

The New Era of the Mauritius Global Business Sector



Since gaining its independence in 1968, Mauritius went through a noteworthy transformation. Today, it prides itself in having a diversified economy, with a clear economic strategy: to strengthen the foundations of our economy (including agriculture, textile, fisheries, hospitality, real estate, and financial services); to continue the transformation of Mauritius into a sustainable economy (fintech, virtual assets, ESG, etc.); and building the future (attracting investors and talent, compliance and transparency, etc.).

Mauritius: The leading platform for doing business in Africa and Asia

Mauritius continues to be the business hub of choice for many African and Asian countries. It is ranked 1st in Africa across several international indices, including ease of doing business, governance, and economic freedom. With its rule of law, Mauritius is a jurisdiction of choice for potential investors through

its International Arbitration Centre, adherence to best practices, its status as a jurisdiction of substance, hybrid legal system, combining civil and common law practices, and investor protection.

Mauritius has a long history of being a trade platform and today has strong bilateral and multilateral trade agreements in place. Mauritius therefore has a preferential market access to about 70% of the world's population. Mauritius is a member of the SADC, COMESA, IOC, and has Free Trade Agreements with a number of countries including China, the Comprehensive Economic Cooperation and Partnership Agreement (CECPA – with India), and the African Continental Free Trade Area Agreement (AfCFTA). This, in turn, provides entrepreneurs and companies with favoured access to these respective markets, with a combined population of over 5.4 billion. While helping Mauritian companies export their products to new customers, these agreements are in line with the strategy of Mauritius to position itself as a regional trade,

business and investment platform between Africa and Asia.

The green economy is an increasingly popular topic globally, and a growing number of start-ups in Africa are putting the green economy into practice. With consumers becoming more environmentally conscious, a growing number of companies worldwide are feeling the need to adapt to these demands. In Mauritius, the green economy has the potential to bring in even more foreign investment, especially as the green economy is expected to grow immensely in the next few years.

AFRINEX Stock Exchange marks a new era for capital raising

The amount of capital raised by corporates in Mauritius is further proof of the strength and reliability of Mauritius as an attractive listing, trading and capital-raising platform for both local and global issuers, with a very active Debt Capital Markets.

To strengthen its position as an International Financial Centre (IFC),

Mauritius in collaboration with the Bombay Stock Exchange (BSE), launched the AFRINEX Stock Exchange in October 2021. With its multi-currency and multi-asset universal exchange, which facilitates everything from equities to derivatives, AFRINEX has brought a new dimension to capital raising. After 2 years of operation, the exchange grew rapidly and has been the fastest growing stock exchange with listings of over USD 13.3 billion (as at August 2023), of which USD 1.5 billion are sustainable bonds.

As Africa is experiencing unprecedented economic growth, capital is required to fuel modernisation, innovation, infrastructure, and development. With AFRINEX, Mauritius plays a strategic role for African companies looking to raise capital and take advantage of these opportunities.

In addition to the Mauritius Stock Exchange and its strong financial services industry (banking and non-banking), the Mauritius IFC provides a conducive environment to African corporates and entrepreneurs, ranging from private equity players to venture capitalists.

A compliant jurisdiction of repute and substance

Over the past 3 years, Mauritius implemented a number of reforms, most notably in terms of compliance with international standards. The introduction of strong policies and measures enabled Mauritius to comply with the highest international standards, most notably in terms of Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT).

Today, Mauritius is a jurisdiction that is compliant to international best practices (OECD and the Financial Action Task Force). This progress demonstrates that Mauritius, with three decades of expertise, has the capabilities and competencies to be a major IFC. We must also focus and build on our strengths, but also learn from our competitors and continue to develop and improve our financial centre, and continue to attract real development players such as DFIs (Development Finance Institutions), investment funds, etc.

Mauritius has signed and ratified a number of international agreements on exchange of information, including the OECD Convention on Mutual Administrative Assistance in Tax Matters. Mauritius is also a member of the Global Forum on Transparency and Exchange of Information for Tax Purposes.

Looking forward to a digitally-enabled and sustainable future

With the Variable Capital Companies Act, the Mauritius IFC becomes more competitive and provides more opportunities to investors. A Variable Capital Company (VCC) is a type of structure that is used to set up open-ended or closed-ended funds (such as investment funds, hedge funds and venture capital funds), and which allows for greater flexibility in the distribution and repayment of capital.

We have seen growing interest in local crowdfunding platforms. These platforms present opportunities for SMEs (capital raising) and individual investors (revenue stream diversification). Mauritius is a major Fintech hub for Africa. The country has a well-developed financial sector and a supportive regulatory environment, including the Virtual Asset and Initial Token Offering Services (VAITOS) Act. The Fintech industry is booming globally, and these initiatives will boost our Fintech industry and attract even more investment.

Mauritius is also making strides in the area of green investments. The guidelines for the issuance of corporate and green bonds in Mauritius, which are aligned with international best practices, set out the regulatory requirements that issuers need to follow.

Sustainability is indeed becoming an increasingly prevalent investment criterion for new funds going through Mauritius. Investors are growing more conscious of climate risks to their portfolios, and stakeholders are asking the investment community to heighten their environmental, social, and governance (ESG) policies. This is true for both public and private sector companies. Mauritius has a strong ESG framework in place, which includes a number of initiatives to promote environmental



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protection, social responsibility, and good corporate governance. Mauritius offers a number of incentives for businesses that invest in ESG projects.

Attracting foreign talents to further develop our IFC

Through its Occupation, Residence, and Young Professionals Occupation, as well as Premium Travel Visa Permits, Mauritius is developing its economy by attracting investors and talent. Experienced and qualified foreign talents can contribute to the development of all sectors of our economy.

To further attract foreign talents onto the island, the government allows for the acquisition of property by foreigners. In Mauritius, various schemes allow foreigners and expatriates to own one (or more) property(ies). Indeed, the acquisition of a property valued at a minimum of USD 375,000 gives the buyer, as well as his/her dependents (spouse and/or children), the right to a residence permit. The permit allows them to establish their tax residence and live in Mauritius. The residence permit remains active as long as the buyer remains the owner of the property.

In addition, allowing foreigners to acquire real estate properties in Mauritius brings several economic benefits, including increased foreign direct investment, increased tax revenue, boost tourism, and increased employment, amongst others.

Mauritius is a launchpad for corporates, entrepreneurs, and investors to take their operations to the global stage. With its vibrant ecosystem, Mauritius is a strategic IFC that helps businesses achieve their ambitions.