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At a crossroads

Mauritius: sustaining its relevance to India in a shifting landscape





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Foreword

The financial services partnership between Mauritius and India began in the 1990s with the inception of the Mauritius International Financial Centre. As India's economy underwent transformation, a Double Taxation Avoidance Agreement (DTAA) established Mauritius as the preferred investment hub for India.

Today, financial services form the cornerstone of the Mauritian economy, contributing approximately 13.4% to GDP in 2024. The jurisdiction's appeal stems from its robust legal framework, extensive treaty network, skilled bilingual workforce, reliable infrastructure, strategic time zone and investor-friendly incentives – factors that continue to attract fund managers, asset owners and corporate investors.

However, recent challenges have emerged. The DTAA renegotiation has amended key provisions that could dampen the island's appeal. Meanwhile, Singapore and Dubai have strengthened their positions, and India has established GIFT City, its own international finance centre with global ambitions.

These developments raise a critical question: how can Mauritius maintain its role as a key facilitator of investment flows to India amid these shifting dynamics? And how can innovation safeguard and enhance this established partnership?

In September 2025, IQ-EQ hosted an exclusive Mumbai Speaker Series event, entitled **“At the Crossroads: Can the Mauritius IFC sustain its relevance in a shifting landscape?”** The event explored how Mauritius can retain its competitive edge in India's evolving investment landscape through resilience and forward-thinking strategies.

The event featured two sessions. The panel discussion, moderated by **Pazani Vaitilingo**, Head of Commercial, Mauritius, featuring insights from:

- **Kunal Shah**, Partner at Price Waterhouse & Co LLP
- **Pooja Mehta**, Partner at RegFin Legal
- **KG Subramaniam**, Managing Director and CFO at Nexus Venture Partners
- **Rajat Bansal**, Managing Director at Lok Capital
- **Rehma Imrith**, Managing Director of Mauritius at IQ-EQ

The fireside chat, led by **Khushboo Chopra**, Head of Business Development for India, and included thoughtful testimonials from:

- **Jahnvi Parekh-Javeri**, Deputy CFO at Lighthouse Funds
- **Rahul Mehta**, Financial Controller at TrueNorth
- **Muskaan Khilnani**, Manager of Fund Strategy and Operations at 8i Ventures

This paper distills key themes from these discussions, examining the Mauritius-India relationship and the critical role of innovation and regulatory reform in sustaining it, and the practical need for fund managers to carefully evaluate their options and choose the right partner.



Mauritius and India benefit from strong economic ties

The Mauritius International Financial Centre (MIFC) has historically served as a primary connector for investment in India due to its robust financial ecosystem, tax efficiency, and the tried-and-tested route it offers to foreign investors.

Over the last three decades, the MIFC has re-engineered its offering to align with international best practices and demonstrate resilience in the face of mounting challenges to sustain its intrinsic value proposition.

Pazani Vaitilingon opened the discussion by highlighting the strong economic relations between India and Mauritius:

“Back in 2021, the Mauritius and India governments entered into the Comprehensive Economic Cooperation and Partnership Agreement, or CECPA. At that time, it was the first trade agreement India had signed with an African country, which gives you an indication of the role that Mauritius plays – and the value India attributes to that relationship.”

He highlighted key statistics showcasing strong investment inflows into India, structured from Mauritius:

“Cumulative foreign direct investment (FDI) equity inflows from Mauritius to India in the period from April 2000 up to March 2025 amounted to US\$180 billion (bn) or around 25% of the total FDI that went into India over this period. And Singapore’s contribution at the time was 24%.”

However, he cautioned that the tide is shifting in favour of Singapore, which raised the question of whether the MIFC is still viable and how its relevance can be sustained:

“From 2018-19 onwards, Singapore has emerged as the largest source of FDI for India. In H1 2025, Mauritius contributed around US\$5.34 bn, against US\$7.5 bn from Singapore. So, the tide has changed.”



Complementary role of the Mauritian jurisdiction

Kunal Shah of Price Waterhouse & Co LLP noted that, post-2018, when the India-Mauritius DTAA was amended, there was a re-look at funds from Mauritius to India. However, he observed that the relationship has stabilised over time and feeder funds in particular continue to be based out of Mauritius for GIFT International Financial Services Centre (IFSC) funds.

“Mauritius will always be complementary and not competing with other jurisdictions. Hence, it will have its own space. We still see a lot of India-based funds wanting to set up a presence in Mauritius, even if we were to look at a GIFT IFSC fund.”

He also highlighted the major fund categories where Mauritius continues to play a key role:

“Many global funds will continue to use Mauritius because of the ease of doing business and the convenience of setting up very quickly and cost effectively. The second category of funds still looking at Mauritius very closely is venture capital. The third play is pooling vehicles, which have been significantly tried and tested in Mauritius. Finally, the fourth category, which is becoming popular, is India-outbound investments. When India Inc. is trying to invest outside India, people set up Mauritius structures and platforms because this provides significant flexibility from multiple perspectives – local corporate law, taxation, and doing business.”



Best-in-class ecosystem with a strong regulatory framework

KG Subramaniam of Nexus Venture Partners noted how the investment ecosystem in Mauritius has become best-in-class, but is suffering from perception issues.

“Nexus has many of its funds pooled in Mauritius for the investors, as the whole ecosystem was really conducive and offering best-in-class facilities. In the last 15 years, many of the issues faced by Mauritius were due to various factors other than Mauritius itself.”

Rajat Bansal from Lok Capital, which was advising four funds out of Mauritius, asserted that the strategy of a general partner (GP) is almost entirely decided by the preferences of the limited partners (LPs), who take a positive view of the island as a compliant jurisdiction:

“From a fund structuring perspective, given that our LP base is entirely institutional, including a lot of development finance institutions and sovereign capital, our experience tells us that number one on the agenda for them is governance and transparency. And, especially in the last few years, that’s an area where Mauritius has really come up the curve with very good regulations and compliance around AML and KYC. So that’s a big benefit that a lot of our LPs see.”

In terms of tackling perception issues, **Rajat** saw government-level talks as a key mechanism to build trust between the jurisdictions.



Offering investors a seamless experience with a single point of contact

Commenting on the ease and efficiency of setting up new funds in Mauritius from a legal paradigm, **Pooja Mehta** of RegFin Legal explained that the experience in Mauritius is seamless, with fund administrators providing a single point of contact and ensuring a uniform interface.

“The whole ease of operation part comes from the fact that it’s a one-point or one-stop connect we have with the administrator. So even at our end, most of the work is handled directly through the administrator in Mauritius. And the administrators themselves are quite solution-driven, be it in terms of costing or technical structuring or operational aspects. So, from a law firm’s perspective, I think it’s much easier to navigate a direct relationship with the Mauritius-based fund manager when setting up funds there.”

However, she signaled that certain regulatory developments were posing competitive threats to the jurisdiction, such as exemptions provided by the Indian government to make GIFT City more attractive to investors.

“There have been certain relaxations provided by the Indian government for GIFT City fund set-up, be it opening of non-resident Indian (NRI) participation, overseas portfolio investment (OPI) from an Indian unlisted entity, or a third-party plug-and-play model. The Indian regulatory authorities have come up with these exemptions, which provide a competitive edge to funds set up in GIFT City.”



The view from Mauritius: innovating to stay ahead of the curve

Rehma Imrith, Managing Director for Mauritius at IQ-EQ, emphasised how innovative structures such as the variable capital company (VCC) concept and targeted regimes like the Special Purpose Fund (SPF) regime – as well as best-in-class regulations such as the disclosures pertaining to ESG funds – have helped Mauritius take a huge stride forward in investor perception.

“Within the past decade, there have been many products and offerings coming into the jurisdiction. The first was the VCC concept, which gives a lot of flexibility to fund managers looking to set up sub-funds within a single legal structure while having different strategies, be it hedge funds or private equity. The second one, which came around 2021, is the SPF regime, which is very interesting for fund managers looking at light-touch regulation and tax exemptions. The most recent development is the disclosure and regulation pertaining to ESG funds. In our jurisdiction, we have several fund managers setting up ESG-focused funds, but until recently we didn’t have a framework to regulate that.”

Rehma further noted that the MIFC continues to work on keeping pace with international norms on compliance, regulations and transparency, with proactive changes to its supervisory framework



“Today, when we look at the recommendations of the Financial Action Task Force (FATF), Mauritius is among the first few countries to have ticked all the 40 recommendations relating to AML and CFT. The regulator keeps introducing new laws to make sure we are properly regulating certain innovative products. For example, the VAITOS Act, which came into force in 2022, regulates virtual assets, and we’re increasingly seeing fund managers launching virtual asset funds in Mauritius. The beneficial ownership regime, which also came in a few years ago off the back of FATF recommendations, aims at making sure the regulator is collecting accurate information on beneficial owners of all legal entities in a timely manner.”



Towards a revamp of the Mauritian funds regime

Certain changes are sorely needed to ensure Mauritius stays relevant to investors, according to **Rehma**, who outlined five key changes that fund managers should watch out for:

1. Revamp of securities legislation

“Our securities legislation is more than two decades old now, and there is a need to have a full revamp of that piece of law. This is very high on the agenda of the Ministry of Financial Services.”

2. Possibility of a manager-led fund licence as a new product

“The second thing that’ll be very beneficial for fund managers is a manager-led fund licence. Currently, the law regulates the fund administrator, the fund manager, as well as the funds. However, with the introduction of the manager-led fund licence, there will be a streamlining, such that the manager will be licensed, but that manager can have a suite or several funds that they manage, without those funds being heavily regulated (as is currently the case).”

3. Known-to-the-commission concept: fast-track regime for established funds

“The third development to watch out for is the known-to-the-commission concept. A number of you have got your first, second, third follow-on funds in Mauritius, but, despite that, you go through the same application process as a new fund manager. So, the regulator is looking at putting down a red-carpet service and having a relationship manager for these types of fund managers, to really streamline the application process and narrow down the timeline for setting up a fund in Mauritius.”

4. Tailor-made fund regime for emerging fund managers

“We also have a number of emerging fund managers or start-up fund managers looking to launch their first fund. Again, there’s a lengthy process, and a lot of regulations tied to our fund industry, but the regulator is looking at having a tailor-made fund regime for these new fund managers.”

5. Centralised CDD repository

“The last one, similar to what you have in India, is the centralised customer due diligence (CDD) repository. This has been on the agenda and in the budget for some time now.”



Advice for future fund managers eyeing Mauritius as a domicile

Rehma emphasised that the jurisdiction has stood the test of time and that a lot of effort has been put into making sure service providers such as IQ-EQ keep increasing the breadth of their offerings and the range of their products in order to keep Mauritius relevant.

Rajat noted that entering a jurisdiction is a long-term play for a fund manager, and observed that the longevity of a jurisdiction is a good proxy to measure up and see if one's efforts would pay off. **KG Subramaniam** added that fund managers must first pick the right structure based on their fact pattern.

Pooja emphasised that Mauritius makes for a jurisdiction that is cost-effective, investor-friendly, and provides flexibility in terms of structuring.

Finally, **Kunal** wrapped up the discussion by predicting that: "By the time everybody in the room retires, Mauritius will doubtless continue to be relevant. So, I think we should all predicate our comfort on that."

He highlighted that each IFC will offer some unique value proposition, which a fund manager must evaluate against their own unique reason for setting up a structure – for example, depending on whether the manager is focused on fundraising, substance, cost or balancing multiple strategies.

"I think it requires a careful study of the LPs that you're targeting. What is the LP base you're looking for, what is the objective that you want to achieve, what is the overall cost and the tax efficiency that you want to build in the structure? This is what will ultimately help you to determine where and how you need to set things up."



Lessons learned from experience of the Mauritius IFC

Sharing her experience in the fireside chat, **Jahnvi Parekh-Javeri**, Deputy CFO at Lighthouse Funds, explained that they had advised funds based out of Mauritius for more than 15 years:

“The fact that offshore investors still opt to pool into Mauritius is a testimony itself to the experience that we and our investors have had. It’s been positive for us.”

Rahul Mehta, Financial Controller at TrueNorth, added that their experience of advising clients and funds based out of Mauritius, over almost 25 years, has been very positive overall. He noted that the jurisdiction has evolved to become more stable and consistent:

“We have seen how comfortable investors have got with Mauritius, with the structures, with the regulatory framework.”

Muskaan Khilnani, Manager, Fund Strategy and Operations at 8i Ventures, outlined a mixed experience since starting their operations in Mauritius back in 2019:

“In the short span of six years, we’ve had a very weird graph, if I may say, because we’ve transitioned between admins and our experience has been completely different in both angles. But obviously, because I’m here today, it has been positive.”



The speakers also shared their perspectives on the importance of having the right partners in place. **Jahnvi** commented that they saw the administrator as an extension of their team:

“You need the right person who understands the business and who understands the sensitivities around it, be it timelines, or even how you interact with investors. These are very important aspects in a fund management business. We’ve been fortunate to get a very good team at IQ-EQ, supporting the funds that we advise. But I would say it is extremely, extremely important to get the right set of people working with you there.”



Rahul echoed **Jahnvi's** remarks, underlining that the selection of partners is a critical decision as the extended team needs to have not only the 'doer' capabilities, but also the strategic input and understanding:

“In our case, where we have advised clients based out of Mauritius, investing into India, it's not only understanding the local regulations, but also cross-border regulations with India. What are those requirements? Those are the ideas that come up from the service partner, which is very important.”

Muskaan recounted her experience of moving from a different service provider to IQ-EQ Mauritius, which now provides on-ground support as an extended team:

“The more they understand how we operate as fund manager, the easier the work gets. Obviously the timelines, the sensitivity of the deal execution, all of that matters, as well as the local network with IQ-EQ being rightly connected, whether it's to the regulator or other partners – all of that helps us in advising other Mauritian funds as well.”

In terms of lessons learned, the one piece of advice which **Jahnvi** would offer to new fund managers, or fund managers who wish to do follow-on funds in the Mauritius IFC, is to evaluate all your options very carefully:

“For a private equity fund like ours, with long-term investors, when you launch a fund you are easily talking about 10 to 12 years of being in that jurisdiction. So, with that kind of time commitment, you need to understand the jurisdiction and requirements well, and obviously choose the right partners or service providers, be they administrators or bankers, because what worked for me may not work for you because of different facts.”

Rahul offered a piece of very simple advice:

“From my interactions with investors, I've found that choosing the right jurisdiction requires viewing the decision through three lenses. First, a microscope, to examine the macroeconomic conditions. Second, a telescope, to assess the depth of due-diligence, compliance and regulatory requirements. And third, a stethoscope, to gauge the pulse of the regulator and government.”

Winding up the discussion, **Muskaan** placed a strong emphasis on evaluation and planning for setting up the fund, while having the right service provider by your side:

“Retail and family office investors are usually comfortable with Mauritius. Institutions, as well, were always comfortable with Mauritius. You must consider the type of fund you are raising, the type of LPs that are going to enter your fund, and obviously the extension of the team. So, with the right service provider and the right network, your fund should be up and running.”



Partner with IQ-EQ for your Mauritius fund structure

As this discussion has highlighted, the Mauritius International Financial Centre continues to offer compelling advantages for fund managers investing in India – from its robust regulatory framework and extensive treaty network to its cost-effectiveness and operational efficiency. While the landscape is evolving, Mauritius has demonstrated resilience through innovation, regulatory reform and a commitment to international best practices.

Success in this jurisdiction, however, depends critically on choosing the right partner. As our panellists emphasised, your administrator should function as an extension of your team – bringing not only operational expertise but also strategic insight, local regulatory knowledge, and a deep understanding of cross-border requirements.

IQ-EQ has been supporting fund managers in Mauritius for over 30 years, providing comprehensive fund administration services that combine technical excellence with personalised service. Our team understands the nuances of the Mauritius-India corridor and can help you navigate regulatory requirements, optimise your structure and deliver the seamless investor experience your LPs expect.

Whether you're launching your first fund, considering a follow-on vehicle, or evaluating Mauritius against other jurisdictions, our team is here to help you make informed decisions aligned with your strategic objectives.



Get in touch

Get in touch to discuss how we can support your fund's success in Mauritius.



Rehma Imrith

Managing Director, Africa

[E rehma.imrith@iqeq.com](mailto:rehma.imrith@iqeq.com)



Pazani Vaitilingon

Head of Commercial, Mauritius

[E pazani.vaitilingon@iqeq.com](mailto:pazani.vaitilingon@iqeq.com)



Shafiq-Ur-Rahmaan Soyfoo

Head of Funds and Asset Managers

[E shafiq.soyfoo@iqeq.com](mailto:shafiq.soyfoo@iqeq.com)



Lorna Pillay

Head of Corporates and Asset Owners

[E lorna.pillay@iqeq.com](mailto:lorna.pillay@iqeq.com)



Ashveen Dussoye

Director - Business Development

[E ashveen.dussoye@iqeq.com](mailto:ashveen.dussoye@iqeq.com)

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