campus at Bel Air on 19 June 2013 and is currently running the following courses which started in July 2014 –

- (a) B. Ed (Hons) Primary Top Up, and
- (b) BA (Hons) French.

Madam Speaker, I wish to inform the House that at the beginning, in January 2014, there were some 15 students enrolled for each of these courses. However, in July 2014, the International Institute of Technology Research Academy (IITRA) started operating in Bel Air Campus and the students of the Open University of Mauritius were requested to move to its Campus in Curepipe. Most of them agreed except for a few remaining in Bel Air.

Madam Speaker, with regard to part (b) of the question, I am informed that one trainee staff is employed for administrative tasks and some 15 academic staff act as tutors, part-time tutors, when called upon for face-to-face sessions, as and when required.

Admittedly, my Ministry views this situation with much concern given that with this low level of enrolment, there is neither an efficient use of resources nor is it in the interest of the University and its students.

The Open University of Mauritius has been requested to look into the matter urgently and take necessary decisions in the interest of both the University and its students.

Madam Speaker: Next question, hon. Tarolah!

BEL AIR RIVIÈRE SÈCHE – SOCIAL SECURITY OFFICE

(No. B/340) Mr K. Tarolah (Third Member for Montagne Blanche & GRSE) asked the Minister of Social Security, National Solidarity and Reform Institutions whether, in regard to the Social Security, National Solidarity and Reform Institutions office in Bel Air Rivière Sèche, she will state if any expression of interest for the renting of space for the housing thereof has been received and, if so, indicate –

- (a) in each case, the date of receipt thereof, and
- (b) when the office space will be vested and come into operation.

Mrs Jeewa-Daureeawoo: Madam Speaker, I wish to inform the House that the Bel Air Rivière Sèche Social Security Office is presently accommodated in a Government-owned

building which was reported to be built in the early 1960's. The building is indeed in a very bad state and there are cracks on the wall and the roof.

During the rainfall period there are leakages and water seeps into the electric sockets and this situation creates an unsafe environment for both the officers and the public who attend the said Social Security Office.

Moreover, the Ministry has to disburse relatively huge sums of money on a regular basis in terms of renovation and maintenance works. In addition, the Social Security Office of Bel Air Rivière Sèche, which is a major catchment area, does not have adequate space for the provision of customer-orientated services for its clients which comprise the elderly, the vulnerable, and the disabled.

An open-advertised bidding exercise was carried out for rental of office space of approximately 1800 to 2000 square feet for the Bel Air Rivière Sèche Social Security Office. The notice was published in two dailies on 26 and 27 February 2014 respectively. As at the closing date and time for the submission of bids fixed for 26 March 2014, three bids were received. One bid was delivered to the Ministry on 25 March 2014 whilst the two other bids were deposited in the tender box in line with the Instructions to Bidders of the bidding document.

Following an evaluation exercise, the bid from the lowest responsive bidder was approved subject to –

- (a) necessary clearance being obtained from all relevant authorities, and
- (b) completion of all partitioning and renovation works as per the Ministry's requirements among others: office space partitioning, provision of toilet and air conditioning system.

Subsequently, a conditional award was made to the selected bidder on 27 January 2015. After the bidder's acceptance, the Ministry has sought necessary clearances from all authorities concerned and concurrently, the bidder started works at the building as per the Ministry's requirements.

As regards to part (b) of the question, I am informed that the works to be carried out by the selected bidder are almost completed. However, the Ministry is presently awaiting the necessary clearances such as police, health, engineering services division, traffic management and road safety unit to proceed further.

Mr Tarolah: Thank you hon. Minister. May I know from the hon. Minister if a lease agreement will be signed between the Ministry and the person concerned, and if yes, where matters stand?

Mrs Jeewa-Daureeawoo: Madam Speaker, a draft lease agreement has already been submitted to the State Law Office and we are awaiting for the lease agreement to return to continue procedure.

Mr Tarolah: May I know from the hon. Minister whether the officers from the Ministry had taken into consideration that public transport access to the building mentioned is not available. There is no bus stop there. The one available is found far from the said building – one kilometre...

Madam Speaker: Hon. Tarolah, I am sorry you are going out of the question. The question is not relevant, but if the hon. Minister wishes to reply she can do so.

Mrs Jeewa-Daureeawoo: Sure, I will answer to this. I will reply to this question by saying that all criterias of the bidding document have been observed and all procedures have been followed up to now. Unfortunately, the issue raised by my hon. colleague was not a requirement of the bidding document.

SPORTS INFRASTRUCTURE - FEES

(No. B/341) Mr A. Aliphon (Third Member for Beau Bassin & Petite Rivière) asked the Minister of Youth and Sports whether, in regard to the State-owned sports infrastructure and facilities, he will state if the Mauritius Sports Council had consulted his Ministry before increasing the fees payable by the general public to have access thereto and, if so, indicate the stand of his Ministry in relation thereto, especially in the light of the policy of his Ministry to encourage the practice of sports by the mass.

(Withdrawn)

POINTE AUX CAVES, ALBION - CT POWER PROJECT

(No. B/342) Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière) asked the Vice-Prime Minister, Minister of Housing and Lands whether, in regard to the State land allocated to the promoter of the CT Power Project at Pointe aux Caves, in Albion, he will state –

- (a) the date of allocation thereof;
- (b) the extent thereof;
- (c) the terms and conditions of the lease agreement in relation thereto;
- (d) if, in view of the recent decision of Government not to approve the project, whether immediate action is being envisaged for the retrieval of the land, and
- (e) if consideration will be given for the implementation of a social, recreational and sports complex, for the inhabitants of the region on the said land.

The Vice-Prime Minister, Minister of Housing and Lands (Mr S. Soodhun): Madam Speaker, since 27 October 2008, a plot of land of an extent of 92A00, earmarked for the CT Power Project at Pointe aux Caves, Albion, is leased to the Central Electricity Board for the setting up of a Coal Power Station. As per Article 20 of the Lease Agreement, the Central Electricity Board is authorised to sub-lease the site of The (Mauritius) C.T. Power Ltd. at full market rate. The Lease Agreement was signed on 08 April 2014.

With regard to part (c) of the question, the other main terms and conditions of the lease are as follows -

- (i) the lease is valid up to 30 June 2028, but may be renewed at the lessee's option for four further periods of ten years;
- (ii) the rent is at the rate of Rs480,000 per annum with the proviso that it shall be adjusted every three years as from the effective date of the lease by reference to the cumulative inflation rate based on the Consumer Price Index during the 3-year period up to 30 June 2028;
- (iii) the lessee shall complete the construction of the Coal Power Station and the installation of its plant within a period of 36 months as from the date of signature of the lease, that is, April 2014;
- (iv) the lease is cancelled *de plein droit* and without payment of any compensation if, among others, the lessee fails to start the construction of the Coal Power Station within 15 months from the date of signature of the lease, and
- (v) should the project be terminated in one way or the other before the expiry of the lease, same will be cancelled *de plein droit* - as you know it very well - and without payment of any compensation.

As for part (d) of the question, as soon as Government has decided that the C.T. Power Project is no longer on, that is, on 13 March 2015, my Ministry has initiated action immediately to retrieve the subject site from the Central Electricity Board.

With regard to part (e) of the question, my Ministry would certainly consider the possibility of allocating the site for the implementation of a social, recreational and sports complex subject to an application being duly received to that effect from the relevant authority and the project is in compliance with the existing planning guidelines.

Mr Bhagwan: These are some good news for the inhabitants of the region. Can I make a request to the hon. Vice-Prime Minister, to his Ministry or he can be the *porte-parole* of the inhabitants, at least, to see to it that an integrated project be prepared - as we did in 2005 or 2004 - including the rehabilitation of the Phare d'Albion, which is in a very bad state

and falls under the jurisdiction of the Prime Minister's office, and the land which is there may be used not only as a social project but which can be of interest for the tourism industry.

Mr Soodhun: Madam Speaker, I have to thank my hon. friend for the brilliant idea of calling all the stakeholders and to see to it now as the CT Power project is no longer there...

(Interruptions)

we can have an integrated project for the benefits of the inhabitants.

Madam Speaker: Hon. Osman Mahomed!

Mr Mahomed: Thank you, Madam Speaker. The CT Power Project had necessitated that land be acquired for way leave purposes, either already acquired or to be acquired. Would the hon. Vice-Prime Minister clarify what has become of these lands?

Mr Soodhun: It has already been acquired. According to my information, land was acquired for the way leave. I think I have to find out more information and come forward with all information concerned.

Madam Speaker: Hon. Bhagwan!

Mr Bhagwan: Can I make another appeal? I heard the hon. Vice-Prime Minister the other day on the radio that he will not resist to any pressure from whoever to give the land to *petits copains* and so on. He was on radio and I congratulate him for that. So, can the hon. Vice-Prime Minister, at least,...

(Interruptions)

No, I am protecting him!

(Interruptions)

So can I make a request to the hon. Vice-Prime Minister, at least, to see to it that there is no squatting on that land because there is no development actually. The land is there. No squatting should be done on that land and that no application from anybody except from Ministries or authorities be considered for the project which I have just mentioned.

Mr Soodhun: This will be taken into consideration, Madam Speaker.

CHÂTEAU BENARES - REHABILITATION

(No. B/343) Mr M. Gobin (First Member for Rivière des Anguilles & Souillac) asked the Minister of Arts and Culture whether, in regard to the historical building known as Château Benares situated in the village of Benares, he will state if his Ministry will consider -

- (a) taking immediate, medium and long terms measures for the rehabilitation and maintenance thereof, and

(b) the inclusion thereof on the tourist route with a view to attracting tourists thereto.

Mr Baboo: Madam Speaker, with regard to part (a) of the question, I am informed that the Chateau Benares is vested in the District Council of Savanne, since 25 February, 2014 to be converted into a residence to host its foreign delegates and for important functions after renovation.

On 08 November 2014, a joint site visit was held by the District Council and the National Heritage Fund. It was noted that the building was in a bad state and renovation and restoration works such as re-roofing, replacement of shingles and rusted corrugated iron sheets were required.

The NHF is liaising with the District Council to monitor closely the proposed renovation and rehabilitation of the building. The plans, in this respect, are awaited from the Savanne District Council. However, the responsibility for the renovation, rehabilitation and maintenance rests with the District Council. The NHF will provide technical advice and ensure that the historical cachet of the building is maintained.

Madam Speaker, with regard to part (b) of the question, the proposal will be discussed with the Ministry of Tourism and External Communications.

Mr Bérenger: Can I know who was the former owner and whether it is now owned or vested in by the District Council and on what conditions? What has been paid?

Mr Baboo: Well, it has been vested to the District Council.

PRIVATE RADIO STATIONS - SHARES

(No. B/344) Mr M. Gobin (First Member for Rivière des Anguilles & Souillac) asked the Minister of Technology, Communication and Innovation whether, in regard to the private radio stations and the other licensed operators of the Information Communication Technology Authority and of the Independent Broadcasting Authority, he will state if consideration will be given for the introduction of legislation to provide for both Authorities to be given the necessary regulatory powers to supervise and control the holding of shares and the transfer thereof in the said private radio stations and other licensed operators.

(Withdrawn)

FISHERMEN INVESTMENT TRUST - SHAREHOLDING

(No. B/346) Mr J. C. Barbier (Fifth Member for GRNW & Port Louis West) asked the Minister of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer

Islands whether, in regard to the Fishermen Investment Trust, he will for the benefit of the House, obtain therefrom, information as to where matters stand in respect of -

- (a) the shareholding thereof;
- (b) the amount invested therein;
- (c) how the interests accrued are distributed, and
- (d) the mechanism put in place in regard to the shares of the fishers who have passed away.

(Withdrawn)

MAURITIAN EXCLUSIVE ECONOMIC ZONE – FOREIGN FISHING VESSELS

(No. B/347) Mr J. C. Barbier (Fifth Member for GRNW & Port Louis West) asked the Minister of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands whether, in regard to the Mauritian Exclusive Economic Zone, he will state the number and types of foreign fishing vessels which have been exploiting same, over the past five years, indicating in each case, the -

- (a) size thereof, and
- (b) fees paid to the Republic of Mauritius in respect thereof.

(Withdrawn)

MAHEBOURG - AQUACULTURE PROJECT

(No. B/348) Mr J. C. Barbier (Fifth Member for GRNW & Port Louis West) asked the Minister of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands whether, in regard to the Aquaculture Project of Pointe aux Feuilles, in Mahebourg, he will state the quantity of fish produced, over the past five years, indicating the –

- (a) quantity thereof sold on the local and on the foreign markets, respectively, and
- (b) approximate amount of income generated in connection therewith.

(Withdrawn)

SEA CUCUMBER - EXPLOITATION

(No. B/349) Mr J. C. Barbier (Fifth Member for GRNW & Port Louis West) asked the Minister of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands whether, in regard to the sea cucumber, he will state where matters stand as to the exploitation thereof, respectively, in

- (a) mainland Mauritius;

(b) Rodrigues, and

(c) Agalega.

(Withdrawn)

**BRAMER BANKING CORPORATION - BANKING LICENCE -
REVOCATION**

(No. B/350) Mr S. Rutnah (Third Member for Piton & Rivière du Rempart) asked the Minister of Finance and Economic Development whether, in regard to the revocation of the Banking Licence of the Bramer Banking Corporation Ltd., he will, for the benefit of the House, obtain from the Bank of Mauritius, information as to the -

- (a) number of significant deficiencies in terms of financial or procedural and/or monetary policy related, that were uncovered during the examination thereof, from 22 January to 20 February 2015;
- (b) number of withdrawals of large quantum of deposits effected from January 2015 to end of March 2015, and
- (c) date from which the Bramer Banking Corporation Ltd. failed to maintain the requisites cash reserve ratio.

Mr Lutchmeenaraidoo: Madam Speaker, as I mentioned in my reply to the PNQ on 7 April 2015, the Bank of Mauritius conducted on-site examination at the Bramer Banking Corporation from 22 January to 20 February 2015. During this exercise, the Bank of Mauritius had, among others, uncovered nine significant deficiencies which were, *inter-alia*, not in conformity with regulatory and prudential practices as laid down in the Bank's Guidelines and also detrimental to the interest of depositors.

The above transactions had impaired the capital and the financial soundness of the bank. The Bramer Banking Corporation Ltd was required to inject additional capital of up to Rs3.5 billion. But given the amount involved, the Bank of Mauritius allowed the Bramer Banking Corporation Ltd to bring the said capital in a phased manner up to 31 December 2015, subject to the bank injecting capital of Rs350 m. by 31 March 2015.

As regards part (b) of the question, I am informed by the Bank of Mauritius that some 125 withdrawals of deposits, including transfers above Rs10 m. each were effected during the period January 2015 to March 2015 amounting to Rs4.4 billion.

With respect to part (c) of the question, the Bramer Banking Corporation failed to maintain the required minimum cash reserve ratio of 9% on its average rupee deposits as

from 5 March 2015. In fact, for the two successive monitoring fortnights ending 19 March 2015 up to 02 April 2015, Bramer Banking Corporation Limited failed to meet its average cash reserve ratio with respect to its average rupee deposits.

**DIRECTOR OF PUBLIC PROSECUTIONS – OFFICE - FURNITURE,
FIXTURES & FITTINGS**

(No. B/351) Mr S. Rutnah (Third Member for Piton & Rivière du Rempart) asked the Attorney General whether, in regard to the expenses incurred by the Office of the Director of Public Prosecutions on furniture, fixtures and fittings for the years 2011, 2012, 2013 and 2014 respectively, he will, for the benefit of the House, obtain from the Office of the Director of Public Prosecutions, for each year, information as to -

- (a) the amount of money spent thereon;
- (b) the name of the suppliers thereof;
- (c) if documentary evidence, in terms of receipts and invoices, are available in respect thereof, and
- (d) if any bidding exercise was undertaken either locally or abroad.

Mr Yerrigadoo: Madam Speaker, with regard to part (a) of the question, I am informed by the Office of the Director of Public Prosecutions that the amount of money spent on furniture, fixtures and fittings is as follows –

- Year 2011 a sum of Rs8, 667,176.
- Year 2012 a sum of Rs45, 448,898.
- Year 2013 a sum of Rs14, 400,721.
- Year 2014 a sum of Rs3, 401,211.

I have to add that the Office of the Director of Public Prosecutions moved to Garden Tower on 12 September 2012 to occupy Levels 12 to 16 for a staff of approximately 150 persons both legal and non-legal.

The approval was obtained from the Prime Minister's Office on 20 May 2010, at a time when the building was unoccupied and Government was looking for tenants to occupy the said building after it had been purchased. All floors were in an unfinished state, core and shell and refurbishment had to be made from scratch before any occupation could be

contemplated. As a result, the Office of the DPP does not have to pay rent for the premises for a total area of 3289 m².

With regard to part (b) of the question, my reply will not be for each year but will cover the period requested in the question and will also include the year 2010 which was a year in which the consultant was appointed in respect of the relocation of the Office of the DPP to Garden Tower. The suppliers for the years 2011- 2014, including the year 2010 are as follows -

- (a) The contract for the consultant was awarded in 2010 to Maurice Design for the sum of Rs1,540,000 plus Rs300,000 for contingencies.
- (b) P. Mungur Ltd. was awarded the contract in 2011 for five floors (level 12 to 16 of Garden Tower) and the value of the contract sum was for the sum of Rs41,974,997.40 including contingencies sum of Rs4 m. and VAT. That covered five floors covering an area of 2175 square meters. It consisted of supply of all sorts of floorings, electrical, fire alarms, telephone and sanitary equipment.
- (c) Dan Do Pub Co. Ltd was awarded, in 2012, the contract for loose furniture for the sum of Rs10,077,927.25.
- (d) The contract for IT equipment servers and scanners was awarded, in 2012, to Connexion Solutions Informatics Ltd for the sum Rs751,873.20.
- (e) Following approval by the Financial Secretary in a letter dated 10 October 2012, contract for a sum of approximately Rs10 m. for the occupation of level 11 of Garden Tower was awarded the same contractors in respect of Design and Consultancy (Mauritius Design); fit out works to P. Mungur Ltd and supply and fixing of furniture to Dan Do Pub & Co. Ltd.

Further amount of Rs15 m. was approved on 21 June 2013 for works consisting of partitioning, flooring, electrical installation etcetera for level 10 (552 m²) to P. Mungur & Sons Ltd and the total sum was Rs8,996,568.45 inclusive of VAT at 15% and a contingency fund of a million rupees.

Now with regard to part (c) of the question, I am informed by the Office of the Director of Public Prosecutions that documentary information in the form of receipt and invoices are available. I am further informed by the Office of the DPP that all expenditure has been made subject to control by internal auditors of the Ministry of Finance and Economic Development and the Director of Audit.

With regard to part (d) of the question, the bidding exercise was made through open advertised bidding through local newspapers for a total of four bidding exercises as follows –

- (i) First bidding exercise to appoint a Consultant for interior design was carried out by Bid Evaluation Committee constituted by Ag. Principal Architect from MPI, Ag. Quantity Surveyor from MPI and the Office Management Executive and Law Officer.
- (ii) The Second, bidding exercise to appoint the Contractor was carried out by another Bid Evaluation Committee.
- (iii) a third bidding exercise was carried out in relation to the supply and installation of loose furniture by another Bid Evaluation Committee, and
- (iv) a fourth bidding exercise was carried out in relation to the appointment of a contractor for Level 10 and another Bid Evaluation Committee was constituted for same.

It is to be noted that the Chief Legal Secretary chaired the Departmental Bid Committee to award the contracts in respect of the above.

Madam Speaker: Hon. Rutnah!

Mr Rutnah: Grateful to the reply given by the hon. Minister, but in relation to part (c) of my question, is the hon. Minister in a position to, at some stage, table the documentary evidence in terms of receipts, invoices that the Office of the Director of Public Prosecutions purportedly have in his possession for transparency?

Mr Yerrigadoo: I will request for same from the Office of the DPP.

Madam Speaker: Yes, hon. Rutnah!

Mr Rutnah: Secondly, can the hon. Minister actually state if he has the information how many other companies who send their bids in relation to these works to be carried out?

Mr Yerrigadoo: Well, I have already provided all the information I have. I have no further information on this matter.

Madam Speaker: Next question, hon. Ganoo!

DEPOSIT INSURANCE SCHEME BILL - INTRODUCTION

(No. B/352) Mr A. Ganoo (First Member for Savanne & Black River) asked the Minister of Finance and Economic Development whether, in regard to the bank depositors, he will state if consideration will be given for the introduction of a Deposit Insurance Scheme Bill to safeguard the interests thereof.

Mr Lutchmeenaraidoo: Madam Speaker, as highlighted in my reply to the Private Notice Question of 24 April 2015, a draft Deposit Insurance Scheme Bill will be presented to this House with a view to safeguarding the interests of depositors. In fact, consultations are being held with relevant stakeholders in order to finalise the draft Bill.

Mr Ganoo: In fact, this question was put, Madam Speaker, because this measure has been announced on several occasions in the past and, in fact, in the last budget presented by the previous Minister of Finance the Deposit Insurance Scheme Bill was announced by the former Minister of Finance and this is why I wanted to have the assurance from the present Minister that this will be done.

Mr Lutchmeenaraidoo: Yes. We have the draft Bill already. The draft Bill has been circulated. The IMF also had some views which have moved into the Bill which will come to the House after consultations are completed.

Madam Speaker: Next question, hon. Ganoo!

FLIC-EN-FLAC, BAMBOUS & TAMARIN - WASTEWATER INFRASTRUCTURE

(No. B/353) Mr A. Ganoo (First Member for Savanne & Black River) asked the Vice-Prime Minister, Minister of Energy and Public Utilities whether, in regard to the West Coast Sewerage Project, he will, for the benefit of the House, obtain from the Wastewater Management Authority, information as to if consideration will be given for a review thereof to provide for wastewater infrastructure in Flic-en-Flac, Bambous and Tamarin.

The Vice-Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavello): Madam Speaker, I am informed by the Wastewater Management Authority that the West Coast Sewerage Project covers about 20,000 households in the regions of Flic en Flac, Bambous and Tamarin, Gros Cailloux, Albion, Cascavelle and Grande Rivière Noire.

A review of the existing feasibility study financed by the French Government was initiated in 2009 and has been completed. The next step is to conduct the topographical and geo-technical studies to determine the suitability of the site proposed for the treatment plant. However these studies have not yet been carried out due to a challenge in the Supreme Court by Medine Ltd regarding the selected site. Two alternative sites have been identified by the Wastewater Management Authority, the Consultant Sogreah and Medine Ltd.

Due to the delay in the implementation of the project, the funds under the French Government's grant to complete the Consultancy exercise are no longer available. The matter is being taken up with the French authorities.

Madam Speaker: Hon. Ganoo!

Mr Ganoo: Did I hear the hon. Minister include Flic en Flac also among the regions?

Mr Collendavelloo: Yes. This is what I have as information.

Mr Ganoo: Can I ask the hon. Minister whether he is aware that at one point in time, the fund was available for this project? The funders were willing to fund the project and is this still the case?

Mr Collendavelloo: Well, all funding has now been retrieved so that now we have to renegotiate this funding which I understand is being done at the level of my Ministry. I have no personal knowledge of this.

Madam Speaker: Hon. Bhagwan!

Mr Bhagwan: May I know from the hon. Minister whether in this West Coast Sewerage Project the region of Albion is being included?

Mr Collendavelloo: Yes. Albion is included. Including Gros Cailloux, as well.

Madam Speaker: Next question, hon. Teeluckdharry!

HOTELS - MEDICAL PRACTITIONER

(No. B/354) Mr K. Teeluckdharry (Second Member for Pamplemousses & Triolet) asked the Deputy Prime Minister, Minister of Tourism and External Communications whether, in regard to the star hotels with a capacity of 200 rooms or above, he will state if consideration will be given for the introduction of legislation to make it mandatory for a medical practitioner to be attached thereto on a permanent basis to cater for emergencies with regard to the residents/tourists thereof.

(Withdrawn)

FINANCIAL SERVICES COMMISSION - CHAIRPERSON & BOARD

MEMBERS

(No. B/355) Mr K. Teeluckdharry (Second Member for Pamplemousses & Triolet) asked the Minister of Financial Services, Good Governance and Institutional Reforms whether, in regard to the Financial Services Commission, he will, for the benefit of the House, obtain therefrom, information as to the names of the persons who have held office

as Chairperson and Board Members thereof, over the period 2005 to 2009, indicating in each case, the -

- (a) amount of money paid thereto in terms of -
 - (i) remuneration, and
 - (ii) fringe benefits, travel grants and other perks, and
- (b) number of overseas missions they have attended, indicating the total amount of public expenditure incurred in connection therewith.

Mr Bhadain: Madam Speaker, with your permission, I am tabling the reply.

Madam Speaker: Next question, hon. Teeluckdharry!

SUGARCANE FIELDS – BURNING

(No. B/356) Mr K. Teeluckdharry (Second Member for Pamplemousses & Triolet) asked the Minister of Environment, Sustainable Development and Disaster and Beach Management whether, in regard to the practice of burning sugarcane fields for harvesting purposes, he will state -

- (a) if, to be in consonance with the policy of Government regarding sustainable development and the protection of the environment, he will consider recommending the abolition of this practice, and
- (b) any assessment has been made of the impact thereof on the quality of the air, on the environment and on the health of the citizens.

Mr Dayal: Madam Speaker, it is known that the burning of sugarcane fields is associated with environmental nuisances. Such a practice generates air borne particles that affect neighbouring communities, especially when wind conditions are unfavourable. As far as possible, the trend is to avoid sugarcane burning and Mauritius has adopted a similar approach.

In response to part (a) of the question, I wish to inform the House that sugarcane burning by larger millers has significantly decreased during the past 15 years. In certain cases, however, this practice is unavoidable due to agronomic or economic reasons, especially after the increasing costs of production and reduction in the price of sugar.

To address associated nuisances, the cane industry has adopted a code of practice in consultation with stakeholders, which, *inter alia*, includes -

- (i) encouraging mechanical harvesting of sugarcane;
- (ii) undertaking ‘cool burning’ late in the evening or during early morning hours, which reduces emissions of particulate matter by more than 80%;

- (iii) seeking authorisation from the Police for controlled field burning exercises;
- (iv) prohibiting burning of fields under unfavourable climatic conditions or alongside public roads and places such as hospitals, schools and hotels.

I am also informed that since the adoption of the Multi-Annual Adaptation Strategy for the sugarcane sector in 2009, a requisite for the disbursement of EU funds to support the cane industry was to step away from sugarcane burning. This measure was principally aimed at protecting the environment. Consequently, controlled cane burning has drastically decreased, reaching less than 15% of cultivated area. Furthermore, mechanical harvesting is encouraging a shift towards ‘green-cane harvesting’ which promotes soil moisture conservation, prevents erosion and decreases herbicides use.

Madam Speaker, we consider that sugarcane burning will gradually become less and less significant. In cases where it is accidental or a criminal act, preventive approaches and emergency response plans are being implemented under the guidance and control of relevant authorities.

Madam Speaker, an adoption of controlled cane burning is, therefore, not the solution in the present context of economic difficulties for the cane industry. However, minimising the risks to the citizens is the solution.

Madam Speaker, with regard to part (b) of the question, I am informed that the assessment of impacts associated with cane burning is very complex given that cane fibres are sporadic and harvest seasons short.

Furthermore, as an isolated island state, emissions from cane burning are dispersed by trade winds and the impacts of such emissions on the immediate environment and air quality are not long lasting. Even in countries with larger sugar belts than Mauritius, levels of sulphur dioxide have been measured and results have shown that they were well below prescribed environmental norms. Therefore, the need for an assessment does not arise.

Thank you, Madam Speaker.

Madam Speaker: Hon. Rutnah!

Mr Rutnah: Thank you, Madam Speaker. PQ No. B/314 originally addressed to the hon. Prime Minister.

ST BRANDON – HELIPAD

(No. B/314) **Mr S. Rutnah (Third Member for Piton & Rivière du Rempart)** asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the helipad in St Brandon,

he will, for the benefit of the House, obtain from the Outer Island Development Corporation, information as to –

- (a) if a tender exercise was carried out at national or international level for the construction thereof;
- (b) the name of the contractor thereof;
- (c) the start and completion dates thereof;
- (d) the construction cost thereof, and
- (e) the date when a helicopter last landed and took off thereat.

The Minister of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Islands (Mr P. Koonjoo): Madam Speaker, with your permission, I will reply to this question.

The Outer Islands Development Corporation has nothing to do with the helipad at Saint Brandon. A representative from the Outer Islands Development Corporation formed part of the committee on the helipad. The client was the Police, and the Consultant was the Ministry of Public Infrastructure and Land Transport.

I have been informed by the Commissioner of Police that a helipad has been constructed at St. Brandon, so that search and rescue operation can be carried out effectively in the region.

As regards part (a) of the question, the tender exercise, through open advertised bidding, was carried out nationally and not internationally, and contractors were invited to submit their bids during period 05 July 2012 and 22 August 2012.

As regards part (b) of the question, on 24 October 2012, the Bid Evaluation Committee awarded the contract to Vasant Enterprise Ltd represented by Mr. C. Rambarran, Managing Director.

As far as part (c) is concerned, the construction of the helipad started on Monday 08 July 2013 and was completed on 16 May 2014. On the same day, it was handed over to the National Coast Guard, St. Brandon.

As regards part (d) of the question, the construction cost of the helipad amounted to Rs22,384,462.50.

As regards part (e) of the question, only one helicopter went there once. It was helicopter Chetak of Indian Naval Ship Sukanya, which landed there on 17 November 2014, and it took off on the same day.

Mr Rutnah: I am grateful to the hon. Minister for the reply, as now we know that the Ministry of Public Infrastructure was responsible. Can the hon. Minister state, with regard to Vasant Enterprise Ltd., which is owned by Mr Rambarran, whether he is from a locality called Ecroignard in the East of the country?

(Interruptions)

Madam Speaker: Hon. Rutnah, I don't think the hon. Minister will be able to reply to this question.

Mr Koonjoo: I don't have the answer.

Mr Rutnah: Madam Speaker, in relation to...

(Interruptions)

Madam Speaker: No cross talking, please!

(Interruptions)

Allow the hon. Member to ask his question!

Mr Collendavelloo: The hon. Leader of the Opposition cannot call the hon. Member a 'ti l'esprit'! And we know what he means when he says 'ti l'esprit'! We know what is the meaning of this!

(Interruptions)

Madam Speaker: Hon. Leader of the Opposition, did you say that?

(Interruptions)

Hon. Leader of the Opposition, did you say that? Are you prepared...

(Interruptions)

The hon. Member does not mind!

(Interruptions)

He doesn't mind!

Mr Rutnah: Can the hon. Minister state if the helicopter Dhruv, in a state of emergency, happens to land on that helipad, whether it will be able to come back to Mauritius with, for example, an injured soldier or an injured police officer?

Mr Koonjoo: Madam Speaker, I am sorry, I can't reply to this question. I am not a pilot. I am not an engineer. It is difficult for me to answer this question.

(Interruptions)

Mr Rutnah: Is the hon. Minister aware that there is no provision for refuelling at that helipad?

(Interruptions)

Mr Koonjoo: Yes, Madam Speaker, that's true.

Mr Rutnah: Can the hon. Minister state whether, when the bid was allocated, there a committee set up to ascertain the competence of that company, if they have the ability to construct helipad or tarmac, for example?

Mr Koonjoo: Madam Speaker, I am sorry, I don't have the information, but I will look into it definitely.

Madam Speaker: Hon. Dr. Joomaye!

(Interruptions)

No, there was no question, hon. Koonjoo!

(Interruptions)

Please! Hon. Koonjoo, there was no question, please sit down! We have passed on to the next question.

KLAD INVESTMENT CORPORATION – SHARES - ACQUISITION

(No. B/317) Dr Z. Joomaye (Second Member for Rivière des Anguilles & Souillac) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether he will, for the benefit of the House,

obtain information as to if KLAD Investment Corporation Ltd., based in Bahamas, the holding company of the British American Investment Company (Mtius) Ltd. had been granted an authorisation under the Foreign Citizenship Property Acquisition Act to acquire shares in a company owning property in Mauritius.

The Minister Financial Services, Good Governance and Institutional Reforms (Mr S. Bhadain): With your permission, Madam Speaker, I shall reply to the question. On 03 May 2011, KLAD Investment Corporation Ltd. has been authorised under the Non-Citizens (Property Restriction) Act to hold 29,073,697 no par value shares in Seaton Investment Ltd., a company incorporated in Mauritius on 12 November 2009.

Seaton Investment Ltd. holds 100% shares in British American Investment Company (Mauritius) Ltd., a holding company with investments in many companies, including the insurance company. For the benefit of the House, Madam Speaker, I shall also state that, according to the consolidated financial statements of KLAD investment Corporation Ltd for the year ended 31 December 2012, the auditors KPMG reported that the group incurred a loss of 118, 991,000 US dollars for year ended 31 December 2012 and, as of that date, the total liabilities exceeded its total assets by 302,418,000 US dollars, which is over Rs10 billion. It goes on to say that these conditions, along with other matters, indicate the existence of a material uncertainty which may cause significant doubt on the subsidiaries' ability to continue as a going concern, and that included the insurance company BAI, Madam Speaker. That audit report is dated 17 September 2014, but relates to the accounts for year ended 31 December 2012.

Madam Speaker: Hon. Dr. Joomaye!

Dr. Joomaye: Thank you, Madam Speaker. I would like the hon. Minister if he finds it normal that a foreign holding company be allowed to own all the properties of one of the largest conglomerates of the country, and what steps is he taking for this not to happen again.

Mr Bhadain: Well, one of the steps, Madam Speaker, is that there is a new Insurance (Amendment) Bill which is coming later on.

MOTIONS

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.

(3.38 p.m.)

NATIONAL ASSEMBLY PROCEEDINGS - LIVE BROADCAST

The Prime Minister: Madam Speaker, I beg leave to present the motion standing in my name and which reads as follows -

“This Assembly resolves that a Select Committee of the Assembly, comprising such Members as may be appointed by Madam Speaker, be appointed to consider the live broadcasting of the proceedings of the House and matters ancillary thereto, with the power, for that purpose, to send for persons, papers and records and to appoint such number of specialist advisers thereto and to make such recommendations, as it deems fit.”

Madam Speaker, the House will recall that, in my reply to PQ B/7 on 10 February 2015, I stated that I would come up with a Motion for the setting up of a new Select Committee of the House to look into all matters pertaining to the live telecast of the proceedings of the National Assembly. Through this Motion today, I am not only fulfilling that promise, but also taking a bold step forward in reinforcing democracy in this country.

Madam Speaker, as the House is aware, in the Government Programme 2015-2019, we have pledged to broaden our democratic space and to conduct business on the principles of transparency, accountability and exemplary governance. The Motion I am presenting today is in line with this philosophy of Government and bears testimony to our commitment to strengthen and modernise our parliamentary democracy.

Transparency and accountability are the two main pillars of good governance and the dominant characteristics of public institutions. I believe that the live broadcast of the proceedings of the National Assembly can help foster these two characteristics and contribute to greater openness and bring Parliament nearer to the people by giving access to its proceedings to those who are unable to attend the public gallery. In this way, we show respect for the rights of the citizens to see for themselves what is going on inside Parliament. I also

believe that the live telecast of the proceedings of the House will lead to better understanding of issues and of the political process among our citizens.

Madam Speaker, as the House is aware, a Select Committee on live telecast had been set up in April 2011, under the chairmanship of hon. Bodha. I understand that the Committee had already completed its assignment but could not submit its final report as Parliament was prorogued in March 2012. However, on resumption of Parliament, the Government never showed any genuine desire to pursue the project, despite the repeated appeals from Opposition parties. With the persistent reluctance of the previous Government to move the project forward, the Opposition parties continued to suffer from the abuse and manipulation by ill-intentioned spin-doctors then operating at the MBC/TV. It was high time that we put an end, once for all, to such mockery of our Parliamentary democracy.

The Terms of Reference of the proposed new Select Committee is wide enough and will enable the Committee to also consider the draft report of the previous Select Committee in the discharge of its mandate. It will further be able to draw from advice/proposals of any persons, papers and words to inform its recommendations.

Madam Speaker, with these words, I commend the Motion to the House.

(Applause)

Mr Bérenger rose and seconded.

The Leader of the Opposition (Mr P. Bérenger): Madam Speaker, I second the motion from the Rt. hon. Prime Minister, but, of course, on the understanding that afterwards what will be spoken today, there will be the Select Committee and there will, at long last, be action this time.

The job has already been done; from what I understand, a draft report from the former Select Committee chaired by hon. Bodha was ready. Therefore, the job has already been done. What was lacking was *la volonté politique*. Clearly, the previous Government stopped the process. It was chaired then by hon. Bodha. We do not know yet, we leave it in your good hands who will chair this Select Committee. I would suggest the same Chairperson; it would help us move as fast as possible.

I understand that the wording of this motion setting up this Select Committee is exactly the same as the previous wording of the previous motion. Therefore, I take it that, just like the previous Select Committee did not consider live broadcasting by the MBC/TV only,

but by radios, private television, whatever, because they were open-minded, and I take it that the wording being the same, the approach will be the same and the recommendations will cover both the MBC and private media. I do not think it will take long and it should be easy. If we cannot reach consensus on that, Government and the Opposition, then I do not know on what we will reach consensus, especially when the work has already been done by somebody who was in the Opposition then, and who is in Government now, therefore, sees things from two different angles.

Therefore, I appeal that we go fast with that, we give a good example - *nous donnons le bon exemple* - in reaching consensus very rapidly.

Thank you, Madam.

The Minister of Technology, Communication and Innovation (Mr P. Jugnauth):

Madam Speaker, it gives me, of course, great pleasure to say a few words today on the motion of the Rt. hon. Prime Minister to set up this Select Committee of the National Assembly to consider the issue of live broadcasting of the proceedings of the House.

In our parliamentary democracy, proceedings of the House involving debates, the Question Time with PNQs, PQs, in fact, constitute a most important aspect of the legislative process.

The question is whether in our modern society where media exposure is a daily business, the camera should be allowed for coverage of all the proceedings and it seems that there is unanimity today on this issue, as the relationship between Parliament, citizens and the broadcasters is of growing importance.

Madam Speaker, broadcasting parliamentary proceedings has been the object of intense discussion in most parliaments. In fact, in the UK, the issue was addressed for the first time in the 1920s and, however, it was only in the 60s that radio broadcasting was allowed on a pilot basis and there it was simply a sound coverage. Almost some 20 years later, the BBC live broadcast of Question Time and Prime Minister's Question Time started in 1978 on television and the debates on the issue were still very ripe and the BBC broadcast, in fact, was discontinued in 1980. Again, the discussions for and against televising the proceedings were high on the agenda. There were concerns as regards the sacrosanct principle, emphasising that everything happening in the House should remain, in fact, within the precincts of the House. There were arguments that parliamentary proceedings could become a show, causing prejudice to the decorum of the House, and some still raised the

issue of the intrusion of the camera in the National Assembly. But it seems that the argument that millions of people outside the House of Commons could view the debates and proceedings was a very strong one and, after long debate, the principle of permanent broadcasting of live proceedings was approved by the House in the UK. In fact, there also, they had set up a Select Committee of the House of Commons and, thereafter, a set of rules were established and that is exactly what we are doing here.

Madam Speaker, in India, in the Lok Sabha, the entire proceedings are recorded and broadcast live within the guidelines that are set up by the Speaker. In Australia, radio coverage started as early as 1946, but it was only in the 1990s that the public at large could view the Question Time live.

So, as we see, there is a trend worldwide where the media is only present and parliamentary debates are broadcast live to the nation. Of course, if we want to be part of the modern society, we need to use every means available to open up Parliament to the public. There is only one way for democracies to go about it and that is to work for greater openness and transparency. We are talking about radio and television live broadcast but, we must not forget that societies have evolved. Live transmission via the Internet must also be considered by the Select Committee. In working towards this, we show that we respect the citizens' right to see for themselves what is going on inside Parliament.

Madam Speaker, when reaching out to broader audience we must, of course, be ready to concede that this will not necessarily lead to a better understanding of or greater public interest in politics. Confidence in politicians is not built solely on the debate in the House. It depends, first and foremost, on politics from a wider perspective and also on the individual parliamentarian. Of course, it will also depend on the behaviour of parliamentarians in this House. Live and online broadcasting will, I am sure, nevertheless, enable more people to watch and listen, allowing them to form their own opinion without media interference. In this context, this is to me a definite advantage.

Madam Speaker, we are all aware that the Select Committee, that was set up in 2011 to look into the matter by the former Leader of the House, was chaired by my good friend, hon. Nandcoomar Bodha. In fact, there was wide consensus amongst all the parties represented in the House and a number of meetings had already been held at that time - eleven, if I am not mistaken - and we had been told that a lot of ground work had been done as evidence by a number of questions that the former Prime Minister had replied to this very

same House. He also informed the House that a draft report had already been worked upon, but, as usual, in his customary habit to practice exactly the contrary to his luring speeches, the former Prime Minister never really intended to make things happen!

Madam Speaker, it is also opportune to note that most of the Members of the Select Committee of 2011 have been re-elected on both sides of the House. Now this augurs well as the consensus reached at that time can certainly help to expedite the process that will be engaged by the new Select Committee.

However, I beg to differ slightly with one or two Members who have expressed in the past the wish that since there has already been a Select Committee, why should we waste time. I quote from what hon. Mohamed has said –

“Why should we waste time and we should look at the draft report whether we adopt it or not (...)”

I hold a slightly different view although that we will be going very fast because, first of all, on this side of the House, we have also a new party, the ML, new Members and I am sure that they are going to contribute to that. Also, with the Labour Party - I mean, hon. Mohamed has been re-elected but, there are...

(Interruptions)

There are other new Members also whom I believe are ready to contribute. Well, as for the Opposition, all the Members have been here. I believe that the stand will not be different now.

So, the setting up of this Select Committee, I am sure - I am also all in favour for my colleague to chair. He has done a lot of work together with other Members; not him alone but other Members - with the new Members, the process will go very quickly and there will be a final report. This time that will enable us to move forward and further enhance democratic principles which guide the National Assembly.

Madam Speaker, as the hon. Prime Minister said, it was a promise and our Government is, once again, honouring its word and its pledge to make the pillar of democracy once again a sacred place where the laws are made but, also, where proceedings are shown live to the nation at large. At every moment, history, of course, is written in the Hansard. Now we are moving ahead towards a new era where our people will be witnessing of its making.

Thank you, Madam Speaker.

Madam Speaker: Hon. Mohamed!

(3.55 p.m.)

Mr S. Mohamed (First Member for Port Louis Maritime & Port Louis East):

Thank you very much. It is quite rare that there is consensus on such an issue and clearly, there is. I remember the days when it all started out, if I am not mistaken, back in 2011. If I am not mistaken, in those days the Labour Party and the MSM as well as the PMSD were all together in one Government. I remember the time that this Motion was presented by the former Prime Minister along the same lines as the Leader of the House today, the necessity for us to allow people, the inhabitants of our country and also visitors, to see what goes on in this august Assembly. Not to have between us, Members of Parliament and the inhabitants, the population editorialists who would give part of their version of what happened in Parliament, but, to have an actual take of what is exactly said in this august Assembly by each and every person and, also what is actually not said by those who do not say anything! That also is important for people out there to see!

It is, therefore, important that I also recall for the benefit of all Members who were not here in those days, Madam Speaker, you will recall that in those days also there was this issue about *la paternité* at some stage as to who was the first person who had the idea of having live broadcast. I do recall that hon. Bhagwan from the MMM, each and every time he had the opportunity, did always come up with this question. I also remember the former Member of Parliament hon. Lormus Bundhoo came up with the question. I, myself, came up with a question as backbencher. I remember the hon. Leader of the Opposition as he is now and was then also and the former Prime Minister having this little match as to the question of paternity of the whole issue. There was also this compliment that was thrown my way when the former Prime Minister said it was hon. Mohamed as a backbencher who had raised it and the hon. Leader of the Opposition said: “No! No! No! He could not have been the first one, most probably, he was not even born when this issue was raised by a Member of the MMM!” So, good, we all think alike! I also thank him because he thinks I am extremely young which, in fact, I am not; so, I thank him for the compliment!

In fact, there is consensus. There is consensus and if one looks at research carried out by the Inter-Parliamentary Union (IPU) - a lot of Members in this august Assembly have had the opportunity of going to Geneva, of going to the IPU and one of the conferences that was

organised by the IPU was precisely on this particular issue of broadcasting - if one looks at the figures, one is quite surprised. I mean the survey carried out on public broadcasting of parliamentary proceedings by the IPU showed among 70 countries –

- 83% regularly broadcast activities of Parliament;
- 70% do so on a daily or weekly basis;
- One third, that is, 31% reports on parliamentary proceedings during a fixed time slot, and
- one third, that is, 35% goes live when the news warranted.

So, I think there is also consensus, Madam Speaker, in this august Assembly that we are very late. It does mean that it is over, but we have to recognise that we are very late.

Now, as far as the *modus operandi* and what the actual Prime Minister said that there was no will on the part of the former Government to proceed, let me respectfully say, Madam Speaker, that I would beg to differ. Let us not forget that the motion brought into this august Assembly in 2011 was precisely brought by the former Government. Let us not also forget that when there was the *cassure* between the MSM and the Labour Party Government, the works continued and what was decided was that the Chairman of that Select Committee would continue to be hon. Nadho Bodha even though he was not in Government. Because not only it is recognition for the excellent work he does, but it is *un respect pour la démocratie*. So, I commend him for his excellent work. I believe that the former Prime Minister and the Members of this Assembly were right in conferring him that responsibility because he has shown that he has done an excellent job in chairing and leading the process.

I also recall that I have raised this issue many times: why are we not moving forward in spite of Parliament having being prorogued? And there was this technical issue, there was this legal issue. Obviously, that we could not proceed with a Select Committee's report, as we could not in this new session since there was this issue, *le Parlement avait été prorogé*.

Then, I believe also there was a conversation and consultation between the former Speaker and the former Prime Minister and the consultations went on and on. I was of the view that we could, and can still, adopt a new Select Committee's put together, as is being done by this present Government, proposed by the Rt. hon. Prime Minister and we can very well adopt the report that was already worked upon by the former Select Committee. The reason why I say that is because we have done a lot of work together under the chairmanship of hon. Bodha. We have covered radio, television and internet. And yes, I believe that other

new Members of this august Assembly also have their contribution to make and I am of the view that they can very well be made to contribute in a positive manner and see whether any changes can be brought, if at all, to the report. But, the issue is we have to go fast, we have to implement what is in that report.

I have confidence because I remember during the proceedings, we had a lot of help from the Secretariat which is also from the Office of the Clerk, the officers there who have read a lot and shared a lot of their knowledge with us, Members of Parliament, because we did not have the knowledge that they possessed. It is through their collaboration and contribution that this report was put together and we commend them also for that - we should not forget. I am of the view, Madam Speaker, that, the experience that exists here at the level of this National Assembly, both with yourself and the Office of the Clerk, together we should give free reign to you, in order that this matter be implemented as soon as possible and in a sign of good faith. I was just talking about this to hon. Bodha, why not, as a sign of good faith, - as a teaser, let's call it - to Members out there who want to know what exactly is going on in this Assembly, how about having a live feed on internet, not video, but, at least, audio. A live feed of what goes on from the moment you walk in, from the moment the Sergeant-at-arms calls us to order, from the moment that this Assembly is adjourned, we can have a live feed, at least, audio, of what goes on the internet - people would like to know what is going on - until we get together with regard to the issue of video, the rules of coverage, certain Members do not want it to be seen if they are falling asleep or not sleeping at all or not have a nice haircut or being to the hairdressers or have a nice make up or not. All these are important, I understand. I am not only talking about ladies here, but even men want to have a nice make up nowadays. So, instead awaiting for all those issues because those were issues that acted as hurdles in other countries, as hon. Pravind Jugnauth rightly said. Even in the United Kingdom, there were hurdles. So, those little problems as to rules of coverage could be big problems. So, in the meantime, let us not show them what we look like, but let us, at least, let them know what we sound like.

For that motion, I commend the Rt. hon. Prime Minister for that and I hope that we could move forward. Really, if we could really put our minds together and consider what I have proposed, in a sign of good faith, let us, at least, let the people out there know what we sound like and not wait for other hurdles to delay us.

Thank you very much.

(4.04 p.m.)

The Vice-Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavelloo): Well, first of all, I hope that with the live broadcasting of Parliamentary debates, Members will not be tempted to make long speeches for the camera and that we will have ...

(Interruptions)

He won't be able to sell the pressure!

What is going to happen? This is what we have to think of and what the Select Committee will think of. Let us take an example. In a few minutes, we are going to debate a very important Bill, the Insurance (Amendment) Bill.

Let us imagine that we had live debates. This would have been transmitted live over private radios, probably on television, but certainly on radios. There would probably be debates within the radios immediately to discuss the pros and cons of the Bills and to absorb the arguments, which have been made on both sides and probably we would have dissuaded Members from using unparliamentarily words at their colleagues, for instance, because that sort of language is an immediate bad reflection on the Member, but not only on the Member but on all of us, on the House.

Therefore, when we look at this question, there is one overall important aspect. It is to enhance the democratic process and to enhance the dignity of this House. If that is going to be achieved, that is one great thing which this Government is doing today because the Mauritian population, and indeed, through the internet, the Mauritius diaspora will hear what is instantly happening in their country. It will also put a heavy burden on Members of Government, Ministers who have to answer questions at Question Time, who have to put up a serious debate before the population because they will be immediately judged. Therefore, it is a great thing for democracy, but it is also a very big burden on this House if we do not understand the burden that is being cast on our shoulders, then I am afraid this will be just an experience which is doomed to failure. This is why the former Prime Minister did not want it; I totally agree. Everyone agrees that the former Prime Minister never intended to do this because he knew his own shortcomings, ...

(Interruptions)

...he knew the shortcomings of Government...

Madam Speaker: Order!

(Interruptions)

Order, please!

Mr Collendavello: ... which would be immediately exposed to public, and that is what has changed today.

Let me conclude with one thing. I believe that probably, except 1997 and 2000, this is the best Parliament we have ever had. The population has selected us. Let us see the Labour Party for instance. They have selected young intellectuals to come to this House and they have swept this old corrupt class which was there only to make money and enrich themselves. We hear the level of the debates.

I had the opportunity of congratulating many of the new Members of the Labour Party because I feel so confident for the future when I hear this, but at the same time, we have experienced Members of the Opposition and of Government and it will be for the benefit of the population.

Thank you Madam Speaker.

(4.09 p.m.)

Mr G. Lesjongard (Second Member for Savanne & Black River): Thank you Madam Speaker for giving me the floor to speak on the motion standing in the name of the Rt. hon. Prime Minister and which resolves the setting up of a Select Committee of the Assembly to consider the live broadcasting of the proceedings of this House.

Madam Speaker, I have been hearing what has been said earlier and if we say that we have to move fast, as responsible Parliamentarians, we should acknowledge that we have wasted time and it is for this reason that today we are saying that we have to move fast.

Le gouvernement actuel n'est pas à blâmer, la motivation est toujours là pour qu'on puisse retransmettre en direct les travaux parlementaires. Mais c'est une question en date du 10 février qui remet sur le tapis ce projet. Ce projet qui remonte à 2011 si je ne me trompe pas. Effectivement, je pense que je n'ai pas vu le rapport intérimaire mais je pense que l'honorable Bodha, qui était ministre à l'époque, avait fait un bon travail avec ses collègues. Malheureusement, il faut recommencer and when the hon. Rt. Prime Minister replied to that question put to him in February, I thought that we would start from the draft report and not start from the very beginning. I think it was hon. Ganoo, in a supplementary question, who

asked the Rt. hon. Prime Minister whether he has given thought to the possibility of presenting a motion and asking the House to adopt it by way of a resolution of the draft report which has been produced by the previous Select Committee. This is why I am saying that we have wasted time and it is time now that with this motion being presented and the setting up of a new Select Committee to look into the live broadcast of the proceedings of this House, we move fast on this issue. There are many other countries where live coverage is being done and it is constantly expanding throughout the world.

Countries like Fiji, Trinidad and Tobago, Nigeria, Kenya, Uganda, Zambia, they have all decided to follow that route. We are lagging behind and we should catch up. But we do not only have live broadcast by the television. Today internet is there, for example BBC is proposing to use the latest digital technology to begin an interactive TV service to allow viewers for example there to choose between live feeds from the House of Commons, House of Lords and even Select Committees, Madam Speaker. We should be looking at Internet as a way to promote the work that we do in this House, Madam Speaker.

Let me share with you something else - the British Parliament has set up an experimental website which will enable people to watch and listen to parliamentary debates live via their personal computer at a time which suits them. So, we have to catch up a lot. They are ahead of us, but I believe that the present Select Committee will look into all these issues, come up with recommendation that could be implemented immediately and then the people of this country will be able to see how we work inside this Parliament. Thank you Madam Speaker.

(4.14 p.m.)

Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière): Thank you Madam Speaker. Je ne pouvais pas ne pas intervenir sur cette motion Madame la présidente. Avant de venir à la Chambre, j'ai fait un tour à la bibliothèque and I have gone through the records to see how many times I have asked Parliamentary Questions on this particular issue. More than 30 times! I won't go into the dates of the PQs.

(Interruptions)

But I am very happy, today, following my Parliamentary Question, when I asked again after the general election with a new Parliament. It was among the first PQs which was on my list, that question of having live broadcasting of the debates of the National Assembly through TV, Radio, even internet should be among the one of my priorities. This is why I

asked that PQ and I was very happy then when the hon. Prime Minister replied to the Parliamentary Question and the mood, the reply he gave, we saw that there was a *volonté* to go forward, even on this side when mention was made about the work done in the previous Select Committee. I was a member in that Select Committee presided by my friend hon. Bodha, we met 11/12 times, there were ad hoc meetings, we met professionals, we have had submissions and the report was prepared.

Unfortunately, I did not have the opportunity to have even seen the draft report, but I still remember how we progressed meeting after meeting and I also would like to put on record without the support of the Clerk and his office which gave us the proper guidance, which gave us information, how in other Parliaments the live coverage is being effected, that is, the rules and regulations, I've had the opportunity to visit the Lok Sabha TV. There are rules which are set up, it is an organisation by itself, the Lok Sabha. I've had the opportunity to visit the House of Commons, how we see on BBC, BBC live coverage of a Prime Minister's Question Time, how we are being given the opportunity. We, Mauritians, when we go on vacation we have the opportunity to see the live debates even, *à la Chambre au niveau du Parlement Français*, even in Canada and in other places. I think the time has come now, I won't go into the past, how we had the Select Committee, how we prepared the report, how it was stuck, we were fighting days and on and pending that we are victims. You know, Madam Speaker, you have been MP, people in each Constituency, they like to see their MP standing, not those who come and stay without saying anything...

(Interruptions)

We say *Goongas!* People like to see their MP asking questions about their water problem, the national problems. People like to see PNQs what will happen today, how certain Ministers would be having problems, how a Minister can have problems with the Leader of the Opposition. Those who have not been sleeping on the eve *quisana pu gagne* PNQ! But every Tuesday night, the Mauritians are frustrated Madam Speaker. I am a frustrated person. I have been here for 32 years; I have been in Government for seven/eight years. But, every Tuesday, *c'est un assassinat de la démocratie*. Unfortunately, I did not have the opportunity to talk to you. If you ask me today, I would say there is a slight change, but *même produit; l'emballage a changé*. I am not happy. I am not being biased. I am not happy as far as the PNQ is being asked. People like to see the question of the hon. Leader of the Opposition, the replies of the hon. Prime Minister or the Ministers, but on Tuesday, *c'est un assassinat de la*

démocratie; they will give you the news in the end. Parliamentary debates are being neglected. Parliament is an institution, Madam Speaker.

As for the coverage we have on MBC/TV every Tuesday, a few seconds on the PNQ, and that if it is addressed to the hon. Prime Minister. If it is another Minister, it is relegated. So, bearing that in mind, I think *il y a une volonté des deux côtés de la Chambre*. I am very happy that today there is consensus. We will be called upon to be Members on that Select Committee. It is good that we have new Members. We are being given iPad today. Not like in certain countries, Members of Parliament use iPad to see *films pornographiques*.

(Interruptions)

We have many press people there and they are watching us. We are being given an iPad like a tool. My appeal to the new Members is to go on iPad and see how Parliament is functioning in other countries. I think it is a *grand pas en avant* today. I know that when the Rt. hon. Prime Minister has something in mind, he is committed to that. So, I am also of the opinion that hon. Bodha has not only the capacity, but he knows the file. He has been a previous Director General of the MBC/TV. We have suffered under him, I can tell you. When he was Director General, he was using his scissors every day, every Tuesday.

(Interruptions)

Even one day, the hon. Leader of the Opposition and me had to rush in his office, and he ran away.

(Interruptions)

This is history. But, today, he has the opportunity to correct that, and I am sure that we will have the opportunity to offer to the country something modern, and the future MPs will see that we have taken a decision in that line in this Parliament. I am very happy, Madam Speaker, and also for this motion.

Madam Speaker: Yes, hon. Prime Minister!

(4.21 p.m.)

The Prime Minister: Madam Speaker, I would like to thank the hon. Leader of the Opposition and all the hon. Members who have contributed to the debate on this historic Motion. I am glad to note that we have broad consensus on this matter, and I believe a majority of Members - to be right, I would say all the Members - will vote in favour of this Motion.

I deemed it wise to come up with this Motion for the setting up of a new Select Committee, precisely to give new Members the opportunity to bring their contribution to the debate. I am sure that the new Select Committee will retain whatever is going to help us to realise what we want to do. This new Select Committee will retain from the previous report.

The introduction of the broadcasting will certainly bring Parliament nearer to the people, but it does raise certain important questions and issues, which have been highlighted by some hon. Members.

As I said earlier, the terms of reference of the Select Committee are wide enough to allow the Committee to examine all the questions and issues that have been raised in this House. I am sure the Committee will also wish to draw from international experience in this area. The ultimate aim is to modernise and strengthen our parliamentary democracy by opening up Parliament to the public and give them free and full access to the debates and other activities in Parliament.

Live broadcasting will certainly enable more people to watch and listen to parliamentary debates, allowing them to form their own opinions without media interference. This will be yet another step towards the new era of meaningful change which we have promised to the nation.

Contrary to others who made promises never to be fulfilled, we, on our side, are going to stand by our commitment and we are going to make it a point to realise this as soon as possible.

Thank you, Madam Speaker.

The motion was, on question put, agreed to.

Madam Speaker: I think it is time for me to suspend the sitting for half an hour for tea.

At 4.27 p.m. the sitting was suspended.

On resuming at 5.07 p.m with the Deputy Speaker in the Chair.

PUBLIC BILLS

First Reading

On motion made and seconded, the following Bills were read a first time -

- (i) *The Supplementary Appropriation Bill (2013) Bill (No. VII of 2015)*

- (ii) *The Insurance (Amendment) Bill (No. VIII of 2015)*
- (iii) *The Employment Rights (Amendment) Bill (No. IX of 2015)*

Second Reading

(5.05 p.m.)

THE INSURANCE (AMENDMENT) BILL

(No. VIII of 2015)

Order for Second Reading read

The Minister of Financial Services, Good Governance and Institutional Reforms

(Mr S. Bhadain): Mr Deputy Speaker, Sir, I move that the Insurance (Amendment) Bill (No. VIII of 2015) be read a second time.

Mr Deputy Speaker, Sir, since 03 April 2015, the country has witnessed the downfall of a major insurance company in Mauritius affecting the lives of over 160,000 citizens. These events have clearly highlighted certain loopholes in our Insurance Act, which have been exploited to the detriment of policyholders.

The objective of this Bill, Mr Deputy Speaker, Sir, is precisely to bring urgent remedial actions to plug these loopholes for the immediate protection of insurance policyholders.

At the very outset, I would like to reassure the House that this Insurance (Amendment) Bill is the first initiative which will kick-start a process of legislative reforms and will go a long way to improve our Financial Services Sector.

Mr Deputy Speaker, Sir, this Bill makes provision for the Financial Services Commission (FSC) to exercise more effective supervision over related companies of an insurer; and the appointment of a 'Special Administrator', where the liabilities of an insurer and any of its related companies exceed its assets by at least Rs1 billion, and that such excess is likely to be a threat to the stability and the soundness of our financial system. The Bill also provides for the transfer of undertaking, in whole or in part of an insurer and any of its related companies, to another insurer and any of its related companies.

Mr Deputy Speaker, Sir, I would like to point out that this Bill does not take effect retrospectively and is in no way unconstitutional, as has been mentioned in some quarters.

Mr Deputy Speaker, Sir, as the House is aware, the Financial Services Commission (FSC) is the Regulator for the insurance sector in Mauritius. The Insurance Act 2005, which came into force on 28 September 2007, does not provide for any definition of ‘related company’ whether in relation to an insurer or otherwise. On the same date (28 September 2007), however, the FSC issued specific rules known as the ‘Insurance (Long-Term Insurance Business Solvency) Rules 2007’, whereby Rule 12(6) specified that, and I quote –

“An insurer shall not invest more than 10% of its assets in any related company.”

And according to the Rule ‘related company’ has the same meaning as in the Companies Act 2001.

Mr Deputy Speaker, on 20 May 2013, the FSC amended these Rules by changing Rule 12(6) to read, I quote –

‘The aggregate value of investments of an insurer in one or more of its related companies shall not exceed 10 per cent of the assets of the insurer’

and then adding the following paragraph after Rule 12(6), and I quote -

‘Rule 12(6A) Any insurer who does not meet these requirements of paragraph (6), - that is the 10% - shall take such measures as may be necessary to comply with the provisions thereof by 30th June 2014.’

So that is Rule 12(6A) derogating stating that you have until 30 June 2014 and the Rules came on the 01 of July 2013. Then Rule 12 (6B) states and I quote –

Rule 12(6B) An insurer who is unable to comply with paragraph (6A) – meaning 30 June 2014 - may apply to the Commission for an extension of the deadline referred to in paragraph (6A).

So, Rule 12 (6B) is saying that you can extend it further after 30 June 2014. And then Rule 12 (6C), and I quote –

Rule 12(6C) Where the Commission is satisfied that non-compliance referred to in paragraph (6B), is due to a just or reasonable cause, it may extend the deadline referred to in paragraph (6A) for a period not exceeding 6 months, on such conditions as it deems fit’

So, the Rules of the FSC have been amended and there are certain amendments brought by 12 (6A), 12 (6B) and 12 (6C) which, in fact, keeps at extending the deadline. And if we take a period not exceeding six months after 30 June 2014, that would take us unto up till 30 December 2014.

In the case of BAI Co (Mtius) Ltd, this Company had over 80% related company investments and did not comply with the 10% rule of the FSC.

Mr Deputy Speaker, the following observations are also pertinent -

- (i) these amendments which were brought to the rules were applicable to BAI Co (Mtius) Ltd, which was the only non-compliant insurer;
- (ii) by 30 June 2014, BAI Co (Mtius) Ltd was still non-compliant with the FSC Rules on investment in related companies;
- (iii) any extension granted according to the Rules, could only have been for six months, that is, up to 31 December 2014 in accordance with the Rules;
- (iv) in order to benefit from any extension for a period not exceeding six months to comply with the FSC Rules, BAI had to show '*just or reasonable cause*'.

Mr Deputy Speaker, I am informed by the current management of the FSC that, according to records, there was no "just or reasonable cause" put forward by BAI Co (Mtius) Ltd at the material time.

On 14 August 2013, BAI Co (Mtius) Ltd, in a letter to the FSC, admitted that and I quote –

"The change in the said Rule will abruptly and materially affect the solvency position of the Company from a current surplus in assets of MUR 4.3 billion to a deficiency of MUR 14.3 billion and may also have a severe impact on the economy if such a change is not properly implemented or unreasonably enforced".

Mr Deputy Speaker, this is BAI admitting that they are technically insolvent to the Regulator, to the FSC on 14 August 2013.

Mr Deputy Speaker, this was an unequivocal admission of technical insolvency made by BAI Co (Mtius) Ltd as far back as August 2013. KPMG Mauritius, the auditors of the ultimate holding company of the BAI Group, KLAD Investment Corporation Ltd based in the

Bahamas, also confirmed in their audit report for the year ended 31 December 2012 that the total liabilities exceeded the total assets by USD 302,418,000, that is, over Rs10 billion. They went on to say that, along with other matters, these conditions indicate the existence of a material uncertainty which may cast significant doubt on the subsidiaries' ability to continue as a going concern.

Mr Deputy Speaker, the material uncertainty and going concern status in relation to subsidiaries included the insurance company, BAI Co (Mtius) Ltd.

Despite the technical insolvency of BAI Co (Mtius) Ltd, the Regulator – the FSC - amazingly granted an extension to BAI Co (Mtius) Ltd to comply with its Rules by 31 December 2016. BAI Co (Mtius) Ltd was allowed to continue to canvass people throughout Mauritius to part away with their hard-earned money and went on a spree to collect VRS money, lump sums, pensions and, in some cases, funds from people have sold their land or their inheritance to invest in these insurance policies.

I am informed, Mr Deputy Speaker, that in 2013 and 2014, over Rs5 billion was collected from new policyholders who should have been protected and whose interests should have been safeguarded.

Mr Deputy Speaker, Clause 3 of the proposed Bill brings the definition of ‘related company’ under the ambit of the Insurance Act now - and that is the main Act itself not the Rules of the FSC - and extends such a definition to include and I quote –

‘Any other entity – not company - related to the insurer in any manner provided for in Section 2(2) of the Companies Act’.

The word ‘entity’ would cover but is not restricted to companies, partnerships, mutual funds, trusts and also sociétés.

Mr Deputy Speaker, Section 63(2) of the Insurance Act provides for, and I quote –

‘Any debt or other liabilities arising out of contracts of insurance issued or underwritten by an insurer shall rank in priority before any other claim against the assets of the insurer’.

So, the Insurance Act, under Section 63, gives the policyholders the first hand in terms of then ranking in priority to anybody else – creditors, shareholders. Funds which had been invested by policyholders in BAI Co (Mtius) Ltd were channeled up to its immediate holding company, British American Investment Co (Mtius) Ltd and here I must say when we refer to

the insurance company, it is BAI Co (Mtius) Ltd, but the holding company is British American Investment Co (Mtius) Ltd. In fact, the insurance company is just a short name for the holding company. And also for related companies, funds were channelled to other companies such as -

- (i) Iframac Limited;
- (ii) Courts;
- (iii) Bramer Banking Corporation Limited; - the bank
- (iv) British American Hospitals Enterprise Ltd,

to name just a few Mr Deputy Speaker.

These related companies are, in fact, in law, separate legal entities and are not regulated by the Financial Services Commission.

Therefore, Mr Deputy Speaker, all transactions conducted within these companies, where policyholders funds were involved, had escaped the inspection, supervision and surveillance mechanisms of the Financial Services Commission. In short, Mr Deputy Speaker, the FSC had no visibility of the transactions conducted using policyholders monies within those related companies.

Moreover, Mr Deputy Speaker, Sir, the protection afforded to insurance policy holders in Mauritius by the Legislator, by this House, under section 63 (1) and (2) of the Insurance Act, in terms of priority ranking was completely eroded by the scheme of channeling funds in, what I will call, "non-insurance related companies" within the same group, BAI.

Mr Deputy Speaker, Sir, instead of protecting the priority ranking of policy holders, their claims have thus been distanced from the underlying assets which were meant to guarantee these policies. Where these assets are exceeded by liabilities by over Rs1 billion, which is likely to be a threat to the stability and soundness of the financial system of our country, it is urgent and necessary for a 'special administrator' to be appointed in such cases.

Mr Deputy Speaker, Sir, after the revocation of the banking license of Bramer Banking Corporation Limited by the Bank of Mauritius on 2 April 2015, the FSC acted promptly and on 3 April 2015, appointed Conservators under section 106 of the Insurance Act, to do what? To safeguard the interests of the policy holders.

Section 107 of the Insurance Act provides that, and I quote –

“The Conservator shall take charge of the business of the insurer and all of its property, books, records and effects and shall exercise all powers necessary to preserve, protect and recover any of the assets of the insurer, collect all monies and debts due to it, assert causes of action belonging to the insurer and file, sue and defend suits on its behalf.”

That is what the law allows a Conservator to do under section 107 of the Insurance Act.

Mr Deputy Speaker, Sir, as the House is aware, under sections 215 and 216 of the Insolvency Act, now, a company, may through its board of directors voluntarily appoint an administrator where there is ‘liquidity insolvency’ or what we normally call ‘cash flow insolvency’ which is in effect an unequivocal admission of the board of directors of that company that it is in a distressed situation. That is when a company appoints an administrator under the Insolvency Act. In such cases, what is the administrator’s mission? The administrator’s mission is to safeguard the interest of creditors and shareholders, as compared to section 63 of the Insurance Act, in terms of the priority ranking; it is the interest of the policy holders which have to be safeguarded.

Moreover, section 222 of the Insolvency Act also provides that the administrator and I quote –

“(...) may terminate or dispose of all or part of that business and may dispose of any of that property.”

That is what the administrator under the Insolvency Act can do. He can go and sell everything. But, if he sells everything, what happens to the Conservator who has been appointed by the Regulator to preserve those assets? This is the deadlock. This is the situation we are facing today. Where such an Administrator is appointed, the protection afforded by the appointment of a Conservator by the FSC under section 106 of the Insurance Act is rendered futile.

There is also a live risk, Mr Deputy Speaker, Sir, of disposal by the administrator, appointed under the Insolvency Act, of good assets, to the detriment of those policy holders who are protected under section 63 of our Insurance Act.

Mr Deputy Speaker, Sir, the statutory appointment on the one hand of the Conservator by the Regulator and the voluntary appointment of the Administrator by the board of

directors of companies within the BAI Group on the other hand has given rise to an unproductive legal deadlock which was neither intended nor anticipated by the Legislator, by this House. Hence, the necessity for the urgent appointment of a 'Special Administrator' which is provided for under Clause 5 of the Bill.

Mr Deputy Speaker, Sir, BA Investment Co. (Mtius) Ltd, Seaton Investment Ltd and 30 other companies within the BAI Group were not amenable to Conservatorship by the FSC under section 106 of the Insurance Act, although these companies were funded by insurance policy holders' monies. Now, their board of directors went ahead and have appointed an administrator under the Insolvency Act which has resulted in the preferred claims of the policy holders turning into subsidiary claims which for all intents and purposes, Mr Deputy Speaker, Sir, are now useless claims. Useless! These policy holders detaining about 160,000 policies would be further prejudiced if the Administrator fails to turn around these companies which would then result in liquidation, if he cannot turn around.

Mr Deputy Speaker, Sir, clause 3 of the Bill amends section 2 of the principal Act to protect insurance policy holders, by granting a wider scope of intervention to a 'Special Administrator', by broadening the definition of 'related company'. Clause 4 amends section 110 to include the term 'special administrator' both in the heading and in the body of that section. Clause 5 of the Bill deals with Section 110A of the principal Act, by inserting a new Part XIA, to provide for the appointment, powers, duties and functions of the 'special administrator' and also deals with Section 110B of the principal Act, which provides for the transfer of the undertaking of an insurer and its related companies to another insurance company and any of its related companies.

Mr Deputy Speaker, Sir, at present, our existing laws do not provide sufficient protection for policy holders in insurance companies of a hybrid type, that is, groups with mixed insurance and non-insurance activities, where there has been excessive related party transactions and we have seen how the Regulator has dealt with this by giving extensions and extensions all the time until 2016! The current system, Mr Deputy Speaker, Sir, if unchanged, would also permit insurance-funded assets and companies to hide behind the mechanism of voluntary administration. They can hide behind it.

Mr Deputy Speaker, Sir, there is extreme urgency for a 'special administrator' to step in to protect the interests of policy holders holding around 160,000 policies as per the provisions of section 63 of the Insurance Act and also to dispose assets to generate cash for

payments to policy holders, to employees and also to other creditors. The appointment of the ‘special administrator’ will also prevent further destruction of value of assets within all the companies of the BAI Group, whether they are holding companies, subsidiaries or other related entities.

Mr Deputy Speaker, Sir, I have no doubt that this amendment will strengthen the protection afforded under the Insurance Act to policy holders, by the appointment of a ‘special administrator’ in cases where the liabilities of an insurer and any of its related companies exceed its assets by at least one billion rupees, thus safeguarding the soundness and stability of our financial system in Mauritius.

Mr Deputy Speaker, Sir, in September 2008, the United States of America faced a similar situation with regard to the downfall of Lehman Brothers (a bank) which then led to the collapse of AIG, a large insurance company. Exactly what happened in Mauritius!

Dana Perino of the White House, at that time, had this to say, and I quote, Mr Deputy Speaker, Sir, –

“You have a government that is willing to lead, act where appropriate, and govern to make sure that we limit broader financial harm to the economy.”

This is precisely what this Government is doing, Mr Deputy Speaker, Sir.

I now commend the Bill to the House.

Mr Lutchmeenaraidoo rose and seconded

(5.28 p.m.)

The Leader of the Opposition (Mr P. Bérenger): Mr Deputy Speaker, Sir, I believe it is vital to go back to square one and to remind ourselves why have we come to where we are, an awful mess, a national catastrophe.

Why have we come to where we are, is because as from 2005, the then Prime Minister and Government did not allow either the Financial Services Commission or the Bank of Mauritius, or even more, to function as independent regulators. This is where all the troubles started. Did I have to remind the House that as the Chief Executive of the Financial Services Commission there - we had a brilliant lawyer. I won’t tell his name. We should know. Brilliant! He was doing great work and he has started handling that BAI issue. He was made to go away brutally after the 2005 election. He was done away with and we started going down.

Today, we talk about the Financial Services Commission, but in terms of *politisation* or *manipulation politique* which is even worse at the Bank of Mauritius. When you stopped and imagined that a few months ago, the Bank of Mauritius, the then Governor was plotting to absorb the Financial Services Commission. This is why we are where we are since 2005. But here what is of special interest is the Financial Services Commission have been polluted, sabotaged as independent strong regulators, but having said that, the solution is not more *politisation*. I will say that the solution is strengthening the independence, the powers of the Financial Services Commission. Today, I will not speak about the Bank of Mauritius, of course. I repeat the solution is not to go further down the road, allowing more *politisation* and whatever the good intentions of the Minister or of Government. What is provided, provides for still more political interference whatever be the intentions of the Ministers of the day.

On the contrary, I believe that - I will come to that at the end of my intervention - the way forward is consolidating the Financial Services Commission both in law, but also in practice like the appointments at the Head and the members of the Financial Services Commission, we are moving backwards and that is not the way forward, Mr Deputy Speaker, Sir.

Of course, before moving to that, we have been in disagreement, the Opposition and Government - at least, the MMM and Government - on the way this Bramer/BAI saga has been handled. But, in a way it is already behind us this. We have been in disagreement - I should not say day 1 - from night one concerning the revocation in the middle of the night of the banking licences. We have been in disagreement. We have not been in disagreement wherever fraud is to be found. We are in total agreement that wherever fraud is to be found, we should - on both sides of the House - be *sans pitié* and this is the attitude that we have adopted and that we will keep on adopting.

As I have said, we are in disagreement on the way the whole issue has been handled. I am glad that hon. Duval is back just in time for that debate. I am not going to *marquer des points politiques*. The situation is much too serious for that. And that brings me back with your permission, Mr Deputy Speaker, Sir, to the PNQ that I put. I was the first to raise the alarm. The IMF had done it. Confidentially others were aware, but my big mouth as usual, was the first one to open up on this issue. November 2013, hon. Duval was the Minister of Finance, therefore, he replied to my PNQ. If you would allow me, Mr Deputy Speaker, Sir, to read what he said and I quote –

“The IMF itself says that (...)”

And he quotes –

“(...) the present efforts to find a solution are satisfactory and it should be allowed time to work”.

It is the Minister quoting the IMF. And then the Minister goes on –

“The whole thing is about allowing time to work. Any drastic solution will achieve the opposite. Government is following the situation very carefully. The regulators are following very carefully. We are addressing situation in a satisfactory way to the satisfaction of all concerned and there should not be, Mr Speaker, Sir, anything that would create any undue reaction or panic”.

I am quoting the Minister in November 2013, that is, slightly more than a year ago. And my reaction to that after those words of the then Minister of Finance –

“Of course, I am not suggesting any drastic action”.

This is the line - although we were in the Opposition - that we kept. Today we are in disagreement because this is not the way the crisis has been handled since the revocation of the Bramer Bank licence. This is where we are in disagreement, Mr Deputy Speaker, Sir. But where I agree with the hon. Minister that the follow-up – after what the Minister Duval said in November 2013 - has not been what it should have been. I beg to disagree with the hon. Minister in his tone hitting at the FSC above that there was the then Government and the then Prime Minister over the head of the Minister of Finance also, so the follow-up I agree fully was not what it should have been. It is my opinion. That has been the case under hon. Duval as Minister of Finance, but also under hon. Pravind Jugnauth as Minister of Finance. The Prime Minister was there. I place the main responsibility on political interference, *ingérence* right from the top and with the collaboration of the former Governor of the Bank of Mauritius, whenever his help - if that is the word - was required.

I am not in agreement also with the way things have been handled because there has been too much *improvisation*. I listen carefully to hon. Lutchmeenaraidoo, the Minister of Finance. He nearly admitted that it is good to be wise after the event. He read one point and he said: ‘when your house is on fire, you don’t choose the quality of water which you pour on the fire’. But also he should not pour petrol on the fire in the hope that you are going to put off the fire. Okay, we run the pressure, but I cannot agree with such drastic actions which

have been taken as from the revocation of the Bramer Bank licence without proper preparation. I agree that it was a crisis situation. But my good friend hon. Lutchmeenaraidoo, the Minister of Finance will understand that I cannot agree when he comes forward saying, loud and clear and repeatedly, that the State Bank of Mauritius (SBM) is going to absorb Bramer Bank and then no. It seems that it is afterwards that the SBM was asked whether they would agree or not. Well, that is not the way to move forward. The hon. Minister of Finance referred repeatedly to 14,754 policyholders, investors in the so-called Super Cash Back Gold and then days later, he came to realise that it is not 14,754, but 8,240.

I mean, at that level, that kind of non-preparation, I cannot find acceptable. There are plenty of good lawyers, not only at the State Law, but in Government, and none of these brilliant lawyers, now Ministers, saw the trouble coming between Conservator and Administrator. Come on! I warned, and it was so clear that the BAI group and its part of the game that the BAI group and its lawyer were going to find ways and means of '*mettre baton dans la roue*', as we say in creole, and they did, and they found a *gros baton* and a *weak la roue*. So, they found the legal way of putting an Administrator under one law, one piece of legislation, the Insolvency Act against the Conservators appointed under another piece of legislation. But, we should have seen all this coming. We should have prepared ourselves much better and that brings me to the beginning of it all - of the beginning of the end in a way! That is, the revocation in the middle of the night of the banking license of Bramer Bank. I cannot agree, and I don't agree at all with the Minister of Finance when he says that there was no other way. Factually it's wrong, legally it's wrong! There was nothing, *parce que* under the law an Administrator could have been appointed, a Conservator could have been appointed in the case of the bank just as in the case of the insurance company. And don't tell me that this would have resulted in a run on the bank! No! If they had been appointed, they could have temporarily close all the branches, the operations so that there would be no run and taken the time required to see what can be done, what must be done. I think we all realise, I hope we realise now, by revoking the license we killed the whole chain of value. If the license had not been revoked, I am sure we would have found people, not me, the people concerned would have found purchasers. Inside Mauritius there were people queuing up to buy the license and whatever assets and business were left. But when we kill the license straightaway like that, we bring down completely the value strategic and financial completely.

But I say all this in a way, this is past history already, things have moved so fast and now I cannot accept that a piece of legislation that is already having an impact on our image, on our economy, on our financial system, on our flow of investments from overseas if approved by Cabinet on Friday and brought here, Tuesday, while 1st, 2nd, 3rd Reading, how can this be right? I am sure *à tête reposée* everybody agrees that this cannot be right - and without consultations! But I won't say more, without consultations with the people concerned. But I won't say more on that because I have never heard such a deafening silence from the people concerned. You would have expected the big brains in the private sector, in the insurance and pension sector to have, at least, found something to say yesterday and today. It is true we got the piece of legislation. I, the Leader of the Opposition, got the piece of legislation only on Saturday. It's not good, it's not fair, it's not normal. Sunday is Sunday. Monday, nothing in the press! No reaction from the big brains of the private sector and so on, and all *silence complet, silence radio total* and even today, yesterday afternoon. This is bad for Mauritius. Very serious! So, I won't insist more, but there should have been consultations. It is bad that we come with that important piece of legislation, agreed by Cabinet on Friday, circulated on Saturday, First, Second, Third Reading on Tuesday. It is a complicated and very important piece of legislation. Having said all this, let us call a spade a spade. I don't agree with the hon. Minister; at one point, he seemed to say that, but later on he said something else.

At one point, he seemed to say that the main purpose is to plug loopholes in the legislation and then later on, he said, ok, the truth is that the main reason is to kill the Administrator, appointed under the Insolvency Act.

(Interruptions)

This is the truth! It is so obvious and you said it. It is so obvious that the point is that Government is convinced that, if he does not act urgently, clearly, Government is convinced that Administrator, appointed by the companies under the Insolvency Act, is going to play murder with the assets of the group, of what is left and, therefore, the interest of the policyholders. So, it is clear that the main purpose is *éliminer en catastrophe à toute vitesse*, First, Second, Third Reading the Administrator, appointed under the Insolvency Act by the company.

Well, the Rt. hon. Prime Minister and others are listening. This cannot be normal, an Administrator is appointed under the Insolvency Act by companies and we come now and amend the Insurance Act to kill...

(Interruptions)

Yes, we know! We are all trying to protect the policyholders, but there are ways and ways of doing it! He has been appointed under the Insolvency Act, and now, we amend the Insurance Act to do away with him *en quatrième vitesse, en catastrophe*.

I take into consideration that Government is convinced that it must act urgently, but there were other ways, and now that we've reached where we've reached, I am going to suggest the way forward. We have no choice today, we are going to vote it, but I am going to propose what we should, in the interest of our financial sector and of Mauritius, do afterwards, Mr Deputy Speaker, Sir.

I don't agree with the hon. Minister. It is not as simple as that! He just says it does not have an *effet rétroactif* and we all ...

(Interruptions)

Of course, it does! Conservators – I get mixed up with - have been appointed in the recent past. Now, the companies have appointed an Administrator, now with this piece of decision we go retroactive and we kill the Administrator. It will end up in Court. It is obvious! So, I am not going to say that it is against the Constitution, but what I am going to say is that the risk that the Court finds so, rules so - the amount of money involved, tells me that this will go before our Supreme Court and, if required, before the Privy Council. So, I am not going to pass judgement, but the risk that this whole thing be found to be *anticonstitutionnel*, I think we can all agree, we should all agree, is bad.

En tout cas, constitution no constitution, it cannot – you know, from a distance, we follow the cases *Ramgoolam, les coffres-forts* we follow that every day and we follow the Bramer Bank/BAI; and from the outside this is not – they don't go into the details. The message sent when we abolished what has been done a few weeks, a few days ago *avec effet rétroactif*, we kill what has been done, this is perceived, as in India recently, with the best of intentions, but this is perceived by the outside world as *légiférer avec effet rétroactif*. And it is very, very bad for investment, for the image that Mauritius projects, Mr Deputy Speaker, Sir, and that is the wrong signal. Even if we leave aside the Constitutional dimension, but sending that kind of message and also there is a phrase that literally eliminates policyholders

and creditors. There is one sentence in the Bill. Whereas now, the law as it is, policyholders have to be consulted. Mais d'un trait de plume, in this amendment, the policyholders and the creditors - but I am more worried about the policyholders than the creditors - are brushed aside. This is also going to be challenged in Court, not just the *effet rétroactif*, but the property protection. I am sure the creditors are going also to go to Court. It is obvious. So, there is a big risk which will bring me even more to what I will propose later on, Mr Deputy Speaker, Sir.

Now, what is a completely wrong signal - I am sure the hon. Prime Minister must have thought about that - we are putting in our insurance legislation, supposedly on a permanent basis, for a special administrator to be appointed partly by the Minister with an interaction between the Minister and the Financial Services Commission which is very bad, I will come to that later. But we are putting in our legislation that if an insurance company has a deficit of more than Rs1 billion between its assets and its liabilities, then there is this special administrator, but *c'est un aveu d'échec*. If we reach that point, it means that the FSC has failed all the way. The FSC is there, the law is good. I disagree with the Minister. Our law, our insurance legislation is good. Our legislation as far as the FSC is concerned, is good. But now we are going to put into the law, hon. Prime Minister, that if we reach a stage where the deficit is more than Rs1 billion, then - it means as if we are preparing ourselves for the next '*fané*' which the FSC is going to '*fané*'. If you follow that logic, in the agreement, we might as well put in the law: where the FSC has failed miserably in its duties and the deficit is more than ...

(Interruptions)

That is what, in effect, we are putting in the law. I repeat: for a deficit of more than Rs1 billion to develop, it means that the FSC has failed totally in its mission. So, this is what we are putting in our legislation. That is why I'll say *un peu avec un peu d'humour*, but, in fact, yes, we should put it in: where the FSC has failed miserably in its duties, and so on, and the deficit has been allowed to crawl over Rs1 billion ...

(Interruptions)

It can't be proper to put things like that in the law and to denigrate the Financial Services Commission in that way, Mr Deputy Speaker, Sir.

And that brings me again to my PNQ, and I am not saying that to be nasty, but that brings me - hardly a year ago, the hon. Minister of Finance, then hon. Duval, said -

“And I repeat, Mr Speaker, Sir, this is a company that is regulated. It is a group that is regulated by the Financial Services Commission. It has auditors.”

And he adds, a year ago, slightly more than a year ago, I am quoting -

“It has just published its financial statements for 31 December 2012, which shows Rs6 billion of excess assets over liabilities, Mr Speaker, Sir.”

The reply is hardly a year ago, a bit more than a year ago. Don't tell me that we moved from that situation to where we are today and now, we say only Rs1 billion deficit will trigger the action.

So, things have gone very, very wrong and I appeal to Government and I'll make a concrete suggestion later on, we should not put that in our insurance legislation. It is the wrong signal completely and it is an *aveu de défaite prématurée*. We say that the FSC is going to '*fané*' *encore*, therefore, whenever it '*fané*' more than Rs1 billion deficit, then the special administrator will come in, Mr Deputy Speaker, Sir.

Let me come now, because the words used by the hon. Minister were 'extreme urgency'. Yes, there is extreme urgency as a result of the actions taken and beginning with the revocation of the licence and the *effet de cascade*, there is now extreme urgency, I agree. But I don't agree that the right choice was made and is being made. First thing which Government could or should have done is to target the BAI group and the BAI group only; that is what we are talking about. We are putting a general clause in our general insurance legislation which is very bad. Well, the hon. Prime Minister will remember, there have been cases like the MCCB where we came with legislation, call it by whatever name MCCB Rescue Bill, BAI Rescue Bill, by whatever name, but we could have done what we are doing through this general piece of legislation that will apply dangerously to the insurance sector in general. We could have done that by a piece of legislation doing the same thing, but targeting the BAI group only. Of course, they would have gone to Court. Anyway, it will go to Court. Whatever Government does, this is going to end up in Court. But this was a first option which we could, and I say we should have taken instead of this general piece of legislation that refers to insurance in general. That's one.

Secondly, the hon. Minister gave us the impression that we are inventing something with this general administrator, special administrator or rather let me get the exact - the appointment of a special administrator. We are not! The Insolvency Act already provides for the appointment of a special administrator for important companies in financial difficulty and

when the going down of such a company will hurt the economy in general, the financial sector. It is in the law. He knows everything as usual. You will see, hon. Prime Minister, how this country is going to end up if he does not even listen to points made by others that have no axe to grind and are only thinking about Mauritius. But he knows everything. He won't even listen. He can't even keep quiet.

(Interruptions)

So, this is in the law. In the Insolvency Act, it provides for the special administrator, he can be, as I said, appointed when an important company is going down and it's going down, it is going to hurt the economy as well, but there is a hic. There is a hic. Just as when I raised the issue of compensation fund that should have been set up years ago, everybody is to blame, all of us, all those who have been Ministers of Finance since 2007 and now, the hon. Minister rightly says that that fund is going to be set up. *Bien bon!* Better late than never! But again, to appoint a special administrator more or less the same kind of administrator that we are appointing under the Insolvency Act, the administrator is appointed by *une b  b  te qui s'appelle le Companies Supervisory Committee*.

But again we are being wise after the event just as in the case of the Compensation Fund. That *b  b  te* has never been set up. It is provided for in the law, but it has never been set up. The Companies Supervisory Committee - I said commission, I think, wrongly - under the Insolvency Act is composed of one member appointed by the Financial Services Commission, one member appointed by the Bank of Mauritius, three members from the private sector, the Registrar of Companies and the Director of Insolvency Service which is defined in the law; therefore the Director of the Insolvency Service or his representative. Unfortunately, therefore, this option should have been before us, but right now, it is not before us as in the case of the Compensation Fund I mentioned earlier on. So, I was going to insist that we do not debate today, but the good example set in the penalty point system, abolition. That is the way we should proceed with difficult pieces of legislation. The Minister makes his second speech, we study and then we come. That should have been the way adopted. So, I was going to propose, but I am not proposing because I agree that there is extreme urgency.

(Interruptions)

Now, as a result of actions taken which brought us where we are, we could have taken other decisions; we could have handled the thing differently.

(Interruptions)

I have said, if you had listened instead being full of yourself including your ears. I have said from day one we are in disagreement. That licence should not have been revoked and I said what other options were available including the piece of legislation specific to the BAI Group as we did in other cases. He won't listen. But, what I am going to suggest is that there is extreme urgency because of actions taken and where we have reached. We will vote. Government does not need our vote. I won't request a postponement, but what I would suggest strongly is that we go ahead with that and then, *à tête reposée* we review the whole situation. That amendment that targets the whole of the insurance sector is very bad. The perception from outside is very, very bad.

Therefore, what I suggest is that we go forward today. Anyway Government has a majority. We go forward; the special administrator is appointed. There will be people going to court, but it will take the time it takes. In the meantime, *à tête reposée*, Government should look anew at this special administrator appointed under the Insolvency Act. What we have done today is we make a nice piece of legislation, but I would suggest to the Insolvency Act protecting the insurers, the insurance company also, the policyholders, that is, integrating in a well point out, *à tête reposée*, piece of legislation amending the Insolvency Act to provide for the special administrator to integrate what we will be voting today and which is going to be challenged. When it is ready, in a week or two weeks, whatever, as soon as possible, but well thought at, then we repeal this piece of legislation that we will be voting today which sends the wrong signal to the insurance company in general. This is what I would appeal to Government to do. But, anyway, even if you don't do that it is clear that there is *harmonisation* to be made urgently between the Companies Act, the Insolvency Act, the Financial Services Act, the Insurance Act. That is obvious. But my suggestion, as I said, is that there is extreme urgency, we go ahead. We prepare a well thought out piece of legislation, *à tête reposée*. I would suggest to the Insolvency Act which integrates all the powers, if any, that are not already provided for in the case of insurance companies and then when that is ready, we come back to the House, we repeal the piece of legislation that will be voted and we go to a permanent Insolvency Act that provides for the appointment of a special administrator to the satisfaction of one and all.

My second suggestion is an appeal. The way forward is not in doing things that will weaken the Financial Services Commission, its independence in law and in its functioning. We should be very careful. From the outside, it should be perceived, clearly perceived that

our regulators are really independent, that Ministers are not involved or appointment of course: Bank of Mauritius, Financial Services Commission and this bringing in the Minister for financial services - nothing personal, I am talking about institutions - he must receive the report by the Financial Services Commission which tells him that there is a company in default by more than Rs 1 billion and that, therefore, it is a threat and so on. The Minister requests the Commission to appoint a special administrator. It is not good. I don't think we should bring in a Minister into the machinery. We need to vote it. You have the majority and I agree that there is extreme urgency, but when we prepare the amendment that I am suggesting *à tête reposée*, we should not bring in Ministers in any way. But, Mr Deputy Speaker, Sir, it is not just in legislation, I don't agree with the Minister on that point that our legislation as far as the Financial Services Commission is not good and so on. I don't agree. It can be improved, of course. It can always be improved. But it is in the appointment and political interference that we have hurt ourselves, that we have hurt the country. There, I must disagree, we are not moving forward, on the contrary, in that piece of legislation which we will vote, but we are bringing in the Minister for Financial Services we should not. We should find a way round that. Especially, Dev Manraj is a good friend, that is not the point, I am not personal, but it is a huge step backwards, the wrong signal being sent that the Chair of the Financial Services Commission is a *fidèle serviteur le l'État*, the Financial Secretary. It is not in order. It is not a step forward. We have had in the past when we started the Financial Services Commission, it was the number two at the Bank of Mauritius for a while, but we must have a respected independent Chair. It is unhealthy that we have the Financial Secretary. Anyway, the amount of work which you give him, you are trying to kill him. I have to protect him.

(Interruptions)

Therefore, this cannot be a way forward. It is a step backward when we have the Financial Secretary - nothing personal - appointed Chairperson and 4 out of 6 members are Government servants and we want the outside world to perceive that as a truly independent regulatory body. No way! Therefore, again, *à tête reposée*, when we get over at this point in time, I am sure the Rt. hon. Prime Minister and the Government will agree with comments which I am offering. I am very worried. Very worried! I was also worried about what will happen after the Budget. I was very worried about the current account deficit. Then came this Bramer Bank/BAI which is having an impact way outside Mauritius and outside the insurance sector. I am very worried!

This morning, at the end of my PNQ - I do not know if, in the meantime, the hon. Minister has checked - yes, there is already a drastic slow down since this Bramer-BAI Saga has started on the number, compared to the past, of fresh requests for licences and so on, submitted to the FSC. It is not a coincidence that since the saga started, more than Rs1 billion have been withdrawn by foreigners. I am not saying that to be *un oiseau de malheur, prophète de malheur!* No! But the situation, I believe, is very serious. We will go along. I have been critical where I believe I should be critical, but I have offered a way forward. We get over this difficult moment, and then *à tête reposée*, we amend our legislation, because this Belvédère affair, 'The Economist', all this is getting mixed up. There is really a perception that Mauritius is an international Ponzi hub, which is not the case, as we all know, but perception in such cases is as important as reality.

So, this was my contribution, Mr Deputy Speaker, Sir. It is an important moment. We disagree on certain things that have been done. *Mais, c'est déjà chose du passé!* We are where we are. We have to act, I agree and then, we think after we agree we have acted today, then we think ahead, both in the legislation and in giving the FSC the means to perform its duties under the law as a really independent regulator.

Thank you, Mr Deputy Speaker, Sir.

(6.10 p.m.)

The Attorney General (Mr R. Yerrigadoo): Mr Deputy Speaker, allow me to, first of all, congratulate my learned friend, Minister Bhadain, for bringing this very important piece of legislation.

I would like to commend my learned friend, because Mr Deputy Speaker, Sir, I have been, these past few weeks, a privileged witness – *un témoin privilégié* – of the dedication, poise and stamina which my learned friend and his whole team who are in this House today, have been working so hard, relentlessly day and night, finding ways and means to find a solution. And I am proud to stand here, in this House, forming part of this Government under the able leadership of Sir Anerood Jugnauth where we have taken timely decision, important decision in this whole thing.

Mr Deputy Speaker, Sir, I have listened very carefully to the hon. Leader of the Opposition and I would like to comment on some of the reservations made, more particularly on the constitutionality of a particular provision of this Bill. Allow me to say this, all our so-called commercial part of our legislation - in fact, we were in Government, I was Minister -

when this whole reform was ushered in. It started just after late 2000, early 2001 when we started a wide review to look at our Companies Act, the Financial Services Act, the Insolvency Act and the Insurance Act. Why did we do that? Because we wanted to *assainir* the situation, bring Foreign Direct Investment to Mauritius ...

(Interruptions)

... just after that the Bank of Mauritius Act was also passed and all these legislations have as their birthmark 2001, 2003, 2004, 2005.

The current legislation, the Insurance Act which was passed in this House in 2005 was, in fact, proclaimed in 2007. And my learned friend just now *a retracé* the rules and regulations which were also proclaimed when this whole set of legislation came into being. Prof McKenzie had then very ably assisted us. Let me reassure the hon. Leader of the Opposition that it is the intention of this Government some 10 years or more after the advent of all this package of legislation, after we have had testing times on the world economy with what we have known as sub-primes and what not, throughout the world, with changing different economic conditions, we will, of course, empower, strengthen and have a review. But this is in the medium-term and long-term.

What we are doing here today, is readdressing a particular situation, but not just for BAI. Let it be clear, Mr Deputy Speaker, Sir. We are not here today legislating *ad hominen*. We are not doing that! Treaties, we have a particular situation at hand, but it is very important to look at this piece of legislation, especially section 110 (a) and 110 (b).

It is also very important to state that this law, this amendment does not have retrospective effect. Of course, there may be challenges. We are in an *Etat de droit*. People who may feel they are aggrieved, may go to the Supreme Court. Of course, we will not go there, but this law does not have retrospective effect.

Mr Deputy Speaker, Sir, why do we legislate? We legislate time and again to cure defects and to empower institutions! Once again, let me reassure this House of the firm intention of this Government not to fetter and fiddle with institutions. Institutions will function in total transparency without political intervention in the best interests of our country as a whole, Mr Deputy Speaker, Sir. Now what this Bill does? It increases the power of the Financial Services Commission in its supervisory duties in insurance companies, because we are talking here of the Insurance Act? Now, the FSC will not only look at insurance companies, but also their investment in related companies and the extent of such investment

which is likely to create – call it by whatever name – an incestuous relationship between those companies with their cross holdings and what not.

Now, it cannot be the case that regulation by FSC is restricted to insurance companies. I pause here, Mr Deputy Speaker, Sir. When reads the Insurance Act, one would see, when one read the Financial Services Act, one would see, for instance, the different degrees and levels of legislating, amendment of the law, regulations made by the Minister. But it is also very important to note that the FSC already under the FSA, the Chief Executive, has a wide power to make rules. And the law defines instances where rules can be made and the rule alluded to specifically on long-term solvency by my learned friend, which was proclaimed in 2007, was, in fact, made by the Chief Executive and that same rule was amended later in 2013. Now, as I said, it is very important that the FSC is able to look at insurance companies when proceeds from insurance companies are invested in related non-insurance companies. This Bill, Mr Deputy Speaker, Sir, provides a remedy to cure the defects in the existing law.

Clause 3 of this proposed Bill brings – and this is very important – the definition of related company under the ambit of the Insurance Act. Before today, it only existed under that rule and it extends such a definition and that again is important, because we have so many specific purpose vehicle one can imagine in law, so many entities one can imagine; one must not forget that we have in the organisation of business and our civil affairs, our good *Code de Procedure Civile* and our Civil Code. So, this definition now includes any other entity - and I stress on the word ‘entity’ - related to the insurer in any manner provided for in section 2(2) of the Companies Act. Yes, there is need for there to be harmonisation. One cannot have 2/3 pieces of legislation with 2/3 different definitions of related companies.

So, yes, the root definition is that contained in the Companies Act. But, the word ‘entity’ would cover, but is not restricted to, that is, it is not exhaustive to companies, partnerships, mutual funds, trusts and *sociétés*. Should the situation arise tomorrow on a specific interpretation, we would have no hesitation to refer to Hansard here today to shed light on the intention of the legislator in this House when this Bill is passed today.

Mr Deputy Speaker, Sir, Clause 5 of this Bill, more particularly, the new section 110B empowers a special administrator to transfer, after consultation with the FSC, in whole or in part, the undertaking of an insurer or any of its related companies to such insurer and any of its related companies as the Minister may approve. Minister here does not mean the physical

person of the Minister to whom the subject matter of financial services is concerned. It is not as if hon. Bhadain would be sitting in his office and signing a file saying 'approved'. He would come to Cabinet! He would come to Cabinet on a Memoranda and he would have to convince Cabinet *sur le bien fondé* of this important thing and this important issue. So, this is what and how the word 'Minister' should be read.

Now, the question which arises is whether this power which is being given infringes the guarantees provided under our Constitution. Mr Deputy Speaker, Sir, the test of constitutionality is to be assessed by section 3 of the Constitution, the supreme law of Mauritius. Section 3 of our Constitution provides, at paragraph (c) for, *inter alia*, the right of property and from deprivation of property from compensation in that the enjoyment of property rights of an individual does not prejudice the public interest. Public interest, Mr Deputy Speaker, Sir, is found in securing stability of the financial system and protecting the rights of beneficiaries or policyholders as against the almost non-existent or insignificant interest of shareholders in insurance companies in the scenario contemplated in this Bill.

I say so because we are talking of companies which have been so badly managed in that scenario that its capital base has almost ceased to exist and, instead, has been saddled with liabilities. If such a situation is allowed to persist, no doubt, Mr Deputy Speaker, Sir, this will lead to financial and social crisis. In the instant case, we are talking about almost 200,000 people! Therefore, Mr Deputy Speaker, Sir, the provisions of this Bill are not inconsistent with section 3 of the Constitution and, in fact, they allow the reinforcement of public interest.

This Bill, Mr Deputy Speaker, Sir, has, at its roots, the protection of public interest. It provides an effective solution to a loophole in the existing law which ignores the greater interest of the public in the administration of an ailing insurance company. This element of public interest is safeguarded by the fact that the capital base having been eroded to such an extent that the shareholders' interest in the company represents almost nothing and there is an imminent danger that policyholders' interest will suffer irreparable damage.

This is the element of public interest that this Bill attempts to address. Not only that, the stability and integrity of an economic and financial system is an element of public interest and it is the duty of any responsible Government to devise ways and means to protect and safeguard the system. It is not and cannot be tantamount to deprivation of any property! It is the public interest in protecting society from social and economic traumas.

I will also refer to existing protection in our Insurance Act. Section 63 (2), Mr Deputy Speaker, Sir, provides for and I quote –

“Any debt or other liabilities arising out of contracts of insurance issued or underwritten by an insurer (...)”

In such a situation,

“(...) shall rank in priority before any other claim against the assets of the insurer.”

So, Mr Deputy Speaker, Sir, this will enable all transactions conducted within related companies where policyholders’ funds are involved to be under the strict inspection, supervision and surveillance of all the mechanisms contemplated by the FSC. And, to be specific to this law, where these assets are exceeded by liabilities by over Rs1 billion which is likely to be a threat to the stability and soundness of our financial system, it allows for special administrator to be appointed in such cases.

That does not mean that we sit there and wait for that to happen. I am sure and confident that the FSC will find its light. The FSC in which we believe, in which we trust, with which we shall not tamper, will devise appropriate rules to strengthen supervisory and compliance mechanisms, Mr Deputy Speaker, Sir.

To conclude, it is clear that we want to make Mauritius a credible and reliable financial sector and this Bill goes in the right way to reinforce our legal arsenal to make Mauritius a safer place to invest.

I thank you, Mr Deputy Speaker, Sir.

The Deputy Speaker: Hon. Minister for Social Security, National Solidarity and Reform Institutions!

(6.24 p.m.)

The Minister for Social Security, National Solidarity and Reform Institutions (Mrs F. Jeewa-Daureeawoo): Mr Deputy Speaker, Sir, let me first of all thank the Minister of Financial Services, Good Governance and Institutional Reforms, the hon. Bhadain, for bringing this important piece of legislation to this Assembly today. I am pleased to bring my contribution to this Bill - the Insurance Bill. The question is: what is the urgency of bringing this Bill before Assembly today. It is simply because we are concerned with remedying the loopholes found in the Insurance Act 2005. Why? Simply because we are concerned as a

caring and responsible Government and we want to protect and safeguard the interest of policyholders.

It is indeed the role of any caring and responsible Government to address issues in a way that takes into account their urgencies and importance. Good governance as expressed through factors like predictability and accountability is increasingly seen as a key factor in ensuring national justice. The amendments to be made to the Insurance Act 2005 are nothing, but the result of the whole series of events that have occurred and are currently being in the limelight.

The Financial Services Commission has felt more than ever the pressing need to strengthen the effectiveness of its supervisory powers and that, with the only aim of protecting the public, consumers and, especially, policyholders. The FSC, as we know, deals and regulates non-banking financial institutions. Its focus is on non-banking financial institutions, however, many companies have, over time, invested to such an extent in related companies.

The first amendment, Mr Deputy Speaker, Sir, intends to make of the FSC a more effective supervisory institution particularly with regard to related companies of an insurer which is under conservatorship or administratorship. True it is that when an insurer fails in its basic statutory obligation, putting into perils the lifetime or daily savings of the working public, the FSC is vested with powers to address the situation. However, the law, as it is, does not at all look far enough to protect the public thus, the need today to arm the FSC with further supervisory powers for the related companies of the insurer.

The present Bill, however, allows the FSC to be more proactive in its supervision of related companies of an insurer by allowing the regulator to closely monitor related companies and to report thereon so that speedy actions can be taken at the appropriate time to avoid a financial crisis with all its inevitable economic and, if I may say, social consequences. Next, it can be argued that one of the main objectives of the amendments to the Insurance Act 2005 may be to align the powers of the receiver appointed under the Banking Act 2004 with those of the special administrator to be appointed under the Insurance Act 2005.

Under the Banking Act, the receiver, with the approval of the Board of the Bank of Mauritius, can transfer assets of the financial institution under receivership. It can even move for the merging or consolidation of the financial institution with any other financial

institution. For the insurer, the two aims of the appointment of the conservator under the Insurance Act 2005 are only –

- (i) to rehabilitate the insurer and return it to the management, and
- (ii) to reorganise the insurer.

Also under the current Insurance Act 2005, where the conservator finds that prevailing circumstances make a reorganisation of the insurer undesirable, the only option left, Mr Deputy Speaker, Sir, will be for him to recommend the FSC to petition the court for a winding up order. Thus, the conservator cannot, as the receiver, under the Banking Act of 2004, transfer the undertakings of the insurer as part of his statutory duties.

The current proposed amendments, therefore, attempt to remedy this default by empowering a special administrator with the power to transfer the undertakings in whole or in part of the insurer and any of its related companies to another insurer and any of its related companies as approved by the Minister of Financial Services.

This special administrator will have to consult the FSC for this alternative. An important matter to be stressed on is the fact that the prior consent of any policyholder, shareholder, creditor or any other stakeholder of the insurer and any of its related companies will not default upon such a transfer. This is really warranted for the simple reason that, in such circumstances, the need to safeguard urgently the assets of the companies and more especially the assets of the public is a priority of the Ministry, the FSC and the special administrator.

It is of note that not in all cases will a special administrator be appointed so that it would not be accurate to suggest that with the advent of the position of a special administrator, the appointment of the administrator and conservator will be rendered *caduc*.

It is to be highlighted that the special administrator will only be appointed in such special cases where the Minister of Financial Services so requests the FSC after having satisfied on the basis of a report submitted to him by the FSC confirming –

- (i) that the liabilities of the insurer concerned and any of its related companies exceed its assets by, at least, 1 billion, and
- (ii) that such excess is likely to be a threat to the stability and soundness of the financial system of Mauritius.

We have here, Mr Deputy Speaker, Sir, once again shown through our action that, as a caring Government, we are working in the best and utmost interest of our people at large.

I will join my colleague, hon. Bhadain, to say that this Bill does not at all have a retrospective effect. I would say that we have once again shown that we are a committed Government. We are working in the best interest of our people and, at the same time, trying to safeguard the interests of the policyholders.

Thank you.

The Deputy Speaker: Hon. Mohamed!

(6.32 p.m.)

Mr S. Mohamed (First Member for Port Louis Maritime & Port Louis East):

Thank you, Mr Deputy Speaker, Sir. I must also admit that I am very curious with what exactly is the objective of the hon. Minister who has brought this piece of legislation. I am very curious as to the objective that he is trying to make the Government as a whole embrace through his decision.

It is not sufficient to simply say that there is urgency. That in itself is not enough to justify that a particular piece of legislation is brought to Parliament, where the only intention in that legislation is one that concerns the British American Insurance. The urgency, as explained by the hon. Minister is, in fact, what? The issue about the insurance. A company has already been formed. It is called NIC. This is where I am troubled; this is where I am curious; this is where I have questions, and this is where questions have to be answered. I'm troubled when I hear that the company has already been formed and called the National Insurance Company. I'm troubled when I hear *les mauvaises langues qui disent qu'il y a deux des conseillers du ministre Bhadain* qui happen to be from PricewaterhouseCoopers. It's been covered in a magazine or a publication called 'Capital' of the 15th of this very month. And what is curious is what I hear, namely that that company is awaiting to start to operate, is awaiting to obtain its licence from the Financial Services Commission, if it has not already by jumping the gun. This is happening while an adviser from the Minister - I hear - has already been named on the Board *de l'administration* of NIC.

This is what I am worried about. I guess that little news does not come from 'Capital', the ownership of Mr Dawood Rawat. This is fact. An adviser of the Hon. Minister Bhadain is on the Board *de l'administration* of this newly formed company called NIC, awaiting to take over from the destroyed British American Insurance. I will not get into

the merits or the demerits as to who is responsible for what, or who is not responsible for another. I will not get into that. But what I will say here is, as Members of Parliament, it is our responsibility to give the good example and a good message out there, because what we are doing here today does not concern one company. It has an influence on the image that our country has outside of Mauritius and also those people who are today afraid of coming to Mauritius to invest their money here because they are of the view that their savings, their investment is not at all protected.

When I open this piece of legislation, there is no reason whatsoever - intentions may be good; you could have come with the best of intentions - there is no plausible explanation as to why, in this piece of legislation, the Minister has the power. Why is he ascribing himself, Mr Deputy Speaker, Sir, with the power to decide the functioning of an institution, that is, the Financial Services Commission, which is supposed to be independent in this world of today? He is the one who decides who to sell to; which insurance company to sell it to. I read also. The funny thing is that we are in this august Assembly, and instead of having the right to give my views, instead of having the right to explain myself - we can agree or disagree - instead of listening, the hon. Minister says, '*talère ene ti moment.*' I have been threatened!

(Interruptions)

I am sorry! The fact remains I am entitled to my views. But that does not mean: wait a minute, you will see later on! What does that mean?

(Interruptions)

The Deputy Speaker: Silence, please! Silence! Hon. Mohamed, are you taking a point of order?

Mr Mohamed: No, I am not even taking a point of order because basically it would be a waste of the time of this august Assembly.

(Interruptions)

The Deputy Speaker: Silence, please!

Mr Mohamed: Why would the hon. Member say something from a sitting position? Could he please withdraw it? He is trying to say that I am speaking because I am paid to speak, because of Mr Dawood Rawat. So, he withdraws it because what he said here is really attacking my personal reputation and that is not allowed...

(Interruptions)

Could he withdraw it?

(Interruptions)

The Deputy Speaker: Silence, please! Hon. Mohamed, are you taking a point of order?

Mr Mohamed: Yes, that is a point of order, saying that I am speaking because of Mr Dawood Rawat; that is not parliamentary.

The Deputy Speaker: Which Member said that?

(Interruptions)

Mr Mohamed: Should I refer to the point of order?

The Deputy Speaker: Yes. Which Member said that?

Mr Mohamed: The hon. Member sitting next to hon. Bodha.

Mr Sawmynaden: Is the hon. Member pointing at me?

The Deputy Speaker: Hon....

Mr Mohamed: Either it was him or hon. Bhadain. They had drawn up...

(Interruptions)

The Deputy Speaker: Well, hon. Members! Hon. Mohamed, you have to be sure which Member has said it.

Mr Mohamed: Well, it was hon. Bhadain. I am sure this time.

(Interruptions)

The Deputy Speaker: Hon. Bhadain!

(Interruptions)

Hon. Bhadain, are you imputing motives?

Mr Bhadain: Mr Deputy Speaker, Sir, I never mentioned about any payment. I don't know whether he works for free.

(Interruptions)

The Deputy Speaker: Hon. Mohamed!

Mr Mohamed: Fair enough if they run away, Mr Deputy Speaker, Sir. I will not insist. Now, if they are afraid of what they said and can only say it from a sitting position, and that cowardice, I will not, they will dispute it!

(Interruptions)

What I've said here and I will repeat myself, if the intention here is to protect people, what was therefore the logic in having to come with a piece of legislation that says that it is to be in here - the name of the Minister is mentioned, why? Why is it, Mr Deputy Speaker, Sir, that in there, I read that it is the Minister who will have to receive the report and the Minister may decide to appoint a special administrator and it is the Minister who may approve the person to whom this undertaking may be transferred to? Why?

I have looked at all legislations and I have looked at legislations in the United Kingdom, legislations in other jurisdictions where, at least, let me try to find this good practice that is being established in other jurisdictions to see that the Ministers even in those countries, in those lands far away, have the same power in order to intervene and decide to whom an undertaking is going to be transferred to. I have found no such legislation. Therefore, why is it that in other countries, they do not believe it is of utmost importance to have a Minister who can intervene or be discretionary, but why is it that in Mauritius, we have to be different and have that piece of legislation? Why? Why is it that the hon. Attorney General said that –

“It is not the person himself who will be there sitting (...)”

And it is referred to here as the Minister.

“It is not him who will be sitting there signing away; he will have to come to Cabinet”.

There is nothing in the Cabinet manual that says that he was obliged as a Minister when you have a statutory power to decide anything that you have to go to Cabinet. That does not exist in the Cabinet manual. That book, that red one that was given to each and every Minister, when they swear in, that book does not contain anything that says that you will have to go back to Cabinet. Therefore, it is discretionary upon hon. Bhadain. If he is the one to decide that he wants to sign and decide which undertaking will be taken by whom, he is totally entitled to do it because he is asking this august Assembly to do exactly that, to empower him to do that and such a power does not exist in any other jurisdiction I have come across. Why? Why is it that with one hand, you say that you have confidence in the ability of

the Financial Services Commission, you can commend them with the ability to work, but, at the same time, in the same piece of legislation, you say that they will not have the right to decide which undertaking it will be transferred to. It will have to be the Minister who will have to decide. Is that confidence in the independence of an institution, in a day and age, where Ministers have to remove those responsibilities for them and institutions have to be strengthened? Instead of having political interference, we should ensure that we do not have such political interference.

I have heard the hon. Leader of the Opposition say: it is because of political interference that we are ended up here today. I will not dispute what he said, perhaps...

(Interruptions)

I must also admit that if that is the case, then, we should learn from it and if we should learn from it, why it is, therefore, that we are including in this legislation the role of a member, of an executive? Should we not do exactly the contrary? Because in the past, supposedly, there have been mistakes and, therefore, in the past because of those mistakes we should learn from it and ensure that it is not repeated and if we had really learnt from it, we would not have brought a piece of legislation here with the name of a Minister having power to decide on who is going to end up with an undertaking. This is a serious power in the hands of a Minister and the hon. Minister says this has no retroactive effect. We have seen Mr Mushtaq Osman and Mr Bonieux, on the other hand we have Mr Satar Haji Abdullah. Those two people are in conflict, those two groups are in conflict, they have gone to the Courts of Mauritius in order to say: well, empower me! Because he should not have the power and the other one is saying the same thing. So, the Courts of Mauritius will have to decide, at some stage or the other, who is right and who is wrong. The Courts have to decide, the Judiciary has to decide. In a country that is a democracy, in a country that believes in the rule of the law, if you believe in the rule of law, you believe in the separation of powers, you believe that you have no right to step on the toes of the Judiciary, you believe that you do not have the right to embark upon the law of this land, if you believe in it,...

(Interruptions)

...you have no right therefore to interfere in the working of Courts.

(Interruptions)

The Deputy Speaker: Silence!

(Interruptions)

Silence!

Mr Mohamed: My point of view, Mr Deputy Speaker, Sir, is very simple. If there are legislations that are good pieces of legislation and that is precisely what the Insolvency Act is and the Insurance Act is. If there are problems in the implementation, the practice, what has to be done is to strengthen, as the hon. Leader of the Opposition said, the powers of the FSC, ensure that they are so independent, so strong, never again are we going to have people who are politically nominated there and ensure that they have not only guidelines, but regulations that they can enforce in order to empower themselves without the possibility ever in the future for a Minister to intervene. When I say that, the hon. Minister Bhadain takes it personally, I understand, but what he fails to see is that he is not and will not be the last Minister of Financial Services. There could be another Minister after him who abuses the power that he is introducing in this law. What do we do next? What do we do then if he is giving the guarantee to this House, that in this august Assembly, he is giving us the guarantee that he will not abuse and I will believe him if he says that, but what happens if there is someone else whom we cannot have confidence in, what do we do then? Because when we legislate, we legislate not for today, not for tomorrow, but for the future and what we do here is dangerous because it could be that we are putting a gun with bullets in the hand of someone who will not be as responsible as Minister Bhadain. Then what do we do?

(Interruptions)

So, what I am trying to get at here is that as far as property is concerned, our Constitution protects us, all citizens, against deprivation of property, not only against property deprivation, but against any rights therein as referred to in section 8 of our Constitution. Rights in property also means, Mr Deputy Speaker, Sir, the rights of creditors. All those people who have put money in an insurance company; all those people who have put money, have invested and subscribed to certain plans approved by the Financial Services Commission could be defined as being creditors. They are owed money. Those people have rights and those people have the right to appoint an administrator. Those people have a right to appoint an administrator be it under the Insolvency Act and they have the right to appoint people according to their existing legislations to protect their interests.

When there is a conflict between two groups of people, as I have explained, and the courts are called upon to decide, we should allow the courts to decide, and the court,

according to the Insolvency Act, has the power to appoint and revoke an administrator. Our legislation is very clear, the power of the court is to appoint, not only to appoint and to revoke, but also to supervise the work of the administrator. If at all he is not carrying out his duty as he should be within the parameters of the law, the court has the power to intervene. But, should our legislature intervene? If we are intervening today, this is, what I call, a wrongful intervention. If we are intervening in today, what are we saying? The message out there is: you - the courts, you - the Judiciary, you shall not decide on this issue. We shall not wait for you to decide on this issue. You shall not have the possibility of deciding who is right and who is wrong. You shall not have that right, but what we shall do is: we shall vote a new law that removes that power from you because legislature has decided to remove the power from you. This, Mr Deputy Speaker, Sir, in my view, is not only a legislation - a Bill which will become an Act - which has a retroactive effect because it changes the appointment that has been done in the past. It is an *ex post facto* piece of legislation; it changes what happened in the past. It has a retroactive effect. The hon. Minister started out his intervention by saying that it did not have a retroactive effect. If it does not have a retroactive effect then he should come and give a guarantee to this House that it does not apply to the insurance and the appointment of the conservator or the administrator that happened in the past. If it applies to them, it means it has a retroactive effect. If it has a retroactive effect; it is, therefore, a violation of Section 8 of our Constitution because our Constitution clearly says it and let me read it -

Section 8 of the Constitution

“No property of any description shall be compulsorily taken possession of, and no interest in or right over property of any description shall be compulsorily acquired, except where - (...).” And it explains there.

What they are going to say here is that: this is not a violation of Section 8, but a right within the property is precisely the right of the creditor to appoint an administrator under the Insolvency Act. That is a right under a statute of this land and if it is a right, this is being annulled, cancelled, taken away by a simple operation of the law concerning one specific case. That is a law that has a retroactive effect.

(Interruptions)

There are certain people who will come and say: we have been elected in order to make laws and, therefore, we have the majority to make laws and Parliament is supreme; yes, but the

supremacy of Parliament shall never be abused. The supremacy of Parliament shall not be abused because that is also what the supreme law says. That is our Constitution. We may say whatever we want, but we stand guided by our Constitution. Are we a democracy, are we not? Are we a country where there is the rule of law, are we not? Are we going to step on the toes of the Judiciary, are we not? Mr Deputy Speaker, Sir, one thing which is important, as the hon. Leader of the Opposition said it, outside there, people are wondering. The hon. Minister of Financial Services, Good Governance and Institutional Reforms, this morning, gave a rosy picture about people wanting to invest in Mauritius. I can assure him what I wish is for many more to invest. We are all people who love our country and want people to invest. We want to ensure that jobs are created, but the methodology that has been used, the methodology that has been adopted is not what should really be adopted because this is not giving us a good image out there. I have spoken, as you have, to many other people who do not tell you exactly the other side of the coin: why should they come to Mauritius and invest in financial services when a Minister can come and bring a law to Parliament and *du jour au lendemain*, whatever they have invested has disappeared.

When I listened to the hon. Minister of Finance and Economic Development, what did he say a few days back to a question from hon. Uteem? *Les petits investisseurs de cette organisation*, the people who have invested in Bramer, those who own shares, who have invested, what will happen to them and what he said when the question was put: is it not true that there was a massive sale of the shares in Bramer at one stage on the stock market. What did the hon. Minister of Finance and Economic Development say: 'it is not us, but brokers who hold the shares.' So, what he, as Minister of Finance and Economic Development, is trying to tell us is that the shares in Bramer owned by entities belong to the State. He has no control over who sells and buys those properties, those shares, but brokers do. Brokers can do whatever they want *avec l'argent des contribuables*. Brokers can do whatever they want, whenever they want. This is what he wants us to believe. *Il y a trop de zones d'ombre*. The intention of hon. Minister Bhadain is clean, I will not doubt him. But I'll say it again, the method that has been used is not right. I would have been happier to seeing a piece of legislation, as suggested by the hon. Leader of the Opposition, specifically BAI mentioned there; as was the case when hon. Sir Anerood Jugnauth was Prime Minister in the MCCB affair. You want to sort the problem out, the hon. Leader of the Opposition is totally right; sort it out specifically, but do not extend those specific draconian measures that have the

effect of Constitutional issues being raised with regard to other companies, other insurance companies. That is what I call overkill.

So what I have said today will be drowned by the simple rhetoric: who stole, who stole, who stole. What I am only concerned about is: with what we are doing here, if the intention is to do good to the financial stability of our country; if that is the intention I commend that, but it is possible, and I say more than possible, it is more than probable that what has been done here is an overkill because it does not help.

Mr Deputy Speaker, Sir, when we see that advisers of certain Ministers are named on certain newly formed insurance companies as Board Members, it does not give a good perception of good governance. It does not give a good perception. If wrong has been done in the past, the hon. Minister, the hon. Attorney General, the hon. Prime Minister are right; if you sincerely believe, fight it, but, please, do not cast aside a wrong by committing other wrongs. What I am trying to say, and I say it again, my suggestion goes along the same lines as the hon. Leader of the Opposition; if you have a piece of legislation, ensure that it is constitutionally in order. This piece of legislation is not constitutionally in order.

This piece of legislation is not in order and it is also a violation of the sacrosanct principle when it concerns proprietary rights; proprietary rights here are, for instance, creditors. You cannot and should not pass a legislation that has a retroactive effect to change their rights because it affects their rights and, in conclusion, does it change their rights? If people don't believe what I am about to say, yes, *because avec l'opération de cette nouvelle loi*, what is going to happen? Simply, the people that have been named Mr Bonieux, Mr Oosman; they stop having any role whatsoever. Therefore, it has a retroactive effect on even what the Government did in the past. It has a retroactive effect on what the creditors and the members of the company have done with regard to Sattar Hajee Abdoula.

(Interruptions)

Yes, Mr Deputy Speaker, Sir, the court will have to decide. That's true! But then, again would we not be an interesting Parliament if, at least, we try to avoid having to go to court on each and every day's issues!

(Interruptions)

The Deputy Speaker: Silence!

Mr Mohamed: What is quite interesting is that I am taking the view that the reputation of the country has to be preserved and I do not believe, in any way, Mr Deputy Speaker, Sir, that this is a joking matter. I do not believe it is a funny matter. I do not believe that is something that the Government should be proud of.

(Interruptions)

The Deputy Speaker: Hon. Jhugroo!

Mr Mohamed: I believe that this is something that is very important. If I have spoken my mind with regard to what it has to do, I have been very careful not to go into the merits or the demerits of any case. I have been very careful not to go into *un procès d'intention*. I have been very careful not to do that because this is not what my aim is today. I have simply stuck to certain parameters which is this piece of legislation. Does it stand the constitutional test? I humbly say no.

(Interruptions)

Does it stand the test with regard to a simple violation of propriety rights? The answer is no. Does it go against the sacrosanct principle of not coming up with retroactive pieces of legislation? The answer is no. So, those are my views. Government has a majority. They can laugh it all out and vote as much as they wish, that doesn't mean that might is right.

Thank you.

The Deputy Speaker: Hon. Gobin!

(Interruptions)

No cross talking, please!

(Interruptions)

Silence!

(7.00 p.m.)

Mr M. Gobin (First Member for Rivière des Anguilles & Souillac): Mr Deputy Speaker, Sir, I think we are facing such serious times that we, as Members of this House, have to look at our beloved country and legislate in the public interest. I do not want to make any political speech. I can speak for hours, unfortunately, my learned friend, hon. Mohamed, chooses to leave now.

(Interruptions)

There is a constitutional principle and I will start, precisely, with the constitutional principle that Parliament never legislates in vain. There is always a purpose. There is always a mischief somewhere and Parliament is called upon to legislate. We, as Members of this House, we have a duty on our shoulders. What does the Constitution provide? Let us take a step back as the hon. Leader of the Opposition suggested, but also *prenons un peu de la hauteur; à situation exceptionnelle, mesures exceptionnelles*.

Section 45 of our Constitution tells us that Parliament makes laws for the peace, order and good Government of Mauritius. We have seen what bad Government means.

(Interruptions)

The hon. Leader of the Opposition is very correct in pinpointing that we have reached this situation because of bad Government. It is our duty now to legislate for the peace, order and good Government of this country. There is an important word in section 45 and that is the word ‘order’, to legislate for the peace, order and good Government. ‘Order’, of course, includes sound financial order in the affairs of our country. Are we, as at now, in a sound financial order when we see administrators and conservators at loggerheads, where we see the interest of policyholders be stampeded upon? This is the mischief that this house is called upon to cure with the Insurance Amendment Bill. I wish to remind hon. Members that this is the duty that is bestowed upon them today. Whatever is being said in this House today will surely be looked upon later, maybe in the courts because I am sure some people will mount constitutional challenges as they are entitled to. But I very humbly believe we will pass the constitutional test for a number of reasons and the main one being that overriding public interest calls for this amendment today.

(Interruptions)

I want to draw the attention of hon. Members to a living example we have just been reminded of, the judgement of the Privy Council in the case of the Rainbow Insurance.

(Interruptions)

This judgement was given on 20 April by the Privy Council. If I am not mistaken there are more than 10 pages of this judgement. I think it starts at page 4 and goes up to page 14, where their Lordships set out the numerous delaying tactics that were employed by the then – if I may use the words – ‘the hired guns’, all those involved, going back and forth, regulator,

lawyers, valuers and all that and it will give a vivid example of what happens if we do not act promptly. This judgement will show us seven years before we now reach the stage where we get this final judgement, but in the meantime seven years have elapsed. Do we want the same thing to happen now? No! This judgement, we learn from it and we prepare this legislation today and instead of having a political speech, Mr Deputy Speaker, Sir, we should all focus on what the Bill provides.

We have heard comments being made about the undermining of the independence of the regulator. I humbly beg to differ. When we look at clause 110 A which eventually will become section 110 A, the Minister will act on the basis of a report prepared by the Financial Services Commission. It is not as if the hon. Minister or the next hon. Minister - probably there will, of course, be other Ministers in that seat - acts on whims and caprices and then decides to appoint a special administrator. The FSC will submit its report and then there is the second stage. It is a two stage test. The first test is determined by the FSC. What is that test? The test is where the liabilities of an insurer and any of its related companies exceed its assets by at least Rs1 billion. This is a determination to be made by the Financial Services Commission and then, to submit a report to the Minister. Now, we have to ask ourselves the question and we have heard this question being asked tonight in this House. Why at all should this matter be referred to a Minister? Why does not the FSC itself take the decision? Mr Deputy Speaker, Sir, we have to ask ourselves the question: is the FSC empowered to decide on public interest? Is the FSC empowered to decide on the threat to the stability and soundness of the financial system of Mauritius?

It has been since time immemorial in our system of Government that the issue of the national interest, the public interest is always and has always and will continue to be vested with the Executive. When the question arises whether it is in the national interest for a foreigner to leave the territory, this is a decision for the Executive. Same here, the report based on international accounting standards is prepared by the FSC submitted to the Minister and this is where we come on the second stage test. The test being that such excess - which excess are we talking about? It is the excess of Rs1 billion of liabilities over assets - is likely to be a threat to the stability and soundness of the financial system of Mauritius. Once this two-stage test is passed, then and only then - what does the Minister do? Does the Minister appoint the special administrator? No, he does not appoint the special administrator! The Minister requests the Commission to appoint a special administrator. He does not even designate the special administrator. He requests the Commission to appoint. He does not even

tell the Commission: “Appoint Mr X.’ It is for the Commission! Now what happens to the request? On receipt of a request, the Commission appoints - not the Minister. I am talking about section 110A subsection 2. Now, will the Commission appoint any Tom, Dick and Harry? No! The Commission shall appoint a person who possesses the qualification of an insolvency practitioner under the Insolvency Act. I do not see, in any way, how there is any ministerial intervention in the appointment of a special administrator, save for the decision as to the public and national interest in the test whether the excess is a threat to the stability and soundness of the financial system of Mauritius. This is the overriding public interest which we are legislating upon tonight.

Third issue about the retrospective effect whether we are going to put Mr Sattar Hajee Abdoula or Mr Bonieux out of business or we are going to kick them out of their job? Not at all! Are we saying that once the special administrator is appointed, it is as if the appointment of the conservator or administrator has lapsed *ab initio*? Not at all!

Let us read carefully what this Bill provides, has been carefully drafted, I should say. Sub-clause 3 states –

- “(3) The appointment of any –
- (a) administrator, other than by Court, under section 215 of the Insolvency Act;
 - (b) administrator under section 48 of the Financial Services Act; or
 - (c) conservator under section 106,

to the insurer and any of its related companies shall end on the appointment of a special administrator under subsection (2) to that insurer and any of its related companies.”

These are the words that we should be careful about ‘shall end’. When? On the appointment of a special administrator! That is the appointment ends, not lapses, it ends going forward on the appointment of a special administrator under subsection (2).

Finally, I wish to say something else. We are in total agreement in the House that *à tête reposée, il faut revoir* and consolidate where there is a need to all this Insurance Act, Financial Services Act and other related legislation. Of course, this is forthcoming! I hope hon. Minister Bhadain will confirm that in his summing-up. But I can safely say, of course, this is forthcoming! Now, for the time being, do we sit, watch and leave the policyholders not

attended to? We have to legislate again for the peace, order and good Government, including financial order in the system and this is where this Bill is important. This will be my modest contribution tonight, Mr Deputy Speaker. I do hope Members of this House will realise the importance of this Bill and that it will successfully pass all the stages so that action can be taken thereon.

I thank you, Mr Deputy Speaker.

The Deputy Speaker: Hon. Ganoo!

(7.14 p.m.)

Mr A. Ganoo (First Member for Savanne & Black River): Mr Deputy Speaker, my friends and me, we are in favour of this Bill and we are going to vote for it at the third reading stage.

But, I have some personal reservations with regard to the contents of this Bill. Firstly, Mr Deputy Speaker, Sir, in the field of finances, in the financial world, in the banking sector, in the banking services, it is always hazardous when any decision, when any action or particularly when any legislation is taken or is proposed for or against, in favour or against any specific entity, legal person or person and this can impact negatively on the climate in the country. The decision, the action to be taken must be as objective as possible. Objectivity in the sector, Mr Deputy Speaker, Sir, is the fulcrum upon which to build a country's reputation as a financial sector.

But the hon. Minister, of course, elaborated in his speech the reasons for this legislation. I think hon. Gobin said it in another way, *aux grands maux les grands remèdes*. There was an urgency and I have noted what the hon. Minister said. We have reached a situation of deadlock and the legislators never anticipated such a situation. So, this is why, hence today, the *raison d'être* of this legislation, of the appointment of the special administrator and the other provisions in this Bill.

Second reason, Mr Deputy Speaker, Sir, I also agree with the opinion that there should have been consultation with the Mauritius Insurers Association and I am sure there has not been because the hon. Minister would have mentioned it. Also, I am of the opinion that there should have been consultation with the Mauritius Insurers Association, with the stakeholders before finalising this Bill.

Mr Deputy Speaker, Sir, we are in the presence of a Bill today to correct a major failure in our financial services. This is why Government is introducing this Bill which will come up with a new recourse in order to control excess, to prevent failures and to curb contagion within our financial system. The Bill, in fact, purports to propose a new remedy, a new mechanism.

But I would like to come to the root cause of this failure, Mr Deputy Speaker, Sir, to understand why we have landed in this situation today, flawed economic policies, inappropriate fiscal and monetary policies. I mean to say, Mr Deputy Speaker, Sir, we all know that the previous Government had persistently followed an ultraliberal market policy consisting of reducing the repo rate, depreciating the currency, taxing interest rates on savings, and the end result of all these measures was to lead thousands of small savers with no alternative than to look for more attractive investments. In a liberal and free market economy, this opened the floodgates for all sorts of abuses, excesses, scams and frauds in the absence of proper control by the regulatory bodies and by the higher authorities. There was absence of regulatory *rigueur*, blatant laxity, crony capitalism which was based, unfortunately, on proximity, at times overtly and at other times covertly, with business tycoons. There was bound to be opportunities for fraud whereby innocent, naive and small savers were deprived of any protection from the authorities.

What Government is qualifying as a massive Ponzi scheme, scandal, was in fact due to the laxity of the former authorities: the Central Bank, the Minister of Finance, the FSC who had failed in protecting small savers, because one today asks the question, Mr Deputy Speaker, Sir. How is it that the FSC could have authorised high-risk investment schemes without any proper caution, proper control, proper conditions? How is it that although the cases of other Ponzi schemes like Whitedot, the Sunkai affair, the A & A Marketing had already come out in the public, yet the authorities had failed to review the whole investment schemes which were operating against the rule which had been approved by these same authorities? The other Ponzi schemes I just mentioned were opportunities given to review the approved schemes of these regulatory bodies.

I remember, Mr Deputy Speaker, Sir, when these other Ponzi schemes had just exploded, I myself was then Leader of the Opposition and I raised the question in the House about the reported cases of Ponzi schemes and the then Minister of Finance said – I am quoting from his answer in April 2013

“Mr Speaker, Sir, we have been and are taking steps to -

- increase the responsiveness of the various institutions to information/intelligence received;
- plug any regulatory gaps;
- accelerate training of financial institutions on Ponzi schemes;
- reduce the risks, stiffen the penalties and alert the public on precautions it should take.

Government will also reinforce legislation, whenever required, to increase the powers of the Bank of Mauritius, the FSC and the FIU to deal with such cases and plug any loopholes. We need to be careful to keep proper checks and balances.”

This was in April 2013.

Mr Deputy Speaker, Sir, in addition, we learned about the IMF Report which had already raised the alarm bell. There was the Private Notice Question of the then Leader of the Opposition; regrettably no enquiry, no report, no investigation was ever conducted, no on-site inspections took place, which can only explain the complacency of the authority! This is why the situation has evolved the way it has evolved and has landed us in the situation we are in today. All the authorities, including the Ministry of Finance, therefore, were responsible for this situation.

Today, Mr Deputy Speaker, Sir, Government is proposing the legislation in front of this House. In fact, Government is proposing to bring in the ‘superman’, the ‘Special Administrator’, but I would like to draw the attention of Government also to see to it that the macro situation which persisted then should not persist also. The economic policy should not remain the same. The policy of depreciation of the rupee still persists and low interest rates are still there. Savers still look after better alternatives. We must, Mr Deputy Speaker, Sir, be careful that fraudsters should not be allowed to *sévir*.

This is why, Mr Deputy Speaker, Sir, I shall make two comments on the Bill. There is the proposal in the Bill before this House of section 110A, and hon. Gobin has just commented on the situation. The question is whether we had no choice to allow the Financial Services Commission to decide that the liabilities of the insurer exceed the assets and whether this excess is a threat to the stability and soundness of the financial situation. On the basis of the report, the Minister should be satisfied, as we know, in the legislation. The question was asked: why don’t we leave it to the Financial Services Commission? Hon. Gobin told us just

now - and I think honestly this is what should have been done, that is, the hon. Minister who is part of the Executive should have divested himself of this power and should have left it to the FSC. But hon. Gobin told us: “No, how can the FSC decide? It is up to the Minister. On the basis of the report, he will know better whether there is a threat to the stability and soundness of the system of Mauritius.” This is how hon. Gobin tried to argue the case that it was up to the Minister - the law is good, the law is perfect - to take the final decision.

But, Mr Deputy Speaker, Sir, I had a look at the Insurance Act, and I was surprised to see the powers that are given to the Financial Services Commission in this Act. By virtue of section 3 of the Insurance Act –

“The Commission shall be responsible for the administration of this Act.

The Commission shall discharge its functions under this Act in the manner which it considers most appropriate for the purpose of meeting the regulatory objectives (...)”

A list of factors should be taken into account by the Commission and one of criteria is “the best economic interest of Mauritius”! So it is the Financial Services Commission which has to decide, in its function, in a manner which it considers most appropriate for the purpose of meeting the objective of the Act. Then, several factors are listed, and one of them is “the best economic interest of Mauritius.” So the FSC has been given the power to decide, in certain circumstances, what are the best economic interests of Mauritius.

So, according to me, the law should have invested the FSC with this power of deciding to appoint a special administrator on the criteria which has been spelt out in the legislation.

Now, to come to these two conditions, firstly, the more so, Mr Deputy Speaker, Sir, there are two legs. One is whether the liabilities exceed the assets by Rs1 billion. This is an objective test. Anybody can decide that. It is a question of arithmetic, calculation or computation. This is an objective test, whether liabilities exceed assets by Rs1 billion. But the other test is a subjective test - whether the excess is likely to be a threat to the stability and soundness of our system.

Different people can come to different conclusions. And a member of the executive, the perception is, Mr Deputy Speaker, Sir, that because he is a politician - this is nothing personal, I am sure that the hon. Minister understands my point, but it is a subjective matter. What is more important, as we know, Mr Deputy Speaker, Sir, is the perception. If at all it can do any damage to our financial services, it can be perceived that here it is a politician

who has been given this prerogative to decide upon the appointment of this special administrator on a subjective test. That is he can use his own reasoning which can be different, which can be questioned by anybody. So, it should have been better to leave it to the Financial Services Commission.

Now, on these two factors, assets exceeding liabilities by Rs1 billion, is this a fair test, Mr Deputy Speaker, Sir? Why do I ask this question? What are assets? Assets are volatile! Today, they can be Rs1 billion, tomorrow they can be Rs2 billion. Assets are volatile, Mr Deputy Speaker, Sir! We all know how shares go up and down within a day. The intention is good, but perhaps the difference between assets and liabilities should not have been couched in absolute terms. It could have been in terms of percentage or ratio and this ratio, this percentage, liabilities exceed assets by 5% or 10%, I don't know, it is up to the technicians to have decided that, but in collaboration with the association of the insurance companies. I wish to make this point, Mr Deputy Speaker, Sir, that is, the relation between assets and liabilities could be very volatile. Investment in stock exchange, as we know, goes up and down and this is why this test of Rs1 billion between assets and liabilities is flawed according to me.

Mr Deputy Speaker, Sir, I think somebody said it before me. In fact, we are here today to steer our insurance industry back to the path of stability and credibility and I have no doubt that because this legislation was needed at this point in time, we hope that it will give the financial sector a new bout of stability and soundness.

But nevertheless, Mr Deputy Speaker, Sir, I would like also to make the point. When we were all on this project and when we are all bent to instil more dynamism in the financial sector, Mr Deputy Speaker, Sir, I think we have, in all honesty, to look about this decision which has been taken by the Government to appoint at the head of the FSC, the Financial Secretary (FS). We are all friends to Mr Manraj in this House, but the question that we should ask is: are we sending the right signal, Mr Deputy Speaker, Sir? Because, as we know, the FSC reports to the Minister of Financial Services and the FS reports to the Minister of Finance. So, here is a high official respected by everybody in this country who is now Chairman of the FSC, who has FS reports to the Ministry of Finance every day and he has also now to report to the Minister of Financial Services as Chairman of the FSC. This is what we call perhaps confused accountability. For example, if the Minister of Finance does not want to promote a particular product, and if the Minister of Financial Services decides

otherwise, how will the FS react, Mr Deputy Speaker, Sir? It is not only confused accountability, but this Bill will make of Mr Manraj a split personality, I think, or *bipolaire*.

Mr Deputy Speaker, Sir, I come to the wrong signal we should not be sending. This Chairman of the State Bank, Mr Deputy Speaker, Sir, we were told was the Deputy Chairman of Global Capital of Malta and BAI interholdings. He was the Chairman of the Investment Committee. The Rt. hon. Prime Minister, in one of his recent statements, said: *trois quarts l'argent fine alle de hors*. I suppose this gentleman should know how *trois quarts l'argent fine alle de hors*. And this gentleman is still the Chairman of the State Bank, Mr Deputy Speaker, Sir. I am sure that the special administrator will have the chance to talk to him and to probe further into many answers that the population of this country still wants to know.

I will end up, Mr Deputy Speaker, Sir, on the question of the constitutionality of this legislation and whether this legislation has passed the tests of constitutionality. In fact, it was the Attorney General himself, who brought the question of property rights in the debates. He said –

“This piece of legislation is constituting no way any deprivation of property”.

Hon. Shakeel Mahomed also dealt on this subject. He talked about the rights of creditors which are property rights and arguing that the Bill is not consistent with the Constitution. Whatever be it, Mr Deputy Speaker, Sir, I am not going to pronounce myself on whether this Bill has passed the test of constitutionality or not. In fact, it is a sad thing that in our country we have not yet implemented what the Republic of India has done.

That is given to the President the right of referral to the Supreme Court where the President in such a case if he had the power he would have sent this legislation to be tested, to ask the advice of the Supreme Court, referred the Bill to the Supreme Court, referred the piece of legislation to the Supreme Court and the Supreme Court would have pronounced itself whether this Bill has passed the test of constitutionality before Parliament vote for or against this Bill. But whatever be, Mr Deputy Speaker, Sir, since this Bill is concerned with property rights; since the Attorney General, himself, quoted section 3 of our Constitution –

“Article 3. Fundamental rights and freedoms of the individual”

I will not repeat what he said. Section 8 of the Constitution.

‘Article 8. Protection from deprivation of property’.

I will humbly suggest Mr Deputy Speaker, Sir, to ask Government to have a look at section (4A) (a) of the Constitution which reads as follows –

“(4A)(a) Notwithstanding subsection (1)(c), section 17 or any other provision of the Constitution, no law relating to the compulsory acquisition or taking of possession of any property(...)”

This is what hon. Mohamed was arguing, this is a Bill which was, in a way, taking possession of property rights, but the Constitution says –

“(...) no law relating to the compulsory acquisition or taking of possession of any property shall be called in question in any court if it has been supported at the final voting in the Assembly by the votes of not less than three quarters of all the members of the Assembly.”

I would have thought that it is in the interest of Government that this law at its final voting should have been voted by three quarters of the Members of this House, Mr Deputy Speaker, Sir, so that in the future, if this law is challenged before our Supreme Court, at least, we will know that three quarters of the Assembly have voted for this Bill.

I thank you.

At this stage Madam Speaker took the Chair.

(7.40 p.m.)

The Vice-Prime Minister, Minister of Energy and Public Utilities (Mr I. Collendavelloo): Thank you Madam Speaker. Let me start by isolating the speech of the hon. First Member of Port Louis Maritime and Port Louis East, hon. Mohamed, from all the other speeches that we have heard in this House today. Because all the speeches: hon. Ganoo, hon. Leader of the Opposition, the Members of this House have been at a very high level of debate and even if we are in disagreement with some of the points, let us say that it has been done in the spirit of what should be the Parliamentary debate. But I am afraid I cannot, but isolate my hon. Member friend Shakeel Mohamed when I say this. I am tempted to revise what I said on televised debates after having heard my friend Mohamed, but I was reminded of an instance in 1984 when I was a young MP of the Opposition and I spoke on the Companies Act and in the course of my speech I alluded to an instance in which I was Counsel, but did not disclose it. As I was walking out, it was 2 o'clock in the morning, there was a recess and hon. Yousouf Mohamed came to me, he told me: ‘I will give you a piece of advice Ivan. You

should never use the Assembly to make a speech where you are Counsel''. Can I ask hon. Shakeel Mohamed to try and obtain the same advice from the same gentleman who gave me that caution

(Interruptions)

I am sorry to have noted his outburst when somebody - we don't know who - said that he was the lawyer for Mr Dawood Rawat. There was nothing to be upset about, it should have been disclosed in the House so that everybody would have known that what he was saying was also influenced by his personal position. That has watered down all the arguments that he put forward, but what is worse or perhaps what is good is that the House and the population today are in the position of knowing exactly what sort of campaign is being held around the country in favour of Mr Rawat and of - well they say of BAI. BAI is just a corporate entity. When we talk of BAI we are talking of Mr Rawat. Let us be clear, frank and simple on this. This is what I have to say to start with. The root of the issue is a simple matter. An insurance company has taken deposits from the whole population 24000 or so of Mauritians. It has fleeced these people. An insurer is in a position of trust. When it takes the money of policyholders, it must use it as a *bon père de famille*. What has happened in this case is that, after promising high yields of interest, the money is used in other schemes, related companies; Rolls Royce for the Prime Minister; private jets to go to wherever etcetera; parties in London. Whatever your imagination calls upon you, that is what has been done with the money. But to honour your promise to these policyholders what do you do?

(Interruptions)

Yes, in order to pay back gold, what do you do? You go on a second level of policyholders, you take their money and you pay the interest which you have promised and it goes on and on and on. That is a Ponzi Scheme. Well it may be more sophisticated than Mr Ponzi had imagined...

(Interruptions)

but it is nevertheless a Ponzi Scheme, glorified, but Ponzi. The Government took over in December. We all knew what was the situation because, as the hon. Leader of the Opposition has said, he had raised that matter in 2013, I had been privileged to have obtained from him at that time, when I was in the politburo, all the information which led him to ask his PNQ because as it is his method – now today he has changed a bit never mind, but...

(Interruptions)

At that time he had explained fully what was the situation and he had asked his PNQ...

(Interruptions)

Let us recall that all this started in the Caribbean which the hon. Leader of the Opposition had mentioned in his PNQ. In Bermuda which is the third reinsurance jurisdiction in the world after London and New York, he had not been scared of attacking Bermuda. There, what happened? Government had choices to make and they chose the cautious route which today my learned friend, hon. Mohamed says: this is what you should have done, go to court, the prevalence of the Judiciary. In other words, Government should not have taken any decision at all. Do you know what would have happened because Bermuda has a stronger economy, can withstand this? We would have been wiped out. The country would have been wiped out in six months' time, eight months, nine months, because as soon as we took power - Mr Rawat is not a stupid man - he had left the country. He was skimming money from Mauritius. The hon. Minister of Finance and Economic Development consulted me, we had private discussions on this, on what should be done. There were three things which Government could have done. The hon. Minister of Finance and Economic Development could have said: okay, we do like Dr. Ramgoolam, we join Mr Rawat, we fleece the population together, we get ourselves rich because the legal system is going to get us out of it and we become rich. I become rich. Well, the hon. Prime Minister is rich, so he does have to become...

(Interruptions)

And, everybody would have become rich. We would have obtained castles in England, Rolls-Royces, and whatever. Of course, this was not done.

The second one was to choose the route, that is, to allow British American to collapse and then, the Supreme Court would have appointed an administrator. In other words, do what Bermuda did. Do you know what happened in Bermuda? They went to a full liquidation. I am not going to read everything, but I took the trouble of reading what happened in Bermuda and Trinidad. That scandal shook 15 CARICOM countries. All of them, except Jamaica and Haiti. Jamaica, because there is no big culture of savings over there. We know.

(Interruptions)

Haiti, because they have no money to put in Ponzi. Otherwise, all 15 CARICOM countries were shaken by a *tremblement de terre* and up to today, they have not got out of this and we

are not going to get out of it either. Let us not be too optimistic and think that this Bill is going to get us out of this mess.

(Interruptions)

Not easily. They called an official receiver who was appointed as provisional liquidator of British American in 2009. On 07 September 2010, the official receiver - listen to these words, they say independence etc. - there, the official receiver appointed agents and the agents were KPMG, the other one, I don't know how to pronounce this, never mind, the BMA which is the equivalent of FSC, the Minister of Finance. Here, we say: no, the Minister should have kept out of it. This happens all over the world. What do we want? The Minister of Finance comes forward, there is a political crisis which could lead to a revolution, he sits in his office and says to the FSC: carry on, do what you want, go according to the rules, go according to procedures, and what happens? The policyholders were requested to continue paying their premiums. Of course, they are not stupid. So, they did not pay their premiums. Again, the Ministry of Finance intervened in this matter and finally, what happened? At that time, all they could tell their policyholders: you will be paid a percentage of the investments that you have made. Afterwards, we know that they received 37.5%. In this paper I am reading from, it was not yet known because that was published in September 2010. Eventually, we know that the policyholders were paid 37.5% of their investment. In other parts of CARICOM, they could go up to 50%, but never more than half. Here, in Mauritius, what has Government chosen? To guarantee the full capital of the policyholders.

(Interruptions)

And, you come and tell me: this, that, the method, whatever!

(Interruptions)

After I have said that, let me say that I agree with almost all the points raised by the hon. Leader of the Opposition and his points are raised with seriousness because this is a serious matter. The points raised by hon. Ganoo are also raised with seriousness, they deserve full consideration and they will get full consideration. I shall and I suppose that my friend, hon. Baloomoody who will be speaking after dinner will be keeping the same standard ...

(Interruptions)

After you! And will be keeping the same level and the same distance as the hon. Leader of the Opposition and as his friend, hon. Ganoo.

(Interruptions)

So, we have to look at all these points, but there was a situation to cure; what hon. Bhadain has called a ‘mystery’. I would call it an evil. Whatever it is, it had to be dismantled. How do we do it? The method chosen by hon. Bhadain is the special administrator. Everybody may have reservations, because when I take a decision I don’t expect everybody to agree, but I expect everybody to be *solidaire*, and this is what is happening on Government side. We are all *solidaires*. I am sure the hon. Prime Minister and all my colleagues have noted the positive attitude of the Opposition except my learned friend, hon. Mohamed, on this matter, the positive and responsible *discours* which we have heard.

The appointment of the special administrator is not, and I want to use that term in the legal sense, in the same sense as hon. Bhadain has used it, ‘retrospective’. Hon. Mohamed had used that term to suggest that hon. Minister Bhadain had a hidden agenda because the special administrator would, in effect, apply to BAI which was in this turmoil before the passing of this law. That is not what is retrospective. Of course, the special administrator, this law will apply to BAI. Nobody has made any secret out of it. Of course, it will be. But it will not be retrospective in the sense that the effective date, as proclaimed in the Interpretation and General Clauses Act, will be when the President gives his assent and the Bill is published in the Gazette.

That is the elementary rule and I know that hon. Mohamed knows the meaning of ‘retrospective’. We have argued these cases so many times. Therefore, let there be no confusion when hon. Bhadain says: “It is not retrospective”. It does not mean that it will not apply to BAI. It will apply to BAI as an insurer and let me make it as clear as it can be, as simple a language as I can use.

I think hon. Gobin has answered quite well to the accusations of *politisation*. Yes, it is the Minister who will, not appoint the special administrator, but will request. Let us make no mistake about it. It is in the same word, it means ‘instruct’ because when they receive a request, they have no choice, but to comply with the request. And, hon. Gobin, has well set out the conditions before we come to this. Hon. Ganoo has a good point; one is an objective fact – Rs1 billion. But it is not enough to use just Rs 1 billion test. We need to have something more. For instance, that the economy Mauritius is threatened and let us make no mistake about it. Right now, today, the economy of Mauritius is threatened and we need

people like Vishnu Lutmeenaraidoo, Roshi Bhadain and Ravi Yerrigadoo to get us out of this mess and this is what is going to happen.

Therefore, Madam Speaker, I stand up very briefly to come and proclaim my full solidarity with the decisions of Government and I speak, not only in my name, but in the name of all MPs of the *Mouvement Libérateur* who are present in this House.

(Interruptions)

Their specific authorisation on this matter and, of course, there will be Constitutional challenges. There will be legal challenges. I hope we get the best legal team around to fight our case. I am confident that when the court finds the facts and see what the public interest required, it could not say that we could not appoint a special administrator over BAI for the future. Of course, the suggestion of the hon. Leader of the Opposition is well taken as insofar I am concerned to merit full consideration. We pass this Bill. We need to pass this Bill. There is no doubt and further on by whatever way the Prime Minister will decide through Cabinet, either by consultation, or even by a select committee or by authoritative decision of the executive, come forward with other solutions once the special administrator has done its task of stopping the scandal because right now emergency measures are required and this is what has been done.

Thank you, Madam Speaker.

Madam Speaker: Hon. Baloomoody!

(8.02 p.m)

Mr V. Baloomoody (Third Member for GRNW & Port Louis West): Madam Speaker, I have listened carefully to the hon. Minister presenting the Bill and also to the Members of the Government who have intervened on that Bill. The majority on the other side, especially hon. Collendavelloo, hon. Bhadain and hon. Gobin did specify clearly that this Bill is here before this House because the mess in which the country is, following the BAI collapse. So, it is clear that we are in this House, on this Bill specifically, to sort the issue of BAI and to protect the interests of, most importantly, the 160,000 policyholders. But when I was listening to the hon. Attorney-General, he said one phrase. He said that: "This Bill is not only for BAI" and this is very bad. He is sending a very bad signal to the financial community. We remain on the assumption that we are voting this Bill only to sort out the mess we are, the country is, because the institution has not worked properly in the past. There has been political interference. My address to the House would have been shorter, but

having heard the hon. Attorney-General saying that: “This Bill is not only for BAI”, I will have to go into that Bill and address certain issues ...

(Interruptions)

...in that Bill. When we listened to the hon. Bhadain, he gave us, I must say, scoop because when the then Minister of Finance was answering the PNQ of the then hon. Leader of the Opposition – the date is important here – on 21 November 2013, he wanted all of us to believe that things were rosy at the BAI, that they have Rs6 billion surplus. And today the hon. Minister Bhadain has gone in detail with regard to the communication between the FSC and BAI and he told us that on 14 August 2013, BAI himself confessed to the FSC that they had liquidity problem and this is very serious. A Minister of Government, a Minister of Finance, the then hon. Leader of the Opposition gave him all the reports and he came in this House to tell us: “Everything is rosy” when, in fact, at the FSC, four months before, a letter was sent by the BAI to say that: “They were in financial problem.” Some people down there should bear their responsibility. Institution has failed only in the case of BAI because FSC did take decision in another insurance. Hon. Gobin has quoted that judgement. In the case of Rainbow Insurance, decisions were taken. The law allowed them to take decision and they took the right decision according to the Privy Council. But why decision was not taken in BAI? Why this answer in Parliament was given to us? So, people should take their responsibility. Those who are responsible in Government, at the institution as Minister Finance should take their responsibility. So, here we are today with a Bill which has been rushed in to sort out the problem between the administrator and the conservator.

This Bill, Madam Speaker, when we look at the heading itself, the Explanatory Note –

“The object of this Bill (...) –

- (a) For the Financial Services Commission to exercise more effective supervision over related companies of an insurer.”

So, by itself, we are admitting that the FSC could not or they could have, but they did not try to exercise their power and their function correctly. So, what we do? We bring in the Minister to assist the FSC. But when the Bill was passed with regard to the Financial Service Commission (FSC), when the FSC was set up, the objective was clear. What was the objective? To have an independent FSC! If you look at what was stated in this House, an independent FSC, which satisfies the international norm and it was specifically said ‘with no political interference’.

(Interruptions)

Section 6, yes! No political interference, that was the objective. And if the FSC has failed today, it is because there was political interference. I will come to show why the interference of the Minister may give a bad reputation, bad exposure by our foreigners when they look at that, by foreign investors seeing that the Minister has such a power on the FSC, may give a bad name to our institution, internationally speaking.

So, let us come to the Bill itself. Regarding the Bill, there is some confusion which I hope the Minister will clear when he comes to mention Section 48 of the Financial Services Act. Because my reading of that Section 48, deals with appointment of administrator in case of suspension or revocation of licence, of management, companies holding category 1 and category 2 Global Business Licence, not insurers, in which case Section 103 of the Insurance Act applies. So, if the purport, the scope or the object of the Bill is to amend the Insurance Act and appoint a special administrator to insurer and its related companies, then the Bill should be limited to Sections 103 and 106 of the Insurance Act and not Section 48 of the FSC Act, in which case it will catch the Global Business Companies and for this another amendment will be required. So, I hope that when the hon. Minister sums up, he will clear up this issue.

I note also that neither the hon. Members from the Government side has addressed that issue of Section 110A or Section 110B. Let me come to 110A first. Section 110A says that the Minister ‘may request the Commission’ after getting the report, after having been satisfied of all the requirements.

But Section 110A (2) says –

“(2) On receipt of a request under subsection (1), the Commission shall appoint (...)”

Giving no discretion whatsoever. So, clearly dictating the Commission - you must appoint. So, this is political interference.

(Interruptions)

This clearly goes against the principle issued by the International Organisation of Securities Commission and that of the International Association of Insurance Supervisors. This clearly goes against the international principle. This is why I said in the beginning, internationally this may hurt our financial sector when, outside there, they read our law. Already, I have been

informed. This morning, I contacted two lawyers who practise in the offshore sector. Already, people are sending mail asking for details of what is happening in Mauritius, of what is happening to our Regulation, and we have to be careful here.

When we look at Section 10, it says ‘shall’. Now, it is clear that, once this ‘super’ administrator, I call him, because he will have...

(Interruptions)

No, he is not so special, he is a ‘super’ administrator. I will tell you why I use the word ‘super’ administrator, because he can sell everything without any consultation. ‘Super’ administrator! So, once he is appointed, the administrator and the conservator are out. Good! In the case of the BAI, what are we talking about? Both will be out, the ‘super’ administrator will take over all the assets of the company. But, Madam Speaker, what will happen to all these companies - the Judge’s Order was ordered on 23 April - which have been restricted - the Order - under the Assets Recovery Act following an application of the DPP, because there were suspicions that there was illegal money deriving from illegal means? So, what will happen to these assets now? Will these assets be no longer the proceeds of crimes? What assets are we talking about? The ‘super’ administrator is going to take all the assets and the Insurance would allow him to have power on these assets? So, what will happen to these 62 assets which have been freezed by the Assets Recovery through the DPP? Perhaps the hon. Minister, when summing-up, will tell us.

Now, what is more important and what is more controversial is Section 110B and this, Madam Speaker, if not properly explained, if it is not clear what we are doing - since the circulation of this Bill for the last two days, and the Bill is on the internet, you just tap Insurance Insolvency Act, Mauritius, you will get this amendment – already many international banks which are in the offshore sector are getting worried. Why? Because Section 110B...

(Interruptions)

The hon. Minister will reply later. Let me talk! Please, have good manners!

Madam Speaker: No cross-talking, please!

Mr Baloomoody: Do not think that because you are Minister you can do whatever you want! Listen to people!

Madam Speaker: No cross talking! Address yourself to the Chair, hon. Baloomoody!

(Interruptions)

Would you please address yourself to the Chair!

Mr Baloomoody: But tell the hon. Minister to be quiet first, Madam Speaker.

Madam Speaker: Hon. Minister Bhadain!

Mr Baloomoody: It is a serious issue. We are all concerned about it.

(Interruptions)

Madam Speaker: Order, please!

Mr Baloomoody: He is making comments!

Madam Speaker: Order, please! Hon. Baloomoody, give me one minute, please! Could you please sit down! Hon. Minister Bhadain, you will have the opportunity during your summing-up to intervene and reply to all the previous orators, including hon. Baloomoody.

Mr Baloomoody: Thank you, Madam Speaker!

Now, under Section 110B (2), this is the most controversial and - where I am sure, and I know - lawyers are already working on to go and challenge and we are not surprised. It is constitutionality. Section 110B says –

“(2) Notwithstanding any other enactment or any other provision of this Act, a transfer of undertaking under subsection (1) – where the Minister approved - shall not be subject to the consent of any policyholder, shareholder, creditor or any other stakeholder of an insurer and of any of its related companies.”

And this is serious! This giving a large power to that ‘super’ administrator, where he does not have to consult anybody, and when we know that the hon. Minister himself has said that the policyholders, after the fees paid to the administrator, have preferential claim. They have preferential claim, it is their money. The ‘super’ administrator does not have to consult; you do not need their consent. And what about creditors, what about the bank which has fixed charge or floating charge? Our Civil Code, they do not have to be consulted, the ‘super’ administrator can just dispose of it, send it to anybody, give it, sell it how he wants without any consultation whatsoever. And our Civil Code is clear on that.

When we look at the fixed and floating charge, all banks, when they lend money, they will have to take a fixed or floating charge. But what will happen to their charge? They are

not going to be consulted when their assets will be transferred! I am talking about Section 2202 which deals with floating charges. So, what happens to all these floating charges? Will the banks, especially, the international banks, come and invest in Mauritius?

Another issue is the *gage spécial au profit des banques*. Let me read one Article which is interesting, Article 2129, *alinéa 3* -

« *Le gage spécial de la banque est constitué par la remise à celle-ci:*

1. *des actions ou des obligations destinées à garantir la somme due par l'emprunteur ou sa caution, ainsi que les intérêts, commissions ou frais en résultant ; »*

So, they give their shares! And *alinéa 2* makes it clear –

- «2. *d'un ordre de transfert en blanc, signé et non daté permettant la vente, au nom de l'emprunteur ou de sa caution, des valeurs mobilières gagées.»*

So, in certain cases, shares are already transferred to the bank *en blanc* and when the due date for payment comes and you are not paying, the only guarantee the bank has is it just puts the name and date and transfers the shares. So, all these will be done without the consent of the bank and we want the offshore banking to flourish when we are giving such powers to that Special Administrator?

There is another question - some international banks have already engaged on our previous law. Like I have said, I have quoted the two sections “*gage spécial au profit des banques*”. Many banks have already engaged in that. What will happen now that they have learnt? Let us say that they have invested for a term of 10 years and now they learn that at any time a special administrator can be appointed following the request made by the Minister and all that they have signed, the transfer of shares *blancs*, the floating charges, can be transferred without any consultation. So, this is very serious! Already it is creating some havoc in the international banking sector and we have to be clear and know exactly what we are doing.

So, Madam Speaker, there are serious issues in this Bill. Issues of constitutionality, issues of rights, whether when we act under Section 110B (2) we are not depriving people of their rights. Are we not in breach of Section 8 of the Constitution when we know in the Privy Council judgment of *Albion Dock*, the large definition given to rights, whether these will not fall within the rights? It is clear that there are many issues in this Bill if we are going to keep

it on our Statute Book for the long-term. If we want to use it now, to sort out the issue of the BAI mess that the country is in, to protect the interest of the insurance policy, say it, we are going to use it now and say it clearly that, as soon as possible, Government will come with another law to enforce our institution, not to politicise our institution, to enforce our regulatory institution and we remove the earliest possible on our statute shelves this Bill once becoming an Act.

So, this is my contribution and I hope that Government will act urgently. There is an urgency, we act on this Bill and then, urgently prepare and make it clear now so that we do not create confusion in the banking sector, in the offshore sector.

Thank you, Madam.

Madam Speaker: Yes, hon. Bhadain!

Mr Bhadain: Yes, Madam Speaker, first, let me thank all those who have intervened on this Bill and also the hon. Leader of the Opposition. But, before going there, I have just listened to hon. Baloomoody and it is clear to me now who are those who are on the side of the policyholders and who are those who are on the side of the banks.

When you have a fraud of over Rs12 billion, the difference between the assets and the liabilities, what are the good creditors going to get out of it with all the charges? What are the creditors going to get out of it when somebody has stolen all this money and gone away? That would have been one of the first considerations that hon. Baloomoody would have to ask himself when he is talking about the impact on banks and what is going to happen to our global business sector and how people are sending mails and so on and so forth. Where were all these people, Madam Speaker, I ask, when Mr Dawood Rawat was looting this country? They went and associated themselves with Mr Navin Ramgoolam who was the friend of Mr Rawat and had helped him do all that bad to our country...

(Interruptions)

And now they are lecturing us!

(Interruptions)

And now they are coming and telling and summoning us, Madam Speaker, to come and tell us what we should do in a moment of crisis. They have got no right to do so! No right whatsoever! They have lost this right!

The hon. Minister of Finance has dealt with this issue in a manner where we have avoided a social crisis, we have avoided one of the biggest financial crisis which was going to hit this country in a matter of, not weeks, I must say, in days he has sorted it out, Madam Speaker! I have mentioned to this House that the auditors KPMG, auditors in Mauritius, have signed the Audit Report saying that there was a Rs10 billion excess of liabilities over assets for the whole group and stated in their Audit Report that the subsidiaries of this whole group were probably not a going concern going forward in the future, meaning they were insolvent. I have already stated that the FSC had received a letter in 2013, as hon. Baloomoody has stated, in August 2013, where BAI themselves came and said: "If we are to change the related company 10 percent aggregate rule, what is going to happen is that the Rs4 billion surplus that we are showing is going to turn into a deficiency of Rs14 billion." That was as far back as 2013! That situation was there!

When this year, the Bank of Mauritius sent its inspectors to Bramer Bank - and I think it is important to explain that so that it is clear for the hon. Leader of the Opposition how the events unfolded. In January and February this year, the Bank of Mauritius inspectors went to Bramer Bank to have a look at what was the situation with their cash deposit ratio and so on. Why did they find? They found that there was a huge cash flow problem. People have said that it is Government who is to be blamed. Why? Because Government has taken money out of it! But Government never took money out of Bramer! There were certain parastatal bodies where their deposits came to maturity and they decided, at maturity date, like BPML, for instance, to take the money out. But there were so many other parastatal bodies which actually let their money there. SICOM, for instance, which falls under my Ministry, had Rs800 m. in Bramer, still the money is there! The Mutual Aid Rs700 m. in Bramer and still there - now with the NCB - the MHC, the MITD, the HRDC, all these institutions had their monies there! But, then, the first reaction of the people who are either advising BAI or who are acting on their behalf actually came and said: "No, Government was the trigger to cause this downfall!" But the bottom line is: all the money which was there in Bramer Bank, where has it gone? The Rs1.8 billion of BPML or whatever parastatal money has caused this!

When the Minister of Finance was apprised of the situation - in fact, I was not even in the picture, I must say at that stage - and decided with the BOM team to deal with this issue. A proposal was made to Bramer to say: 'look you are not getting money from other banks, there is no interbank lending any more. Nobody wants to come and help you. The BOM will do that, but first you have to show good faith. You bring Rs350 m. injection of fresh capital

into Bramer Bank and we will give you a line of credit of Rs1 billion to sort out your cash flow problems. They could not do that. Mr Dawood Rawat decided not to do that; he chose not to do that. The Board of Governors of the Central Bank, in the face of all the information which was available to them and in the face of the fact that they would not inject any fresh capital, decided to go ahead and revoke the licence of the bank.

Now, let me say, Madam Speaker, that, during that week, representatives of BAI wanted to have a meeting with me. At first, I did not know what it was all about. I did not accept, but, following a couple of days after, I said yes because they said it was a very urgent situation. When they came, I had the FSC present. I had everybody here: the Permanent Secretary and Permanent Assistant Secretary of my Ministry, I met them. They asked me the permission, as Minister of Financial Services, to take Rs350 m. out of the group itself; out of other companies within the group to go and give it to the Central Bank over there so that they would meet that requirement and then get the Rs1 billion from the Central Bank. I asked the FSC: what is your position on this? They said no way. How can we accept a situation where they have already flouted everything in terms of all the rules which are there, the 10% and what not? Then they are asking the permission to actually go and increase that percentage of related company transactions. The FSC said no. Then the question which prompted me - we are talking about Minister's interference and what not, but I'll tell you, I am here as a representative of the people. I have been elected by the people to serve the people. And if a Minister puts that in his mind he is always going to take the right decision not like we have seen before: interference to go and modify rules to allow people to steal.

Madam Speaker: Hon. Bhadain, please do not make provocative remarks because you will have to take full responsibility of what you are saying.

Mr Bhadain: Madam Speaker, it is the truth. It's a fact. It's part of our history. Now, when I took the decision to say: 'No. As Minister, as representative of the people, I am not going to allow you to go and take more money from policyholders because you are already in dire straits. Go and see your ultimate beneficial owner who is controlling the structure and tell him to go and do what the Central Bank is saying'. But the FSC will not be able to come into that. Then the Board of Governors decided on that first day to go and revoke the licence. Now what happened next? A process is kick-started in law because Bramer is a listed entity and the Stock Exchange falls under my portfolio. A decision has to be made as to whether it should remain a listed entity now that it does not have a licence and automatically, it is delisted. Now, the FSC comes into it. I mentioned the Lehman brothers, the bank in the U.S.

which attracted the downfall of AIG, the largest insurance company in the United States, but here it is linked in that structure so that the FSC has to act. I am sure now the Leader of the Opposition will understand what he has qualified before has been an event that we could not foresee in terms of appointing a conservator. What can the FSC do by law? The FSC is bound by the Insurance Act to appoint a conservator prior to appointing an administrator. Now, let me put this question to this House. Has the licence of BAI, the insurance company, been suspended or revoked until today? That is question! Then you would understand everything that has happened because the licence has not been suspended. The licence has not been revoked. Why I say this, Madam Speaker, is because when you appoint a conservator; to be able to convert that conservatorship into an administratorship by law, you have to suspend the licence of the insurance company or revoke it. If you read the law you will see it there. That's the dilemma for the FSC.

In the meantime, what did the BAI do? They called Board meetings of the 32 companies which are under the group, but most of which I must say are not controlled by the insurance company, BAI Company (Mauritius) Ltd. They rushed and appointed an administrator under the Insolvency Act. Now, the second reason why I would say - with great respect to the hon. Leader of the Opposition - that he is wrong. He has not understood the structure of BAI. BAI Company (Mtius)...

(Interruptions)

Let me explain!

(Interruptions)

BAI Company (Mtius) Ltd...

(Interruptions)

Madam Speaker: Order, please!

(Interruptions)

Mr Bhadain: BAI Company (Mtius) Ltd., the insurance company actually owns structures in Malta...

(Interruptions)

Let me explain!

(Interruptions)

Madam Speaker: Please proceed, hon. Minister!

Mr Bhadain: Be fair. The insurance company owns structures in Malta and owns certain investment companies in Kenya. When you look at all these companies on the main chart of that BAI structure, these companies are what we call separate legal entities not controlled and managed by the insurance company, BAI (Mtius). But there is a problem. Now we are not talking about structure, we are talking about cash flow. We are talking about money. The money, which has been collected from all the policyholders within BAI Company (Mauritius) Ltd. - which is licensed by the FSC - has gone into all these companies namely: Apollo Hospital, Courts, Iframac and into all these companies, but these companies are not regulated by the FSC. These companies cannot be the subject matter of a conservatorship, let's say, or even a supervision or surveillance by the FSC. That's the problem. Why we are coming with this Bill today is because the inception of all this structure was actually a methodology to operate in an unregulated environment where the FSC could not go and supervise, monitor and take action against them except for the insurance company.

So, Mr Bonieux and Mr Mushtaq Oosman have been appointed conservators of BAI Company (Mtius) Ltd. and whatever companies they own investment in Kenya and Malta. But with the administrator who has been appointed, they went one step up. They went to BA Investments Ltd. which is the holding company of the insurance company and Seaton Investment Ltd. which is the holding of that holding, to basically appoint the administrator and that administrator picks and chooses which companies he believes had good assets. It is on that basis that he came and said 'Look, now – it has been reported in the press - *je suis le seul maître à bord*'. That is what he said. We are Government. It is nothing to say that we did not foresee the problem between the conservator and the administrator. The FSC had to go by the Insurance Act and to have its own administrator; it is a stage process whereas there, this administrator is operating under insolvency law.

Now, I ask the question, Madam Speaker. Why do we have a specific Insurance Act which deals with a specific way of dealing with a situation when an insurance company is insolvent? The answer is to be found in the Insurance Act. You can't go on the general Insolvency Act over there, which deals with all companies in Mauritius. There, you are protecting the interest of creditors and shareholders; here you are protecting the interests of policyholders. The word 'insurance' itself, as was rightly put by hon. Collendavelloo,

involves a higher degree of trust, hence a higher degree of protection in law. That is why we have section 63 of the Insurance Act which comes and says that –

“The policyholders will always rank first.”

That is what this House decided, the legislator decided that in the Insurance Act the policyholders rank first.

Now, a sensible Government, seeing this situation has to make a decision. Do you protect the interest of creditors who, when you're looking at the scheme of the *fraude*, *l'envergure de la fraude*, are most probably not going to get anything out of a normal liquidation situation, if ever you come to a liquidation situation which is not the case now because we are appointing a special administrator. That is why I am saying to hon. Baloomoody that everything he is saying is hypothetical. But the fact is that money is gone, money is being stolen. The money is being splashed all over the place in a lavish lifestyle and what has happened to it? Now, the creditors, those banks and their floating charges and their fixed charges rank lower than these policyholders. When we have this deadlock, this situation here where those policyholders are suffering - let me say one more thing Madam Speaker - all sorts of things, criticisms have been put to us in terms of how we manage this process. I am going back to what the hon. Minister of Finance did. Things have been said about SBM taking over, not taking over and all that. But the brutal fact is within 24 hours, the hon. Minister of Finance resolved the problem of that bank with 60,000 depositors in there. The NCB was created and we all know it is working well today. Where is the run on the bank? Where is everybody? Running with their money! Everybody has trusted the NCB and they are basically operating their accounts as they always did. What about the employees of Bramer Bank? They are all working in NCB. They have become employees of NCB. We have got to thank the hon. Minister of Finance for that and instead of coming and say thank you, what are they saying? Why did you say SBM in the first place?

That is the first part of it. Now, the second part of it; within 24 hours, this Government, and when I'm saying the hon. Minister of Finance, I must say that at every single moment we've gone to the Rt. hon. Prime Minister and his decision-making ability is second to none. Nobody will ever be able to take decisions like him.

(Interruptions)

This is the difference. Now, within 24 hours we protected 135,283 policies which were held by over 100,000 policyholders in Mauritius. Probably 100,000 families, I don't know. That

was done in 24 hours. Then, we had the problem of the remaining 24,690 policies under Super Cash Back Gold. We had a problem, Madam Speaker, because there we were dealing with Rs19 billion. Rs19 billion, how do you sort that out? Talk is easy, talk is cheap! Money buys whisky!

(Interruptions)

Everybody can come and say what they want, but the truth of the situation is that we had to find a solution so that Government would be able to go and reassure these people. People were committing suicide for God's sake. People came to us and said: "look, I have put my VRS and my lump sum into it and I have got some money. Now, I am getting a monthly interest and I am living on these monthly interests. I don't have money to buy food at the end of the month. Please, help me!" What do you do in such a situation? You can't because you have to find Rs19 billion; you have to sit with accountants and actuaries and all these people until the early hours of the morning. A lot has been said about Mr Manraj today. One thing, Madam Speaker, Mr Dev Manraj has been sitting until 4 o'clock in the morning for two weeks together with us to find a solution.

(Interruptions)

Now, we are being told that he is a civil servant and he does not deserve to be the chairman of the FSC.

(Interruptions)

Not by the hon. Leader of the Opposition, but it was said!

(Interruptions)

I am sure the hon. Leader of the Opposition himself will appreciate the effort which has been put into finding that solution when I will explain it now. For these 24,690 policies remaining, we had to understand what Super Cash Back Gold is! How many people have invested less than Rs100,000; between Rs100,000 to Rs250,000, up to Rs500,000 and then we have got people investing Rs150 m. into it. One chap actually puts Rs150 m., another one over Rs80 m. You can't have one solution, one size fits all. So, we sat down to find a solution and to cut a long story short, we have come up with the hon. Minister of Finance, with the Attorney General assisting and, of course, with the blessing of the Rt. hon. Prime Minister, we have been able to find a solution and we came and said: "By 15 May, this coming month, we are going to make good ..."

(Interruptions)

No, I won't be long! But I will just explain. 12,000 policies are going to be paid for people who have invested less than Rs500,000. We need to bring in Rs2.5 billion to satisfy that by 15 May. Then, those 12,000 policies will be paid. The hon. Leader of Opposition mentioned figures before saying that the hon. Minister of Finance was confused when he said 14,570 and when he mentioned 8,590. He was not confused! He explained it, but it was not well understood because the 12,000 policies which are going to be satisfied represent those 8,000 policyholders who are going to be paid by 15 May, everything which has been invested below Rs500,000. Then, they are to be paid in full and final settlement.

I will tell you something else, Madam Speaker. The maturity dates for some of those policies are well after, but Government has decided that they are going to get their money on 15 May this month which leaves us with 12,000 policies to make it the 24,690 and there we've decided that by 30 June, these people also will be paid Rs500,000 per policyholder and this is going to necessitate a sum of Rs3.9 billion.

I will stop there because we are talking about Rs6.4 billion which has to be found before 30 June. When you look at what is going to happen next, the rest of the money is going to go into debentures. That will be a National Property Fund which is going to take over and then, they are going to take those debentures and will repay over five years starting from 30 June 2016, 2017, 2018, 2019 and then 30 June 2020, they will pay Rs2.5 billion every year. The question, Madam Speaker, where are the assets which back up those policies? Those assets are stuck between Mr Bonieux and Mr Hadji Abdullah and that is the deadlock. You have to find a solution to that.

Hence, we had to come with this Bill to appoint that special administrator because we are a caring Government, because we've been elected by the people, for the people and our first priority are the policyholders. Section 63 of the Insurance Act says that they rank first and their first ranking has been usurped by the appointment of an administrator. By whom? By the very people who actually lost their money, by the very people who actually have taken their money away from them and that is the blockage, that is the issue. Government has then decided to go ahead and to do that. Now, when it comes to the Bill, to reassure the Leader of the Opposition, I stated when I started my speech during the Second Reading, I said that -

“At the very outset, I would like to reassure the House that this Insurance (Amendment) Bill is the first initiative which will kick-start a process of legislative reforms and will go a long way to improve our Financial Services Sector”.

So, yes, I am giving the guarantee to the hon. Leader of the Opposition that all these laws, the Insurance Act, the Insolvency Act, the Financial Services Act and all other legislations or regulations which touch upon that will be looked at *en profondeur* and we are going to come up with the perfect legislations for our financial system to operate. As the hon. Attorney General has rightly put it, it has been 10 years since the MMM/MSM Government, prior to 2005, had come up with those legislations. I remember, at that time, the Minister of Financial Services was Mr Khushiram and these laws have not been relooked at. So, we will do that and, at that same time, we will close down all the loopholes which are existing, but we are in an extreme situation of urgency. We have to save those people. We have no other consideration apart from saving those policyholders. That’s the priority of this Government. Yes, creditors might have a case to go to Court, but I will reassure hon. Mohamed as well and hon. Baloomoody that I have sat down with the banks, I have spoken to the banks. I have explained to them the dilemma that we are in. Barclays, for instance, has fixed charges in Seaton Company Limited. I sat with the General Manager and I said: ‘Look, we will have to find a fair solution, but first, you are not in dire need of cash flow. Your issue is security, but these people are in dire need of cash flow now or else, they are not going to be able to pay their bills. They are not going to be able to buy food. So, let’s find a solution together’. And I can tell you, I found a solution with the banks.

Now, when it comes to other creditors, fair enough, other creditors can go to Court. There is no problem. They can go to Court, because these other creditors, of course, they have a claim, but again, the question is: when you have Rs12 billion deficit between assets and liabilities, as Mr Bonieux put it in his report, between Rs28 billion and Rs16 billion then basically, the creditors were going to get zero in the first place. So, what are the creditors going to sue for? For zero?

Now, we come down to the shareholders. I said the creditors can go to Court. I am saying, Madam Speaker, the shareholders, these people who did that, they can go to hell.

(Interruptions)

Because, they don’t deserve to get anything, if anything was going to be left out of the whole process.

Now, in this Bill, we are also doing something which is good for the industry in terms of that definition of related party, related company because there was a loophole in our law. We are bringing the definition of related party which is going to encompass all entities, because people were using societies. You take Diplomat Gardens, where you have so many *sociétés* which have been set up, and now, it is off structure. So, you are bringing that in. When we look at the special administrator and the appointment which has been mentioned by the Minister, true it is that the Minister has got a role to play when the FSC sets a report. But, at the end of the process, there is that limit of Rs1 billion excess liabilities over assets and the financial soundness and the stability of the country being affected.

(Interruptions)

Obviously, the note, Madam Speaker, which says, I should add down. So, if the hon. Leader of the Opposition wants to have further clarification, I am more than willing to sit down with him and explain to him why we are doing what and whether...

(Interruptions)

Madam Speaker, I now commend the Bill to the House.

Question put and agreed to.

Bill read a second time and committed.

COMMITTEE STAGE

(Madam Speaker in the Chair)

The Insurance (Amendment) Bill (No. VIII of 2015) was considered and agreed to.

On the Assembly resuming with Madam Speaker in the Chair, Madam Speaker reported accordingly.

Third Reading

On motion made and seconded, the Insurance (Amendment) Bill (No. VIII of 2015) was read a third time

Mr Bhadain: Madam Speaker, I move for a division of votes.

Madam Speaker: I allow the division of votes.

(Division Bells were rung)

On question put, the House divided.

AYES

Hon. K. Teeluckdharry

Hon. K. Tarolah

Hon. Dr. M. R. Sorefan

Hon. Ms M. Sewocksingh

Hon. Mrs M. D. Selvon

Hon. S. Rughoobur

Hon. K. Ramano

Hon. G. Oree

Hon. Mrs M. C. J. Monty

Hon. G. P. Lesjongard

Hon. J. C. G. Lepoigneur

Hon. A. B. Jahangeer

Hon. M. Gobin

Hon. A. Ganoo

Hon. S. Fowdar

Hon. P. K. Armance

Hon. J. N. A. Aliphon

Hon. J. H. T. Henry

Hon. M. S. Abbas-Mamode

Hon. T. Benydin

Hon. M. C. E. Boissézon

Hon. J. C. S. Toussaint

Hon. Mrs D. Boygah

Hon. R. Rampertab

Hon. S. Ramkaun

Hon. S. Rutnah

Hon. P. Jhugroo

Hon. A. C. Duval

Hon. S. Callichurn

Hon. M. R. A. Wong Yen Cheong

Hon. J. R. Dayal

Hon. P. Koonjoo

Hon. Mrs F. Jeewa-Daureeawoo

Hon. S. Bholah

Hon. S. Bhadain

Hon. Mrs M. A. M. J. Perraud

Hon. A. K. Gungah

Hon. S. Baboo

Hon. M. Seeruttun

Hon. M. J. N. E. Sinatambou

Hon. P. Roopun

Dr. the hon. A. Husnoo

Hon. A. Gayan

Hon. Mrs L. D. Dookun-Luchoomun

Hon. N. Bodha

Hon Y. Sawmynaden

Hon. P. Jugnauth

Hon. S. Lutchmeenaraidoo

Hon. I. Collendavelloo

Hon. S. Soodhun

Hon. Xavier-Luc Duval

The Rt. Hon. Prime Minister

ABSENTION

Hon. D. Ramful

Hon. J. P. F. Quirin

Hon. M. O. C. Mahomed

Hon. E. S. Jhuboo

Hon. V. V. Baloomoody

Hon. R. Bhagwan

Hon. P. R. Bérenger

ABSENT

Hon. M. R. C. Uteem

Hon. D. Sesungkur

Hon. S. A. Y. A. R. Mohamed

Hon. J. B. Leopold

Dr. the Hon. Z. H. I. Joomaye

Hon. J. C. Barbier

Hon. S. M. A. Ameer Meea

Hon. J. F. François

Hon. Mrs R. Jadoo-Jaunbocus

Hon. S. Hurreeram

Ayes: 52 **Noes:** Nil **Abstention:** 7 **Absences:** 10

Madam Speaker: The Ayes have it.

The Bill was read a third time and passed.

ADJOURNMENT

The Prime Minister: Madam Speaker, I beg to move that this Assembly do now adjourn to Tuesday 05 May 2015 at 11.30 a.m.

The Deputy Prime Minister rose and seconded.

Question put and agreed to.

Madam Speaker: The House stands adjourned.

At 9.05 p.m. the Assembly was, on its rising, adjourned to Tuesday 05 May 2015 at 11.30 a.m.

WRITTEN ANSWERS TO QUESTIONS

ICAC – CASES

(No. B/307) Mr R. Uteem (First Member for Port Louis South & Port Louis Central) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the Independent Commission against Corruption, he will, for the benefit of the House, obtain therefrom, since 2015 to date, information as to the number of –

- (a) inquiries having been discontinued;
- (b) court cases having been withdrawn, and
- (c) new cases lodged before court.

Reply: As the House is aware, the Independent Commission Against Corruption which has been established under the Prevention of Corruption Act 2002, is required by law to operate as an independent body.

Section 61 (1) of the Act provides for its operation to be monitored only by the Parliamentary Committee which comprises Members from both sides of the House.

In regard to part (a) of the question, I am informed by the Independent Commission Against Corruption that during the period January to 23 April 2015, there have been 171 enquiries which have disclosed no case as follows –

- (a) in 135 cases, preliminary enquiries did not disclose any corruption or money laundering offence, and
- (b) in 36 cases, the Director of Public Prosecutions' Office has advised no further action.

In regard to part (b) of the question, I am informed that during the same period, there have been no court cases which have been withdrawn.

In regard to part (c) of the question, I am further informed that 20 new cases have been lodged since the beginning of this year.

Not surprisingly, I note that the hon. Member is keenly interested with only the past few months of 2015, while he is deliberately covering up, as usual, the practices of the previous regime, which he actively and vigorously defended, while the Independent Commission Against Corruption was being used as a political instrument to victimise political opponents and those who dared to raise voices against the previous regime.

As a matter of fact, it is noted that for period 2008 to 2014, the Commission set aside an average of 974 complaints yearly out of an average of 1,485 cases yearly.

Furthermore, over the same period, the Commission decided to discontinue an average of 440 cases yearly after preliminary investigation.

It is also noteworthy that the DPP advised no further action in an average of 123 cases yearly over period 2008 to 2014, upon recommendation of the ICAC, following further investigation by the Commission in these cases.

BANGLADESHI NATIONALS – DEPORTATION

(No. B/311) Mr A. Ameer Meea (Second Member for Port Louis Maritime & Port Louis East) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to the Bangladeshi nationals, he will, for the benefit of the House, obtain from the Commissioner of Police, information as to the number thereof deported, since March 2015 to date, indicating in each case, the –

- (a) reasons therefor, and
- (b) number of reported casualties, if any, in the course of the operations carried out in relation thereto.

Reply: I am informed by the Commissioner of Police that, from 01 March to 23 April 2015, no Bangladeshi national has been deported and consequently, parts (a) and (b) of the question do not arise.

However, I wish to inform the House that during the same period, five Bangladeshi nationals have been repatriated on grounds of illegal stay. The repatriation exercise proceeded without any incident or casualty.

As the House may be aware, Bangladeshi nationals form the bulk of foreign workers presently living in Mauritius.

Some 1,500 female Bangladeshi workers at *Compagnie Mauricienne de Textile* (CMT), Phoenix recently went on strike following a case of missing reported in respect of one of their colleagues who was subsequently found safe and sound. In the meantime, this resulted in incidents whereby the workers were instigated to stop work and threatened by their co-workers. Given the negative impact of the illegal sit-in on the operations of the factory, CMT management decided to terminate the contract of employment of 68 workers identified as ringleaders and on 02 and 03 April 2015, sent them back to Bangladesh.

From time to time, such incidents involving expatriate workers make the headlines and trigger afresh public debate about the pros and cons of employing foreign workers. Government is fully aware of all these problems and it is for this very reason that, in line with the Government Programme 2015-2019, a High Level Committee has been set up under the aegis of the Ministry of Labour, Industrial Relations, Employment and Training to look into issues relating to employment of foreign workers, including the review of the existing regulations and the streamlining of procedures for the issue of work permit.

PORT LOUIS MARITIME & PORT LOUIS EAST – FLOOD PRONE AREAS

(No. B/318) Mr A. Ameer Meea (Second Member for Port Louis Maritime & Port Louis East) asked the Rt. hon. Prime Minister, Minister of Defence, Home Affairs, Minister for Rodrigues and National Development Unit whether, in regard to Constituency No. 3, Port Louis Maritime and Port Louis East, he will, for the benefit of the House, obtain from the National Development Unit, information as to if any survey has been carried out to identify the areas which are flood prone in the event of torrential rainfall and, if so, indicate the –

- (a) areas which have been so identified, and
- (b) preventive measures, if any, that have been or will be taken to avert the occurrence of floods thereat.

Reply: I am informed by the NDU that there has not been a study specifically for Constituency No. 3 in respect of flood prone areas.

However, in the Land Drainage Study Report effected by GIBBS (MTIUS) LTD in 2002, mention is made of two locations forming part of Constituency No. 3 namely, Roche Bois Cemetery and Ail Doré St in Port Louis.

Furthermore, I am informed that in 2011 following public complaints pertaining to flooding at Balisage Street, Roche Bois, a comprehensive study was undertaken by the NDU through GIBBS (MTIUS) LTD for that area.

In view of the fact that no comprehensive study has been conducted for the whole of Constituency No. 3, part (a) of the question cannot be replied. As regards part (b), I am informed by the NDU that works orders for drain projects at Roche Bois to the tune of Rs40 m. were awarded during period 2013-2014 and are in the process of completion.

Moreover, drain projects for Constituency No. 3 were also awarded in 2013 and 2014 to the tune of Rs11.3 m. These have already been completed.

Construction of drains is a recurrent activity at the NDU and drain projects for Constituency No. 3 on a priority basis are presently being identified for implementation during the next financial year 2015-2016 given that in this current financial year, NDU has to mop up all outstanding payments.

RACEHORSES- IMPORTATION

(No. B/330) Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière) asked the Minister of Finance and Economic Development whether, in regard to horseracing, he will, for the benefit of the House, obtain from the Mauritius Revenue Authority, information as to if inquiries have been carried out into the importation of horses therefor, over the past ten years, indicating –

- (a) the modalities of purchase thereof, and
- (b) if money laundering offences, if any, have been suspected in relation thereto, especially having regard to the observations made at paragraphs 18 and 19 on page 30 of the Report of the Commission of Inquiry on Horseracing.

Reply (The Prime Minister): I am informed that in 2007, the Mauritius Revenue Authority carried out an investigation into the importation of racehorses and uncovered an undervaluation of racehorses imported from South Africa for period 2003 to 2007, which resulted in the payment of additional VAT by Mauritius Turf Club amounting to approximately Rs15 m.

As regards part (a) of the question, I am advised that the modalities of purchase are as follows –

- (i) Prior to the importation of any horse in Mauritius, the clearance of the Mauritius Turf Club is required.
- (ii) It has been the practice for the Mauritius Turf Club to handle the importation of racehorses.
- (iii) The Mauritius Turf Club is declared as the importer on the bill of entry and the names of the stables on behalf of which the racehorses are imported are declared as consignee as specified on the invoices. However, the names of the owners do not appear on any documents submitted to Customs.
- (ii) However, as per information received from the Mauritius Turf Club and their representatives from South Africa, some individual owners and stable purchase horses from South Africa on their own. These individual owners and stables must have prior clearance from the Mauritius Turf Club.
- (iii) Michel Nairac acts as a Bloodstock Agent for the Mauritius Turf Club and is responsible for coordinating export procedures and consolidating shipments of all racehorses acquired by various stable owners.
- (iv) Michel Nairac, the Bloodstock Agent, ensures that inoculations of racehorses and all of the quarantine regulations are complied with prior to transporting the racehorses to the airport for shipment from South Africa to Mauritius.
- (v) The Mauritius Revenue Authority and the Mauritius Turf Club have devised a reference price chart to be used as a risk management tool to assist Customs in establishing the value of racehorses according to their categories (A, B, C and D), which are based on the age and the merit rating at the time of import.

In view of the pertinent issues raised by the “Commission of Inquiry on Horse Racing in Mauritius” on the importation of horses for horse racing, the Gambling Regulatory Authority is looking into the whole process.

The House can rest assured that appropriate action will be taken to redress the horse racing sector as recommended by the Commission of Inquiry on Horse Racing in Mauritius.

HORSE RACING – SMS PARIAZ – TAX

(No. B/331) **Mr R. Bhagwan (First Member for Beau Bassin & Petite Rivière)** asked the Minister of Finance and Economic Development whether, in regard to the observations made at paragraph 20 on page 8 of the Report of the Commission of Inquiry on Horseracing, he will, for the benefit of the House, obtain from the Mauritius Revenue Authority, information as to if an inquiry is being carried out as to whether any tax has been claimed from SMS PARIAZ, in relation to the five year period during which it was not connected to the online system of the Gambling Regulatory Authority and, if so, indicate the outcome thereof.

Reply (The Prime Minister): I am advised that in December 2012, SMS PARIAZ was connected to the Gambling Regulatory Authority Betting Control System and thus a copy of all its betting transactions was uploaded on the server of the Mauritius Revenue Authority. Prior to its online connection, SMS PARIAZ was submitting to the Gambling Regulatory Authority a list of all its betting transactions on a weekly basis on a CD which was subsequently remitted to the Mauritius Revenue Authority.

Following the transfer of the Gambling Regulatory Authority Betting Control System to the Mauritius Revenue Authority in March 2013, the latter took over the monitoring of all betting activities, including that of SMS PARIAZ.

At the time of the Commission of Inquiry on Horse Racing, there were five remote communication operators connected to the Gambling Regulatory Authority Betting Control System. SMS PARIAZ is one of the five operators connected thereto by remote communication.

The Mauritius Revenue Authority took the initiative to switch the remote communication operators from batch to continuous online. Two of them were successfully done in early 2014. Shifting of the remaining three operators including SMS PARIAZ to the online mode is in progress.

SMS PARIAZ has submitted all returns during the last 5 years, and paid the taxes due as per return submitted. The books and records of SMS PARIAZ are currently under examination by the Mauritius Revenue Authority.

EMPLOYEES - LAID OFF - 2010-2014

(No. B/333) **Mr A. Ganoo (First Member for Savanne & Black River)** asked the Minister of Labour, Industrial Relations, Employment and Training whether he will state the number of employees who have been laid off, since 2010 to 2014, indicating the respective sectors in which they were employed.

Reply: According to records available at my Ministry, the total number of employees who have been laid off between 2010 and 2014 is 7,803. The majority of the employees who were laid off were from the construction, hospitality, manufacturing, and retail and wholesale sectors.

I am placing in the Library the detailed information as requested by the hon. Member.

BUNKERING PROJECT - MACQUARIE BANK LIMITED

(No. B/335) **Mr R. Uteem (First Member for Port Louis South & Port Louis Central)** asked the Minister of Industry, Commerce and Consumer Protection whether, in regard to the bunkering project, he will -

- (a) table copy of the Letter of Intent signed with the Macquarie Bank Limited therefor, and
- (b) state the reasons for the selection of the Macquarie Bank Limited therefor.

Reply: I shall start by replying to part (b) of the question.

In November 2013, the then Minister of Finance and Economic Development announced the liberalisation of bunker trade. The Consumer Protection (Control of Imports) Regulations were amended to that effect in December 2013.

As announced in the Government Programme 2015-2019, this Government will develop a regional bunkering hub as one of the new pillars for economic growth. As reiterated in the budget speech 2015-2016, Port Louis harbour will be transformed into a hub for bunkering petroleum and other activities. In this context, any interested company may submit project proposals.

Three companies had expressed formal interest to carry out offshore bunkering activities in Port Louis Harbour, namely Macquarie Bank Ltd, Group Five and Vitol Asia Pte Ltd.

On 02 April 2014, the Ministry of Finance and Economic Development signed a Memorandum of Understanding with Atlantic Energy Consulting Ltd introducing Macquarie Bank Ltd as the promoter for the establishment of an offshore bunkering station at Port-Louis.

On 29 April 2014, the Ministry of Finance and Economic Development signed a Memorandum of Understanding with a second promoter, namely, Group Five.

On 22 September 2014, Vitol Asia Pte Ltd signed a Memorandum of Understanding with the Ministry of Industry, Commerce and Consumer Protection for the same purpose.

Whilst Macquarie Bank Ltd and Group Five submitted their outline business plans for their respective bunkering projects, Vitol Asia Pte Ltd has not submitted any project proposal so far.

Several meetings and working sessions were held at the Ministry of Industry, Commerce and Consumer Protection, the Ministry of Finance and Economic Development and the Mauritius Ports Authority (MPA) with representatives of other concerned Ministries/Organisations and the State Trading Corporation, as well as with the two promoters to examine the Commercial/Financial terms and Technical/Operational aspects of the offshore bunkering project in Port Louis Harbour.

Following these meetings and working sessions, the commercial terms agreed by the two promoters were approved by Government. Subsequently, the Letters of Intent, duly vetted by the State Law Office, were issued to Macquarie Bank Ltd and Group Five on 24 March 2015.

As regards part (a) of the question, the Letter of Intent contains the commercial terms, which have been agreed between Government and the two promoters. The Letter of Intent also includes, *inter-alia*, the conditions that need to be fulfilled by the promoters before proceeding further with the project and eventual signing of a Formal Agreement for the implementation of the project. As per the Letter of Intent, the promoters have to submit the following -

- (a) A detailed Operational Plan and a list of qualified personnel to be mobilised;
- (b) An Environment Impact Assessment and a Risk Assessment;
- (c) Oil Spill response measures and a list of pollution combat equipment and trained personnel to be mobilised; and

(d) A Procedures Manual.

On 08 April 2015, Macquarie Bank Ltd has proposed amendments to the Letter of Intent. These are under consideration. My Ministry has not yet replied to Macquarie Bank Ltd. On 07 April 2015, Group Five has signified its agreement to the Letter of Intent.

On 27 April 2015, after taking cognizance of the Parliamentary Question, Group Five has informed my Ministry that the contents of the Letter of Intent are highly confidential and, in the spirit of Consumer and Commercial Law, the Letter of Intent should not be disclosed.

In the present circumstances, it would be premature to make public the contents of the Letter of Intent. I, therefore, do not propose to table the Letter of Intent at this stage.

2015 HAJJ PILGRIMAGE - VISAS

(No. B/336) Mr R. Uteem (First Member for Port Louis South & Port Louis Central) asked the Minister of Arts and Culture whether, in regard to the 2015 Hajj Pilgrimage, he will, for the benefit of the House, obtain from the Islamic Cultural Centre, information as to -

- (a) the number of visas obtained, indicating the criteria for the allocation thereof, and
- (b) if the contract for the transport of the pilgrims has been awarded.

Reply (Vice-Prime Minister, Minister of Housing and Lands): I have been informed that the number of visas obtained as at date from the Saudi Authorities for 2015 Hajj pilgrimage is 1040.

Criteria for allocation of visas

The criteria's for allocation of visas were agreed upon by all stakeholders in 2014 and these are being maintained.

An exercise was carried out on 17.07.2014 by the ICC under the supervision of the Electoral Commissioner's Office in the presence of all parties concerned and a list of 2,540 eligible hadjis was determined and confirmed.

Visas are now being allocated in numerical order according to that list.

I have been informed that it is mandatory to enter into an agreement for the transport of pilgrims with the General Transportation Association in Makkah, Saudi Arabia and this agreement has been signed by the ICC in March 2015.

**RING ROAD PROJECT – VALLÉE PITOT – INHABITANTS -
RELOCATION**

(No. B/337) **Mr R. Uteem (First Member for Port Louis South & Port Louis Central)** asked the Vice-Prime Minister, Minister of Housing and Lands whether, in regard to the inhabitants of Vallée Pitot who will be relocated in connection with the Ring Road Project, he will state the –

- (a) number thereof;
- (b) sites identified for the relocation thereof, and
- (c) amount of compensation, if any, proposed to be paid thereto.

(Vide Reply to PQ No. B/326)

QUAY D/MER ROUGE ROUNDABOUT - STREET LIGHTING

(No. B/345) **Mr A. Ameer Meea (Second Member for Port Louis Maritime & Port Louis East)** asked the Minister of Public Infrastructure and Land Transport whether, in regard to the M2 Motorway, from its junction with the Quay D roundabout to the Roche Bois roundabout, he will state if he is aware of the absence of light at night thereat, thus causing inconveniences to the road users and to the pedestrians thereof and, if so, will he, for the benefit of the House, obtain information as to if consideration will be given for the provision of street lighting thereat and, if so, when and, if not, why not.

Reply: I am informed that on M2 Motorway, there are street lightings at Quay D and Mer Rouge roundabout and its approaches. The section of the Road from Mer Rouge roundabout to Cocoterie Roundabout is provided with street lighting along the central verge.

However, a stretch between Quay D and Mer Rouge is not yet provided with street lighting. The Road Development Authority has been instructed to give priority of consideration to the lighting of that section of the Road.

EX-SERVICEMEN – PENSIONS & BENEFITS

(No. B/357) **Mr A. Ameer Meea (Second Member for Port Louis Maritime & Port Louis East)** asked the Minister of Social Security, National Solidarity and Reform Institutions whether, in regard to the ex-servicemen, she will, for the benefit of the House, obtain from the Ex-Servicemen Trust Fund, information as to the present number thereof, indicating the -

- (a) monthly pensions that are being paid thereto and if consideration will be given for an increase thereof, and
- (b) services and other benefits to which they are entitled.

Reply (Minister of Finance and Economic Development): I am informed that the number of Ex-Servicemen to date stands at 1,986.

With regard to part (a) of the question, the House may wish to note that the monthly pension of the Ex-Servicemen has been increased by 6 percent in January 2015. They are currently paid, over and above their normal old age pension and other old age benefits, a monthly pension of Rs1,204 for those below 100 years old and Rs1,649 for those having 100 and above.

Regarding part (b) of the question, I am placing the information in the Library.