



Financial Services Commission
Mauritius

Investment Business in Mauritius



6 September 2013

Introduction

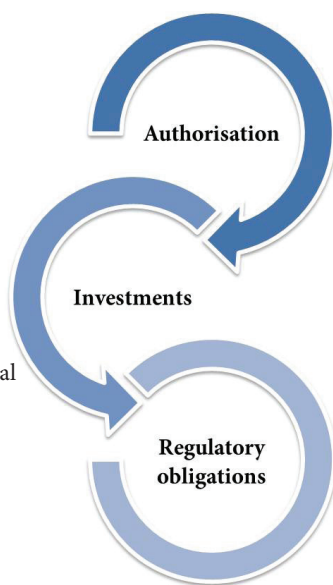
Investment Funds and Intermediaries in Mauritius are regulated by the Financial Services Commission (FSC) under the Securities Act 2005 (SA) and the Securities (Collective Investment Schemes and Closed-End Funds) Regulations 2008 (the *CIS Regulations*).

The regulatory and supervisory framework for investment funds and intermediaries is in line with international principles and practices as laid down by the International Organisation of Securities Commissions (IOSCO).

Private Equity Funds

Investors may set up private equity funds (PEF) in Mauritius as: a Company under the Companies Act 2001, Limited Partnership under the Limited Partnership Act 2011, a Trust under the Trust Act 2001, a Protected Cell Company under the Protected Cell Companies Act 1999, a Foundation under the Foundation Act 2012 or any other legal entity prescribed of approved by the FSC as per Regulation 5 of the CIS Regulations.

The PEFs structured in Mauritius mostly target fast-developing countries in Africa, India and other Asian countries, and typically focus on infrastructural developments, agricultural products, information technology and telecommunications.



PEFs must be authorised as a Closed-end Fund under under Section 97 of the Securities Act and as a Professional Collective Investment Scheme (PCIS) under Regulation 75(a) of the *CIS Regulations*.

The Commission may exempt, under Regulation 75(3)(a) of the CIS Regulations, a PEF from complying with Parts II to X of the CIS Regulations provided that the share/units acquired by the investors are not resold to the public and the participants are informed of same at the moment of subscription.

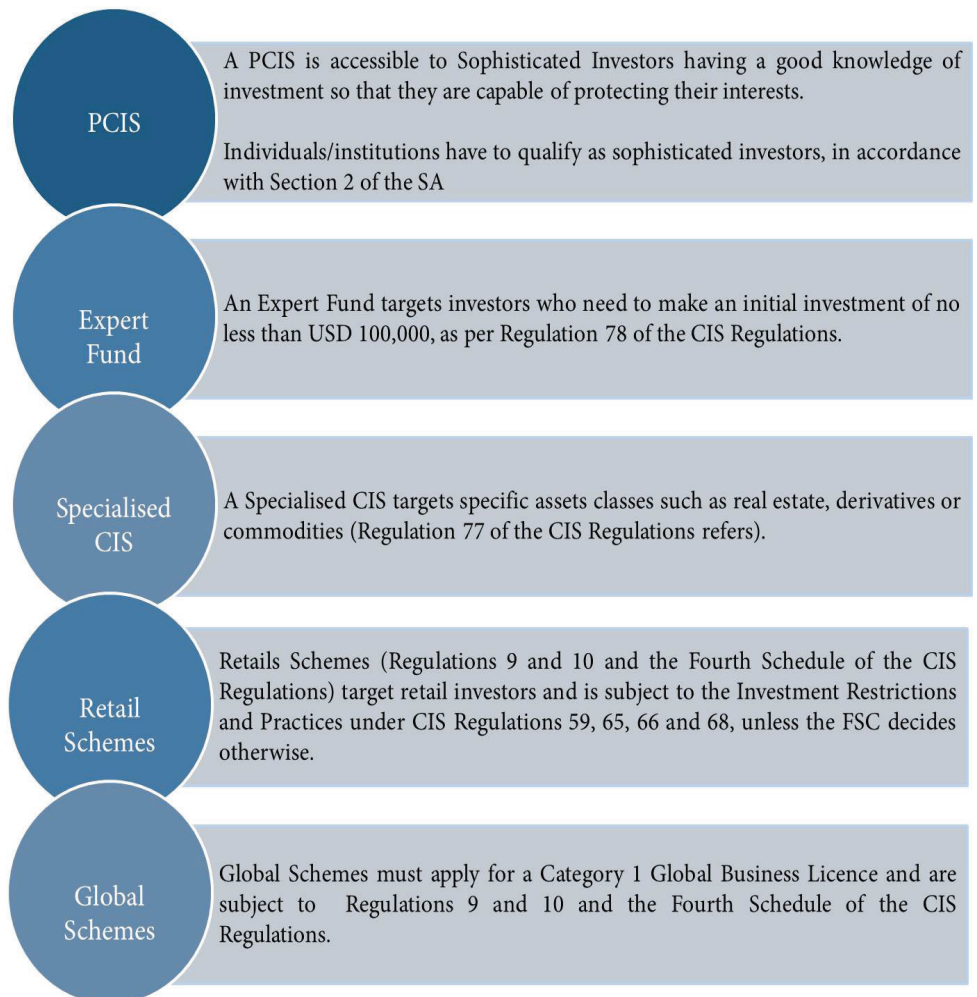
A PEF is required to file its Audited Financial Statement on a yearly basis as per Section 30 of the Financial Services Act 2007 (FSA).

Types of Investment Funds in Mauritius

Investment Funds in Mauritius are classified as Collective Investment Schemes (CIS) or Closed-end Funds (CEF).

The legal framework provides the possibility to investors to select the type of investment funds that best suit their profile, risk tolerance and return objective as follows:

Collective Investment Scheme (CIS)



Closed-end Funds (CEF)

Reporting Issuer

Application is made under Regulation 69 of the CIS Regulations provided it meets the criteria under Section 86 of SA.

PCIS

May be exempted from certain provisions of the CIS Regulations, but subject to fulfillment of conditions under Regulation 75 (3) (a) of CIS Regulations.

Application for authorisation for CIS / CEF

Any application for an authorisation for a CIS or CEF must be submitted to FSC and should include the following documents:

- **the relevant Application Form,**
- **the Constitutive Documents,**
- **the Offer Document, and**
- **customer due diligence documentation (including Personal Questionnaire Form)**

An Investment Fund other than a Retail Scheme may also apply for a Category 1 Global Business Licence (a GBL1) under the FSA.

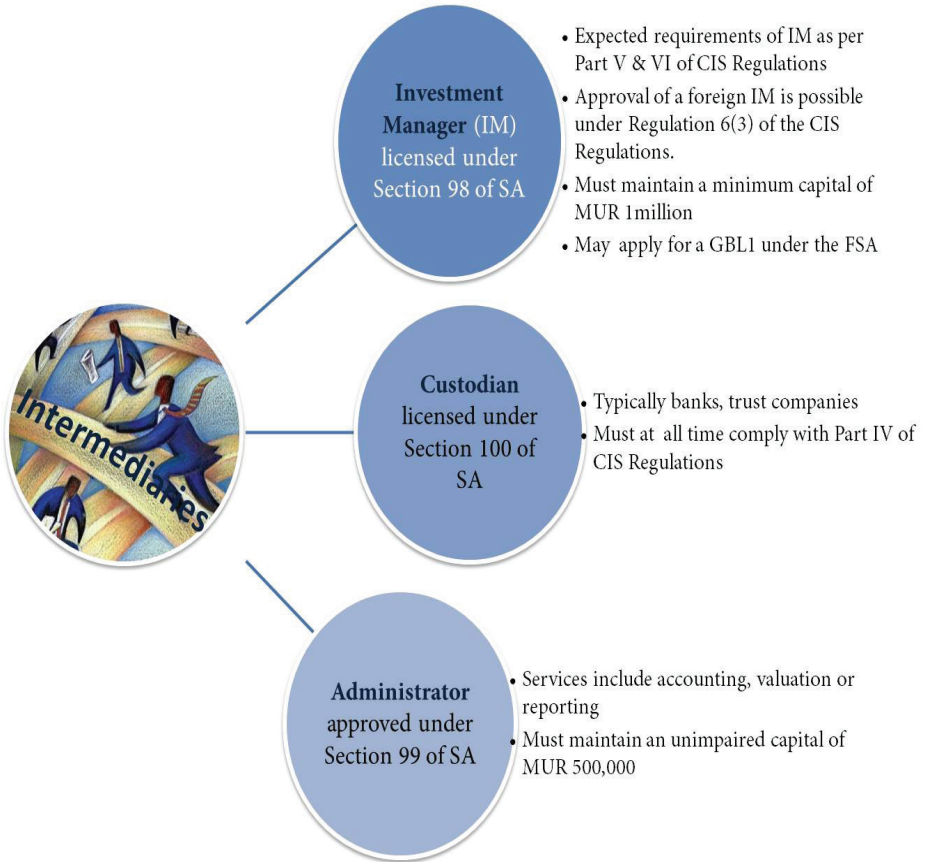
The FSC may request additional information.

Recognition of Foreign CIS

The FSC may also recognise, under Section 101 of the SA, a CIS established in a foreign country subject to such conditions that the FSC considers necessary for the protection of participants in the CIS.

Intermediaries in Mauritius

Intermediaries ensure the proper functioning of Investment funds and hence protect the best interest of investors. Intermediaries as regulated by the FSC under the SA consist of Investment Managers, Custodians and Administrators.



Reporting Obligations for Investment Funds and Intermediaries

All funds and their intermediaries are subject to ongoing reporting obligations as imposed by the FSC under the SA and FSA. Reporting obligations include submission of Audited Financial Statements and Quartely Statutory Returns (Interim Financial Statements).

Restrictions on licensees

In addition to complying with the provisions of the SA and CIS Regulations, Investment Funds and Intermediaries are subject to more general obligations under the FSA.

Record keeping (S. 29 of the FSA)

- Licensees must at all time keep and maintain internal records, whether in electronic form or otherwise, of the identity of customers and business activities for a period of at least 7 years

Approval of controllers and beneficial owners (S. 23 of the FSA)

- No shares, or any legal or beneficial interest in a licensee shall be issued or transferred except with the approval of the FSC. The licensee shall provide such particulars of any proposed controllers and beneficial owners as may be required by the FSC

Approval of officers (S. 24 of the FSA)

- No person shall be appointed as an officer of a licensee without the prior approval of the FSC. A request for approval must be accompanied by full particulars of the person to be appointed and such other information as may be required by the FSC.

Enforcement

- The FSA (Part VIII of the FSA) provides the FSC with wide powers for enforcement actions. Licensees may be subject to onsite inspection and be requested to furnish information. The FSC may also give direction where there is a breach of the law, improper conduct of business or it is in the public interest to do so. It is an offence not to comply with a direction issued by the FSC.

Disclaimer

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