MAURITIUS
INVESTMENT CLIMATE STATEMENT
2015
Table of Contents

Executive Summary
1. Openness To, and Restrictions Upon, Foreign Investment
   1.1. Attitude Toward FDI
   1.2. Other Investment Policy Reviews
   1.3. Laws/Regulations of FDI
   1.4. Industrial Strategy
   1.5. Limits on Foreign Control
   1.6. Privatization Program
   1.7. Screening of FDI
   1.8. Competition Law
   1.9. Investment Trends
      1.9.1. Tables 1 and if applicable, Table 1B
2. Conversion and Transfer Policies
   2.1. Foreign Exchange
      2.1.1. Remittance Policies
3. Expropriation and Compensation
4. Dispute Settlement
   4.1. Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts
   4.2. Bankruptcy
   4.3. Investment Disputes
   4.4. International Arbitration
      4.4.1. ICSID Convention and New York Convention
   4.5. Duration of Dispute Resolution
5. Performance Requirements and Investment Incentives
   5.1. WTO/TRIMS
   5.2. Investment Incentives
      5.2.1. Research and Development
   5.3. 5.3 Performance Requirements
   5.4. Data Storage
6. Right to Private Ownership and Establishment
7. Protection of Property Rights
   7.1. Real Property
   7.2. Intellectual Property Rights

8. Transparency of the Regulatory System

9. Efficient Capital Markets and Portfolio Investment
   9.1. Money and Banking System, Hostile Takeovers

10. Competition from State-Owned Enterprises
    10.1. OECD Guidelines on Corporate Governance of SOEs
    10.2. Sovereign Wealth Funds

11. Corporate Social Responsibility
    11.1. OECD Guidelines for Multinational Enterprises

12. Political Violence

13. Corruption
    13.1. UN Anticorruption Convention, OECD Convention on Combatting Bribery

14. Bilateral Investment Agreements
    14.1. Bilateral Taxation Treaties

15. OPIC and Other Investment Insurance Programs

16. Labor

17. Foreign Trade Zones/Free Ports/Trade Facilitation

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

19. Contact Point at Post for Public Inquiries
Executive Summary

Mauritius is an island in the Indian Ocean located off the eastern coast of Africa. Mauritius is an upper middle-income island nation of approximately 1.3 million people and one of the most competitive, stable, and successful economies in Africa, with a Gross Domestic Product (GDP) of USD 12.4 billion and per capita GDP of over USD 9,000 in 2014. 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 an export sector focused on textiles, apparel, and jewelry as well as a growing 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 domestically and in the region, having signed more than forty Double Taxation Agreements and maintaining a legal and regulatory framework that keeps Mauritius highly-ranked in the World Bank’s Doing Business Report in the category on Ease of Doing Business and good governance indices.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

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 foreign direct investment (FDI) per capita. The Board of Investment (BOI), the government agency for the facilitation and promotion of investment in Mauritius, acts as the facilitator for all forms of investment in Mauritius and guides investors through the necessary processes for doing business in the country.

Mauritius is among the freest and most business-friendly countries in Africa according to a number of surveys and metrics. The 2015 Index of Economic Freedom, published annually by The Wall Street Journal and The Heritage Foundation, ranks Mauritius as the 10th freest economy in the world and the 1st out of the 46 countries of Sub-Saharan Africa. For the seventh consecutive year, the World Bank’s 2015 Doing Business report ranks Mauritius first among African economies (28th worldwide) in terms of overall ease of doing business.

Other Investment Policy Reviews

In July 2014, the Government of Mauritius (GOM) conducted an investment policy review with the Organization for Economic Cooperation and Development (OECD) (http://www.oecd.org/investment/countryreviews.htm). Mauritius has been a World Trade Organization (WTO) member since 1995. In October 2014, the authorities also conducted a trade policy review with the World Trade Organization (http://www.wto.org/english/tratop_e/tpr_e/tpr_e.htm).
Laws/Regulations of Foreign Direct Investment

The Investment Promotion Act of 2000 governs investments in Mauritius. 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 Board of Investment to be able to apply for occupation permits and other facilities offered to investors.

The Mauritian judiciary is independent and the legal system is generally non-discriminatory and transparent. Post is not aware of any cases of government interference in the court system affecting foreign investors. The above-mentioned Acts and all the laws and regulations related to foreign investment can be downloaded from the BOI’s website at www.investmauritius.com.

Industrial Promotion

Mauritius, through the Board of Investment, promotes investment in the following industries:
1. Agro-Industry
2. Aquaculture
3. Education
4. Financial Services
5. Healthcare
6. Hospitality & Property Development
7. ICT-BPO
8. Life Sciences
9. Logistics
10. Manufacturing
11. Media & Creative Industry
12. Ocean Economy
13. Renewable Energy
14. Seafood

More detailed information on these opportunities is available online on the Board of Investment’s website: http://www.investmauritius.com/investment-opportunities.aspx. We believe the best opportunities for U.S. firms and investors are in ocean-related industries, renewable energy, water management, healthcare, ICT-BPO, and education.

Limits on Foreign Control

The Government of Mauritius does not discriminate between local and foreign investment, except in a few activities such as television broadcasting, sugar production, and certain operations in the tourism sector. In television broadcasting, the Independent Broadcasting Authority will not grant a license to a company (i) formed, registered or incorporated in a foreign country; or (ii) 20 percent or more of the shares of which are owned or controlled, directly or indirectly, by a foreign national, company or body corporate; or (iii) 20 percent or more of the directors of which are foreign nationals; or (iv) 20 percent or more of the shares of which are owned or controlled, directly or indirectly, by an individual who, or by another company or body...
corporate which, owns or controls, directly or indirectly, any newspaper or magazine, or any printing press publishing such newspaper or magazine. Regarding the sugar sector, no foreign investor is allowed to make an investment that would result in 15 per cent or more of the voting capital of a Mauritian sugar company held by foreign investors. In the tourism sector, there are certain conditions for investment by non-citizens in the following activities: (i) guesthouse/tourist accommodation, (ii) pleasure crafts, (iii) scuba diving, and (iv) tour operator business. Generally, the limitations refer to a minimum investment amount, number of rooms, or a maximum equity participation depending on the business activity.

Details of the restrictions are available from BOI at www.investmauritius.com.

Privatization Program

There is currently no ongoing or planned government privatization program, but the government has stated its intent to reform parastatal bodies as recommended by the IMF.

Screening of FDI

Investment proposals are screened by the Board of Investment (BOI), which provides a range of services and all relevant information to potential investors on any matter relating to their investments. BOI is the first point of contact for investors exploring business opportunities in Mauritius and provides assistance with occupation permits, licenses and clearances by working in collaboration with relevant local authorities. We have had no negative comments from U.S. businesses on the screening mechanism.

Prospective investors must first submit their proposal, including a business plan, to BOI for review of its economic benefit, environmental impact, and any relation to national security. BOI will then advise the potential investor on specific permits or licenses required, depending on the nature of the business. In order to work and live in Mauritius, foreign investors must apply for an Occupation Permit, which is a combined work and residence permit. Applications for Occupation Permits are made through the Board of Investment to the Passport and Immigration Office. Both organizations jointly operate the Occupation Permit Unit that facilitates the issuance of Occupation and Residence Permits to foreign investors, self-employed individuals, and professionals (https://op.investmauritius.com/).

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 the Board of Investment, various government ministries (depending on the projects under review), and the Prime Minister’s Office. In the 2015-2016 National Budget, the Minister of Finance announced extended powers to the fast-track committee and the further streamlining of the business environment with the abolition of 70 permits.

In the event that an investment fails review, the prospective investor may appeal the decision with BOI or the relevant government ministry. Details on specific business activities restricted by law can be found at http://www.investmauritius.com.
Competition Law

The Competition Commission of Mauritius (CCM) is a statutory body established in 2009 to enforce the Competition Act of 2007. This Act established a competition regime in Mauritius, under which the CCM can investigate possible anticompetitive behavior by businesses in the Mauritian market. Since it began operations, the Competition Commission has already undertaken 28 investigations, out of which 20 have been completed and 8 are still ongoing. The results of completed investigations are available on CCM’s website at www.ccm.mu.

Investment Trends

Since 2006, Mauritius has attracted approximately USD 2.8 billion from foreign investors. The country’s primary sources of FDI are France, South Africa, the United Kingdom, and the United Arab Emirates. In 2014, the United States was the second largest source of FDI in Mauritius, following the acquisition of a resort hotel by Outrigger Enterprises Group and other U.S. investments in a Club Med hotel. There are also U.S. investments in solar energy, hotel management, business process outsourcing/software development, and diamond cutting and polishing. Overall, Mauritius attracts most of its foreign direct investment (from all sources) in real estate development, accommodation and food service activities, financial and insurance activities, and medical device manufacturing.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Year</th>
<th>Index or Rank</th>
<th>Website Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>TI Corruption Perceptions index</td>
<td>2014</td>
<td>47 of 175</td>
<td>transparency.org/cpi2014/results</td>
</tr>
<tr>
<td>Global Innovation Index</td>
<td>2014</td>
<td>40 of 143</td>
<td>globalinnovationindex.org/content.aspx?page=data-analysis</td>
</tr>
<tr>
<td>World Bank GNI per capita</td>
<td>2013</td>
<td>USD 9,570</td>
<td>data.worldbank.org/indicator/NY.GNP.PCAP.CD</td>
</tr>
</tbody>
</table>

2. Conversion and Transfer Policies

Foreign Exchange

The GOM abolished foreign exchange controls in 1994. Consequently, no approval is required for converting, transferring, or repatriating profits, dividends, or capital gains earned by a foreign investor in Mauritius. Funds associated with any form of investment can be freely converted into any world currency.

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 2014, the Mauritian
rupee (MUR) depreciated by 4 percent against the U.S. dollar (USD) but appreciated against the Euro (EUR) and British Pound Sterling (GBP) by 6.2 percent and 0.5 percent, respectively. However, between December 2014 and March 2015, the rupee has depreciated by 16 percent against USD and 10 percent against GBP. It has remained relatively stable against the Euro over the same period.

**Remittance Policies**

The GOM has no plans to change its investment remittance policies. There is no time or quantity limitation on remittance of capital, profits, dividends, and capital gains earned by a foreign investor in Mauritius. Mauritius has a well-developed and modern banking system. There is no legal parallel market in Mauritius for investment remittances.

Post is not aware that Mauritius is engaged in currency manipulation tactics. Mauritius remains committed to transparency and adherence to best practices as set by leading institutions including the OECD, IMF and other standards-setting bodies. OECD Global Forum recognizes Mauritius as a largely compliant jurisdiction. In December 2013, Mauritius signed a Tax Information Exchange Agreement (TIEA) and an Inter-Governmental agreement (IGA) with the United States to implement the Foreign Account Tax Compliance Act (FATCA).

**3. Expropriation and Compensation**

Property expropriation is not an issue in Mauritius. The Constitution includes a guarantee against nationalization.

In April 2015 the Bank Central of Mauritius, revoked the banking license Bramer Bank, a subsidiary of Mauritian conglomerate BAI Group, due to its inadequate capital reserve ratio. Citing the need to prevent a bank run and to safeguard the interest of the bank’s customers, the GOM guaranteed the bank’s depositors and created the National Commercial Bank Ltd with a capital injection of approximately USD 6 million to take over the Bramer accounts. The government placed BAI Group in conservatorship and is currently investigating allegations of fraud and corporate mismanagement in BAI Group's subsidiaries, specifically its insurance business.

**4. Dispute Settlement**

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

The Mauritian legal system is a unique mixture of traditions. Mauritius draws legal principles from both French civil law and British common law traditions; its procedures are largely derived from the English system, while its substance is based in the Napoleon Code of 1804. However, some of its specialized areas of law are comparable to other jurisdictions. For example, its company law is practically identical to that of New Zealand. Mauritian courts often resolve legal disputes by drawing on current legislation, the local legal tradition, and by means of a comparative approach utilizing various legal systems in order to find the most appropriate and just solution.
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. Mauritius established a Commercial Court in 2009 to expedite the settlement of commercial disputes. Mauritian commercial and contractual law is based on the civil code. Contracts are legally enforceable and binding on the parties signing the contracts. Ownership of property is enforced with the registration of the title deed with the Registrar-General and payment of the registration duty. Mauritian courts have the jurisdiction to hear intellectual property claims, both civil and criminal. The judiciary is independent and the domestic legal system is generally non-discriminatory and transparent.

**Bankruptcy**

Bankruptcy is not criminalized in Mauritius. The Insolvency Act of 2009 amended and consolidated the law relating to insolvency of individuals and companies and the distribution of assets in the case of 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. A bankrupt individual is automatically discharged from bankruptcy 3 years after adjudication, but may apply to be discharged earlier. The Act draws on the Model Law on Cross-Border Insolvency adopted by the United Nations Commission on International Trade Law on 30 May 1997. According to the World Bank’s 2015 Doing Business report, Mauritius ranks 43rd out of 189 countries on Resolving Insolvency.

The Act can be accessed through the Board of Investment’s website: http://www.investmauritius.com/downloads/legislations.aspx.

**Investment Disputes**

There is currently no investment dispute involving U.S. investors. Emtel Ltd, a local telecommunications firm has been engaged in a dispute with Mauritius Telecom, a parastatal entity, and the former Telecommunications Authority since 2005 over allegations of unfair competitive practices by Mauritius Telecom. Emtel was engaged in a joint venture with U.S. majority-owned Millicom Enterprises, but Emtel bought all the shares of Millicom in 2014. The case remains in the courts.

Following the national elections in 2014, the new government of Mauritius cancelled a 100MW coal power plant project proposed, unsolicited, by CT Power (Malaysia) Ltd in 2005. The government cited CT Power’s inability to prove its financial capacity to implement the USD 348 million project. The CT Power project has also been the subject of protests, including hunger strikes and social media campaigns, by NGOs and the local community who decried the coal plant's potential adverse impact on the environment and public health. CT Power plans to contest the government’s decision in court.

**International Arbitration**

In July 2011, the Government of Mauritius, the London Court of International Arbitration (LCIA), and the Mauritius International Arbitration Center (MIAC) entered into an agreement for the establishment and operation of a new arbitration center in Mauritius, to be known as the LCIA-MIAC Arbitration Center. LCIA-MIAC (www.lcia-miac.org) offers all the services
offered by the LCIA in the U.K. The International Arbitration Act, adopted by the Mauritian National Assembly in 2009, is based on the UNCITRAL model law on arbitration. Mauritius is also a member of the Multilateral Investment Guarantee Agency of the World Bank.

In addition, the Mauritius Chamber of Commerce and Industry’s Arbitration and Mediation Center (MARC) is an internationally recognized institution for commercial dispute settlement. MARC’s arbitration and mediation rules are also based on international standards such as the UNCITRAL model law. It is also a member of the International Federation of Commercial Arbitration Institutions. MARC offers alternative dispute resolution (ADR) procedures designed to meet the needs of businesses on the local, regional and international markets. The ADR mechanisms are available for review at www.mcci.org/arbitration.aspx. MARC has entered into cooperation agreements with arbitration centers in the United States (American Arbitration Association), Germany, France, Australia, India, and Kenya.

*ICSID Convention and New York Convention*

Mauritius is a member state to the International Centre for the Settlement of Investment Disputes (ICSID Convention). Mauritius is a signatory to the convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York Convention).

**Duration of Dispute Resolution**

Despite the establishment of the Commercial Court in 2009, the duration of dispute resolution in courts varies between five to ten years. The Mauritius International Arbitration Center (MIAC) aspires to the same efficient administration as the London Court of International Arbitration (LCIA) in London; approximately half of all cases referred to LCIA-MIAC conclude within 12 months or less, from Request for Arbitration to Final Award. More than three quarters of their cases conclude in 18 months or less.

The Mauritius Chamber of Commerce and Industry’s Arbitration and Mediation Center (MARC) 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**

Mauritius applies investment incentives uniformly to both domestic and foreign investors. Mauritius offers a low-tax jurisdiction and a number of other fiscal incentives, to include the following: flat corporate and income tax rate of 15 percent; 100 percent foreign ownership permitted; no minimum foreign capital required; no tax on dividends or capital gains; free repatriation of profits, dividends, and capital; accelerated depreciation on acquisition of plant, machinery and equipment; exemption from customs duty on imported equipment; direct cash
incentives for employers recruiting and training young talent; and access to an extensive network of Double Taxation Avoidance treaties (as of April 2014, Mauritius had such treaties with 45 countries).

Additionally, the government established 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, but there is no minimum purchase price. An investor and his/her spouse and dependents can acquire resident permits if they purchase an IRS/RES property for USD 500,000 or more.

IRS/RES programs are managed by Board of Investment and more detailed information on investment incentives is available on BOI’s website: www.investmauritius.com.

Research and Development

The government of Mauritius established The Mauritius Research Council (MRC) in 1992 as an apex body to promote and coordinate government investment in research and development. The MRC is the government’s central advisory body on science and technology issues. The MRC influences the direction of technological innovation by funding research projects in areas of national priority and encouraging strategic partnerships. Foreign firms, including from the U.S., may participate in research projects funded by MRC (www.mrc.org.mu).

Performance Requirements

Mauritius does not mandate local employment, impose conditions on permission to invest, or maintain excessively onerous visa, residence, or work permits.

According to the Board of Investment and the government of Mauritius, 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 both reside and work in Mauritius. An investor, professional or self-employed person may be eligible for an occupation permit under the following conditions:
- For an 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.
- For a professional, the basic monthly salary should exceed MUR 45,000 (approx. USD 1,500). The basic salary for professionals in the Information and communication Technology Sector should exceed MUR 30,000 monthly (approx. USD 1,000).
- For the 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.

Starting on the date of issue of their Occupation Permit, professionals earning more than USD 3,000 per month and investors who have invested more than USD 100,000 are permitted to acquire Mauritian real estate, including an apartment in a ground-plus-two floor complex.

An investor may subsequently apply for a permanent residence permit (PRP) if his/her business activity generates annual turnover exceeding MUR 15 million (USD 500,000) during its first
three years. In the case of self-employed persons, the business should generate an annual income exceeding MUR 3 million (USD 100,000). The 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 PRP with the right to acquire an apartment in a ground-plus-two floor development. 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.

Data Storage

The government of Mauritius established the Data Protection Office (www.dataprotection.govmu.org) after passing the Data Protection Act of 2004, which may be accessed at http://www.wipo.int/wipolex/en/details.jsp?id=7256. The Data Protection Commissioner is responsible for upholding the rights of individuals, as they are set out in the Act, and for enforcing the obligations imposed upon data controllers. The government does not force foreign investors to use domestic content in goods or technology. There is also no requirement for foreign IT providers to turn over source code or provide access to surveillance.

6. Right to Private Ownership and Establishment

Foreign ownership of real estate (property) is subject to some restrictions under the Non-Citizens (Property Restriction) Act. According to the Defense and Home Affairs section of the Prime Minister's Office, "A non-citizen who wishes to hold, purchase or otherwise acquire a property has to make a written application to the Prime Minister’s Office.

An authorization is required from Prime Minister’s Office in the following circumstances:-
1) Acquisition of shares in companies holding freehold or leasehold immovable property;
2) Acquisition of immovable property by a person not registered as investor with the Board of Investment;
3) Lease of immovable property for more than 20 years by a person not registered as investor with BoI; and
4) Lease of immovable property for residence for a period exceeding 4 years.

No authorization is applicable in cases of:-
1) Holding of immovable property for commercial purposes under a lease agreement not exceeding 20 years;
2) Holding of shares in companies which do not own immovable property;
3) Holding of immovable property by inheritance or effect of marriage to a citizen under ‘régime legal de communauté’.
4) Holding of shares in companies listed on the Stock Exchange of Mauritius; and
5) Through a unit trust scheme or any collective investment vehicle as defined in the Securities Act."
The Non-Citizens (Property Restriction) Act may be accessed here http://dha.pmo.govmu.org/English/Documents/Non-citizens_PRAct.pdf and more information may be available from the Board of Investment (www.investmauritius.com) or the Defence and Home Affairs section of the Prime Minister's Office (http://dha.pmo.govmu.org).

7. Protection of Property Rights

Real Property

Property rights are respected in Mauritius. Ownership of property is enforced with the registration of the title deed with the Registrar-General and payment of the registration duty. The recording system of mortgages and liens is reliable. Traditional use rights are not an issue in Mauritius as there were no indigenous peoples present at the time of European colonization. According to the World Bank's 2015 Doing Business Report, Mauritius ranks 98th out of 189 in the category of Registering Property.

Intellectual Property Rights

The GOM recently reformed its intellectual property (IP) legislation, with the objective of mainstreaming IP into its economic and social development, and promoting innovation and creativity. The government published its Intellectual Property Development Plan (IPDP) in 2009. As a first step to implement the IPDP, the National Assembly passed the new Copyright Act in 2014. An Industrial Property Bill, currently being finalized, will cover trademarks, patents, industrial designs, plant breeders' rights, geographical indications, and layout designs of integrated circuits and utility models; the latter four are not currently covered by existing legislation. The government also intends to strengthen the institutional framework governing IPRs.

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. 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.

While the IP legislation is in line with international norms, enforcement is relatively weak. 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 rights holders or authorized users to register their trademarks and copyrights with its office in order to seize suspicious goods at the port. Application forms for registration can be downloaded from the Mauritius Revenue Authority/Customs’ website, http://mra.gov.mu.

The Customs Department keeps record of counterfeit goods seized. In 2014 the Customs Department carried out 62 seizures of a total of 114,262 goods valued at USD 57,300. The rights
holder is responsible for paying for the storage and/or destruction of the counterfeit goods. Customs offices will have ex-officio authority to seize and destroy counterfeit goods once the 2015/2016 National Budget and corresponding Finance Act are approved by the National Assembly, expected by the end of April 2015.

Mauritius is not listed in USTR’s Special 301 report or in State’s notorious market report.

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/.

Resources for Rights Holders

Contact at Embassy Port Louis:

Patrick Kouchheravy
Economic Officer
+230 2024410
KoucheravyPE@state.gov

For a list of local lawyers, see: http://mauritius.usembassy.gov/attorneys.html

MAURITIUS RESOURCES

Mauritius Industrial Property Office
Ranjive Beergonaut
Acting Controller
+230 210 2085714
rbeergonaut@govmu.org

Mauritius Rights Management Society
R. Ramrukheea
Officer in Charge
+230 454 0706
copyrightsoc@intnet.mu

Mauritius Chamber of Commerce & Industry
Raju Jaddoo
Secretary-General
+230 2083301
mcci@intnet.mu

8. Transparency of the Regulatory System

Since 2006, the GOM has brought major reforms to trade, investment, tariffs, 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 economies. Mauritius also has a long-standing tradition of public-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, participates in the discussions with and presents papers to the authorities on laws and regulations affecting the private sector.


However, investigations by the new government that took power in December 2014 indicate that the allocation of a number of government contracts and state lands by the previous administration lacked the legally required transparency and were characterized by cronyism and corruption. In the 2015/2016 Budget, the new government announced that all contracts will henceforth be allocated after full and transparent tender procedures. The Public Procurement Act will be amended accordingly.

9. Efficient Capital Markets and Portfolio Investment

The GOM welcomes foreign portfolio investment. The Mauritius stock market 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.

Since its launch in 1989, 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. Market capitalization has grown 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 Morgan Stanley Capital International included SEM in the 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 one of only four countries in Africa to be included in the new indices. The SEM has also been included in the DOW Jones SAFE 100 Index launched in March 2009 by the South Asian Federation of Exchanges (SAFE). Bloomberg has tracked SEM’s daily data live since 2008.

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.

**Money and Banking System, Hostile Takeovers**

Mauritius has a relatively sophisticated banking sector with 21 banks currently licensed to undertake banking business. According to the Banking Act of 2004, banks are free to conduct business in all types of currencies, including the Mauritian rupee. There are also several non-bank financial institutions authorized to take deposits, as well as foreign exchange dealers. There are no official government restrictions on foreigners opening bank accounts in Mauritius, nor are there restrictions on payments or transfers for current international transactions, but some banks may require letters of reference or proof of residence for their own due diligence.

The banking system is 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. 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. The Bank of Mauritius has endorsed the Core Principles for Effective Banking Supervision as set out by the Basel Committee on Banking Supervision. In April 2015, the central bank revoked the banking license of Bramer Bank, a subsidiary of BAI Group, for failure to meet the minimum cash reserves ratio. The GOM created a new bank, the National Commercial Bank Ltd, to take over Bramer’s deposits and other accounts. It is expected that the GOM will sell the bank to private enterprise once it is well established.

**10. Competition from State-Owned Enterprises**

The GOM 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: power and water utilities (energy and mining); television broadcasting (media and entertainment); and postal services.

The government maintains 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. The government also invests in a wide variety of Mauritian businesses through the State Investment Corporation, under the leadership of the Ministry of Finance.

Two parastatal entities are involved in the importation of agricultural products, the Agricultural Marketing Board (AMB) and the State Trading Corporation (STC). The AMB ensures that the supply of certain basic food products is constant and their prices remain affordable. It is the sole
importer of garlic, but since 2008 the AMB no longer has an import monopoly over onions, turmeric and cardamom. The STC is the only authorized importer of petroleum products, liquefied petroleum gas, and flour. SOEs purchase from and supply to private sector/foreign firms.

**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.

**Sovereign Wealth Funds**

In 2015 the Minister of Finance announced that the GOM will set up a Legacy Sovereign Fund that will invest for future generations. One percent of total government revenue collection will be credited to the Fund each year. Moreover, all proceeds from the sale of government properties will be credited to the Legacy Sovereign Fund for long-term investment. According to the Minister, the Fund will be answerable to the National Assembly to ensure accountability and transparency.

**11. Corporate Social Responsibility**

The GOM 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.

Previously, all CSR projects were subject to review and approval by a central government committee. However, in March 2015, the Minister of Finance announced in the 2015/2016 Budget speech that it will remove almost all CSR guidelines, aside from the two percent rule, and henceforth companies will be free to allocate their CSR funds according to their own set of priorities.

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.

**OECD Guidelines for Multinational Enterprises**

Mauritius does not adhere to the OECD Guidelines for Multinational Enterprises.
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 in police custody of a popular singer from the Creole (African) Mauritian community. The GOM 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 in December 2014, which passed without incident.

13. Corruption

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.

In its 2014 Corruption Perceptions Index Transparency International rank Mauritius 47th out of 177 countries. Also, the 2014 Mo Ibrahim Index of African Governance ranked Mauritius first among 52 countries for the eighth consecutive year. Although Mauritius remains among the least corrupt countries in Africa, perceptions of corruption in the country are worsening, following some recent high-profile investigations and arrests for alleged corruption in the previous administration. According to a recent survey carried out by a local consulting firm SraConsult, the police as an institution is perceived to be the most corrupt, followed by the Customs Department, and the local government institutions (municipalities and district councils).

Although Mauritius’ generally positive reputation for transparency and accountability has been hurt by the recent high-profile scandals, U.S. investors have not identified corruption as an obstacle in conversations with Embassy personnel.

UN Anticorruption Convention, OECD Convention on Combating Bribery

Mauritius has signed and ratified the UN Anticorruption Convention. It is not a signatory of the OECD Convention on Combating Bribery.

Resources to Report Corruption

Mr. H. Aujayeb
Director-General
Independent Commission against Corruption
Marine Road, Port Louis, Mauritius
+230 206 6633
info@icac.mu
14. Bilateral Investment Agreements

In 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.

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

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

As of December 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.

15. OPIC and Other Investment Insurance Programs

The Overseas Private Investment Corporation (OPIC) has an investment agreement with Mauritius. Mauritius is eligible for the full range of OPIC investment insurance programs. Mauritius is also a member of the World Bank’s Multilateral Investment Guarantee Agency.

16. Labor

Mauritius estimates that in 2014 its total employment stood at 531,200 up from 525,700 in 2013. The unemployment rate decreased to 7.8 percent in 2014 from 8 percent in 2013, with a high concentration of joblessness among youth and women. The 44,500 unemployed people included 19,900 males (45 percent) and 24,600 females (55 percent). Around 18,800 (42 percent) of them were 25 years old or younger. The labor force in Mauritius includes approximately 30,000 foreign workers, mainly from Bangladesh, India, China, Sri Lanka, and Madagascar. Most of
them are employed in textile factories but some are in construction, tuna canning, and the hotel and catering sectors.

The labor market remains relatively flexible, but is burdened by a skills mismatch between supply and demand and a shortage of qualified middle management. In the 2015/2016 Budget, the Minister of Finance announced that the government will support the conversion of three campuses (currently under construction) into Polytechnics to offer courses in middle management, ICT, tourism, hotel management, healthcare (nurses and medical technicians). Moreover, the government directed the University of Mauritius to develop "crash courses" in fields with high job prospects. The government will cover the cost of fees amounting to USD 2,500 per student.

Mauritius has ratified all of the International Labor Organization (ILO)'s eight fundamental conventions. The Employment Rights Act and the Employment Relations Act came into force in February 2009 with the main objectives of revising and consolidating existing labor and industrial relations laws (which were more than 30 years old), liberalizing the labor market, and enhancing 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. These laws provide for the rights of workers, including foreign migrant workers, to form and join independent unions, conduct legal strikes, and bargain collectively.

With the exception of police, the Special Mobile Force, and persons in government services who were not executive officials, workers are free to form and join unions and to organize in all sectors, including in the Export Oriented Enterprises (EOE) formerly known as the Export Processing Zone. However, there are certain statutory restrictions to the right to strike, deemed in consistent with the ILO respective conventions. These include (1) compulsory recourse to arbitration, or to long and complex conciliation and mediation procedures prior to strike actions. (This process calls for labor disputes to be reported to the Commission for Conciliation and Mediation only after meaningful negotiations have occurred and a deadlock between the parties involved has been reached--a process that is not to exceed 90 days unless the parties involved agree. When all these steps are followed and no compromise is reached, the workers may call a strike.); (2) the requirements with regards to establishing necessary quorum and obtaining majority in a ballot to call a strike; (3) strikes concerning general economic policy issues are prohibited; (4) trade unions are not allowed to organize strikes at the national level; (5) the Prime Minister has the authority to request the Supreme Court to prohibit a strike (albeit organized legally) and refer the dispute to arbitration, if the strike is deemed likely to seriously affect an industry or service or to threaten employment; and (6) other statutory restriction, e.g. the Public Order Act prohibits demonstrations during the sittings of the Parliamentary Assembly, thus effectively restricting the right to strike.

Worker participation in an unlawful strike is sufficient grounds for dismissal, but workers may seek a remedy in court if they believe their dismissals were unjustified. The law prohibits antiunion discrimination but does not provide for reinstatement of workers fired for union activity. Dismissed workers can turn to the Industrial Relations Court to seek redress. National labor laws cover all workers, with exceptions in the EOE pertaining to overtime.
Trade unions are independent of government. 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. The last major strike affecting the economy took place in 1979. In 2014, there were two strikes in the sugar industry and public transport sector but these were resolved through negotiations facilitated by the Minister of Labor. 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. In recent years, however, striking or protesting foreign workers have been deported rather than reaching agreement with their employers or government.

Despite the law, antiunion discrimination remained a problem in the private sector. Some employers in the EOE reportedly continued to establish employer-controlled work councils for EOE workers, effectively blocking union efforts to organize at the enterprise level. Approximately 59,000 persons worked in the EOE; only 10 percent belonged to unions. None of the trade unions in the EOE include migrant workers as members.

Additionally, migrant workers are reportedly likely to experience unequal treatment, particularly with regard to accident compensation. The National Pensions Act (NPA), under which foreign nationals may not benefit from the insurance scheme unless they have resided in Mauritius for a continuous period of not less than two years.

The government of Mauritius 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.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

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 both foreign and domestic 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. 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.
The GOM, in collaboration with the private sector, has also been 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.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

<table>
<thead>
<tr>
<th>Economic Data</th>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
<th>USG or international Source of Data: BEA; IMF; Eurostat; UNCTAD, Other</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Foreign Direct Investment</th>
<th>Host Country Statistical source*</th>
<th>USG or international statistical source</th>
<th>USG or International Source of data: BEA; IMF; Eurostat; UNCTAD, Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Host country’s FDI in the United States ($M USD, stock positions)</td>
<td>2014</td>
<td>0.5</td>
<td>2013</td>
</tr>
</tbody>
</table>

| Total inbound stock of FDI as % host GDP | 2013 | 2.6% | 2014 | N/A | |

*Bank of Mauritius estimate based on total 2013 inflow of MUR 9.512 billion or approximately USD 264 million.

Table 3: Sources and Destination of FDI

Mauritius has put significant effort into developing its offshore finance sector in recent years. A significant amount of FDI in the region is intended for other countries/economies in the region.

<table>
<thead>
<tr>
<th>Direct Investment from/in Counterpart Economy Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Top Five Sources/To Top Five Destinations (US Dollars, Millions)</td>
</tr>
<tr>
<td>Inward Direct Investment</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>Total Inward</td>
</tr>
<tr>
<td>United States</td>
</tr>
<tr>
<td>India</td>
</tr>
<tr>
<td>United Kingdom</td>
</tr>
<tr>
<td>Cayman Islands</td>
</tr>
<tr>
<td>Singapore</td>
</tr>
</tbody>
</table>

"0" reflects amounts rounded to +/- USD 500,000.
Source: IMF Coordinated Direct Investment Survey

Table 4: Sources of Portfolio Investment

<table>
<thead>
<tr>
<th>Portfolio Investment Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Five Partners (Millions, US Dollars)</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>All Countries</td>
</tr>
<tr>
<td>India</td>
</tr>
<tr>
<td>China, P.R.</td>
</tr>
<tr>
<td>Indonesia</td>
</tr>
<tr>
<td>South Africa</td>
</tr>
<tr>
<td>United Kingdom</td>
</tr>
<tr>
<td>All Countries</td>
</tr>
<tr>
<td>India</td>
</tr>
<tr>
<td>China, P.R.</td>
</tr>
<tr>
<td>Indonesia</td>
</tr>
<tr>
<td>South Africa</td>
</tr>
<tr>
<td>United Kingdom</td>
</tr>
<tr>
<td>All Countries</td>
</tr>
<tr>
<td>India</td>
</tr>
<tr>
<td>United States</td>
</tr>
<tr>
<td>Singapore</td>
</tr>
<tr>
<td>South Africa</td>
</tr>
</tbody>
</table>

Source: IMF Coordinated Portfolio Investment Survey

19. Contact for More Information

Shariff Jathoonia  
Economic/Commercial Specialist  
U.S. Embassy Port Louis  
4th Floor, Rogers House, John Kennedy Avenue, Port Louis, Mauritius  
+230 202 4464  
jathoonisx@state.gov