



## **Dale International Trust Company Limited**

### **MAURITIAN FOUNDATION – The Ideal Structure for Private Wealth Management**

A Mauritian Foundation is a hybrid legal entity combining the features of a Trust and a Company. A Mauritian Foundation fulfils similar functions to those of a trust but also has the administrative flexibility and advantages of a company.

Mauritian Foundations may be used for wealth management, succession and inheritance planning and general asset-holding purposes. A Foundation may be set up to achieve both charitable and non-charitable objectives and can either be to benefit a person or a class of persons or to carry out a specific purpose.

Foundations in Mauritius are governed by the Foundations Act 2012. When a Foundation is registered with the Registrar of Foundations in Mauritius and has obtained a certificate of registration, it enjoys a legal personality and can exercise all the functions of an incorporated body. It may also apply for a Global Business Company Licence if they want to fall under the supervision of the Financial Services Commission (FSC) and become tax resident. It therefore has access to the wide network of Double Tax Agreements (DTA) and Investment Promotion and Protection Agreements (IPPA) Mauritius has with other countries.

The Characteristics of a Foundation are:

#### **Council**

Every Foundation require a Council who can delegate functions to officers it appoints in accordance with the Charter. The Council must have at least one member who is resident in Mauritius. Dale Trust can provide the council members.

#### **Charter**

The Charter of a Mauritius Foundation sets out how the Foundation's assets will be administered and its objectives achieved. It must contain information such as the name of the Foundation, its registered office, information relating to the Founder, Beneficiaries (if any), amongst others.

**Founder**

The Founder endows the Foundation with its initial assets. Once transferred to it, the Foundation holds title over these assets.

**Beneficiary**

A Foundation can have one or more individuals as Beneficiary, who is subjected to benefit from a Foundation.

**Secretary**

Every Foundation is required to have a Secretary. The Secretary should be approved by the FSC in Mauritius. A Management Company is authorized to act as Secretary to a Foundation.

**Articles**

According to the provisions of the Charter, the Council can in a case to case basis adopt an Articles which governs the procedures concerning distribution of assets, identification of any initial or additional Beneficiaries, and how the Council provisions needs to be coordinated.

**Protector**

A Protector or a Committee of Protectors can be appointed by a Foundation conforming to the responsibilities, rights, functions and remuneration as may be declared in the Charter. The Charter should also highlight the relationship of Protector or Committee of Protectors with the Council whilst in office.



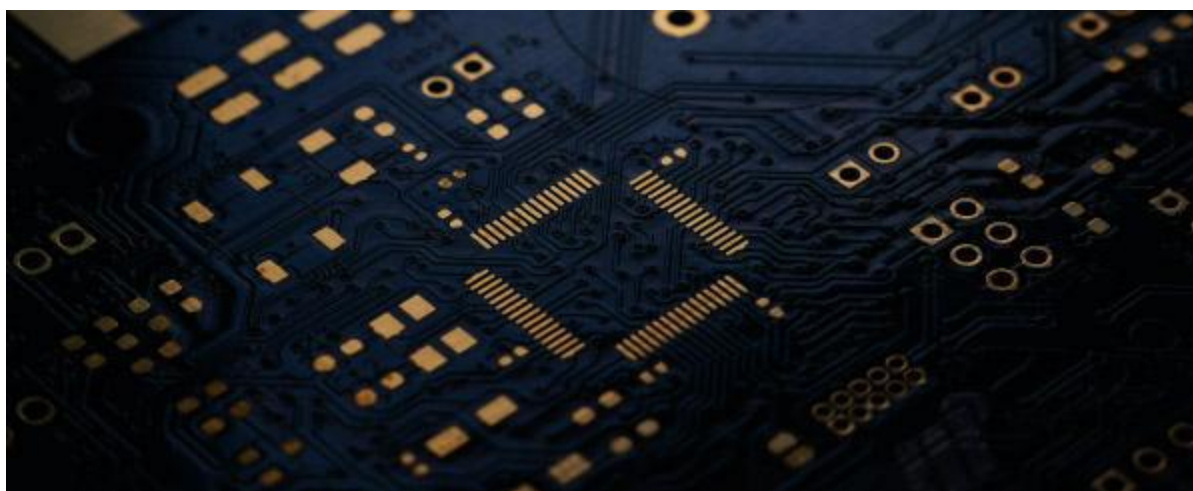
## The Rise of Mauritius as the Wealthiest Country in Africa

Mauritius based banking group AfrAsia Bank and South African wealth intelligence firm New World Wealth have reviewed the rise of Mauritius as the wealthiest country in Africa.

Following several decades of strong growth, Mauritius now ranks as the wealthiest country in Africa by some margin (on a wealth per capita basis). Average wealth per High net worth individuals (wealth per capita) in the country amounts to just over US\$30,000 as at June 2021, which is well above 2nd placed South Africa (US\$11,000). Globally, it ranks above Poland (US\$23,000) and only slightly below Portugal (US\$48,000).

*Possible reasons for Mauritius' high wealth per capita:*

- Ease of doing business in the country - Mauritius ranks 1st in Africa and 13th worldwide in the World Bank's 2020 Doing Business Report.
- Low taxes which encourage business formation and appeal to retirees. Notably, there is no inheritance tax or capital gains tax in Mauritius.
- Safety - Mauritius was recently rated by New World Wealth as the safest country in Africa, along with Namibia and Botswana. Notably, safety is one of the key drivers of wealth growth in a country.
- Strong HNWI growth - a large number of wealthy individuals (HNWIs) have moved to this jurisdiction over the past decade. In addition, many locally born HNWIs have been created as the economy has grown. Mauritius is now home to around 4,400 HNWIs, compared to 2,500 HNWIs a decade ago.
- A fast-growing local financial services sector and stock market (SEMDEX).
- High per capita income levels. The World Bank officially classified Mauritius as a high-income country in July 2020. Growth forecasts: Our growth projections for Mauritius are strong - we expect it to experience wealth growth of 80% over the next decade (to 2030). This will make it one of the five fastest growing high-income markets in the world over this period, along with Australia, New Zealand, Switzerland and Malta. By 2030, HNWI numbers in Mauritius are expected to reach just over 7,800 compared to 4,400 currently.



## **Mauritius ranked first in africa in the global innovation index 2021**

The Global Innovation Index 2021 (“GII”) takes the pulse of the most recent global innovation trends and ranks the innovation ecosystem performance of 132 countries, while highlighting innovation strengths and weaknesses and particular gaps in innovation metrics. In its new Global Innovation Tracker section, the report draws on a select set of indicators, including the effects on research and development expenditures or access to innovation finance, to provide a perspective on the impact of COVID-19 on global innovation performance.

The GII 2021 was published by World Intellectual Property Organisation (WIPO) and Mauritius has been ranked 1st in Africa and 52nd among 132 countries. Mauritius ranks highest in the region in Institutions (21st), Infrastructure (65th) and Creative outputs (31st). In sub-Saharan Africa, only Mauritius and South Africa rank in the top 65; and only Kenya and the United Republic of Tanzania have remained firmly in the top 100 and improved their performance over time.

### **Why invest in Seychelles?**

Business laws have been established in Seychelles to promote and encourage foreign investment. In addition, there are various benefits for investing in Seychelles, one of the benefits is that Seychelles is politically and economically stable. It should also be noted that Seychelles is 1st in Africa and 27th internationally on the Corruptions Perceptions Index 2019. Moreover, it is ranked 2nd in Africa on Human Development Index 2019. Furthermore, Seychelles provides for financial center with no foreign exchange restrictions. Seychelles IBC is the most commonly used type of offshore company due to its flexibility, fast incorporation, low government fees and excellent regulatory framework. Along with its attractive business laws, there are various advantages in terms of taxation and privacy among others, which make Seychelles one of the most preferable choices for offshore investors.



## **EU helps Mauritius in its Fights Against Money Laundering and Terrorist Financing**

It is worth noting that, following Mauritius' entry in the Financial Action Task Force (FATF) grey list, in May 2020, the EU also added Mauritius to its revised list of high risk countries with strategic deficiencies in their AML/CFT framework which then became applicable on the 1st of October 2020.

The exit of Mauritius from the FAFT grey list has brought about the motivation and additional efforts needed to start the process of removing Mauritius from the EU's blacklist of high-risk countries. In the same vein, a 3-day regional workshop on Compliance with International and EU requirements regarding the FATF Recommendation 8 was organized in Mauritius. The aim of the event was to allow the exchange of best practices and the sharing of the different challenges faced by different participant States to ensure compliance with FATF recommendations as well as AML/CFT legislations. While recognizing the efforts made by Mauritius towards its delisting from the FATF grey list, Mr. Vincent Degert, the Ambassador and Head of the EU Delegation stated that the EU shall provide its support to Mauritius and is working towards removing the country from its blacklist. The EU Ambassador moreover asserted that the EU AML/CFT Global Facility which has been in an ongoing collaboration with the Government of Mauritius in the fight against money laundering and terrorist financing shall provide further support and assistance in enhancing the reputation of Mauritius as an investment platform and a financial hub for Africa, Asia and the rest of the world.

Mauritius' strong determination and continuous efforts towards improving its AML/CFT framework together with EU's help will undoubtedly lead to its whitelisting. This will in turn strengthen the country's position as a suitable and trustworthy jurisdiction which promotes transparency and abides by the best international practices in terms of AML/CFT.

### **Mauritius signs amending protocol to Double Taxation Avoidance Agreement**

On the 15th October 2021, the Cabinet of Mauritius approved the signing of an amending protocol to its 2011 Income tax treaty with Germany. The amendments will ensure compliance with the Base Erosion and Profit Shifting (BEPS) projects recommendations.

The protocol will include the following new provisions:

1. A statement in the Preamble to emphasize that the intention of both countries is to eliminate double taxation, without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance;
2. The possibility for a taxpayer to have recourse to arbitration where a tax dispute cannot be resolved by the competent authorities within a period of three years after the case has been referred for consideration; and
3. To clarify the cases which are not eligible for arbitration.





## Why Dale Trust?

Our team of seasoned professionals carries worldwide experience and credentials which are essential elements to service clients. We assist at each step of your project and deliver solutions to businesses and high net worth individuals from advisory to elaboration and implementation of projects, structuring, formation services, management services and professional outsourcing and also back office services.

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Dale International Trust Company Limited is a member of the MSI Global Alliance and Mauritius Finance

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