

MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

Circular No 12 of 2018

Our Ref: CF/40/30/63/A V6

05 December 2018

From: Financial Secretary

To: Supervising Officers and Accounting Officers of Ministries/Departments and Officer in Charge of Public Enterprises

Financial Instructions No 1 of 2018

The purpose of this circular is to inform all Supervising Officers and Accounting Officers of Ministries/ Departments and Officer in Charge of Public Enterprises of the obligation to obtain prior written approval of this Ministry in relation to all borrowings by Public Enterprises, as defined in the Public Debt Management Act, to finance investment projects.

2. You are requested to ensure compliance with the enclosed Financial Instructions No 1 of 2018 and bring the content of the Circular to the attention of all Public Enterprises falling under your purview.



**D.D. Manraj, GOSK
Financial Secretary**

Copy to:

- (i) Secretary to Cabinet and Head of the Civil Service
- (ii) Director of Audit
- (iii) Accountant-General
- (iv) Directors, Economic and Finance, MOFED

Financial Instructions No 01 of 2018

[Issued in accordance with Section 22 of the Finance and Audit Act]

Section 7 of the Public Debt Management Act sets a Public Sector Debt ceiling of 65% of GDP with an obligation to bring it down to 60% by end of fiscal year 2020/2021.

2. Section 10 of the Public Debt Management Act empowers the Ministry of Finance and Economic Development to monitor the level of Public Sector Debt.

3. In this context, **ALL** borrowings by Public Enterprises to finance investment projects, whether such borrowings require Government guarantee or not, shall need the **written prior approval of the Ministry of Finance and Economic Development.**

4. The Ministry of Finance and Economic Development will seek the support of the Bank of Mauritius to ensure that all financial institutions comply with this requirement.