

Asia Market Intelligence

Mauritius

Presence

The HSBC Group has had a presence in Mauritius since 1916. With 11 full-service branches and a wholly-owned subsidiary, HSBC provides a wide range of corporate and personal banking services to customers in the country. HSBC aims to provide a personalised range of high quality banking services, with particular emphasis on its global capabilities.

HSBC Bank (Mauritius) Limited is a wholly-owned subsidiary of the HSBC group. HSBC Mauritius works closely with the Group's international network, which includes offices situated in countries that have signed Double Taxation Avoidance Treaties with Mauritius.

Population:
1.26 million

Total Area:
2,040 sq km

Currency:
Mauritian Rupees (MUR)

Capital:
Port Louis

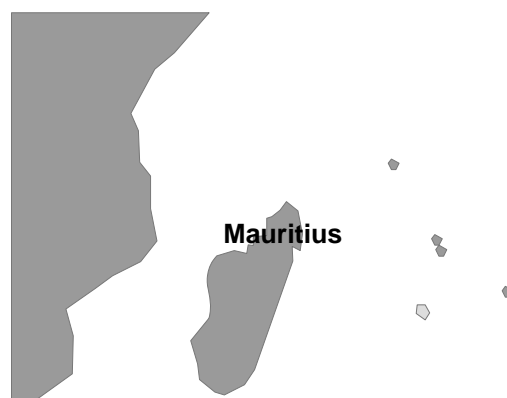
Major Languages:
English (official language), French (widely spoken), Creole (local dialect)

Time zone:
GMT + 4 hrs

Central bank:
The Bank of Mauritius

Gross domestic product
14.1bn total (2007); 4.6% real growth rate (2007); 11,152 per capita (2007)

Inflation rate (consumer prices)
10.7% (2007)



HSBC 
The world's local bank

Clearing Systems and Payment Instruments

CLEARING SYSTEM	COMMENTS
MACSS (Mauritius Automated Clearing and Settlement System)	This is a specially designed large-value interbank payment system, which is based on real-time gross settlement (RTGS) principles. It was introduced on 15 December 2000 and is operated by the Bank of Mauritius. The cut-off time is 3:30pm.
Paper Cheque Clearing	Cheque clearing takes place at the Port Louis Clearing House, with cheques physically exchanged and clearing information and settlement done through MACSS by the submission of electronic files to the Bank of Mauritius. Cheque payments between customers of the same bank typically take one working day to clear; between customers of different banks it takes two working days.

- As Mauritius does not have a local automated clearing house (ACH) system allowing for high-volume low-value payments between banks, MACSS is used for all electronic payments. There is no minimum payment value requirement for using the system.
- As mentioned earlier, anti-money laundering requirements have tightened appreciably and the purpose of all payments must now be stated.

Banking System and Bank Accounts

- The central bank is the Bank of Mauritius, which acts as the local regulator for the banking industry. It does so within various acts of legislation, including the Banking Act 2004, Bank of Mauritius Act 2004, Companies Act 2001, and Financial Intelligence and Anti Money Laundering Act 2002.
- Out of a total of 19 banks active in Mauritius, there are four main banks, two of which are local (The Mauritius Commercial Bank and State Bank of Mauritius) and two are foreign (HSBC and Barclays). Many of the remaining banks consist of single branches.
- Although there are no particularly onerous or unusual requirements for opening bank accounts in Mauritius, legislation regarding money laundering has recently tightened appreciably in the country.
- The following types of bank accounts are currently available:

ACCOUNT TYPE	LOCAL CURRENT	LOCAL SAVINGS	FOREIGN CURRENT	FOREIGN SAVINGS
Resident	Yes	Yes	Yes ¹	Yes
Non-resident ²	Yes	Yes	Yes ¹	Yes
Credit interest	No	Yes	Yes	Yes

1. Foreign currency cheque books are not available.

2. For opening of non-resident accounts, a letter of introduction from an acceptable bank may be required.

Cash Management Products and Services at a Glance*

INVESTMENT PRODUCT	TRANSACTION MANAGEMENT		LIQUIDITY MANAGEMENT
	PAYMENTS	COLLECTIONS	
<ul style="list-style-type: none"> • Time deposit • Treasury bills 	<ul style="list-style-type: none"> • Cheques/demand drafts • Electronic payments • Corporate credit cards • Direct debits • Payments Advising 	<ul style="list-style-type: none"> • Cash collection • Cheque collection 	<ul style="list-style-type: none"> • Overdraft facilities • Auto-sweeping (In country)

* Cash management services are delivered via HSBCnet, HSBC's electronic banking systems.

Legal, Company and Regulatory

- For non-banking financial services, the local regulator is the Financial Services Commission.
- The Companies Act 2001 provides for several types and categories of companies:
 - Domestic company;
 - Company holding a Category 1 Global Business Licence; and
 - Company holding a Category 2 Global Business Licence.
- These companies may be:
 - **Limited by shares:** A company formed on the principle of having the liability of its shareholders limited by its constitution to any amount unpaid on the shares respectively held by the shareholder.
 - **Limited by guarantee:** A company formed on the principle of having the liability of its members limited by its constitution to such amount as the members may respectively undertake to contribute to the assets of the company in the event of its being wound up.
 - **Limited by both shares and guarantee:** A company whose constitution limits its life to a period not exceeding 50 years from the date of its incorporation. However, this period may be extended to a maximum of 150 years. Its constitution contains the specific matters as laid down in the law.

Liquidity, Currency and Tax

- Mauritius has free and liberal financial and money market policies with no exchange controls.
- Investment instrument options for surplus liquidity are simple; most companies use term deposits.
- Corporate income tax rate is 15%.
- There are two classifications of companies operating in the global business (offshore) sector:
 - **GBC1 Companies:** Category 1 Global Business Companies; and
 - **GBC2 Companies:** Category 2 Global Business Companies.

Each classification has a different tax regime. A GBC1 is taxed on its chargeable income at the corporate income tax rate of 15%, but can claim a deemed foreign tax credit of 80%, thus resulting in an effective tax rate of 3%. This rate can be further reduced if the actual foreign tax paid on the chargeable income is higher. A GBC2 is tax-exempt.

- Capital gains are exempt in Mauritius.
- There is no withholding tax on interest paid to companies and non-resident individuals.

Market Watch

- Mauritius has a number of double taxation agreements already in place and is currently looking to establish more. The government is generally keen to provide incentives for the financial services industry to expand in the country. By establishing a favourable tax regime, the intention is to attract more foreign direct investment.
- Of notable importance is a USD500m investment agreement struck between the Tianli Group of China and the Government of Mauritius, resulting in the creation of the Mauritius Tianli Economic and Trade Cooperation Zone, which is expected to lead to the creation of 7,500 direct and indirect jobs.

Contact

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Banking hours:

Mon – Thu

9.00am – 3.30pm

Fri

9.00am – 4.00pm

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