



# M A D U N GUJADHUR CHAMBERS

With a third of African countries growing at more than 6% annually, the continent is now home to many of the world's fastest-growing economies, propelled by a growing middle-class, enhanced business environments and increasingly stable political democracies. Consequently, investors are attracted to the region's high growth rates and to the tremendous opportunities offered by the nascent shift from commodities and agrarian-based economies to more consumer-driven economies.

## ACCESS THE AFRICA OPPORTUNITY THROUGH THE MAURITIUS PORTAL

### THE MAURITIUS PORTAL TO AFRICA

Mauritius has become the preferred portal for investment into Africa: Institutions such as the African Development Bank invest regularly in Mauritius-domiciled African investment funds, leveraging off the fund administration expertise that has been built up in the Mauritius financial services centre over years of administering India-oriented funds.

Mauritius offers the following advantages as a portal for investment into Africa:

- 1 Strategic geographical position as part of the African continent: Bridge between Africa and Asia aided by convenient time zone at GMT+4.
- 2 Close cultural, business and bilateral ties with Africa.
- 3 Business friendly legislation and government committed to growth of international business. Stable democracy. Strong legal system with common law based company legislation and reputed International Arbitration Centre. No exchange control. Successful stock exchange.
- 4 Robust banking system regulated by the Bank of Mauritius with all major international banks present in Mauritius.
- 5 Recognised business environment World Bank in its latest Doing Business Report ranks Mauritius first in Africa and 23rd globally for its ease of doing business. Mo Ibrahim Index on Good Governance positions the jurisdiction first in Africa as does the Index of Economic Freedom.
- 6 Strong track record as a financial centre of choice for emerging markets' investment. Preferred domicile for US and European retail and professional funds and multinational corporations investing in the regional markets of south-east Asia and Africa.
- 7 Pool of highly qualified and bilingual professionals Bilingualism eases communication with French speaking Africa. Capability to service BPO and back office operations.
- 8 Only international financial services centre that is member of all major African regional organizations (COMESA, SADC, African Union, IOR – ARC) allowing duty free and preferential market access to an immediate market of over 600 million people. State of the art Freeport facilities.
- 9 Network of Double Taxation Avoidance Agreements (14 treaties with African countries and more in the pipeline) offering fiscal efficiency.
- 10 Network of Investment Promotion and Protection Agreements, (17 signed with African nations) offering unparalleled risk mitigation opportunities with respect to African investments, including guarantees against expropriation of assets and discrimination between local and foreign investors and provision for dispute settlements.
- 11 Pleasant and secure living environment with excellent hotels and celebrated beaches.
- 12 Expatriate occupation permits issued within 3 days and business permits within 15 days.

## ACCESSING THE ADVANTAGES OF THE MAURITIUS-AFRICA PORTAL

### Investment fund domicile

Mauritius has developed as an important centre for fund administration, with a particular expertise in administration of open-ended and closed-ended funds investing in India. It is now increasingly used for funds focused on Africa, where its expertise, fund legislation and stability make it the African fund domicile of choice. The Securities Act provides for a comprehensive regime for collective investment schemes and closed-end funds including collective investment schemes aimed at sophisticated investors (expert funds) and closed-end funds aimed at sophisticated investors (professional collective investment schemes). Unit trusts may also be registered. Protected cell companies and limited partnerships are also available as investment vehicles. The setting up of local fund management and fund advisory companies is encouraged. The human resource cost advantages make Mauritius a very efficient choice of fund domicile.

### Holding companies

Mauritius is a recognised centre for regional holding companies. Mauritian holding companies can be used in conjunction with Mauritius' tax treaty network to benefit from exemption from capital gains tax in the investee country, combined with no capital gains tax upon receipt of the gain in Mauritius. Reduced withholding taxes on dividends, interest and royalties under the treaties are complemented by a low rate of income tax on receipt of the income in Mauritius and no further tax on distributions of that income from Mauritius.

### Trading companies

The category 2 global business company is an attractive vehicle for international trading activities leveraging off Mauritius' business-friendly and stable environment and the facilities offered by the Mauritius Freeport. Funds can be accumulated offshore tax free and significant cost savings can be made in running the administration of the trading activities in Mauritius.

### Finance companies

The category 1 global business company can be used as group finance companies to finance companies in countries with which Mauritius has a favourable tax treaty, eliminating the foreign interest withholding tax charge on interest payments from the borrowing company.

### Royalty companies

The category 1 global business company can be used as an intellectual property licensing company and receive royalties from licensee companies with the aim of reducing the royalty withholding tax payable in the licensee company jurisdiction.

### Trusts and foundations

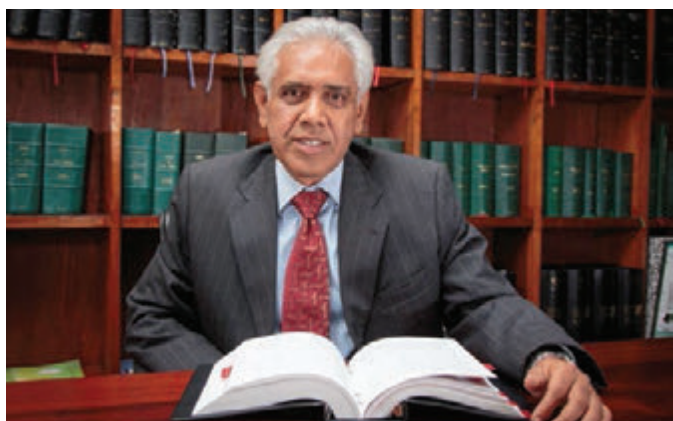
The Mauritian trust provides an ideal vehicle to hold family wealth for generations. Features include purpose trusts and private trust companies which can act as the special purpose trustee for the family. The new Foundation Act offers an alternative robust family wealth holding vehicle to the trust.

## AFRICA PRACTICE: MADUN GUJADHUR CHAMBERS

As one of the oldest commercial sets in Mauritius, Madun Gujadhur Chambers has been at the forefront of advising clients on Africa-driven transactions from a Mauritian law perspective for over a decade, examples of which, together with our other award-winning deals, are accessible at the following link: <http://www.madungujadhurchambers.com./index.php/awards-recognition> on our website.

We would be delighted to discuss how we can help you access the Mauritius advantage for Africa.

### About the authors:



#### MOORARI GUJADHUR

Moorari is the Head of Chambers at Madun Gujadhur Chambers. He specialises in all aspects of corporate/ commercial law with a strong track record in banking & finance, capital markets, investment funds and insolvency & restructuring. Moorari is regularly instructed for promoters and lenders, including international finance agencies and international investment banks, and works with many of the leading international law firms. Moorari is also acknowledged by peers as a key player in international arbitration matters.

Moorari holds a law degree from the University of Buckingham and has been called to the Bar of England and Wales and to the Bar of Mauritius.



CONTACT



PROFILE



#### VITHIL DABEE

Vithil's practice has a strong focus on non-contentious banking and finance transactions, investment funds and insolvency/ restructuring matters. Vithil is regularly instructed for promoters and lenders, including the international investment banks and other global financial institutions, and works with many of the leading international law firms. He is also regularly involved in the provision of advice to fund managers and investors in relation to several investment funds.

Vithil holds a law degree from the University of Cambridge and has been called to the Bar of England and Wales and to the Bar of Mauritius. Prior to starting his career in Mauritius, Vithil trained and qualified as a solicitor with a magic circle law firm in London and was also seconded to the Paris office of the firm.



CONTACT



PROFILE