



Mauritius: A Unique Platform for Investing in Africa

IMARA
INVESTING
IN AFRICA

IMARA TRUST COMPANY (MAURITIUS) LIMITED

MAURITIUS: A UNIQUE PLATFORM FOR INVESTING IN AFRICA

Africa is becoming increasingly attractive as an investment destination due to huge growth potential in this, so far, scarcely exploited continent. Mauritius currently has Double Taxation Agreements with 14 African countries (Botswana, Kenya, Lesotho, Madagascar, Mozambique, Namibia, Rwanda, Senegal, Seychelles, South Africa, Swaziland, Uganda, Zambia and Zimbabwe) and has a number of other DTAs awaiting signature and/or ratification.

There are specific advantages for setting up and administering Investment vehicles in Mauritius for investments in Africa:

Capital Gains tax minimization

Capital Gains tax, where imposed in Africa, are generally levied at a rate ranging from 30-35%. However, the Double Taxation Agreements in force in Mauritius restricts taxing rights of capital gains to the country of the seller of the assets. Since there is no capital gains tax in Mauritius, the potential tax savings for a Mauritius registered company are significant.

Although many African states do not currently impose capital gains tax, should any of them happen to implement such tax, the only protection against changes in domestic tax law in the country of investment is the use of the DTA.

Minimising Dividend Withholding tax

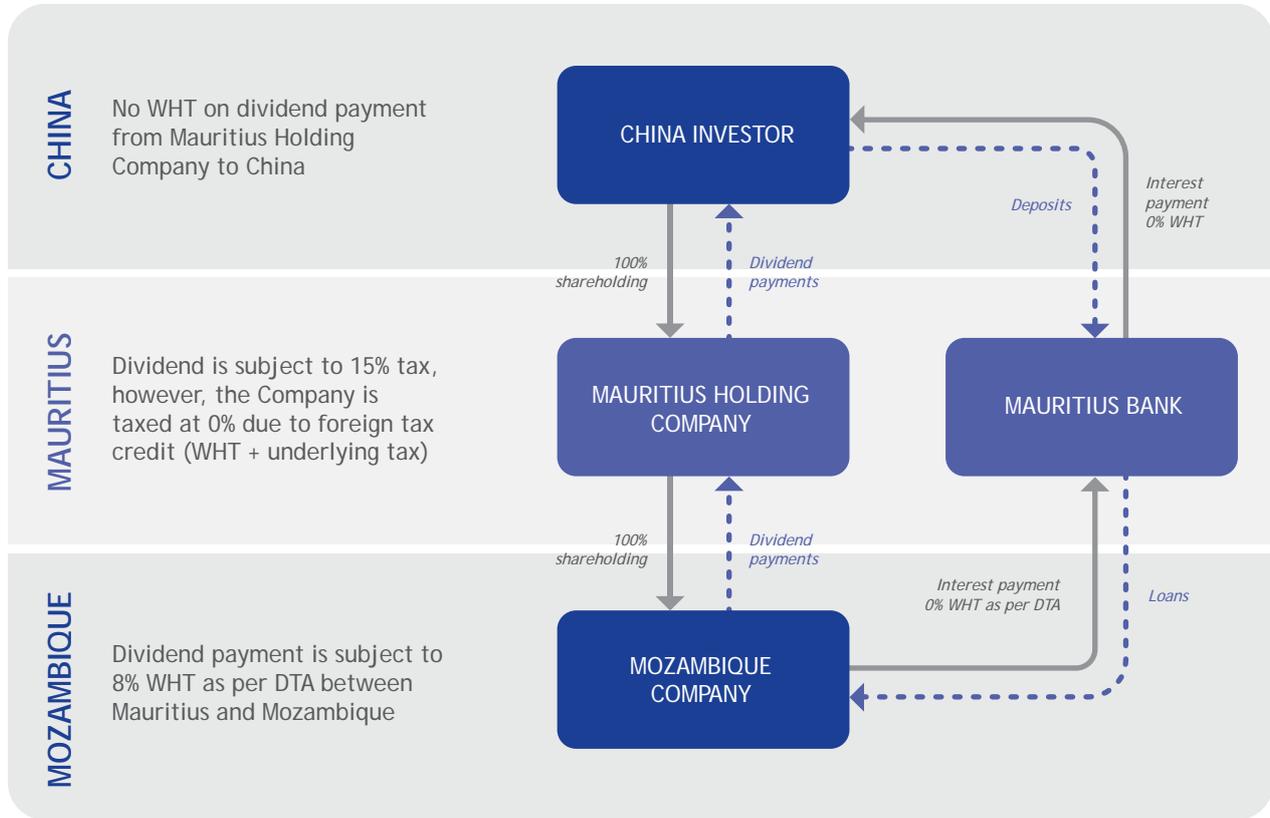
The majority of African states impose some withholding tax on dividends paid out to non-residents. These vary between 10% and 20%. The DTAs in force in Mauritius limit withholding taxes on dividend. The treaty rates are generally 0%, 5% or 10% thereby creating potential tax savings depending on the investee country. With respect to capital gains tax, the DTAs guarantee the maximum withholding tax rate should changes occur in the fiscal policy in the countries on investment.

Investment Promotion and Protection Agreements ("IPPA")

Mauritius being an African nation, has signed IPPAs with 15 African member states. The IPPA typically offers the following guarantees to investors from contracting states:

- > Free repatriation of investment capital and returns;
- > Guarantee against expropriation;
- > Most favoured nation rule with respect to the treatment of investment, compensation for losses in case of war or armed conflict or riot etc;
- > Arrangement for settlement of disputes between investors and the contracting states.

TYPICAL TAX STRUCTURE FOR INVESTMENT IN AFRICA



Imara Trust: The Investor's gateway to Africa

Imara Trust is a firm with strong experience in trust & corporate administration services and licensed as an offshore Management Company by the Financial Services Commission of Mauritius ("FSC"). We offer expert services in structuring, incorporation and administration of investment vehicles for fund managers, institutional investors and multinationals. We further advise high net worth individuals and families on various forms of private wealth management structures.

We are an associate of Imara Holdings Limited ("IHL"), a Botswana listed investment banking and asset management group renowned for its specialist knowledge of African markets. IHL has offices and associates in Angola, Botswana, Kenya, Malawi, Namibia, Nigeria, South Africa, United Arab Emirates, United Kingdom, Zambia and Zimbabwe.

The Group is an active participant in Africa's financial markets and maintains an extensive research coverage of regional equities. Funds under management exceed US\$ 460m and assets under administration exceed US\$ 2.16 billion. Imara Holdings Limited provides a range of specialised financial products and services, which can be broadly categorised into four operating divisions:

- > Asset Management (Institutional and Private Client)
- > Corporate Finance and Advisory Services
- > Securities
- > Trust and Corporate Administration Services

Imara Group subsidiaries are regulated by: NBFIRA in Botswana, the FSA (UK), the FSB, JSE, SAFEX (South Africa), SEC, ZSE and Reserve Bank of Zimbabwe, the FSC (Mauritius) and the Reserve Bank of Malawi.

With Imara Trust's team of corporate, legal, financial, accounting and banking experts working together, and the network of offices of the Imara Group, we are able to provide customized, strategic business solutions to you in order to minimize the risk and maximize the success of your business and investments in Africa and beyond.



As part of the Imara Group, we are uniquely positioned as the gateway to Africa for businesses from around the world.

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