

Following several meetings, two joint working groups, comprising of representatives of the FSC, FSC licensees and other stakeholders had been set up to discuss on the international competitiveness of the Mauritian Global Business Sector. The two groups made presentations at the FSC House on Friday 20 March.

The themes of these presentations were:

1. Global Business diversification and funds.
2. Developing the legislative framework, in particular Limited Partnership and Foundation laws.

FSC staff, representatives of Management Companies and officers of the Mauritius Bankers' Association and of the Board of Investment of Mauritius were present.

These presentations were made further to the submission of interim reports by the joint working groups.

Milan Meetarbhan, Chief Executive of the Financial Services Commission, made some comments further to proposals of the working groups.

He pointed out that a sub-committee has already been set up with the various stakeholders to look into the strategy to adopt in identifying the countries with which DTAs should be signed. He also spoke about the need to negotiate these agreements so as to cater to the needs of the business community.

The issue of the use of Mauritius as Regional Headquarters by companies wishing to invest in the region was also raised. The question rose whether the FSC's policy on the 'ultimate purpose test' should be reviewed in the light of this development, bearing in mind that some groups are already present in Mauritius. Mr Meetarbhan stated that a policy statement will be issued by the Commission on this issue.

As far as master/feeder funds are concerned, the Chief Executive said that the FSC is taking into consideration ways in which such structuring are done and a stand will be taken, especially in terms of the use of treaties.

There is a need to amend the Trust Act, he further added, in the same regard as changes are necessary for GBCs 2. This is in line with the necessity to fully comply with the commitments taken at the OECD level to ensure transparency and the exchange of tax information.

He also stated that the Global Business Task Force will act as a permanent platform for discussions between the global business industry (MCs and banks) and the regulator.

Mr Meetarbhan concluded by saying that legislations such as Limited Partnerships and Foundations are being looked into since they are seen as important vehicles to be introduced for the expansion of the financial services sector and to give Mauritius a competitive edge. In fact, many countries have already introduced such laws. Netting provisions which are also seen as an important element, have been included in the Insolvency Bill which has been presented in the National Assembly.