

MAURITIUS: THE SPRING BOARD OF INVESTMENT TO THE WORLD

Presented By:

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of
JURISTCONSULT CHAMBERS
MAURITIUS
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Juristconsult Chambers at a glance:

- Established in the 70's, Juristconsult Chambers is one of the leading law firm of Mauritius
- Our expertise in general business law, our appreciation of the importance of confidentiality and integrity together with our extensive international clients make us the legal partner you can trust.
- Versatility of the members of Juristconsult, ranging from Hospitality to Corporate to Aircraft & Shipping.

Quick facts about Mauritius

- Location – In the Indian Ocean, at the crossroads of India to Asia
- Status – Sovereign democratic state: a member of the United Nation Commonwealth and The Francophonie Movement
- Political Status – Multi-party parliament/stable political environment
- Economic Status – Solid economic base, four pillars with the financial sector bearing the main pillar
- Legal System – Hybrid legal system drawing both from French Napoleonic code and English law

GLOBAL BUSINESS SECTOR

What is a Global Business

Any business/activity which is carried on by a private company:

- Incorporated under the Companies Act 2001
- Which is carried on from Mauritius with persons all of whom are resident outside Mauritius
- Which is conducted in a currency other than the Mauritian currency

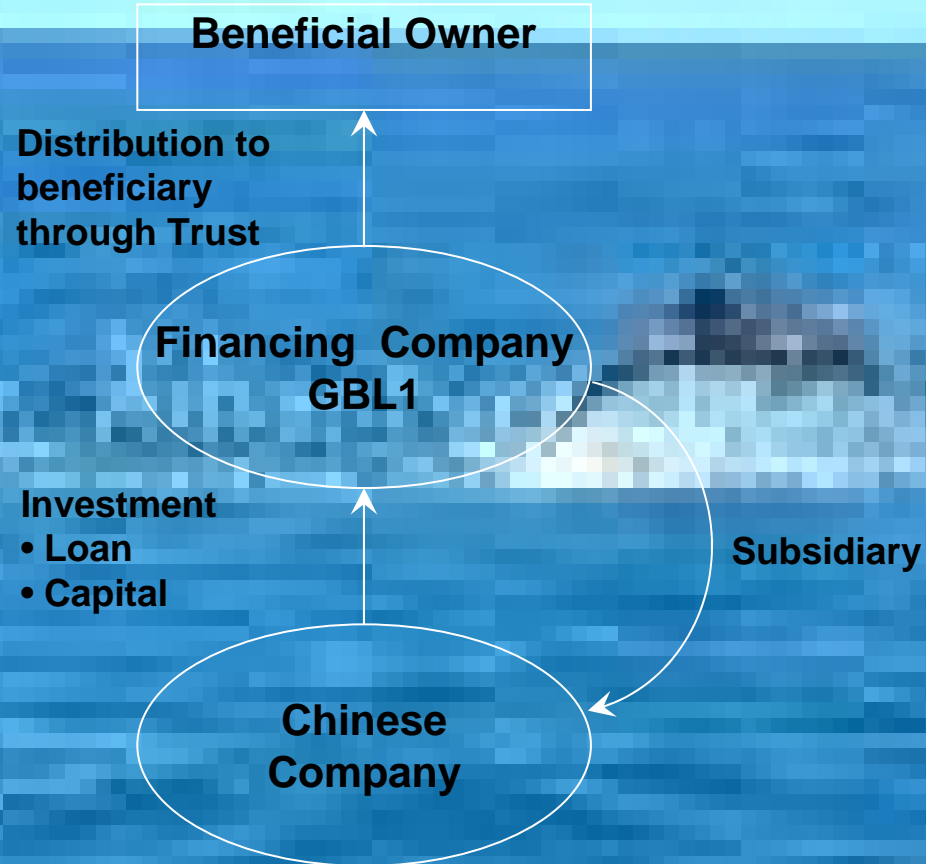
TYPES OF VEHICLES TO CARRY OUT GLOBAL BUSINESS ACTIVITIES

- Category 1 Global Business Company
- Protected Cell Company
- Limited Life Company
- Category 2 Global Business Company
- Investment Company
- Trusts

SPECIAL FEATURES OF A GBC1

- May or may not have a constitution
- Resident for tax purposes
- Use of extended network of DTA possible
- One shareholder allowed
- No minimum shareholder capital
- Corporate shareholders allowed
- Shares may be issued with or without a par value provided that all ordinary shares or all preference shares of the company shall consist of one kind or the other
- The company may lease, hold, acquire or dispose of immoveable property in Mauritius.

Financing

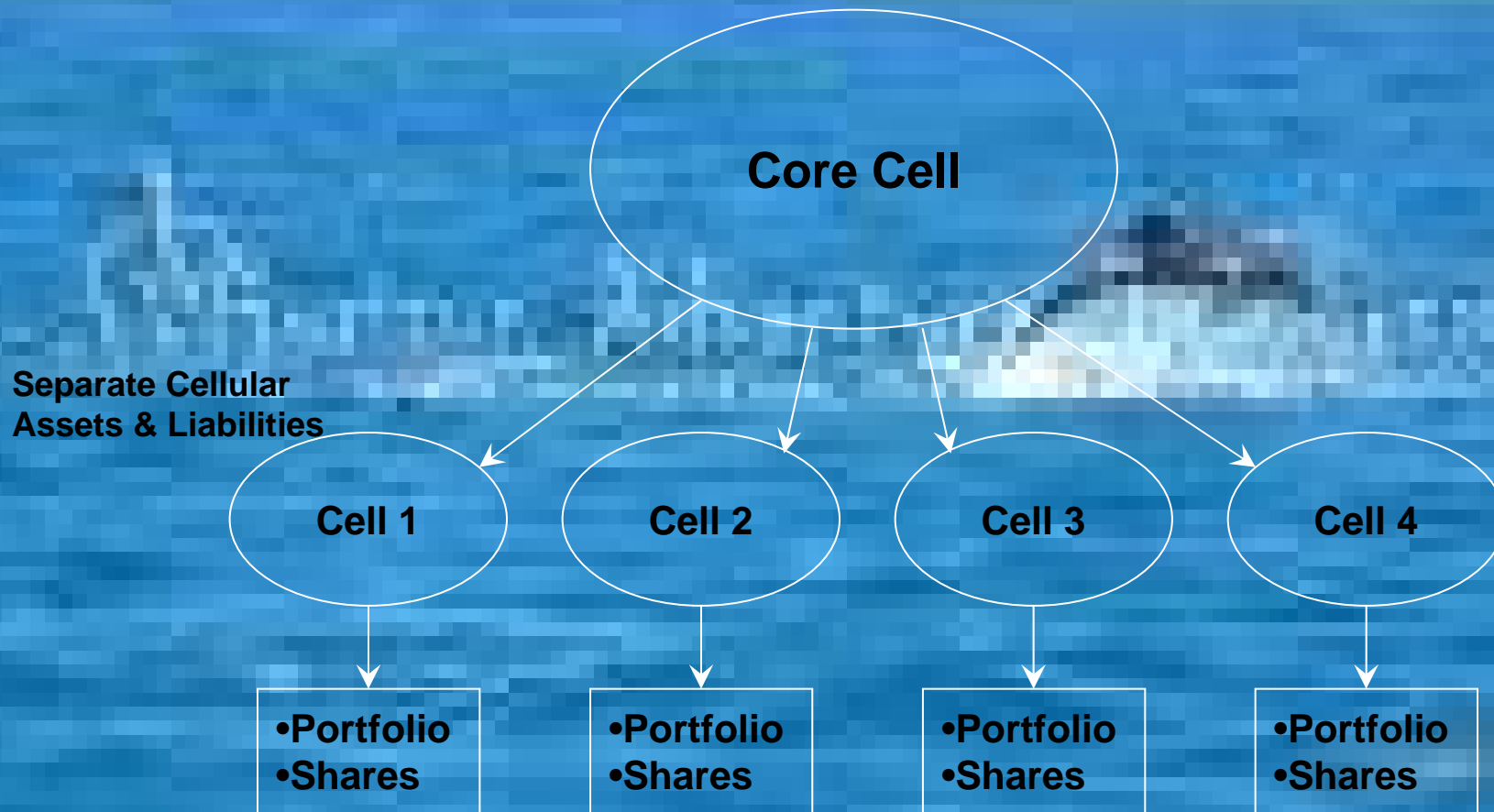


*No Withholding Tax on interest

FISCAL INCENTIVES TO QUALIFIED GLOBAL BUSINESS ENTITIES

- No withholding tax on the remittance of branch profits
- No capital gains tax in Mauritius
- Zero rated VAT for qualified business transactions
- No stamp duties, Registration duties, Levy
- Generous mechanism for foreign tax credit or foreign source income
- Royalties paid to non-residents are tax exempt
- GBC1 companies are liable to tax at the incentive rate of 15%
- No withholding tax on interest, royalties and dividends

Protected Cell Company (PCC)



BENEFITS OF USING A PCC

- Creditors who have been contracted with a PCC in respect of one cell will only be able to make claims against the assets of that particular cell and not against assets in other protected cells.
- A PCC is centrally controlled and managed in Mauritius can accede to the benefits of DTAs. There is no withholding tax on dividends, capital gains and interests.

MAIN FEATURES OF A PCC

- Single legal entity
- Legal segregation and protection of assets and liability for each cell
- No minimum capital requirement is required
- Creation of cellular and non cellular assets
- With the proper resolution, transfer of cellular assets from one cell to another is permissible
- Unlimited number of cells may be created with each cell having its own name and designation
- A PCC is liable to Mauritius Income Tax at the rate of 15% which may be further reduced after application of the provisions on foreign tax credit.

LIMITED LIFE COMPANIES (LLC)

- Guarantee members liability
- Treated as a partnership for tax purposes

CHARACTERISTICS

- Duration limited to 50 years with the possibility of extension to a maximum of 150 years
- Limitation on transfer of shares or other interest in the company in the company unless by unanimous shareholders' resolution
- Management of the company by its member(s) or a manager
- Dissolution of the company upon death, insanity, bankruptcy, expulsion, cessation or dissolution of a member.

CATEGORY 2 GLOBAL BUSINESS LICENCE (GBC2)

A category 2 is a private company holding a category 2 global business license
Incorporated under the Companies Act 2001
conducting an approved Global Business
with non-residents in a currency other than
the Mauritian currency

DISTINGUISHING FEATURES OF A GBC2

- Not resident for tax purposes
- Business with residents is not possible
- Use of DTAs not possible
- Corporate directors are allowed
- No minimum share capital required
- May or may not have a constitution
- One shareholder allowed
- One director allowed and who need not be ordinarily resident in Mauritius

FUNDS

- Funds structured as companies incorporated under the Companies Act 2001 and licensed as companies holding a category 1 Global Business Licence
- Company's business consists of investing its fund mainly in securities with the aim of spreading investment risk and giving members of the company the benefit of the results of the management of its funds.

THE INVESTMENT COMPANY CAN TAKE THE FOLLOWING FORM

- A close-ended company with a fixed shareholder capital :
 - Investors do not have the right to call for their shareholder to be redeemed at net asset value by the company
 - Can be listed on the stock exchange
 - Company may be formed with a limited life
- An open ended company which has a variable share capital.
 - Investors are allowed to redeem their shares at net asset value.

- An umbrella fund under each of the foregoing structures
 - may comprise of two or more sub funds
 - Each sub fund has its own investment policy with segregated assets and accounting records.
 - Investors can switch their investment from one sub fund to another without redeeming their shares or units.

TRUSTS

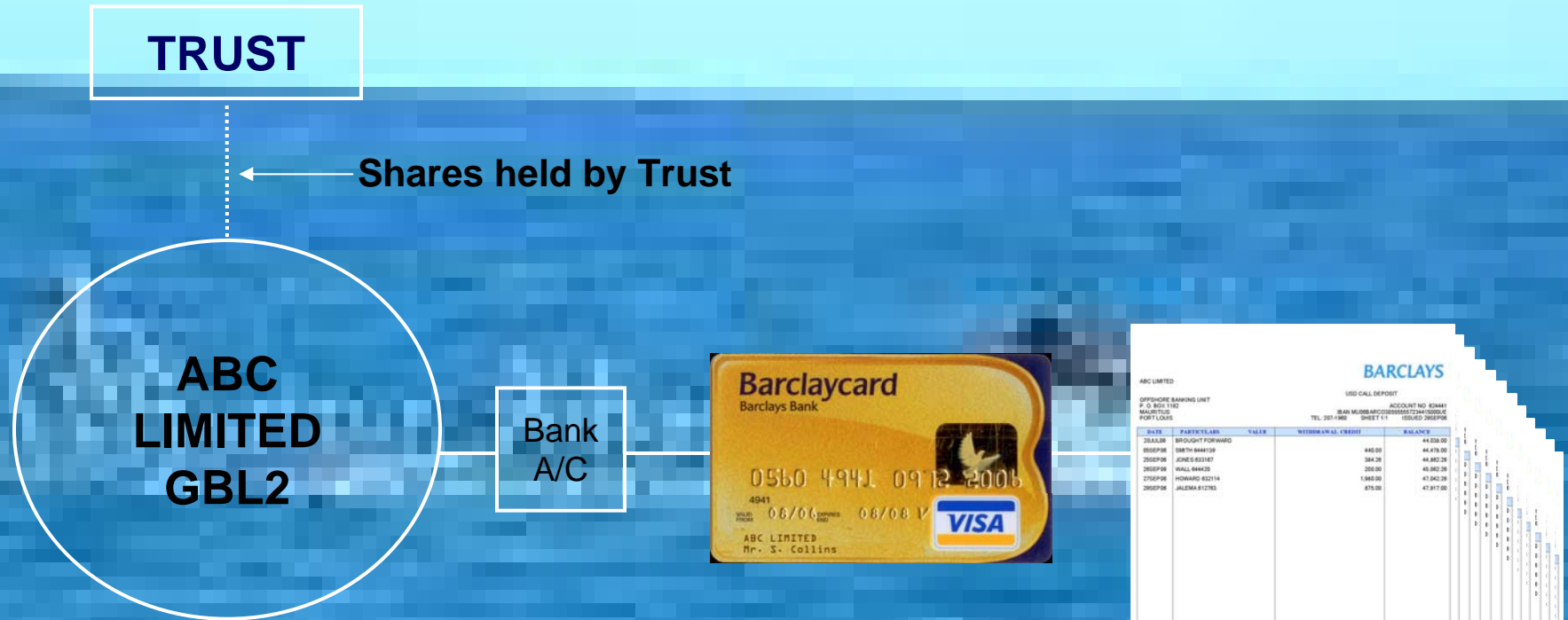
KEY FEATURES OF MAURITIUS TRUSTS:

- Possibility to accumulate income for any period within the duration of the Trust.
- A Trust may carry on a Qualified Global Business once a Category 1 Global Business License has been obtained.
- A Trust may not apply for a Category 2 Global Business License
- A foreign Trust may be registered in Mauritius provided the terms of the Trust are in compliance with Mauritian law
- The forced heirship of Mauritius rules do not apply to Trusts set up by non Mauritian nationals.

POTENTIAL USES OF TRUSTS

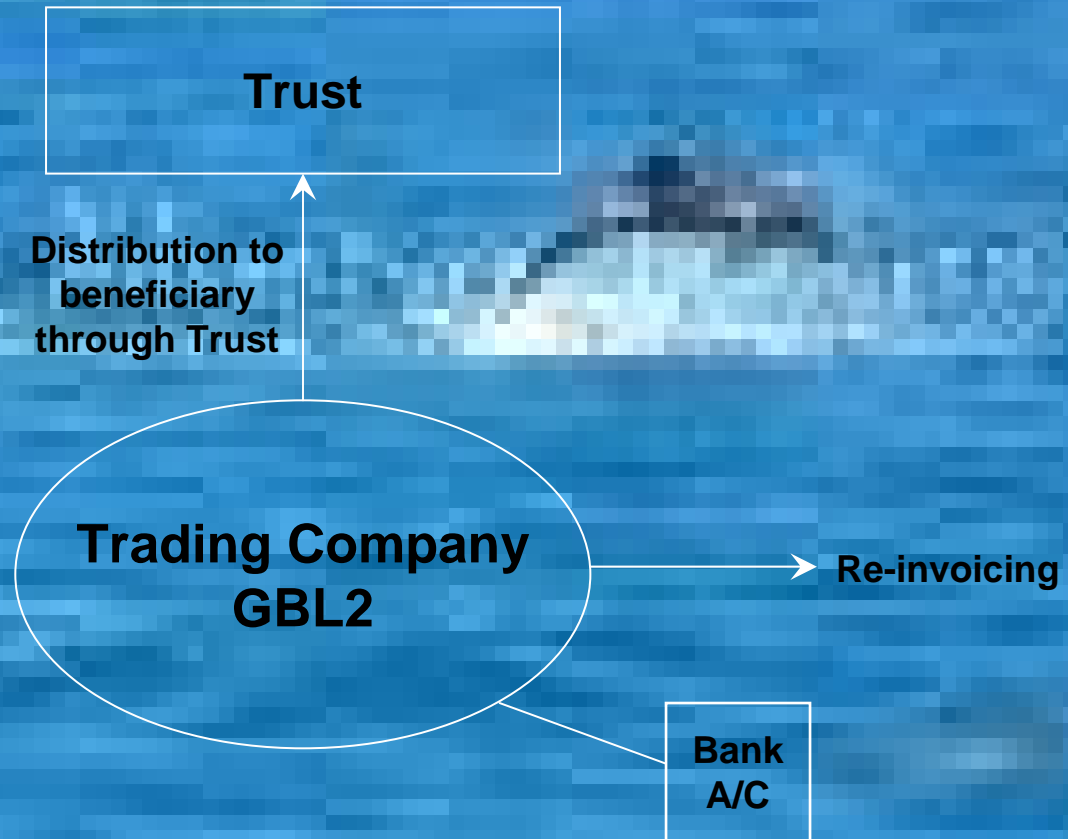
- The flexibility of protection afforded by trust arrangements are such that they are used for long-term wealth management.
- Trusts can also be used to preserve family assets over succeeding generations substantially free from taxation, probate requirements, succession laws, expropriation and foreign exchange controls.
- A combination of trusts and companies can be used to manage assets in view of the conduct of international fiduciary activities and the provision of services in that respect.

ESTATE PLANNING /HOLDING

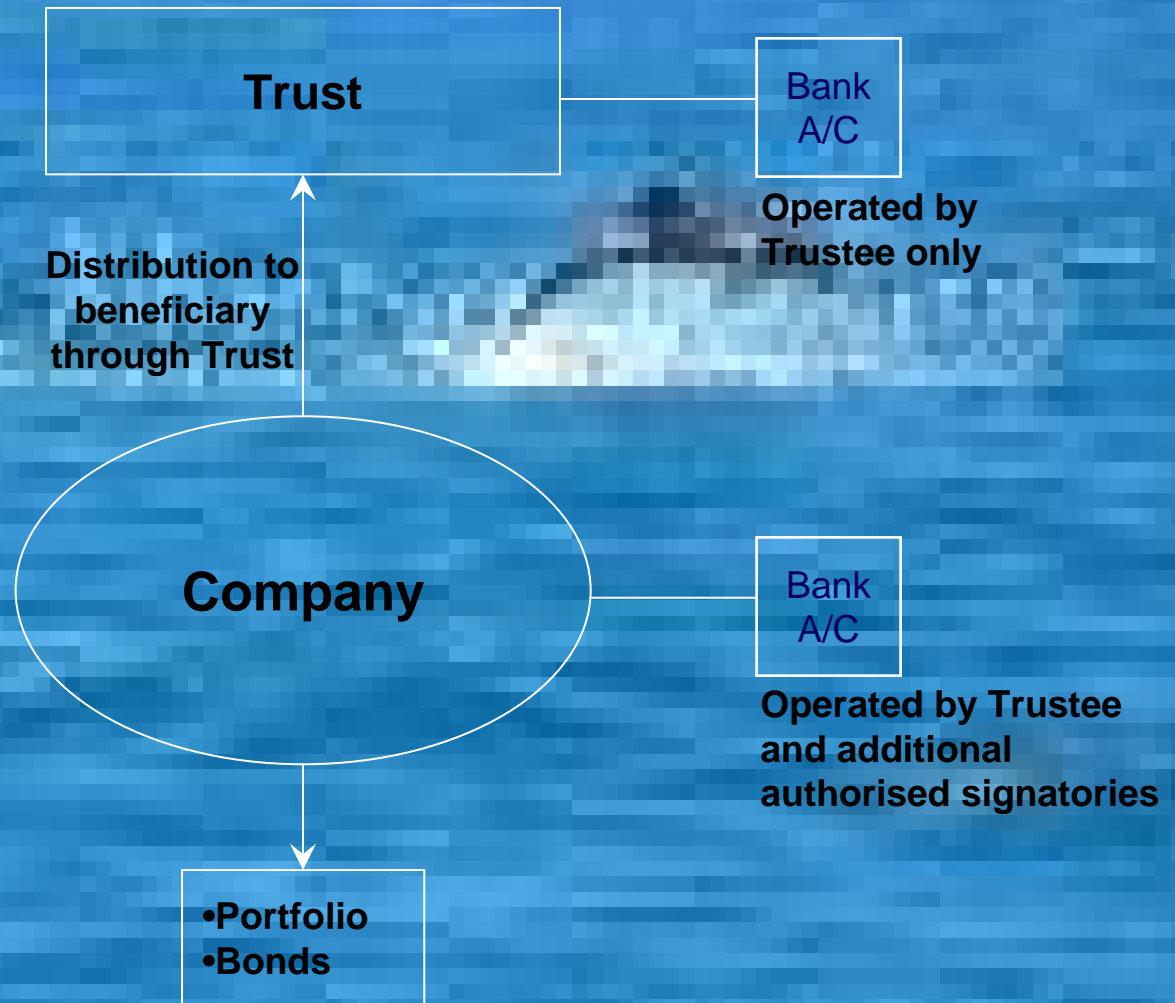


- Not Subject to Tax
- Discreet Access to Funds
- Top-ups into Company
- Investment Holding Vehicle Only
- Client relationship primarily with Company

Trading Companies



Passive Investment Holding



Royalties / Franchise

