

THE VARIABLE CAPITAL COMPANY (VCC) IN MAURITIUS

The VCC is an alternate structure for fund promoters and investors willing to engage in the creation of funds with several special purpose vehicles (SPVs) and sub-funds under a unique structure. **It enables quite some flexibility in incorporating a multitude of fund types and fund structures under a fund of funds**, with the potential of keeping the ease of reporting to different stakeholders. As a new addition to the landscape of collective investment schemes and Closed-End Funds for the jurisdiction, the structure is duly regulated by the Financial Services Commission of Mauritius. The VCC Fund for any client will eventually be licensed and incorporated as a Global Business Corporation (GBC) for the main fund, irrespective of the number of SPVs and sub-funds attached to it.



SPVs for the VCC Fund or Sub-Funds

The SPV under a VCC will be capable of acquiring, holding and disposing of assets. A SPV can act as a vehicle ancillary either to the VCC or to any of its sub-funds with the approval of the Commission. Thereby any SPV under the structure can choose to have a separate legal personality from the main VCC Fund.



Sub-Funds

Sub-funds under a VCC are ring fenced, therefore shielded against interfund contagion in terms of assets and liabilities. **VCC caters for its sub-funds to be structured either as collective investment schemes (CIS) or Closed-end Funds (CEF)**. A sub-fund can also act as a feeder fund or a master fund. Each sub-fund can also elect to have a separate legal entity.



VCC Corporate Governance

The promoters or main investors of the VCC stays the same for all the different entities under it. However, for the sub-fund/SPV having a legal personality, the directors of the VCC Fund, unless stated otherwise in its Constitution, should remain the same for all its other entities.

At incorporation or migration of the VCC, the FSC through oversight of the structure ensures that the VCC Fund is in line with regulations binding the FSA, Securities Act, Securities Regulations 2008, FSC Rules and guidelines, VCC Act and other relevant laws. As a GBC, any VCC Fund and by extension all its entities are expected to carry the same registered address, therein electing a sole management company in Mauritius. Furthermore, the VCC Fund can have a single CIS Manager, CIS Administrator, Custodian or other service providers or each sub-fund can appoint its own set of service providers as defined earlier.



DTOS Fund Services

- Assist in setting up a stand-alone VCC or an umbrella entity with SPVs and sub-funds
- Convert an existing company into a VCC
- Redomicile a foreign company to a VCC in the jurisdiction of Mauritius
- Offer a comprehensive range of compliance services including provision of MLRO, Compliance Officer, independent audit and adherence to Financial Intelligence and Anti-Money Laundering (FIAMLA) etc.
- Offer a personalised quote according to its management and administration costs and a detailed list of mandatory fees payable to the authorities according to number of entities within the main structure.

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