



## Mauritius – responses to the financial crisis and regulatory pressures

The business climate in Mauritius remains strong and the economy continues to grow. Due to its close association with India and other developing nations, Mauritius unlike many countries managed to avoid many of the adverse effects of the recent recession. In 2009 the Mauritius economy grew in the region of 2.7%, and it is expected that 2010 will be an even better year for Mauritius, with growth in the region of 4% projected. With the economies of many developed nations now recovering from the recession, there is an ever increasing amount of new business activity in general terms, which means increased investment into areas such as India and Africa. With its network of double taxation avoidance treaties with India and a number of African countries (Botswana, Lesotho, Madagascar, Mozambique, Namibia, Rwanda, Senegal, Seychelles, South Africa, Swaziland, Tunisia, Uganda and Zimbabwe) Mauritius is well placed to act as a financial services platform to facilitate these investments in a tax efficient way.

Mauritius has never been what is regarded as a tax haven. Entities resident in Mauritius, whether local or international, are generally subject to income tax, which is currently at fifteen per cent. There is, however, a deemed foreign tax credit which results in an effective tax rate of three per cent in respect of certain types of entities resident in Mauritius. There are also entities that are tax exempt but these are limited in their activities to holding and managing private assets. They cannot engage in any financial business activities and do not benefit from the provisions of any of the double taxation avoidance treaties. Transparency is generally not considered to be an issue for Mauritius, as it is a taxable jurisdiction, and with the tax benefits of structuring an entity in Mauritius being derived through a double taxation avoidance treaties, the risk of tax evasion is very limited.

Mauritius has a very positive vision of the future. Mauritius has put a great deal of effort into developing its financial services sector and it has now established itself as a well recognised and respected global business centre. It has an extensive network of double taxation avoidance treaties with a number of developing countries which makes

it very attractive jurisdiction for structuring of tax efficient investments. In addition, it benefits from a well educated, multi-lingual population and a well developed modern infrastructure, all of which makes it an excellent choice as a jurisdiction to set up and operate financial services businesses.

Craig Fulton  
Head of Mauritius office  
+230 464 9090  
[craig.fulton@conyersdill.com](mailto:craig.fulton@conyersdill.com)

---

This article is not intended to be a substitute for legal advice or a legal opinion. It deals in broad terms only and is intended to merely provide a brief overview and give general information.

### **About Conyers Dill & Pearman**

Conyers Dill & Pearman advises on the laws of Bermuda, British Virgin Islands, Cayman Islands, Cyprus and Mauritius. Conyers' lawyers specialise in company and commercial law, commercial litigation and private client matters. Conyers' structure, culture and expertise enable responsive, timely and thorough service. Conyers provides clients with the highest quality legal advice from strategic global locations including offices in the world's leading financial centres in Europe, Asia, the Middle East and South America. Founded in 1928, Conyers comprises 600 staff including more than 150 lawyers. Affiliated companies (Codan) provide a range of trust, corporate secretarial, accounting and management services.

For more information please contact:  
Naomi Little  
+1 (441) 298 7828  
[naomi.little@conyersdill.com](mailto:naomi.little@conyersdill.com)  
[www.conyersdill.com](http://www.conyersdill.com)