

Mauritius

RISK & COMPLIANCE REPORT

DATE: January 2017

| Executive Summary - Mauritius | |
|---|--|
| Sanctions: | None |
| FATF list of AML Deficient Countries | No |
| Higher Risk Areas: | Not on EU White list equivalent jurisdictions Offshore Finance Centre |
| Medium Risk Areas: | Non - Compliance with FATF 40 + 9 Recommendations Corruption Index (Transparency International & W.G.I.) Failed States Index (Political Issues)(Average Score) |
| <p>Major Investment Areas:</p> <p>Agriculture - products: sugarcane, tea, corn, potatoes, bananas, pulses; cattle, goats; fish</p> <p>Industries: food processing (largely sugar milling), textiles, clothing, mining, chemicals, metal products, transport equipment, nonelectrical machinery, tourism</p> <p>Exports - commodities: clothing and textiles, sugar, cut flowers, molasses, fish</p> <p>Exports - partners: UK 18.7%, France 16.4%, US 10.4%, South Africa 9.7%, Spain 7.6%, Italy 7.1%, Madagascar 6.7% (2012)</p> <p>Imports - commodities: manufactured goods, capital equipment, foodstuffs, petroleum products, chemicals</p> <p>Imports - partners: India 23.7%, China 15.3%, France 8.9%, South Africa 6.3% (2012)</p> | |
| Investment Restrictions: | |

Of the 33 economic sectors looked at in the World Bank report, 32 are fully open to foreign investment in Mauritius. The only exception is television broadcasting, where foreign capital participation in a company must be less than 20%. However, the World Bank report draws attention to the difficulties of investing in certain sectors in Mauritius such as electricity generation and distribution as well as port and airport management, due to their monopolistic market structure and domination by a state-owned enterprise.

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Section 1 - Background

Although known to Arab and Malay sailors as early as the 10th century, Mauritius was first explored by the Portuguese in the 16th century and subsequently settled by the Dutch - who named it in honor of Prince Maurits van NASSAU - in the 17th century. The French assumed control in 1715, developing the island into an important naval base overseeing Indian Ocean trade, and establishing a plantation economy of sugar cane. The British captured the island in 1810, during the Napoleonic Wars. Mauritius remained a strategically important British naval base, and later an air station, playing an important role during World War II for anti-submarine and convoy operations, as well as the collection of signals intelligence. Independence from the UK was attained in 1968. A stable democracy with regular free elections and a positive human rights record, the country has attracted considerable foreign investment and has earned one of Africa's highest per capita incomes.



Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

Mauritius is not on the FATF List of Countries that have been identified as having strategic AML deficiencies

Compliance with FATF Recommendations

The last Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Mauritius was undertaken by the Financial Action Task Force (FATF) in 2009. According to that Evaluation, Mauritius was deemed Compliant for 5 and Largely Compliant for 18 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for 3 of the 6 Core Recommendations.

Key Findings from latest Mutual Evaluation Report (2009):

It was apparent to the mission that significant steps have been taken by the Mauritian authorities in recent years to enhance the AML/CFT framework. These steps mean that Mauritius is well placed to capitalize on its national strategy to diversify its economy into global financial services by taking advantage of its linkages with both African and long standing arrangements with the larger Asian economies. Additionally, the Republic of Mauritius intends to offer new products in Islamic financial services and wealth management. In this dynamic environment, it will be important to conduct a review of the AML/CFT risks associated with such global business.

In recent years, a National Committee for Anti-Money Laundering and Combating the Financing of Terrorism has been formed, chaired by a senior representative from the Ministry of Finance and Economic Development. In addition, the FIU's functions were revised and the Bank of Mauritius' functions have been enhanced, and the Financial Services Commission (FSC) and the Independent Commission Against Corruption (ICAC) have been established. Now that the legislative and institutional framework is in place, it will be important for these and other key stakeholders to focus on implementing the framework. A key element in this also will be greater coordination and cooperation among the various national authorities. The recently established Bank of Mauritius and FSC Coordination Committee is one example of the necessary integrated approach to AML/CFT.

Areas of further coordination and cooperation would include: more rapid filing of suspicious transaction reports (STRs) by reporting entities; improved quality of information provided in STRs; and more rapid exchange of information between intelligence, evidence gathering, and prosecution services. Extensive and targeted training will assist in achieving a more integrated national system.

Mauritius was deemed a 'Monitored' Jurisdiction by the US Department of State 2016 International Narcotics Control Strategy Report (INCSR).

Key Findings from the report are as follows: -

Perceived Risks:

Although Mauritius has developed a reputation as a well-regulated financial jurisdiction, its regulatory and enforcement scheme has some limitations. A new government came to power in Mauritius after general elections in December 2014, announcing its intention to curb fraud and corruption and promote good governance. Yet investigations thus far have centered on members of the former government and its financiers. Opposition parties and the media have criticized some of these actions as being politically motivated.

The major sources of laundered funds in Mauritius are crimes involving drug trafficking (mainly heroin and the prescription drug subutex), as well as theft of goods, conspiracy, forgery, swindling, Ponzi schemes, and corruption. Media reports indicate money laundering occurs in the banking system, the offshore financial sector, and the non-bank financial sector. Criminal proceeds are derived from both domestic and foreign criminal activities. There is no known black market for smuggled goods in Mauritius.

Mauritius is a significant foreign investment route into the Asian sub-continent and, increasingly, into mainland Africa. As of the end of October 2015, there were 21,606 global business companies (GBCs) registered in Mauritius, including 942 licensed global funds. The Financial Service Commission (FSC) licenses the management companies that provide professional services to GBCs. Shell companies and bearer shares are not allowed in the Mauritian GBC sector, nor are nominee or anonymous directors or trustees.

The Government of Mauritius established the Mauritius Freeport, a free-trade zone (FTZ), to promote the country as a regional FTZ center for Eastern and Southern Africa and the Indian Ocean rim. As of November 20, 2015, 231 companies operate in the Freeport. For the period January 1 – November 20, 2015 Freeport turnover was approximately \$1.3 billion.

DO FINANCIAL INSTITUTIONS ENGAGE IN CURRENCY TRANSACTIONS RELATED TO INTERNATIONAL NARCOTICS TRAFFICKING THAT INCLUDE SIGNIFICANT AMOUNTS OF US CURRENCY; CURRENCY DERIVED FROM ILLEGAL SALES IN THE U.S.; OR ILLEGAL DRUG SALES THAT OTHERWISE SIGNIFICANTLY AFFECT THE U.S.: NO

CRIMINALIZATION OF MONEY LAUNDERING:

"All serious crimes" approach or "list" approach to predicate crimes: All serious crimes

Are legal persons covered: criminally: YES civilly: YES

KNOW-YOUR-CUSTOMER (KYC) RULES:

Enhanced due diligence procedures for PEPs: Foreign: YES Domestic: YES KYC

covered entities: Banks, insurance companies, securities dealers, money changers, foreign exchange dealers, accountants, lawyers, notaries, chartered secretaries, gaming centers, jewelry dealers, property developers and promoters, and estate agents

REPORTING REQUIREMENTS:

Number of STRs received and time frame: 173 in 2014

Number of CTRs received and time frame: Not applicable

STR covered entities: Banks, insurance companies, securities dealers, money changers, foreign exchange dealers, accountants, lawyers, notaries, chartered secretaries, gaming centers, jewelry dealers, property developers and promoters, and estate agents

MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:

Prosecutions: 19: January 1 - November 12, 2015

Convictions: 9: January 1 - November 12, 2015

RECORDS EXCHANGE MECHANISM:

With U.S.: MLAT: NO Other mechanism: YES

With other governments/jurisdictions: YES

Mauritius is a member of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), a FATF-style regional body.

ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:

Against the current backdrop, Mauritius' AML/CFT regime has a number of limitations. First, the limited capacity of the judiciary and the Independent Commission against Corruption compromises Mauritius' ability to successfully combat various forms of money laundering. Although international law enforcement coordination is possible through the 2003 Mutual Assistance in Criminal and Related Matters Act, sharing of information is a lengthy and uncertain process. Domestically, timely access to financial documents is also a problem.

In July 2015 the government established a commission to review drug trafficking in Mauritius, investigating links to money laundering, terrorist financing, and other crimes. The National Assembly passed the Good Governance and Integrity Reporting Bill in December 2015. The stated purpose of the bill is to combat unexplained wealth and illicit enrichment. However, opposition parties, the media, and the National Bar Council have criticized controversial elements in the bill, such as the presumption of guilt and the retroactive nature of the law.

In February 2015 police arrested former Prime Minister Navin Ramgoolam on suspicion of conspiracy and money laundering. The courts released Ramgoolam on bail, and the investigation is ongoing. In April 2015 the police launched an investigation into alleged fraud relating to the sale of insurance products through the British American Insurance company (BAI), part of a business conglomerate owned by an individual with close ties to the former PM. The government claims the fraud involved approximately \$537 million affecting 26,000 policyholders. This investigation is also ongoing.

While Mauritius has a legal framework enabling it to freeze terrorist-related assets without delay, its ability to do so at this time is subject to compliance with judicial proceedings. Under the 2012 Asset Recovery Act (ARA), the enforcement authority can make an urgent application to a judge to freeze terrorist assets without delay. In 2015, the Asset Recovery Unit of the Director of Public Prosecutions Office has recovered property with a value of \$1,650. The government may also ask a court to issue a restraining order to freeze assets.

Between January and November 2015, the courts had restrained \$1.7 million in assets. An application for final orders to forfeit these assets will be made once the court adjudicates the underlying criminal cases.

The Government of Mauritius should strengthen collaboration among government stakeholders, in particular with regard to information sharing and should examine the over-consolidation of authority within one agency – the Ministry of Financial Services, Good Governance, and Institutional Reforms.

Current Weaknesses in Government Legislation (2013 INCRS Comparative Tables):

According to the US State Department, Mauritius does not conform with regard to the following government legislation: -

Arrangements for Asset Sharing - By law, regulation or bilateral agreement, the jurisdiction permits sharing of seized assets with third party jurisdictions that assisted in the conduct of the underlying investigation.

EU White list of Equivalent Jurisdictions

Mauritius is not on the EU White list of Equivalent Jurisdictions

World Governance indicators

[To view historic Governance Indicators Ctrl + Click here and then select country](#)

Failed States Index

[To view Failed States Index Ctrl + Click here](#)

Offshore Financial Centre

Mauritius is considered to be an Offshore Financial Centre

US State Dept Narcotics Report 2012 (introduction):

Mauritius is not a major producer or exporter of illegal drugs, or a transit route for drug trafficking. While Mauritius is not a significant transshipment location on a global scale, the island state is increasingly seen as a regional hub for heroin distribution, often intended for onward movement into Europe and even the United States. Cannabis is the only illicit drug that is locally cultivated in large quantities, primarily by small groups or individuals for local consumption and is not exported. Other illicit drugs, primarily heroin and the prescription drug, Subutex (a brand name for buprenorphine, an opiate used to treat heroin dependence, which is illegal in Mauritius), are brought into Mauritius for consumption with a small amount going for transshipment to other markets.

Mauritius's Anti Drug Smuggling Unit (ADSU) of the Mauritius Police Force works closely with other law enforcement and health agencies on drug control and treatment programs throughout the country, and cooperates with U.S. Government agencies. The ADSU continues to look for ways to improve its resources and capacity. Mauritius is a party to the 1988 UN Drug Convention. Mauritius is also a party to the UN Convention against Corruption and to the UN Convention against Transnational Organized Crime.

The ADSU appears, to be on track to record a similar level, or slight increase in, seizures and cases involving illegal drugs in 2011 compared to 2010. The ADSU credits the increase in illicit drug seizures and arrests in recent years to its ongoing operations with various intelligence units of the police force and its proactive approach to regional co-operation. The strategic location of Mauritius in the Indian Ocean encourages drug trafficking/transit. The increasing number of shipping containers arriving in Mauritius, and a new wave of synthetic drugs, plus a lack of shared intelligence with other countries has complicated enforcement efforts. Mauritius has limited resources to patrol its shores and territorial waterways.

Mauritius has several agencies working on drug control issues, over the gamut from law enforcement, to public health initiatives. NGOs also are engaged in treatment and prevention efforts. The Mauritian government collaborates with the U.S. Drug Enforcement Administration, United Nations Office of Drugs and Crime, and the International Narcotics Control Board.

Based on narcotic seizures, arrests, and drug treatment/rehabilitation program participation, cannabis followed by heroin and Subutex are the most commonly abused drugs in Mauritius. Heroin abuse is a serious problem in Mauritius, with a reported two percent of the population abusing the drug (by far the highest reported prevalence in Africa). Treatment NGO's report approximately 20,000 abusers but the figures are disputed by the police as being nearer 12,000. Neither of these figures can be confirmed, and abuse might be more than either. Mauritius does have dedicated drug treatment facilities and has in recent years introduced methadone maintenance for addicts in treatment and a needle exchange program. NGO's provide counseling and treatment options. Government health facilities, managed by health professionals, are also available for drug treatment cases.

The Government of Mauritius has clearly indicated that drug traffickers and those involved in drug trafficking at all levels will not be tolerated. The present policies have not completely stopped the flow of illegal drugs, but the forfeiture of assets applied to narcotics offenders is beginning to take effect. No evidence has emerged to suggest that any government officials are involved in the production or trafficking of drugs, nor does the government facilitate drug trafficking as a matter of policy.

The U.S. government provides training assistance to Mauritian law enforcement agencies, including the ADSU, through the International Law Enforcement Academies in Botswana, New Mexico, and Africa Command (AFRICOM) efforts, including the efforts of NCIS. It is U.S. policy to help Mauritius increase its capacity to enforce its narcotics laws and to work with Mauritian enforcement to resolve cases where there is a U.S. nexus to drug trafficking. The 1931 UK-U.S. Extradition Treaty is the treaty in force between the United States and Mauritius, but we have no history of extradition cases with Mauritius pursuant to the treaty.

US State Dept Trafficking in Persons Report 2014 (introduction):

Mauritius is classified a Tier 2 country - a country whose government does not fully comply with the Trafficking Victims Protection Act's minimum standards, but is making significant efforts to bring themselves into compliance with those standards.

Mauritius is a source, transit, and destination country for men, women, and children subjected to forced labor and sex trafficking. Secondary school-age girls and, in fewer numbers, younger girls from all areas of the country, including from Rodrigues Island, are induced into prostitution, often by their peers, family members, or by businessmen offering other forms of employment. NGOs report girls also are sold into prostitution by family members or forced into the sex trade in exchange for food and shelter. Taxi drivers provide transportation and allegedly introduce girls and clients. Girls and boys whose mothers engage in prostitution reportedly are vulnerable to being forced into prostitution at a young age. Some women addicted to drugs are forced into prostitution. In recent years, small numbers of Mauritian adults have been identified as labor trafficking victims in the United Kingdom, Belgium, and Canada. Malagasy women transit Mauritius en route to employment as domestic workers in the Middle East, where they often are subsequently subjected to forced labor and sex trafficking. Women from Rodrigues Island are subjected to forced labor in domestic service in Mauritius. In previous reporting periods, Cambodian fishermen were subjected to forced labor on fishing boats in Mauritius's territorial waters. Mauritius' manufacturing and construction sectors employ approximately 30,000 foreign migrant workers from India, China, Bangladesh, Sri Lanka, and Madagascar, some of whom are subjected to forced labor.

The Government of Mauritius does not fully comply with the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. During the reporting period, the government maintained strong efforts to identify and provide protective services to child victims of sex trafficking and continued to conduct extensive public awareness campaigns to prevent child sex trafficking and reduce the demand for commercial sex acts involving children. However, there remained a general lack of understanding among law enforcement of trafficking crimes outside the realm of child sex trafficking, despite increasing

evidence that other forms of trafficking exist in Mauritius, including the forced labor of adults. The government failed to identify or provide any protective services to adult victims and did not make any tangible efforts to prevent the trafficking of adults during the reporting period.

US State Dept Terrorism Report

No report available

International Sanctions

None applicable

| Index | Rating (100-Good / 0-Bad) |
|--|----------------------------------|
| Transparency International Corruption Index | 54 |
| World Governance Indicator – Control of Corruption | 68 |

Corruption and Government Transparency - Report by US State Dept

Mauritius is a signatory member of the UN Anticorruption Convention and was assessed on Chapters 3 and 4 of said Convention in 2012.

Mauritius placed 52nd out of 177 countries in the 2013 Corruption Perceptions Index published by Transparency International. Although Mauritius remains among the least corrupt countries in Africa, perceptions of probity levels in the country are worsening, following some recent high-profile arrests for alleged corruption.

In 2013, Mauritius placed 1st out of 52 African countries on the Mo Ibrahim Index of African Governance. With 82.9 points out of 100, Mauritius topped the list of Africa's best-governed nations for the seventh consecutive year. The average score for the African continent is 51.6 points.

In 2002, the government adopted the Prevention of Corruption Act, which led to the establishment of an Independent Commission Against Corruption (ICAC). ICAC has the power to investigate corruption and money laundering offenses and can also seize the proceeds of corruption and money laundering.

Section 3 - Economy

Since independence in 1968, Mauritius has developed from a low-income, agriculturally based economy to a middle-income diversified economy with growing industrial, financial, and tourist sectors. Mauritius has achieved steady and strong growth over the last several decades, resulting in more equitable income distribution, increased life expectancy, lowered infant mortality, and a much-improved infrastructure. The economy rests on sugar, tourism, textiles and apparel, and financial services, and is expanding into fish processing, information and communications technology, and hospitality and property development. Sugarcane is grown on about 90% of the cultivated land area and accounts for 15% of export earnings. The government's development strategy centers on creating vertical and horizontal clusters of development in these sectors. Mauritius has attracted more than 32,000 offshore entities, many aimed at commerce in India, South Africa, and China. Investment in the banking sector alone has reached over \$1 billion. Mauritius, with its strong textile sector, has been well poised to take advantage of the Africa Growth and Opportunity Act (AGOA). Mauritius' sound economic policies and prudent banking practices helped to mitigate negative effects of the global financial crisis in 2008-09. GDP grew in the 3-4% per year range in 2010-13, and the country continues to expand its trade and investment outreach around the globe.

Agriculture - products:

sugarcane, tea, corn, potatoes, bananas, pulses; cattle, goats; fish

Industries:

food processing (largely sugar milling), textiles, clothing, mining, chemicals, metal products, transport equipment, nonelectrical machinery, tourism

Exports - commodities:

clothing and textiles, sugar, cut flowers, molasses, fish

Exports - partners:

UK 18.7%, France 16.4%, US 10.4%, South Africa 9.7%, Spain 7.6%, Italy 7.1%, Madagascar 6.7% (2012)

Imports - commodities:

manufactured goods, capital equipment, foodstuffs, petroleum products, chemicals

Imports - partners:

India 23.7%, China 15.3%, France 8.9%, South Africa 6.3% (2012)

Banking

Mauritius has a relatively sophisticated banking sector with 19 banks currently licensed to undertake banking business. The Banking Act of 2004 provides for banking business to be conducted under a single banking license regime. Accordingly, all banks are free to conduct business in all currencies, including the Mauritian rupee. There are also several non-bank financial institutions, which are authorized to conduct deposit-taking business.

The banking system is highly concentrated with two long-established domestic and two international banking groups dominating, holding between them 70 percent of all banking assets. Foreign banks present in Mauritius include the Hong Kong and Shanghai Banking Corporation (HSBC), Barclays Bank, Bank of Baroda, Habib Bank, Banque des Mascareignes, PT Bank International Indonesia, Deutsche Bank, Standard Bank, Standard Chartered Bank, and Investec Bank.

The banks focus mostly on trade financing and on provision of working capital. Accounts may be opened in all major currencies as well as the Mauritian rupee. Several commercial banks offer card-payment services, such as credit and debit cards and direct debits. Other facilities, including phone banking, home banking, internet banking, and PC banking, are also provided by some banks. Commercial banks offer spot and forward transactions in all major currencies.

Commercial banks have diversified into non-banking business through subsidiaries and affiliates. Banks are engaged in the provision of leasing, stock brokering, asset and fund management, investment and private banking business, insurance agency, and portfolio and custodial management.

The Bank of Mauritius, the Central Bank, carries out the supervision and regulation of banks as well as non-bank financial institutions authorized to accept deposits. A new Bank of Mauritius Act, which strengthened the central bank's institutional framework as well as its supervisory powers, was enacted in October 2004. It also has the power to establish prudential safety and soundness standards and regulations, and does so primarily by issue of Guidelines/Guidance Notes. The Central Bank has endorsed the Core Principles for Effective Banking Supervision as set out by the Basel Committee on Banking Supervision.

Stock Exchange

The Stock Exchange of Mauritius (SEM) has done quite well in terms of the volume of transactions, the number of listed companies, market capitalization, and the fairness and efficiency of its operations since its launch in 1989. In December 2010, the Stock Exchange of Mauritius had 37 companies listed on the Official Market and 57 companies on the Development and Enterprise Market, which is designed for small and medium enterprises. Market capitalization grew from USD 92 million in 1989 to USD 5.5 billion in December 2010. The SEM is a member of the World Federation of Exchanges, which reports that the SEM adheres to industry business standards.

In November 2007, the SEM was included in the new Morgan Stanley Capital International (MSCI) Frontier Markets Indices, which are designed to track the performance of a range of equity markets that are now more accessible to global investors. Mauritius was among four countries in Africa to be included in the new indices. The SEM has also been included in the DOW Jones SAFE 100 Index, which was launched in March 2009 by the South Asian Federation of Exchanges (SAFE). The DOW Jones SAFE 100 Index measures the performance of the 50 largest stocks trading in India and the 50 largest stocks trading in four other countries, including Mauritius. The SEM's daily data is also tracked live on Bloomberg since 2008.

The Mauritius stock market was opened to foreign investors following the lifting of the foreign exchange controls in 1994. No approval is required for the trading of shares by foreign investors unless investment is for the purpose of legal and management control of a Mauritian company or for the holding of more than 15 percent in a sugar company. Incentives to foreign investors include free repatriation of revenue from the sale of shares and exemption from tax on dividends and capital gains.

The Global Board of Trade (GBOT), the first multi-asset derivatives exchange of its kind in Africa, started operating in Mauritius in October 2010. GBOT offers a basket of commodities and currency derivative products on its electronic exchange platform, including metals, energy, agricultural commodities, and currency futures.

Executive Summary

Mauritius is an upper middle-income island nation of 1.2 million people and one of the most competitive, stable, and successful economies in Africa, with a Gross Domestic Product (GDP) of USD 11.9 billion and per capita GDP of over USD 9,000. Mauritius' small land area of only 2,040 square kilometers understates its importance to the Indian Ocean region as it controls an Exclusive Economic Zone of more than 2 million square kilometers, one of the largest in the world.

Emerging from the British colonial period in 1968 with a monoculture economy based on sugar production, Mauritius has since successfully diversified its economy into manufacturing and services, with a vibrant export sector focused on textiles, apparel, and jewelry as well as a growing, modern, and well-regulated offshore financial sector. Recently, the government of Mauritius has focused its attention on opportunities in three areas: serving as a platform for investment into Africa, moving the country towards renewable sources of energy, and developing economic activity related to the country's vast oceanic resources. Mauritius actively seeks investment and seeks to service investment in the region, having signed more than forty Double Taxation Avoidance Agreements and maintaining a legal and regulatory framework that keeps Mauritius highly-ranked on "ease of doing business" and good governance indices.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude Toward FDI

Mauritius actively seeks and prides itself on being open to foreign investment. According to the World Bank report "Investing Across Borders," Mauritius has one of the world's most open economies to foreign ownership and is one of the highest recipients of FDI per capita. (See section 1.9 *Investment Trends*.)

Mauritius is among the freest and most business-friendly countries in Africa according to a number of surveys and metrics. The 2014 Index of Economic Freedom, published annually by The Wall Street Journal and The Heritage Foundation, ranks Mauritius as the 8th freest economy in the world and the 1st out of the 48 countries of Sub-Saharan Africa. For the sixth consecutive year, the World Bank's 2014 Doing Business report ranks Mauritius first among African economies (20th worldwide) in terms of overall ease of doing business. The government's stated objective is for Mauritius to consistently rank among the top 15 most investment- and business-friendly locations in the world.

Other Investment Policy Reviews

Mauritius's economy suffered at the turn of the millennium as longstanding trade preferences in textiles and sugar -- the foundation of its growth strategy -- were phased out. In 2006, the government embarked on an economic reform program aimed at opening the economy, facilitating business, improving the investment climate, and mobilizing foreign direct investment and expertise. These reforms had considerable success in accelerating the rate

of growth, reducing unemployment, and speeding up the pace of diversification of the economy through the development of new sectors.

Laws/Regulations of FDI

Investment in Mauritius is governed by the Investment Promotion Act of 2000. Investment regulations are consistent with the WTO's Agreement on Trade Related Investment Measures (TRIMS). The Board of Investment (BOI), the government agency for the facilitation and promotion of investment in Mauritius, acts as a one-stop focal agency for the processing of investment proposals. BOI acts as the facilitator for all forms of investment in Mauritius and guides investors through the necessary processes for doing business in the country. Before starting operations, businesses must register with the Registrar of Companies. Regulations governing incorporation are contained in the Companies Act of 2001. After receipt of a certificate of incorporation from the Registrar of Companies, all companies must register their business activities with the BOI to be able to apply for occupation permit and other facilities offered to investors.

Industrial Strategy

Mauritius has realized a remarkable economic transformation from a monoculture economy based on sugar production to a diversified economy based in export-oriented manufacturing, tourism, and financial/business services. In recent years, information and communication technology (business process outsourcing, call centers, software development), hospitality and property development (commercial malls, luxury villas, and international flagship hotels), the seafood and marine industry (aquaculture, fishing, and processing) and the biomedical industry (medical devices, pharmaceutical products, multi-specialty hospitals) have emerged, attracting substantial investment from both local and foreign investors.

The Government of Mauritius actively promotes Mauritius as a gateway for investment into Africa and the Board of Investment has been mandated to support the expansion of Mauritian companies in Africa. About 75 Mauritian businesses have thus far invested in 26 countries, mainly in Africa and south Asia, in a variety of sectors including sugar, textile, healthcare, agro-industry, IT, banking and finance, and renewable energy. There are opportunities for joint ventures between U.S. and Mauritian firms to do business in Africa with assistance from U.S. development finance institutions such as Overseas Private Investment Corporation (OPIC), U.S. Export-Import Bank (Ex-Im Bank), and U.S. Trade and Development Agency (TDA). In April 2014, Embassy Port Louis hosted a workshop where OPIC Regional Director Peter Ballinger explained the financing programs of OPIC, Ex-Im and TDA to Mauritian businesses. The event was attended by more than 50 CEOs, heads of trade groups, and government representatives and generated a lot of interest from local entrepreneurs, especially those who plan to invest in Africa.

Mauritius offers excellent opportunities in the following sectors:

Ocean Economy: Mauritius's maritime zone is 2.3 million square kilometers, about the size of Western Europe. The Government of Mauritius' Roadmap on the Ocean Economy (www.oceaneconomy.mu) provides business opportunities in the following clusters:

- Seabed exploration for hydrocarbon and minerals

- Fishing, seafood processing, and aquaculture
- Deep Ocean Water Applications (Two private companies from Mauritius and Japan are investing more than \$200 million in two projects that will pump cold sea water from 1 kilometer under the ocean's surface in order to air-condition buildings in Port Louis and Mahebourg.)
- Marine services such as financing, ship registry, tourism, and marine biotech
- Seaport-related activities and improvements
- Marine renewable energies (wind and tidal)
- Ocean knowledge (research, development, innovation)

Renewable Energy and Environment:

- Solar, wind, tidal farms
- Manufacturing/assembly of renewable energy products
- Energy efficiency projects
- Solid waste management and waste to energy projects
- Water management and desalination of sea water

Healthcare and Life Sciences:

- The manufacture of medical disposables, surgical instruments, orthopedic devices, electro-medical devices, and implantable devices
- Pharmaceuticals
- Clinical research
- Agricultural biotechnology
- Marine biotechnology

Information Technology and Business Process Outsourcing:

- Business process outsourcing: non-voice and voice (customer support, technical help-desk, telemarketing, front office management)
- IT outsourcing, data centers, disaster recovery
- Multimedia and design
- Mobile applications development
- Knowledge/legal process outsourcing

Agro-Industry:

- Seed production for the local and international market
- Production of crops for export
- Processing of fruits and vegetables
- Agro-projects in the regional markets: Companies have set up rice seed, rice and corn cultivation in Mozambique through the Regional Development Company (RDC) of Mauritius initiative. The RDC is an entity set up by the Government of Mauritius to act as the link between Mozambican authorities and prospective investors, and accompany the latter in their implementation phase.

Limits on Foreign Control

The GOM does not discriminate between local and foreign investment, except in television broadcasting, sugar production, and certain activities in the tourism sector. For these regulated activities an application for the appropriate permit or license must be made to the competent authorities prior to start of operations. For such activities, investors should seek advice from the Board of Investment (www.investmauritius.com). Businesses can be conducted locally in several forms: under a self-employed activity, as a partnership with Mauritian nationals, or a 100 percent foreign-owned company under the Companies Act.

Privatization Program

Mauritius has built its success on a free market economy. The government policy is to act as a facilitator to business, leaving production to the private sector. The government, however, still controls key utility services directly or through parastatal companies, including electricity, water, waste water, postal services, and television broadcasting. The government also controls the import of what it deems to be strategic products such as rice (only non-basmati or other non-luxury rice), wheat flour, and petroleum products through the State Trading Corporation. The GOM has no privatization program but has stated that it plans to reform the parastatal bodies as recommended by the IMF.

Screening of FDI

All investment proposals are screened by the Board of Investment, which provides support services and all relevant information to potential investors on any matter relating to investments. BOI acts as the single interface with all investors and liaises with relevant authorities for the granting of work permits, residence permits and other relevant permits required by the investor to operate in Mauritius.

In late 2013, the GOM established a Fast Track Committee under the chairmanship of the Financial Secretary in the Ministry of Finance and Economic Development to expedite the processing of all permits and approvals concerning major investment projects. The Fast Track Committee meets on a monthly basis, convening representatives of various government ministries (depending on the projects under review) and the Prime Minister's Office. The Committee held its first meeting in February 2014.

Competition Law

The Competition Commission of Mauritius (CCM) is a statutory body established in 2009 to enforce the Competition Act 2007. This Act established a competition regime in Mauritius, under which the CCM can investigate possible anticompetitive behavior by businesses. In its investigations, the CCM has considerable powers to compel businesses and others involved to provide evidence in order to prove or disprove allegations. If it decides that a business's conduct is anticompetitive, CCM has strong powers to intervene and correct the situation. Where businesses have been found to be deliberately fixing prices or colluding in the marketplace, the Commission can impose fines. Since it began operations, the Competition Commission has already undertaken 22 investigations, out of which 15 have been completed and 7 are still ongoing. The results of completed investigations are available on CCM's website at www.ccm.mu.

Investment Trends

FDI, which averaged USD 33 million annually for several years up to 2005, rose dramatically thereafter. Since the 2006 reforms, Mauritius has attracted about USD 2.4 billion from foreign investors, including USD 443 million in 2010, USD 339 million in 2011, USD 419 million in 2012, and USD 307 in 2013. The main sources of FDI are France, South Africa, the United Kingdom, and the United Arab Emirates.

Recent U.S. investments in Mauritius are in solar energy, tourism/hotel management, business process outsourcing/software development, diamond cutting and polishing, and the manufacture of silicone implants for cosmetic and reconstructive surgery.

French firms have recently invested in a new tuna processing plant and fishing vessels as well as the production of bone substitutes used in orthopedics and dental surgery. South African companies are investing heavily in property development, retail trade, banking, and IT-enabled services. Several Indian and British universities have recently opened branches in Mauritius.

Tables

TABLE 1: The following chart summarizes several well-regarded indices and rankings.

| Measure | Year | Rank or value | Website Address |
|--|-------------|----------------------|---|
| TI Corruption Perceptions index | 2013 | 52 of 177 | http://cpi.transparency.org/cpi2013/results/ |
| Heritage Foundation's Economic Freedom index | 2014 | 8 of 185 | http://www.heritage.org/index/ranking |

| | | | |
|---|------|-----------|---|
| World Bank's Doing Business Report "Ease of Doing Business" | 2014 | 20 of 189 | http://doingbusiness.org/rankings |
| Global Innovation Index | 2013 | 59 of 142 | http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener |
| World Bank GNI per capita | 2012 | USD 8,570 | http://data.worldbank.org/indicator/NY.GNP.PCAP.CD |

2. Conversion and Transfer Policies

Foreign Exchange

The GOM abolished foreign exchange controls in 1994. Consequently, no approval is required for the repatriation of profits, dividends, or capital gains earned by a foreign investor in Mauritius. In general, businesses do not have difficulty obtaining foreign exchange.

The exchange rate is market-determined, but a small number of institutions dominate the market with the Bank of Mauritius, the central bank, occasionally intervening. In March 2014, gross international reserves stood at USD 3.7 billion, representing an import cover of 5.6 months. During the 12 months ending March 2014, the Mauritian rupee appreciated by 2.8 percent against the U.S. dollar but depreciated against the Euro and Pound Sterling by 3.9 percent and 5.8 percent, respectively.

Remittance Policies

There is no restriction on remittance of profits, dividends, and capital gains earned by a foreign investor in Mauritius. Mauritius has a well-developed and modern banking system. There is good currency convertibility on both capital and current accounts; settlement can be done in foreign currency, and foreign currency accounts can be opened in Mauritius. There is no legal parallel market in Mauritius for investment remittances.

3. Expropriation and Compensation

Property expropriation and compensation are not issues in Mauritius. The Constitution of the Republic of Mauritius includes a guarantee against nationalization. The Government of Mauritius has never nationalized a business entity.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

The Mauritian legal system is largely based on a combination of English common law and French civil law. The domestic legal system is generally non-discriminatory and transparent.

Members of the judiciary are independent of the legislature and the government. The highest court of appeal is the judicial committee of the Privy Council of England. Mauritius is a member of the International Court of Justice. A Commercial Court was established in early 2009 to expedite the settlement of commercial disputes.

Bankruptcy

The Insolvency Act of 2009 amended and consolidated the law relating to insolvency of individuals and companies and the distribution of assets on insolvency and related matters. Most notably, the Act introduced administration procedures, providing creditors the option of a more orderly reorganization or restructuring of a business than in liquidation. The Act can be accessed through the Board of Investment's website: www.investmauritius.com.

Investment Disputes

There has never been an expropriation of private assets in Mauritius. Emtel Ltd., a local firm in joint venture with Millicom International Cellular (majority U.S. investors), has been engaged in a lengthy dispute (since 2005) with Mauritius Telecom, its cellular subsidiary Cellplus (now branded as Orange), and the former Telecommunications Authority, over allegations of unfair competitive practices by Mauritius Telecom and Orange. The case remains in the courts.

International Arbitration

The Mauritius International Arbitration Center, set up under the International Arbitration Act of 2009, is associated with the London Court of International Arbitration. Also, the Mauritius Chamber of Commerce and Industry's Arbitration and Mediation Center is an internationally recognized institution for commercial dispute settlement.

ICSID Convention and New York Convention

Mauritius is a member of the International Center for the Settlement of Investment Disputes and the Multilateral Investment Guarantee Agency of the World Bank. Mauritius is also a signatory to the New York Convention.

Duration of Dispute Resolution

The duration of dispute resolution in courts normally varies between five to ten years. The Mauritius International Arbitration Center, established in 2009, is expected to expedite such disputes. The Mauritius Chamber of Commerce and Industry's Arbitration and Mediation Center sets a maximum of six months for settlement of disputes.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

The Mauritian investment code is in line with the WTO's Agreement on Trade Related Investment Measures (TRIMS).

Investment Incentives

Investment incentives are applied uniformly to both domestic and foreign investors. Mauritius offers a low tax jurisdiction and a number of other fiscal incentives as follows:

- flat corporate and income tax rate of 15 percent
- 100% foreign ownership permitted
- no minimum foreign capital required
- no tax on dividends
- no capital gains tax
- free repatriation of profits, dividends, and capital
- accelerated depreciation on acquisition of plant, machinery and equipment
- exemption from customs duty on equipment
- direct cash incentives for employers recruiting and training young talent
- extensive network of Double Taxation Avoidance treaties (as of April 2014, Mauritius had such treaties with 45 countries).

Additionally, the government has set up the Integrated Resorts Scheme (IRS) to attract high net worth non-citizens desiring to acquire real estate of not less than USD 500,000 in Mauritius (within a resort approved by the Board of Investment) for personal residence. The Real Estate Scheme (RES) introduced in 2007 allows non-citizens to acquire a residence with no minimum price set. The investor and his/her spouse and dependents are granted resident permits to live in Mauritius when a residential property is acquired for a price exceeding USD 500,000.

More detailed information on the incentives is available on BOI's website:

www.investmauritius.com.

Performance Requirements

A foreign investor, a non-national professional under a contract of employment, or a self-employed non-national may apply for an Occupation Permit, which allows him/her to reside and work in Mauritius. It is both a work and residence permit.

Occupation Permit

An investor, a professional or a self-employed person may be eligible for an occupation permit under the following conditions:

- Investor: the proposed business activity should generate an annual turnover exceeding MUR 4 million (approx. USD 133,000) with an initial investment of USD 100,000.
- Professional: the basic monthly salary should exceed MUR 45,000 (approx. USD 1,500). However, the basic salary for professionals in the Information and communication Technology Sector should exceed MUR 30,000 monthly (approx. USD 1,000).

- Self-Employed: the annual income from the proposed business activity should exceed MUR 600,000 (approx. USD 20,000) annually with an initial investment of USD 35,000.

Professionals who earn more than USD 3,000 per month and investors having made an investment of more than USD 100,000 may acquire real estate (including an apartment in a ground-plus-two floor complex) as from date of issue of their Occupation Permit.

Permanent Residence Permit

An investor may subsequently apply for a Permanent Residence Permit if his/her business activity generates an annual turnover exceeding MUR 15 million (approx. USD 500,000) during the first three years. In the case of self-employed persons, the business activity should generate an annual income exceeding MUR 3 million (approx. USD 100,000). The Permanent Residence Permit (PRP) is valid for 10 years and PRP holders can acquire properties in his/her own name.

Non-citizens having invested a minimum of USD 500,000 in a qualifying business activity will obtain a Permanent Residence Permit with the right to acquire an apartment in a ground-plus-two floor development. The list of qualifying business activities includes: Agro-based industry, Banking, Construction, Education, Financial Services, Insurance, Fishing and Marine Resources, Freeport, Healthcare, Information Technology, Infrastructure, Real Estate (excluding the acquisition of a residential property), Leisure, Manufacturing, Marina Development, Power Industry, Tourism and Warehousing.

6. Right to Private Ownership and Establishment

Under the Non-Citizens (Property Restriction) Act, a non-citizen investor may acquire property in Mauritius with the prior approval of the Prime Minister. However, the Prime Minister's approval is not required when the property is acquired:

- under a lease agreement not exceeding 20 years,
- under the Integrated Resort Scheme or Real Estate Scheme for the purchase of a villa,
- under the Invest-Hotel Scheme for the acquisition of a hotel room, or
- when the investor has obtained approval from the Board of Investment to acquire property for use in his/her business.

In his Budget Speech in December 2013, the Minister of Finance announced that high net worth individuals who have chosen to retire in Mauritius will now have the right to purchase an apartment upon a minimum transfer of USD 120,000 at the time of application.

7. Protection of Property Rights

Real Property

Property rights are respected. Mauritius maintains a sophisticated and impartial legal system based on both English common law and French civil law. The system protects all tangible property.

Intellectual Property Rights

Intellectual property rights are protected by two pieces of legislation, the new Copyrights Act passed by the National Assembly in April 2014 and the Patents, Industrial Designs and Trade Marks Act of 2002. Both pieces of legislation are in line with international norms. Mauritius is a member of the World Intellectual Property Organization (WIPO) and party to the Paris and Bern Conventions for the protection of industrial property and the Universal Copyright Convention.

The trademark and patent laws comply with the WTO's Trade Related Aspects of Industrial Property Rights (TRIPS) agreement and protect designs, brands, and technological inventions. Also, the law dictates that well-known international trademarks are protected, whether they are registered in Mauritius or not. A trademark is initially registered for 10 years and may be renewed for successive periods of 10 years. A patent is granted for 20 years and cannot be renewed.

The police, customs, and judicial authorities have effectively enforced trademark and copyright protection for firms like Polo Ralph Lauren and legitimate distributors of Bollywood films that have established a legal or commercial presence in Mauritius. However, U.S. and European producers and distributors of cinema have in general not established any representation in Mauritius, and protection of their copyrights is practically non-existent. According to a leading IPR law firm, the police will only take action against IPR infringements in cases where the IPR owner has an official representative in Mauritius because the courts require a representative to testify that the products seized are counterfeit. The Customs Department also requires right holders or authorized users to register their trademarks and copyrights with its office in order to seize suspicious goods at the ports of Mauritius. Application forms for registration can be downloaded from the Mauritius Revenue Authority/Customs' website: <http://mra.gov.mu>

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Embassy point of contact: Patrick Koucheravy KoucheravyPE@state.gov

Local lawyers list: <http://mauritius.usembassy.gov/barristers.html>

8. Transparency of the Regulatory System

In recent years, the government has brought radical reforms to trade, investment, tariff, and income tax regulations to simplify the framework for doing business. Trade licenses and many other bureaucratic hurdles have been abolished. With a well-developed legal and commercial infrastructure and a tradition of both entrepreneurship and representative government, Mauritius is one of Africa's most successful democracies. Mauritius also has a long-standing tradition of government and private sector dialogue that allows the private sector to effectively voice its views on the development strategy of the country. The Joint Economic Council, the coordinating body of the Mauritian private sector, is a key vehicle in this regard.

Companies in Mauritius are regulated by the Companies Act of 2001, which incorporates international best practices and promotes accountability, openness, and fairness. In order to

combat money laundering and terrorist financing, the government also enacted the Prevention of Corruption Act, the Prevention of Terrorism Act, and the Financial Intelligence and Anti-Money Laundering Act.

Public Procurement Act 2006

A Central Procurement Board, established under the Public Procurement Act 2006, oversees all forms of procurement by public bodies. The Procurement Policy Office is responsible for formulating policies and issuing directives for the operation of a transparent and efficient public procurement system. According to the Procurement Act, a bidder or potential bidder can challenge the procurement proceedings of a public body at any stage and request the Chief Executive Officer of the public body to consider his complaint and, where appropriate, take remedial action. Appeals may be brought against the decisions of a Chief Executive Officer to an Independent Review Panel. A simplified two-tier process, therefore, is available to unsatisfied persons to seek remedy.

9. Efficient Capital Markets and Portfolio Investment

With its well-developed financial services sector, Mauritius aims at becoming a regional financial center. According to the IMF, the banking sector is robust and the financial system has proven resilient to external shocks. Recognized as a well-regulated and transparent jurisdiction, Mauritius has successfully established itself as an international center for cross-border investments.

The Stock Exchange of Mauritius (SEM) has performed well in terms of the volume of transactions, the number of listed companies, market capitalization, and the fairness and efficiency of its operations since its launch in 1989. As of the end of March 2014, the Stock Exchange of Mauritius had 42 companies listed on the Official Market and 47 companies on the Development and Enterprise Market, which is designed for small and medium enterprises. Market capitalization grew markedly from USD 92 million in 1989 to USD 7 billion in March 2014. The SEM is a member of the World Federation of Exchanges, which reports that the SEM adheres to industry business standards.

In November 2007, the SEM was included in the new Morgan Stanley Capital International (MSCI) Frontier Market Indices, which are designed to track the performance of a range of equity markets that are now more accessible to global investors. Mauritius was among four countries in Africa to be included in the new indices. The SEM has also been included in the DOW Jones SAFE 100 Index that was launched in March 2009 by the South Asian Federation of Exchanges (SAFE). The DOW Jones SAFE 100 Index measures the performance of the 50 largest stocks trading in India and the 50 largest stocks trading in four other countries, including Mauritius. The SEM's daily data has also been tracked live on Bloomberg since 2008.

The Mauritius stock market was opened to foreign investors following the lifting of the foreign exchange controls in 1994. No approval is required for the trading of shares by foreign investors unless the investment is for the purpose of legal and management control of a Mauritian company or for the holding of more than 15 percent in a sugar company. Incentives to foreign investors include free repatriation of revenue from the sale of shares and exemption from tax on dividends and capital gains.

The Bourse Africa Ltd., formerly known as the Global Board of Trade, the first multi-asset derivatives exchange of its kind in Africa, began operating in Mauritius in October 2010. It offers a basket of commodities and currency derivative products on its electronic exchange platform, including metals, energy, agricultural commodities, and currency futures.

Mauritius has an active global (offshore) business sector, which is a major route for foreign investments into the Asian sub-continent. Mauritius is the largest source of FDI and portfolio investment in India, estimated at USD 77 billion for the period April 2000-December 2013, which accounts for 37 percent of the total FDI inflows into India. Major U.S. corporations use the Mauritius offshore sector to channel their investment to India. A particularly favorable Double Taxation Avoidance Treaty (DTAT) that exists between Mauritius and India is the main attraction for these investments. As of April 2014, Mauritius had DTATs with a total of 45 countries, including China, Malaysia, Singapore, South Africa, U.K, France, Germany, Kuwait, U.A.E., Egypt and Nigeria.

Mauritius has a relatively sophisticated banking sector with 21 banks currently licensed to undertake banking business. The Banking Act of 2004 provides for banking business to be conducted under a single banking license regime. Accordingly, all banks are free to conduct business in all currencies, including the Mauritian rupee. There are also several non-bank financial institutions, which are authorized to conduct deposit-taking business as well as foreign exchange dealers.

The banking system is highly concentrated and dominated by two, long-established domestic groups, Mauritius Commercial Bank (MCB) and State Bank of Mauritius (SBM), that hold a combined 65 percent of all Mauritian banking assets. Foreign banks present in Mauritius include the Hong Kong and Shanghai Banking Corporation (HSBC), Barclays Bank, Bank of Baroda, Habib Bank, Banque des Mascareignes, PT Bank International Indonesia, Deutsche Bank, Standard Bank, Standard Chartered Bank, and Investec Bank.

The banking sector primarily focuses on trade financing and on the provision of working capital. Accounts may be opened in all major currencies as well as the Mauritian rupee (MUR). Several commercial banks offer card-payment services, such as credit and debit cards and direct debits. Other facilities, including phone banking, home banking, and internet banking are also provided by some banks. Commercial banks offer spot and forward transactions in all major currencies.

Commercial banks have diversified into non-banking business through subsidiaries and affiliates. Banks are engaged in the provision of leasing, stock brokering, asset and fund management, investment and private banking business, insurance, and portfolio and custodial management. As of December 2013, commercial banks' total assets amounted to USD 32.6 billion.

The Bank of Mauritius, the country's central bank, carries out the supervision and regulation of banks as well as non-bank financial institutions authorized to accept deposits. An updated Bank of Mauritius Act, which strengthened the central bank's institutional framework as well as its supervisory powers, was enacted in October 2004. It also has the power to establish prudential safety and soundness standards and regulations, and does so primarily by issue of Guidelines/Guidance Notes. The Bank of Mauritius has endorsed the Core Principles for Effective Banking Supervision as set out by the Basel Committee on Banking Supervision. In

July 2009, the Bank of Mauritius Act was amended to provide for the setting up of a Financial Stability Committee comprised of the central bank, the Financial Services Commission, and the Ministry of Finance to review, on a regular basis, the soundness of the financial system.

10. Competition from State-Owned Enterprises

The government's stated policy is to act as a facilitator to business, leaving production to the private sector. The government, however, still controls key utility services directly or through parastatal companies in the following industries:

- Energy and Mining: power and water utilities
- Media and Entertainment: television broadcasting
- Services: postal services

The government also controls the import of what it deems to be strategic products such as rice (only non-basmati or other non-luxury rice), wheat flour, and petroleum products through the State Trading Corporation. The government has controlling shares in the State Bank of Mauritius, Air Mauritius (the national airline), and Mauritius Telecom. These state-controlled companies have a Board of Directors on which seats are allocated to senior government officials. The government nominates the chairperson of each board.

OECD Guidelines on Corporate Governance of SOEs

Mauritius is a member of the OECD Network on Corporate Governance of State-Owned Enterprises in Southern Africa. The state-owned companies in Mauritius are required by law to publish an annual report and to submit their books to independent audit. They also are subject to the same corporate social responsibility rules as private firms.

11. Corporate Social Responsibility

OECD Guidelines for Multinational Enterprises

Mauritius is not an adherent to the OECD Guidelines for Multinational Enterprises

The Government of Mauritius has established a Corporate Social Responsibility (CSR) policy whereby all profitable firms (local or foreign-owned) are required to spend two percent of their chargeable income of the preceding year on Government-approved activities/programs that contribute to the socioeconomic and environmental development of Mauritius.

Approved areas of activity include the eradication of poverty, vocational training for vulnerable groups, promotion of human rights, support to the disabled and the elderly, gender issues and women's empowerment, prevention of violence against women, entrepreneurship and small enterprise development, support to vulnerable children and youth, rehabilitation of drug addicts, protection and preservation of the environment, health and nutrition, social housing, leisure and sports, and promotion of arts and crafts. All projects are reviewed by a National Corporate Social Responsibility Committee.

Major corporate groups in Mauritius, in partnership with non-governmental organizations, have implemented a number of CSR projects related to the social housing, health,

education and training, leisure and sports, environmental protection, and sustainable development. There is greater awareness on the part of private companies for the need to be accountable to the community. Firms that undertake corporate social responsibility projects are viewed favorably.

12. Political Violence

Mauritius has a long tradition of political and social stability. Civil unrest and political violence are uncommon. Inter-ethnic tensions, however, led to four days of rioting in February 1999, following the death of a popular minority singer while he was in police custody. Governments since then have sought to calm ethnic tensions and stress national unity. Free and fair elections are held every five years with the last general elections held on May 5, 2010, which passed without incident.

13. Corruption

UN Anticorruption Convention, OECD Convention on Combating Bribery

Mauritius is a signatory member of the UN Anticorruption Convention and was assessed on Chapters 3 and 4 of said Convention in 2012.

Mauritius placed 52nd out of 177 countries in the 2013 Corruption Perceptions Index published by Transparency International. Although Mauritius remains among the least corrupt countries in Africa, perceptions of probity levels in the country are worsening, following some recent high-profile arrests for alleged corruption.

In 2013, Mauritius placed 1st out of 52 African countries on the Mo Ibrahim Index of African Governance. With 82.9 points out of 100, Mauritius topped the list of Africa's best-governed nations for the seventh consecutive year. The average score for the African continent is 51.6 points.

In 2002, the government adopted the Prevention of Corruption Act, which led to the establishment of an Independent Commission Against Corruption (ICAC). ICAC has the power to investigate corruption and money laundering offenses and can also seize the proceeds of corruption and money laundering.

14. Bilateral Investment Agreements

In September 2006, Mauritius and the United States signed a Trade and Investment Framework Agreement (TIFA), aimed at strengthening and expanding trade and investment ties between the two countries. The TIFA Council, comprising of representatives from both governments, normally meets every year to identify impediments to trade and investments and propose new areas of collaboration. While there was no meeting in 2013, the next TIFA Council meeting is tentatively scheduled for May 2014. Mauritius also has an investment incentive agreement with the Overseas Private Investment Corporation (OPIC).

Mauritius has signed Investment Promotion and Protection Agreements with the following 39 countries: Barbados, Belgium/Luxemburg Economic Union, Benin, Burundi, Cameroon, Chad, China, Comoros, Czech Republic, Finland, India, Indonesia, France, Germany, Ghana, Guinea, Madagascar, Mauritania, Mozambique, Nepal, Pakistan, Portugal, Republic of

Korea, Romania, Rwanda, Senegal, Singapore, South Africa, Swaziland, Sweden, Switzerland, U.K., Zimbabwe, Tanzania, Kenya, the Republic of Congo, Turkey, Kuwait and Gabon.

Bilateral Taxation Treaties

As of April 2014, Mauritius had signed Double Taxation Avoidance Treaties (DTATs) with the following countries: Belgium, Botswana, China, Croatia, Cyprus, France, Germany, India, Italy, Kuwait, Lesotho, Luxembourg, Madagascar, Malaysia, Mozambique, Namibia, Nepal, Oman, Pakistan, Russia, Rwanda, Senegal, Singapore, Sri Lanka, South Africa, Swaziland, Sweden, Thailand, United Kingdom, Zimbabwe, Uganda, Barbados, Seychelles, United Arab Emirates, Tunisia, Qatar, Bangladesh, Republic of Congo, Zambia, Kenya, Nigeria, Egypt, Monaco, Gabon, and Guernsey.

Mauritius has signed Tax Information Exchange Agreements (TIEAs) with Australia, Denmark, Finland, Norway, Guernsey, Faroe Islands, Greenland, Iceland and the United States.

15. OPIC and Other Investment Insurance Programs

Mauritius is eligible for the full range of OPIC investment insurance programs. It is also a member of the World Bank's Multilateral Investment Guarantee Agency.

16. Labor

In December 2013, Mauritius had a labor force estimated at 597,500, including 366,900 males and 230,600 females. Total employment stood at 552,000, including 26,300 foreign workers, mainly from China, India, Madagascar, Sri Lanka, Bangladesh, and South Africa. Most of them are employed in textile factories but some are in construction, tuna canning, and the hotel and catering sectors. The unemployment rate, which was 8.3 percent in 2011, fell to 8 percent in 2012, and remained at 8 percent in 2013, representing approximately 49,600 unemployed persons.

The GOM administratively establishes minimum wages, which vary according to the sector of employment, through the National Remuneration Board (NRB), and it mandates minimum wage increases annually based on inflation. Although trade unions often negotiate wages higher than those set by the NRB, the NRB issues Remuneration Orders for more than 90 percent of the workforce in the private sector.

In February 2009, the Employment Rights Act and the Employment Relations Act came into force. The main objectives were to revise and consolidate the existing labor and industrial relations laws, which were more than 30 years old, and to liberalize the labor market and enhance the effectiveness of collective bargaining. The new legislation also provided for the introduction of a Workfare Program under which laid-off workers benefit from government financial assistance for up to twelve months and will have opportunities for training to increase their employability.

Wages are low by Western standards but high by most Asian and African standards. The basic wages of factory workers in export-oriented enterprises range between USD 200 and USD 300 per month. Middle managers earn between USD 700 and USD 1,000 per month. Fringe benefits, including transport and meal allowances, paid leave, and bonuses, represent an additional 25 to 30 percent of basic wages.

While Mauritius has an active trade union movement, labor-management relations are generally good. Unionized workers, who account for less than 25 percent of the workforce, rarely disrupt business. There has not been a major strike since 1979, although under current legislation, unions have the legal right to do so. The government generally seeks to avoid strikes through a system that promotes settlement through negotiation or arbitration by the Employment Relations Tribunal and the National Remuneration Board. A National Tripartite Forum, comprised of representatives of government, employers and labor unions, has also been established to promote dialogue on issues of national interest, particularly those related to the workplace.

Workers' rights are protected under the Employment Rights Act 2008. Mauritius participates actively in the annual ILO conference in Geneva and adheres to ILO core conventions protecting workers' rights.

17. Foreign Trade Zones/Free Ports

The Mauritius Freeport (free trade zone) established in 1992 is a customs-free zone for goods destined for re-export. The government's objective is to promote the country as a regional warehousing, distribution, marketing, and logistics center for eastern and southern Africa and the Indian Ocean rim. Through its membership in the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), and the Indian Ocean Commission (IOC), Mauritius offers preferential access to a market of over 400 million consumers, representing an import potential of USD 100 billion. Companies operating in the Freeport are exempt from corporate tax.

Situated on 52 hectares of land adjacent to the port facilities and a modern container terminal, the Freeport offers 120,000 square meters of infrastructure, including cold rooms, dry storage, an international trade exhibition center, processing units, and office space for transshipment, consolidation, storage, and processing activities. Freeport facilities are also available at the airport. Major shipping lines (i.e. Maersk/Sealand, P&O Nedlloyd, and MSC) use Port Louis as a regional container transshipment hub, although improvements to the seaport are needed to increase shipping traffic.

Activities carried out in the Freeport include warehousing and storage, breaking bulk, sorting, grading, cleaning and mixing, labeling, packing and re-packing, minor processing, transshipment, cash and carry sales, export-oriented port based activities, export-oriented airport based activities, freight forwarding, express courier services, mail order, simple assembly, reshipment, and quality control and inspection services.

By the end of 2013, more than 260 Freeport companies were active in operations such as re-export, transshipment, minor processing, and assembly. In 2013, the Freeport imported USD 332 million and re-exported USD 311 million worth of goods. Main products re-exported include seafood (32 percent), machinery and transport equipment (23 percent), chemical and pharmaceutical products (15 percent), and beverages and tobacco (5.3 percent). In 2013, the principal export markets for the Freeport were Madagascar, Reunion Island, Hong Kong, United Arab Emirates, Japan, Spain, Singapore, Seychelles, and South Africa.

The Freeport sources its imports from a wide range of countries, including Hungary, China, India, Finland, Taiwan, France, Spain, and South Africa. The main products imported include

fish, chemicals and pharmaceuticals, machinery, transport and telecommunication equipment, textile fabrics and accessories, ready-made garments, electrical goods, beverages and tobacco, and general consumer goods.

The Freeport facilities for warehousing, breaking bulk, and re-export should be of particular interest to American companies. These services enable businesses to ship containerized goods to Mauritius, warehouse them in secure, low-cost facilities, then break bulk and re-export them in an efficient and timely manner to African and Indian Ocean rim destinations. The private facility developers provide modern computerized warehousing, including cold rooms and processing centers. These include Freeport Operations (Mauritius) Ltd (www.freeport-operations.mu), Mauritius Freeport Development Co. Ltd (www.mfd.mu), and Froid Des Mascareignes (www.iblgroup.com/en/mascareignes).

Goods are assembled in the Freeport for export to the African and Indian Ocean markets. Current assembly and processing activities in the Freeport include jewelry and precious stones, PET plastic bottles, aluminum frames and fittings, transformation of fish into fillets, re-packaging of pharmaceuticals, and reconditioning of second-hand vehicles. The government is now seeking to promote more value-added activities in the Freeport.

The GOM, in collaboration with the private sector, has begun promoting the Freeport as a seafood hub, in particular focusing on the transshipment, processing, storage, distribution, and re-exportation of high value-added seafood products using the modern port and Freeport facilities and logistics. The government set up a “one-stop shop” in the port area to help facilitate administrative clearances related to the seafood industry. Thon des Mascareignes Ltd. (TDM), a leading Mauritian company in partnership with Spanish investors, is operating a tuna loin processing plant with a daily processing capacity of 250 tons for export to Europe and the U.S. for final processing and packaging. U.S. firm Bumble Bee Foods has a tuna supply and processing agreement with TDM.

The GOM wants to capitalize on the recent USD 360 million investment in the new airport terminal to promote the development of an “Aviation Hub,” which will include cargo facilities. Airports of Mauritius Ltd, which is responsible for the development and administration of airport infrastructure, is currently expanding the Cargo and Freeport facilities at the airport over 72 hectares for a total amount of USD 17 million, scheduled for completion in July 2014.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

The following statistical tables, supplied by the Bank of Mauritius (Central Bank), show inflows of FDI in Mauritius by sector and country of origin (2010-2013).

Foreign Direct Investment by Sector 2010-2013 (USD million)

| | 2010 | 2011 | 2012 | 2013 |
|-------------------------|------|------|------|------|
| Agriculture and Fishing | 0 | 6.9 | 4.1 | 21.9 |
| Manufacturing | 2 | 1.8 | 14 | 9 |

| | | | | |
|-------------|-------|-------|-------|-------|
| Tourism | 26.5 | 19.6 | 21 | 10.1 |
| Financial | 147 | 55.8 | 142 | 23.1 |
| Real Estate | 109 | 155 | 168 | 191 |
| Health | 87 | 0 | 0 | 0 |
| Other | 73.3 | 87.8 | 70.4 | 51.7 |
| | | | | |
| Total | 444.8 | 326.9 | 419.5 | 306.8 |

Source: Bank of Mauritius (<http://www.bom.mu>)

Foreign Direct Investment by Country of Origin 2010-2013 (USD million)

| | 2010 | 2011 | 2012 | 2013 |
|--------------|------|-------|------|------|
| Dubai | 10.7 | 12.5 | 10.9 | 7.3 |
| France | 50.7 | 111.5 | 83.4 | 87.4 |
| Germany | 0.1 | 0.34 | 0 | 7.7 |
| Belgium | 11 | 3.1 | 0.2 | 6.1 |
| Luxembourg | 8.1 | 1.7 | 0.1 | 6.3 |
| Reunion | 4.3 | 2.8 | 0.5 | 4.9 |
| South Africa | 46.6 | 73.5 | 91.7 | 48.3 |
| Switzerland | 18.7 | 1.7 | 4.9 | 18.2 |
| U.K. | 147 | 59.4 | 121 | 16.2 |
| U.S. | 4.2 | 7.8 | 12.7 | 6.8 |
| South Asia | 91.6 | 3.3 | 8.7 | 2.4 |
| East Asia | 20 | 6.9 | 64 | 61.5 |
| Others | 29.8 | 35.5 | 17.2 | 33.7 |

| | | | | |
|-------|-------|--------|-------|-------|
| | | | | |
| Total | 442.8 | 320.04 | 415.3 | 306.8 |

Source: Bank of Mauritius

In 2013, total FDI inflows into Mauritius amounted to just less than USD 307 million, the main sources being France, China, and South Africa. Together these sources represented over 60 percent of total investments. The bulk of the FDI was directed to real estate, financial services, and fishing.

U.S. Investment in Mauritius

Mauriden Ltd., owned by a U.S. citizen, was one of the first companies to operate in the Export Processing Zone more than 35 years ago. Initially involved in diamond cutting and polishing, Mauriden now focuses on the production of jewelry for its duty free shops (Adamas).

Laurelton Diamonds (Mauritius) Ltd, a subsidiary of Tiffany & Co based in New York, started operations in 2008. Laurelton specializes in the cutting and polishing of diamonds that are exported to the United States for further transformation.

Apollo-Blake, with 100 percent U.S. ownership, started operations in 2008 as a Business Process Outsourcing (BPO) company that focuses on customer relations services, working primarily with U.S. and European clients.

Johnson & Johnson bought Perousse & Plastie Ltd, a French company based in Mauritius, in 2009. PP Sud Ltd, as the company is now called, specializes in the manufacture of silicone implants for cosmetic and reconstructive surgery.

MIC-USA Inc., a subsidiary of Millicom International Cellular, is a joint venture partner (50 percent shareholding) with local company, Emtel Ltd, in the provision of cellular phone service in Mauritius.

Ceridian (Mauritius) Ltd., a subsidiary of Ceridian Inc., specializes in software development and payroll and human resource solutions for European, U.S., and Canadian markets.

Microsoft and IBM have regional distribution offices in Mauritius, serving the Indian Ocean region, while HP Mauritius was officially launched in October 2011.

Also in 2011, Harley-Davidson opened an outlet and showroom in the north of the main island.

KFC, Pizza Hut, and McDonald's have been operating in Mauritius for a number of years, all through local franchisees.

Starwood Group currently manages three hotels in Mauritius, namely Le Meridien, St. Regis Mauritius Resort, and Westin Turtle Bay. Outrigger Mauritius Resort, owned by Outrigger Enterprises Group based in Hawaii, opened in January 2014.

Following more than two years of bidding and negotiations, California-based Synnove Energy opened an office in Mauritius to implement the construction and operations of a 4 megawatt solar power project.

UPS and FedEx also have offices in Mauritius. Other U.S. investments in Mauritius include Covance Laboratories Ltd, a subsidiary of Covance Inc., which holds 47 percent of the share capital of Noveprim Ltd., a local company involved in the breeding of primates for export to U.S. and European medical research laboratories.

Foreign Investment in Mauritius

In 2013 Sapmer, based in nearby Reunion Island, invested about \$100 million in a new tuna processing plant that will process up to 21,000 tons of raw tuna annually. Sapmer already had a 50 percent stake in another fish processing plant/cold storage in joint venture with a local business group, IBL Ltd. Sapmer has ordered five purse seiners (fishing vessels) for tuna fishing, estimated at \$170 million. The construction of two of the five boats has been completed and one is already sailing under the Mauritian flag.

French company South Kasios relocated part of its production of bone substitutes from France to Mauritius in 2013. The bone substitutes are used in orthopedics, dental surgery and also during surgical interventions on the spine.

South African companies are investing heavily in various sectors of the Mauritian economy. Over the past six years South African FDI into Mauritius has grown significantly to reach a total of nearly \$150 million by 2013. South African companies, in joint venture with Mauritian firms, have invested in property development (shopping malls, luxury apartments), retail trade (supermarkets, restaurants), and IT-enabled services.

A number of Indian and British universities have opened branches in Mauritius in the past couple of years taking students from all over the region.

Several French, British, and Indian companies in joint ventures with Mauritian partners have invested in the ICT sector in Mauritius as a result of the government's determination to develop Mauritius into a regional ICT hub. Leading global players, including Accenture, Orange Business Services (France), InfoSys (India), Hinduja (India), Huawei (China), and TNT (U.K.) have operations in business process outsourcing activities, call centers, disaster recovery and business continuity centers, and software development.

Indian companies have made significant investment in the past several years. Indian Oil Ltd. has built a 24,000 metric ton-fuel storage terminal as well as a testing laboratory. It also operates a number of retail distribution outlets in Mauritius.

Mahanagar Telephone Mauritius Ltd., an Indian telecom company, has been providing international long distance telephone service as well as fixed, mobile phone and wireless internet services for a number of years. Another Indian company, Bharat Telecom Ltd, holder of an Internet Service Provider (ISP) license, started its operations in October 2012.

Indian companies have also made substantial investment in the health sector. In 2007, Apollo Hospitals Group from India embarked on the construction of a high-tech 200-bed hospital in Mauritius, estimated at USD 30 million, in a joint venture with a local corporate group. The

hospital is operational since July 2009. In December 2008, another Indian healthcare provider, Fortis Healthcare Ltd., invested approximately USD 2 million in the share capital of a well-known private local health clinic. Over the past two years, Fortis has opened a second clinic and has added new services, including neonatal and dental care. In 2010 Dr Agarwal's Eye Hospital from India set up a super-specialty eye hospital while the Challenge Hair Group opened a state-of-the-art medical center in Trou-aux-Biches for hair grafting, plastic and cosmetic surgery, and dentistry. Also in 2010, Parenteral Drugs (India) Ltd acquired a majority stake in a local pharmaceutical manufacturing company.

Various Indian hotel groups, including Oberoi, Sagar, and Taj have also invested in high-end hotels and resorts in Mauritius. In March 2010, Indian firm Patel Engineering was awarded the contract for the development of a new township (Neotown) at Les Salines, near Port Louis. However, the project, which was officially launched in March 2010, has yet to start.

The Jin Fei Economic and Trade Cooperation Zone, just north of the capital in Riche Terre, is one of five special economic zones in Africa announced by China in 2006. The aim was to encourage the Chinese business community to invest in Mauritius in order to access COMESA and SADC markets and trade preferences. Although the government of Mauritius has undertaken some basic infrastructural works, the project has yet to take off despite two re-brandings since 2006 and several grants and concessionary loans from the Chinese.

Outward Investment

In Mauritius, there are no restrictions on capital outflows. The bulk of direct outward investment over the past several years has gone to the tourism sector (hotel construction) in Maldives and Seychelles, the manufacturing sector (mainly apparel) in Madagascar, India and Bangladesh, and the banking sector in Seychelles, Madagascar, Reunion, Maldives, Mozambique, South Africa, and India.

The Government of Mauritius supports regional integration. Following an offer from the Government of Mozambique of some 23,500 hectares of land, the government of Mauritius has set up the Regional Development Co. Ltd (RDC). Its main objective is the promotion of regional food security and the implementation of other regional development projects. RDC has also incorporated a subsidiary in Mozambique, RDC Mozambique, which acts as the interface between potential investors and the government of Mozambique. Since 2011, RDC has issued at least two requests for proposals from potential investors for agricultural activities, including rice production and processing as well as renewable energy projects. Ghana has also offered 30,000 hectares of land to Mauritius for the development of various agricultural and industrial activities. A local company is currently discussing sugar production, energy, and other agricultural activities with the authorities in Ghana.

The Mauritius Commercial Bank Ltd, the largest banking corporation in Mauritius, has established a strong presence in the Indian Ocean region with operations in Reunion, Madagascar, Seychelles, Mozambique, and the Maldives. They also have operations in France and a representative office in South Africa. The State Bank of Mauritius, another large local bank, has established banking operations in India and Madagascar, while AfrAsia Bank, established in 2007, purchased 35 percent of shares in a financial group in Zimbabwe in 2012.

Outward FDI in the garments industry emerged in 1990, when the low-end operations were relocated to lower-wage countries in the region. The African Growth and Opportunity Act (AGOA) also provided the impetus for several local textile companies to open factories in the region, mainly Madagascar and Mozambique. Ciel Textile Ltd, a leading Mauritian textile group, has garment-manufacturing operations in India and Bangladesh.

Other Mauritian investments on the African mainland relate to the use of expertise in the sugar industry to rehabilitate and manage sugar production in Mozambique, Tanzania, Ivory Coast, Madagascar, and Uganda. Long-established conglomerates like the Rogers Group, IBL Group, the Currimjee Group, the Food and Allied Industries Group, the Altima Group, and British-American Investment Ltd. have established businesses in the region in commerce, poultry, financial non-banking services and healthcare, principally in Madagascar, Mozambique, Kenya, and Uganda. Mauritius Telecom and Emtel, a subsidiary of the Currimjee group, have also invested in the telecommunications sector in Madagascar and Seychelles. In October 2011, Mauritius Telecom purchased 50 percent of the shareholding of Telecom Vanuatu Ltd, the telecom operator in the small Pacific island nation of Vanuatu. The State Informatics Limited operates a subsidiary company in Namibia and Botswana. In January 2014, Omnicane Ltd, a major local sugarcane conglomerate, signed a joint venture agreement with Hydronéo Afrique Ltd, a subsidiary of French group Mecamidi, for the development and construction of a number of hydro-electric power plants in East Africa over the next three years.

The following tables provide statistics on FDI outflows by country and sector of investment during the period 2010-2013.

Mauritius Direct Investment Abroad by Sector 2010-2013 (USD million)

| | 2010 | 2011 | 2012 | 2013 |
|---------------|--------|------|------|-------|
| Agriculture | 0.34 | 18 | 2.6 | 0 |
| Tourism | 31.8 | 14 | 29.8 | 77.3 |
| Manufacturing | 1 | 26.6 | 11.2 | 4 |
| Real Estate | 3.9 | 5.5 | 8.3 | 27.8 |
| Financial | 33.7 | 13 | 26.3 | 17.2 |
| Health | 43.6 | 0 | 0 | 0 |
| Other | 3.2 | 5.7 | 9 | 7.1 |
| | | | | |
| Total | 117.54 | 82.8 | 87.2 | 133.4 |

Source: Bank of Mauritius

Mauritius Direct Investment Abroad by Country 2010-2013 (USD million)

| | 2010 | 2011 | 2012 | 2013 |
|----------------|-------|------|------|-------|
| France | 0.3 | 1.5 | 2.5 | 6.8 |
| Switzerland | 25 | 2 | 0 | 3.4 |
| Reunion Island | 3.4 | 2.3 | 1.8 | 2.1 |
| U.S. | 1.8 | 0.8 | 0.2 | 2.7 |
| Madagascar | 2.2 | 6.4 | 4.9 | 14.6 |
| Maldives | 1.2 | 0 | 0 | 0 |
| South Africa | 10.3 | 1.7 | 2.5 | 1.2 |
| Dubai | 0 | 1.4 | 0 | 5.2 |
| South Asia | 32.6 | 21.4 | 6.1 | 0.1 |
| East Asia | 0 | 5.6 | 3.8 | 1 |
| Seychelles | 3.5 | 2.6 | 0.1 | 0.8 |
| Mozambique | 0.3 | 22.7 | 2.5 | 0.1 |
| Others | 46.9 | 15.8 | 62.8 | 95.4 |
| | | | | |
| Total | 127.5 | 84.2 | 87.2 | 133.4 |

Source: Bank of Mauritius

Key Macroeconomic data, U.S. FDI in Mauritius

Economic Data from World Bank (<http://www.worldbank.org/en/country/mauritius>)

Year: 2012

GDP (Millions U.S. Dollars): 10,490

U.S. FDI in Mauritius from Bureau of Economic Analysis (<http://www.bea.gov>)

Year Amount (Millions U.S. Dollars, stock position)

2012 7,062

Mauritius FDI in the United States from Bureau of Economic Analysis

Year Amount (Millions U.S. Dollars, stock position)

2012 3,431

Sources and Destination of FDI from IMF (<http://cds.imf.org>)

Mauritius, 2012

From Top Five Sources/To Top Five Destinations (US Dollars, Millions)

| Inward Direct Investment | | | Outward Direct Investment | | |
|--|---------|------|---------------------------|---------|------|
| Total Inward | 282,103 | 100% | Total Outward | 292,125 | 100% |
| Singapore | 30,228 | 11% | India | 105,604 | 36% |
| Netherlands | 25,828 | 9% | Netherlands | 23,792 | 8% |
| United States | 24,329 | 9% | China, P.R.: Mainland | 21,789 | 7% |
| United Kingdom | 20,607 | 7% | Singapore | 11,912 | 4% |
| India | 18,636 | 7% | United Arab Emirates | 7,235 | 2% |
| "0" reflects amounts rounded to +/- USD 500,000. | | | | | |

Sources of Portfolio Investment from IMF (<http://cpis.imf.org>)

Mauritius, 2012

| Top Five Partners (Millions, US Dollars) | | | | | | | | |
|--|---------|------|--------------------------|--------|------|-----------------------|-------|------|
| Total | | | Equity Securities | | | Total Debt Securities | | |
| World | 101,325 | 100% | World | 91,562 | 100% | World | 9,763 | 100% |
| India | 78,228 | 77% | India | 72,831 | 80% | India | 5,396 | 55% |
| China, P.R.: Mainland | 5,300 | 5% | China, P.R.: Mainland | 4,687 | 5% | South Africa | 884 | 9% |

| | | | | | | | | |
|---------------------------|-------|----|---------------------------|-------|----|--------------------------|-----|----|
| China, P.R.: Hong Kong | 2,693 | 3% | China, P.R.: Hong Kong | 2,670 | 3% | United States | 731 | 7% |
| South Africa | 2,509 | 2% | South Africa | 1,626 | 2% | China, P.R.: Mainland | 613 | 6% |
| Singapore | 1,946 | 2% | Singapore | 1,503 | 2% | Singapore | 443 | 5% |

Section 5 - Government

Chiefs of State and Cabinet Members:

For the current list of Chief of State and Cabinet Members, please access the following - [Central Intelligence Agency online directory of Chiefs of State and Cabinet Members of Foreign Governments](#)

Legal system:

Civil legal system based on French civil law with some elements of English common law

International organization participation:

ACP, AfDB, AOSIS, AU, C, CD, COMESA, CPLP (associate), FAO, G-77, IAEA, IBRD, ICAO, ICC (NGOs), ICRM, IDA, IFAD, IFC, IFRC, IHO, ILO, IMF, IMO, IMSO, InOC, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC (NGOs), MIGA, NAM, OIF, OPCW, PCA, SAARC (observer), SADC, UN, UNCTAD, UNESCO, UNIDO, UNWTO, UPU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO

Section 6 - Tax

Exchange control

There is no exchange control in Mauritius

Treaty and non-treaty withholding tax rates

Mauritius has signed **49 agreements** (41 DTC and 8 TIEA agreements) providing for the exchange of information.

| Jurisdiction | Type of EOI Arrangement | Date Signed | Date entered into Force | Meets standard | Contains paras 4 and 5 | |
|---------------|-------------------------|-------------|-------------------------|----------------|------------------------|---|
| Australia | TIEA | 8 Dec 2010 | 1 Jan 2011 | Yes | Yes |  |
| Bangladesh | DTC | 21 Dec 2009 | not yet in force | Unreviewed | No |  |
| Barbados | DTC | 28 Sep 2004 | 28 Jan 2005 | Yes | No |  |
| Belgium | DTC | 4 Jul 1995 | 28 Jan 1999 | Yes | No |  |
| Botswana | DTC | 26 Sep 1995 | 16 Mar 1996 | No | No |  |
| China | DTC | 1 Aug 1994 | 4 May 1995 | Yes | Yes |  |
| Croatia | DTC | 6 Sep 2002 | 9 Aug 2003 | Unreviewed | No |  |
| Cyprus | DTC | 21 Jan 2000 | 12 Jun 2000 | Yes | No |  |
| Denmark | TIEA | 1 Dec 2011 | 1 Jun 2012 | Yes | Yes |  |
| Faroe Islands | TIEA | 1 Dec 2011 | not yet in force | Yes | Yes |  |
| Finland | TIEA | 1 Dec 2011 | 6 Jul 2012 | Yes | Yes |  |
| France | DTC | 11 Dec 1980 | 17 Sep 1982 | Yes | Yes |  |
| Germany | DTC | 7 Oct 2011 | 7 Dec 2012 | Yes | Yes |  |
| Greenland | TIEA | 1 Dec 2011 | not yet in force | Unreviewed | Yes |  |
| Guernsey | TIEA | 6 Feb 2013 | 5 Jul 2013 | Yes | Yes |  |
| Iceland | TIEA | 1 Dec 2011 | not yet in force | Yes | Yes |  |
| India | DTC | 24 Aug 1982 | 11 Jun 1985 | Yes | No |  |
| Italy | DTC | 9 Mar 1990 | 28 Apr 1995 | Yes | Yes |  |
| Kenya | DTC | 7 May 2012 | not yet in force | Yes | Yes |  |
| Kuwait | DTC | 24 Mar 1997 | 1 Sep 1998 | Unreviewed | No |  |
| Lesotho | DTC | 29 Aug 1997 | 9 Sep 2004 | Unreviewed | No |  |
| Luxembourg | DTC | 15 Feb 1995 | 12 Sep 1996 | No | No |  |
| Madagascar | DTC | 30 Aug 1994 | 4 Dec 1995 | Unreviewed | No |  |
| Malaysia | DTC | 23 Aug 1992 | 19 Aug 1993 | No | No |  |
| Monaco | DTC | 13 Apr 2013 | 8 Aug 2013 | Unreviewed | Yes |  |
| Mozambique | DTC | 14 Feb 1997 | 8 May 1999 | Unreviewed | No |  |

| Jurisdiction | Type of EOI Arrangement | Date Signed | Date entered into Force | Meets standard | Contains paras 4 and 5 | |
|----------------------|-------------------------|-------------|-------------------------|----------------|------------------------|---|
| Namibia | DTC | 4 Mar 1995 | 25 Jul 1996 | Unreviewed | No |  |
| Nepal | DTC | 3 Aug 1999 | 11 Nov 1999 | Unreviewed | No |  |
| Nigeria | DTC | 10 Aug 2012 | not yet in force | Yes | No |  |
| Norway | TIEA | 1 Dec 2011 | 18 May 2012 | Yes | Yes |  |
| Oman | DTC | 30 Mar 1998 | 20 Jul 1998 | Unreviewed | No |  |
| Pakistan | DTC | 3 Sep 1994 | 19 May 1995 | Unreviewed | No |  |
| Qatar | DTC | 28 Jul 2008 | 28 Jul 2009 | Yes | No |  |
| Russian Federation | DTC | 24 Aug 1995 | not yet in force | Yes | No |  |
| Rwanda | DTC | 30 Jul 2001 | 14 Apr 2003 | Unreviewed | No |  |
| Senegal | DTC | 17 Apr 2002 | 15 Sep 2004 | Unreviewed | No |  |
| Seychelles | DTC | 11 Mar 2005 | 22 Jun 2005 | Yes | No |  |
| Seychelles | DTC Protocol | 3 Mar 2011 | not yet in force | Yes | Yes |  |
| Singapore | DTC | 19 Aug 1995 | 7 Jun 1996 | No | No |  |
| South Africa | DTC | 5 Jul 1996 | 20 Jun 1997 | Yes | No |  |
| Sri Lanka | DTC | 12 Mar 1996 | 2 May 1997 | Unreviewed | No |  |
| Swaziland | DTC | 29 Jun 1994 | 8 Nov 1994 | Unreviewed | No |  |
| Sweden | DTC | 1 Dec 2011 | 31 Dec 2012 | Yes | Yes |  |
| Thailand | DTC | 1 Oct 1997 | 10 Jun 1998 | Unreviewed | No |  |
| Tunisia | DTC | 12 Feb 2008 | 28 Oct 2008 | Unreviewed | No |  |
| Uganda | DTC | 19 Sep 2003 | 21 Jul 2004 | Unreviewed | No |  |
| United Arab Emirates | DTC | 18 Sep 2006 | 31 Jul 2007 | Yes | No |  |
| United Kingdom | DTC | 11 Feb 1981 | 26 Oct 1987 | Yes | Yes |  |
| Zambia | DTC | 26 Jan 2011 | 4 Jun 2012 | Unreviewed | No |  |
| Zimbabwe | DTC | 6 Mar 1992 | 5 Nov 1992 | Unreviewed | No |  |

Methodology and Sources

Section 1 - General Background Report and Map

(Source: [CIA World Factbook](#))

Section 2 - Anti – Money Laundering / Terrorist Financing

| | Lower Risk | Medium Risk | Higher Risk |
|---|-----------------------------------|---------------------------------------|-----------------------------------|
| FATF List of Countries identified with strategic AML deficiencies | Not Listed | AML Deficient but Committed | High Risk |
| Compliance with FATF 40 + 9 recommendations | >69% Compliant or Fully Compliant | 35 – 69% Compliant or Fully Compliant | <35% Compliant or Fully Compliant |
| US Dept of State Money Laundering assessment (INCSR) | Monitored | Concern | Primary Concern |
| INCSR - Weakness in Government Legislation | <2 | 2-4 | 5-20 |
| US Sec of State supporter of / Safe Haven for International Terrorism | No | Safe Haven for Terrorism | State Supporter of Terrorism |
| EU White list equivalent jurisdictions | Yes | | No |
| International Sanctions UN Sanctions / US Sanctions / EU Sanctions | None | Arab League / Other | UN , EU or US |
| Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network | >69% | 35 – 69% | <35% |
| World government Indicators (Average) | >69% | 35 – 69% | <35% |
| Failed States Index (Average) | >69% | 35 – 69% | <35% |
| Offshore Finance Centre | No | | Yes |

Section 3 - Economy

General Information on the current economic climate in the country and information on imports, exports, main industries and trading partners.

(Source: [CIA World Factbook](#))

Section 4 - Foreign Investment

Information on the openness of foreign investment into the country and the foreign investment markets.

(Source: [US State Department](#))

Section 5 - Government

Names of Government Ministers and general information on political matters.

(Source: [CIA World Factbook](#) / <https://www.cia.gov/library/publications/world-leaders-1/index.html>)

Section 6 - Tax

Information on Tax Information Exchange Agreements entered into, Double Tax Agreements and Exchange Controls.

(Sources: [OECD Global Forum on Transparency and Exchange of Information for Tax Purposes](#) [PKF International](#))

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