

## MAURITIUS SPECIAL PURPOSE FUND

Over the past two decades, the Mauritius jurisdiction has established itself as an International Financial Centre of high repute, and of substance providing a sound platform for investment funds.

Mauritius is widely recognised by both fund managers and investors as one of the leading jurisdictions for setting up and administering funds and is commonly used for structuring international investments, particularly into Africa and Asia.

Mauritius is also known for its advanced infrastructure, modern and innovative legal framework and its ease of doing business. With its knowledge and proximity to the Indian market, in addition to being a leader in Africa, Mauritius has seen sizeable inward and outward investments from Asia into Africa.

Factors that have contributed to Mauritius's success as a funds location include the quality and flexibility of its legislation; the strength of its legal system and regulatory framework; its political stability; its infrastructure; a beneficial time zone (GMT+4) that allows trading on global markets on the same day; its wide range of international banks and professional firms and in addition, Mauritius has a number of tax treaties that are currently in place worldwide and is regarded as a very cost-effective jurisdiction.

In line with this objective, and to broaden its product offering, the Financial Services Commission (FSC) has set out new criteria for its Special Purpose Fund (SPF) regime.

Because of its limited applicability, the 2013 Rules have now been repealed and replaced by the Financial Services (Special Purpose Fund) Rules 2021, which came into force on 6 March 2021.

In contrast with the 2013 Rules, any scheme, open-ended or closed-ended fund, may apply to the Commission for an authorisation as a SPF, subject to any conditions as may be imposed by the Commission and the FSC Rules.

### **Updates on the Financial Services Commission rules (the Rules) in relation to SPFs:**

- The SPF is a tax-exempt vehicle as provided under the Income Tax Act with economic substance in Mauritius and will be eligible to benefit from tax treaties.
- The SPF can have a maximum of 50 investors.
- The minimum subscription per investor in the SPF shall be USD 100, 000.
- The SPF shall at all times be managed by a CIS Manager (a locally licensed investment manager) and administered by a CIS administrator (a locally licensed fund administrator).
- The SPF, the CIS Manager and the CIS Administrator shall carry out their relevant core income generating activities in, or from, Mauritius, and shall employ, directly or indirectly, an adequate number of suitably qualified persons to conduct such core income generating activities and incur minimum expenditure proportionate to the level of such activities.
- Offer for shares shall only be by way of private placement to investors having competency, significant experience and knowledge of fund investments.
- Audited Financial Statements of the SPF is required to be submitted to the FSC.
- All on-going obligations such as AML/CFT, corporate governance and other usual obligations applicable to investment funds shall be applicable to SPFs.