Distinguished dignitaries,

Ladies and gentlemen,

A very good morning to you all.

It is gives me great pleasure to address such an august gathering in a country with which we shared very strong cultural, political, social and business ties for more than a century, which I am sure can only be further strengthened with time.

I wish to congratulate the International Fiscal Association (IFA) Western Regional Chapter (WRC) of India for taking such a laudable initiative to reflect on what has become practically inevitable in today’s global economy, that is, the emergence of a new landscape in international taxation. I am equally thankful to the IFA WRC for this address today.
Ladies and gentlemen, the current turmoil that the world economy is going through has caused policy makers across many countries to become very vigilant and adopt prudent measures that are in line with international norms and best practices. Strengthening transparency and accountability by ensuring necessary disclosures; enhancing sound regulation by enhancing regulatory regimes; and reinforcing international cooperation by formulating consistent global regulations to reinforce surveillance, combating money laundering and terrorist financing and promoting international tax information exchange; are just a few of the measures that are increasingly being adopted.

The recent report by the Global Forum on Transparency and Exchange of Information for Tax Purposes presented to G20 leaders at their summit in Mexico two weeks ago states that significant and steady progress is being made towards promoting cross-border exchange of information effectively and tackling tax evasion. According to the OECD, more than 800 cross-border exchange of information agreements have been signed globally
and 35 countries are now signatory to the multilateral convention on Mutual Administrative Assistance in Tax Matters, which offers a wide range of tools to facilitate cross-border tax cooperation in view of countering tax evasion. Growing adherence to automatic exchange of tax information mechanisms between countries have equally been noted in recent times.

I must here highlight that Mauritius has always, in line and in compliance with international norms and standards, been a cooperative and transparent jurisdiction. Mauritius has always been committed to fully comply with other Governments, authorities to ensure effective and timely exchange of information. To this end, the competent authorities have signed a number of Memorandums of Understanding (MOU) with leading financial centres and regulators around the world. As at date, the Financial Services Commission in Mauritius, the regulator of all non-banking financial institutions and activities, has signed MOUs with 20 regulators with respect to information exchange, including one with the Securities and Exchange Board of India (SEBI).
Effective exchange of information mechanisms are equally in place between the Revenue Department of India and the Mauritius Revenue Authority. It should also be noted that Mauritius has so far received around 170 requests for bank and tax information from India and all information requested have been duly submitted by the Mauritius authorities.

Ladies and gentlemen,

The Supplementary Peer Review Report on Mauritius which examines laws and regulations (Phase 1 reviews) and implementation of the international standard of transparency and exchange of information (Phase 2 reviews) was published by the Global Forum on Transparency and Exchange of Information for Tax Purposes in October last year. It is crucial to note that Mauritius is actually among the very few countries which has voluntarily agreed to do such a combined Phase 1 and Phase 2 assessment, the outcome of which fully supports the fact that Mauritius is wholly in line with the international movement towards
more transparency and exchange of information and that we have never refused to sign an exchange of information agreement. The same report equally emphasizes that over the years, Mauritius has developed a legal and regulatory framework that gives its competent authority broad access to the full range of foreseeably relevant information.

We do realize, that it is however necessary to strike a balance between the need for countries to administer and enforce their tax laws and privacy. To ensure this balance, the mechanism that we have in place ensures that:

i. Exchange of information is only done on request where it is “foreseeably relevant” to the administration and enforcement of the domestic laws of the treaty partner.

ii. No restrictions on exchange are caused by bank secrecy or domestic tax interest requirements.

iii. Rights of taxpayers are respected.

iv. Confidentiality of information exchanged is guaranteed.
Ladies and Gentlemen,

Mauritius has always been proactive and remains very committed to furthering transparency and substance in its financial centre. In the spirit of collaboration, we have taken a number of initiatives since 2006, favorably responding to requests made by other nations where relevant. To this end, I should mention that as at now, Mauritius remains the only treaty partner of India that has a mutually agreed Tax Residency Certificate mechanism in place.

In 2006, we actually agreed, as requested by the Indian authorities, to the issue of the Tax Residence Certificates (TRC) on an annual basis by the Mauritius Revenue Authority (MRA) in view of further boosting the mechanism of preventing any type of round tripping from happening through Mauritius. The TRCs are issued on very strict conditions including:

i. The company shall at all times have at least two directors resident in Mauritius;
ii. All meetings of the Board of Directors shall be held, chaired and minuted in Mauritius;

iii. The company shall at all times keep its accounting records at its registered office in Mauritius;

iv. The company shall ensure that all its banking transactions are channeled through a bank account in Mauritius;

v. Approval of relevant authorities or a legal opinion in necessary to ensure that there is no round tripping in the GBC1 transaction; and

vi. All GBC1s are required, as per law, to having their accounts audited as per IFRS principles, amongst others.

In addition to preventing round tripping we have agreed to India posting a tax information officer on a permanent basis at the Indian High Commission in Mauritius to strengthen and speed up the exchange of information between our two countries. And this arrangement is proving very efficient, as confirmed by the recent White paper on ‘Black Money’ issued by the Ministry of Finance of the Government of India in May 2012. The report states that an
effective and proven mechanism exists between India and Mauritius with respect to information exchange.

Ladies and gentlemen,

We remain dedicated to enhancing collaboration at all levels, be it:

i. **unilaterally** within established institutions in Mauritius;

ii. **bilaterally** between us and other nations, whereby we are signing more Tax Information Exchange Agreements and continuously upgrading our exchange of information provisions;

iii. **regionally**, Mauritius being an active member and currently President of the Eastern and Southern Africa Anti Money Laundering Group (ESAAMLG)

iv. **globally** through our signatories and compliance to international norms and standards.
We have also sponsored the membership of India in the Egmont group.

As the world moves towards more complex financial transactions and structures, it is imperative that international norms are adhered to. As an International Financial Center of high repute, Mauritius fully supports international initiatives for promoting greater convergence in the global financial standards and combating money laundering and terrorist financing such as the Financial Action Task Force (FATF), Basel, the International Organisation of Securities Commissions (IOSCO) and the International Association of Insurance Supervisors (IAIS). In this regards, I must equally highlight that one of the world’s most stringent and referred to Anti Money Laundering legislations, as viewed by leading international bankers, was enacted in Mauritius back in 2002. This clearly shows the proactiveness of Mauritius to prevent any kind of illicit transactions from being structured in the country. We fully support and join India in fighting any kind of...
Money Laundering and tax evasion schemes. We have introduced the requirement to identify beneficial owners.

We are equally determined to continuously innovate our product offerings. Over the last six months, we have introduced legislations allowing new products like Limited Partnerships and Foundations, cementing our position as a leading IFC.

Ladies and gentlemen,

What I have mentioned so far is clear testimony that Mauritius understands the importance of comprehensive tax information exchange and for jurisdictions to adhere to the same high standards of information exchange and cooperation in tax matters. As elaborated, we have all necessary elements in place to achieve effective exchange of information and further collaborate with respective authorities worldwide.

Mauritian institutions remain committed to fully collaborate as necessary with relevant counterparts. To this end, Mauritius engages itself to further secure and sign more Tax Information
Exchange Agreements (TIEAs) as well as enhance already existing exchange of information mechanisms, in its network of Double Taxation Agreements (DTAs).

Speaking about DTAs, I should highlight that much concerns have been raised lately in the media about the India Mauritius DTA. I wish to reaffirm, that following the meeting of Dr the Honourable Navinchandra Ramgoolam, Prime Minister of the Republic of Mauritius with Sri Manmohan Singh back in February this year during his State Visit to India, both nations are working towards achieving a win-win and mutually agreeable and beneficial solution to the concerns being raised by India, for which Mauritius has already made counter proposals.

The Indian Prime Minister reaffirmed, during the meeting I had this week with him that India will stand by Mauritius on economic, security ans matters of mutual interest. We remain convinced that through our on-going dialogue with India, within the framework of the Joint Working Group, the mutual interest of our two friendly
countries would be safeguarded, thus providing greater certainty and stability to the global investors’ community. The Joint Working Group on the India Mauritius DTAC will meet from 22 to 24 August in Mauritius.

Ladies and gentlemen,

It is true that Mauritius offers fiscal efficiency to global investors exploring primarily emerging markets and increasingly Africa. However, our benefits are not limited to our wide network of DTAs only (38 in total, 14 with Africa). Our jurisdiction is fast positioning itself as a risk mitigating platform for investing in Africa through its wide network of Investment Promotion and Protection Agreements (IPPAs) (37 signed, 19 with Africa). Mauritius also offers the best doing business environment in Africa as per the World Bank’s Doing Business Report. The same report ranks Mauritius 23rd globally. We equally excel in a number of rankings, including the:

i. Mo Ibrahim index of good governance (1st in Africa),
ii. Index of Economic Freedom (1\textsuperscript{st} in Africa & 8\textsuperscript{th} globally); and

iii. Forbes Best Countries for doing business (1\textsuperscript{st} in Africa & 19\textsuperscript{th} globally), to mention but some.

The Government of Mauritius remains strongly committed to further enhancing the position of Mauritius as the lead investment platform of choice for Africa. Chinese firms are already actively using Mauritius as their business hub and access centre for Africa. I am confident that as Indian corporate firms set to increase their footprints across Africa, Mauritius will become their natural platform and partner. In fact, figures published by the RBI confirm the fact that Indian firms prefer to use Mauritius for their outbound investments. From January this year till May end, total outbound investment made by Indian nationals through Mauritius amounted to nearly USD 600 million; thus positioning the jurisdiction as their preferred partner.

Ladies and gentlemen, on this note, I would like to wish you all a very successful second day of the conference and reassure you
of the commitment of Mauritius as a collaborative jurisdiction amidst changing landscape in international taxation.

Thank you.

*(7th July 2012, Mumbai, India.)*