

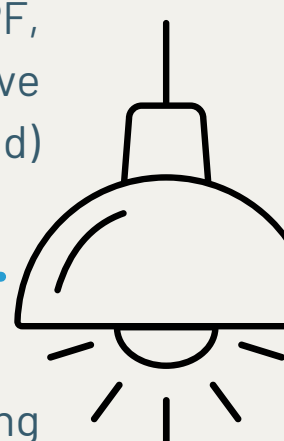
SPECIAL PURPOSE FUND ("SPF")



What is a SPF?

A SPF is a Collective Investment Scheme ("CIS") or a Closed-End Fund ("CEF") which is authorised by the Financial Services Commission ("FSC") as a Special Purpose Fund.

The measures announced in the 2019/2020 National Budget include the modernising of the existing Special Purpose Fund regime to provide further flexibility and ease access to new markets. In line with this measure and its object to study new avenues for the development of the Financial Services Sector, the FSC has issued the Financial Services (Special Purpose Fund) Rules 2021 to govern SPF, effective as from 6 March 2021. These new rules have replaced the Financial Services (Special Purpose Fund) Rules 2013.



What's new?

The 2021 Rules remove restrictions such as an SPF being required to:

- conduct investments solely in countries that do not have a tax arrangement with Mauritius; or
- invest mainly in securities whose returns were exempted from taxation.

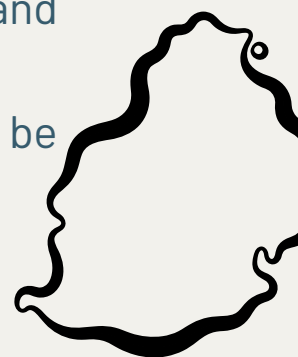
Instead, the 2021 Rules provide for no definitive criteria regarding the classification of an SPF. Rather, the FSC has the prerogative to use its discretionary powers to authorise and impose such conditions as it may deem necessary for a CIS or a CEF to operate as an SPF.



What are the requirements for a CIS/CEF to be authorised as a SPF?

The FSC may authorise a CIS or a CEF as a SPF if the fund will:

- offer its shares, solely by way of private placements, to investors having competency, significant experience and knowledge of fund investment;
- have a maximum of 50 investors and a minimum subscription of USD 100,000 per investor;
- at all times, firstly be managed by a CIS manager; and secondly be administered by a CIS administrator;
- comply with any such other conditions as may be imposed by the Commission.



Can the SPF invest in Mauritius?

Yes, investments can be made within as well as outside of Mauritius while benefitting from tax exemption provided in the Income Tax Act.

Read more at:

- <https://www.fscmauritius.org/media/2089/consolidated-fs-spf-rules.pdf>
- <https://www.fscmauritius.org/media/101850/faqs-spf.pdf>
- <https://mauritiusifc.mu/global-funds>
- <https://www.dentons.com/en/insights/articles/2021/may/27/a-welcome-change-to-the-special-purpose-fund-in-mauritius>