



MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

Circular No 1 of 2014

My Ref: Estb/12/15/P

21 February 2014

From: Financial Secretary

To: Supervising Officer and Accounting Officer of Ministries/Departments

(i) Enforcement of Bond Agreement

(ii) Bond Agreement in respect of Refund of Course and Examinations Fees

This Circular supplements the recommendations contained in:

- (a) *the PRB Report 2013, Recommendation 5 paragraph 12.39 with regard to bond agreement signed by Trainees upon their enlistment and public officers who are sponsored to follow training courses; and*
- (b) *the Ministry of Civil Service and Administrative Reforms Circular Letter No 29 of 2003 on "Refund of course and examinations fees".*

2. For the purpose of this circular, officers imply Trainees and Public Officers.

3. **Bond Agreement**

Officers who are sponsored to follow training courses should sign a bond agreement with their respective Ministry/Department to an amount equivalent to the full cost of training expenses to be incurred on them together with two or more sureties. *Annex A & B refer.*

❖ *Sureties*

The sureties should produce documentary evidence that they have the capacity to honour the bond in case of default, e.g a statement from the bank or an affidavit disclosing their assets and liabilities.

❖ *Bank Guarantee*

Officers having difficulties to find sureties may opt to produce a bank guarantee for the bonded amount. *Annex C refers.*

❖ *Guidelines*

A copy of the "Guidelines in connection with Enforcement of Bond Agreement" should be handed over to the bonded officer and each surety. *Annex D refers.*

❖ *Bonded amount*

The bonded amount should be equivalent to the amount spent on the officer's training and any other expenses related thereto. The amount shall be computed on the following basis:

Nature of Course	Basis of calculation
(i) Course run locally	Course fees, travelling expenses and any other expenses related to training
(ii) Course run abroad and all costs met by donor institutions	Course fees, salaries, airfare and any other expenses related to training.
(iii) Course run abroad and <i>not</i> sponsored by any institutions	Course fees, salaries, airfare and any other expenses related to training.

❖ *Bonded period*

The bonded period (training period + serving period) starts as from the date the training course begins and ends on the last day of the serving period. The serving period is calculated as follows:

Duration of Course	Serving period
(i) 12 months or less	3 years
(ii) More than 12 months but up to 36 months	5 years
(iii) More than 36 months	7 years

4. **Breach of Bond Agreement/Refund of Bonded Amount**

❖ *During Training Period*

Officers who breach their Bond Agreement during their *training period*, e.g accept employment in a public/private organisation not related to the training received during the training period or leave the public service for any reasons may refund the bonded amount as follows:

Period	Basis of calculation
Any period during first year of training	Total cost of first year training
Any period during second year of training	Total cost of two years training
Any period during third year of training	Total cost of three years training
Any period during fourth year of training	Total cost of four years training

❖ *During Serving Period*

Scenario 1

Bonded officer who is offered employment during the **serving period** in another Ministry/Department or an Organization receiving government grant and the duties attached to his/her new post are related to the training received, may, subject to the agreement of the respective Ministry/Department, be allowed to continue to serve the remaining bonded period in the new agency.

Scenario 2

Bonded officer who is offered employment during the **serving period** in another Ministry/Department or an Organization receiving government grant and the duties attached to his/her new post are related to the training received, but the respective Ministry/Department is **NOT** agreeable that he/she continues to serve the remaining period in the new agency will be allowed to refund the bonded amount on a pro rata basis by using the following formula:

$$\frac{V*(N-X)}{N}$$

where *V* represents the value of the bond, *N* the bonded period in days and *X* the completed period in days.

Scenario 3

Bonded officer who leaves the service for any reasons during the **serving period** should refund the bonded amount on a pro rata basis by using the formula mentioned above.

5. **Facilities to refund the bonded amount**

Bonded officers and sureties are allowed to refund the bonded amount due as follows:

- (i) *In a lump sum; or*
- (ii) *Within a period of two years, free of interests; or*
- (iii) *Within a maximum period of five years if they are unable to satisfy (i) and (ii) above. However, interest at the prevailing repo rate will be charged on the outstanding amount as from the starting date of the third year of reimbursement.*

6. **Effective date to refund the bonded amount**

The effective date to refund the bonded amount is as from the date the bond agreement is breached.

7. **Exceptional Cases**

Exceptional cases, as a result of circumstances which are beyond the control of bonded officer e.g illness and where the organization is satisfied that this may be a good reason for waiving of bond in whole or in part, should be referred to the Joint Committee comprising members of the Ministry of Finance and Economic Development and the Ministry of Civil Service and Administrative Reforms through this Ministry for consideration.

8. **Bond Agreement in respect of Refund of Course and Examinations Fees⁶**

In line with the Ministry of Civil Service and Administrative Reforms Circular Letter No 29 of 2003 "*Refund of Course and Examinations fees*", refund of course and examinations fees shall be made to officers who, after joining the Cadre/Post, registered and completed a training course on their own, which is sponsored by Government.

❖ *Entitlement to claim refund of course and examinations fees*

Officers are entitled to claim for refund only at the time *they are due for sponsorship*.

❖ *Bonded period*

The bonded period (*training period + serving period*) begins as from the date the course starts and the serving period begins as from the date the results of the examinations are posted on the website of the training institution.

❖ *Mode of refund*

Subject to availability of funds, refund for the course and examinations fees will be effected:

- (i) within 15 days, if the officer has successfully completed the course and produce documentary evidence to that effect and he/she has completed the bonded period; and
- (ii) within 30 days, if the officer has successfully completed the course and produce documentary evidence to that effect but has NOT completed the bonded period, and sign a bond agreement with two or more sureties, or produce a bank guarantee for the bonded amount if they have no sureties following his/her claim for refund. *Annex C & E refer.*

9. **Database of bonded officers**

Ministries/Departments should ensure that the contents of this circular are strictly adhered to and a database of all bonded officers maintained, as per *Annex F*. A yearly status report, as at 31 December should be submitted to this Ministry, at latest by the 15th of the ensuing month.

10. You are requested to relay the contents of this circular to all Departments/Statutory Bodies falling under your responsibility.

11. This Circular supersedes this Ministry's Circular No 1 of 06 January 2010 on "*Layout of Bond Agreement*" and can be downloaded on the website (<http://www/mof.gov.mu>) of this Ministry.



(P. Yip Wang Wing)
Ag. Financial Secretary

AGREEMENT
(Sureties)

Between the Government of Mauritius, represented by *(insert Ministry/Department)*

.....

And

Mr/Mrs/Miss*, National Identity

Card No *(hereinafter referred to as "the officer")*

And

Mr/Mrs/Miss*, National Identity Card

No *(hereinafter referred to as "Surety No. 1"**)*

And

Mr/Mrs/Miss*, National Identity Card

No *(hereinafter referred to as "Surety No. 2"**)*.

WHEREBY IT IS agreed as follows:-

1. The officer is enlisted/employed as
in *(insert Ministry/Department)*
2. The Government of Mauritius has agreed to the officer following a course of study
(hereinafter called "the Course") leading to the *(insert course name)*
for a period of at *(insert institution)*
3. The total allowances, tuition fees, salaries and contingencies for the Course being
undertaken by the Government are estimated at Rs
(..... rupees) *(hereinafter referred to as "the Bonded Amount")*.

**to delete where appropriate*
***sureties may be more than two and should show evidence that they have the capacity to pay*

4. In consideration of the above, the officer undertakes -
 - (a) to follow the Course regularly;
 - (b) to apply himself/herself*, to the best of his/her* ability, to the Course to the satisfaction of the supervisors, tutors and instructors associated herewith;
 - (c) to sit for all examinations prescribed for the Course;
 - (d) to continue to serve, upon completion of the Course, the *(insert Government of Mauritius or Ministry/Department*)* for a period of consecutive years starting on

5. The officer shall be in breach of this agreement and the officer and the sureties shall immediately become jointly and severally liable to pay to the Government of Mauritius the bonded amount due, where the officer:-
 - (a) abandons the Course or is disqualified from the Course owing to unsatisfactory attendance at the Course;
 - (b) does not comply with paragraph 4 above; or
 - (c) does not, on completion of the said training, serve until the completion of the bonded period the *(insert Government of Mauritius or Ministry/Department*)*

6. Where the officer fully discharges his/her* obligation under this agreement by complying with his/her* undertakings as set out under paragraph 4 above, the Government of Mauritius shall not enforce this Bond Agreement.

7. The officer and sureties acknowledge receipt of the "Guidelines on Enforcement of Bond", and warrant that they fully understand the implications of their undertaking under this agreement.

**to delete where appropriate*

Signed in two originals on this day of in the year

Signature of the Representative of the Government of Mauritius:

Name:

Designation:

Ministry/Department:

Signature of the Officer:

Name of the Officer:

Signature of Surety No. 1:

Name of Surety No. 1:

Address:

Signature of Surety No. 2:

Name of Surety No. 2:

Address:

Good for the sum of rupees

Signature of the Officer

Good for the sum of rupees

Signature of Surety No. 1

Good for the sum of rupees

Signature of Surety No. 2

AGREEMENT

Personal Particulars of Surety No.....

Name of officer who has been sponsored to follow a training course (Mr/Mrs/Miss*):

.....

National Identity Card No (NIC):

Name of surety no.....:

NIC No: Date of Birth: Age:

Relationship to the officer: Nationality:

Home Address:

Occupation:

Monthly income (to submit documentary evidence):

.....

Others (state whether owner of land or any fixed asset & submit documentary evidence):

.....

Tel (Home): Tel (Office):

I, Mr/Mrs/Miss*, holding National Identity Card No

..... stand as surety for Mr/Mrs/Miss*.....

..... holding the National Identity Card No who has been

sponsored for the following course:

Particulars

Course Name:

Institution:

Course Period:

Bonded Period:

I hereby declare that the particulars given above are true and correct, and acknowledge receipt of the "Guidelines on Enforcement of Bonds", and warrant that I fully understand the implications of my undertakings under this Agreement. I agree to pay the bonded amount due in case of breach of Agreement by Mr/Mrs/Miss* (Sponsored officer's name), on demand.

Signature of surety: Date:.....

Signature of the Representative of the Government of Mauritius:

Name of the Representative of the Government of Mauritius:

..... Designation:

Ministry/Department:

*to delete where appropriate

AGREEMENT
(Bank Guarantee)

Between the Government of Mauritius, represented by (insert Ministry/Department)

.....

And

Mr/Mrs/Miss*

National Identity Card No (hereinafter referred to as "the officer")

WHEREBY IT IS agreed as follows:-

1. The officer is enlisted/employed as
in (insert Ministry/Department)
2. The Government of Mauritius has agreed to the officer following a course of study
(hereinafter called "the Course") leading to the (insert course name)
..... for a period of at
(insert institution)
3. The total allowances, tuition fees, salaries and contingencies for the Course being
undertaken by the Government are estimated at Rs
(..... rupees) (hereinafter referred to as
"the Bonded amount").
4. In consideration of the above, the officer undertakes:-
 - (a) to follow the Course regularly;
 - (b) to apply himself/herself*, to the best of his/her* ability, to the Course to the
satisfaction of the supervisors, tutors and instructors associated herewith;
 - (c) to sit for all examinations prescribed for the Course;

*to delete where appropriate

- (d) to continue to serve, upon completion of the Course, the *(insert Government of Mauritius or Ministry/Department*)*
 for a period of consecutive years starting on.....;
- (e) to submit, within 15 days as from the date of this agreement, a bank guarantee payable on demand for a sum equivalent to the bonded amount, valid up to two months beyond the bonded period.
5. The Government of Mauritius shall enforce the bank guarantee where the officer:-
- (a) abandons the Course or is disqualified from the Course owing to unsatisfactory attendance at the Course;
- (b) does not comply with paragraph 4 above; or
- (c) does not, on completion of the said training, serve until completion of the Bonded period the *(insert Government of Mauritius or Ministry/Department*)*
6. Where the officer fully discharges his/her* obligations under this agreement by complying with his/her* undertakings as set out under paragraph 4 above the Government of Mauritius shall not enforce this Bond Agreement.
7. The officer acknowledges receipt of the "Guidelines on Enforcement of Bonds", and warrants that he/she* fully understands the implications of his/her* undertaking under this agreement.

Signed in two originals on this day of in the year

Signature of the Representative of the Government of Mauritius:

Name:..... Designation:

Ministry/Department:

Signature of the Officer:

Name:

**to delete where appropriate*

GUIDELINES IN CONNECTION WITH ENFORCEMENT OF BOND

*(One copy to be handed over to the Bonded Officer and the Sureties)
(For the purpose of this guideline officers imply Trainees and Public Officers)*

1. Bond Agreement

Officers who are sponsored to follow training courses should sign a bond agreement with their respective Ministry/Department together with two or more sureties and be bonded by an amount equivalent to the full cost of training expenses to be incurred on them.

1.1 Sureties

The sureties should produce evidence that they have the capacity to honour the bond in case of default, e.g a statement from the bank or an affidavit disclosing their assets and liabilities, etc.

1.2 Bank Guarantee

Officers may opt to produce a bank guarantee for the bonded amount if they do not have sureties.

2. Bonded period

The bonded period (*Training Period + Serving Period*) starts as from the date the training course begins and ends on the last day of the serving period. The serving period is calculated as follows:

Duration of Course	Serving period
(i) 12 months or less	3 years
(ii) More than 12 months but up to 36 months	5 years
(iii) More than 36 months	7 years

3. Breach of Bond Agreement/Refund of Bonded Amount**❖ During Training Period**

Officers who breach their Bond Agreement during their *training period*, e.g accept employment in a public/private organisation not related to the training received during the training period or leave the public service for any reasons may refund the bonded amount as follows:

Period	Basis of calculation
Any period during first year of training	Total cost of first year training
Any period during second year of training	Total cost of two years training
Any period during third year of training	Total cost of three years training
Any period during fourth year of training	Total cost of four years training

During Serving period

Scenario 1

Bonded officer who has been offered employment during the **serving period** in another Ministry/Department or an Organization receiving government grant and where the duties of the officer in the new agency are related to the training received, may, subject to the agreement of the respective Ministry/Department, be allowed to continue to serve the remaining bonded period in the new agency.

Scenario 2

Bonded officer who has been offered employment during the **serving period** in another Ministry/Department or an Organization receiving government grant and the duties of the officer in the new agency are related to the training received, but the Ministry/Department is **NOT** agreeable that he/she continues to serve the remaining period in the new agency, will be allowed to refund the bonded amount on a pro rata basis by using the following formula:

$$\frac{V*(N-X)}{N}$$

where *V* represents the value of the bond, *N* the bonded period in days and *X* the completed period in days.

Scenario 3

Bonded officer who leaves the service for any reasons during the **serving period** should refund the bonded amount on a pro rata basis by using the formula mentioned above.

4. Facilities to refund the bonded amount

Bonded officers and sureties are allowed to refund the bonded amount due as follows:

- (i) In a lump sum; or
- (ii) Within a period of two years, free of interests
- (iii) Within a maximum period of five years if they are unable to satisfy (i) and (ii) above. However, interest at the prevailing repo rate will be charged on the outstanding amount as from the starting date of the third year of reimbursement.

5. Waiving of bond

Waiving of bond may be considered **ONLY** in exceptional cases as a result of circumstances which are beyond the control of the bonded officer, e.g illness and this should be supported by valid documentary evidence.

6. We, the undersigned, hereby certify that we have **EACH** received by hand this "Guidelines in connection with Enforcement of Bond" and accept the consequences in case of breach of agreement.

Signature of Bonded Officer: Date:

Signature of Surety No 1: Date:

Signature of Surety No 2: Date:

AGREEMENT*(Refund of course and examinations fees)*

Between the Government of Mauritius, represented by *(insert Ministry/Department)*

.....

And

Mr/Mrs/Miss*,
National Identity Card No *(hereinafter referred to as "the officer")*

And

Mr/Mrs/Miss*, National Identity Card
No *(hereinafter referred to as "Surety No. 1"**)*

And

Mr/Mrs/Miss*, National Identity Card
No *(hereinafter referred to as "Surety No. 2"**)*.

WHEREBY it is agreed as follows:-

1. The officer holds the post of
in *(insert Ministry/Department)*
2. The Government of Mauritius has agreed to the officer having registered and completed successfully the training course *(hereinafter called "the Course")* leading to the *(insert course name)*, on his/her* own at *(insert institution)* which is sponsored by the Government.
3. The total amount disbursed by the Government for the training of an incumbent in the same grade at the time the officer is due for sponsorship is at Rs
(..... rupees). *(hereinafter referred to as "the Bonded amount")*

**to delete where appropriate*

***Sureties maybe more than two and should show evidence that they have capacity to pay*

4. The officer is eligible for the refund of the bonded amount equivalent to the total amount Government would have disbursed as per paragraph 3 above, Rs (..... rupees)* and will be payable to him/her* within 30 days as from the date this agreement is signed.

5. In consideration of the above, the officer undertakes to serve the *(insert Government of Mauritius/Ministry/Department)* for a period of consecutive years starting on *(insert date the results of the examinations are posted on the website of the training institution.....)*

6. In the event the officer does not serve until the completion of the bonded period at the *(insert Government of Mauritius or Ministry/Department*)*, both the officer and the sureties shall immediately become jointly and severally liable to pay to the Government of Mauritius the bonded amount due.

7. Where the officer fully discharges his/her* obligations under this agreement by complying with his/her* undertakings as set out under paragraph 5 above the Government of Mauritius shall not enforce this Bond Agreement.

8. The officer and the sureties acknowledge receipt of the "Guidelines on Enforcement of Bonds", and warrant that they fully understand the implications of their undertaking under this agreement.

Signed in two originals on this day of in the year

Signature of the Representative of the Government of Mauritius:

Name: Mr/Mrs/Miss*

Designation:

Ministry/Department:

**to delete where appropriate*

Signature of the Officer:

Name of the Officer: Mr/Mrs/Miss*

Signature of Surety No. 1:

Name of Surety No. 1: Mr/Mrs/Miss*

Address:

Signature of Surety No. 2:

Name of Surety No. 2: Mr/Mrs/Miss*

Address:

Good for the sum of rupees

Signature of the Officer

Good for the sum of rupees

Signature of Surety No. 1

Good for the sum of rupees

Signature of Surety No. 2

**to delete where appropriate*

No of bonded officers as at 31.12.....	Total bonded amount signed by the officers as at 31.12.....	No. of officers who			Total bonded amount signed by defaulters as at 31.12.....	Total amount refunded by defaulters as at 31.12.....	Total outstanding amount as at 31.12.....	No. of bonded officers who				No of cases referred to court	Outcome of cases referred to court (e.g pending/ ongoing, etc)
		Opt to have sureties as at 31.12.....	Opt to produce a bank guarantee as at 31.12.....	Breached their agreements as at 31.12.....				Refunded the bonded amount in a lump sum	Have already refunded the bonded amount in instalments	Are refunding the bonded amount in instalments Within two years	Are refunding the amount due beyond two years		

1. List the reasons officers breached their agreements:-

- (a)
- (b)
- (c)
- (c)
- (d)

2. Average time taken to request defaulters to refund the bonded amount as from Ministry/Department is informed of the breach of agreement:

- (a) No of Cases where action was taken beyond 10 working days:
- (b) State reasons:
- (c) Remedial action to prevent recurrence: