

The Development & Enterprise Market goes live

43 companies representing a market capitalisation of Rs 31 billion (US\$ 1 billion) admitted for trading on the DEM

The Stock Exchange of Mauritius (SEM) has launched a new Development & Enterprise Market (DEM) on Friday, 4 August 2006.

The Development & Enterprise Market is a market designed for companies currently quoted on the Over-The-Counter (OTC) Market, Small and Medium-sized Enterprises (SMEs) and newly set-up companies which possess sound business plans and demonstrate good growth potential.

The DEM is meant for companies wishing to avail themselves of the advantages and facilities provided by an organised and regulated market to raise capital to fund their future growth, improve liquidity in their shares, obtain an objective market valuation of their shares and enhance their overall corporate image.

This new market will be open to foreign investors. 43 companies representing a market capitalisation of about Rs 31 billion (US\$ 1 billion) have been admitted for trading their securities on the DEM on 4 August 2006. During this first trading session, 22 securities have been traded for a total volume of 378,826 shares and a total value of Rs 7.7 million.

Two indices will track the evolution of the DEM: the DEMEX, which is a price index, and the DEMTRI, which is a total return index.

The rules governing the DEM are less stringent than those of the official market. The trading of the securities of DEM companies will be effected through the SEM Automated Trading System (SEMATS), as per SEM Trading Rules and ATS Schedule of Procedures. All transactions will be cleared and settled through the Central Depository & Settlement Co Ltd (CDS) in accordance with the CDS Rules and Procedures.

The trading days and operating hours shall be on Mondays, Wednesdays and Fridays from 1.00 p.m. to 2.20 p.m. The DEM will initially trade 3 times a week, but the SEM is planning to extend trading to 5 times a week as from February 2007.

The DEM rules were approved by the Financial Services Commission on 25 May 2006.

With the implementation of the DEM, the OTC Market will be gradually phased out. The OTC Market will continue to operate normally on Tuesdays and Thursdays until its closure scheduled after the trading session of Thursday, 25 January 2007.

Source: *Communiqués*, Stock Exchange of Mauritius.

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