Investor's GUIDE

Foreign nationals are a key cog for the future of the Mauritian economy

Investing in Mauritius

An opportunity of a lifetime for investors

Taxation and investment in Mauritius
Strengthening the financial hub

Real estate
A gateway to elite island living

Wealth management
Navigating opportunity in a rapidly rising market

No. 3 - July 2025
Free copy with
BUSINESS MAGAZINE

MAURITIUS INTERNATIONAL FINANCIAL CENTRE: A STRATEGIC EVOLUTION FUELLED BY INNOVATION AND SUSTAINABILITY

Mauritius has established itself as a premier Global Business Hub and International Financial Centre (IFC), transforming from a sugar-based economy into one of Africa's most attractive business destinations. This remarkable evolution continues to unfold as the jurisdiction adapts to global shifts while maintaining its competitive edge through strategic policy initiatives, most recently articulated in the 2025-2026 Budget.

by Shakil Azeer
Head of Compliance
Sunibel Corporate Services Ltd

ECONOMIC FOUNDATION AND STRATEGIC EVOLUTION

Since achieving independence in 1968, Mauritius has systematically diversified its economic base beyond traditional sectors such as agriculture, textiles, and tourism. The nation has successfully positioned itself as a sophisticated financial hub, leveraging its strategic location between Africa and Asia, with its political stability and robust regulatory framework to attract international investment.

The jurisdiction's commitment to economic diversification has grown steadily in recent years, with significant expansion into high-growth sectors including fintech, biotechnology, and sustainable finance. This strategic pivot reflects Mauritius's recognition of global trends toward digitisation and environmental consciousness, positioning the IFC to capitalise on emerging opportunities in ESG investments and the green economy.

The recent 2025-2026 Budget represents a strategic evolution that strengthens Mauritius's position in the global financial landscape, reinforcing the country's transformation agenda with progressive measures designed to enhance economic foundations while maintaining fiscal discipline.

STRONG REGULATORY AND FISCAL FRAMEWORK

The Mauritius IFC has distinguished itself through unwavering commitment to international compliance standards, particularly in Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT). This adherence to global best practices, as established by the Financial Action Task Force (FATF) and the Organisation for Economic Cooperation and Development (OECD), has enabled Mauritius to maintain its reputation as a trusted and transparent investment destination. Furthermore, as part of its ongoing regulatory enhancement, the government is set to roll out specialised AML/CFT capacity-building programs targeting both public and private sector professionals.

The 2025-2026 Budget further underscores Mauritius's proactive approach to evolving global tax requirements. Key measures include the introduction of a Qualified Domestic Minimum Top-up Tax and a Fair-Share Contribution for highly profitable corporations. Specifically, corporate entities with annual chargeable income above Rs 24 million will face a 5% Fair-Share levy if subject to standard tax rates, while banks will incur an additional 2.5% levy on domestic operations. These initiatives reflect Mauritius's commitment to international tax harmonisation and responsible fiscal management.

Rather than diminishing its competitiveness, these strategic policy adjustments reinforce Mauritius's credibility with international partners and regulatory bodies. By balancing business-friendly policies with responsible fiscal stewardship, Mauritius continues to appeal to investors seeking sustainable and compliant jurisdictions for their operations.

COMPETITIVE ADVANTAGES AND MARKET ACCESS

Mauritius continues to offer compelling advantages for international businesses through its extensive network of Double Taxation Avoidance Agreements (DTAA), Investment Promotion and Protection Agreements (IPPA), and Free Trade Agreements (FTA). The jurisdiction's membership in regional economic groups, including the Southern African Development Com-

munity (SADC), Common Market for Eastern and Southern Africa (COMESA), and the African Continental Free Trade Area (AfCFTA), provides businesses with preferential access to vast consumer markets across Africa and Asia.

The well-established banking and insurance sectors, combined with the presence of international legal and accounting firms, continue to provide comprehensive support for capital raising, risk management, and strategic growth initiatives. The introduction of the Variable Capital Companies (VCC) Act 2022 has enhanced the IFC's competitiveness by creating flexible investment structures that appeal to sophisticated investors.

In line with its commitment to innovation, the 2025-2026 Budget outlines initiatives to minimize reliance on the US dollar, including MoUs with China and India for local currency clearing banks, enhancing Mauritius's role in regional trade settlement. The Bank of Mauritius's planned launch of bullion banking will expand alternative investment offerings, while new legislation on electronic trade documents will enable digital trade finance solutions, in addition to the tax credit for Virtual Asset Service Providers.

MAURITIUS CONTINUES TO OFFER COMPELLING ADVANTAGES FOR INTERNATIONAL BUSINESSES THROUGH ITS EXTENSIVE NETWORK OF DTAA, IPPA AND FTA

While the tax landscape evolves for traditional banking services, this adjustment reflects global trends toward more balanced fiscal contributions across different financial sectors, ultimately strengthening the jurisdiction's long-term sustainability.

FINTECH AND DIGITAL INNOVATION

Mauritius aims at being the region's fintech leader through progressive regulatory frameworks that accommodate virtual assets and innovative financial services. At the heart of this ambition is the Virtual Asset and Initial Token Offering Services (VAITOS) Act, which demonstrates the jurisdiction's commitment to becoming Africa's premier fintech hub, providing clarity and structure for businesses operating in the digital asset space.

The 2025-2026 Budget introduces strategic initiatives to boost Mauritius's role in the global digital economy, emphasizing advancements in artificial intelligence and digital financial services. The jurisdiction's evolving regulatory framework balances innovation with stringent compliance standards, reinforcing its international reputation. Notably, licensed Virtual Asset Service Providers (VASPs) benefit from an 80% tax exemption, subject to meeting substance requirements, underscoring Mauritius's support for fintech innovation.

To enhance efficiency, Mauritius will launch a unified e-licensing platform featuring real-time tracking, AI assistance, and integration with the Centralised KYC Repository and "Known to the Commission" system via the Financial Services Commission (FSC). Additionally, a dedicated licensing framework for Wealth Management and Family Offices will be established to attract high-net-worth individuals and cross-border clients, offering services from investment advisory to succession planning.

SUSTAINABILITY AND ESG INTEGRATION

Environmental, Social, and Governance (ESG) considerations have become central to Mauritius's strategic vision, reflecting global investor priorities and sustainable development goals. The jurisdiction has created a regulatory environment that encourages green investments, sustainable bonds, and socially responsible financial products, positioning itself as an ESG-friendly destination for conscious capital.

The government's focus on fostering a green economy aligns with international trends toward sustainable development. Companies domiciled in Mauritius can now access capital markets for eco-friendly projects through initiatives such as green bond issuances, while the jurisdiction's growing reputation for ESG compliance attracts investors seeking responsible investment opportunities.

The 2025-2026 Budget includes measures that support this sustainability agenda, though specific green finance incentives were not prominently featured in the immediate policy announcements. The broader economic strategy continues to emphasise sustainable growth models that balance fiscal responsibility with environmental stewardship.

NAVIGATING CONTEMPORARY CHALLENGES

Despite facing natural evolutionary challenges in a competitive global environment, Mauritius demonstrates remarkable adaptability and strategic foresight. The implementation of progressive tax measures aligns with international best practices while maintaining the jurisdiction's core value proposition. Rather than compromising competitiveness, the Budget's emphasis on enhanced tax contributions from highly profitable enterprises reflects fiscal maturity that strengthens Mauritius's appeal to responsible investors and international partners.

Talent development and retention continue to evolve as strategic priorities, with Mauritius enhancing its value proposition through progressive immigration policies like the Occupation Permit, demonstrating the jurisdiction's commitment to building a world-class professional ecosystem that supports long-term growth.

THE GOVERNMENT'S FOCUS ON FOSTERING A GREEN ECONOMY ALIGNS WITH INTERNATIONAL TRENDS TOWARD SUSTAINABLE DEVELOPMENT

Regional collaboration with emerging IFCs across Africa, including Rwanda, Nigeria, and Kenya, presents exciting opportunities for synergistic development. Rather than viewing these jurisdictions as competitors, Mauritius is well positioned to lead collaborative initiatives that enhance the overall African financial ecosystem, creating expanded opportunities for cross-jurisdictional business development.

The Budget's introduction of the Tax Dispute Settlement Scheme (TDSS) and Voluntary Disclosure Settlement Scheme (VDSS) demonstrates pragmatic governance that facilitates smooth transitions while maintaining investor confidence. These measures provide clear pathways for resolving outstanding matters and encourage continued compliance, reflecting Mauritius's commitment to maintaining a business-friendly environment throughout its fiscal evolution.

Mauritius has demonstrated a strong ability to adapt, evolving from an agricultural economy to a sophisticated international financial centre. The evolution toward higher tax contributions should be viewed within the context of global tax reform trends rather than as unique to Mauritius, which remains attractive to investors due to its robust legal framework, advanced financial services infrastructure, and strategic access to African and Asian markets. Continued investment in digital infrastructure, fintech innovation, and ESG integration further strengthens its position. As Mauritius navigates global tax reforms, its commitment to maintaining a stable, transparent, and business-friendly environment will be key to sustaining its competitive edge and appeal for international investors.