

# FUND

## Mauritius Fund

A Collective Investment Scheme (CIS) is a scheme, during regulated by the Financial Services Commission under the Financial Services Act and Securities Act, which may be constituted as a company, a trust, a limited partnership or any other legal entity and whose exclusive purpose is the collective investment of funds in a portfolio of securities or financial assets, real property or non-financial assets. The operation of a CIS is based on the principle of risk diversification.

A Fund in Mauritius is regulated as a “Collective Investment Scheme” or a “Closed-End Fund” and authorisation is required from the Financial Services Commission.

*1 As per SA 2005, “sophisticated investor” means: 1. The Government of Mauritius; 2. A statutory authority or an agency established by an enactment for a public purpose; 3. A company, all the shares in which are owned by the Government of Mauritius or a body specified in point (2) to this note; 4. The government of a foreign country, or an agency of such government; 5. A bank; 6. A CIS manager; 7. An insurer; 8. An investment adviser; 9. An investment dealer; or a person declared by the Commission to be a sophisticated investor*

## Collective Investment Schemes (CIS) and Closed-End funds (CEF)

A CIS is often referred to as an Open-Ended Fund. The aim is to pool capital from accredited investors or institutional investors and to infuse such funding in a variety of assets, often with complex portfolio-construction and risk management techniques thus diversifying its investment risk and at the same time ensure an absolute return objective.

Basically, it will be structured with an elastic capital and providing its subscribers the freedom to exit at any time based on the NAV.

A CEF is where funds are pooled from investors who have committed to the Fund. CEF are the preferred fund structure for private equity funds and are set up for different purposes, sectors, and geographical regions, with a limited life and liability, enabling the Fund Manager or Investment Advisor to apply the funds, develop investees, create the ESG impact, exit and provide a return to the investors.

CIS and CEF are in general managed by Fund Managers or Investment Advisors.

## Sub-categories of CIS

1. Professional CIS: Professional CIS are CIS which offer their shares solely to sophisticated investors or as private placements
2. Specialised CIS: Specialised CIS is one that invests in real estate, derivatives, commodities or any other product authorised by the FSC
3. Expert Fund: An Expert Fund is a Fund which is only available to expert investors. As per the Securities Act 2005 (‘SA 2005’), an expert investor means:
  - a. an investor who makes an initial investment, for his own account, of no less than USD 100,000; or
  - b. a sophisticated investor<sup>1</sup> as defined in the SA 2005 or any similarly defined investor in any other securities legislation
4. CIS other than sub-categories (1), (2), (3) above, and which is fully regulated and meant mainly to be offered to the public. May be referred to as “Public CIS”

General Overview	
Regulatory Bodies	The Registrar of Companies The Financial Services Commission The Mauritius Revenue Authority
Name	Prior approval required from The Registrar of Companies
Corporate Tax	15%, and will qualify for an exemption of 80% of the specific foreign-source income or foreign tax credit
Access to Double Taxation Avoidance Agreements	Yes
Beneficial Ownership	Must be disclosed to the FSC and Banks only
Confidentiality	Yes

Formation and Requirements	
Time to establish	12 weeks subject to the Financial Services Commission
Due Diligence/KYC requirements	Fund - Promoters, beneficial owners/shareholders / investors, directors, bank account signatories  Fund Manager / Investment Advisor – Promoters, beneficial owners/shareholders, directors, Investment Committee members, bank account signatories  Please refer to the “Functionaries” sheet
Business plan should include	1. Nature of business 2. Amount of capital investment 3. Sources of funds or capital 4. Projected forecasts (inflows and outflows) for first three years 5. Target markets and / or investment areas
Documents to be retained at Registered Office	Constitutive documents, Registers, due diligence, accounting records and agreements

Directors	
Minimum number of directors	Must have at least two resident directors, as applicable
Corporate director	Not allowed

Shareholders	
Minimum number of Shareholders	There should be a pooling of investors
Stated Capital	1. Can be any currency except MUR 2. Minimum paid-up is USD 1

Company Secretary and Registered Office	
Company Secretary	Required
Registered Office	Required

Accounting and Administration	
Approved activities	Any lawful activity inline with business plan and constitutive documents, provided that the main economic activity lies “outside” Mauritius
Audited Accounts required	Submission to FSC of Audited Financial Statements required within 6 months of financial year end and for CIS, 90 days
Interim accounts	Yes, quarterly unaudited accounts should be prepared
Tax Return required	Yes – annual and quarterly