

The Limited Partnerships Act 2011 of Mauritius (the "LP Act") came into force on 15 December 2011 and introduced a new legal entity - the limited partnership - to the panoply of vehicles through which business can be carried out in the Mauritius International Financial Centre.

The introduction of the new Mauritius Limited Partnership makes available a recognisable and flexible vehicle to US and European private equity funds which use Mauritius as a portal to access the investment opportunities of the African and Asian markets. The availability of the Mauritius Limited Partnership thus consolidates Mauritius' position as an international financial centre of choice.

GUIDE TO MAURITIUS LIMITED PARTNERSHIPS

SALIENT FEATURES OF THE MAURITIUS LIMITED PARTNERSHIP

The LP Act has been inspired from the limited partnership legislation in other global business jurisdictions, so that many of its provisions will be familiar to those investors involved in the global financial services industry, especially those investors from the US and from European jurisdictions. Salient features of the limited partnership structure include:

- 1 The Mauritius Limited Partnership can elect whether to have legal personality or not and, if has not done so, it can elect to do so at a later stage with the consent of the Registrar. A Mauritius Limited Partnership which elects to have legal personality can, inter alia, be sued in its own name, enter into contracts and own property, thus making it a viable alternative to a company structure.
- 2 The Mauritius Limited Partnership must have one or more general partners and one or more limited partners.
- 3 Unlimited liability of a general partner for the debts and obligations of the Mauritius Limited Partnership (subject to any indemnity in the partnership agreement).
- 4 Limited partners are only liable to the extent of their agreed contributions, unless they participate in the management of the Mauritius Limited Partnership, in which case, they may lose the benefit of the limited liability.
- 5 The acts of the general partner in connection with the business of the Mauritius Limited Partnership bind the partnership.
- 6 A Mauritius Limited Partnership which has elected to have legal personality can apply for a category 1 global business licence ("GBL1"), subject to fulfilling the requirements imposed by the Mauritius Financial Services Commission (the "FSC"). A Mauritius Limited Partnership holding a GBL1 must have a registered agent in Mauritius.
- 7 A Mauritius Limited Partnership holding a GBL 1 may elect to be taxed as a company, in which case it will be liable to tax at the maximum effective rate of 3% on its foreign sourced income. Such a Mauritius Limited Partnership will also be able to access the various double taxation agreements which Mauritius has entered into.
- 8 A Mauritius Limited Partnership only needs a partnership agreement and does not need to have a constitution in place. This can help streamline the setting-up / registration of the investment vehicle and does away with the administrative aspects of adopting a constitution.
- 9 Under the Mauritius Limited Partnership structure, a partnership agreement may, to the extent specified in such agreement, provide rights to any person, including a person who is not a party to the partnership agreement.
- 10 Foreign limited partnerships can elect to migrate to Mauritius, and Mauritius Limited Partnerships can elect to migrate to foreign jurisdictions.
- 11 The Mauritius Limited Partnership has unlimited capacity thus removing ultra vires concerns. Any third party dealing with the Mauritius Limited Partnership shall not be under any duty to enquire whether internal procedures have been complied with at the level of the Mauritius Limited Partnership when entering into contracts with that Mauritius Limited Partnership.

COMPARATIVE TABLE

Below is a brief table summarising the main comparative features of the classic GBC1 company structure and the GBC1 Mauritius Limited Partnership structure.

Requirements	Company holding a GBL 1	Limited Partnership holding a GBL 1
Registered agent in Mauritius	Yes, as company secretary	Yes
Registered office in Mauritius	Yes	Yes
Legal personality	Yes	Optional (though advisable if the Mauritius Limited Partnership wishes to access tax treaties)
Access to double tax treaties	Yes	Optional
Obligation to prepare audited financial statements	Yes	Yes
Submission of audited financial statements to the regulator in Mauritius	Yes, within 6 months of balance sheet date	Yes, within 6 months of balance sheet date
Governing Documents	Constitution and, very often, shareholders' agreement	Partnership Agreement
Name	With or without the addition of "Limited " or "Ltd"	With "Limited Partnership", "Mauritius Limited Partnership" or "L.P"
Tax status	15% with maximum effective rate of 3% on foreign source income	Not liable to income tax unless the partnership elect to be taxed as a company, with maximum effective rate of 3%
Tax filing	Within 6 months of balance sheet date	If the partnership elect to be taxed, the submission of tax returns must be done within 6 months after the balance sheet date
Migration	Yes	Yes
Certificate of existence	Certificate of incorporation	Certificate of registration
Time frame for licensing	4 days (subject to any queries from the regulator)	4 days (subject to any queries from the regulator)

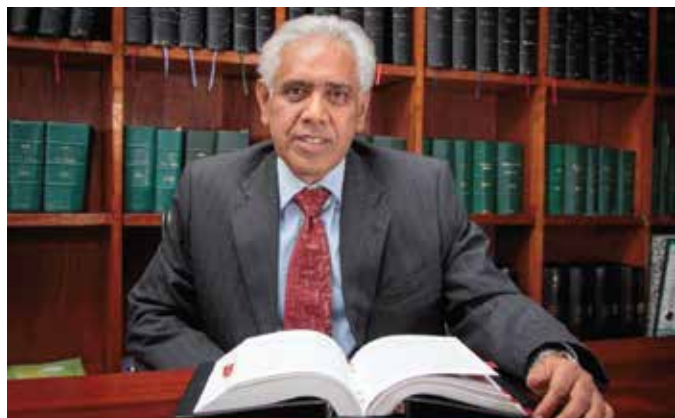
MADUN GUJADHUR CHAMBERS – INVESTMENT FUNDS PRACTICE

The Madun Gujadhur Chambers Investment Funds practice is well-recognised in the industry. We work alongside the leading international law firms and advise promoters and managers on fund formation and structuring. We provide a seamless service from the time we are instructed through to seeing the fund successfully effecting final closing. We also provide on-going advice to our clients on their licensing and regulatory requirements, an area which has become increasingly important since the 2008 global financial crash.

Our clients include the world's leading asset management companies, alternative investment funds, private equity funds, insurance companies and private banking businesses. They range in size from the big-ticket names with a global reach to start-up ventures. Examples of leading funds on which we have advised include for Goldman Sachs, Credit Suisse, CX Partners and Blackrock. We also recently advised Duet Private Equity on the Mauritian aspects of its Ghana structure which won Africa Private Equity Deal of the Year 2014 and Africa Private Equity Firm of the Year 2014 awards.

We would be delighted to discuss how Madun Gujadhur Chambers can help your clients access the Mauritius advantage through the use of a Mauritius Limited Partnership or other investment vehicle.

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.



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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.



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