



Every Global Fund domiciled in Mauritius is licensed by the Mauritius Financial Services Commission (“FSC”). The salient features of Mauritius domiciled Global Funds are set out below.

GENERAL OVERVIEW

Type of Global Business Licence	Category 1 Global Business Licence (GBL1)
Categories of Fund	<p>Two categories:</p> <ol style="list-style-type: none"> 1. Collective Investment Scheme (CIS) is what is commonly referred to as ‘open ended funds’, in many jurisdictions. 2. Closed-end funds
Definition - CIS	<p>In its legal form, a CIS may be constituted as a company limited by shares, a trust or in any legal form as approved by the FSC.</p> <p>A “collective investment scheme” –</p> <ol style="list-style-type: none"> a) means a scheme constituted as a company, a trust, or any other legal entity prescribed or approved by the FSC :- <ol style="list-style-type: none"> i. whose sole purpose is the collective investment of funds in a portfolio of securities, or other financial assets, real property or non-financial assets as may be approved by the FSC; ii. whose operation is based on the principle of diversification of risk; iii. that has the obligation, on request of the holder of the securities, to redeem them at their net assets value, less commission or fees; and iv. where the participants do not have day to day control over the management of the property, whether or not they have the right to be consulted or to give directions in respect of such management; and b) includes closed-end funds whose shares or units are listed on a securities exchange; but c) does not include such schemes as are specified in Part II of the Schedule to Securities Act 2005
Definition – Closed-end Fund	<p>A Closed-end fund is an arrangement or a scheme, whose object is to invest funds, collected from subscribers during an offering made to investors or from sophisticated investors, in a portfolio of securities, or in other financial or non-financial assets, or real property.</p>
Main differences between CIS and Closed-end fund	<p>Unlike a CIS, a Closed-end fund may not allow redemption at option of investors, need not operate on risk diversification principle and may allow investors to exercise control on day to day management.</p>
Sub-categories of CIS	<ol style="list-style-type: none"> 1. Professional CIS 2. Specialised CIS 3. Expert Fund 4. CIS other than sub-categories (1), (2), (3) above, and which is fully regulated and meant mainly to be offered to the public. May be referred to as “Public CIS”
Definition – Professional CIS	<p>Professional CIS offer their shares solely to sophisticated investors or as private placements.</p>
Definition – Specialised CIS	<p>Specialised CIS is one that invests in real estate, derivatives, commodities or any other product authorized by the FSC.</p>



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Definition – Expert Fund	An Expert Fund is a CIS that has applied to the Financial Services Commission to be licensed as an Expert Fund. Expert Fund is only available to expert investors.
Definition – Sophisticated Investors	<p>A Sophisticated Investor means:-</p> <ul style="list-style-type: none"> a) the Government of Mauritius; b) a statutory authority or an agency established by an enactment for a public purpose; c) a company, all the shares in which are owned by the Government of Mauritius or a body specified in paragraph (b); d) the government of a foreign country, or an agency of such government; e) a bank; f) a CIS manager; g) an insurer; h) an investment adviser; i) an investment dealer; or j) a person declared by the Financial Services Commission to be a sophisticated Investor High net worth individuals, US accredited investors are generally treated as sophisticated investors by the FSC.
Currency	Any, but normally not Mauritius Rupee.
Time to establish	20 to 30 business days, once offering document and/or shareholders agreement is in a near final form.
KYC/CDD required	Yes, on the promoter/sponsor of the Fund, registered owners and beneficial owners of the investment management company (if not regulated) and proposed directors of the Fund and investment management company.
Documents to be provided to the FSC for licensing purposes	<ul style="list-style-type: none"> ▪ Offering document in near final form ▪ Composition of investment management team ▪ Principal terms of contracts with main functionaries, if not included in the offering document ▪ KYC/CDD as described above
Documents to be provided to the FSC within 30 days of set up of the Fund	Copy of execution version of all material contracts.
Nominee shareholder and professional directors can be used to expedite formation	Yes
Tax, Access to tax treaty, tax residency conditions	Taxed as a GBL1
Permitted capital	Any amount
Type/class of shares	<ul style="list-style-type: none"> ▪ Mauritius company law allows the Fund to structure its share capital in the most flexible and investor friendly manner possible. ▪ Most funds are multi-class and rights of the different classes may differ. ▪ It is typical for investment managers to hold voting shares that do not participate in economics of the Fund, while investors hold participatory shares. ▪ It is usual for investment manager to also co-invest with their investors by subscribing to another class of participatory shares. ▪ Also, lead/core investors are often offered shares with voting rights.
Distributions subject to solvency test	<p>Solvency test applies generally to Global Funds. Simplified solvency test is satisfied when:</p> <ul style="list-style-type: none"> a) value of Assets exceeds value of Liabilities; and b) when the fund is able to pay its debts as they fall due in the ordinary course of business.
Residency of investors	Generally from any country, including Mauritius.
Meetings	Chaired from Mauritius
Personal Questionnaire required	Yes
Financial Statements	Yes
Directors	<ul style="list-style-type: none"> ▪ At least 2 directors, resident in Mauritius, of sufficient calibre to exercise independence of mind and judgement.
Share Capital / Shareholders	<ul style="list-style-type: none"> ▪ Different classes of shares can be issued and rights of the different classes may differ. ▪ Shares can be of par value or no par value. ▪ Shares may be redeemable, non-voting or confer preferential, special or limited rights to income, capital or voting as specified in the constitution (by-laws).
Deadline for filing of audited financial statements	Within 3 months of financial year end date.
Filing of interim financial statements	<ul style="list-style-type: none"> ▪ Public CIS: Yes, Quarterly unaudited financials. ▪ Professional CIS and Expert Fund: No, unless it has not less than 100 shareholders. ▪ Closed-end fund: No, unless it has not less than 100 shareholders. ▪ Specialised CIS: Depends on licensing conditions imposed by the FSC on a case to case basis, but Yes, if it has not less than 100 shareholders.
NAV calculation of CIS	Generally, must be signed off in Mauritius prior to circulation to investors.



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Confidentiality – disclosure to Authorities	Yes, to the Financial Services Commission. Funds: Only identity of fund manager/promoter is disclosed to the FSC. However, the FSC may request for information on investors, if necessary Information confidentially kept
Notify Authorities for each share allotment	Collective Investment Schemes (Open ended funds): No Closed-end funds: Yes, but nominee shareholder can be used
Beneficial ownership disclosed to Authorities	Only identity of fund manager/promoter disclosed to the FSC. However, the FSC may request for information on investors, if necessary. Information is confidentially kept.
Functionaries to the Fund	The Manager
Delegated mandate or self management	CIS and Closed-end funds: Normally expected to appoint a manager to manage the portfolio of investment, BUT alternatively are allowed to be self managed by their Board of Directors.
Licence to be sought in Mauritius	To manage CIS: CIS Manager licence To manage Closed-end fund: Investment Adviser- Unrestricted licence
Minimum capitalisation	CIS Manager: Approx. US\$34,000 Investment Adviser – Unrestricted: Approx. US\$20,000
Professional Indemnity Insurance required	CIS Manager: Mandatory, Yes. Investment Adviser: There is no legal requirement, but is expected in practice for commercial reason.
Functionaries to the Fund	The Investment Adviser
Categories of Investment Adviser licensed in Mauritius	Investment Adviser – Restricted: Allowed only to give advice on securities transaction. Investment Adviser – Unrestricted: Allowed to give advice and also to manage portfolio of investment under a discretionary or non discretionary mandate.
Does a party providing only investment advice need to be licensed	Yes, if the adviser is Mauritius incorporated.
Minimum capitalisation	Investment Adviser - Unrestricted: Approx. US\$17,000 Investment Adviser – Restricted: Approx. US\$20,000
Professional Indemnity Insurance required	Investment Adviser – Restricted and Unrestricted: There is no legal requirement, but is expected in practice for commercial reason
Functionaries to the Fund	The Custodian
Does a Fund needs to appoint a Custodian	CIS: Yes. Whilst the relevant FSC Rules allows the FSC to dispense Professional CIS and Expert Fund from this requirement; in practice, the FSC might not apply such dispensation. Closed-end fund: No. However, the FSC expects the closed-end fund to put in place proper custody arrangement.
Does the Custodian to the Fund need to be licensed in Mauritius	No, provided the Fund holds a GBL1 licence.
Functionaries to the Fund	The Administrator
Is an Administrator mandatorily required	Yes, if the Fund holds a GBL1 licence.
Main activities of the Administrator	<ul style="list-style-type: none"> ▪ Accounting and reporting services ▪ General fund administration services ▪ Provision of place of business
Functionaries to the Fund	The Management Company
What is the Management Company	It is the management company (i.e. LC ABELHEIM Ltd) that is licensed under the Financial Services Act 2007 as a “Management Company” – not to confuse with the CIS Manager or Investment Adviser.
What is the role of the Management Company under the law	<ul style="list-style-type: none"> ▪ Submit all applications to the FSC for application of GBL1 licences. ▪ Responsible for the liaison with the FSC. ▪ Provide company secretarial services.
Who is responsible for maintenance of registers of Investors	The Secretary / Management Company