Financial Services Commission
Mauritius

COMMUNIQUÉ

Mauritius: The Preferred Platform for Debt-Based Investments into India

Mauritius is poised to fortify its supremacy as the jurisdiction of choice for investors seeking to invest in India and especially in debt portfolio.

The Mauritius-India Double Taxation Avoidance Agreement (DTAA) has been the springboard to private equity and investment funds domiciled in Mauritius investing in India/Asia and Africa. Official data shows that Mauritius is the major contributor from 2000 to 2016 in excess of $101 billion, accounting for around 33% of FDI into India.

Mauritius, through its unique and historical relations with India, has played a pivotal role in India's economic growth. Mauritius has offered investors a strategic platform for inbound and outbound Indian investments blended with institutional, cultural, geographical and geopolitical comfort.

The Protocol amending the Mauritius-India DTAA

In a spirit of cooperation to align the DTAA to international norms and best practices, the Mauritius-India DTAA was amended through a protocol in May 2016. A reduction in Indian withholding tax on interest to 7.5%, arising on debt claims or loans made after 31st March, 2017, has been agreed. Mauritius is well positioned to be the preferred platform for debt-based investments into India given the withholding tax rates depicted in the table below:

	Mauritius	**Singapore**	**Cyprus**	**Netherlands**
Indian withholding tax on interest arising on debt claims or loans	**7.5%**	10% / 15%	10%	10%

Licensed & Supervised Entities

The Financial Services Commission, Mauritius (FSC Mauritius) licenses, regulates, monitors and supervises the conduct of business activities in line with the existing legal framework and internationally recognised principles and standards. The FSC Mauritius ensures a sound and stable market from both prudential and conduct perspectives.

The licensing framework provides clear sets of licensing criteria and requirements for the processing of applications. The Global Business Licences are being granted within 2 to 4 working days by the FSC Mauritius, subject to the application being complete and satisfactory.

Pro-active Legal Framework

The FSC Mauritius continuously reviews its regulatory framework to be more efficient and service-oriented. The framework rests on international norms and principles as determined by international standard-setting bodies such as the International Association of Insurance Supervisors (IAIS), the International Organization of Securities Commissions (IOSCO) and the International Organisation of Pension Supervisors (IOPS).

A Largely Compliant jurisdiction

Mauritius has been rated as a Largely Compliant jurisdiction by the Organisation for Economic Co-operation and Development (OECD) Global Forum confirming that Mauritius has substantially implemented the internationally agreed tax standard.

Wide network of IPPAs and DTAAs

Mauritius offers an efficient platform to global investors exploring primarily emerging markets and increasingly the African continent. Mauritius positions itself as a risk mitigating platform through its wide network of Investment Promotion and Protection Agreements (IPPAs) and 43 DTAAs in force.

The vibrancy and flexibility of the Mauritian economy highlighted in best practices used in terms of transparency, good governance and ethics, coupled with the favourable withholding tax rate makes Mauritius an attractive business forum for debt structuring and an important catalyst for global growth.

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