

THE MAURITIAN FOUNDATION



An ideal vehicle for Succession Planning and Private Wealth

Mauritius has further strengthened its image as an International Financial Centre (“IFC”) following the addition of Foundations as a financial vehicle. A Foundation is governed by the Foundation Act 2012 and it is in essence a hybrid of a trust and a company since it has the traits of both structures. A Foundation is created by a founder who endows assets to achieve the objects of the Foundation.

Professional advisers and their high-net-worth clients are increasingly making use of Mauritius as a jurisdiction of choice for private wealth management services. Greater use is being made of Foundations in the broader context of succession planning when it comes to wealth management for rich families.

Main Characteristics of a Mauritian Foundation

It can be set up by a charter or by a will.

The objects of a Foundation may be charitable, non-charitable, or BOTH.

There is no requirement for a Foundation Charter to be registered. Registration is optional.

Any foreign Foundation can be redomiciled in Mauritius as a Foundation established and registered in Mauritius.

The name of a Foundation should end with either the word ‘Foundation’ or a word in a foreign language which has the same meaning as the word ‘Foundation’.

It must have its registered office address in Mauritius.

It requires a secretary in Mauritius which is licenced by the FSC.

It must have a Council which shall administer the property of the Foundation and carry out the objects of the Foundation. The composition of a Council must comprise of at least one resident member.

It must keep all its records at its registered office in Mauritius.



Advantages of a Mauritian Foundation

- Control may be maintained by the founder who may be the sole member of the Council.
- Upon registration, it has a separate legal personality on similar lines as a company and this makes it different from a Trust where powers are vested in the Trustees.
- The Founder may be the sole beneficiary of the Foundation.
- Holding assets can be passed on from one generation to the next.
- Foundation is the perfect vehicle for inheritance tax planning.
- A Foundation can apply for a Global Business Licence (“GBL”) with the Financial Services Commission (“FSC”) and conduct business as a normal company

Taxation of Foundation

- Mauritius income tax law makes a distinction between a resident Foundation and a non-resident Foundation. A non-resident Foundation is exempt from taxation. For a Foundation to be considered as non-resident, the founder must be a non-resident and ALL the beneficiaries appointed under the terms of a charter or a will must be non-residents throughout an income year in Mauritius.
- A resident Foundation is taxable on its chargeable income at the rate of 15 % per annum.
- A Foundation with a GBL can be taxed at the maximum rate of 3% on certain of its income in case it meets specific criterias. It can avail benefits under the vast ‘Double Tax Treaty’ (“DTT”) network and ‘International Promotion and Protection Agreements’ (“IPPAs”) which Mauritius has signed with various countries including more than 20 countries in Continental Africa.

What do we offer as a Management Company (“MC”)?

HLB Mauritius (Global Business) is led by Appavoo International Ltd which is itself a Management Company licensed by the FSC.

We have designed a package of professional services geared to assist Foundations which include the following:

- Formation of Foundation
- Provision of corporate secretarial services
- Provision of registered office address
- Provision of resident Council member
- Redomiciliation services
- General administration: Council meetings, Operation of bank accounts, Preparation of annual accounts, and liaising with third parties e.g. Investment Advisers
- Tax Planning services

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