



Mauritius International Financial Centre

AX1S

Offices: Mauritius | Kenya | Seychelles

“Mauritius offers investors the advantage of an offshore financial centre in the Indian Ocean, with a substantial network of treaties and double-taxation avoidance agreements, making it a gateway for routing funds into Africa and India.” – World Investment Report 2013 (UNCTAD)

Introduction

The Mauritius International Financial Centre offers quality services through its modern and innovative legal framework. As a global business platform, Mauritius offers investors with a diverse product base for planning and optimization of benefits including Companies, Protected Cell Companies, Limited Partnerships, Private Trust Companies, Trusts and Foundations which benefit from a low to nil taxation through the issuance of a Global Business Category 1 or Category 2 License issued by the Financial Services Commission, (FSC). An entity holding a Global Business Category 1 license can additionally access the benefits of the network of bilateral Double Taxation Avoidance Treaties (DTA) that Mauritius has ratified with other jurisdictions.

Regulatory Framework

The FSC is the body responsible for licensing, regulating, monitoring and supervising all non-bank financial activities including the stock exchange, the depository and settlement system, market intermediaries, collective investment schemes, insurance companies and the global business sector. The FSC ascertains the development of stable, fair, efficient, transparent and sound non-bank financial institutions in Mauritius. Mauritius, furthermore, fully supports international initiatives (FATF, Basel, IOSCO, IAIS) aimed at preventing the jurisdiction from being used for money laundering and terrorist financing. It is worth noting that Mauritius has never been blacklisted.

Company Incorporation & Corporate Services

Our company administration teams provide secretarial and administrative support throughout the life of a business or project. A wide range of corporate services are offered from Company Administration & Accounting services to Business Facilitation services. We also provide both corporate and individual director services to companies. Our directors are highly trained and experienced and include both lawyers and professional associates.

Trusts & Foundations

Trusts and Foundations are important tools in estate planning and private wealth management. We can set up trusts/foundations in Mauritius. Through our network of partners and affiliates worldwide, we are also able to set up foreign trusts & foundations. We also offer a broad range of trusts/foundations services. Clients can rely on our precision and the fast delivery of strategic solutions to meet their objectives.

Fund Formation & Fund Administration Services

The use of Mauritius as a jurisdiction to set up fund structures (collective investment schemes) has known a recent surge especially in the wake of new funds and securities regulations bringing added confidence and impetus to Mauritius as a jurisdiction for funds domicile. The combination of the relative low rate of domestic corporate taxes and its double taxation avoidance treaty network - 33 such treaties - makes Mauritius one of the preferred routes for foreign institutional investment to countries such as India and China, as well as countries on the African continent. AXIS has experience in the setting up of all types of funds in Mauritius including Closed-Ended Funds, Open-Ended Funds, Professional Collective Investment Schemes, Specialized Collective Investment Schemes and Expert Funds. Through our network of partners and affiliates, we are also able to set-up funds in other jurisdictions.

Tax Services

Mauritius is not a zero-tax jurisdiction. Entities are taxed on their business profits at a flat rate of corporate income tax of 15%. Global business entities are however entitled to offset any tax suffered abroad against their tax liability in Mauritius, or may alternatively avail of a deemed foreign tax credit of 80% (irrespective of foreign tax paid), therefore making them liable to a maximum effective rate of tax of 3%. Tax credit is also allowed against any underlying tax, provided that the fund holds at least 5% of the underlying investment. The absence of capital gains tax on sale, redemption or disposal of investments makes Mauritius a preferred route for structuring investments and exits. Moreover, dividend and interest income paid by Mauritian companies to investors abroad is exempt of any form of withholding taxes.

Global Business Products

Category 1 Global Business License (GBC1):

A GBC 1 can be in the form of a Trust, Société and Partnership. A Mauritius GBC 1 is governed by the Companies Act 2001 and regulated by the FSC. A GBC 1 is considered to be tax resident in Mauritius and is subject to corporate tax at 15%. However, a GBC 1 may claim a foreign tax credit in respect of the actual foreign tax suffered or 80% presumed tax credit, whichever is higher and this brings about for a GBC 1 to have a maximum effective tax rate of 3%. Other tax advantages for GBC 1 in Mauritius are that there is no capital gains tax and also no withholding tax on dividends, interest and royalties paid.

Category 2 Global Business License (GBC2):

A GBC2 is the Mauritius equivalent of an International Business Company (IBC) and has to be structured as a company limited by shares. It must at all times have the Management Company acting as its Registered Agent in Mauritius. A GBC2 takes on average 2-3 days to be incorporated. The GBC 2 is non-resident for tax purposes and therefore is a tax exempt entity and cannot avail itself of the relief under the DTAs in force in Mauritius. Companies that are engaged in invoicing, marketing, international trading activities and holding & managing private assets often use a GBC2 structure. There are some restrictions in terms of business that a GBC 2 can carry out. It cannot conduct business in Mauritius nor in Mauritian Rupees.

Global Funds:

A global fund can be structured in Mauritius as a company, a trust or a protected cell company. There are two broad categories of investment funds which are regulated in Mauritius; Collective Investment Schemes (CIS) and Closed Ended Funds. A CIS or Closed End Fund which will conduct business outside of Mauritius may be specifically structured as a Global Fund by applying for a GBC 1. This will allow the fund to benefit from all the advantages available to a GBC1 as detailed above.

Trusts:

Mauritian legislation allows for the creation of various types of Trusts, including fixed, discretionary, protective, purpose and charitable trusts. Key features which render the Mauritius Trusts attractive are the fact that there are no registration or filing requirements, there are anti-avoidance provisions in relation to forced heirship, extensive powers may be given to the Protector, there is the possibility of splitting Trusteeship into a Custodian and a Managing Trustee, there is a maximum duration of 99 years, non-resident trusts are tax-exempt, trusts may apply for a GBC I license and confidentiality enshrined in the law.

Foundations:

A Foundation is in many respects similar to corporate entities but afford the protection and continuity derived from the use of trusts. Foundations can be established for a fixed or indefinite period of time and can be used for charitable, commercial or family purposes, namely in wealth management services, succession and estate planning. Foundations are increasingly being used across the globe, especially in civil law jurisdictions where the concept of trusts is less well known. The Mauritius Foundations Act 2012 offers one of the most versatile and dynamic Foundations available from any jurisdiction.

Limited Partnership:

The Limited Partnerships Act 2011 introduces the concept of Limited Partnerships which is a flexible vehicle for investing into Africa and Asia through Mauritius. A Limited Partnership can be tailor-made, having either a separate legal entity where any partnership property is held by the Limited Partnership itself or with no separate legal entity, where such property is held by the general partner. The approach in the Mauritius Limited Partnership law is to set default provisions, most of which can be supplemented or displaced by the partnership agreement, thus leaving the Limited Partnership to be a flexible and highly customizable vehicle. Limited Partnerships enable Global

Funds to be structured directly in Mauritius, hence lessening the need for complex master-feeder structures or creative manipulation of companies in order to achieve the optimal structure.

Gateway to Africa

Mauritius is drawing on long-established links with India and Africa to position itself as a natural conduit for exponential growth in the emerging Africa and Asia trade corridor. Its wide network of treaties and simple favorable tax regime make it a preferred bridging step between the Western World and emerging markets of Africa. Mauritius has, as an African state, always nurtured tax and trade relationships with mainland states by constantly cumulating African tax treaties and membership in a number of African preferential trade networks (e.g. COMESA and SADC). Mauritius is ranked first in Africa on the World Bank Ease of Doing Business Index. Mauritius also tops the African continent on key international benchmarks namely the Heritage Foundation Index of Economic Freedom, the Forbes Survey of Best Countries for Business, the Democracy Index, the Mo Ibrahim Index of African Governance and the Environmental Performance Index amongst others.

Doing Business in Mauritius

The Business Facilitation Act provides a framework that allows any business to be implemented along comprehensive and clear guidelines. Endowed with a highly qualified bilingual work force, a convenient time zone, state-of-the-art infrastructure and an open-economic environment, Mauritius emerges as one of the most favored locations for conducting business. A foreign investor can settle hassle-free in Mauritius and be operational in just 3 days. Furthermore, Mauritius has one of the world's most generous tax regimes, where personal and corporate tax are harmonized at a low 15% and where dividends are tax free. No exchange controls are in place. Export-oriented operators enjoy duty-free privileges for their input and equipment. The Government has ensured that doing business in and from Mauritius is both easy and smooth and complies with best practices in terms of transparency, good governance and ethics.

How can AXIS assist?

AXIS has offices in Mauritius, Seychelles and Kenya coupled with extensive networking opportunities due to its affiliation with the Africa Legal Network (ALN) and its association with Harneys, a leading international offshore law firm. These strategic associations further expand AXIS's global reach and extend the array of services it can offer its clients – namely, a full spectrum of corporate and fiduciary services to a diversified client base. AXIS can set up companies, trusts, funds and other legal entities and provide the necessary fiduciary, corporate secretarial, administration, accounting and other ancillary services. AXIS can also assist in the setting up and administration of offshore entities in various jurisdictions.

AXIS

Offices: Mauritius | Kenya | Seychelles

For more information on AXIS, please contact trust@axiscorporateservices.com
or visit our website www.axiscorporateservices.com