

LICENSING CRITERIA

VCC Fund - VCC-1.1

Note to the applicant:

1. The objective of the Licensing Criteria is to ensure the continuous and efficient collaboration between the Financial Services Commission, Mauritius (the “Commission”) and the applicant for a VCC Fund in order to ease the licensing process.
2. It should be noted that this Licensing Criteria neither derogate nor restrict the powers vested upon the Commission by statute, and should be read together with the relevant Acts, regulations, rules, guidelines, circulars and codes issued thereunder.
3. This Licensing Criteria aims to provide guidance to applicants when applying for the authorisation to operate as a Variable Capital Company (“VCC”) Fund.
4. An applicant is expected, at the time of submission of an application to the Commission, to be fully conversant and comply with, *inter alia*, the relevant Acts, regulations, rules, guidelines, circulars and codes which the Commission has issued or may issue from time to time.
5. The Commission requires that all applications be accompanied by a cover letter and by the information and documentation set out in this Licensing Criteria.
6. **Incomplete Applications received by the Commission may be returned to the applicant.**
7. The Commission, upon receipt of inadequate response or no response within 2 months from the date of its last query, shall not proceed further with the application. The applicant will, thereafter, have to submit a fresh application.

Information/Documents to be submitted with respect to an application for a VCC fund

A.	Relevant Forms /Documents										
1	Formal application under Section 7 of the Variable Capital Companies Act 2022 (“VCC Act”) for authorisation to operate as a VCC fund (VCC-1.1).										
2	<p>Submission of prescribed processing/annual fees.</p> <table border="1" data-bbox="268 607 1485 1621"> <thead> <tr> <th data-bbox="268 607 555 678" rowspan="2">Type of Licence/authorisation</th> <th data-bbox="555 607 722 678" rowspan="2">Code</th> <th colspan="2" data-bbox="722 607 1485 645">Fees</th> </tr> <tr> <th data-bbox="722 645 1102 678">Processing</th> <th data-bbox="1102 645 1485 678">Annual</th> </tr> </thead> <tbody> <tr> <td data-bbox="268 678 555 1621">VCC fund</td> <td data-bbox="555 678 722 1621">VCC-1.1</td> <td data-bbox="722 678 1102 1621"> <p>MUR. 45,000 (USD 1000) inclusive of the first sub-fund</p> <p>MUR 22,500 (USD 500) for each additional sub-fund or Special Purpose Vehicle (“SPV”)</p> </td> <td data-bbox="1102 678 1485 1621"> <p>MUR 135,000 (USD 3000) inclusive of the first sub-fund;</p> <p>MUR 45,000 (USD 1,000) each, for the 2nd to the 5th sub-fund/SPV; and</p> <p>MUR 87,750 (USD 1,950) For each additional sub-fund or SPV</p> <p>An additional annual fees of MUR 225,000 (USD5000) for each sub-fund which is authorised to operate as a Special Purpose Fund</p> <p>An additional annual fees of MUR 225,000 (USD5000) for each sub-fund which is authorised to operate as a Real Estate Investment Trust.</p> </td> </tr> </tbody> </table>	Type of Licence/authorisation	Code	Fees		Processing	Annual	VCC fund	VCC-1.1	<p>MUR. 45,000 (USD 1000) inclusive of the first sub-fund</p> <p>MUR 22,500 (USD 500) for each additional sub-fund or Special Purpose Vehicle (“SPV”)</p>	<p>MUR 135,000 (USD 3000) inclusive of the first sub-fund;</p> <p>MUR 45,000 (USD 1,000) each, for the 2nd to the 5th sub-fund/SPV; and</p> <p>MUR 87,750 (USD 1,950) For each additional sub-fund or SPV</p> <p>An additional annual fees of MUR 225,000 (USD5000) for each sub-fund which is authorised to operate as a Special Purpose Fund</p> <p>An additional annual fees of MUR 225,000 (USD5000) for each sub-fund which is authorised to operate as a Real Estate Investment Trust.</p>
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3	In case of a domestic entity, submission of a duly filled-in authority form and written and signed consent of each promoter/officer and controller.										

B	Legal Forms	
4	Incorporation	<ol style="list-style-type: none"> 1. Copy of the constitution, duly dated and signed, accompanied by legal certificate; and 2. Certified copies of statutory documents lodged with the Companies and Business Registration Department (“CBRD”) with respect to the incorporation of the VCC fund.
	Conversion to/ Continuation as VCC fund	<ol style="list-style-type: none"> 1. Certified true copy of certificate of incorporation; 2. Certified true copy of board/shareholder resolution approving application for authorisation to operate as a VCC fund; 3. Register of directors and members; 4. Latest audited financial statements; (“AFS”) 5. Duly signed management accounts up to date of resolution for authorisation to operate as a VCC fund; 6. Certified true certificate of current standing; 7. Certified copies of statutory documents lodged with the CBRD with respect to the conversion to/continuation as a VCC fund; 8. Details of any other licence(s) /registration(s) which the applicant holds and name of the licence(s) and issuing authority and any restriction imposed; and 9. Rationale behind the conversion to/continuation as VCC fund.
	Master-Feeder Fund	<ol style="list-style-type: none"> 1. Customer Due Diligence (“CDD”) on the master and/or feeder fund, including the offer document (the offer document of the feeder fund should disclose to investors that their investment will be routed through a master fund, providing details on the said master fund); 2. An indication of the % corpus of the feeder fund that will be invested in the master fund; and 3. Details of any regulatory approval, given by or applied for, from the authorities in the countries in which the master fund is, or is to be, established.

C	Activity	
5	Sub-fund(s)	<ol style="list-style-type: none"> 1. Formal application for creation of sub-fund(s) pursuant to Section 8(4) of the VCC Act; 2. Formal application for approval to operate as either a Collective Investment Scheme (“CIS”) or a Closed-End fund (“CEF”) under Section 7(3) of the VCC Act; 3. In case a sub-fund elects to have legal personality, submission of certified copies of statutory documents lodged with the CBRD for incorporation; constitution of the incorporated VCC sub-fund accompanied by the legal certificate; and 4. Confirmation that no additional sub-fund will be created unless the prior approval of the Commission is secured. <p>Note: The VCC fund, its sub-funds and SPVs shall have the same Promoter.</p>
6	<p>Draft offer document or outline memorandum or Private Placement Memorandum (“PPM”) or prospectus of the sub-fund(s) providing details including but not limited to the following:</p> <ol style="list-style-type: none"> 1. General information regarding the sub-fund namely its objectives, size of the fund and minimum subscription; 2. Investment objective/investment policy/investment restrictions; 3. Investment process (if known at this stage); 4. Target sector(s) of investment and investment instrument; 5. Country/region of investment; 6. Exit Strategies for investors; 7. Details of risks involved in the scheme (if known at this stage); 8. An indication of the profile and location of Investors; 9. Capital structure, classes of shares, rights and obligations attached to each class of shares and indication of the holder(s) of each class of shares; 10. Compliance requirements of other regulatory bodies (if any); 11. Details and track record on the functionaries (e.g. investment manager, investment advisor, custodian, administrator, prime broker, registrar/secretary); 12. Duties and obligations of each functionary; 13. Details on the core investment management team; 14. Responsibility for Net Asset Value (“NAV”) calculation/reporting and basis of calculation as well as frequency of NAV calculation; 15. Any corporate governance issues related to independence between the board of the fund and the board/investment team of the investment manager/investment advisor; 16. An indication as to who will be responsible to carry out the CDD and Anti-Money Laundering (“AML”) check on investors in the fund; and 17. Confirmation as to where the CDD and AML check documents will be kept. 	

7	Category	<p><i>If the CIS will be authorised as a domestic Retail Fund:</i></p> <ol style="list-style-type: none"> 1. Formal application under Regulation 9 of the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 (the “CIS Regulations”) to be authorised as a Retail Fund; 2. Additionally, to ensure that the draft prospectus prepared in accordance with the Fourth Schedule of the CIS Regulations to include the following statements in a prominent position - <ul style="list-style-type: none"> <i>"Investors in [name of the sub-fund] are not protected by any statutory compensation arrangements in Mauritius in the event of the fund's failure."</i> <i>"The Mauritius Financial Services Commission does not vouch for the financial soundness of the fund or for the correctness of any statements made or opinions expressed with regard to it."</i> 3. Moreover, the sub-fund will have to comply with all the regulations applicable as per the CIS Regulations; and 4. The applicant will be required to demonstrate to the Commission how it is complying with the regulations and to submit relevant documents/information accordingly.
		<p><i>If the CIS will be authorised as a Global Scheme:</i></p> <ol style="list-style-type: none"> 1. Formal application under Regulation 16 of the CIS Regulations to be authorised as a Global scheme; 2. Additionally, to ensure that the draft Prospectus prepared in accordance with the Fourth Schedule of the CIS Regulations to include the following statements in a prominent position - <ul style="list-style-type: none"> <i>"Investors in [name of the sub-fund] are not protected by any statutory compensation arrangements in Mauritius in the event of the fund's failure."</i> <i>"The Mauritius Financial Services Commission does not vouch for the financial soundness of the fund or for the correctness of any statements made or opinions expressed with regard to it."</i> 3. Moreover, the sub-fund will have to comply with all the regulations applicable as per the CIS Regulations; and 4. The applicant will be required to demonstrate to the Commission how it is complying with the regulations and to submit relevant documents/information accordingly.

		<p><i>If the CIS will be authorised as an Expert Fund:</i></p> <ol style="list-style-type: none"> 1. Formal application under Regulation 79 of the CIS Regulations to be authorised as an Expert Fund; 2. Additionally, to ensure that the draft offer document/PPM include disclosures prescribed under Regulation 80(7) of the CIS Regulations as follows: <ol style="list-style-type: none"> a. A statement to the effect that the expert fund shall be available only to expert investors, b. The definition of an expert investor in a prominent position; and c. The following statements in a prominent position - <i>"Investors in [name of the sub-fund] are not protected by any statutory compensation arrangements in Mauritius in the event of the fund's failure."</i> <i>"The Mauritius Financial Services Commission does not vouch for the financial soundness of the fund or for the correctness of any statements made or opinions expressed with regard to it."</i>
7	Category	<p><i>If the CIS/ CEF will be categorised as a Professional CIS:</i></p> <ol style="list-style-type: none"> 1. Formal application under Regulation 75 (1) of CIS Regulations to be categorised as a professional CIS; 2. Additionally, to ensure that the draft offer document/PPM include disclosures prescribed under Regulation 75(3) of the CIS Regulations as follows: <ol style="list-style-type: none"> (a) shares acquired by the participants shall not be resold to the public and the participants are advised of this restriction at the moment of subscription; and (b) [name of the sub-fund] is not listed for trading on a securities exchange. 3. Moreover, the draft offer document/PPM to include the following statements in a prominent position - <i>"Investors in [name of the sub-fund] are not protected by any statutory compensation arrangements in Mauritius in the event of the fund's failure."</i> <i>"The Mauritius Financial Services Commission does not vouch for the financial soundness of the fund or for the correctness of any statements made or opinions expressed with regard to it."</i> <p><u>Note:</u> For a CIS categorised as a professional CIS, the minimum subscription for an investor shall be at least USD 200,000. (Refer to Circular Letter - CL 270617)</p>

7	Category	<p><i>If the CEF will be categorised as a Reporting Issuer:</i></p> <ol style="list-style-type: none"> 1. Formal application under Regulation 69 of the CIS Regulations to be categorised as a reporting issuer; 2. The CEF to provide a written confirmation that Part VI of the Securities Act relating to reporting issuers is being complied with; 3. Additionally, the CEF will have to comply with all the applicable regulations as per the CIS Regulations and the CEF will be required to demonstrate how it is complying with those regulations and to submit relevant documents/information accordingly. 4. Moreover, to ensure that the draft prospectus prepared in accordance with the Fifth Schedule of the CIS Regulations include the following statements in a prominent position – <i>"Investors in [name of the sub-fund] are not protected by any statutory compensation arrangements in Mauritius in the event of the fund's failure." "The Mauritius Financial Services Commission does not vouch for the financial soundness of the fund or for the correctness of any statements made or opinions expressed with regard to it."</i>
8	Target sector and country of investments.	
9	Profile and location of investors.	
10	Minimum subscription amount.	
11	An indication of the offer size.	
12	An indication as to who will be responsible to conduct due diligence checks on investors and confirmation that these will be kept at the applicant's registered office address.	
13	An indication as to who will be responsible for the calculation and signing-off of the NAV of the sub-fund and the frequency of such calculation.	

14	SPV(s)	<ol style="list-style-type: none"> 1. Formal application for creation of SPV(s) pursuant to Section 9(5) of the VCC Act; 2. Detailed business plan outlining the activities to be carried out by the SPV(s) including but not limited to the following: <ul style="list-style-type: none"> - Business objective, strategy and a clear description of the proposed activity which shall be ancillary to the VCC fund or a sub-fund of the VCC; - Details on the target market(s) and target sector(s); - An indication of the amount to be invested; - Source of funding; - Details on the shareholding structure and a structure chart illustrating up to the level of the ultimate beneficial owner(s); - 3 years' financial forecasts (Profit & Loss, Cash Flow and Balance sheet); and - Any other relevant information. 3. In case a SPV elects to have legal personality, submission of certified copies of statutory documents lodged with the CBRD for incorporation, constitution accompanied by the legal certificate of the incorporated VCC SPV; and 4. Confirmation that no additional SPV will be created unless the prior approval of the Commission is obtained. <p><u>Note:</u> The VCC fund, its sub-funds and SPVs shall have the same promoter.</p>
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D	Fitness and Propriety of Shareholder(s)/ Beneficial Owner(s)	
15	Individual	<ol style="list-style-type: none"> 1. Detailed Curriculum Vitae (“CV”) which should include the following information: <ul style="list-style-type: none"> - Degree(s) / qualification(s) awarded, year of award, awarding institution and country; - In respect of present and previous employment, time bracket for each position held, roles and responsibilities in that position; brief resume of employers; - whether the proposed director/officer and/or his/her present/past employers are regulated entities and submit the name and country of the regulators; - Any other information relevant to the application. 2. Personal Questionnaire (“PQ”) Form [all sections should be duly completed]; 3. Valid passport copy or National Identity Card (“NID”); and 4. Proof of address [e.g. A recent utility bill issued or a recent bank or credit card statement or a recent bank reference (bank reference must not be more than 6 months old)].
16	Corporate Body	<ol style="list-style-type: none"> 1. Certificate of incorporation/certificate of good standing; 2. List of controlling shareholders and directors; 3. <ol style="list-style-type: none"> a. Latest AFS; b. Corporate Profile - in case latest audited accounts are not available (<i>e.g. name of entity-partnership/date of formation/Country of formation/registered address/issued capital, and committed capital if higher/controlling shareholders-members/directors-managing principals/business activity/financial highlights [dd/mm/yy]-total assets-total liabilities</i>); and 4. Confirmation from the management company to the effect that it holds on records CDD documents on the controlling shareholders / members of the corporate body and that these will be made available to the Commission upon request.

17	Trust	<ol style="list-style-type: none"> 1. Name of the trust, its date and place of registration; 2. An indication of the value of assets held by the trust; 3. CDD documents on the settlor/contributor and the trustee; 4. CDD documents on the beneficiaries, or confirmation from the management company that it holds on records comfort on the beneficiaries, that has been obtained from a recognised source; and 5. For a discretionary trust, a written confirmation from the management company to the effect that it has adequate arrangements in place with the trustee of the trust to make available to the management company, CDD documents on the beneficiaries at the time of distributions to beneficiaries of the trust and that it is comfortable that these arrangements will enable it to satisfy its obligation under the prevailing AML/CFT laws and regulations.
18	Limited Partnership	<ol style="list-style-type: none"> 1. Certificate of registration/establishment/good standing of the limited partnership and its general partner; 2. Latest audited financial statements of the limited partnership and its general partner (Corporate profile – in case latest audited accounts are not available); and 3. Confirmation from the management company to the effect that it holds on records CDD documents on the significant limited partners of the limited partnership and that these will be made available to the Commission upon request.
19	Société	<ol style="list-style-type: none"> 1. Profile of the Société (including a copy of the acte de société); and 2. CDD on the principals, administrators or gérants of the société.

E	Functionaries	
20	Directors/Officers	<ol style="list-style-type: none"> 1. Detailed CV which should include the following information: <ul style="list-style-type: none"> - Degree(s)/qualification(s) awarded, year of award, awarding institution and country; - Present and previous employment, time bracket for each position held, roles and responsibilities in that position; brief resume of employers; - Please specify whether the proposed director/officer and/or his/her present/past employers are regulated entities and submit the name and country of the regulators; - Any other information relevant to the application. 2. PQ Form [all sections should be duly completed]; 3. Valid passport copy or NID; and 4. Proof of address [e.g. A recent utility bill issued or a recent bank or credit card statement or a recent bank reference (Bank reference must not be older than 6 months)].
21	Money Laundering Reporting Officer (“MLRO”)/Deputy Money Laundering Reporting Officer (“DMLRO”)	<ol style="list-style-type: none"> 1. Please refer to Paragraph 20 above in respect of the due diligence documents to be submitted for officers. 2. Statement of declaration from the licensee attesting: <ul style="list-style-type: none"> (i) the MLRO and DMLRO meet the minimum competencies and are deemed competent as per the Competency Standards; and (ii) A certificate of character has been submitted by the MLRO and the DMLRO. 3. A written confirmation that the MLRO and DMLRO meet the requirements of Regulation 26(4) of the Financial Intelligence and Anti-Money Laundering Regulations.
22	Compliance Officer	<ol style="list-style-type: none"> 1. Refer to Paragraph 20 above in respect of due diligence documents to be submitted for officers. 2. A written confirmation that the proposed compliance officer is designated at senior management level to hold the responsibilities referred to in Regulation 22(1)(a) of the Financial Intelligence and Anti-Money Laundering Regulations.

23	CIS Manager	<p>Document to be submitted:</p> <ol style="list-style-type: none"> 1. The CIS Manager should seek formal approval of the Commission to act as same to the VCC fund/sub-fund. 2. Draft or an outline of the main clauses of the investment management agreement detailing the services to be provided by the CIS Manager. <p><i>Where the CIS Manager is concurrently applying for a Licence with the Commission, refer to the Licensing criteria for SEC-4.2.</i></p> <p><i>If the CIS Manager is a licensee of the Commission:</i></p> <ol style="list-style-type: none"> 1. To ensure that the CIS Manager holds a valid licence and is in good standing in terms of fees and reporting obligations. 2. The CIS Manager to submit the following: <ol style="list-style-type: none"> i. number of funds currently under management; and ii. whether the CIS Manager has adequate resources, infrastructure, staff with the appropriate competence, experience and proficiency to manage the proposed VCC fund/sub-fund. <p><i>If the Investment Manager is licensed by a foreign Regulator, to submit the following:</i></p> <ol style="list-style-type: none"> 1. A certified copy of any licence/registration/authorisation held by the foreign investment manager; 2. Corporate profile; and 3. Details of the investment management team demonstrating appropriate competence and relevant fund management experience.
24	Self-managed Schemes	<p>Documents to be submitted and other requirements:</p> <ol style="list-style-type: none"> 1. Formal approval under Section 103 of the Securities Act for the VCC fund/sub-fund to manage its own scheme should be sought. 2. An indication of the arrangements that will be put in place with respect to the day-to-day administration and management of the VCC fund/sub-fund. The name of the person(s) who will be responsible for the foregoing should be indicated. 3. The board of a self-managed scheme should demonstrate that it has the capacity in terms of experience and expertise to fulfil the duties of a CIS Manager. 4. To ensure that provision of Regulation 30(3) of the CIS Regulations are included in the Constitution of the VCC fund/incorporated sub-fund.

25	CIS Administrator	<p>Documents to be submitted:</p> <ol style="list-style-type: none"> 1. The Applicant to seek formal approval of the Commission for the CIS Administrator to act as same to the VCC fund/sub-fund. 2. To submit a draft copy of the administration agreement. <p>Where the proposed CIS administrator is a Management Company, please refer to Circular Letter CL-II/220408.</p>
26	Custodian	<p>Documents to be submitted:</p> <ol style="list-style-type: none"> 1. The Applicant to seek formal approval of the Commission for the Custodian to act as same to the VCC fund/sub-fund. 2. To submit a draft copy of the custodian agreement.
27	Auditor	<p>The Applicant should seek the approval of the Commission with respect to the appointment of auditor.</p> <p>The audit firm should be approved by the Financial Reporting Council (FRC).</p> <p>Details on the signing partner within the audit firm should also be provided and the latter should be registered with the Mauritius Institute of Professional Accountants. (Please note that the name of the signing partner should be as per the FRC list)</p>
F Others		
28	An indication of the financial year end of the applicant.	
29	<p>In case the VCC fund will apply for a global business licence, please advise whether the applicant wishes to benefit from a preferential tax advantage.</p> <p>In the affirmative, please demonstrate that at all times, the applicant will conduct its core income generating activities in, or from, Mauritius.</p>	

Disclaimer: The above list is provided for guidance and is not exhaustive. The Commission will assess the information provided on its own merits and may require additional information to determine the application.