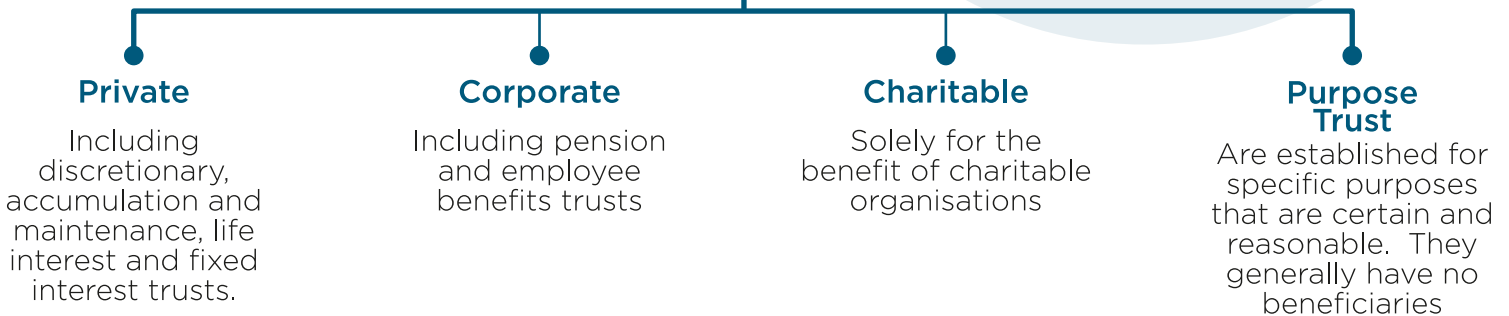




# MAURITIUS TRUST

Trusts in Mauritius are governed by the Trusts Act 2001. A Mauritian Trust provides an effective and legitimate means of sheltering one's asset against creditors' claim, exchange control, commercial risk or expropriation. It is an effective and perfect way to ensure that the wishes of the person transferring properties or assets into a Trust are respected.

## Categories of Trust



## Advantages of a Trust

- **International Tax Planning**

To make use of advantageous tax planning opportunities e.g. to dispose of the beneficial ownership of assets before taking up residence or becoming domiciled in a country with high gift taxes, capital taxes or income taxes.

- **Assets Protection**

It preserves property from the rest of settlor's estate and provide for specific categories of beneficiaries such as infants or charitable organisations, while ensuring continuity of the existence and development of assets for an indefinite period, if desired.

- **Confidentiality & Flexibility**

Confidentiality is assured concerning the identity of the settlor and beneficiaries. The settlor has overall authority to modify the Trust and modify his 'letter of wishes' as to the objectives of the Trust.

### • Distribution Planning made easy

Careful planning of distribution of assets upon creation of the trust is allowed, and thereafter, few formalities are required on the distribution of assets.

### • Forced heirship rule

Trusts allow a settlor to distribute his assets according to his personal wishes irrespective of 'heirship rules' which govern distribution of assets in the jurisdiction where he resides.

## Characteristics of a Trust

- **Registration:** There is no requirement for a trust to be registered with any Mauritian Governmental body. Nonetheless, it is advisable to register the trust at the office of the Registrar General in order to give evidence of the existence of the trust, especially where tax treaty relief is required.
- **Duration:** The duration of a trust is limited to a maximum of 99 years.
- **Assets:** True assets cannot include any property situated in Mauritius, nor any investments in a Domestic/Mauritius entity other than a Global Business Licence and cannot have an account with a domestic bank in Mauritian Rupees.
- Parties involved in a Trust

▶ **Settlor:** Any person who has legal capacity to contract. The latter may also be a trustee, beneficiary or protector, but shall not be the sole beneficiary of the trust which he/she has established.

▶ **Trustees:** There should not be more than four trustees, one of which should be a qualified trustee, for e.g. a Management Company ("MC") or such person resident in Mauritius, as may be authorized by the Financial Services Commission ("FSC") to provide trusteeship services. Appavoo International Ltd ("AIL") is a qualified trustee.

▶ **Beneficiaries:** Should be identifiable by name or ascertainable by reference to a class or a relationship to another person, whether living or not at time of creation of the trust. A settlor or trustee can also be a beneficiary but not the sole beneficiary.

▶ **Protector:** The Act provides for the presence of a protector who can supervise the trustees and ensure that the trust is administered in accordance with the terms of the trust. The protector owes a fiduciary duty to the beneficiaries or the purpose for which the trust is created.

## Taxation

A 'tax incentive trust' is a special taxation regime which applies to a trust having non-resident settlors and beneficiaries. Such a trust can elect to be non-resident in Mauritius by filing a declaration to that effect with the Mauritius Revenue Authority ("MRA"), in which case it is tax exempt. The parties involved in such a trust are tax exempt on the distributions received. If such trust does not opt to be non-resident, it is taxable on its chargeable income at a rate of 15% per annum.

A trust can avail benefits under the vast 'Double Tax Treaty' ("DTT") network which Mauritius has signed with various countries including more than 20 countries in Continental Africa.



## What do we offer as a management company or as a professional trustee?

Our services in the trust business include the following:

- Tailor-made advice on trust structuring
- Reviewing or drafting of trust deeds
- Formation of trusts
- Provision of corporate trustee services
- Provision of registered office address
- General administration: Board of trustees meetings; Operation of bank account; Preparation of annual accounts; and Liaising with third parties e.g. Investment Advisers
- Tax Planning for settlor and beneficiaries before formation
- Tax advice in relation to the income of the trust

Contact our Experts for more information

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