

THE SECURITIES ACT

FSC Rules made by the Financial Services Commission under section 93 of the Financial Services Act and section 155 of the Securities Act

1. These Rules may be cited as the Securities (Brokerage Fees for Debentures) (Amendment) Rules 2021.
2. In these Rules, “principal rules” means the Securities (Brokerage Fees for Debentures) Rules 2013.
3. The principal rules are amended by –
 - (a) by deleting rule 3 and replacing same by –

3. Brokerage Fee

- (1) Any person who enters a transaction in respect of debentures on the securities exchange shall pay to the investment dealer a brokerage fee.
 - (2) Every investment dealer licensed under the Act may, after the completion of each transaction on a securities exchange, recover from its client the amount payable as brokerage fee.
 - (3) The brokerage fee claimed by an investment dealer from its client must be a fair amount with regard to the value of the consideration of the transaction, after taking into consideration factors such as costs, fees payable to the securities exchange, the clearing and settlement facility and the Commission.
 - (4) Every investment dealer must publish its maximum brokerage fee prominently on its website disclosing the information prescribed in the schedule to these Rules.
 - (5) The Chief Executive reserves the right to require the maximum brokerage fee to be revised downwards if, in the opinion of the Chief Executive, it is abusive.
 - (6) The amount payable to the Commission shall be 0.0025% of the value of the consideration of the relevant transaction for transaction value on debentures which exceeds or equals MUR 75,000 and MUR2 for transaction value on debentures which does not exceed MUR 75,000
 - (7) The brokerage fee claimed by an investment dealer from its client shall be disclosed to its client together with the amounts payable to the investment dealer, the securities exchange, the clearing and settlement facility and the Commission in respect of the relevant transaction.
- (b) in **Part I** of the **SCHEDULE** –

- (i) by deleting the word “to” after the word “equal”;
- (ii) by deleting, from the table, the following columns –
 - (A) Investment Dealer;
 - (B) Securities exchange;
 - (C) Clearing and Settlement Facility; and
 - (D) Total brokerage fee claimed for apportionment.

(c) in **Part II** of the **SCHEDULE**, by deleting from the table, the following columns –

- (i) Investment Dealer;
- (ii) Securities exchange;
- (iii) Clearing and Settlement Facility; and
- (iv) Total brokerage fee claimed for apportionment.

4. These Rules shall come into operation on xx .

Made by the Financial Services Commission on xx .