



CROWDFUNDING

Crowdfunding occurs when people from different sectors invest relatively small amounts of money in a business or provide finance to an entrepreneur to help the latter bring his business to a higher level. The whole process occurs mainly through virtual environment.



LICENSING CRITERIA BY THE FINANCIAL SERVICE COMMISSION 'FSC'

Application for the crowdfunding licence must be made in accordance with Part IV Section 14 of the Financial Services Act 2007 and is granted by the FSC provided the latter is satisfied that the applicant, amongst other factors, has adequate resources, infrastructure and staff with the appropriate competence, experience and proficiency to carry out the activity for which the licence is sought.



WHO IS ELIGIBLE FOR CROWDFUNDING LICENCE?

Only a legal person incorporated in Mauritius can apply for the licence. As such, a Domestic Company and a Global Business Company 'GBC' are eligible for the licence. The crowdfunding operator must maintain its commercial presence in Mauritius by having its principal place of business in Mauritius, from which the core activities are performed.

MINIMUM CAPITAL REQUIREMENT

Minimum unimpaired stated capital of **MUR 2 million (USD 50,000)** or its equivalent in any other currency or such higher amount as the Commission may determine.

ADVANTAGES OF CROWDFUNDING LICENCE

01

It is a fast and cost-efficient means of raising funds for many start-up businesses and SMEs due to rapid access to a large pool of potential supporters from around the world.

Launching a project through online platform may result in a valuable form of marketing and result in media attention.

02

03

Crowdfunding initiators showcase their ideas and products to a large audience thus allowing for early feedback on the existence of a market for those products.

With a potentially large number of investors each contributing a relatively small sum, the risks are spread.

04

05

Crowdfunding creates a forum where businesses may engage with their audiences, raising product and brand awareness.