

The law in Mauritius provides for two main categories of Global Funds:

1. Open-ended Fund, also known as a Collective Investment Scheme ('CIS'); and
2. Close-ended Fund, commonly known as the Private Equity Fund.

The Critical aspects of the CIS are as follows:

1. The sole purpose is the collective investment of funds in a portfolio of securities, or other financial assets, real property or non-financial assets as may be approved by the FSC.
2. The operation is based on the principle of diversification of risk.
3. It has the obligation, on request of the holder of the securities, to redeem them at their Net Assets Value, less commission, or fees.
4. The participants do not have day to day control over the management of the property, whether they have the right to be consulted or to give directions in respect of such management.
5. Includes closed-end funds whose share or units are listed on a securities exchange.
6. Excludes such schemes as are specified in the Securities Act 2005.

Type/Class of Shares:

Mauritius company law allows the Fund to structure its share capital in the most flexible and investor friendly manner possible.

Most funds are multi-class and rights of the different classes may differ.

It is typical for investment managers to hold voting shares that do not participate in economics of the Fund, while investors hold participatory shares.

Share Capital/Shareholders

Different classes of shares can be issued and rights of the different classes may differ.

Shares can be of par value or no par value.

Shares may be redeemable, non-voting or confer preferential, special or limited rights to income, capital or voting as specified in the constitution (by-laws).

NAV Calculation of CIS (Closed End Fund)

Generally, must be signed off in Mauritius prior to circulation to investors.

New Enhanced Substance Requirements

Licensing conditions include, inter alia, carrying out of its core income generating activities at all times in, or from, Mauritius by:

1. employing, either directly or indirectly, 1 qualified person to carry out the core activities, and
2. having a minimum level of expenditure of USD 30,000.