



MAURITIUS STEPS INTO THE DIGITAL AGE OF TRADE FINANCE, September 2025

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Mauritius has taken a decisive step in modernising its trade finance landscape by **legally recognising electronic bills of exchange under the Finance Act 2025**. This landmark reform brings the country in line with international frameworks such as the **UNCITRAL Model Law on Electronic Transferable Records (MLETR)** and the **ICC's digital trade finance principles**, positioning Mauritius as a regional pioneer in digital trade transformation.

A New Legal Framework

The amendment introduces **Part IA of the Bills of Exchange Act**, creating a robust legal and technical foundation for electronic bills of exchange. For the first time, electronic instruments enjoy the same legal standing as their paper equivalents. The law requires secure digital signatures, reliable systems that guarantee integrity and auditability, and a redefined notion of possession that shifts towards digital “control.” Importantly, parties may convert between paper and electronic formats without losing their rights, ensuring flexibility while paving the way for full digital adoption.

Why This Matters

For Mauritian banks and traders, the legal recognition of electronic bills of exchange marks a pivotal shift from manual, paper-based processes to real-time digital operations. Traditionally, transactions involving cross-border shipments have been slowed by the physical movement of documents. Paper bills of exchange typically take **three to seven days** to be couriered, verified, and processed across jurisdiction delays that directly affect cash flow, increase settlement risk, and constrain market responsiveness.

With electronic bills now legally valid, banks can authenticate and act on trade documents within hours. A Mauritian bank financing an exporter to Europe, for example, can release funds on the same day the digital bill is issued—an acceleration that enhances liquidity for exporters, reduces operational risk for banks, and improves the overall competitiveness of the Mauritian financial system.

Digitalisation also addresses long-standing operational challenges. Manual handling of documents has often led to errors, disputes, or even lost paperwork. By contrast, electronic bills provide secure signatures, audit trails, and system-based controls, reducing risk and enhancing transparency.

Perhaps most importantly, this reform enables Mauritian banks to integrate seamlessly with global digital platforms. That means faster client onboarding, quicker compliance checks, and the ability to structure tailored financing solutions with shorter turnaround times, an increasingly vital advantage in markets where speed and certainty are highly valued.

The Challenges Ahead

Adoption, however, will not be seamless.

From the banking side:

- Significant **investment in digital infrastructure and cybersecurity** will be required.



- **Novel legal concept: “Control” vs. “Possession”** – Unlike paper documents that are easy to hold and prove ownership of digital bills rely on complex systems to show who controls them, making it harder for courts and businesses to clearly understand and enforce rights, especially across different countries.
- Banks must undertake **staff training** in handling digital instruments and ensuring compliance with new standards.
- Ensuring **interoperability** with international platforms and counterparties will remain a challenge.
- **Fraud risks** are a concern, particularly in the absence of standardised digital identity verification and cross-border legal harmonisation.

From the trader’s side:

- SMEs may struggle with **understanding the legal implications** of electronic bills and how this change established workflows.
- Many will lack **direct access to reliable systems or platforms**—precisely the gap that fintech innovators digitalising paper-based bills will need to step in to bridge.
- **Trust in digital signatures and control mechanisms** often remains limited, particularly in higher-value transactions where legal certainty is essential.
- Traders will need clarity on **conversion protocols** when moving between paper and electronic formats, to ensure rights are maintained.
- With **traditional paper-based workflows still dominant**, awareness campaigns, training, and adoption incentives will be vital to help SMEs transition confidently.

What Comes Next

The next phase will be critical. Policymakers must publish technical standards, regulators and courts must be equipped to interpret new provisions, and SMEs will need support to make the transition. A secure national platform for electronic trade documents—similar to initiatives launched in Singapore and Dubai—could be the single most important step in consolidating progress.

Equally important will be **strong change management**. The shift from paper to digital is not simply a technological transition; it requires cultural change, education, and sustained engagement across the ecosystem. Banks will need to lead internal adoption programmes, traders will need to adapt workflows, and regulators will need to provide clarity and consistency. Without careful management of this transition, even the most robust legal framework risks being stalled in practice.

It is also important to recognise that the reform currently applies **only to bills of exchange**. Other critical trade documents—such as bills of lading, and warehouse receipts—remain outside the legal framework. Extending reforms to cover these instruments will be essential for Mauritius to achieve **end-to-end trade digitalisation** and true interoperability with global systems.

For banks, fintechs, and corporates, the moment to engage with regulators and co-create interoperable platforms is now. Mauritius has set the legal foundation – the challenge lies in how the ecosystem seizes this opportunity.