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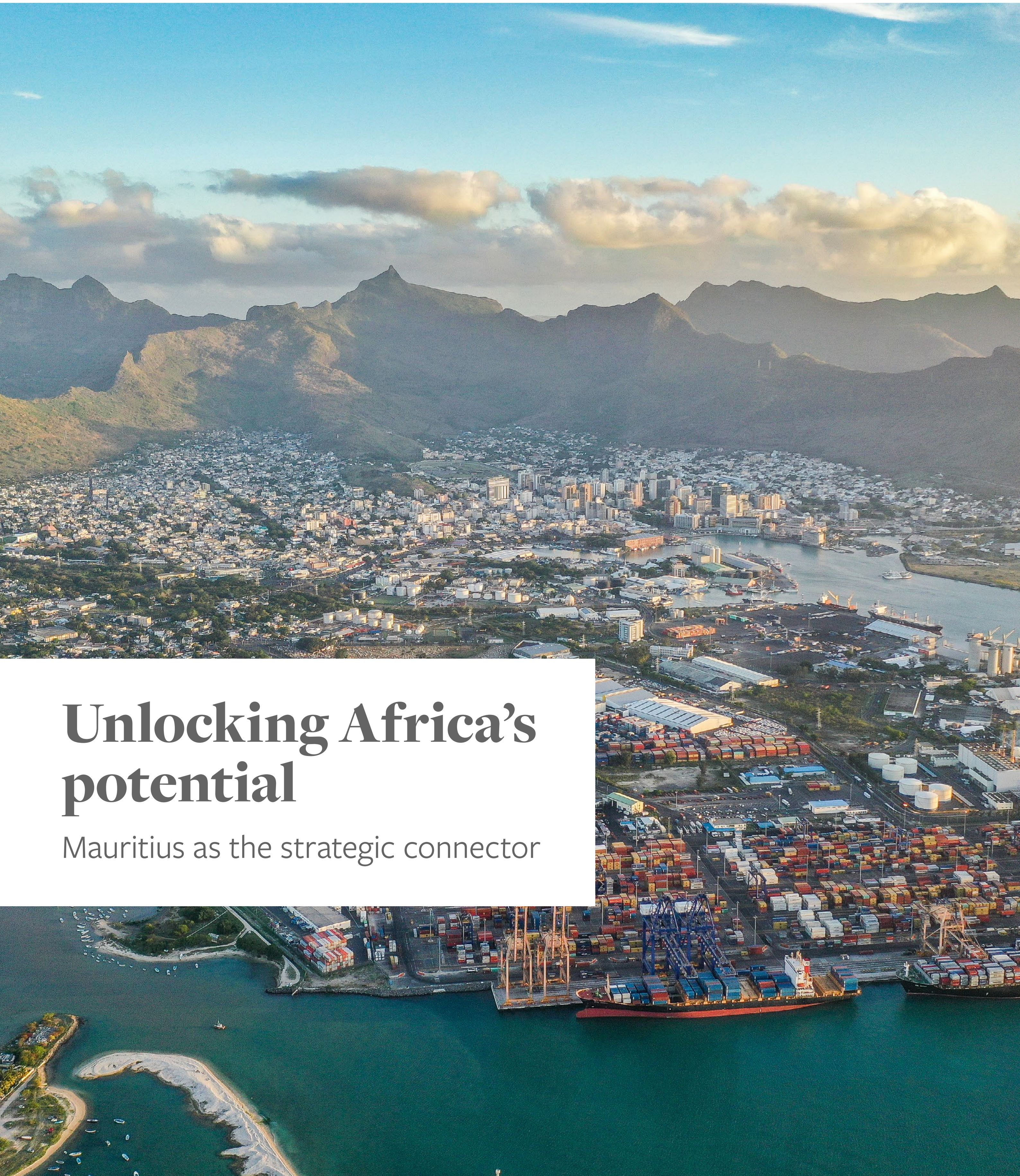

Unlocking Africa's potential

Mauritius as the strategic connector

Contents

Foreword

Mauritius continues to strengthen its position as a leading international financial centre (IFC), serving as a strategic gateway for investment into Africa. Its attractive blend of a robust legal framework, extensive double taxation treaty network and investor-friendly incentives underpins its appeal to fund managers, asset owners and corporates alike.

The jurisdiction's hybrid legal system and access to the UK Privy Council provide strong legal certainty, while ongoing regulatory enhancements, such as ESG fund regulations, align Mauritius with global sustainability trends. However, industry participants emphasise the need for streamlined regulatory coordination and proportional compliance requirements to foster a more accessible and competitive environment.

Mauritius's tax advantages, skilled bilingual workforce, reliable infrastructure and strategic time zone further solidify its role as a regional hub for fund administration and wealth management, while growing interest in innovation (across areas such as climate finance, tokenised assets and digital services) positions Mauritius to capitalise on emerging investment trends.

Looking forward, Mauritius must continue evolving its regulatory frameworks, embrace digital transformation and support diverse fund managers through targeted initiatives to ensure it remains resilient and maintain its competitive edge.

In August 2025, IQ-EQ hosted an exclusive panel in Johannesburg titled Unlocking Africa's potential: Mauritius as the strategic connector, which explored how Mauritius, as a resilient and forward-looking IFC, is uniquely positioned to link global capital with Africa's dynamic investment landscape.

Moderated by **Lorna Pillay,** IQ-EQ's Head of Corporates and Asset Owners for Africa, India and the Middle East, the panel featured insightful contributions from:

Navin Ramparsad, Head of Financial Planning, Advice and Product Development at ABSA Private Wealth Banking

Tanya Goncalves, Head of Investor Relations and Impact at Metier

Pazani Vaitilingon, Chief Commercial Officer for Africa, India and the Middle East at IQ-EQ

Craig Saven, Executive and Head of Banking and Finance Practice at ENS

Puseletso Mbele, Founder and Managing Partner at Sompisi Crescent Investments.

Here, we're pleased to provide a detailed narrative summarising the main discussion themes and key insights shared at the event, not only spotlighting Mauritius as a strategic connector for Africa, but recognising challenges and obstacles when investing in Africa, identifying specific areas of investment opportunity, and highlighting a number of emerging market trends.

Navigating fundraising challenges and shifting investor sentiment

Tanya Goncalves opened the discussion by addressing the evolving fundraising landscape in Africa:

"Fundraising over the last 18 to 24 months has been difficult. The continent hasn't performed in the way investors expected, especially in less developed countries. Investors' strategies are shifting. They prefer multi-country funds rather than one-country plays. South Africa, once considered unattractive to development finance institutions, is 'getting romantic again,' especially among DFIs."

She highlighted geopolitical shifts influencing investment decisions:

"With tensions in Europe and other global issues, national interests are increasingly shaping investment decisions. Some investors expect allocations to Africa to decline as money is redirected to sectors like defence."

She also pointed out the impact of returns on fundraising:

"Between 2012 and 2024, over 1,500 private equity deals took place, but only 500 exits – a three-to-one investment-to-exit ratio. If we can't return capital, it's difficult to bring in new funds."

Pockets of opportunity and strategic cooperation

Echoing Tanya Goncalves's insights, **Puseletso Mbele** noted that quick fundraising days are over, especially for emerging managers:

"Performance remains a challenge, but there are still pockets of interest. DFIs and private investors are collaborating increasingly, especially around infrastructure, climate change and agriculture."

She also observed a shifting narrative around South Africa:

"For a long time, South Africa was overlooked, seen as too developed for DFIs but not attractive enough commercially. Now, South African managers are outperforming peers, making it a key gateway into the continent."

Puseletso highlighted growing momentum in private credit and permanent capital vehicles as more appropriate for African investors.

Opportunities and obstacles in African investment hubs

Craig Saven brought sector-specific insights, focusing on food security as a priority for DFIs:

"We see deals from DRC to West Africa, but structuring is critical. Land tenure issues in some countries make traditional financing difficult because you can't mortgage land as you might in South Africa. Short-term revolving credit facilities also pose challenges for investors looking for longer-term commitments."

He raised concerns about liquidity and exchange controls in jurisdictions such as Ethiopia and South Africa:

"Investors worry about policy changes that could affect exit options and capital repatriation."

From a wealth management perspective, **Navin Ramparsad** discussed investor diversification trends:

"Many clients are entrepreneurs or family businesses expanding across Africa. They need structures to facilitate cross-border growth and portfolio diversification to mitigate market risks."

He added: "There's growing demand for structured investment solutions that offer capital protection while providing market exposure, a move away from traditional sovereign bonds and mutual funds."

Navin also highlighted the increasing need for compliant, transparent solutions that meet evolving investor requirements.

Mauritius: A gateway for African investment

Mauritius has long positioned itself as a trusted and dynamic investment hub, providing expert investor credit structures and efficient fund administration. This reputation makes it an ideal platform for outbound African investment, offering a blend of political stability, regulatory robustness, and a skilled workforce.

Goncalves highlighted key factors distinguishing Mauritius as a preferred destination:

"Mauritius has always had strong political stability, with democratic institutions that enforce the rule of law and a smooth transition of power. This gives international investors confidence to entrust their funds to Mauritius."

Despite stringent compliance requirements adding complexity, she sees these as enhancing credibility:

"Funds domiciled in Mauritius benefit from robust processes and procedures, which supports fundraising and fund management."

Tanya also pointed to Mauritius's bilingual professional workforce, fluent in English and French, along with its reliable infrastructure and strategic time zone bridging Europe, Africa and Asia, as further enhancing the jurisdiction's appeal to international investors.

Building on Tanya's insights, **Pazani Vaitilingon** detailed Mauritius' competitive advantages:

"With over three decades of experience since establishing the Mauritius IFC, the jurisdiction ranks 13th globally on the Ease of Doing Business Index."

He explained: "The legal system is a hybrid of French civil law and English common law, and the ability to appeal to the UK Privy Council provides investors significant legal comfort. Mauritius is also emerging as an international arbitration centre."

He noted that tax incentives play a crucial role:

"Mauritius boasts 46 double taxation avoidance agreements and 29 investment protection and promotion agreements. There's no withholding tax on dividends, no exchange controls, and the partial exemption tax regime can reduce effective tax rates to around 3%. Some tax credits can eliminate tax liabilities entirely."

Pazani also highlighted investor-friendly incentives such as the Global Headquarters regime, which provides up to ten years of tax holidays, making Mauritius an ideal base for companies seeking regional scale.

Turning to private wealth, **Navin** highlighted trends shaping the South Africa–Mauritius corridor:

"Business diversification, tax-efficient planning, centralised asset management for geographically dispersed families and family governance are the four main drivers."

He noted the magnitude of wealth transfer underway:

"The largest intergenerational wealth transfer in history is underway, estimated at $75 trillion to $100 trillion globally, with South Africa alone accounting for about $650 billion. This demands careful planning through structured governance locally and offshore."

Navin emphasised the strength of the IQ-EQ partnership with South African private wealth clients:

"Our clients appreciate Mauritius not just as a destination but for IQ-EQ's regulatory compliance and proximity, which facilitates seamless investment flows into Africa."

Lorna echoed the importance of early private wealth planning:

"Trust and timing are critical. Planning with trusted advisors ensures your wealth is protected and positioned for future generations."

Emerging trends in African sustainable finance

The conversation then shifted towards innovation and sustainability reshaping Africa's investment narrative. Environmental, social and governance (ESG) factors, along with diversity, equity and inclusion (DE&I), are no longer peripheral but central to capital deployment decisions. **Pazani** highlighted growing interest in clean technology, renewable energy and decarbonisation, particularly the carbon credits market:

"This year, we've seen a striking increase in enquiries about carbon credits, signaling a new sector attracting investment attention."

He pointed to regulatory momentum in Africa, citing Mauritius's ESG fund regulations effective 1 August 2025:

"Funds promoting ESG criteria must obtain regulatory approval and maintain transparent, independently verified sustainability certifications. This aims to curb greenwashing and build investor trust."

Craig shared examples of technology adoption in sustainable sectors:

"From traceable cocoa beans ensuring ESG compliance in supply chains to app-based motorbike ride services addressing transportation gaps, technology is a crucial enabler."

He emphasised the ongoing importance of solid fundamentals alongside innovation:

"Good corporate governance, reliable financials, and robust management remain key to successful investments."

Pazani also stressed AI's rising role in fund management:

"While there is no unified approach tailored for African fund managers yet, about 60% already use digital platforms to improve reporting and stakeholder management – a major shift from manual processes."

Regarding digital transformation, **Pazani** referenced a recent report showing:

"82% of surveyed private equity professionals worldwide still rely heavily on manual tools like Excel, but 96% of GPs believe technology is a real lever for value creation, with 93% ranking digital transformation among their top three priorities in the next two years."

Key initiatives include seamless investor onboarding and integrated reporting platforms to enhance transparency and security.

Looking ahead: Mauritius' role in Africa's investment future

Looking forward, panelists shared their visions for Mauritius' evolving role in supporting African cross-border investment:

Craig Saven foresees Mauritius maintaining its pivotal position as a central holding company jurisdiction, connecting African investments with Asia and Europe through efficient structures and product innovation. "Mauritius will continue to play a central role as a holding company jurisdiction, connecting capital between Africa, Europe and Asia through efficient structuring and product innovation."

Tanya Goncalves hopes for stronger collaboration among Mauritius' investment bodies to act as bridges, facilitating access to new pools of capital for fund managers. "We need to see more alignment between the various Mauritius-based investment bodies. It's not just about promoting Mauritius, but about being bridges, helping fund managers connect to new pools of capital."

Navin Ramparsad emphasised the importance of maintaining a competitive yet robust regulatory environment, advocating for industry consolidation to prevent unsustainable competition threatening sustainability. "Maintaining a competitive regulatory framework is key, but the market also needs some level of consolidation. Too many players chasing the same small pool of capital can threaten long-term sustainability."

Puseletso Mbele stressed the ongoing need to mobilise funds effectively across the continent and encouraged more collaboration between private equity managers and fund administrators to build stronger ecosystems. "To mobilise capital effectively across the continent, we need stronger ecosystems, and that means more collaboration between private equity managers and fund administrators."

In closing, **Pazani** rejected the simplistic notion of Mauritius as merely a "gateway" to Africa, instead presenting it as a strategic ecosystem builder supporting sustainable finance instruments such as green bonds, tokenised assets and virtual asset services (VAITOS):

"These innovations are critical to making investment more accessible, liquid and inclusive for all stakeholders."

Lorna echoed this sentiment, noting that "Mauritius isn't just an IFC; it's a critical enabler unlocking investment into Africa's diverse markets through innovative structures and investor-friendly policies."

The panel conversation underscored Mauritius' evolving role as Africa's strategic connector, driving sustainable, impactful investment across the continent through innovation, robust regulation and collaborative ecosystems.

Overview of Mauritius as a competitive and innovative financial hub

Mauritius continually evolves to meet the demands of global investors. Its strategic geographic position, combined with a mature regulatory environment, positions the jurisdiction as a preferred gateway to African markets. Ongoing efforts focus on strengthening coordination among regulatory bodies and promoting investor-friendly policies to maintain and enhance its appeal.

Navigating regulatory and compliance challenges

- Stakeholders recognise the need for clearer regulatory guidance, especially around ESG funds and emerging digital assets
- Coordination between financial institutions and promotional agencies is essential to streamline processes and reduce overlap
- Ensuring regulatory frameworks remain agile will be critical to adapting to global market shifts and investor expectations

Opportunities and challenges in fund and wealth management

- Mauritius' extensive treaty network and favourable tax regime provide significant benefits for fund structuring and wealth planning
- Compliance and reporting demands, however, may increase operational complexity, particularly for smaller managers
- Growing demand for bespoke wealth solutions driven by family governance and cross-border business expansion highlights the jurisdiction's role in private wealth

Fostering innovation and sustainable investment

- Interest in climate finance, renewable energy and tokenised assets is accelerating, with Mauritius poised to be a regional leader in these sectors
- While technology adoption in fund administration is progressing, further investment is required to fully realise digital transformation benefits.

Get in touch

For additional support, or to discover how we can put our compliance expertise to work for you, contact our team.

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