MAURITIUS, A KEY PLATFORM FOR GLOBAL INVESTORS

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Despite the initial scepticism of Nobel Prize winner Professor James Meade, Mauritius has defied all odds. The island has emerged as one of Africa's most attractive and favourable countries for business. The Financial Services sector in Mauritius has roots dating back to the 17th century. At the time, it served as a regional hub for trader payments and settlements. Today, the Financial Services sector is a pillar of the local economy, with a GDP contribution exceeding 13%.

While its journey hasn't been without challenges, the sector stands tall as a major player in Africa. With several key factors attracting international investors, Mauritius has evolved into an International Financial Centre (IFC) of choice in facilitating investment across Africa.

EFFICIENCY AND ADVANTAGE OF CHOOSING THE MAURITIUS IFC

Investors prioritise stability, substance, and predictability. Mauritius' robust regulatory framework, meticulously crafted and based on international best practices, fosters a business-friendly environment that welcomes foreign investment and streamlines company incorporation.

International recognition: With its innovative platform and well-regulated IFC, Mauritius ranks 1st in Africa on a number of international indices, including the World Bank's Ease of Doing Business Report, Mo Ibrahim's Governance Index, The Economist Intelligence Unit, etc.

Favourable fiscal regime: Mauritius has a corporate tax rate of 15%, no capital gains tax, and no withholding tax on dividends, interest, or royalties. Mauritius also has an extensive network of Double Taxation Avoidance Agreements (DTAAs) and Investment Promotion and Protection Agreements (IPPAs) with over 40 countries.

Strategic location: Mauritius is strategically located in the Indian Ocean and serves as a gateway to Africa, Asia, and the Middle East. The country's time zone (GMT+4) is also ideal for conducting business with Asia and Europe. This facilitates access to emerging markets and offers investment opportunities in the region.

Skilled workforce: Mauritius has a highly educated and skilled workforce (in areas such as AML/CFT, finance, legal, IT, and management) with proficiency in English, French, and other languages. As an education hub, the country has a strong focus on education and training.

Political stability: Mauritius has a stable political environment with a democratic government. Mauritius has a hybrid legal system, combining both civil and common law practices.

Diversified financial services: Mauritius offers a range of financial services, including banking, insurance, fund management, project financing, and capital markets. The country's financial services sector is well developed and diversified, providing opportunities for both local and international businesses.

Modern infrastructure: includes business centres, free trade zones, and information and communication technologies. This infrastructure facilitates business operations and enhances investor confidence.

Preferential Market Access: With unparalleled preferential market access as a member of key regional economic blocs like COMESA, SADC, EAC and AfCFTA, the Mauritius IFC positions you for success in Africa's thriving marketplace. Benefits from bilateral trade agreements, including DTAAs, IPPAs, Free Trade Agreements and MOUs. These agreements provide significant advantages in terms of strategic tax planning and broader market access.

A JURISDICTION ALIGNED WITH INTERNATIONAL NORMS

With its strong regulatory framework, international cooperation, and transparency in financial transactions, the country's commitment to implementing international standards and best practices has contributed to its reputation as a compliant IFC.

Regulatory Framework: Mauritius has a robust and transparent regulatory framework for alternative investments, including investment funds and private equity firms. The Financial Services Commission (FSC) is the regulatory authority responsible for the supervision of the non-banking financial sector and ensures compliance with international standards and substance requirements.

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International Cooperation: The country is a member of several international organisations, including the Financial Action Task Force (FATF), to which it adheres to all 40 recommendations - and the OECD. Mauritius has also signed several tax treaties with other countries, which provide for the exchange of information.

Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Measures: Our regulatory environment in Mauritius places significant emphasis on compliance, particularly in relation to Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), and the roles of the Money Laundering Reporting Officer (MLRO) and Compliance Officer (CO). Mauritius has implemented a comprehensive AML/CFT regime that requires financial institutions to conduct Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) on high-risk clients. The country has also established a Financial Intelligence Unit (FIU) to receive, analyse, and disseminate Suspicious Transaction Reports (STRs) and other financial intelligence.

INVESTMENT FLOWS: A DIVERSIFYING LANDSCAPE

The Mauritius IFC has been an instrumental conduit for investment into various African markets. Investors worldwide are recognising the potential and opportunities available in Africa's burgeoning economies, and Mauritius is a key facilitator, structuring an increasing volume of investment flows.

Today, more than 450 Private Equity Funds are domiciled in the Mauritius IFC and investing in the African continent. Additionally, it is expected, by 2025, that over USD 80 billion investments directed towards Africa will be structured in Mauritius.

Data from the Financial Services Commission of Mauritius' External Sector Statistics and National Accounts (ESSNAC) Survey reveals a positive trend: diversification of investment flows beyond traditional destinations. While South Africa has historically been a focal point, a strategic shift towards Western and Eastern Africa is evident.

MAURITIUS' ROBUST REGULATORY FRAMEWORK, METICULOUSLY CRAFTED AND BASED ON INTERNATIONAL BEST PRACTICES, FOSTERS A BUSINESS-FRIENDLY ENVIRONMENT THAT WELCOMES FOREIGN INVESTMENT AND STREAMLINES COMPANY INCORPORATION.

- **Southern Africa:** Botswana, Zambia, and Mozambique remain attractive destinations for investors leveraging the Mauritius IFC. Their abundant natural resources, ongoing infrastructure projects, and expanding consumer markets create a compelling investment landscape.

- **Eastern Africa:** Tanzania, Uganda, and Rwanda are emerging as investment hotspots. These countries offer promising opportunities in high-growth sectors, including technology, energy, agriculture, manufacturing, tourism, and infrastructure development.

- **Western Africa:** Nigeria, Ghana, and Côte d'Ivoire are attracting significant investments due to their large and growing consumer bases, improving business environments, and rich natural resources. These factors present interesting opportunities for investors.

EMBRACING CHALLENGES AND SHAPING THE FUTURE

The Mauritius IFC is a well-established hub known for its stability, attractive tax regimes, and robust regulatory framework. In the ever-evolving global landscape, the IFC is proactively addressing emerging challenges.

Compliance and AML: The global focus on Anti-Money Laundering (AML) and regulatory compliance presents an opportunity to strengthen the IFC's reputation. By investing in cutting-edge technology and collaborating with educational institutions to establish specialised training programmes, Mauritius can develop a highly skilled workforce adept at navigating complex regulations. Additionally, attracting experienced compliance professionals fosters a culture of excellence within the IFC.

Building a talent powerhouse: With the major challenge that brain drain represents, creating an attractive environment for professionals, offering competitive salaries, career development opportunities, and encouraging knowledge transfer programmes can help retain skilled talent within the country. Attracting foreign professionals therefore represents a significant step towards upskilling and strengthening our competencies and capabilities.

Navigating the fintech landscape: The emergence of cryptocurrencies, fintech, and Artificial Intelligence presents both opportunities and challenges for Mauritius. While a number of Acts and Rules have been put in place (including the Virtual Asset and Initial Token Offerings Services Act 2021, Peer-to-Peer (P2P) Lending Rules 2020, Crowdfunding Rules 2021, Payment Intermediary Services (PIS), and Robotic and Artificial Intelligence-Enabled Advisory Services), it remains crucial to monitor our regulatory framework and ensure it balances innovation and consumer protection in order to efficiently provide these types of services.

Steering through economic headwinds: The post-COVID effects, combined with factors such as Brexit, political tensions, an increase in raw material costs, the Russia-Ukraine war, and macroeconomic indicators, have led to a significant rise in the cost of debt. Promoting access to finance for small and medium-sized enterprises (SMEs) through innovative financing models and creating a favourable investment climate can attract alternative investors and reduce reliance on traditional debt financing.

The upcoming national budget might well include measures to further strengthen the position of the Mauritius IFC as a competitive and sustainable jurisdiction in the global arena.