

SPECIAL REPORT: MAURITIUS 2025

APRIL | MAY 2025

AFRICA

Forbes



A NEW WAVE OF DEVELOPMENT

THE LEADERS AND STRATEGISTS CHAMPIONING
MEANINGFUL ECONOMIC GROWTH, DIGITALIZATION AND
SUSTAINABILITY IN AFRICA'S EMERGING ISLAND NATION

Mauritius – A Launchpad Into Africa Or The Final Destination?

THE COUNTRY HAS LONG BEEN CELEBRATED AS A SMALL ISLAND THAT PUNCHES WELL ABOVE ITS WEIGHT. ONCE PREDOMINANTLY KNOWN FOR ITS SUGAR-BASED AGRICULTURAL ECONOMY AND PICTURESQUE LANDSCAPES, IT HAS SUCCESSFULLY REINVENTED ITSELF AS A DIVERSIFIED FINANCIAL HUB.

BY PRISCILLA BALGOBIN-BHOYRUL, SENIOR PARTNER AND CHAIRPERSON, DENTONS MAURITIUS

Mauritius prides itself on being an international financial center of choice. Successive economic reforms, a commitment to the rule of law, and the adoption of global best practices in governance have allowed the country to become a leader in Africa for the ease of doing business.

For high-net-worth individuals (HNWIs) and institutional investors alike, these attributes create a secure, predictable business environment that minimizes risk while maximizing growth potential. Those seeking a secure base to invest, work and enjoy a high quality of life will not only find a destination but a strategic partner in unlocking Africa's vast opportunities. For those who have decided they want it all, Mauritius is the obvious choice.

The rule of law and regulatory environment in Mauritius

Indeed, for investors looking to harness the growth potential of Africa or for those looking to move to Mauritius, a strong regulatory framework and respect for the rule of law are a great source of comfort. The Constitution of Mauritius governs the establishment of the Supreme Court and the appointment of judges, thereby ensuring the separation of powers among the legislative, executive, and judicial branches. The ultimate court of appeal is the Judicial Committee of the Privy Council in the United Kingdom. The Commercial Division of the Supreme Court of Mauritius was created more than 15 years ago to streamline and expedite hearing of commercial matters.

Mauritius has a hybrid system of law, which draws its inspiration from the country's French and English legacy. This hybrid system of civil and common law which is characteristic of the legal landscape, puts at its disposal a wide range of remedies drawing from each system. Moreover, the law relating to companies clearly spell out the duties of directors and remedies available to shareholders and provides a detailed framework for the protection of investors. The National Code of Corporate Governance (2016) promotes an ethical, transparent and accountable corporate culture. The legislation regulating the financial services sector ensures that all entities operating within this space adhere to high standards of conduct. The laws relating to anti-money laundering (AML) and counter-financing of terrorism (CFT) are widely regarded as very robust and modern.



Priscilla Balgobin-Bhoyrul, Senior Partner and Chairperson, Dentons Mauritius

A report issued by the Mastercard Foundation in 2024 is testament to the above. The report highlighted that domiciling investment vehicles in Africa and mobilizing the flow of investment capital to African-based investment vehicles will contribute to economic growth, job creation and inclusive business opportunities for young people on the continent. The report highlighted that Mauritius stands out as an “Established Domicile” for international capital and a “strong role model” for other African jurisdictions.

Presumably, it was favored as such because of its strong regulatory frameworks and regulatory regimes that offer comprehensive, well-organized structures, reliable judicial and alternative dispute resolution mechanisms and for allowing investors to repatriate funds without undue restrictions or delays arising from illiquidity or capital controls beyond monitoring and compliance.

Alternative dispute resolution

Since 2008, Mauritius has implemented a robust international arbitration regime based on the UNCITRAL MODEL LAW. The law and its implementation by our courts reinforce a strictly non-interventionist regime, keeping the state judge’s contact with the arbitral process as minimal as possible and favoring the arbitral jurisdiction.

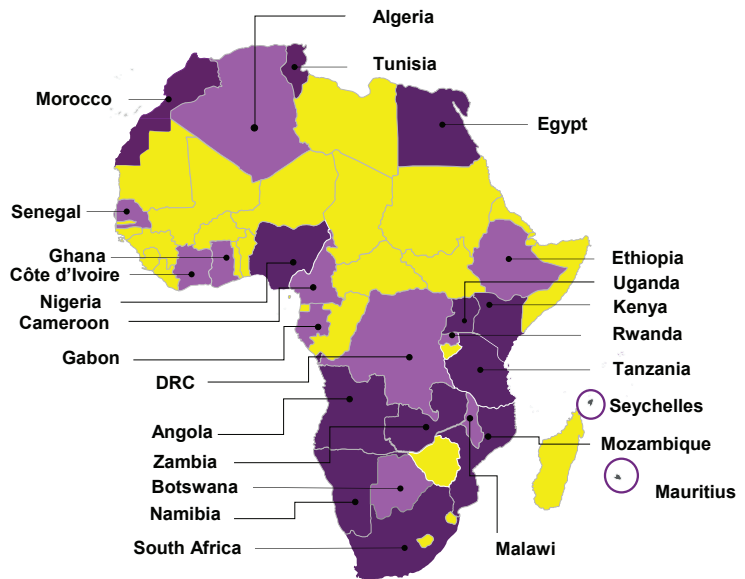
Mauritian courts have reportedly “demonstrated a pro-enforcement approach to the recognition and enforcement of foreign judgments and arbitral awards”. Arbitration claims are generally handled by a panel of three out of six specially-trained Supreme Court judges conversant with international arbitration principles. With the coming into effect of the African Continental Free Trade Area (AfCFTA), intra-African trade is expected to grow and an increasing number of disputes could be referred to Mauritius for arbitration.

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DTAAs and IPPAs

Mauritius has long been known for its extensive network of Double Taxation Avoidance Agreements (DTAAs), including with 15 African nations, and with more being negotiated. These agreements prevent the double taxation of income, thus making Mauritius an efficient conduit for investments across the continent. For investors, this means enhanced tax efficiency and greater certainty over the tax treatment of cross-border investments.

The country has also entered into Investment Promotion and Protection Agreements (IPPAs), with the aim of minimizing any deprivation of investments by providing a framework that caters for repatriation of capital and returns, as well as potential compensation in the event of deprivation of investments. The above provide an additional level of comfort to investors, especially when dealing with some African countries.

Destination Mauritius

In addition, Mauritius now occupies an enviable position as one of Africa's fastest-growing wealth markets – and the third fastest-growing worldwide. According to the 2024 Henley & Partners report, a record number of millionaires relocated globally in 2024, with projections estimating 135,000 millionaires set to move in 2025. The report identifies Mauritius as an increasingly popular destination among high-net-worth investors relocating from South Africa, the U.K., and France, owing to its reputation for safety, security, and a well-developed banking and wealth management system. Investors in search of stability and opportunity have found that Mauritius meets these criteria comprehensively.

A growing number of HNWIs from across the globe are now choosing to live and work in Mauritius. International businesses and multinationals are increasingly establishing their headquarters or investment holding structures on the island.

Structuring in Mauritius

Mauritius provides a range of legal and corporate structures that enable investors to effectively manage and protect their wealth. Options include companies, limited partnerships, trusts, and foundations – all designed to facilitate estate planning, asset protection, and tax efficiency. The global business company (GBC) remains the most popular vehicle, wherein non-citizens hold the majority of the shares/beneficial interest and the company's business activities are conducted primarily outside Mauritius.

For non-residents, trusts established in Mauritius may be structured so as to benefit from protection against forced heirship rules. This affords families a degree of flexibility in managing their wealth according to their specific wishes, without having to split their assets or enterprises amongst heirs.

Where family assets include corporations or stakes therein, it can be advisable to resort to foundations which provide additional layers of control and protection.

Mauritius also offers a compelling tax-efficient environment. With a low corporate tax regime, bolstered by a partial exemption on certain foreign-sourced income, no capital gains tax, estate duty, inheritance tax, or withholding tax on foreign income, the island has engineered an attractive fiscal landscape. The absence of foreign exchange controls further simplifies the repatriation of profits, dividends, and capital gains, enhancing Mauritius' appeal as a secure investment destination.

Mauritius has introduced a Family Office (FO) license scheme that caters for both single-family and multi-family offices, allowing domiciliation of international assets and funds. Subject to meeting substance requirements—such as minimum employment and expenditure thresholds—these family offices benefit from a ten-year tax holiday.

This arrangement enables family members not only to invest strategically but also to enjoy the island's lifestyle benefits, including the possibility of acquiring luxury properties and securing work and residence permits.

Residency and citizenship programs

Mauritius is more than a gateway, it is a destination. The country has implemented several initiatives to attract foreign investors and highly skilled professionals. There are several property development schemes that have been set up to allow foreigners or investors to buy property in Mauritius and in so doing, encourage world class players to move here.

Innovation and digital transformation

The Mauritian government is not resting on its laurels. With significant investments in digital transformation and technology, Mauritius is positioning itself at the forefront of fintech and digital services within Africa. This forward-looking strategy not only appeals to tech-savvy investors but also reinforces Mauritius' status as a hub for digital trade.

In conclusion, Mauritius stands as a beacon of stability, transparency, and opportunity in an ever-changing global investment landscape. For investors looking to harness the growth potential of Africa, Mauritius has a unique proposition, that of being both a springboard to the African continent and a final destination; a proposition which is hard to match.

The logo for DENTONS, featuring the word "DENTONS" in white, uppercase, sans-serif font inside a purple arrow-shaped graphic pointing to the right.