

Mauritius as an IFC of choice for fund managers to call home

Against the backdrop of Mauritius having complied with all the FATF 40 Recommendations towards taking its AML/CFT standards to the next level, Husayn Sassa of AXIS Fiduciary Ltd outlines the various factors that add up to make such a compelling value proposition for local and global funds to home in on its shores.



Being a tried and tested international financial centre (IFC) since the past three decades, Mauritius continues to pave its way with the provision of innovative and highly competitive products and services in the fund industry and the financial services sector as a whole. The jurisdiction has established itself as a mature IFC with a strong regulatory framework which has contributed to

attracting Fund Managers for the setting up of different fund structures in Mauritius.

The fact that the country provides a politically and economically stable environment, while also being geographically and culturally close to countries in Africa and Asia, makes it a preferred platform for establishing holding structures in the emerging

markets of these continents.

The fund industry is an extremely dynamic one and is constantly evolving when it comes to compliance, financial reporting, tax, and corporate governance aspects. Mauritius is regarded as a highly reputed IFC where Fund Managers, along with their investors, benefit from customised services and end-to-end solutions to cater for their respective requirements. As such, Mauritius, with the support of the local Fund Administrators, offers a strong middle office along with enhanced investor reporting solutions to Fund Managers.

Mauritius has established itself as a mature IFC with a strong regulatory framework

In addition to using Mauritius for establishing Investment Funds, Fund Managers are now increasingly using the jurisdiction as an efficient and reliable back-office solution for the servicing of funds domiciled in other countries such as the Cayman Islands, South Africa, Singapore, Namibia, the United Kingdom, or the United States.

Fund Managers and DFIs choosing Mauritius IFC to structure their funds

Mauritius has, at the very outset, been used for the setting up of local funds for making investments into Asia. Since the start of the offshore sector in Mauritius, in the early 90s, local administrators have been setting up different fund and non-fund structures for investments into India. The most important attraction of Mauritius for foreign investors back then, including Development Finance Institutions (DFIs), to set up their investment funds locally rested on the fact that the country had a favorable double taxation treaty with India.

Over the past few years, we have seen Mauritius

being considered as a platform for onward investments across the African continent. In fact, the jurisdiction offers investors the advantages of an offshore financial centre with a convenient time zone along with a substantial network of treaties and double-taxation agreements, making it a preferred IFC for investments into Africa.

Mauritius is viewed as a financial and business centre which has cemented its place as a diverse trade and investment hub for Africa based on the fact that the country has a resilient financial system along with a sophisticated legal and regulatory framework which acts as a safeguard to the jurisdiction's financial services industry.

The other critical factors that have also contributed largely to position Mauritius as an IFC of choice are the absence of exchange controls which otherwise generally lead to delays and subsequently hinder smooth operations for investors and entrepreneurs, the availability of qualified and skilled professionals to service offshore clients, and the quality of service and deliverables by local service providers.

Fund Managers continue to view Mauritius as a preferred jurisdiction for Africa-focused funds. Over the years, core investors for such fund structures have been DFIs who have become familiar and drawn comfort with the use of Mauritius for making investments and/or the use of local Fund Administrators for the provision of requisite administrative, accounting, and back-office services to foreign fund structures.

Mauritius is compliant with the Organization for Economic Co-operation and Development's (OECD) standards and has no harmful tax regimes, thus putting the country at a level playing field with other well-known and reputable IFCs.

It is thus clear that there are various robust reasons why Mauritius remains a tested and trusted route for making investments into Asia and Africa.

Services provided by local Fund Administrators to Mauritius-based funds

Local Fund Administrators provide a wide range of services to Mauritius domiciled and foreign fund clients and the service offering includes:

- Fund set up services comprising of providing structuring advice; liaising with legal counsels



**By Husayn Sassa,
Associate Director,
Fund & Investor Services,
AXIS Fiduciary Ltd**

**Your trusted partner for
the setup and day-to-day
administration of your
Fund structures**



> The funds industry is dynamic, and constantly evolving. Axis, as your trusted partner, can handle the fund administration, regulatory, accounting & tax, compliance and corporate governance responsibilities while you optimise your investment strategies and manage your funds effectively.

As a jurisdiction of choice for business, the Mauritius IFC offers an ideal platform for the structuring of investment funds, fund managers and advisors.

Recognising the role of private equity in driving economic growth, especially in emerging economies, Axis has successfully built competencies in the fund space that draw on significant industry experience. We are ideally geared to provide customized fund services to the varied and sophisticated needs of clients, fund managers and their investors, by using technology and systems for high-quality service and consistent and timely reporting while also making them benefit from the jurisdictional advantages of the Mauritius IFC.

Visit us on www.axis.mu or contact us on info@axis.mu to learn more about our service offerings.



Our eXpertise

MAURITIUS / SEYCHELLES / SOUTH AFRICA / KENYA