



Financial Services Commission
Mauritius

CL150713 – 15 July 2013

CIRCULAR LETTER (CL150713)

**To: Directors,
Management Companies and Other Licensees**

Dear Sir/Madam,

THE FINANCIAL SERVICES (SPECIAL PURPOSE FUND) RULES 2013

The Financial Services Commission (the “FSC”) is issuing this Circular Letter to set out the requirements to be met for a scheme (either a collective investment scheme or a closed-end fund) to be approved as a special purpose fund.

1.0 The Financial Services (Special Purpose Fund) Rules 2013

- 1.1. The Financial Services (Special Purpose Fund) Rules 2013 (the “Rules”) came into operation since 1 June 2013.
- 1.2. The Rules provide that the FSC may, on application, approve a scheme as a special purpose fund. Such application will only be considered where:
 - (i). the purpose of the scheme is to conduct investment solely in countries which do not have a tax arrangement with Mauritius;
 - (ii). the purpose of the scheme is to invest mainly in securities whose returns will be exempted from taxation; or
 - (iii). all the investors of the scheme are pension schemes or other persons entitled to tax exemption.
- 1.3. The approval may be subject to such conditions as the FSC considers necessary.
- 1.4. The FSC shall not approve a scheme holding a Global Business Licence as a Special Purpose Fund.

2.0 Application for a scheme to be approved as Special Purpose Fund

- 2.1 An application for authorisation of a scheme (CIS or CEF) must be made pursuant to Section 97 of the Securities Act 2005 on prescribed application forms. The Applicant must indicate on its cover note its

intention for the scheme to be approved as a special purpose fund as well as specify under which condition it will operate as such.

- 2.2 All applications for authorisation of the scheme must be made in accordance with the CIS Regulations.
- 2.3 Where a proposed special purpose fund does not have a CIS Manager licensed by FSC, it shall at all times have a CIS administrator in Mauritius.
- 2.4 The proposed special purpose fund can also apply for categorisation as per Part XI of the Securities (Collective Investment Schemes and Closed-end Funds) Regulations.
- 2.5 At the time of application, an undertaking from the promoter must be submitted to the FSC to the effect that the proposed special purpose fund will abide by the condition under which it will be approved as special purpose fund.

3.0 Transitional period for schemes already authorised by the FSC

- 3.1 Those schemes which are already authorised by the FSC but wish to be approved as a special purpose fund can submit their application to the FSC.
- 3.2 The application must be accompanied by certificates from the scheme's directors and auditors to confirm that the scheme complies with any of the conditions set out in Rule 3(1) of the Rules.
- 3.3 Each application will be assessed by the FSC prior to granting the approval.

4.0 On-going obligations of schemes approved as special purpose funds

- 4.1 The FSC hereby reminds its licensees that all schemes approved as special purpose funds are required to comply with the relevant provisions of the Securities Act 2005 and the CIS Regulations.
- 4.2 Furthermore, the submission of Audited Financial Statements of all schemes approved as special purpose funds must be accompanied by certificates from the scheme's directors and auditors to confirm that the scheme is in compliance with any of the conditions set out in Rule 3(1) of the Rules.

Yours Faithfully,

Ms. Clairette Ah Hen
Chief Executive

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