



Mauritius Investment Promotion and Protection Agreements

While much of Mauritius' success as a well-established international financial center can be attributed to its continually expanding network of double taxation avoidance agreements ("DTAAs"), there is another significant advantage to investing through Mauritius. Mauritius has entered into Investment Promotion and Protection Agreements ("IPPs") with various African countries which, while less well-known than DTAAs, are potentially of great importance to investors seeking to invest in the developing markets of Asia and Africa.

What are IPPAs?

IPPs are bilateral agreements between countries designed to promote and protect the interests of investors from one country in the territory of the country where the investment is being made. Among other things, IPPAs increase investor confidence by ensuring a fair and equitable protection of investments.

Mauritius has concluded 34 IPPAs, of which 18 are in force¹. Each agreement provides the following guarantees to investors:

- Fair and equitable protection of investments
- Fair and equitable treatment of investments and returns of investors
- Free transfer of monies relating to investments and returns
- Expropriation guarantee – investments shall not be nationalised, expropriated or subjected to measures (having effects equivalent to nationalisation or expropriation) except for public purposes, under due process of law, on a non-discriminatory basis and against prompt, adequate and effective compensation (which shall be made without delay, and be effectively realisable)
- Most favoured nation rule with respect to treatment of investments and compensation for losses (in case of war or armed conflict, revolution, a state of national emergency, revolt, insurrection or riot) – investors who, in any of these

¹ See table on p. 3 (source: Board of Investment Mauritius)

situations, suffer losses in the territory of the other contracting party resulting from the following shall be accorded restitution or adequate compensation:

(a) requisitioning of their property by the forces or authorities of the latter contracting party

(b) destruction of their property by the forces or authorities of the latter contracting party, which was not caused in combat action or was not required by the necessity of the situation of the observance of any legal requirement

- Provisions for settlement of disputes between investors and the contracting states
- Provisions for settlement of disputes between contracting states

Guarantees for investors

Mauritius' network of IPPAs with various African countries makes it an ideal investment platform. In these countries, there is often pressure to redistribute wealth to local indigenous populations, which have historically been both politically and economically disenfranchised. This has resulted in a perceived threat of nationalisation of assets (such as mines and natural resources) in certain of these countries. In these circumstances, it is useful to invest via a country that has an IPPA with the relevant African country, in order to take advantage of the guarantees offered by the IPPA.

Expanding Network

In addition to the IPPAs in force, Mauritius has signed IPPAs with the following countries which are awaiting ratification: Benin, Botswana, Cameroon, Comoros, Ghana, Guinea Republic, Mauritania, Rwanda, Swaziland, Tchad, Tanzania, Zimbabwe and, most recently in December 2010, the Republic of Congo. Importantly, Mauritius is also a member of various African organisations including the African Union (AU), the Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC).

Summary

Coupled with the benefits of the DTAAAs already in force and Mauritius' membership of various regional African organisations, we anticipate that IPPAs will play a crucial role in the further development of Mauritius as the gateway to investments in Africa.

IPPAs/Bilateral Investment Treaties (“BITs”) signed and in force as at 15 February 2011

Partner Country	Signed	Entered into force
Barbados	28.09.2004	18.06.2005
Belgium/Luxemburg Economic Union	30.11.2005	26.01.2010
Burundi	18.05.2001	22.11.2009
China	04.05.1996	08.06.1997
Czech Republic	05.04.1999	06.05.2000
Finland	12.09.2007	17.10.2008
France ²	22.03.1973	01.03.1974
Germany	25.05.1971	27.08.1973
India	04.09.1998	20.06.2000
Indonesia	05.03.1997	28.03.2000
Madagascar	06.04.2004	29.12.2005
Mozambique	14.02.1997	26.05.2003
Pakistan	03.04.1997	03.04.1997
Portugal	12.12.1997	03.01.1999
Republic of Korea	18.06.2007	09.05.2008
Romania	20.01.2000	20.12.2000
Sénégal	14.03.2002	14.10.2009
Singapore	04.03.2000	19.04.2000
South Africa	17.02.1998	07.10.1998
Sweden	23.02.2004	01.06.2005
Switzerland	26.11.1998	21.04.2000
U.K and Northern Ireland	20.05.1986	13.10.1986



Craig Fulton
Head of Office

+230 464 9090
craig.fulton@conyersdill.com



Nicolas Richard
Associate

+230 464 9090
nicolas.richard@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.

² The Mauritius-France BIT was renegotiated and a new BIT was signed on 8 March 2010. Arrangements are being made for its entry into force.

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For more information please contact:

Naomi Little

+1 (441) 298 7828

naomi.little@conyersdill.com

www.conyersdill.com