MAURITIUS FINANCE

Mauritius International Financial Centre

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Interviews

Dr. the Hon. Jyoti Jeetun, Minister of Financial Services and Economic Planning

The Hon. Dhaneshwar Damry, Junior Minister of Finance

Capacity Building

Upskilling for the future: Shaping tomorrow's workforce

Digital Payments

Global trends inspiring Mauritian banks' payment innovation

Harnessing the power of AI and Blockchain:

A new Digital Era for Mauritius


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Harnessing the digital surge is axiomatic to a future-ready IFC,

because, in this global era of unprecedented digital acceleration, financial centres are being redefined not by their scale alone, but by their agility, regulatory foresight, and digital maturity. Mauritius is emerging as a nimble and forward-looking International Financial Centre, strategically aligning itself with the technologies shaping the next generation of global finance.

Artificial Intelligence (AI), blockchain, and FinTech are no longer considered disruptive novelties — they have evolved into foundational enablers of how financial centres operate, innovate, and grow. Across jurisdictions, the competitive edge increasingly rests on the ability to harness these technologies within a robust, trusted, and future-ready regulatory environment.

Anchored by a clear digital ambition articulated in the Government Programme 2025–2029, Mauritius has set out to become an intelligent island built on innovation, digital trust, and institutional resilience. Several key initiatives such as the National AI and FinTech Strategies, a comprehensive ICT Blueprint, and UNESCO's AI Readiness Assessment are already laying the groundwork, and are collectively providing the scaffolding for sector-wide digitalisation, with financial services firmly at the forefront.

Mauritius has already achieved notable regulatory milestones. The enactment of the Virtual Asset and Initial Token Offering Services Act positioned the jurisdiction as the first African jurisdiction to implement a FATF-compliant framework for virtual assets. Today, licensed Virtual Asset Service Providers in Mauritius have the ability to offer services such as tokenisation, custody, and digital asset exchanges, underscoring our commitment to regulatory innovation and international standards alignment. Complementing this, the various rules implemented by the regulatory authorities over the years have paved the way for AI-powered FinTech solutions—such as robo-advisory, algorithmic trading, and data-driven compliance, and the custody and domiciliation of virtual assets in funds and wealth management solutions.

Altogether, these regulatory advancements are forming a key pillar in shaping our IFC into a digitally inclusive and innovation-driven financial ecosystem.

Encouragingly, market adoption is keeping pace. Financial institutions are leveraging blockchain to enhance compliance and streamline administrative works, while AI is being increasingly embedded into processes such as client onboarding, transaction monitoring, and risk profiling; and generative AI tools are also being deployed to improve customer experience.

This digital momentum is redefining the value proposition of Mauritius as an IFC. At a time when global investors are seeking jurisdictions that combine digital agility with regulatory certainty, Mauritius offers a compelling and differentiated platform. With our fiscal advantages, bilingual legal system, and increasingly tech-savvy ecosystem, we can be uniquely positioned as a hub for an array of Tech-enabled products and services, including in cross-border investments, funds, and private wealth.

Having said the above, it is noteworthy that global competitiveness demands more than regulatory readiness. The journey ahead calls for sustained investment in digital skills, deeper innovation ecosystems, and a cohesive public-private strategy to bridge financial services with emerging technologies. Cross-border collaboration — particularly with like-minded regulators and innovation hubs — will be critical to scaling this vision.

Ultimately, Mauritius' global edge will lie in our ability to translate vision into execution, and to do so with integrity, agility, and purpose. As the world rewires its financial foundations through technology, Mauritius is poised not merely to adapt, but to lead — responsibly, strategically, and globally.

Faraz Rojid,
CEO, Mauritius Finance

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Harnessing the power of AI and Blockchain

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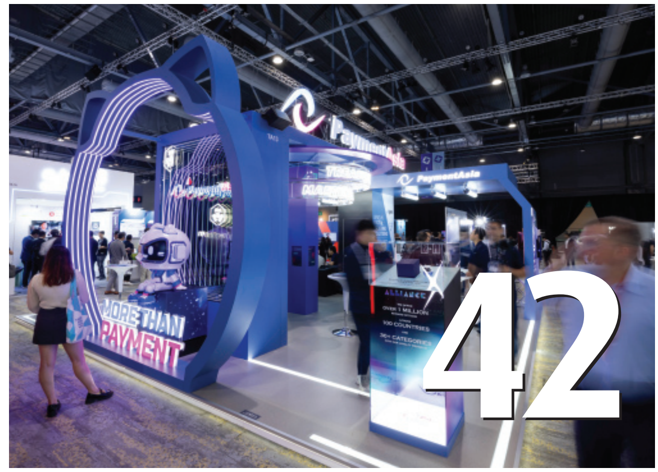
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Harnessing the power of AI and Blockchain: A new Digital Era for Mauritius

As Artificial Intelligence (AI) and Blockchain go beyond buzzwords and become powerful forces shaping the future of economies at large, we speak to experts in the Mauritian International Finance Centre (IFC) to understand how the island economy is putting in place the right regulatory frameworks and encouraging adoption of emerging technologies towards becoming the IFC of the future.

Earlier this year, the Government of Mauritius unveiled its vision for an intelligent island under the overarching Government Programme 2025-2029. Aptly entitled 'Bridge to the Future', the document sets forth a bold vision where AI is not only an enabler but a catalyst for transformation, redefining how Mauritians work, live, do business and interact with the world.

"At the heart of this transformation is a comprehensive ICT Blueprint that is currently being developed. This roadmap will define the future of the IT sector, ensuring that Mauritius remains at the cutting edge of digital advancements while fostering an innovation-driven economy," notes the Minister of Information Technology, Communication and Innovation of Mauritius, Dr. the Honourable Avinash Ramtohul.

The ICT Blueprint is far from an isolated development. In recent years, Mauritius has been laying the foundations of its digital economy framework, with a 'Future of Banking in Mauritius' roadmap being launched in September 2022, and the Mauritius Financial Sector Cyber Committee holding its first meeting in September 2023.

All these pieces of the digital transformation puzzle come together to show us what Mauritius can achieve if it is truly able to leverage these developments to provide digital payment, investment and innovation capabilities at scale to its businesses and individuals.

Building a best-in-class digital infrastructure in Mauritius

Dr. the Honourable Avinash Ramtohul elaborates that many initiatives have been undertaken to date to advance the digital landscape, including the implementation of transformative digital government projects and drafting of digital strategies. However, these initiatives encountered systemic issues, including fragmented implementation, reliance on legacy systems, and low user adoption by citizens and businesses.

"We are presently embarking on a 360-degree digital transformation of Government services – a transformation that will be built upon four key pillars: citizen engagement, data-driven decision-making, responsible governance, and transparency. Our Blueprint for the ICT sector, which is currently under preparation, is engineered to address the deficiencies we have seen in previous initiatives, by adopting a systemic, integrated approach aligned with global best practices," he explains.

The Minister goes on to unfold how a participatory and democratic approach will ensure inclusivity and relevance to the insights gathered for preparing the ICT Blueprint. "We have put in place engagement mechanisms which include sectorial workshops to facilitate direct interaction with stakeholders, allowing for open discussion, co-ideation and co-creation. We are also collecting views and suggestions through dedicated chatbots enabling continuous input from the public. This participatory approach ensures that the Blueprint reflects the collective vision and needs of all stakeholders, fostering a more responsive and sustainable development strategy in line with the principles of democracy, inclusion and fairness," he underlines.

Dr. the Honourable Avinash Ramtohul explains that a key component of the ICT Blueprint is the AI Readiness Assessment, which has already been successfully conducted with UNESCO. This assessment has provided valuable insights into Mauritius' strengths, gaps, and opportunities, ensuring that 'we move forward in AI adoption with a structured and internationally aligned approach'.

Meanwhile, the Financial Services Commission has taken firm strides in laying the groundwork for path-breaking innovation in Mauritius. In February 2022, the Virtual Asset and Security Token Offering Services Bill was enacted, making Mauritius the first jurisdiction in Africa to regulate virtual assets.

"Since its enactment, the VAITOS Act has positioned Mauritius as a frontrunner in Africa for virtual asset regulation, fostering a secure and innovation-driven ecosystem for Virtual Asset Service Providers (VASPs). The Act provides a clear regulatory framework, ensuring compliance with FATF standards while enabling VASPs to operate with legal certainty. Licensed VASPs have leveraged this regime to offer digital asset custody, exchange and tokenisation services, attracting global FinTech participants," explains the FSC.

The FSC notes that it constantly refines its approach through risk-based supervision and international collaboration, ensuring robust investor protection and financial stability. "This modern regulatory framework strengthens Mauritius' reputation as a progressive and trusted IFC for virtual assets. As at

"The comprehensive ICT Blueprint that is currently being developed will define the future of the IT sector, ensuring that Mauritius remains at the cutting edge of digital advancements while fostering an innovation-driven economy,"

Dr. the Honourable
Avinash Ramtohul,
The Minister of Information Technology, Communication and Innovation of Mauritius

date, 10 licenses have been issued for the different classes of VASP licenses," affirms the FSC.

When it comes to AI, the FSC notes that the Financial Services (Robotic and Artificial Intelligence Enabled Advisory Services) Rules 2021 have positioned Mauritius as a forward-thinking jurisdiction in AI-driven financial services.

"The regulatory framework provides FinTech players with clarity and confidence to develop automated advisory solutions while ensuring transparency, accountability and investor protection. Since its issuance, the FSC has seen gradual interest from firms integrating AI-driven wealth management, robo-advisory and algorithmic trading solutions. The framework's risk-based approach fosters responsible innovation while aligning with global best practices. Continuous engagement with industry stakeholders and adaptive regulatory oversight will ensure that Mauritius develops as an attractive hub for AI-enabled financial services, reinforcing its status as a competitive IFC," elaborates the FSC.

How a National AI Strategy can unite industry efforts to propel economic growth in Mauritius

Significantly, the Government programme 2025-29 mentions that a novel national AI strategy will be developed to set clear objectives and leverage its transformative power for fuelling economic growth in Mauritius.

The Minister explains that the National AI Policy currently being developed ensures that Mauritius embraces AI strategically, ethically, and in a manner that maximises national benefits. "This policy will define clear guidelines for AI deployment across key sectors, establish ethical AI principles, and ensure that AI is used to empower businesses, improve public services, and drive national productivity. It will set the framework for responsible AI adoption, emphasising transparency, accountability, and inclusivity, while also fostering a dynamic ecosystem for AI research and development. The National AI Policy will position Mauritius as a leader in AI-driven innovation, ensuring that we compete effectively in the global digital economy. It will also promote collaboration between the government, academia, and the private sector," he emphasises.

Indeed, as the Government programme 2025-29 puts in place the building blocks for cutting-edge innovation, operators of the financial services sector are gearing up to leverage the new digital infrastructure to better serve their clients.

Assad Abdullatiff, Managing Director of Axis Fiduciary Ltd, highlights that the Government's initiative to develop a National AI strategy is an important step towards harnessing AI's transformative potential for economic growth. As AI reshapes industries worldwide, it is already playing a critical role in financial services by enhancing efficiency, compliance, risk management and much more. At Axis Fiduciary, he explains that "we are exploring how blockchain can be embedded into our processes to enhance transparency, security, and efficiency in fund administration and compliance. Regarding digital assets, our focus has been about building the expertise and infrastructure to handle them effectively, ensuring seamless administration, compliance, and reporting for clients investing in this evolving asset class."

Shamima Mallam-Hassam, in her capacity as Managing Director of Trident Trust (Mauritius) Ltd, underlines: "We have embarked on a strategy whereby mundane, yet time consuming, processes will be automated with AI thereby enabling our employees to focus on more complex matters. The next steps will revolve around the integration of blockchain to further streamline our fund operations and reduce the risk of fraudulent transactions."

Shamima, who also serves as Chairperson of Mauritius Finance, adds that harnessing the powers of AI and blockchain in today's context is no longer a choice but a necessity.

For her part, Sangeetha Ramkelawon, CEO of BCP Bank (Mauritius) Ltd, considers that Artificial intelligence (AI) is advancing at an unprecedented pace, reshaping industries across the board – including banking. She emphasises the immense potential of AI, from enhancing customer experience and combating fraud to boosting productivity and operational efficiency. "However, while we benefit from these opportunities, we must exercise caution and responsibility. Every financial institution needs to approach AI adoption strategically, aligning it with its priorities and long-term vision. For us, the key is to take a progressive and pragmatic approach. We have initiatives to integrate AI to automate and streamline certain operational processes, making them more efficient and responsive. At the same time, we are exploring generative AI in a controlled

"The regulatory framework provides FinTech players with clarity and confidence to develop automated advisory solutions while ensuring transparency, accountability and investor protection."

The Financial Services Commission (FSC), Mauritius


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environment, focusing on specific areas to better understand its impact and potential. More than just implementing technology, our goal is to build a culture where AI is gradually embraced, ensuring that we develop the expertise and maturity needed before scaling up its use effectively. Ultimately, what matters most is not just leveraging AI but doing so in a way that fosters trust and transparency. Our customers need to know that while we are embracing innovation, their security and confidence remain at the heart of everything we do," she elaborates.

Finally, Shamin A Sookia of Perigeum Capital Ltd brings insights from the corporate finance world to bear on the adoption of AI in the Mauritian capital market. He explains that securities exchanges across the globe are investing heavily in new technology, leading to continuously decreasing trading costs.

"It is believed that AI trading technology would replicate some of the repetitive tasks people do, and that too, in an unprecedented manner. For instance, it might be argued that traditional investment firms might no longer require hundreds of brokers, analysts and advisors working under them. Whether the Stock Exchange of Mauritius will be able to follow suit depends on numerous factors, including the capacity to reach the critical mass of trading volume that will yield real efficiency in the financial market ecosystem, the alignment of all market participants in terms of adapting and implementing AI in their respective processes and the ability to attract international players to our jurisdiction," he avers.

Establishing a new FinTech Strategy for the island

Crucially, to boost the island's credentials in innovation, the Government Programme mentions that a National FinTech Strategy will be developed, under the auspices of the United Nations Economic Commission for Africa (UNECA) in collaboration with the Mauritius Africa FinTech Hub (MAFH).

Shamima Mallam-Hassam notes that the Government adheres to a proactive approach towards the FinTech sector and, over the years, several legislative acts have been introduced or amended, paving the way for a National FinTech Strategy.

"We have seen the introduction of the Virtual Assets and Initial Token Offerings Act, the amendment of the Securities Act for security tokens, the licensing of Payment Intermediary Services under the Financial Services Act and Payment Service Providers under the National Payment Systems Act, and the introduction of rules for Peer-to-Peer lending, crowdfunding, and AI-driven advisory services. The National FinTech Strategy is a welcome move as it will help in consolidating Mauritius' offering to investors and will provide a secure launchpad for FinTech companies contemplating cross-border expansion," she notes.

For his part, Assad Abdullatiff explains that the development of a National FinTech Strategy is a significant step toward positioning Mauritius not only as a premier fund jurisdiction, but also an international financial centre (IFC) based on innovation. He gives the example of Luxembourg which enacted the Blockchain Law IV in December 2024 to strengthen the jurisdiction's legal framework for blockchain in the financial sector. This cutting-edge legislation facilitates the use of distributed ledger technology (DLT) for issuing securities, introduces the role of a control agent for overseeing DLT-based securities, and expands DLT applications to various financial assets, including tokenisation of physical assets, elaborates Assad.

"The competitive landscape in this area is such that only those jurisdictions that can innovate, are financially inclusive, and making the right regulatory advancements, will survive. Therefore, I believe that a well-defined FinTech framework will not only be useful but necessary to ensure that Mauritius remains competitive as an IFC, to attract investment, and to position the country as a hub for FinTech-driven initiatives. However, like any strategy, its true impact will depend on effective execution, regulatory agility, and industry collaboration to ensure meaningful adoption and long-term success," he cautions.

For his part, Shamin explains that blockchain technology is gaining pace at international level and will ensure more transparency while reducing intermediaries and improving transactional security in financial operations, including capital raisings in both the private and public spaces. "The successful implementation of the above technology in the Mauritian capital markets relies on a host of factors including the setting up of proper legislation in that field, the embracing of the same

"A well-defined FinTech framework will not only be useful but necessary to ensure that Mauritius remains competitive as an IFC, to attract investment, and to position the country as a hub for FinTech-driven initiatives,"

Assad Abdullatiff,
Managing Director,
Axis Fiduciary Ltd

by all stakeholders in the entire ecosystem and the scaling up of operations in the sector," he adds.

Meanwhile, Sangeetha unfolds the benefits of blockchain for the banking sector, explaining that, in 2022, their parent company BCP became the first bank in Morocco to issue bonds using blockchain technology. This groundbreaking initiative served as a successful "Proof of Concept", demonstrating the group's capability to harness blockchain for secure and efficient financial transactions, she avers.

"In Mauritius, blockchain presents significant opportunities, particularly in cross-border payments, which could be an interesting use case. By leveraging blockchain, we can enhance transaction transparency, reduce costs, and accelerate settlement times. As the regulatory framework evolves, we anticipate further exploration of blockchain," she emphasises.

Challenges in the way of innovation in AI: What Mauritius must watch out for

Opportunities notwithstanding, the Government Programme 2025-2029 lays emphasis on strengthening measures pertaining to the protection and management of personal and sensitive data. Indeed, cybersecurity, data privacy, and regulatory compliance remain key concerns, while the rapid pace of change demands continuous adaptation.

Dr. the Honourable Avinash Ramtohul explains that as different generations (X, Y, Z, and Alpha) perceive and use digital technologies differently, the responsibility lies with the older generations, who have experienced both analogue and digital lifestyles, to shape a safer digital world for the next generation.

"Robust cybersecurity strategies must be implemented to protect digital assets, foster trust, and ensure the safety of businesses and individuals operating in the digital space. To safeguard critical infrastructure and citizen data, the Blueprint will incorporate: AI-driven analytics for real-time threat management, ensuring a predictive and adaptive cybersecurity ecosystem and specialised training programs to upskill our workforce in advanced cybersecurity measures, preparing them to tackle complex digital threats. We are also working towards legislative reforms to strengthen the legal framework against cyber fraud, identity theft, and data breaches, aligning our policies with international best practices," he elaborates.

At the FSC, the view is that regulating emerging technologies while ensuring robust AML/CFT measures presents multifaceted challenges.

"The rapid evolution of decentralised finance (DeFi), blockchain and digital assets introduces regulatory gaps, necessitating agile frameworks that balance innovation with risk mitigation. Cybercriminals exploit technological advancements, employing sophisticated tactics such as privacy-enhancing tools and cross-border obfuscation," notes the FSC.

The FSC addresses these risks by enhancing regulatory oversight, exploring the use of AI-driven Suptech tools and strengthening cooperation with international agencies.

"Continuous capacity building, real-time monitoring and risk-based compliance measures are equally paramount. By fostering a secure yet innovation-friendly ecosystem, Mauritius reinforces its credibility as a trusted and forward-looking IFC of the future," emphasises the FSC.

For his part, Assad emphasises that the more that digital solutions are relied upon, the more cybersecurity and data privacy will become critical concerns as these digital solutions are subject to be exploited through cyber threats, fraud, and breaches. Thus, it is fair to say that no organisation is fully protected, he explains, giving examples from leading jurisdictions such as Jersey and London.

"For example, in January 2024, the Jersey Financial Services Commission (JFSC) discovered a security vulnerability in its online registry system, which had been present since January 2021, potentially exposing sensitive data. Additionally, in May 2024, the UK's Ministry of Defence suffered a cyberattack that exposed sensitive information on military personnel, highlighting vulnerabilities even in critical national institutions. These incidents emphasise the pervasive and evolving nature of cyber threats across sectors. The only thing that can be done is for Mauritius to continue to strengthen its cybersecurity infrastructure, enforce rigorous data protection measures, and enhance regulatory oversight to mitigate evolving threats," he underlines.

Meanwhile, Shamima notes that Mauritius already has regulatory frameworks for cybersecurity and data privacy. However, continuous updates are

"The successful implementation of blockchain technology in the Mauritian capital markets relies on a host of factors including the setting up of proper legislation in that field, the embracing of the same by all stakeholders in the entire ecosystem and the scaling up of operations in the sector,"

Shamin A Sookia,
Managing Director,
Perigeum Capital Ltd

needed to address the evolving complexities of new technologies while ensuring adherence to international best practices.

"Service providers are also called to play a key role in helping international investors navigate through complexities and comply with the relevant regulatory requirements. Moreover, when navigating industry disruptions, capacity building that is focused on the upskilling and if need be, the reskilling of human resource remains a key factor. Alongside this imperative should be a campaign to position Mauritius as a top talent destination in a bid to address skill gaps," she adds.

Innovation infinity loop: How Mauritius can gear up to continuously stay ahead

While the jurisdiction has put in place innovative regulations such as the Virtual Assets and Initial Token Offerings Act (VAITOS) and has consulted stakeholders on how the Metaverse could be integrated into financial services, innovation demands a mindset of continuous openness and willingness to adapt. We ask our experts what Mauritius can do to increase its appeal to international investors seeking a fund jurisdiction that offers both innovation and security.

The FSC emphasises: "The November 2023 consultation on integrating the Metaverse into financial services received valuable engagement from industry stakeholders, sending strong signals of the growing interest in virtual financial ecosystems. Responses highlighted opportunities in digital banking, tokenised assets and immersive financial advisory services, while also emphasising challenges in cybersecurity, identity verification and cross-border regulatory alignment. The FSC is keen to pursue further engagements, in that respect, with the objective of shaping a balanced regulatory approach that fosters innovation while mitigating risks."

The FSC emphasises that, by engaging with global standard-setters and leveraging on its regulatory sandbox environment, it aims to position Mauritius as a reputable jurisdiction for Metaverse-driven financial solutions, reinforcing its role as a progressive IFC embracing next-generation technologies.

It also reiterates its dedication to transforming the Mauritian IFC into a premier regional digital hub by fostering a progressive and adaptive regulatory environment for DeFi, blockchain applications, and digital currencies.

"We are advancing this vision through targeted initiatives, including regulatory sandboxes, tailored licensing frameworks, and industry-wide collaboration to balance innovation with investor protection. By integrating these technologies within a robust governance structure, we enhance transparency, efficiency, and financial inclusion. Mauritius' strong regulatory reputation, coupled with its strategic geographic position, allows the FSC to drive sustainable digital transformation, positioning the IFC as a globally competitive and resilient fintech-driven financial ecosystem," concludes the FSC.

Dr. the Honourable Avinash Ramtohul takes the following view: "To transform the ICT sector into a central pillar of the economy, we must take a multifaceted approach that combines strategic investment, workforce development, innovation, and strong policy frameworks. The country must create a business-friendly environment that attracts global technology companies, leveraging its strategic geographic position. In this context, Mauritius has much to draw from the digitalisation process that India has gone through. It would be wise to explore the Memorandum of Understanding (MoU) signed between Mauritius and India for collaboration in the field of ICT and Innovation. The channels and possibilities available through this MoU would enable an efficient transfer of knowledge, technology and experience between Mauritius and India."

He echoes Shamima in noting that capacity building is another crucial aspect, pointing out that education and training programmes must be aligned with the demands of the digital economy. Specialised training in fields such as artificial intelligence, blockchain, cybersecurity, and software development should be introduced, he suggests, highlighting that collaboration between universities and the ICT industry is also essential to ensure that graduates are equipped with the right skills for the job market.

"Supporting innovation and entrepreneurship will be another major driver of ICT growth. We must encourage the development of startups by providing mentorship and access to incubators. Investments in research and development should also be prioritised to drive local innovation and create homegrown technological solutions," he concludes.

> "Ultimately, the key to success lies in striking the right balance between innovation and security. By fostering a resilient, forward-thinking regulatory and technological environment, Mauritius can position itself as a dynamic IFC that continues to attract global investors while maintaining trust and stability,"

Sangeetha Ramkelawon,
CEO, BCP Bank (Mauritius) Ltd

Sangeetha reiterates the focus on investing in human capital, noting that developing a highly skilled workforce in emerging fields such as FinTech, blockchain, and AI is critical. She stresses that universities and research institutions need the right resources to nurture the talent that will shape the finance industry of tomorrow. She adds further that the consolidation of Mauritius' technological ecosystem is equally important.

"Strengthening our digital infrastructure is essential. Expanding 5G coverage, enhancing cybersecurity, and fostering a regulatory framework that encourages innovation while safeguarding data privacy will be key drivers of our competitiveness. Emerging technologies such as quantum computing, cryptocurrencies, and scalable blockchain networks hold great promise for financial services. However, as blockchain and cryptocurrency adoption accelerates, security and regulatory compliance must remain top priorities. Mauritius has already implemented the Data Protection Act 2018, but as the FinTech landscape evolves, robust security frameworks – including encryption and multi-factor authentication – will be essential to mitigate cyber threats, hacking, data breaches and cloud-related risks. Ultimately, the key to success lies in striking the right balance between innovation and security. By fostering a resilient, forward-thinking regulatory and technological environment, Mauritius can position itself as a dynamic IFC that continues to attract global investors while maintaining trust and stability," she concludes.

Shamima emphasises that where Mauritius needs to improve and better itself is on the implementation of AI-driven surveillance systems, be it for fund governance or to reduce manual regulatory bottlenecks while maintaining strict compliance. Moreover, with the increasing risk of cyber threats, Mauritius must ensure that best-in-class cybersecurity protocols for fund managers including AI-driven fraud detection and quantum resistant encryption for transactions, she adds.

"By leveraging AI, blockchain, Reg Tech and cybersecurity, Mauritius can position itself as the leading FinTech-powered fund jurisdiction. The key is to offer security, regulatory clarity and digital innovation while maintaining its tax-efficient fund structures," she concludes.

Meanwhile, Assad argues that there is no need to reinvent the wheel, but that Mauritius would do well to draw inspiration from initiatives implemented by leading IFCs. Here, he gives examples from Jersey, Singapore and Luxembourg. "For instance, to strengthen cybersecurity, Jersey has introduced a draft Cyber Security Law to bolster defence against cyber threats in the financial sector. Mauritius could adopt similar legislation to enhance its cybersecurity framework. Singapore has tightened AML measures, including enhanced inter-agency data-sharing and deregistration of inactive companies, to combat financial crimes. Mauritius could implement comparable strategies to strengthen its financial system's integrity. Luxembourg's financial institutions are investing in technologies like Generative AI to drive innovation and efficiency. Mauritius can encourage similar technological advancements to stay competitive. By adopting these measures, Mauritius can enhance its position as a secure and innovative jurisdiction, appealing to international investors seeking both safety and cutting-edge financial services," concludes Assad.

Finally, Shamin explains that Mauritius needs to attract more global flows in and through its economy as this will provide the necessary ingredients to boost activity in the financial sector, including the financial services and capital markets sectors.

"How Mauritius will do that depends on the attributes it needs to display as a robust jurisdiction with the adequate infrastructure in place, in terms of legal, financial and business. If all these boxes are ticked the challenge will then be to attract international players – commercial and investment banks, brokers, custodians and so on – to our jurisdiction to bring in their networks, expertise and potentiality of transaction volumes. Our best-selling point needs to be servicing the growth potential of the African continent. For instance, Mauritius would benefit greatly if M&A transactions in, let us say, the region or Sub-Saharan Africa could be serviced from the jurisdiction through our banking, insurance, global business and capital markets environment," he concludes.

Ultimately, it is clear from speaking to our experts that AI is not a fleeting trend – it is a transformative force that is here to stay. Mauritius has already signalled its readiness to adapt, rise to the challenges, and unlock the boundless opportunities that AI offers. The industry is now laying the groundwork for a resilient and forward-looking IFC – one that not only strengthens its current standing but also boldly ventures into untapped markets.

"By leveraging AI, blockchain, Reg Tech and cybersecurity, Mauritius can position itself as the leading FinTech-powered fund jurisdiction. The key is to offer security, regulatory clarity and digital innovation while maintaining its tax-efficient fund structure."

Shamima Mallam-Hassam,
Managing Director,
Trident Trust (Mauritius) Ltd

AI in Financial Services: A Transformational Force

Sandeep Mohapatra, Head of Digital Transformation and Technology, Absa Bank (Mauritius) Limited, explains how Mauritius must embrace the AI imperative in order to retain its competitive edge as a leading International Financial Centre (IFC).

By Sandeep Mohapatra,
Head of Digital Transformation and Technology,
Absa Bank (Mauritius) Limited

The financial services industry has continuously evolved with technological advancements, but few innovations have been as disruptive and transformative as Artificial Intelligence (AI). AI is no longer a futuristic concept; it is now embedded in modern finance — reshaping operations, enhancing decision-making, and redefining customer experiences.

As Mauritius strengthens its position as an IFC, the adoption of AI will be pivotal in maintaining a competitive edge in the digital era.

Understanding AI's core strength: Pattern recognition

At the heart of AI's capabilities lies its singular strength—pattern recognition. Whether analysing structured numerical data or unstructured formats such as images and text, AI identifies patterns that drive insights, enable predictions, and fuel innovation across industries. Traditionally, executives have relied on experience and judgement—experience helps recognise recurring patterns, while judgement is shaped by intuition and situational awareness.

AI is redefining this paradigm by processing vast datasets with speed and precision beyond human capabilities. In financial services, where data-driven decision-making is critical, AI is revolutionising risk management, credit assessments, fraud detection, and customer service—transforming processes that once depended solely on human expertise.

The Evolution of AI: From rule-based systems to learning networks

The journey of artificial intelligence is marked by defining moments that have reshaped its trajectory. One such milestone occurred in 1997 when world chess champion Garry Kasparov faced off against IBM's Deep Blue—a match that signalled a turning point in AI history. This era introduced the first generation of AI: expert systems, which relied on predefined rules and insights from domain experts to make decisions. These rule-based models, enhanced by high computational power, were effective for specific tasks but lacked adaptability, as they could not learn or adjust to real-world complexities.

The true breakthrough came with the rise of neural networks, which enabled computers to recognise patterns and make decisions without explicit programming. This advancement was exemplified in 2016 when AlphaGo, developed by DeepMind, defeated the world champion of Go, a game renowned for its strategic depth. Unlike traditional AI, neural networks allowed machines to learn through Supervised Learning (using labelled data to recognise patterns), Unsupervised Learning (detecting hidden structures in unlabelled data), and Reinforcement Learning (optimising actions through trial and error).

AI's evolution from rigid rule-based systems to adaptive learning networks has unlocked new possibilities, driving real-time decision-making and transforming industries.

Generative AI: Transforming the Idea Value Chain

The latest breakthrough in AI's evolution is Generative AI—an innovation that is redefining how ideas are created, expressed, and consumed. These advanced models leverage vast datasets and probabilistic algorithms to generate contextually relevant and coherent content, fundamentally reshaping the Idea Value Chain—the journey of an idea from inception to expression, duplication, distribution, and ultimately, consumption.

> By fostering AI research and developing clear regulatory frameworks, Mauritius can accelerate innovation

Historically, technological advancements and traditional AI have primarily accelerated the duplication and distribution stages, optimising efficiency in how ideas are replicated and shared. However, Generative AI addresses a long-standing challenge: expression—the actual creation of content. By eliminating the bottleneck in content generation, it enables rapid ideation and execution at an unprecedented scale.

Large Language Models (LLMs) such as ChatGPT exemplify this transformation, processing vast, unstructured datasets from across the internet to generate original text, images, audio, code, simulations, and even videos. With its ability to produce high-quality content on demand, Generative AI is not just enhancing the idea value chain—it is redefining the very nature of creativity and innovation.

The New Frontier: Agentic AI

Building on the advances of Generative AI, the next frontier—Agentic AI—introduces a paradigm shift in intelligent automation. Unlike traditional models, Agentic AI does not just analyse data; it reasons, plans, and acts, strategically deploying tools such as web searches, calculations, and APIs to optimise outcomes. It retains memory, allowing for personalised interactions and contextual awareness over time. Crucially, it iterates—evaluating its own responses and refining them for accuracy.

This fusion of strategic reasoning, dynamic tool integration, and adaptive learning marks a significant leap forward, with game-changing potential for industries such as financial services, where precision, efficiency, and personalisation are paramount.

AI in Action: Driving Innovation in Financial Services

AI is transforming financial services, enhancing efficiency, mitigating risks, and elevating customer experiences. Key applications include:

- Seamless Customer Onboarding & Experience – AI-powered facial recognition, document extraction, and voice-enabled interactions streamline identity verification, reducing friction in onboarding and engagement.
- Fraud Detection & Risk Management – AI-driven models analyse transactional patterns in real time, identifying anomalies and preventing fraudulent activities before they occur.
- Operational Efficiency & Compliance – AI automates monitoring, streamlines workflows, and enhances predictive analytics, empowering financial institutions to make proactive, strategic decisions.

AI-driven transformation is making financial services more agile, secure, and customer-centric—setting new industry benchmarks for innovation and resilience.

The Future of AI in Mauritius' Financial Sector

For Mauritius to sustain its reputation as a leading financial hub, embracing AI-driven innovation is essential. AI can enhance regulatory compliance, streamline banking operations, and foster a resilient and efficient financial sector. However, the successful implementation of AI requires a balanced approach, leveraging its capabilities while ensuring ethical considerations, regulatory oversight, and human accountability.

> By leveraging AI's potential, Mauritius' financial sector can drive efficiency and enhance client experiences

Investing in AI talent, robust infrastructure, and industry-wide collaboration will be crucial. By fostering AI research and developing clear regulatory frameworks, Mauritius can accelerate innovation while maintaining responsible AI deployment.

Conclusion:
Embracing the AI Revolution

AI is not just another technological advancement; it marks a fundamental shift in how financial institutions operate and engage with customers. By leveraging AI's potential, Mauritius' financial sector can drive efficiency, enhance client experiences, and cement its status as a progressive IFC. The key to success lies in adopting AI responsibly, ensuring it complements human expertise while evolving with the technological landscape. Mauritius is well-positioned to lead the AI-driven financial revolution, harnessing innovation to expand its influence across Africa and beyond. If navigated wisely, AI will unlock new frontiers of growth, innovation, and sustainable progress.

In the near future, AI will be embedded in every application, making systems more intelligent, autonomous, and indispensable — just as electricity powers everything today. The choice is clear: embrace AI to make an impact or brace for impact.

How AI and Digital Transformation can Strengthen Mauritius as a Leading IFC

As jurisdictions globally take firm strides in digital transformation, John Félicité, Commercial Director at Ocorian Corporate Services, explores how AI can enhance Mauritius' status as an International Financial Centre (IFC).

In an era defined by technological disruption, artificial intelligence (AI) and digital transformation are reshaping global finance. Major IFCs worldwide are no longer merely reacting; they are also proactively innovating to gain a competitive edge.

Mauritius, already recognised for its strong regulatory framework and strategic location, possesses the foundation to become a hub of AI-driven financial innovation.

A strategic financial gateway

Mauritius has established itself as a respected IFC strategically positioned as a gateway between Africa and Asia, built on robust regulation and pro-business policies. While past success was driven by Double Taxation Avoidance Agreements, Mauritius now boasts a diversified financial sector, including banking, insurance, asset management and FinTech.

To elevate its competitive standing, Mauritius must proactively embrace AI and digital technologies, crucial for navigating regulatory complexities, mitigating fraud risks and meeting evolving client expectations.

Enhancing regulatory compliance with AI

1. Automating regulatory reporting
A significant hurdle for IFCs lies in navigating the complexities of international financial regulations, including Financial Action Task Force guidelines, Anti-Money Laundering rules and Know Your Customer requirements. By streamlining these processes, AI significantly reduces the manual workload while simultaneously boosting accuracy. Machine learning algorithms can analyse vast datasets and generate reports with precision, ensuring compliance and freeing up valuable resources.

**By John Felicite,
Director,
Ocorian Corporate Services**

Moreover, real-time transaction monitoring powered by AI enables financial institutions to proactively identify and flag suspicious activities. This proactive approach not only facilitates adherence to international regulations but also minimises the risk of penalties, solidifying Mauritius's reputation as a transparent and compliant financial hub.

2. AI-driven risk assessment for proactive crime prevention

The latest advancements in AI technology empower regulators and financial institutions to conduct sophisticated risk assessments, identifying anomalies in financial transactions with unprecedented accuracy. AI models excel at analysing large datasets, uncovering hidden patterns and predicting potential financial crimes.

This predictive capability is vital for mitigating risks associated with money laundering, fraud and terrorist financing. By integrating AI-powered compliance tools, Mauritius can establish itself as a frontrunner in regulatory efficiency. This, in turn, attracts investors who prioritise a secure and well-regulated financial environment, further strengthening Mauritius's position as a leading IFC.

Improving financial services through AI and digital transformation

1. AI-powered customer service

Digital transformation empowers Mauritian financial institutions to redefine customer service through AI-driven chatbots and virtual assistants. These tools deliver instant, personalised responses, significantly enhancing the client experience. Banks, asset managers and insurance companies can leverage AI to provide 24/7 support, drastically reducing operational costs while simultaneously improving service efficiency and customer satisfaction.

2. Personalised wealth management

AI algorithms can analyse intricate customer data to deliver bespoke wealth management solutions. Investment advisory services can utilise AI-driven robo-advisors to provide clients with tailored investment strategies, aligning with their specific financial goals and risk tolerance. This democratises wealth management, making it more accessible, efficient and cost-effective for a broader range of investors in Mauritius.

3. Algorithmic trading and ai-driven investment decisions

AI is fundamentally reshaping financial markets through algorithmic trading, where sophisticated models analyse complex market trends and execute trades at optimal times. Mauritian financial institutions can leverage these AI-driven investment tools to significantly improve portfolio performance and attract institutional investors seeking cutting-edge trading solutions and superior returns.

> Mauritian financial institutions can redefine customer service through AI chatbots and virtual assistants

4. Blockchain and digital assets

Mauritius, having strategically positioned itself as a FinTech-friendly jurisdiction, can further enhance its financial ecosystem by integrating blockchain technology. Blockchain provides secure and transparent transaction processing, effectively mitigating fraud risks and streamlining cross-border payments. AI-powered blockchain solutions can optimise smart contracts, ensuring the seamless and automated execution of financial transactions with minimal human intervention, solidifying Mauritius's position as a leader in digital financial innovation.

Overcoming challenges in AI adoption

The successful integration of AI in Mauritius's financial sector hinges on addressing critical challenges. Robust regulatory and ethical frameworks are essential to manage data privacy and ensure responsible AI deployment. Heightened cybersecurity threats demand significant investment in AI-driven security solutions and collaborative efforts to bolster resilience. A commitment to workforce upskilling through AI training and digital literacy programmes is crucial for a seamless transition to a technology-driven financial landscape.

Forging a future-proof IFC through strategic AI integration

AI and digital transformation are not merely trends, but foundational shifts reshaping the global financial landscape, and Mauritius possesses a unique opportunity to capitalise on these advancements.

By strategically integrating AI, Mauritius can transcend its current status, and solidify its position as a premier, future-proof IFC.

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The Power of Tokenisation: How Blockchain Could Reshape Finance in Mauritius

Michael Haynes, Managing Director at Lima Capital LLC, explains how tokenisation powered by the blockchain is poised to disrupt traditional finance, and unfolds what Mauritius can do to leverage the benefits of this movement.

By Michael Haynes,
Managing Director,
Lima Capital LLC.

The internet revolutionised information exchange, transforming industries and democratising access to knowledge. Now, blockchain and tokenisation promise to do the same for finance, enabling seamless ownership, trading, and transfer of assets in a decentralised and efficient manner.

Tokenisation—the process of representing real-world assets as digital tokens on a blockchain—is poised to disrupt traditional finance by improving liquidity, reducing transaction costs, and enhancing security. With its ambition to be a leading financial hub, Mauritius has a unique opportunity to leverage blockchain technology to unlock new avenues for investment and economic growth. This article explores how tokenisation works, its benefits, potential applications in Mauritius, and the challenges that must be addressed for its successful adoption.

The Evolution of Tokenisation and Its Significance

Tokenisation can be seen as the next step in the digitisation of value, much like how the internet digitised information. By converting physical or financial assets into digital tokens, blockchain technology enables fractional ownership, borderless transactions, and enhanced transparency.

Some key benefits include:

- **Increased liquidity** – Tokenised assets can be easily bought and sold on global digital markets, reducing barriers to entry.
- **Fractional ownership** – Investors can own a fraction of high-value assets, such as real estate or fine art, making investment opportunities more inclusive.
- **Programmability** – Smart contracts can automate transactions, dividends, and compliance, reducing administrative overheads.
- **Security and transparency** – Blockchain ensures that ownership records are tamper-proof, reducing fraud and enhancing trust.

Already, tokenisation is transforming finance worldwide. Tokenised securities, real estate, and even intellectual property rights are emerging, presenting new ways for businesses and investors to interact with assets.

A Financial Hub Ready for Tokenisation

Mauritius has built a strong reputation as an investment gateway to Africa and Asia, with a well-established financial services sector. By embracing tokenisation, Mauritius can enhance its appeal as a financial innovation centre, attracting global FinTech companies and investors.

Key areas where tokenisation could make an impact:

- **Real Estate** – Tokenising property investments could make the Mauritian real estate market more accessible to international investors.
- **Stock Exchange & Securities** – The Mauritius Stock Exchange could introduce tokenised shares and bonds, increasing liquidity and efficiency.
- **SME Financing** – Tokenised crowdfunding platforms could help small and medium-sized enterprises (SMEs) raise capital efficiently.
- **Green Finance & Sustainability** – Tokenised green bonds could help finance climate-friendly projects transparently.

Mauritius has already taken steps towards digital asset regulation. The Financial Services Commission (FSC) has frameworks for FinTech and virtual assets, but further clarity on tokenised assets could drive broader adoption.

Challenges and Considerations: What Needs to be Addressed?

While tokenisation offers tremendous benefits, several hurdles need to be overcome for it to thrive in Mauritius:

- Regulatory Clarity – How will tokenised assets be classified under Mauritian law? Regulatory certainty is key to market confidence.
- Investor Protection & Compliance – Ensuring that tokenised assets adhere to anti-money laundering (AML) and know-your-customer (KYC) requirements.
- Market Awareness & Education – Businesses, investors, and regulators need a deeper understanding of tokenisation's risks and opportunities.
- Technological Infrastructure – Secure blockchain networks and integration with traditional financial institutions must be developed.
- Cybersecurity & Smart Contract Risks – Ensuring robust security measures to prevent hacking and fraud in tokenised transactions.

Mauritius can learn from global case studies in Switzerland, Singapore, and the UAE, which have developed regulatory sandboxes and pilot programmes for tokenised financial products.

A Roadmap for Mauritius

To position itself as a global leader in tokenised finance, Mauritius should consider the following steps:

- Develop a clear legal framework – Policymakers should work with industry experts to establish guidelines for tokenised assets.
- Encourage partnerships between traditional finance and FinTech – Banks and blockchain startups should collaborate to create new tokenised financial products.
- Invest in blockchain education and innovation hubs – Universities and financial institutions can help cultivate a knowledgeable workforce.
- Launch government-backed pilot projects – Test cases such as tokenised government bonds or digital land registries could set a precedent for adoption.

By taking these proactive steps, Mauritius could attract foreign investment, enhance financial inclusion, and solidify its reputation as a cutting-edge financial hub.

Conclusion

The tokenisation of assets represents a paradigm shift in finance, mirroring how the internet transformed communication and commerce. Tokenisation is not a futuristic concept; it is happening now, reshaping financial markets across the globe. Mauritius has the potential to be at the forefront of this movement, but potential alone is not enough. The country must take proactive steps to establish a regulatory framework, foster collaboration, and invest in education and innovation.

If Mauritius can address the necessary challenges, it could emerge as a leader in blockchain-powered finance, setting a precedent for other markets to follow.

Mauritius has already taken steps towards digital asset regulation

Trading in a Digital World

Avikesh Loday, Director at Trive Financial Services Ltd, explains how financial markets are being transformed by digitalisation, and how the Mauritius International Financial Centre (IFC) is strategically positioned to embrace the digital transformation of the trading and investment landscape.

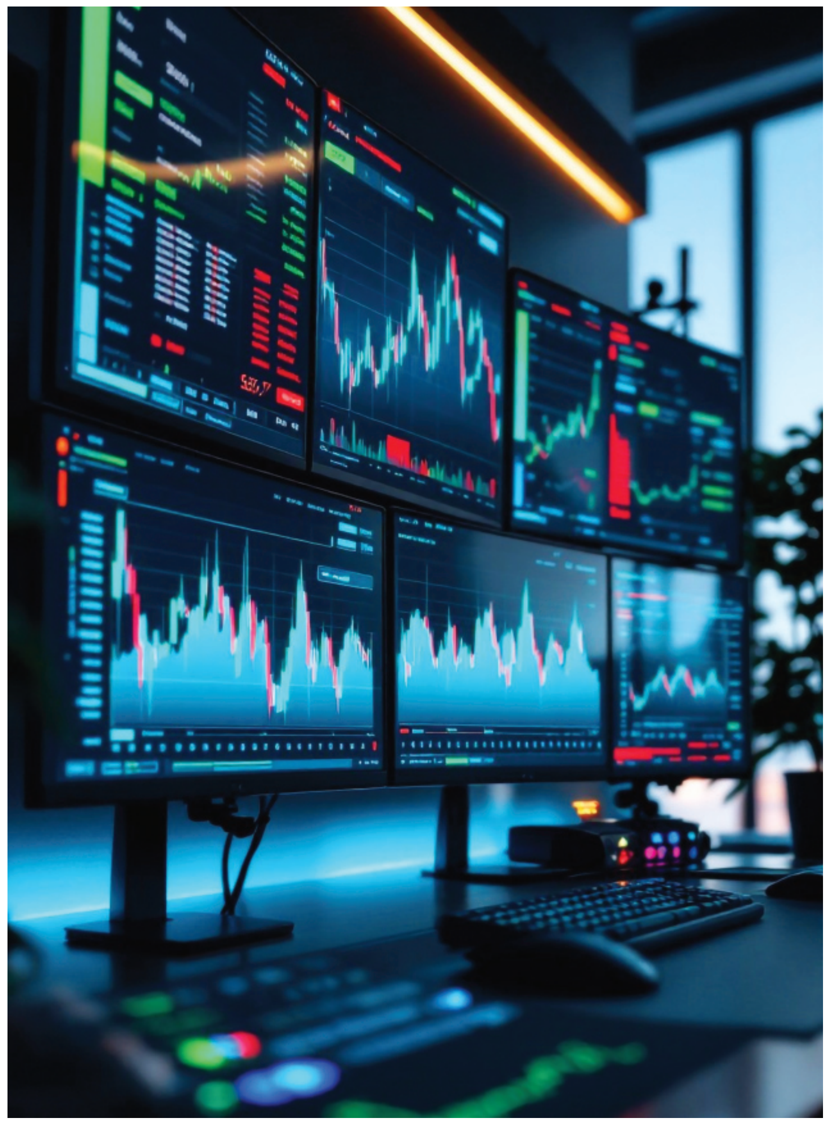
Digitalisation has transformed the global investment landscape, making it easier than ever for market participants to invest in financial markets. Technology has reshaped how financial assets are traded, making markets more efficient, accessible, and data-driven using cutting-edge artificial intelligence tools. What was once the domain of professional traders and financial institutions is now accessible to anyone with an internet connection.

Electronic trading platforms and applications have facilitated retail traders' participation in the global marketplace. Today, millions of people around the globe have access to and trade in financial securities. These electronic platforms offer commission-free trades, social trading features, and algorithm-based investment tools. The integration of mobile technology and artificial intelligence has further revolutionised trading, allowing users to buy and sell assets from their smartphones anytime, anywhere.

Advanced Trading Tools and Data Analytics

Retail investors now have access to sophisticated tools like real-time market data, technical indicators, and AI-driven insights. These tools help traders make investment decisions without relying on advice from investment professionals. Many platforms offer fractional shares, allowing users to invest small amounts in expensive stocks like Amazon or Tesla. Another popular feature offered primarily by forex trading platforms is MAM (Multi-Account Manager) and PAMM (Percentage Allocation Money Management) accounts, which allow retail investors to tap into the expertise of professional traders and access professionally managed portfolios.

AI-driven trading bots are used to analyse massive datasets to predict market movements and execute trades. Sentiment analysis, pattern recognition, and machine learning algorithms are now crucial tools for traders looking to gain an edge in fast-moving markets. The rise of virtual and augmented reality



> Technology is set to continue evolving and further reshape the financial ecosystem

could propel trading into the metaverse and transform how traders interact with financial markets, making digital trading more interactive and intuitive. Traders could engage in immersive market analysis and attend virtual trading floors.

Rise of Cryptocurrencies and Alternative Assets

The emergence of cryptocurrencies like Bitcoin and Ethereum has further fuelled digital trading. Digital assets provide an alternative to traditional assets and have attracted a new generation of investors looking for high-growth opportunities. Blockchain technology has introduced decentralised trading platforms, reducing reliance on traditional intermediaries. Cryptocurrencies and tokenised assets now allow 24/7 trading with increased transparency, security, and lower transaction costs.

Benefits of Digitalisation in Trading

- **Increased Speed and Efficiency:** Trades execute in microseconds, improving liquidity and reducing slippage.
- **Greater Market Access:** Anyone with an internet connection can trade across global markets.
- **Lower Costs:** Reduced fees, automated settlements, and direct peer-to-peer trading lower transaction costs.
- **Innovation and New Asset Classes:** Digitalisation has led to new financial instruments like NFTs and crypto derivatives.

Challenges and Risks

While online trading offers many advantages, it also comes with challenges and risks:

- **Scams and Fraud:** Unregulated platforms and fraudulent schemes can trap unsuspecting investors.
- **Emotional Trading:** The ease of access can lead to impulsive decisions, often driven by fear or greed.
- **Market Volatility:** Prices can fluctuate rapidly, leading to significant losses for inexperienced traders.
- **Cybersecurity Threats:** Increased reliance on digital infrastructure makes markets vulnerable to cyberattacks, hacking, and data breaches.
- **Regulatory Uncertainty:** Governments struggle to keep pace with innovations, leading to legal grey areas in digital assets.

As trading becomes more digital, regulatory frameworks need to evolve to ensure fair trading practices and strong cybersecurity measures. Regulators will need to strike a balance between fostering innovation and ensuring market stability in this new era of trading.

The Mauritius IFC's Strategic Positioning

The Mauritius IFC is strategically positioned to embrace the digital transformation of the trading and investment landscape. With a successful track record spanning over three decades, Mauritius has emerged as a jurisdiction of international repute, offering a conducive regulatory framework and licensed activities to support the adoption of emerging technologies. Many prominent and well-established international trading and brokerage firms have selected Mauritius as their primary jurisdiction for domiciliation.

The Mauritius IFC also offers the Robotic and Artificial Intelligence-Enabled Advisory Services license, which is designed for investment firms providing advisory services through expert systems and programs using artificial intelligence-enabled algorithms. These emergent digital technologies facilitate investment analysis, portfolio construction, asset allocation, and trade execution with limited human intervention.

The Future of Digitalised Trading

Digitalisation of trading has democratised finance, allowing anyone to participate in the global markets with minimal barriers. While it presents incredible opportunities, investors must educate themselves, select regulated investment firms, adopt risk management strategies, and remain guided by investment professionals to navigate the complexities of the digital financial world.

Technology is set to continue evolving and further reshape the financial ecosystem, with advancements in quantum computing, AI-driven investment decision-making, Decentralised Finance (DeFi), the tokenisation of real-world assets, the gamification of trading, and immersive technologies like the metaverse.

Traditional market structures will be challenged, and traders will need to adapt to new tools and platforms. As digitalisation accelerates, those who embrace innovation and stay ahead of trends will thrive in the evolving financial landscape. Traders must adapt to new technologies and stay ahead of trends to capitalise on digital markets. Those who embrace digitalisation will be well-positioned to thrive in this new era of trading.

By Avikesh Loday, Director, Trive Financial Services Ltd

AI-driven trading bots can analyse massive datasets to predict market movements, execute trades

DR. THE HONOURABLE MRS JYOTI JEETUN

MINISTER OF FINANCIAL SERVICES AND ECONOMIC PLANNING

"We must promote the MIFC as a forward-looking, innovation-led, people-powered financial centre"

Dr. the Honourable Mrs Jyoti Jeetun, the Minister of Financial Services and Economic Planning, shares the evolution of the financial services sector into the main pillar of the Mauritian economy, and explains how the Strategy Report presented to the Cabinet in May outlines a new economic model for the sector. She elaborates on the key challenges facing the sector, and comments on how skill development, AI fluency and strategic partnerships with leading economies such as India are key to the transformation of the Mauritius IFC.

How do you see the position of the Mauritius International Financial Centre (IFC) today, in the face of rising global competition? To what extent does the financial sector contribute to the growth and competitiveness of the island's economy?

Over the past three decades, the financial services sector has become the main pillar of the Mauritian economy—contributing 13.4% to GDP in 2024, employing more than 17,000 highly skilled professionals, and generating close to MUR 20 billion in corporate tax revenue. The sector has shown remarkable resilience, continuing to grow and evolve despite global disruptions like the COVID-19 pandemic.

Mauritius' International Financial Centre (IFC) stands as a regional leader, built on a reputation for robust regulation and sound governance. The country ranked 13th out of 190 economies in the World Bank's Ease of Doing Business Index 2020 and 2nd in Africa on the 2023 Ibrahim Index of African Governance. Our framework is regularly peer-reviewed by global standard-setters such as IOSCO, IAIS, and the IFSB.

Yet, competition is intensifying. Traditional hubs like Luxembourg and Singapore continue to attract global capital, while emerging centres—Dubai, Rwanda, and India's GIFT City—are rapidly enhancing their offerings. In the Middle East and Africa region, Mauritius currently ranks fourth, behind Dubai, Abu Dhabi, and Casablanca. We operate in a fast-changing global financial landscape shaped by evolving regulations, growing demands for transparency, anti-money laundering compliance, sustainable finance, and alignment with OECD tax standards.

Your Ministry recently hosted a Consultative Workshop on the rethinking of the financial services industry. Why was it important to conduct a consultation at this juncture, and what will be the next steps towards the development of a roadmap for the future?

I have taken on this ministerial role at a pivotal time when the financial services industry is at a turning point. There is an issue of competitiveness and attractiveness. Faced with rising regulatory complexity, deteriorating ease and cost of doing business intensifying global competition, and a shortage of skilled professionals, bold and coordinated action was essential.

I started by engaging with stakeholders on a one-to-one basis to listen to them. This culminated with a high-level Consultative Workshop "Rethinking the Future of the Financial Services Industry in Mauritius"

A core message of the Strategy Report is balancing robust compliance with improved ease of doing business

bringing together all major key players—operators, banks, regulators, advisors, law firms, accounting firms—to openly discuss the sector's challenges and opportunities. This dialogue laid the foundation for the Strategy Report on the Future of the Financial Services Sector 2025–2030 which has now been finalised.

I had the privilege of presenting this Strategy Report to Cabinet last week. It proposes a new economic model for the sector—one that is resilient, forward-looking, and aligned with the Government Programme 2025–2029. A core message of the Report is the need to balance robust compliance with improved ease of doing business—ensuring Mauritius remains both credible and investor-friendly.

The Report begins with a comprehensive and data driven situational analysis of the sector's performance over the past decade. This analysis demonstrates both the achievements and vulnerabilities of the sector, laying the foundation for policy redesign.

Next, it identifies the main structural and regulatory challenges limiting growth—many of which were raised during my one-to-one meetings and the Consultative Workshop. High cost and complexity of doing business, regulatory inefficiencies, uncertain tax regime, talent shortages and mismatch in specialised skills, weak international branding and promotion and the lack of innovation and diversification in terms of products and markets.

Building on this, the Report outlines a roadmap to reposition Mauritius as a future-ready International Financial Centre. This includes enhancing the ease and reducing the cost of doing business through reforms like e-KYC and faster turnaround benchmarks, diversifying and modernising financial products, strengthening our international market presence in Asia and Africa though increased brand visibility and a coherent promotion strategy, addressing human capital gaps by aligning training and capacity building as well as diaspora engagement and immigration policy and upgrading our infrastructure and institutional readiness for an agile and digitally enabled IFC.

As we know, a strategy is only as good as its implementation. The Strategy Report will be presented to industry stakeholders. The next step is therefore to work collaboratively with them to define concrete actions and implementation timelines. We will focus on executing reforms, building strategic technological partnerships, and preparing the workforce for the sector's future demands.

To support this transformation, the Ministry of Financial Services and Economic Planning will set up a structured multi-stakeholder engagement mechanism to ensure continuous dialogue with the industry, transparent progress tracking, and regular reporting.

Based on your interactions with the industry, what are some of the key challenges that you see facing the sector currently?

We acknowledge the need to tackle several challenges currently facing the financial sector in Mauritius which I have enumerated above. Ease and cost of doing business are most often cited as major hindrance by the industry operators. Rising staffing and regulatory compliance costs are increasingly burdensome for businesses, further impeding their ability to remain competitive. Another concern cited by operators is the uncertainty and unpredictability of our tax policies. Frequent policy changes, such as the introduction of the Solidarity Levy and the Corporate Climate Responsibility Levy, have caused uncertainty, complicating long-term investment planning for businesses.

Another pressing issue is the operational delays encountered in the licensing process, especially when dealing with the regulator. The absence of a digital onboarding platform and the lack of clear, predictable timelines for licensing procedures place us at a disadvantage relative to our close competitors.

Mauritius is also grappling with the issue of brain drain, as many young, talented professionals seek opportunities abroad, particularly in more developed financial centres. Moreover, global operational challenges, such as the reluctance to appoint local directors, further complicate the business environment.

I am committed to addressing these challenges. By prioritising policy stability, streamlining operational processes, and enhancing our digital infrastructure, we are confident that Mauritius can maintain its position as an attractive and competitive destination for both local and international investors.

The issue of the brand and positioning was raised in the workshop discussions. What can be done to strengthen the appeal of the MIFC on the global stage, in turbulent geopolitical times?

In today's competitive global financial landscape, reputation is everything. It's not only about what we offer, but how we are perceived. A trusted and resilient brand must be grounded in regulatory integrity, transparency, and long-term stability.

Mauritius is recognised as a well-governed, stable jurisdiction. To build on this, we must continue refining our regulatory framework to exceed global standards, with investor protection at its core. Equally important is amplifying what sets Mauritius apart. Our strategic location, strong legal infrastructure, multilingual talent pool, and cultural ties to Africa and Asia position us as a natural investment bridge. A clear, consistent international campaign must highlight our neutrality, resilience, and commitment to good governance. We must also forge strategic partnerships—deepening ties with the EU, UK, and India, Africa while engaging emerging hubs in the Middle East and Asia.

Economic diplomacy is also very important as well as our prominent presence in our main target markets and building relationships.

I am determined to promote the MIFC as a forward-looking, innovation-led, people-powered financial centre. We see it as a priority to advance this vision. Our focus is on strengthening regulatory leadership, promoting our unique value proposition, and positioning the MIFC as an innovation-driven, green-focused, and people-powered hub of financial excellence and integrity. These being the key ingredients of the MIFC Brand.

I am committed to promoting the MIFC as a forward-looking financial centre, driven by innovation, sustainability, integrity, and human capital. Our priority is to strengthen regulatory leadership, showcase our unique value proposition, and position the MIFC as a trusted hub of financial excellence — with these qualities forming the core of the MIFC brand.

To what extent do you think that expatriate talent and returning diaspora can contribute to the next chapter in the story of the Mauritius IFC? How can we also ensure that local talent is retained and equipped for the age of AI, which is rapidly transforming the sector?

Labour mobility is a defining feature of our interconnected world. As Mauritius seeks to accelerate its economic transformation, elevating the IFC requires us to embrace global talent mobility. Our nation currently faces a pressing shortage of skilled professionals, especially in IT and finance. The ongoing brain drain further compounds this challenge, threatening to hinder our development goals. In this context, expatriate talent and the returning diaspora are not just valuable—they are strategic assets. Their global expertise, fresh perspectives, and capacity for knowledge transfer enrich the local workforce, bridge critical gaps, and drive innovation.

Recognising this, the government is shaping a holistic policy for expatriate labour. For it to succeed, the policy must address not only talent sourcing but also integration and long-term retention. These professionals must be supported in finding not just jobs, but also meaningful careers and lives in Mauritius.

At the same time, we must continue to invest in our local talent. Encouraging Mauritians to return with enriched skills is vital while we must also explore how to get them to engage even remotely.

But retention requires more than competitive pay. A national strategy rooted in quality of life, work-life balance, and opportunities for personal and professional growth is key. Mauritius must foster a culture of collaboration between local and international talents. This is a collective journey—one that blends tradition with forward thinking—to build a resilient, inclusive, and globally competitive IFC, and ultimately, a more prosperous nation.

AI presents a transformative opportunity for Mauritius's financial sector. By automating routine tasks and enhancing data analysis, AI will increasingly improve efficiency, reduce costs, and elevate service quality. However, this technological shift also implies changes in the nature of jobs. Many roles that exist today will become obsolete, while new positions requiring advanced digital skills will emerge. To capitalise on AI's benefits, it is essential for the workforce to adapt through continuous learning and upskilling. Embracing AI proactively will ensure that Mauritius remains competitive and resilient in the evolving global financial environment.

With Mauritius having successfully exited both the FATF grey list and EU blacklist in recent years, what preparations are underway for the next Mutual Evaluation Exercise to ensure that high compliance standards are maintained and enhanced in line with international standards and developments?

Mauritius has made significant progress in strengthening its AML/CFT framework, following its successful removal from the FATF grey list and the EU blacklist. As we prepare for the 2027 Mutual Evaluation by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), efforts are underway to ensure continued compliance, effectiveness, and resilience.

A major step forward is the completion of our second National Risk Assessment (NRA) on money laundering and terrorism financing. The Ministry of Financial Services and Economic Planning held a workshop on 07 May 2025 to present the key findings of this exercise, carried out with the World Bank's technical support. The workshop brought together representatives from national authorities, regulators, private operators, the World Bank, the British High Commission, and the European Union to coordinate on the next steps. The NRA is essential both for safeguarding the integrity of our financial system and preparing for the upcoming ESAAMLG evaluation.

Covering data from January 2018 to June 2022 (with developments up to December 2024), the NRA concludes that Mauritius faces a medium-high risk of money laundering, driven by threats such as drug trafficking, fraud, illegal betting, corruption, and tax evasion. Sectors most exposed include banking, trust and company services, leasing, gambling, real estate, notarial services, and jewellery. The risk of terrorism financing is assessed as medium-low, requiring continued vigilance.

To address these risks, Mauritius is reinforcing its legal and institutional framework. A mid-term independent review of our AML/CFT/CPF system is underway to assess technical compliance and operational effectiveness. Its findings will inform the drafting of a new AML/CFT/CPF Bill to close legislative gaps and modernise the system. A ministerial committee has also been set up to monitor progress, supported by targeted sectoral assessments, a strategic review, and continuous training.

We are investing in capacity building to equip institutions with the skills and tools needed to implement reforms. In parallel, we are enhancing collaboration between public and private stakeholders through awareness campaigns and joint training, fostering a coordinated national response to financial crime.

These efforts are aligned with the Ministry's broader strategy to promote a more inclusive, innovative, and future-ready financial sector. The results of the NRA will guide the revision of the national AML/CFT

We are investing in capacity building to equip institutions with the skills and tools needed to implement reforms

strategy and complement the newly finalised Strategic Report 2025-2030 for the Financial Services Sector. This plan focuses on easing regulatory burdens, diversifying services, enhancing coherence, promoting Mauritius internationally, and retaining skilled professionals.

Mauritius remains fully committed to meeting international standards, protecting its financial system, and strengthening its position as a trusted and credible international financial centre.

With climate change as a top priority for the Government, what role can Mauritius play in carving out a role as a leader in sustainable finance in, and for, Africa? What more can be done to ensure that SIDS like Mauritius can access adequate climate financing?
Climate change features prominently in the Government Programme 2025–2029.

The financial services sector, as a powerful enabler of economic behaviour, can be a catalyst for change. With the right policies, we can direct investment toward green practices that benefit both people and the planet. Our collaboration with the African Development Bank to develop Sustainable Investment Guidelines will help channel capital into impact-driven projects across Africa.

Mauritius is also working with Development Finance Institutions (DFIs) to overcome regulatory and governance barriers that hinder investment in high-impact initiatives. Another key initiative is the SEM Sustainability Index (SEMSI), which recognises companies with strong sustainability performance and promotes ESG-aligned investments.

We are also joining forces with other SIDS to finance green instruments such as green bonds. Mauritius is positioning itself as a hub for sustainable finance innovation and a model for other island nations.

Mauritius stands poised to lead through decisive action. I envision a future where financial products champion environmental sustainability, investments align with our core values, and our strategy driven by urgency and purpose.

You recently had the opportunity to meet the Indian Prime Minister, Shri Narendra Modi, during his state visit to Mauritius. What were some of your key takeaways from this visit, and how do you see prospects for reinforcing cooperation in the financial services domain?
I indeed recently had the privilege of engaging with Prime Minister Narendra Modi, a visionary leader whose commitment to development continues to inspire. This state visit reaffirmed the deep and enduring ties between India and Mauritius, rooted in shared history, culture, and economic ambition. This special relationship has been instrumental in positioning Mauritius as a leading International Financial Centre. Between April 2000 and September 2024, Mauritius accounted for over $177 billion—nearly 25% of India's total Foreign Direct Investment (FDI).

The 2016 amendment to the Double Taxation Avoidance Agreement (DTAA) introduced source-based taxation for shares acquired after April 1, 2017, while safeguarding earlier investments. The 2024 protocol further strengthened transparency through the Principal Purpose Test (PPT), ensuring treaty benefits are granted only to transactions with genuine economic substance.

What we must retain is that India is a rising global economic giant and is predicted to become the third economic power in the world. India therefore remains a key market for Mauritius and, despite the 2016 amendment, the potential for a win-win partnership between our countries is very strong.

Looking ahead, the Strategic Partnership Agreement (SPA) that this government is undertaking aims to expand on the Comprehensive Economic Cooperation and Partnership Agreement (CECPA)—an initiative that seeks to foster joint ventures, technology transfers, and infrastructure development, particularly in pharmaceuticals, biotechnology, and financial services.

By aligning with the African Continental Free Trade Area (AfCFTA), Mauritius is poised to become a strategic gateway for Indian businesses into Africa's $3.4 trillion market. To accelerate this vision, I am directing focus to three key areas: regulatory alignment through joint forums; FinTech collaboration to harness India's innovations; and capacity building through training and exchange programmes.

Through these collaborative efforts, we can cultivate a resilient, inclusive investment landscape for our nations and the broader region. The potential for growth and mutual benefit is immense, and together, we have a unique opportunity—one we must seize.

Mauritius is poised to become a strategic gateway for Indian businesses into Africa's $3.4 trillion market

THE HONOURABLE DHANESHWAR DAMRY

JUNIOR MINISTER OF FINANCE

"Mauritius' financial sector is well-placed to spearhead long-term economic growth"

The Honourable Dhaneshwar Damry, the Junior Minister of Finance, shares how Mauritius has positioned itself as the leading services economy in the Indian Ocean and Eastern Africa, and explains how developing the right skillsets, establishing a clear positioning, and leveraging the jurisdiction's unique relationship with Africa and India vide the AfCFTA and CECPA respectively are key to enhancing long-term competitiveness in the financial services sector. He looks ahead to the National Budget scheduled for June and advises that a key priority is to restore fiscal space through a combination of fiscal consolidation and structural reforms.

The Government Programme 2025–2029, titled "A Bridge to the Future," places a strong emphasis on the financial services (FS) sector. Why is this sector a priority?

The financial services sector is a priority due to its high value-added contribution to the economy. Jobs in this sector offer Mauritians higher salaries and improved quality of life, while also generating greater resources for infrastructure development and public services. Currently, financial services contribute 14% to GDP and employ around 12,000 people and weigh heavily in the balance of payments.

Mauritius has already established a competitive edge in the region, positioning itself as the leading services economy in the Indian Ocean and Eastern Africa. We see several opportunities. Southern Africa experiences sustained growth, averaging 5%. The region is bound to attract more investors and Mauritius derisks any perceived Africa risk premium.

Thus, I believe that the financial sector is well-placed to spearhead long-term economic growth.

There is a significant focus on skills development. Could you provide an overview of how the government intends to align skills development with industry needs?

Ensuring that the financial sector is supported by the right skillsets is a central pillar of our broader labour market reforms, which will be outlined in the upcoming budget.

Current demographic trends, including a shrinking workforce and the outflow of young talent to countries offering more flexible immigration policies, challenge our growth ambitions. I strongly believe that the quality of life in Mauritius is of exceptional value and is a compelling advantage to attract talent. I believe that many of those who leave will eventually return, bringing with them enhanced skills and experience.

In the meantime, welcoming foreign talent is crucial. Many international students studying in Mauritius are eager to gain work experience locally. Offering this flexibility not only supports the sector but also strengthens our ties with Africa, a key strategic objective. Mauritius will engage in growth-friendly labour market reforms.

Furthermore, one of our structural weaknesses is a

Financial services contribute 14% to GDP and employ around 12,000 people low rate of innovation. Strengthening collaboration between academia and industry will be key to nurturing home-grown innovation and building a more dynamic financial ecosystem.

Investment protection is a key differentiator for Mauritius as an International Financial Centre (IFC). What is the Government's strategy in negotiating agreements such as the CECPA with India and the AfCFTA?

Africa is increasingly recognised as a continent full of potential, yet intra-African trade remains limited. It accounts for just 15% of total trade, compared to 55% in Asia and 70% in Europe. This is largely due to complex and fragmented regulations across the continent's 54 countries and 16 SADC member states.

To address this, we are actively working to promote regulatory harmonisation. Our vision is to consider "passporting rights" as a unique competitive advantage.

In negotiating the AfCFTA, we are mindful of investment protection provisions in existing bilateral treaties and are committed to preserving these. Strong investment protection benefits not just Mauritius but the entire region by boosting investor confidence.

With India, the opportunity is equally compelling. Despite over 600 eligible products under the CECPA, only a handful currently reach Indian markets. More strategic support is needed to unlock this potential. In financial services, India's FinTech advancements offer valuable lessons that Mauritius can replicate and help export to Africa. Mauritius can be a bridge to the future for India and Africa.

There is a global trend toward modernised bilateral tax treaties. Will Mauritius continue expanding its tax treaty network?
The international financial sector in Mauritius was originally built on tax arbitrage, particularly in relation to India. However, this model has come under scrutiny and will likely continue to evolve.

While we remain committed to supporting our existing treaty network and open to expanding it, our long-term strategy is to strengthen other aspects of our value proposition. We must ask ourselves: What truly sets Mauritius apart? What is our role in the global financial value chain? What are the compelling reasons for investors to choose Mauritius over other jurisdictions?

Fiscal certainty is a cornerstone of the Mauritius IFC. In light of recent levies, are any new tax measures being considered to enhance long-term competitiveness?
With the national budget scheduled for June, there will be more clarity on the economic choices we will make and on the directions for the future.

This budget is being prepared against the backdrop of a toxic legacy left by the previous administration, which has driven public debt to unprecedented levels—threatening both the country's economic future and its international credibility. The overriding priority is to restore fiscal space through a combination of fiscal consolidation and structural reforms.

These objectives are particularly crucial for the financial services sector, whose continued success depends on Mauritius maintaining its Baa3 investment-grade rating from Moody's. Given the current negative outlook, safeguarding this rating is imperative to uphold investor confidence and preserve the integrity of our financial centre.

We remain committed to providing a stable and predictable tax environment that supports long-term growth and positions Mauritius as a trusted investment destination.

What initiatives are underway to enhance the international image of Mauritius as a financial jurisdiction?
The promotion of Mauritius as an economic hub is entrusted to the Economic Development Board (EDB). In recent years, private sector stakeholders have expressed concerns about its effectiveness. A significant restructuring is now underway.

That said, promotion must be underpinned by a clear and coherent narrative. Are we selling tax arbitrage? Sun and palm trees? Or a competitive position in the global value chain? Without a well-defined brand identity, promotional efforts risk being ineffective.

> Mauritius must maintain its Baa3 investment-grade rating from Moody's

Mauritius: The Strategic Gateway And Finance Centre For Investing In Africa

Nico van Zyl, Chief Commercial Officer of TrustQore, reviews the current landscape of Foreign Direct Investment (FDI) into Africa, looks at the role of Blockchain and Artificial Intelligence (AI) in Africa's growth, and analyses the rising trend of Mauritius-based funds as a vehicle for investment into the continent.

According to the latest World Economic Situation and Prospects (WESP) 2025 report released by the United Nations, economic growth in Africa is set to increase to 3.7% and 4.0% in 2025 and 2026, respectively. That compares to an estimated 3.4% for 2024, so an upward trend is maintained.

The report sets out stark differences between the continent's regions. East Africa continues to put in an impressive performance while other parts, notably Central Africa, are constrained by specific factors. These include stubbornly high inflation – more than half of the developing economies experienced a 5% rate in 2024 and in others, double-digit increases remain. Debt servicing is a significant burden where interest payments make up an average of 27% of government revenues (an increase of 8% in the last five years). Political instability, stagnating oil production and youth unemployment are also drags on growth prospects.

However, the overall outlook for continued growth is positive with Africa's mineral reserves once again critically important. Cobalt and lithium are just two where sustainable extraction will stimulate economic growth and promote sustainable development.

AI and Blockchain: Driving Africa's Digital Transformation

According to The Brookings Institution's Foresight Africa 2025-2030 report, digital transformation is critical to Africa's future success. AI will be a key component of the continent's economic growth prospects where its potential is hugely promising. Resulting from innovations in productivity, public investment and services delivery, AI is likely to have doubled the GDP growth rate in certain African countries by 2035. One example cited is the agricultural sector where the use of AI optimises supply chains and enhances yield projections. And this is just the beginning.

As always, not all countries are travelling at the same speed; the most developed are well ahead of their peers. For example, Kenya has established a Blockchain and AI Taskforce while the African Union has developed a Continental AI strategy.

In blockchain too, investors have been swift to recognise the potential offered by exploiting innovative technologies throughout Africa. The advantage gained across multiple sectors is clear and, by way of an example, the financial services sector is a true "early adopter." African blockchain development is aided by the high rate of mobile telephony, although improvements to costly, low quality internet connectivity are vital. Mauritius has innovated across its financial services sector where the emergence of FinTech companies and rapid development of blockchain technology have positioned it as a regional leader.

Mauritius Funds as an Investment Vehicle

An increasingly popular tool for investment into Africa is the use of Mauritius-based fund structures. Fund solutions offer cost-effective access to African markets, supported by Mauritius' strong regulatory framework and a business-friendly environment.

It is worth recalling why Mauritius offers the ideal "bridge" for inward investment into Africa, particularly when compared to other jurisdictions.

By Nico van Zyl,
Chief Commercial Officer,
TrustQore Mauritius

The country's strategic African location has led to the development of deep economic ties with all parts of the continent. An English-speaking common law jurisdiction, with French also widely spoken, facilitates inward investment into both anglophone and francophone countries of the vast continent.

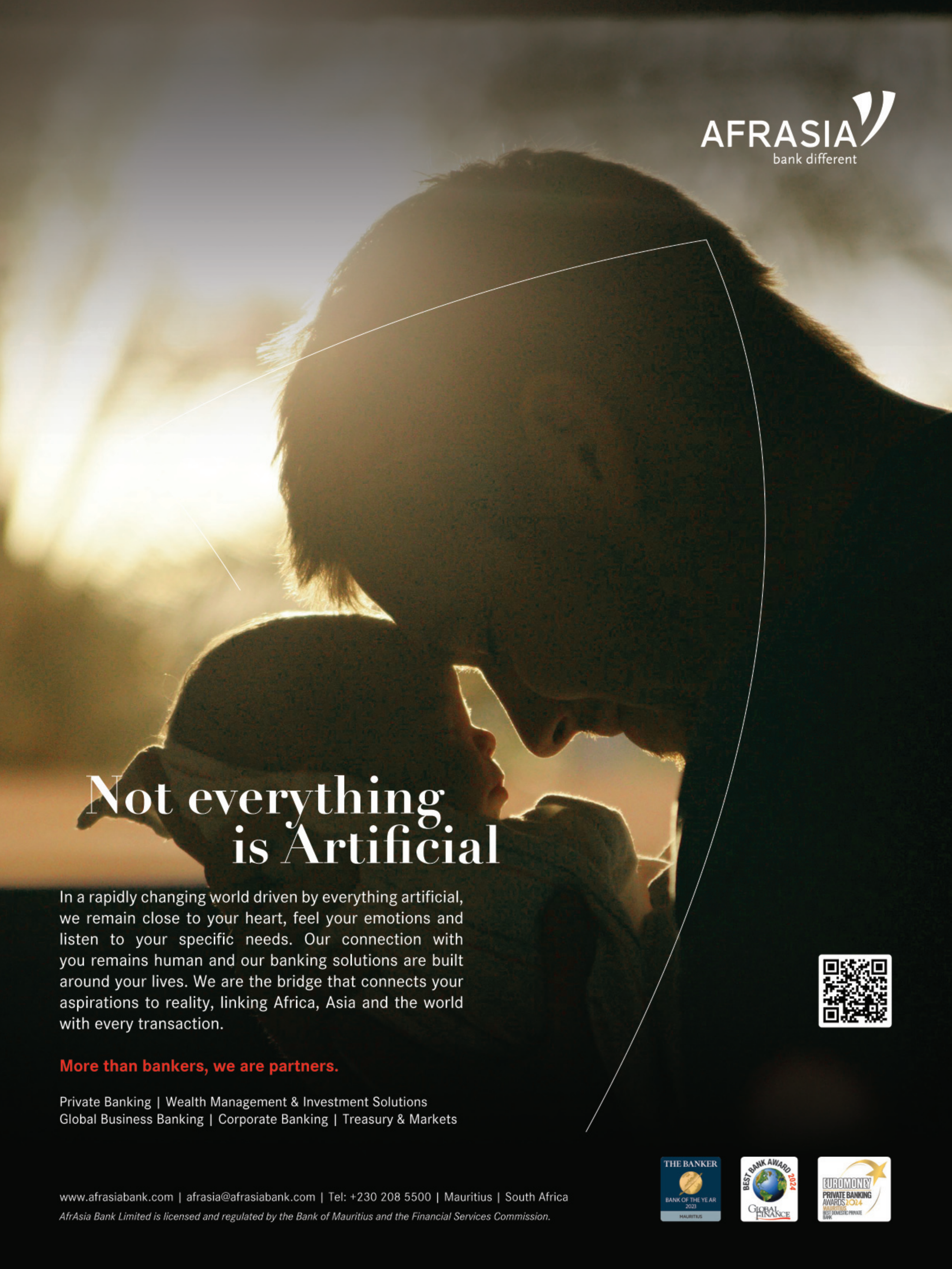
While other jurisdictions may also come to mind when considering fund structures, Mauritius stands out due to its distinct advantages. Fund vehicles provide flexibility, including diversification, risk mitigation, and the opportunity for multiple investor classes or joint ventures with local African partners. The options are endless, and funds may be structured in a bespoke fashion depending on the circumstances. These include the number of investors; the nature and location of the investment being considered and desired future exit routes. Mauritius has embraced digital assets, FinTech and AI initiatives, making it even more attractive for investors in these exciting new sectors as they look at investment possibilities across Africa.

Mauritius is a signatory to 29 Investment Promotion & Protection Agreements (IPPAs). Moreover, Mauritius funds within a Global Business Licence structure may benefit from the country's network of double taxation agreements – nearly fifty in total – further enhancing the country's attractiveness for investment, comparing favourably to other jurisdictions that lack similar treaty networks.

Mauritius' strategic location has led to the development of deep economic ties with all parts of Africa

In coming to terms with an increasingly uncertain world, it is well worth considering the advantages of establishing an international business structure in Mauritius. When navigating the challenges of entering African markets, the combination of Mauritius' strategic location, robust infrastructure, and access to key emerging sectors makes it enviably well-positioned to help investors capitalise on Africa's growth potential.

Africa is booming, particularly in AI and Blockchain; be part of the exciting future by considering Mauritius as your financial bridge to the continent.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Catalysing Africa's Growth: The Role of Private Equity and Investment Funds

With the continent's high growth potential making it a beacon for investors, Antish Bissessur, Chief Strategy & Development Officer, Rogers Capital – Fiduciary, highlights the relevance of Private Equity funding and the enablers required to unlock the vast opportunities that Africa has to offer.

By Antish Bissessur, Chief Strategy & Development Officer, Rogers Capital – Fiduciary

Africa has been delivering on its promise of being the 'land of opportunities', slowly but surely. While numerous challenges remain, there is continuous progress across the continent, and the increase in investments made by Private Equity ('PE') and Investment Funds is testimony to that.

Africa's growth is anchored in its young and rapidly expanding population, which is creating scalable opportunities in high-growth sectors. The PE asset class has emerged as a powerful enabler of this growth story, bridging funding gaps, driving economic development, and creating lasting impact.

The primary catalyst - Macroeconomics

Like any asset class, the PE market in Africa is largely dependent on the overall macroeconomics of the continent – more specifically, monetary and fiscal policies. Countries where the government is taking its responsibility of being the key enabler to business, are faring better - with greater cooperation with private investors, hence unlocking access to PE funding and Investment Funds.

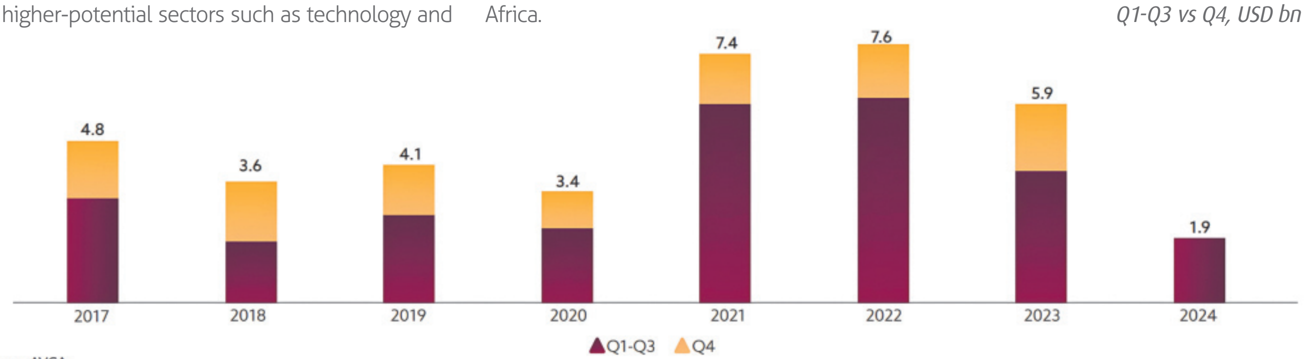
Low-interest rate environments, which are unfortunately rarer on the continent, facilitate access to capital and encourage PEs to pursue investments in higher-potential sectors such as technology and renewables. On the other hand, higher interest rates (which is more akin to the African context) can constrain the availability of credit, impacting deal-making from a PE perspective and hampering valuations. Inflationary pressures also mean that a higher level of craftsmanship is required from policy makers as, in the end, investor sentiment shapes the capital flows into a market.

With improving macroeconomics, Africa has experienced an increase in private equity investments, if we consider the absolute values between 2017 and 2022, (USD4.8bn in 2017 vs USD7.6bn in 2022).

This trend has been reversed since, impacted by global factors and the accentuated appreciation of the US dollar and/or the accelerated depreciation of most African currencies in 2023 and 2024, which have contributed to lower deal values in USD terms.

However, the outlook seems more positive, as indicated in the 2024 Deloitte Africa Private Equity Confidence Survey (PECS) – whereby it is expected that the fundraising environment will improve over the next 12 months as economic activity, confidence and investment pick up. Also, the availability of dry powder, accumulated over the COVID-period and subsequent successful capital raising by fund managers boosts the outlook for PE investment in Africa.

Figure 1: Total Value of Private Capital Deals in Africa, by Year, Q1-Q3 vs Q4, USD bn



Source: AVCA

Development Enablers

Investors are increasingly drawn to the continent's high-growth potential, particularly in markets where traditional banking systems fall short of meeting the financial needs of businesses and individuals. Unlike traditional financing, private equity provides businesses with more than just capital—it offers strategic direction, operational efficiencies, and governance improvements. This model has been particularly impactful in Africa, where many enterprises, though brimming with potential, often lack the financial and managerial expertise required to scale effectively.

In Africa, the PE market is experiencing an increase in interest towards sustainable and impact investments, with a growing number of firms prioritising environmental, social and governance (ESG) frameworks. With a growing workforce and middle-class, a tech-savvy generation is emerging, and in doing so, strengthening the business-case for funding innovative startups in sectors like e-commerce and FinTech. This shift not only aligns with global sustainability goals but also meets the increasing demand for responsible investment. Such trends signal significant opportunities for industry stakeholders to drive economic growth while contributing positively to societal challenges.

Catalysing the enablers

While PE presents immense potential, investing in Africa comes with complexities, including regulatory hurdles, governance concerns and tax considerations, hence the relevance of using the ecosystem that an International Finance Centre (IFC), such as Mauritius, can provide.

Being a tried-and-tested financial hub, the legislative and regulatory framework in Mauritius allow PEs and Investment Funds to structure efficiently to meet their investment thesis. Whether through a company structure, Limited Partnership (LP), Protected Cell Company (PCC) or Variable Capital Company (VCC), fund promoters and investors have the flexibility of choosing the option that best meets their needs. The absence of exchange control and the prevailing competitive taxation regime in Mauritius further boost the case for promoters to structure through the Mauritius IFC.

Moreover, with an advanced fiduciary ecosystem, promoters can spend more of their time unlocking investment opportunities while service providers such as Rogers Capital act as trusted partners, ensuring that investment structures are robust, compliant, and tax efficient. Fiduciary service providers help mitigate risks associated with cross-border transactions, regulatory shifts, and corporate governance. A well-structured investment vehicle, supported by fiduciary expertise, can ensure regulatory compliance, adherence to governance frameworks and optimise tax exposures.

Conclusion

The African growth story is still young. As the continent continues to evolve, PE and investment funds will remain pivotal in driving innovation, creating jobs, and fostering economic resilience. However, navigating the challenges of cross-border investments requires the right expertise and structuring solutions.

Mauritius, with its investor-friendly ecosystem, provides the ideal platform for unlocking the vast opportunities that Africa has to offer. As investment inflows grow, PEs and investment funds that partner with the right jurisdiction and service providers will be best positioned to capitalise on Africa's next growth wave.

> Africa's growth is anchored in its young and rapidly expanding population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Transforming Mauritius into Africa's Leading IFC with Digital Technologies

Gregory Carosin, Head of Business Transformation and Marketing at ABC Banking, brings his views on cutting-edge digital technologies shaped from his experience in Shanghai and Hong Kong at ABC Banking to explain how digital transformation can enhance the competitiveness of the Mauritius International Financial Centre (IFC) as the gateway to Africa.

In the past decades, Mauritius has made significant efforts in strengthening its financial sector. This sector demonstrated resilience during the COVID-19 crisis, with a growth rate and contribution to the GDP of 13.7% in 2023, showcasing its robustness. It has successfully attracted international banks, legal firms, and corporate service providers worldwide, thanks to its good track record and well-regulated, transparent platform.

While these efforts are commendable, the Mauritius IFC is now at a technological crossroads if it wants to achieve the status of an IFC for the African continent. Innovation will be key to achieving the global ambitions of positioning Mauritius alongside Singapore and Dubai as a leading IFC.

Enhancing Customer Experience

Given that Mauritian banks engage with clients worldwide, their benchmark is not the local market but the global one. Transforming the customer experience is crucial to uplift our service. While some banks are faster than others at adopting technology, the whole market is lagging, and will need to be levelled up in terms of technology. For instance, QR payments struggle to be rolled out in Mauritius, while WeChat Pay in Shanghai allows users to complete transactions by simply waving their hands over a scanner. This new 'palm payment' technology eliminates the need for physical wallets and smartphones, using unique biometric data to reduce fraud risk and speed up transactions. Such innovations, whether launched by the private or public sector, enhance the IFC's brand image as a whole.

Although Mauritius is far from implementing palm payments, banks and financial institutions need to adopt omnichannel strategies to provide seamless and personalised experiences across all platforms, from mobile and web to in-branch services.

Transformation involves not only digital advancements but also business changes – streamlining and automating manual processes, eliminating redundant tasks, and improving operational efficiency must go together with uplifting the customer experience.

Training and Workforce Development

While numerous reports, panels, and debates have discussed the erosion of talent in Mauritius, there has been insufficient emphasis on workforce development and transition. Focus has been placed on talent acquisition strategies and ensuring a conducive work environment for employee well-being and engagement rather than the development and transition of employees towards technology and the digital realm.

The workforce plays a critical role in driving digital transformation and maintaining competitiveness in the global financial sector. It is high time for local universities and training institutions to update their curriculum to adapt to technological advancements. These institutions should also develop a culture promoting start-ups and innovation. Large corporates may find it too risky to start a new business involving technology, but the young workforce and students would welcome the change in status quo.

This innovative mindset and startup ecosystem has been crucial in technological advancements in so many countries, and it also serves to showcase the dynamism of an IFC. In Asia, Singapore and Hong Kong have developed a robust FinTech ecosystem, supported by initiatives like the Hong Kong Fintech Week, which attracts global FinTech companies and investors. This ecosystem fosters innovation and collaboration, enhancing the country's appeal as an IFC.

At the same time, the public and private sectors should promote a culture of continuous learning to keep professionals updated with the latest trends and technologies, especially in AI, Blockchain, and data analytics, to foster innovation and enhance service delivery.

Regulatory Involvement & Infrastructure

As the global finance industry evolves, new challenges emerge for banks and financial institutions. The Mauritius IFC can stay competitive by ensuring that new business activities are properly regulated. The regulators' ability to innovate is a major criterion for corporates choosing one jurisdiction over another. New licenses and frameworks must continuously be introduced and adapted to cater to businesses, ensuring compliance and security.

Regulators and the government should also provide a clear vision to promote the sector. A forward-looking and proactive approach to transformation will help businesses avoid grey areas in governance. Collaboration between regulators and the industry will help align on the vision and minimise risks due to non-compliance, especially regarding international norms.

Leading by example through a proactive approach at the level of the public sector will be viewed positively by the industry, bringing stability while leveraging cutting-edge technology. For instance, Dubai has achieved a 100% paperless government with the digitalisation of most of the government services. This transformation has streamlined processes, reduced bureaucracy, and improved service delivery, making Dubai more attractive to international businesses.

In order for the Mauritius IFC to thrive, a comprehensive digital strategy should be developed. Key initiatives like CKYC, new licenses from the FSC, and digitalisation of payments are a great start, but the digital strategy should also encompass all aspects of life for people living in Mauritius including infrastructure, security, talents, and training – empowering society to be digitally driven. Digital inclusion and sustainability are also important, ensuring no one is left behind and that digital services are affordable and accessible for underserved individuals, communities, entrepreneurs, and small business owners. On the sustainability front, the digital strategy should include initiatives encouraging clean energy use in technology, reducing and offsetting emissions, and adapting infrastructure to withstand extreme weather, especially for an insular state like Mauritius. In the short term and medium term, such a strategy will benefit industry players by increasing the competitiveness of the sector.

By embracing digital transformation, the Mauritius IFC can enhance its competitiveness on the global stage, attracting international business and positioning itself alongside leading IFCs like Singapore and Dubai. It is only through joint efforts among not just the companies, universities, associations, and the regulators but also the public sector, that Mauritius will be able to achieve the aspirational vision of becoming the IFC for Africa.

By Gregory Carosin,
Head of Business -
Transformation and Marketing,
ABC Banking, Mauritius

> Transformation involves not only digital advancements but also business changes

Choose well: Seven steps to finding the right trustee

As many High Net Worth Individuals (HNWIs) set up trusts in Mauritius for long-term wealth management, Gordon Stuart, Managing Director, Accuro Trust (Mauritius) Ltd, explains the key characteristics that investors must consider when choosing a trustee.

Mauritius is a highly favourable location for setting up a trust. It offers a politically stable and sound economic environment, a competitive tax regime, multiple Double Taxation Agreements and a robust regulatory framework. The island also provides confidentiality assurances, ensures that information on the settlor or beneficiary is inaccessible, and imposes no requirements for the Trust Deed to be registered with other Registrars.

Located in the Indian ocean, Mauritius offers a unique blend of international standards and asset protection options, making it an ideal location for High Net Worth (HNW) individuals and families seeking wealth management. Many international clients are choosing to set up a trust in Mauritius for long-term wealth management. They remain a very popular tool in preserving family wealth for the long term.

Yet, it is sometimes surprising that comparatively little consideration goes into choosing a trustee. After all, when a trust is established, the legal ownership of the assets is signed over to the trustee, making the trustee play an important role with commensurate responsibility.

In this article, I will aim to answer the question: what are the key characteristics you should consider when choosing a trustee?

1) INDEPENDENCE

A Trustee must be able to act in the best interest of the beneficiaries of the trust. This objectivity is key to ensuring that the trustee's decision-making process is based solely on the provisions outlined in the trust and not on personal or financial interest in the trust or its assets. Therefore, a trustee should be free of conflict of interest.

Such conflicts may arise, for example, where the only trustees are members of one family. Even with the very best of intentions, it can sometimes be difficult and stressful for a family member to be impartial and objective when making decisions that will inevitably impact other family members. Appointing a third-party independent trustee alongside that family member can minimise the risk of such conflict arising and also provide a much-needed objective sounding board, as well as regulatory and professional standard.

> Trusts are a very popular tool for investors in Mauritius to preserve family wealth for the long term

Another instance is when trust's assets are managed in-house (i.e. either by the trustee itself or by a connected entity to the trustee). Normally trust's assets are managed by a third-party bank/asset managers appointed by the trustee with the trustee monitoring the performance of that bank/asset manager.) Practically, it might be difficult in these circumstances for the trustee to demonstrate independent decision making and a lack of financial interest in the assets (in the form of management and other fees deriving from the investment management mandates accruing to the trustee or its connected entity).

Good practice requires a complete separation of activity with the trustee's eye firmly on the monitoring of the investment performance. However, if there is no alternative to entrusting the investment mandate in-house or to a connected entity, transparency over the investment process, strong 'ethical walls' and ongoing and rigorous performance monitoring by the trustee is essential. This will serve to reassure beneficiaries as to independent decision making, strong reporting process and afford the trustees a clear accountability path towards beneficiaries to demonstrate that they are acting in the best interest of the beneficiaries and not theirs.

2) REPUTATION

Don't just take a well-known brand at face value. A proven track record and/or recommendation from a reliable source can provide substance. Ask for guidance from your trusted advisers: they are likely to know from experience and from working in the industry who the reliable partners are. Once you have a selection of names, check the company's website, what they stand for and whether they are based in a stable and reputable jurisdiction. As part of your decision making process, ask for the company's regulatory 'bill of health' and any regulatory issues they may have encountered in the past five years.

3) STABILITY/EMPLOYEE TURNOVER

A trust is set up with long-term goals in mind, so it is important that your trustee also has a long-term lens and track record. When was the company established? Who are its ultimate owners? What are their long-term plans?

Another key element is staff turnover. Families rightly expect a continuing, personal, long-term relationship with a trustee who they know and who knows them, their family history, values and goals. Enquiring about staff turnover will give you an insight into the internal makeup and culture of the trustee company and should strive to reassure you as to the continuity of your trustee relationship.

4) EXPERTISE

In an increasingly complex world, your trustee must strive to be aware of the latest legal/regulatory developments that may impact your structure. Access to a knowledge pool, whether in-house or external, for issues as diverse as property transactions, tax and regulatory developments in

By Gordon Stuart,
Managing Director,
Accuro Trust (Mauritius) Ltd

relevant jurisdictions is essential. A thorough trustee will aim to ensure that there is continuous monitoring of the developments impacting the trust and be ready to discuss this with you and any changes that require to be made to adapt the structure to the new environment.

5) A PROACTIVE APPROACH

Aim to have at least one meeting annually with your trustee for a full debrief on the trust's activities and an opportunity to share updates on your family situation. For example, if some family members are planning to move to a different country as this could have a major impact on the trust. Additionally, a trustee should be willing to provide challenge (with good intent), offer alternative views and ask the difficult questions. You want a trustee who has a pro-active and personal approach so that your communication is meaningful and effective.

6) CYBER SAFE – STRONG AND RIGOROUS INTERNAL PROCESSES

Arguably, one of the most important areas to cover with your trustee. Enquire about the trustee's data security and storage approach and how well any technical processes are supported by regular staff training and awareness. Make sure you are happy with any internal procedures to sign off on payments, using rigorous internal protocols such as the 'four eyes' principle – where internal payments are signed and approved by two people – call backs and email encryption.

7) COST TRANSPARENT

Quite rightly, costs must be considered when appointing a trustee, but get the balance right. A good trustee will need to uphold the integrity of the structure put in place. This means adequate meetings, record-keeping and regulatory and legislative monitoring to ensure your family trust is well managed and able to stand the test of time. This means a certain cost. A reputable trustee company, however, should also be able to provide you with complete transparency in relation to those costs, so that you can see exactly what you are paying for and why it is worthwhile.

> Families rightly expect a continuing, personal, long-term relationship with a trustee

CONCLUSION

Choosing your trustee is one of the most important decisions that you make for yourself and your family. Probe, do your research and invest the time to get to know the prospective trustee company well. Once comfortable with your choice, be aware that this is the start, not the end of the journey.

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Private Equity: Why Co-Investments Are Becoming A Key Allocation Strategy

As co-investments become an increasingly popular strategy among institutional and sophisticated investors, Etienne Maigrot, Senior Associate at Friday Capital, explores the fundamentals of co-investing, its benefits and risks.

Private equity offers investors a range of opportunities beyond traditional fund commitments. One such strategy that has been gaining prominence is co-investment — a direct investment alongside PE firms in specific deals.

What Are Co-Investments?

Co-investments refer to direct investments made by limited partners (LPs) or other qualified investors alongside a private equity fund in a specific deal. Instead of committing capital solely to a blind pool fund, co-investors gain direct exposure to individual transactions, typically on a no-fee, no-carry basis — offering a more cost-effective way to access private equity opportunities.

Co-investments allow investors to enhance portfolio diversification, increase control over capital deployment, and target specific sectors or geographies.

Over the past decade, the co-investment market has expanded significantly, with institutional investors and family offices increasingly leveraging these opportunities to complement their traditional PE allocations.

Why Do Funds Call Co-Investors?

Co-investment provides several key advantages for fund managers and their investors:

Size
Pooling capital with co-investors enables the execution of larger transactions while allowing funds to maintain diversification by reducing the size of individual investment tickets.

Control
Co-investments can help fund managers secure majority ownership, giving them greater influence over strategic decisions.

Value-Added Expertise
Partnering with experienced co-investors brings industry knowledge, networks, and credibility, enhancing the investment's success potential.

Relationship
Offering co-investment opportunities strengthens ties with existing investors and attracts new partners, fostering trust and securing future capital commitments.

Why Are Co-Investments Interesting?

Co-investments present a unique opportunity for investors to participate in high-quality private equity deals alongside established funds. They offer strategic advantages that enhance portfolio diversification, improve capital efficiency, and provide access to exclusive opportunities.

Access
Co-investments provide exposure to deals across various sectors led by international funds, traditionally reserved for institutional investors.

Distribution pace
They enable faster capital distribution compared to traditional private equity funds and funds of funds.

Due Diligence
Investments benefit from additional due diligence and rigorous selectivity, ensuring high-quality opportunities.

Cost Efficiency
Most co-investments come without carried interest, making them a more cost-effective option for investors.

Risks To Consider

While co-investments offer benefits like lower fees and greater control, they also come with risks that

**By Etienne Maigrot,
Senior Associate,
Friday Capital**

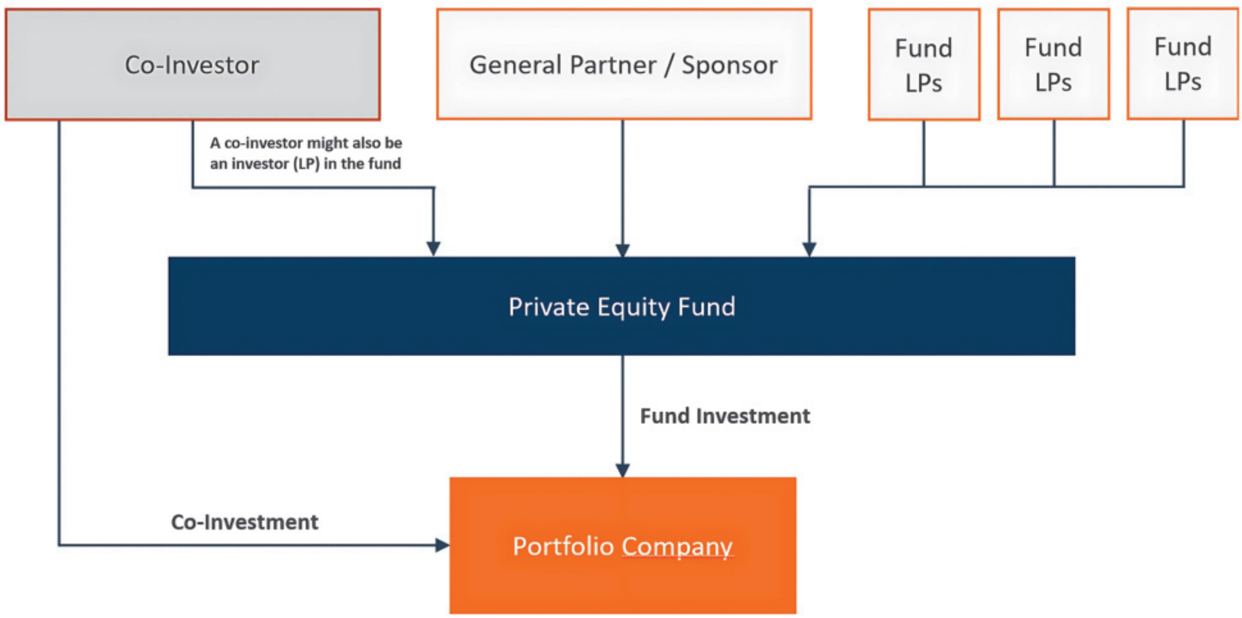

Fig. 1 Structure of an equity co-investment in a portfolio company alongside a private equity fund

investors must carefully assess. These include concentration risk, as investments are deal-specific rather than diversified, and due diligence challenges, given the need for quick decision-making. Despite these challenges, co-investments remain attractive for sophisticated investors who can navigate these risks effectively.

Co-Investment Funds

As investor appetite for co-investment opportunities grows, a number of private fund managers are launching dedicated co-investment funds to meet investor demand. These funds provide limited partners (LPs) with a structured way to access direct investments alongside the sponsor, often at reduced fees compared to traditional fund commitments.

By pooling capital into a co-investment fund, investors can achieve greater diversification across multiple deals, reducing concentration risks of individual co-investments, while still benefiting from the advantages of direct exposure.

Additionally, these funds allow general partners (GPs) to execute larger transactions by bringing in aligned capital, enabling them to pursue high-value opportunities that might otherwise exceed their fund's capacity.

Conclusion

For qualified investors and private equity fund-of-funds, co-investments present a compelling opportunity to access high-quality deals with lower fees, greater control and the potential for enhanced returns. By investing directly alongside PE sponsors, investors can enhance their portfolio diversification, gain exposure to specific sectors, and benefit from the expertise of leading fund managers. However, navigating co-investments requires a thorough understanding of the risks, including concentration and due diligence challenges.

Co-investment opportunities are growing and becoming a key part of advanced investment strategies. Looking ahead, co-investment funds must emphasise careful selection, strong partnerships, and thorough due diligence to navigate today's evolving private equity market successfully.

> Co-investments are emerging as a powerful tool for investors seeking direct access to high-quality PE deals with enhanced control and lower fees

Strengthening ties: U.S. and Mauritius focus on digital finance innovation

AI, blockchain, robust regulatory frameworks, and secure financial systems are essential for attracting U.S. investment. The potential for continued growth through strengthened financial and technological partnerships aligns closely with the interests of both Mauritius and the U.S. Ambassador Henry V. Jardine outlined collaborative efforts in cybersecurity and knowledge sharing to enhance economic prosperity and regional stability.

Ambassador Jardine, following your meeting with Dr. the Honourable Mrs Jyoti Jeetun, the Minister of Financial Services and Economic Planning, you discussed key pillars bolstering the economy, including financial services and international investment. How do you see the Mauritius International Financial Center (MIFC)'s focus on innovative digital technologies, particularly those driving the next phase of financial services, aligning with and enhancing these key pillars of the U.S.-Mauritius economic partnership?

The United States values Mauritius as a reliable economic partner and recognises the MIFC as a key player in driving regional financial innovation. Emerging digital technologies such as AI and blockchain hold great potential to enhance financial services. These advancements can attract global investors, including U.S. firms, by reinforcing the integrity of financial transactions. Our economic partnership thrives on shared principles of good governance, innovation, and open markets, and the MIFC's digital transformation aligns well with these priorities. At last year's U.S.-Mauritius Business Summit, U.S. firms explored opportunities with Mauritian partners in Fintech, cybersecurity, and digital finance, underscoring the potential for deeper collaboration in these areas.

Deepening bilateral investment ties is a top priority. How do you believe the development of a robust and innovative digital financial services sector within the MIFC, focused on cutting-edge technologies, will attract increased U.S. investment into Mauritius?

A well-regulated and technologically advanced financial environment is critical for U.S. investors. Mauritius has made significant progress in positioning itself as an investment hub and is seeking to integrate cutting-edge technologies such as AI-driven compliance and blockchain-enabled security. This will enhance investor confidence. U.S. companies specialising in Fintech, cybersecurity, and financial services are always seeking stable, transparent, and innovation-driven markets, and Mauritius has the potential to meet these criteria. However, ensuring robust regulatory frameworks, secure networks, and strong intellectual property protections will be key in attracting long-term U.S. investment. Mauritius's proactive engagement with U.S. businesses reflects its commitment to creating an attractive business environment that fosters trust and collaboration.

Facilitating two-way trade and commercial relationships is another key goal. In what specific ways can the adoption of advanced digital solutions within the MIFC streamline trade processes and enhance commercial interactions between U.S. and Mauritian businesses, especially in the financial sector?

Advanced digital solutions such as AI-driven risk assessment, blockchain for secure transactions, and automated trade facilitation tools can significantly streamline financial transactions between the United States and Mauritian businesses. These innovative technologies can reduce processing times, enhance transparency, and lower operational risks. For example, secure digital payment platforms and automated compliance systems can help U.S. businesses operate more efficiently in Mauritius. A seamless, digital-first approach to financial services will encourage more U.S. companies to engage with Mauritius as a financial and trade partner. We have already seen strong engagement in sectors such as financial services and ICT, particularly through U.S. companies participating in events like the U.S.-Mauritius Business Summit held last August.

Fostering closer ties between U.S. Fintech firms and Mauritian institutions can accelerate the adoption of emerging technologies

You've emphasised creating opportunities that enhance security and prosperity. How do you see collaboration between the U.S. and Mauritius in developing secure and ethical applications of emerging digital technologies within the financial sector contributing to both economic prosperity and regional stability?

Security in the financial sector is essential for sustainable economic growth, and the United States is committed to working with Mauritius to promote secure and ethical applications of digital finance technologies. Strengthening cybersecurity infrastructure, ensuring compliance with international financial regulations, and implementing AI-focused fraud detection are all areas where collaboration can reinforce stability. A secure financial system not only benefits businesses but also enhances Mauritius's regional role as a trusted financial hub and reduces risks associated with illicit financial flows and cyber threats. Ensuring strong cybersecurity within the financial sector will further Mauritius's goal of becoming a regional leader in financial innovation while maintaining high standards of security and transparency.

Dr. the Honourable Mrs Jyoti Jeetun, the Minister of Financial Services and Economic Planning, and yourself discussed financial services and international investment. How do you see the regulatory development for novel digital financial technologies that Mauritius is deploying impacting the overall attractiveness of Mauritius as an international investment hub for U.S. investors?

Mauritius's proactive regulatory developments in digital finance send a positive signal to U.S. investors looking for well-governed, forward-thinking financial ecosystems. However, predictability and alignment with global best practices remain crucial. If Mauritius continues to strengthen regulatory transparency, enhance financial crime prevention measures, and adopt clear frameworks for AI and blockchain applications, it will position itself as an attractive destination for U.S. investors seeking stability and innovation. Consistency in regulatory enforcement will be key to ensuring long-term investor confidence. The Prosper Africa delegation's visit in October 2024 to Mauritius provided a valuable opportunity to discuss these regulatory developments with both public and private sector stakeholders, reinforcing the need for transparent and predictable policies to support international investment.

Looking ahead, with the MIFC embracing digital transformation, how can the U.S. and Mauritius further strengthen their collaborative efforts to ensure that the financial services sector remains a key driver of economic growth and prosperity for both nations while navigating the challenges and opportunities presented by technological advancements?

Collaboration in areas such as cybersecurity, regulatory compliance, and AI-focused financial solutions will be vital in ensuring that the MIFC remains a trusted hub for international business. The United States will continue to support Mauritius through technical assistance, public-private partnerships, support of commercial delegations to relevant tradeshows and conferences, and knowledge-sharing initiatives that promote responsible innovation. Additionally, fostering closer ties between U.S. Fintech firms and Mauritian institutions can accelerate the adoption of emerging technologies, while mitigating risks. A strong, modernised financial sector will enhance economic prosperity for both countries. Events like the U.S.-Mauritius Business Summit, the Prosper Africa visit, and the U.S. Embassy-American Chamber of Commerce discussion series have demonstrated our commitment to facilitating these partnerships and expanding economic ties.

Beyond direct investment and trade, how do you envision the U.S. and Mauritius collaborating on knowledge sharing and capacity building in the digital finance space, specifically regarding the development of new financial technology? Are there any specific programs or initiatives the U.S. Embassy is planning to support in this regard?

The United States is committed to fostering financial technology expertise through collaboration with Mauritian institutions. Initiatives such as industry roundtables, training programs, and partnerships with U.S. Fintech firms can help build capacity in areas like blockchain applications, AI in financial risk management, and regulatory compliance. These efforts will strengthen Mauritius's Fintech capabilities while promoting best practices aligned with international standards. Our recent engagements reflect our ongoing commitment to capacity building and knowledge sharing, ensuring that Mauritius remains at the forefront of digital finance innovation.

> A well-regulated and technologically advanced financial environment is critical for U.S. investors

Given the global discourse surrounding digital assets and cryptocurrencies, how do you see Mauritius positioning itself within this evolving landscape, particularly in relation to U.S. policy and regulations? How can the U.S. and Mauritius collaborate to address potential risks and ensure responsible innovation in this area of digital finance?

Digital assets and cryptocurrencies present both opportunities and challenges, and Mauritius has an opportunity to position itself as a responsible leader in this space. The United States supports regulatory approaches that ensure financial stability, protect consumers, and prevent illicit financial activities. Mauritius's ongoing efforts to develop a clear and enforceable regulatory framework for digital assets are steps in the right direction. Collaboration on best practices, compliance mechanisms, and regulatory dialogue between our two countries can help promote responsible innovation while mitigating risks.

Innovating in the payments space: Mauritian banks look to the global arena for inspiration

Five years after COVID lockdowns forced many people to use digital payments for the first time, Mauritian banks are proactively introducing digital-first banking services and looking to the Bank of Mauritius' Innovation Hub to take the digital payments ecosystem to the next level.

The landscape for digital payments in Mauritius, and across the globe, has completely transformed over the past five years, since many citizens around the world were forced to use digital forms of payment as the COVID-19 pandemic broke.

Indeed, in response to the urgent need for contactless payments during COVID, digital payments took off with a bang in March 2020 with Mauritius' pioneering payments app Juice seeing a four-fold increase in transaction volumes. The Bank of Mauritius followed closely on the heels of market developments with a national QR code – the 'MauCAS QR Code' – being introduced in September 2021.

In February 2024, Mauritius and India launched a RuPay and Unified Payments Interface (UPI) linkage through which RuPay cards issued in Mauritius could be accepted at ATM and point-of-sale (POS) terminals in India, and Indians could make UPI QR transactions at participating merchants in Mauritius.

Finally, in September 2024, the Bank of Mauritius launched an 'Innovation Hub' to encourage the development of FinTech projects.

Entrenching a digital-first mindset

No wonder that figures released by local banking major MCB at the start of the year showed that there was an overall increase of 13% in digital transactions in 2024. Moreover, contactless payments saw a 19% increase in 2024, while payments through QR codes have grown 100% over the past year.

Stephanie Ng-Tseung, Head of Payments, MCB explains that COVID-19 clearly accelerated consumers' adoption of digital payments, with health concerns prompting people to avoid handling cash, and contactless payments emerging as the preferred option, with their number growing fourfold during the pandemic. Local businesses also saw the imperative of accepting digital payments, and MCB equipped them with QR payments, card terminals, and e-commerce gateways, she adds.

"Five years after the pandemic, the payments landscape is dynamic and evolving with new entrants and novel use cases, like the government portal. Today, the local market is a hybrid where cards, mobile, and QR-based payments co-exist. The central bank has introduced relevant payment infrastructure, such as the Instant Payments System, to enable our transition to a cashlite economy, and we are moving in the right direction. Having said that, there is still a lot of cash in circulation, and we need to have a national roadmap encompassing customer education, lowering the cash transaction threshold. Fiscal policy, amongst others, accelerates the movement," she emphasises.

Sangeetha Ramkelawon, CEO of BCP Bank (Mauritius) Ltd, believes that the shift towards digital banking is not just a trend but a fundamental transformation reshaping the way businesses and consumers interact with financial services. She explains that to firmly entrench digital services in the consumer mindset, Mauritian banking players should focus on three key elements: accessibility, trust, and value-added services.

"First, accessibility is crucial. Digital banking must be easy to use, intuitive, and available across multiple channels—including mobile apps, web platforms, and even AI-powered customer support like bots. Seamless onboarding, user-friendly interfaces, and widespread digital literacy initiatives will ensure that consumers feel comfortable adopting these services. Second, trust and security are non-negotiable. Consumers will only embrace digital banking if they are confident that their data and transactions are protected. Strong cybersecurity measures, transparent data policies, and clear communication about fraud prevention will reinforce trust. Finally, value-added services make digital banking indispensable. Features such as real-time payments or digital wallets or even virtual assistants/chatbots enhance convenience, bring about more engaging customer experience and demonstrate the tangible benefits of digital banking."

Meanwhile, SBM Bank (Mauritius) Ltd's Samir Matabudul, Chief Information and Digital Officer notes the increasing demand for mobile-first banking, instant transactions and self-service financial tools. "As Mauritian customers become more digital savvy, their expectations for seamless, intuitive, and accessible banking services continue to grow. In December 2024, we partnered with EY and Gartner to accelerate our digital transformation journey, reinforcing our ambition to become a leading financial powerhouse. With continuous investment in automation, artificial intelligence, and cybersecurity, we are contributing to a future of banking that is more intuitive, resilient and customer centric."

"The central bank has introduced relevant payment infrastructure, such as the Instant Payments System, to enable our transition to a cashlite economy, and we are moving in the right direction."

Stephanie Ng-Tseung,
Head of Payments, MCB

"The new regulations set Mauritius on the world stage as they provide the clear legal and regulatory pillars to ensure activities are conducted within the adequate governance framework with regards to risk mitigation, AML, technology and compliance aspects."

Yasmeen Mowla Taher,
Head of Technology, Absa Bank (Mauritius) Limited

Finally, Yasmeen Mowla Taher, Head of Technology at Absa Bank (Mauritius) Limited, explains that, as clients in Mauritius become increasingly sophisticated, the demand for digital-first banking services is set to rise, with a clear focus on personalised, seamless, and real-time experiences. "Banks are turning to AI, data analytics, and mobile-first solutions to provide hyper-personalised financial services that cater to individual needs. Customers will expect omnichannel integration, swift transactions, and enhanced security. At the same time, growing concerns around sustainability and ethical banking will drive the demand for eco-friendly financial products. To stay ahead, banks must innovate continuously to meet these evolving expectations and maintain customer trust," she explains.

How the central bank is supporting the digital payments movement

Stephanie explains that the Bank of Mauritius' innovation hub, Innov8, aims at being a regional innovation platform that fosters collaboration between banks and FinTechs to drive innovation in the financial sector.

"By collaborating with the 7 central banks in the region, we can identify regional challenges linked to financial inclusion, digital banking, regional trade etc., and solve these problem statements. Additionally, the sandbox can allow banks and FinTechs to test innovative solutions without the full regulatory burden, thereby encouraging experimentation. In theory, it has the potential to accelerate digital transformation and create new competitive dynamics. However, it will also come with challenges as banks may have legacy systems that will require them to invest in technology upgrades; digital solutions also require investments in cyber security and heightened compliance," she elaborates.

For her part, BCP Bank's Sangeetha Ramkelawon believes that the launch of Innov8 by the Bank of Mauritius is a significant step towards fostering innovation and collaboration within – and for – the financial sector with the aim of accelerating its growth.

"As a bank committed to digital transformation, we welcome this platform enthusiastically, seeing it as an opportunity to engage with industry peers and explore cutting-edge technological advancements. We expect Innov8 to serve as a catalyst for meaningful innovation, particularly in areas such as financial inclusion—a fundamental pillar of BCP Group's DNA. By facilitating knowledge-sharing and testing new technologies in a controlled environment, we can collectively enhance financial services and better serve our customers," she unfolds.

"We expect Innov8 to serve as a catalyst for meaningful innovation, particularly in areas such as financial inclusion."

Sangeetha Ramkelawon,
CEO, BCP Bank (Mauritius) Ltd

Looking ahead at new trends in payments....

The global virtual asset market capitalisation, which includes cryptocurrencies and other digital assets, was estimated at US$3 trillion in 2024, states Stephanie.

Against this backdrop, she comments that MCB views virtual assets as a promising area for growth and welcomes the VAITOS Act and the guideline issued by the Bank of Mauritius on Virtual Assets related activities.

"The new regulations set Mauritius on the world stage as they provide the clear legal and regulatory pillars to ensure activities are conducted within the adequate governance framework with regards to risk mitigation, AML, technology and compliance aspects. Digital assets, of which virtual assets is a sub class, has the potential to impact a wide array of banking activities ranging from payments, products, custody and investments."

Meanwhile, Yasmeen Mowla Taher explains that Absa draws inspiration from successful models across other African economies to continuously refine their offerings for Mauritian clients, thus ensuring that banking is not only accessible but also cost-effective.

When it comes to innovation, Samir Matabudul explains that the financial services sector is witnessing a transformative shift with the rise of Generative AI, offering new possibilities for personalised customer engagement. "As digital adoption accelerates, banks must remain pro-active in exploring new opportunities that enhance customer experiences while aligning with regulatory developments to ensure responsible innovation," he avers, while elaborating that features such as the QR code generation in SBM Tag for receiving payments were introduced in response to the growing demand for fast, convenient, and secure digital transactions.

"Beyond customer-facing solutions such as SBM Tag, we have made significant advancements in automation and internal efficiencies. For instance, by leveraging robotic process automation (RPA), we have streamlined critical operations, reduced manual workloads and accelerated transaction processing. The automation of inward remittance processing alone has seen a significant improvement while other enhancements have improved compliance, reconciliation processes, and email automation across different business lines. These efforts have contributed to a more agile and efficient internal operating model, allowing us to allocate resources more effectively and focus on value-added services for customers."

...while navigating security concerns

For the way forward, Yasmeen takes a cautionary stance, explaining that, particularly in the financial services industry, customer data privacy and security are non-negotiable. "Hence, banks must prioritise robust frameworks that guarantee thorough risk assessments and the implementation of strong security measures across all initiatives. Additionally, banks must maintain close collaboration with regulators to ensure that their practices are fully aligned with the latest standards and regulations, providing their customers with the highest level of protection and trust," she concludes.

Stephanie echoes her concerns in terms of transparency, potential biases, and privacy issues, especially as AI is adopted in the sensitive financial services space. "Recognising that data is an essential component of AI, we are aware of the potential for biases, particularly in areas like credit modelling. As we continue exploring various use cases, we refine our models to minimise these biases over time. In credit underwriting, for example, we are cautious of pitfalls such as biased data inputs that could affect fairness. We prioritise transparency, ensure data privacy, and adhere to strict regulations, aiming for ethical AI usage while fostering consumer trust and collaborating with regulators to shape best practices," she concludes.

Finally, Samir explains that innovation and security are equally important in today's digital banking landscape, particularly in a connected market like Mauritius. "Our focus remains on offering seamless services without compromising trust and safety. To ensure this balance, we have significantly reinforced our security framework, investing in real-time monitoring and proactive defence mecha-nisms to protect customer data. By balancing both the user experience and security, we are committed to maintaining customer trust while driving digital transformation in banking. We prioritise transparency and ethical AI usage, ensuring that all digital advancements align with industry best practices and customer protection guidelines. Our goal is to harness AI's potential in a way that strengthens trust, safeguards customer data, and upholds our commitment to secure and fair banking services."

As Mauritius prepares for the exciting wave of artificial intelligence, robotics and digital advances that are reshaping the landscape across several industries, the banking sector is set to undergo major transformations in the decades to come. With the right regulatory framework and innovation-friendly measures such as Innov8, Mauritius is well poised to take advantage of emerging technologies to provide best-in-class digital payments to consumers and businesses alike.

"As digital adoption accelerates, banks must remain proactive in exploring new opportunities that enhance customer experiences while aligning with regulatory developments to ensure responsible innovation."

Samir Matabudul,
Chief Information and Digital Officer, SBM Bank (Mauritius) Ltd

New roadmap for the financial services sector to focus on growth and competitiveness

The Ministry of Financial Services and Economic Planning hosted a major consultative workshop in March, bringing together leading stakeholders to chart the path for the next phase of development of the Mauritius International Financial Centre.

With the financial services sector of Mauritius contributing around 14% to the island's GDP, its future development will have a vital role to play in the continued economic success of the country. The Government Programme 2025-2029, entitled "A Bridge to the Future" and announced by the President in January 2025, places a new emphasis on modernising the financial services industry and adapting the Global Business sector to move up the value chain, increase the flow of services, create more jobs and better integrate it internationally.

Specifically, it was announced that the Government will come up with a new Strategic Plan for Financial Services to consolidate the reputation and image of its jurisdiction whilst improving its product offerings and pioneering the development of new market segments.

Against this backdrop, the Ministry of Financial Services and Economic Planning, under the leadership of Dr. the Honourable Mrs Jyoti Jeetun, brought together over 140 representatives of the public and private sectors for a major consultative workshop in Ebène on 10 March, to engage in strategic discussions on the rethinking of the financial services industry to inform the development of the new roadmap for the sector.

▲ *Dr. Rama Krishna Sithanen, GCSK, Governor Bank Of Mauritius, Dr. the Honourable Mrs Jyoti Jeetun, Minister of Financial Services and Economic Planning and the Honourable Dhaneshwar Damry, Junior Minister of Finance*

Positioning Mauritius as an agile, competitive and digitized financial hub

The Governor of the Bank of Mauritius, Dr. Rama Sithanen, and the Junior Minister of Finance, the Hon. Dhaneshwar Damry, underlined the need to adopt bold and visionary policies in order to position Mauritius as an agile, competitive and digitized financial hub.

Dr. Rama Sithanen, Governor of the Bank of Mauritius, highlighted that the best asset that Mauritius has as a country is "the expertise, the experience, the skill and the knowledge that we have built over the years". He also noted that it served two principal markets that were growing, namely India and Africa. He saw that the financial sector of Mauritius was at a "critical inflection point", and he commented that "we cannot afford to get it wrong as this is the most critical sector in the economic landscape". For the global business sector, in his view, the business model had not changed since 1991. "What is our unique value proposition?" he asked participants.

The Honourable Dhaneshwar Damry, Junior Minister of Finance, raised the issue of the capital markets in Mauritius being underserved, and considered that the bond market could be developed further. He placed strong emphasis on digitalization, urging

Mauritius to "achieve a fully digital economy". In terms of what the government could do, he saw that "Mauritius has a unique value proposition in terms of investments into Africa" and asked what more they could do as a government to really become the financial sector for Africa.

Towards implementing a long-term strategy

Dr. the Honourable Mrs Jyoti Jeetun, Minister of Financial Services and Economic Planning, commented that, as a new government, "we bring with us a new vision full of ambition and a strong desire to create measurable impact". With regard to the Governnment programme, she underlined that "the priorities are clear, the actions will be precise, and we will move forward pragmatically. In a world in perpetual upheaval – financial crises, climate change, technological revolution – our strength will be our ability to innovate, to adapt, to bounce back. We are implementing a long-term strategy, with measurable objectives and rigorous evaluation to ensure our trajectory. That's the whole point of our work today," she emphasised.

Focus on tackling challenges and strengthening attractiveness

The first round of workshop discussions focused on the major challenges of the Mauritian financial sector and the necessary actions to strengthen its attractiveness. Among the main obstacles identified were administrative inefficiency, fiscal instability, rising operating costs, but also a lack of qualified talent, identity and visibility. Insufficient digital transformation and dependence on the US dollar were seen as hampering the country's competitiveness. Furthermore, some initiatives, such as family office licenses, have not met with the expected success, while other opportunities, such as green finance and ship registration, remain underexploited.

To meet these challenges, several recommendations were formulated: accelerate the digitalization of administrative procedures and make them more efficient, stabilise taxation to offer a transparent framework to investors, encourage banking diversification with solutions such as open banking and stablecoins, and establish a solid framework for sustainable investments.

Repositioning the IFC to highlight its strengths

With regard to the positioning of the Mauritius IFC, discussions focused on the need for clearer and coherent communication, highlighting its key assets: political stability, advantageous time zone and a solid legal framework. Improving the investor experience was seen as crucial, through simplification of administrative procedures, strengthening of the regulatory framework, and the guarantee of fiscal and legislative stability.

▲ *Shahed Hoolash, Managing Director, Vistra Mauritius, Kabir Ruhee, CEO, Rogers Capital, Jenny Korten, Lifecoach, Health2bfree Coaching Services, and Thierry Goder, CEO, Alentaris, Recruitment and HR Consulting Agency, discussing strategies for talent attraction*

To remedy current challenges, several actions were to be considered: the structuring of a dedicated team and the strengthening of governance were seen as essential to ensure the monitoring and implementation of reforms. It was also deemed crucial to reduce bureaucracy by adopting international regulatory standards and drawing inspiration from the best practices of global regulators.

Repatriating the country's expatriate talents

The panel saw that attracting and retaining local talent, as well as the Mauritian diaspora, requires a rethink of the educational and professional approach. The establishment of a programme to repatriate expatriate talents, as well as better coordination between public and private institutions, were also recommended. It was seen as essential to strengthen the links between industry and academic institutions, to integrate technology into continuing education and to offer a working environment aligned with the expectations of the new generations, especially in terms of work-life balance. Above all, it was considered that a cultural and organisational transformation must be initiated to ensure sustainable economic development and maintain the competitiveness of Mauritius as an attractive international financial hub.

Towards an enabling regulatory environment for pension fund investment

The evolving regulatory landscape for pension funds was one of the key issues on the agenda of the 8th Pension Funds and Alternative Investments Africa Conference hosted in Mauritius in April 2025, which took a deep dive into the impact of recent reforms and regulations introduced across the African continent.

The 8th Pension Funds and Alternative Investments Africa Conference, organised by AME Trade and held on 8-9 April 2025 in Balaclava, Mauritius, focused on the timely theme of "Investing for Tomorrow to Achieve Maximum Impact and Sustainable Economic Growth".

In this context, a panel session was chaired by Faraz Rojid, CEO of Mauritius Finance, which explored the evolving regulatory lay of the land and creating an enabling environment for pension fund investment. The panel was composed of leading practitioners from across Africa, namely Brian Karidza, Head of Actuarial & Benefits Administration, Government Employees Pension Fund (GEPF), South Africa; Dr Emmanuel Anesu Fundira, Board Chairman, National Social Security Authority (NSSA) of Zimbabwe; Veenay Rambarassah, Director of Investments, National Pensions Fund Mauritius; Masotja Vilakati, CEO, Public Service Pensions Fund (PSPF), Eswatini; and Adam Usman Sulley, DDG Operations & Benefits, Social Security and National Insurance Trust (SSNIT), Ghana.

Setting the scene, Faraz Rojid highlighted that the debate would seek to dissect what was happening in the African pension funds landscape, taking the example of recent reforms in South Africa as a case study and whether this could be an example for other African countries to follow, and assessing whether new regulations on the continent were creating or deterring growth.

South Africa: the two-pot retirement system

Brian Karidza, Head of Actuarial & Benefits Administration, Government Employees Pension Fund (GEPF), shared the experience of introducing a new 'two-pot' retirement system in South Africa, which came into effect on 1 September 2024. He explained that the challenge faced in South Africa – and in other African markets – was that the restricted nature of pension funding systems meant that they are "only accessible either on resignation from your job, or if you eventually pass on, or when you actually reach your retirement age". He noted that most of their members, and the wider population, have pressing needs but have no way of accessing additional funds. He described how policy makers in South Africa had sought to reach a compromise which would allow some form of early access to pension fund savings, without the person having to resign from their job.

▲ *(l. to r.) Dr Emmanuel Anesu Fundira, Faraz Rojid, Veenay Rambarassah and Masotja Vilakati discussing the changing pension funds landscape*

Under the two-pot scheme, which is mandatory, one-third of the member's contributions/benefits are now allocated to a savings or accessible fund, while the remaining two-thirds are allocated to a different fund called the retirement fund. Any existing savings from when the member joined the fund up to 21 August 2024 are preserved in the savings fund, Brian explained.

Brian saw that there were some catches in the scheme, including that the savings fund could only be accessed once in a tax year, with a minimum withdrawal amount of R2000, and it would be taxed as additional income, and therefore at a higher rate than the usual tax rates applied to pension savings. He noted that there could be potential reflections as to how the two-pot system works, since it was still in an "experimental phase" and they were still trying to assess how it works. He considered that there could be a lot of lessons for other countries, bearing in mind the challenges for countries with a large informal sector.

Ghana: potential benefits to be derived from increased offshore investments

Sharing his insights on the structure of pensions in Ghana, Adam Usman Sulley, DDG Operations & Benefits at the Social Security and National Insurance Trust (SSNIT), explained that pensions were organised in three tiers (which encompass two mandatory schemes for basic and occupational pensions, and one voluntary provident fund and personal pension scheme). He noted that there was currently a restriction as to how much could be invested offshore. He hoped that in future there would be an opportunity to "take their eyes off the domestic space", in which context the scheme would have to "build confidence at a different level".

Eswatini: impact of regulations on investment policy

Looking at the situation in Eswatini, Masotja Vilakati, CEO, Public Service Pensions Fund (PSPF), noted that there was a lot of migration with people leaving to work in Europe, Taiwan or China, which led to disruption in pensions administration. He noted that there were a number of constraints upon investment policy, which meant that they were sometimes forced into "sub optimal type of investment strategy". He noted that 10% of funds must be invested in the private sector, and that infrastructure and other alternatives could also be considered. He thought it was likely that Eswatini would follow the same path as South Africa in terms of introducing a 'two-pot' system which would help citizens gain access to funds in emergencies.

Zimbabwe: need for balance between regulation and investment

"Regulation is a good thing, but it can also be misused," according to Dr Emmanuel Anesu Fundira, Board Chairman, National Social Security Authority (NSSA) of Zimbabwe. He saw that Zimbabwe was not unique, and that most African countries, as developing countries, were seeing a general rise of the economy, even though there had been a lot of job losses. He highlighted the importance of compliance and the need to ensure accountability. His overarching view was that "a good balance between regulation and investment is ideal to ensure that we can grow the economy".

Mauritius: experience of pensions reform

Veenay Rambarassah, Director of Investments, National Pensions Fund Mauritius, described how the National Pension Fund, created back in 1978, had been replaced by a new system in 2020 known as the Contribution Sociale Généralisée (CSG), which covers all employees in Mauritius from both the public and private sectors. He explained that, under the current legal framework, an investment committee of the pension fund is tasked with asset allocations. He took the view that "too much regulation, too much control by Parliament or by the Government, is not appropriate for a pension fund. A pension fund has to have the flexibility to operate and to be accountable for its decisions later on," he underlined.

Conclusion: Focus on adaptability in a changing world

It was highlighted in the discussions that regulation would need to become a compromise, with Dr Emmanuel Anesu Fundira emphasising that there would be a need for adaptability in a very dynamic environment. The impact of technology was also brought into sharp focus by Brian Karidza, who predicted that regulation would also need to address issues around cybersecurity and the use of AI by investment managers. The issue of easing restrictions on investing abroad would also need careful consideration by regulators, with Brian Karidza highlighting that this could have an impact on local investment and market liquidity, possibly leading to inflationary pressures.

All in all, the regulatory landscape for African pension funds will continue to evolve in the light of new challenges for African citizens, with regulators seeking to strike the right balance as pension fund managers redefine their strategies to drive fund growth and meet the demands of the future.

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>
> Veenay Rambarassah,
> Director of Investments,
> National Pensions Fund
> Mauritius

Level Up: Why Capacity Building is crucial for the Mauritian IFC

Meenakshi Saxena, Executive Director, AMG Group, explains why capacity building is key to succeeding in a digital-first world, and how the Mauritian International Financial Centre (IFC) can gear up to keep pace with change, embrace digital skills, and encourage cross-functional collaboration.

By Meenakshi Saxena, Executive Director, AMG Group

Ever wonder why some organisations keep evolving and excelling while others struggle to keep up? You're not alone! We've all wondered what it takes to unlock the next level of innovation and productivity at work. It's like trying to upgrade our smartphone but forgetting to charge it and we are stuck with outdated tech in a fast moving world.

This challenge is especially real in the financial services sector, where rapid changes, digital disruption, and global expectations demand constant evolution.

The key is capacity building!

It's about empowering every team member of the organisation to recognise and harness their unique strengths. Where change is constant, the real game-changer isn't just keeping up – it's developing the skills and mindset to stay ahead.

As the Mauritian IFC continues to grow as a leading financial hub, capacity building plays a prominent role in driving knowledge sharing and skill development. Think of it as an upgrade to the financial service sector's toolkit; refining skills, boosting confidence, and cultivating a culture of continuous progress.

What is Capacity Building?

Simply put, capacity building is about sustaining the capacity that is built. In the financial sector, it's not just about ticking the box on training sessions. It's about strengthening teams, developing leadership, and creating systems that support long-term success. That means developing leadership, improving systems, and creating the kind of environment where long-term success can actually take root.

Today, capacity building in the financial world also means keeping pace with change, embracing digital skills, driving innovation, and encouraging cross-functional collaboration. Whether it's strengthening compliance frameworks or equipping professionals with cutting-edge tools, it's all part of building a future-ready financial ecosystem.

The Modern Take on Capacity Building

Traditionally, capacity building was about transferring knowledge or technical skills from experts to those in need. While that's still important, today, it's much more than just teaching or training, it's about empowering people to think critically, take ownership, and solve problems, all while adjusting to new challenges on the fly.

In today's fast-paced world, capacity building is the key to thriving, not just surviving! Its a modern take on "Giving back to society" where sharing your knowledge and expertise empowers others to grow and succeed.

Building Resilience in a Changing World

Capacity building today isn't just about addressing immediate challenges, it's about building resilience for the future. Whether it's through leadership development, improving institutional structures, or fostering digital literacy, modern capacity building is all about preparing for the long-term.

For instance, during global crises like the COVID-19 pandemic, the financial services sector had to adapt almost overnight. The ability to shift to remote operations and embrace digital platforms became essential for business continuity. Institutions that had already invested in digital upskilling and encouraged innovative thinking managed to adapt quickly and keep things running smoothly. Others, unfortunately, struggled to catch up. The takeaway? Capacity building in the financial services sector must include

preparing people to succeed in a digital-first world, where change is constant and adaptability is key.

Capacity Building in Action in Mauritius:

Capacity building in Mauritius is happening real time where many organisations are coming forward to help entrepreneurs and organisations from different sectors. Mauritius is not only addressing current needs but also preparing for the future. Here's how capacity building is making an impact:

- Empowering Women Entrepreneurs

Mauritius is investing in its entrepreneurs, especially women, through the ITC SheTrades Mauritius Hub at EDB. It is a resource centre where women entrepreneurs can access training on key topics, workshops on various current affairs, gain market insights, explore trade and investment opportunities, and benefit from gender-inclusive policies.

Through the Indian Business Council's (IBC's) collaboration with the SheTrades Hub, IBC is offering mentorship to SheTrades' women entrepreneur members. This mentorship covers a range of topics, including finance and budget management, digital marketing, and mental health & well-being. Additionally, IBC has several upcoming initiatives in the pipeline, focusing on areas such as IT, cybersecurity, e-commerce strategies, and navigating global markets.

Further, SheTrades, with support from DHL, launched the Trade Beyond Borders programme, which focuses on helping women break into international trade.

- A Greener Future for Tourism

Tourism is one of Mauritius' biggest industries, and to ensure it's sustainablity, the country is focusing on eco-friendly practices. In November 2024, Mauritius hosted a workshop under the Global Tourism Plastics Initiative, where tourism professionals were trained in sustainable practices to reduce plastic waste. This effort is helping the sector shift toward a more sustainable future, benefiting both the environment and the economy.

- Building Skills for the Future & Shaping Tomorrow's Leaders

The Mauritius Institute of Training and Development is helping build the country's workforce by offering training and technical courses to enhance employability. These programmes are designed to give people the skills they need to succeed in today's fast-paced job market, ensuring that Mauritius' workforce is ready for the future. Meanwhile, The African Leadership University in Mauritius is training the next generation of leaders, by offering programmes that focus on practical problem solving and leadership. The university is preparing students to tackle challenges across Africa and create positive change in their communities.

- Mauritius Steps Up for Climate and Ocean Protection

Mauritius is taking real action on climate change and ocean conservation. With support from the United Nations Development Programme (UNDP), it is running workshops to help professionals measure greenhouse gas emissions in the energy sector, an important step toward cleaner energy.

At the same time, through its partnership with the Western Indian Ocean Marine Science Association (WIOMSA), the country is backing marine scientists with training and research grants to protect its coastal and marine life while using resources sustainably. It's all part of Mauritius' bigger goal: tackling climate change while taking care of the environment.

- Strengthening the Textile & Manufacturing Industry

Mauritius is strengthening its textile and manufacturing industries with targeted capacity building programmes and workshops in collaboration with the University of Warwick, aims to enhance skills, helping businesses stay competitive in the global market by adapting to new trends and challenges, ensuring the sectors remain well-equipped and adaptable.

Key Components of Modern Capacity Building

Modern capacity building is no longer just about running a few training sessions or upgrading IT systems. At its core, it's about empowering people, strengthening institutions, and building systems that are not just efficient, but resilient and future friendly.

- Stronger Talent, Smarter Decisions: When professionals have both technical know-how and soft skills like leadership and digital savvy, they can make better decisions and adapt faster.
- Systems and Institutional Strengthening: It's not just about the people, it's also about making sure institutions run smoothly, with efficient processes and reliable tech support.
- Greater Financial Inclusion: By working closely with communities and focusing on local needs, capacity building helps institutions reach more people, especially those often left out. Elements like financial education, digital banking, and microfinance are making a real difference on the ground.
- Future-Ready Workforces: Digital transformation is reshaping the financial world. Upskilling teams to work with AI, data analytics, and emerging technologies ensures institutions stay competitive, innovative, and relevant.
- Sustainable Growth: Capacity building isn't just about quick fixes, it's about creating resilient systems and people who can adapt to change and tackle future challenges effectively.

The Future of Capacity Building

Capacity building is evolving fast, with tech, data, and teamwork leading the way. As the world faces complex challenges like climate change and inequality, the way we build skills and strengthen systems needs to keep up.

> Capacity building today is about building resilience for the future

Here are some key trends to watch:

- Going Digital: Online platforms and apps are making learning quicker, easier, and more accessible, right from your smartphone.
- Teaming Up: Collaboration across sectors like governments, businesses, nonprofits, and communities, is key. Everyone brings something valuable to the table.
- Letting Data Lead: Data-driven decision making ensures we are on track and guides better future actions.

Conclusion

Looking ahead, the future of capacity building is smarter, faster, and more connected than ever. With flexibility, creativity, and giving people the tools to adapt, whether it's through digital upskilling, community-led initiatives, or empowering leaders, capacity building is about more than just solving today's problems. It's about crafting a future so resilient that people will want to know your secret to success.

In a world where change is the only constant, capacity building is no longer a one-time fix. It's an ongoing process that prepares individuals, communities, and organisations to face whatever challenges lie ahead, and ultimately, to thrive in a world that's as connected as your Wi-Fi on a good day.

The dawn of intelligent learning: AI's potential to transform education in Mauritius

Mauritius, an island nation celebrated for its rich cultural tapestry and dynamic economic growth, stands at a pivotal juncture in the evolution of its education sector. The transformative potential of Artificial Intelligence (AI) is no longer a futuristic concept, but a tangible force poised to reshape learning experiences and redefine educational outcomes across the nation.

As global interest in intelligent systems intensifies, Mauritius is strategically positioning itself not merely as a consumer of AI technologies but as an active participant in harnessing its power to break down traditional barriers, personalise learning journeys to an unprecedented degree, and ultimately equip its students with the critical skills and adaptable mindsets demanded by an increasingly digital and AI-driven world.

The integration of AI into the Mauritian education system promises a profound paradigm shift, offering the potential to democratise access to high-quality education and cultivate a generation of future-ready leaders. This comprehensive feature article delves into the perspectives of key industry players from prominent universities in Mauritius, exploring the multifaceted and transformative role AI is poised to play in shaping the nation's educational future, and the strategic pathways forward.

Democratising education through personalisation and accessibility

Associate Professor (Dr) Sheeba Armoogum from the University of Mauritius, a distinguished expert in Information and Communication Technologies (ICT) and Cybersecurity, offers a compelling vision of AI's potential to fundamentally reshape the educational landscape. "AI is truly revolutionising education in Mauritius, making learning not just more accessible but also more personalised," she asserts. Dr Armoogum underscores the organic and widespread adoption of AI-driven tools by students through their personal devices, granting them access to a wealth of information and the ability to explore subjects with a depth and breadth that far surpasses the limitations of traditional educational resources.

The true power of AI, Dr Armoogum elucidates, lies in its inherent capacity to dynamically adapt to the unique and evolving needs of each individual learner. "These tools quickly adapt to meet each student's unique needs, preferred learning styles, and pace, crafting specially tailored educational experiences just for them," she explains. This level of personalisation extends far beyond the mere customisation of content delivery, encompassing the optimal pace of learning, the most effective format for presenting information, and even the specific types of support and feedback offered to each student. "Plus, AI is breaking down language barriers, which helps ensure everyone has equal access to learning opportunities," she notes.

However, Dr Armoogum astutely cautions that fully realising the immense potential of these technological advancements necessitates a responsible, and ethically grounded approach. "However, to fully benefit from these exciting advancements, we must develop clear policies and raise awareness among educators. This way, we can ensure responsible use of AI while effectively guiding our students and maintaining their trust in AI-based learning methods, especially considering the complexities and potential biases of the technology." This strong emphasis on the urgent need for robust policy development and comprehensive educator awareness underscores the critical importance of a strategic and thoughtfully considered integration of AI into the Mauritian education system, ensuring both its effectiveness and its ethical application.

Universities at the forefront of AI integration and innovation

Middlesex University Mauritius stands as another prominent institution actively embracing the transformative power of AI within the realm of education. Prof. Mari Jansen Van Rensburg, the esteemed Pro Vice-Chancellor and Director of Middlesex University Mauritius, highlights the university's proactive response to both the exciting opportunities and the inherent challenges presented by the increasing prominence of AI in the higher education sector.

Prof. Van Rensburg details specific and impactful initiatives undertaken by the university to seamlessly integrate AI into its curriculum and, crucially, to effectively prepare its students for the rapidly evolving technological landscape. She says, "A notable example is Dr. Catriona Planel Ratna's innovative incorporation of AI tools directly into the programme. In addition to her research, Dr. Ratna has integrated AI tools into the Advertising, Public Relations, and Branding programme curriculum to ensure graduates remain relevant and competitively placed in the market. Additionally, she has created a guide on AI-powered learning to enhance teaching strategies across all our campuses, including Mauritius, London, and Dubai."

Middlesex University Mauritius also actively fosters a culture of open discussion and robust knowledge sharing surrounding the varied implications and applications of AI. Prof. Van Rensburg highlights the ShiftXchange Conference 2024, which focused on the critical theme of "Rethinking Leadership in the Digital Era," providing a vital platform for exploring the ethical considerations and practical applications of AI in leadership development. "At Middlesex University Mauritius, we utilise conferences, symposia, and workshops as platforms to share new knowledge, best practices, and developments that keep our community relevant in the ever-evolving digital landscape. The themes discussed at these events consistently emphasize the importance of ethical leadership, sustainable practises, the necessity of staying informed, and individuals' pivotal role in shaping the future."

The university's commitment to the integration of AI extends beyond traditionally technical academic disciplines. "The rise of AI and data science is indeed transforming various industries, and at Middlesex University Mauritius, we ensure that our curriculum prepares students to apply these skills across a range of fields, including creative and non-technical sectors like marketing, arts, and wellness," Prof. Van Rensburg explains. "In response to the increasing demand for technical expertise, we launched an MSc in Data Sciences in September 2024 and will introduce a BSc in Data Science with AI in September 2025."

To ensure that its students have seamless access to the essential tools and comprehensive guidance required to navigate this evolving landscape, Middlesex University Mauritius has implemented several forward-thinking measures. She said, "A key component of this approach is ensuring that students have access to the right tools. For instance, this year, we have provided access to Co-Pilot, a generative AI tool available to staff and students.

"However, to fully benefit from these exciting advancements, we must develop clear policies and raise awareness among educators."

(Dr) Sheeba Armoogum,
Associate Professor,
University of Mauritius

"We are fortunate to be part of a global community, and we draw on international best practices to enhance our learning and teaching."

Prof. Mari Jansen Van Rensburg, Pro Vice-Chancellor and Director, Middlesex University Mauritius

Notably, the data is not used to train Co-Pilot, ensuring that privacy is maintained. To further support our students, we offer training on effectively using AI tools while staff receive guidance on incorporating AI into their teaching and assessments. Our Learning Enhancement Team also conducts workshops on academic integrity and workshops that explore the use of generative AI for academic writing, helping students develop practical skills." Recognising the potential impact of increasing technology use on student well-being, the university's dedicated Wellbeing Team has also organised a series of crucial seminars addressing challenges such as excessive screen time and the management of online stress. "Additionally, our Wellbeing Team organised various seminars to promote healthy habits. Among these, a symposium focused on 'Mental Health in the Digital Age: Managing Screen Time, Social Media, and Online Stress,' addressing the challenges associated with technology use."

Prof. Van Rensburg strongly emphasises the university's overarching commitment to developing well-rounded graduates who are not only equipped with cutting-edge technical knowledge but also possess a strong foundation in essential ethical considerations and highly developed critical thinking skills, preparing them to navigate the complexities of the modern world responsibly. "Middlesex University is committed to supporting our students to develop the skills and attributes for the world of work, ensuring that they step into the workplace with a 'felt' sense of confidence, an authentic purpose, and the ability to showcase what makes them unique to employers." This fundamental commitment is clearly reflected in the university's strategic focus on embedding key graduate competencies directly into its core curriculum. "As a result, we embed our graduate competencies in our curriculum to future-proof our students. We focus on leadership and influence, curiosity and learning, communication, empathy and inclusion, collaborative innovation, resilience and adaptability, problem-solving and delivery, technological agility, and fostering an entrepreneurial mindset."

To ensure that Middlesex University Mauritius remains at the very forefront of AI research and education, the institution strategically leverages its extensive global network and prioritises continuous professional development for its faculty and staff, as well as the constant sharing of knowledge and best practices. "We are fortunate to be part of a global community, and we draw on international best practices to enhance our learning and teaching. To stay informed, we prioritise research and continuous development. To promote knowledge sharing, we host conferences and lectures open to the public. Additionally, we will offer a range of executive education programs to build local capacity," Prof. Van Rensburg concludes.

"VIT Mauritius ensures its AI-focused programmes equip students with the technical expertise and industry-ready skills needed to excel in diverse professional fields."

Dr Vijay Kumar Chandrasekaran,
Vice Chancellor, VIT Mauritius

Cultivating AI expertise for national progress and addressing ethical imperatives

VIT Mauritius, under the visionary leadership of Vice Chancellor Dr Vijay Kumar Chandrasekaran, is also playing a pivotal and increasingly significant role in shaping the future of AI education within the nation, with a particular emphasis on its integration within the critical field of engineering. Dr Chandrasekaran underscores the profound and transformative impact of AI and Machine Learning (ML) on engineering education across the globe, noting the discernible shift in curricula towards more interdisciplinary and practically oriented, hands-on learning methodologies. "AI and ML are revolutionising engineering education globally, shifting curricula towards interdisciplinary, hands-on learning. In Mauritius, this transformation is crucial for driving digital innovation and economic growth," he asserts. He highlights the university's Bachelor of Engineering (Honours) programme in Computer Engineering with a specialisation in AI & ML as a prime and exemplary illustration of this strategic approach, seamlessly blending core engineering principles with advanced and specialised coursework in AI, ML, and Data Analytics to ensure that graduates emerge not only with a robust theoretical foundation but also with the practical ability to effectively apply cutting-edge AI techniques to address real-world challenges and drive innovation.

Dr Chandrasekaran astutely points out the crucial and deliberate emphasis placed on locally relevant applications of these powerful technologies, "through case studies, projects, and industry partnerships in sectors like agriculture, water management, and public services." He candidly acknowledges the existing challenges noting that "limited local AI expertise and high-quality datasets are addressed through collaborations with government agencies, industry leaders, and research institutions, ensuring a curriculum that is both globally competitive and regionally impactful."

A central tenet of VIT Mauritius's educational philosophy is the strong emphasis placed on robust industry engagement and ensuring the career readiness of its graduates. Dr Chandrasekaran firmly states, "VIT Mauritius ensures its AI-focused programmes equip students with the technical expertise and industry-ready skills needed to excel in diverse professional fields, including healthcare, finance, and manufacturing. The curriculum integrates capstone projects, laboratory work, and internships, allowing students to apply AI and ML concepts to real-world challenges. These hands-on experiences foster innovation, problem-solving, and adaptability to emerging industry demands."

To ensure that its curriculum remains cutting-edge and relevant in the rapidly evolving field of AI, VIT Mauritius is committed to regularly updating its course content. He said, "VIT Mauritius continually updates its curriculum to reflect the latest AI developments in deep learning, NLP, and emerging technologies. Ethical AI, data privacy, and regulatory frameworks are embedded throughout the coursework, ensuring students develop critical thinking skills alongside technical expertise. Through project-based learning and industry collaborations, students tackle ethical dilemmas and societal challenges in AI applications, equipping them with a responsible and forward-thinking approach to AI innovation."

ALU's vision: Entrepreneurial leaders in the age of AI

Veda Sunassee, the CEO of the African Leadership University (ALU), offers a unique and compelling perspective on the transformative role of AI in the Mauritian education landscape and articulates ALU's distinct contribution to this evolution. "AI is reshaping education globally, and Mauritius is no exception. The ability to personalise learning, automate administrative tasks, and provide intelligent tutoring systems can make high-quality education more scalable and accessible," Mr Sunassee states. At ALU, AI is not viewed as an end in itself but rather as a powerful enabler of the university's core mission: to cultivate ethical and entrepreneurial leaders who will drive positive change across Africa. "By leveraging AI, we're enhancing our problem-based learning approach, equipping students with critical thinking and adaptability in a world where AI will be a core driver of innovation and economic growth."

ALU's approach to AI education is on empowering students with foundational skills that transcend specific technologies. Mr Sunassee highlights, "At ALU, the emphasis isn't solely on AI – it's on equipping students with foundational skills like critical thinking, creative problem-solving, and the confidence to approach complex challenges. AI is just a tool. The real power lies in the ability to think critically and creatively, allowing graduates to leverage any technology, including AI, to drive meaningful change." The success of ALU alumni like Linda Dounia Rebeiz, recognised by TIME as one of the 100 Most Influential People in AI, underscores this philosophy – the ability to think critically and creatively is the true driver of influence, with AI serving as a potent tool in the hands of such individuals.

A key aspect of ALU's pedagogical approach is the commitment to tailoring learning experiences to each student's unique strengths and weaknesses. Mr Sunassee explains how AI tools are strategically employed to achieve this personalisation. "At ALU, AI tools like Perusall personalise learning by assessing the quality and depth of student contributions, offering real-time feedback that highlights both strengths and areas for improvement. This enables students to track their progress and focus on developing critical skills." This aligns directly with ALU's broader mission of fostering individual growth and empowering students to reach their full potential. Furthermore, ALU emphasises the ethical dimensions of AI. "We expose students to various AI tools while teaching the ethical responsibilities and biases that come with their use. By fostering learning agility, students don't just consume information – they critically engage with it, challenge assumptions, and seek opportunities for impact, aligning with our mission to create entrepreneurial and ethical leaders solving Africa's greatest challenges."

Fred Swaniker, the founder of ALU, has consistently stressed the paramount importance of teaching critical thinking skills in the AI era. Mr Sunassee elaborates on how ALU addresses this crucial shift in educational priorities. "AI can process information, but it can't think ethically, creatively, or strategically – those remain distinctly human skills. At ALU, we prioritise learning experiences that challenge students to question assumptions, solve ambiguous problems, and navigate complex systems. Our curriculum is built around problem-solving, interdisciplinary learning, and leadership development. AI serves as a tool to augment human intelligence, not replace it, ensuring our graduates are equipped for the future, no matter how technology evolves." ALU envisions AI as a powerful complement to traditional teaching methods, enhancing engagement and freeing up faculty to focus on deeper interactions with students. "AI can automate routine aspects of learning, allowing faculty to focus on deeper engagement. We see AI as a co-pilot in education – personalised tutoring systems, intelligent feedback mechanisms, and interactive simulations can create richer learning experiences. However, education is fundamentally about human connection. AI should enhance, not diminish, the role of educators in inspiring, mentoring, and guiding students to think independently and lead with purpose."

Addressing the critical concerns surrounding data privacy and security in the context of AI-driven learning platforms, Mr Sunassee emphasises ALU's

"We expose students to various AI tools while teaching the ethical responsibilities and biases that come with their use."

Veda Sunassee, CEO,
African Leadership University (ALU)

multi-faceted approach. He said, "In today's AI-driven world, it's essential for the educational sector to stay ahead, as students are already AI-versed. AI platforms offer personalised learning experiences but also pose significant risks to data privacy and security. At ALU, we manage these risks by carefully reviewing third-party agreements, ensuring compliance with data protection laws, and prioritising data minimisation, encryption, and anonymisation. We also ensure that AI is not the sole determinant in student assessments, balancing it with face-to-face learning, project assignments, and immersive experiences. AI can also be a powerful tool in detecting plagiarism, enhancing fairness in evaluation."

ALU is also deeply committed to ensuring equitable access to AI tools and resources for all its students, regardless of their socio-economic background. Mr Sunassee explains their dynamic strategies in this crucial area. "At ALU, we are committed to addressing the issue of access by offering scholarships to deserving students who may otherwise be unable to afford a world-class education. With these scholarships, students receive not only financial support but also the essential tools and resources needed to enhance their learning experience. This holistic approach aims to bridge the access gap, empowering students to leverage AI and other technologies to their fullest potential and ensuring that every student has the opportunity to succeed, regardless of their socio-economic background."

Finally, Mr Sunassee addresses the significant obstacles in integrating AI into the existing educational framework in Mauritius and proposes collaborative solutions. "One of the biggest challenges is alignment—between educational institutions, policymakers, and industry leaders. AI integration requires updated curricula, teacher training, and infrastructure investment. Collaboration is key. Governments can set regulatory frameworks, universities can experiment with innovative learning models, and tech companies can provide resources and expertise."

Charting a collaborative course for an AI-powered educational future

The insights shared by all of these industry players collectively paint a vibrant picture of the transformative potential of AI within the Mauritian education landscape. While each university approaches AI integration with its unique focus and strategic priorities, a common thread emerges: the

profound understanding that AI is not merely a technological add-on but a fundamental force capable of reshaping how teaching and learning occur.

The journey towards a fully AI-integrated educational ecosystem in Mauritius is not without its challenges. However, the commitment and innovative spirit demonstrated by these leading educational institutions, coupled with the potential for strategic collaborations between universities, government bodies, and technology companies, offer a promising pathway forward.

Mauritius stands at a unique crossroads, possessing both the intellectual capital and the strategic vision to emerge as a leader in AI-driven education within the African continent. By embracing a collaborative and forward-thinking approach, prioritising ethical considerations, and investing in the necessary infrastructure and human capital, Mauritius can harness the immense power of AI to create a more accessible, personalised, and ultimately more impactful education system for all its learners, equipping them with the skills and knowledge necessary to thrive in the 21st century and beyond. The dawn of intelligent learning in Mauritius is not just on the horizon; it is actively breaking through, promising a brighter and more technologically empowered future for generations to come.


Refined banking,
locally crafted.

Upskilling for the future:

How Generative AI and digital proficiency are shaping tomorrow's workforce

The relentless march of technological progress, spearheaded by the rapid evolution of generative artificial intelligence (AI) and the pervasive influence of digital tools, is fundamentally reshaping the global workforce. Businesses across all sectors are grappling with the imperative to adapt, and at the heart of this transformation lies the critical need for upskilling. Equipping the current and future workforce with the necessary digital proficiencies and an understanding of AI's capabilities is no longer a matter of competitive advantage, but a fundamental requirement for survival and growth in the evolving economic landscape. This article explores how this convergence is unfolding, drawing insights from leaders across consulting, finance, law, education, and international finance who are navigating this transformative period.

The twin pillars of transformation: Generative AI and digital proficiency

The current era is defined by two powerful forces: the burgeoning capabilities of generative AI and the ever-increasing demand for a digitally proficient workforce. Generative AI, with its ability to create novel content, from text and images to code and music, is moving beyond theoretical possibilities into practical applications across industries. Simultaneously, digital proficiency, encompassing a broad range of skills from data literacy to cloud computing and cybersecurity awareness, is becoming the bedrock of productive work in virtually every role.

Jean-Pierre Young, Partner & Chief Innovation Officer at PwC Mauritius, highlights this shift: "Generative AI is revolutionising both consulting and finance industries by automating routine tasks, enhancing data analysis, and improving decision-making capabilities. At PwC Mauritius, AI is already being integrated in areas such as audit automation, predictive analytics, anomaly detection and financial modelling, providing more efficient and precise services. We envision AI further enhancing PwC's services by enabling more personalised client solutions, streamlining operations, and supporting deeper, data-driven insights to drive business growth and innovation." This underscores the transformative potential that AI holds across established professional domains.

Allan Freed, Group Head of Human Resources at MCB, echoes this sentiment within the financial sector: "Digital tools are instrumental in helping us understand client needs and respond to them in faster, more intuitive ways. This is why enhancing our digital capabilities is a core strategic pillar. We are integrating technology into every department at MCB to improve efficiency and customer experience. Across the organisation, staff are exposed to technologies that simplify their tasks and improve customer outcomes. Examples are namely, collaborative communication platforms, design platforms, customer relationship management (CRM) tools, customer insights, service hub solutions for managing and monitoring workflows, and a wide range of cloud-based or specialised platforms for managing risks, data, wealth, and more."

Priscilla Balgobin-Bhoyrul, Senior Partner at Dentons (Mauritius), emphasises the proactive stance of the legal sector: "Dentons has been ranked as a Global Market Leader in the inaugural Artificial Intelligence ranking of the Chambers Global Guide 2025. This recognition affirms the firm's position at the forefront of AI law, showcasing its ability to address the complexities and evolving challenges in this rapidly advancing field."

Professor Boopen Seetanah, Dean (Faculty of Law and Management) at the University of Mauritius, points to the growing demand for these skills: "The UoM is well aware of this increase in demand for digital proficiency (mostly from our Advisory boards as well as Consultative Committees with the industry, with whom we work closely.)"

Faraz Rojid, CEO of Mauritius Finance, envisions the broader impact on the financial centre: "AI in the banking sector can fast-track portfolio customisation, allow for tailored investment strategies and trading decisions. In client onboarding, AI streamlines processes and improves credit assessments, making them faster and more accurate."

Adapting and Innovating: Strategies Across Sectors

In response to these technological advancements, organisations and educational institutions are implementing diverse strategies to adapt and innovate. From upskilling initiatives to curriculum modernisation and the exploration of new technological integrations, the focus is on staying ahead of the curve.

According to Young, "PwC Mauritius is committed to staying at the forefront of digital transformation by continuously upskilling our workforce in programming and data science. We have been offering focused training programmes and certifications on data analytics since 2019. Moreover, our consultants have delivered cutting-edge applications on several client projects. We foster a culture of innovation through our annual PwC Global Innovation Awards, encouraging collaboration with technology partners like Microsoft, Oracle, Workday, Google and AWS, and integrating the latest tools to deliver impactful solutions. By prioritising professional development and embracing emerging technologies, we ensure our team remains adaptable and positioned to meet the evolving needs of our clients."

Freed states, "At MCB, we understand the importance of having the right technical skills to leverage emerging technologies for our client's benefit. To achieve this, we've built one of the largest technology workforces in Mauritius, with a budget of

Jean-Pierre Young, Partner & Chief Innovation Officer, PwC Mauritius

Allan Freed, Group Head of Human Resources, MCB

approximately MUR 200 million allocated for learning and development for FY25. This investment in growth will continue to accelerate. The key is ensuring that technology has a direct and positive impact on clients. Our technology experts collaborate closely with the business teams to deeply understand the customer needs, using their expertise to address pain points and create impactful "magical moments" that enhance the overall client experience."

Balgobin-Bhoyrul notes Dentons' approach: "In May 2015, Dentons launched Nextlaw Labs, a business accelerator focused on developing new technologies to transform the practice of law. It introduced its own chatbot, FleetAI, in August 2023. This tool features a chatbot based on OpenAI's GPT-4 Large Language Model, enabling the firm's lawyers to conduct legal research, generate legal content, and identify relevant legal arguments. Additionally, Dentons launched an AI-Powered Contract Automation Bot in September 2024. This bot leverages generative AI to simplify contract automation. Dentons Mauritius has not only integrated AI in its practice, but its lawyers have also been trained and are training clients in various related fields namely on AI- related legal risks and compliance. "

Professor Seetanah details the University of Mauritius's response: "We have launched a dual degree programme with Paris Cergy in Data Analytics (undergraduate). We also have a Masters in AI programme which is in high demand. This year we have advertised the Bsc(Hons) Fintech as a new course."

Rojid highlights the opportunities for the Mauritius International Financial Centre: "AI has the possibility to detect fraud, refines investment strategies, and enhances fund administration, boosting efficiency and security." He further adds, "By 2027, artificial intelligence (AI) is expected to become the primary source of investment advice for retail investors. Firms are increasingly exploring generative AI to improve trading strategies and analyse unstructured data."

The Imperative of Upskilling and Capacity Building

A common thread across all sectors is the critical need for upskilling and capacity building to effectively leverage new technologies and remain competitive. This requires investment in training, fostering a culture of continuous learning, and adapting educational programmes.

Young explains PwC Mauritius's approach: " At PwC Mauritius, upskilling is a priority to ensure our workforce is prepared for the future. We offer a range of internal programmes and partnerships designed to enhance technological proficiency, with a particular focus on AI and machine learning. Our employees have access to structured learning pathways, including specialised training, online courses, and certifications. We collaborate with leading tech institutions and industry partners to provide hands-on experience and real-world applications. Additionally, we foster a culture of continuous learning, encouraging employees to stay ahead of emerging technologies through mentorship programmes and innovation-driven initiatives."

Freed details the bank's focus: "At MCB, we focus on continuous learning. Our upskilling initiatives include structured training programmes, hands-on workshops, and partnerships with leading institutions to provide specialised certifications. We also leverage digital learning platforms to offer on-demand courses and encourage cross-functional collaboration to foster a culture of innovation. By integrating these initiatives, we empower our people to adapt to technological advancements and drive the bank's digital transformation."

Priscilla notes Dentons' investment in training: "Lawyers at Dentons Mauritus receive trainings on AI-powered programmes and hands-on training with AI based platforms, especially for legal research, contract automation and compliance tools for one year from a young AI specialist who was based in our offices and with the mandate to educate the maximum number of lawyers on the tools available to us. At Dentons Mauritius, cybersecurity training is compulsory. There are several trainings on cybersecurity available and some are compulsory. Dentons Mauritius does leverage expertise from Dentons offices worldwide, specially keeping in mind that Dentons Global has a dedicated AI team to be updated and trained on global AI regulations and best practices."

Professor Seetanah states the University's commitment: "The University supports the use of AI in teaching and learning. UoM has recently approved our institutional AI policy and will be developing guidelines for the integration of AI in teaching,

Priscilla Balgobin-Bhoyrul, Senior Partner, Dentons (Mauritius)

AI integration brings challenges requiring adaptability from individuals and organisations learning and research."

Rojid underscores the importance of training for the Mauritius IFC: "Mauritius Finance, as a key player in promoting the Mauritius IFC, places a strong emphasis on professional development through comprehensive training programmes. These initiatives are designed to equip financial services professionals with the skills and knowledge needed to excel in a rapidly evolving industry."

Navigating the Challenges and the Future of Work

The integration of AI and digital technologies is not without its challenges, including regulatory uncertainties, the need for new skill sets, and ethical considerations. Organisations and individuals must be prepared to navigate these complexities.

Balgobin-Bhoyrul highlights regulatory considerations: "Firstly, Mauritius will need to consider whether it needs robust AI regulation. Mauritius should consider something similar to the EU AI Act which is set to become a global benchmark for AI regulation."

Rojid points to several challenges: "First is regulatory uncertainty as the rapid evolution of AI and blockchain technologies presents challenges for regulators. Inconsistent regulatory approaches across different jurisdictions can create uncertainty for financial institutions. The second is the talent and skills gap where we see a growing need for skilled professionals who can develop, implement, and manage responsible AI and blockchain technologies. One of the most significant risks of using AI in financial services is misinformation." He also notes, "We cannot replace human to human interaction. While AI systems excel at processing vast amounts of data, in contrast, human advisors offer empathy, ethical considerations, and personalised engagement — qualities essential during economic volatility and uncertainty."

Professor Seetanah anticipates the evolving nature of work: "I believe that the nature of work will be altered with increased levels of automation through AI and remote work due to digital transformation. Students are expected to have a blend of technical, soft, and adaptive traits/skills."

Young predicts the skills needed for the future: "In the next 5-10 years, the workforce will increasingly be shaped by AI and automation, leading to greater demand for roles that require advanced technical skills, creativity, emotional intelligence, and strategic decision-making. Routine tasks will be automated, while humans will focus on complex problem-solving, innovation, and collaboration. Businesses must invest in upskilling and reskilling their employees to equip them with the competencies required for this shift, such as data analysis, AI management, and adaptive thinking. They should also foster a culture of agility, continuously embrace new technologies, and focus on building a workforce that is adaptable to evolving roles and responsibilities."

Freed concurs on the evolving skill landscape: "While AI and automation are reshaping the sector, we firmly believe that human expertise and connection remain irreplaceable. We view AI as an enabler of our employees rather than a replacement. As such, we are focusing on upskilling our workforce in areas like data literacy, AI ethics, and digital fluency, while also reinforcing soft skills such as emotional intelligence, adaptability, and strategic thinking. In the next 5-10 years, we foresee skills in advanced analytics, cybersecurity, AI governance, and digital customer engagement being critical. By fostering a growth mindset, embracing change, and investing in continuous development, we aim to future-proof our workforce and maintain a competitive edge in a rapidly evolving digital landscape."

Embracing the Upskilling Imperative for a Digital Future

The insights from these industry and academic leaders underscore the fundamental shift occurring in the global workforce. Generative AI and digital proficiency are not merely trends but defining forces that require proactive and continuous adaptation. Upskilling is not just a benefit; it is an imperative for individuals, organisations, and nations to thrive in the evolving digital landscape.

By embracing a culture of lifelong learning, fostering collaboration between education and industry, and addressing the ethical and regulatory challenges head-on, the workforce of tomorrow can harness the power of these technologies to drive innovation, productivity, and sustainable growth. The journey of upskilling for the future is an ongoing one, but it is a journey that must be embraced with urgency and commitment to ensure a prosperous and competitive future for all.

Professor Boopen Seetanah, Dean (Faculty of Law and Management), University of Mauritius

Faraz Rojid, CEO, Mauritius Finance

Why Mauritius needs to develop its ETF market

Shamin A. Sookia, Managing Director, and Darren Chinasamy, Associate Director – Listing & Capital Markets Solutions at Perigeum Capital Ltd, explain how Exchange Traded Funds are revolutionising global investing, and why Mauritius should take a deeper dive into this exciting vehicle to attract a broader mix of investors.

Over the last decades, listed Exchange Traded Funds (ETFs) have revolutionised global investing. One of the primary benefits of listed ETFs is their ability to promote market liquidity given that ETFs are traded like ordinary shares on the secondary market.

Also, the presence of a market maker promotes more frequent trading activity, and the expectation is that the creation of a reasonable market for such securities is thus enhanced. ETFs would normally attract a broader mix of investors, from large institutional to smaller retail investors, thereby further strengthening the stock market both in terms of liquidity and depth. Therefore, there is no doubt that the growth of ETF listings on various major international Securities Exchanges has contributed to the development of such Exchanges.

In the United States, for instance, the constant rise in ETF listings on the New York Stock Exchange (NYSE) increased trading volumes to new heights and they also witnessed a significant increase in retail investors. As on 31st December 2024, there were over 1,700 ETFs listed on the NYSE with a total AUM of c.USD 6.1 trillion, representing over 24% of the total market capitalisation of the NYSE.

The London Stock Exchange also reinforced its attractiveness to international investors as it listed more and more ETFs tracking equities, bonds, commodities and more specialised assets. In Asia, the Hong Kong Stock Exchange benefited from ETFs tracking mainland Chinese markets, attracting global capital and at the same time, consolidating Hong Kong's status as a financial bridge to China. On the African continent, the Johannesburg Stock Exchange has, since 2020, allowed ETF products to be listed, encouraging South African investors to spread their investment exposure.

What are the benefits of ETFs for the Mauritian economy?

Having more ETF listings on the Stock Exchange of Mauritius Ltd (SEM) would bring a number of long-term advantages both for the Exchange and the Mauritian economy, enhancing the status of Mauritius as a financial hub, servicing both Africa and Asia, and the rest of the world as well.

It is believed that such an initiative, coupled with the SEM's recent creation of a specialised high growth segment known as SEMx, would bring enormous impetus and benefits to the country's capital markets industry going forward. The creation of a more liquid environment through more ETF listings would ultimately enhance the profile of the SEM internationally, as foreign investors usually prefer to invest in liquid markets where they can easily enter and exit.

Also, ETF products would bring in new categories of investors with different risk profiles and return expectations. For instance, some investors do not have the requisite capital, expertise, or time to directly invest and manage a portfolio of securities. ETFs simplify this process by allowing investors to buy shares that track a basket of underlying securities, whether they are equities, bonds, or commodities. In Mauritius, ETFs focusing on sustainable energy or pan-African growth entities could be of interest to both local and foreign investors seeking to diversify their investment portfolios, at reasonably attractive transaction costs.

ETFs also create ancillary products and services,

By Shamin A. Sookia, Managing Director, Perigeum Capital Ltd

By Darren Chinasamy, Associate Director – Listing & Capital Markets Solutions, Perigeum Capital Ltd

which can have a positive impact on the financial services sector as well. For example, the SEM requires the appointment of a market maker in the case of a listed ETF, whose role is to maintain a secondary market in the securities. With an increasing number of ETFs' listings on the SEM, the demand for such specialised market-making services is likely to rise, thus prompting investment dealers and other market participants to move up the value chain in line with broadening the range of available products leading to an improvement in their technological infrastructure as well.

While such advanced market operations would definitely attract greater interest from foreign institutional investors, corporate advisory firms may develop innovative advisory solutions to cater for the increasing demand for ETF products. As such, we would be likely to witness an increase in the volume of activity in the economy as well as a sophistication of the different levels of service in the financial services industry, which would eventually assist in positioning Mauritius as a robust platform of choice for investors looking for alternatives in emerging markets. Over the past few decades, Mauritius has built a reputation as being a strategic investment bridge between Africa and the rest of the world. By having more ETFs listed on SEM that track global or regional markets, the SEM would become an attractive investment platform for investors aiming to diversify into Africa and beyond.

Increasing the number of ETF listings on the SEM is crucial as it will enhance market liquidity

Is Mauritius geared for ETFs?

The specific provisions regulating ETF listings are already contained in Chapter 18 Part C of the SEM Listing Rules which are based on the standards adopted by recognised international Exchanges worldwide. The above Rules as well as the strong regulatory environment in which the SEM operates would definitely constitute good incentives to potential issuers who are looking for the right environment to create and thereafter list ETFs.

Once a few of these issuers take the initiative to list their ETF products on SEM, this would act as a

stimulus to other issuers and international investors to follow suit, based on the fact that they would consider the SEM to have reached a certain level of maturity which would warrant the listings of such products. The above state of affairs would undoubtedly trigger a chain reaction: further listings including not only ETFs but also other instruments, increased trading volumes, more regional and international players, and increasing capital flows into our economy.

In order to attract more international ETF issuers while ensuring that the market functions in line with international standards, Mauritius would need to bring about various changes to its regulatory and operational environments. This involves potentially streamlining the listing procedures, proposing lesser but adequate disclosure requirements, and establishing a more robust framework for internationally recognised market makers to operate. Such novel frameworks would lend themselves to more transparency and thus inspire more confidence amongst local and foreign investors and other market participants.

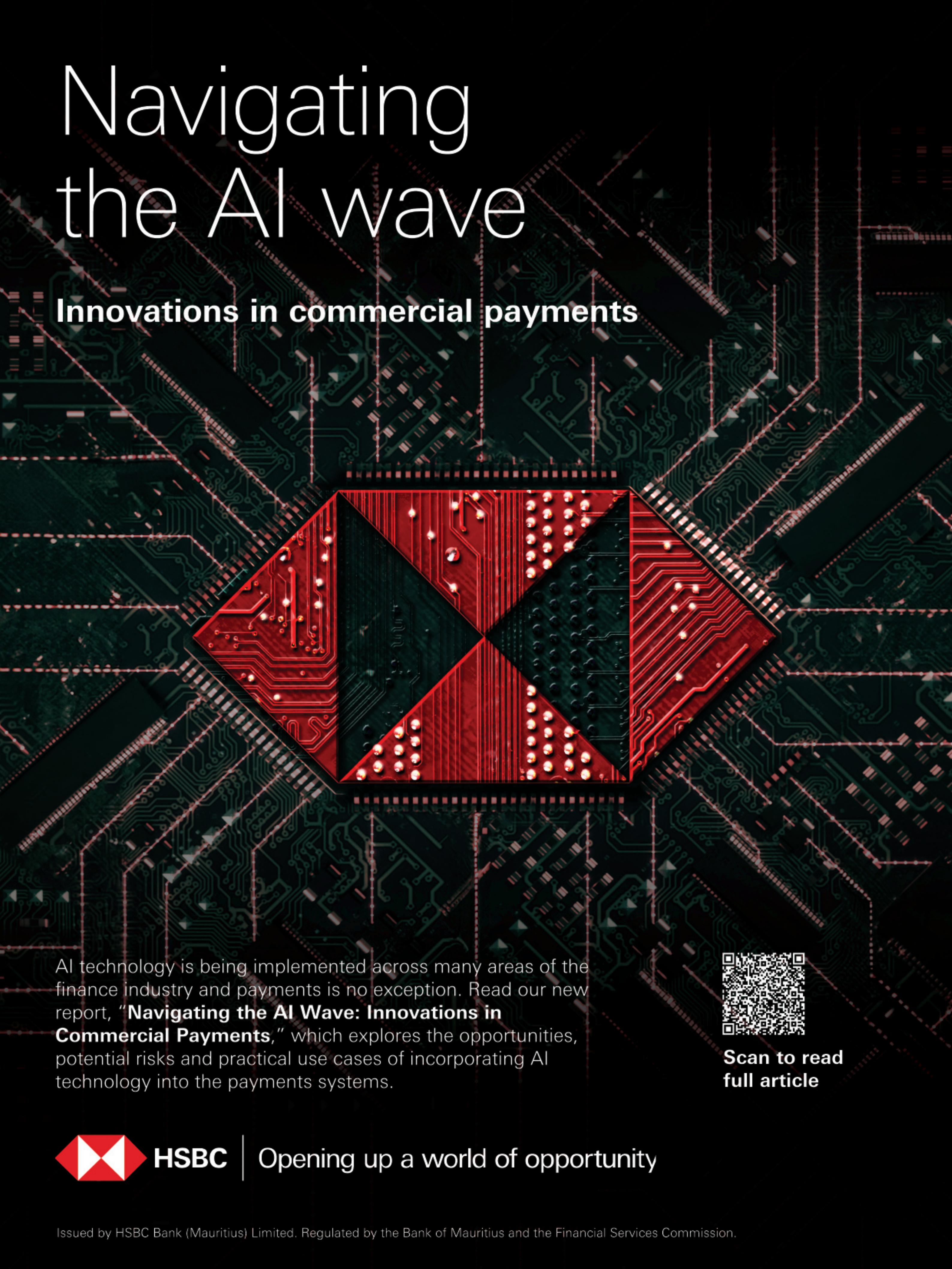
Why ETFs are the next logical step for Mauritius

As Mauritius continues its journey towards becoming an IFC of choice and repute, developing the ETF market represents a logical and innovative step. Increasing the number of ETF listings on the SEM is crucial as it will enhance market liquidity and offer investors broader investment options.

> ETFs would bring in new categories of investors with different risk profiles and return expectations

More ETF listings would also help investment portfolio diversification and attract a wider pool of institutional and retail investors both locally and internationally. Additionally, this will help the SEM to remain competitive by fostering innovation and meeting the evolving demands of the international investor community. The presence of reputable international ETF issuers would also validate the country's standing as a credible investment destination.

Going forward, to develop the ETF market further, the SEM would need to allocate the necessary resources, effort, and capital, besides having a proper marketing strategy in line with the vision to broaden its reach to international issuers and investors.



Navigating the AI wave
Innovations in commercial payments
AI technology is being implemented across many areas of the finance industry and payments is no exception. Read our new report, "Navigating the AI Wave: Innovations in Commercial Payments," which explores the opportunities, potential risks and practical use cases of incorporating AI technology into the payments systems.
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Capital Markets In The Era Of Digitalisation

With Mauritius being home to a pool of capital market players who focus principally on Africa, Ganessen Soobramanien, Managing Director of NWT (Mauritius) Ltd, explains that applying digitalisation and AI in capital markets can unlock investments at scale to transform the emerging continent.

By Ganessen Soobramanien, Managing Director, NWT (Mauritius) Ltd

Digitalisation is changing the face of businesses, and the financial and capital markets are no strangers to the rapid surge of digitalisation that is touching all spheres of our daily lives. A quick look around us gives a clear indication of the difference between embracing technology and failing to do so.

If we go back in time in Mauritius, the first impact of technology in capital markets was probably the introduction of the Automated Trading System (ATS) by the Stock Exchange of Mauritius (SEM) in the early 2000s. Whilst it was part of a wider development programme, the ATS led to an increase in volume of transactions simply by ensuring higher transparency and visibility on the depth of the markets which allowed investors to make more informed market judgements and act accordingly. Barring South Africa, Mauritius was a pioneer in the introduction of the system and acted as a capable enabler in the introduction of ATS and Central Depositories in several African countries.

Fast forward to more recent times when the banking world has made facilities much more accessible with new mobile applications that make banking easy and trips to banks redundant! And, at times, with less cost and certainly greater convenience. Thus, the impact of not engaging in innovation is amply clear and evident.

Africa facing a widening investment gap

By looking at the two examples above, it becomes clear that AI and digitalisation are poised to become an integral part of facilitating investment flows and decision making. In recent years, crowdfunding platforms have enabled the channeling of investment flows into companies that have formerly had no access to funding.

The investment gap in the Global South is simply colossal, and the deficit in Africa is not improving. Africa needs US$130-170 billion annually to bridge infrastructure gaps according to the OECD. Meanwhile, according to the United Nations Economic Commission for Africa (UNECA), the financing gap for African economic development could reach US$19.5 trillion by 2030.

Mauritius is already home to a pool of capital market players who focus principally on Africa. Given the IFC has the regulatory capability required to mobilise global capital resources for Africa, Mauritius can leverage on a digitalisation strategy to further fulfill its role as a capital market of choice for the continent.

> Mauritius is home to a pool of capital market players who focus principally on Africa

What should be the key objectives of Mauritius' digitalisation strategy?

First, Mauritius must leverage AI for process acceleration. AI-enabled wealth management platforms have the ability to mobilise higher level of savings and unlock investment instruments that would otherwise not been available to these investors, especially those not eligible to wealth management solutions.

Emerging markets have not sufficiently benefitted from investment from their diaspora living in the Global North. It is high time for the diaspora to come along with the institutions to support their countries of origin. Crowdfunding and tokenisation are key tools to enable diaspora investment. These investments can play a significant role not only in the angel and venture capital investment spaces, but also in larger investments where significant pooling of funds can be done from large diaspora population in the Global North. Mauritius already has the relevant legal framework for such capital pooling methods.

Leveraging on successful exits

Further, investors from the Global North will be driven to make more investment in Africa when there are successful exits. Many venture capital and private equity funds having reached the end of their fund life are faced with the inability to get an attractive valuation for a business exit although the investee has long term potential.

Up until now, VCs and PEs have been focusing on looking for another fund or a strategic operator to buy them out while the solution may lie in local investors and diaspora who would be keener to have a share of the assets if they could. Stock market listing of securities through tokenisation are avenues that VCs and PEs should consider. This would enable them to find an exit for their limited partners while the fund manager could retain an active management role in the business for the foreseeable future for deepening economic returns to the general partner. Mauritius has put in place the regulatory framework and infrastructure for listing of both conventional securities and virtual assets.

Mauritius to channel funds at scale to Africa through AI

From the 1990s to date, Mauritius has channelled more than US$200 billion of foreign direct investment into India, enabling economic development and transforming societies. This has been without the aid of digitalisation and AI.

With Africa facing a huge investment gap, we believe in the potential contribution that Mauritius capital market can make to the continent's foreign direct investment needs by leveraging on all possibilities, including digitalisation and AI.

Bridging Regulation with Execution

With wealth management becoming increasingly borderless, Rajiv Reekhaye of MauBank explains how the Mauritian International Financial Centre (IFC) can leverage FinTech solutions to confidently attract and competently serve the new wave of digital-first investors.

In a world constantly being reshaped by innovation and disruption, wealth is no longer bound by geography — it moves with purpose. For investors, migration of their wealth is a calculated move to secure financial freedom, mobility and risk management, safeguard legacy, and access opportunities. Wealth is moving across borders, industries, asset classes and generations. As global investors reshape their priorities, countries are in a high-stakes race to attract them and the global contest is fierce.

As global competition among international financial centers heats up, jurisdictions like Dubai, Singapore, Luxembourg and others are doubling down on innovation to attract the next wave of investors. They are branding themselves as agile, tech forward and investor-centric. Mauritius has consistently maintained its reputation in the financial sector as a trusted IFC. The island is home to approximately 5000+ millionaires in US dollars, including centi-millionaires. The latest Africa Wealth Report by Henley & Partners echoes these figures, reinforcing our branding as the fastest growing wealth hub in the region and a strategic option for investors.

The Mauritian IFC has matured from a corporate structuring hub to a comprehensive platform for global wealth management and family office services. The government's drive for Smart Cities, world-class infrastructure, and business-friendly incentives makes the island stand out as a strategic option for investors in Africa.

The global contest is fierce

Over the years, various investment schemes have been introduced, including the Property Development Scheme (PDS), Integrated Resort Scheme (IRS), and Real Estate Scheme (RES) and others, each offering pathways for residency through investment. The real estate sector, in particular, has flourished under these schemes, drawing attention from investors across Africa, Asia, and the Middle East.

Yet, Mauritius has only skimmed the surface of this potential. By comparison, jurisdictions like UAE have aggressively restructured their models, attracting wealth through a relentless focus on ease of doing business, embedded with global lifestyle and FinTech strategy.

Our financial industry has matured overtime and today it contributes nearly to 14% of the national GDP. Our banking sector is now positioned as a trusted enabler for HNWI and investors, offering seamless and secure settlement of funds beyond borders.

Embracing change: Responding with FinTech solutions

However, the new face of the global investor is that of the Next Gen - younger, digitally suave, and AI-fluent. They are diversified in their assets: traditional, alternative, and virtual. They look for mobility, not just migration. They have a sweet tooth for digitalisation – be it virtual assets, crypto investments, or real-time transactions. Hence, there is a growing need from the banking industry to respond with FinTech solutions.

As the world of wealth evolves, so must the ecosystems that serve it. The rise of virtual assets, tokenised investments, and crypto wealth is no longer a fringe trend – it's a growing segment of legitimate, high-value investors seeking sophisticated and compliant platforms to bank and grow their assets.

> The new face of the global investor is that of the Next Gen - younger, digitally suave, and AI-fluent

The growth of digital assets and virtual currencies further underscores the need for banks to evolve. Tokenisation, cryptocurrencies, and the rise of digital wallets are no longer distant trends – they are present realities reshaping global finance. Mauritius has been proactive on this front, enacting the Virtual Asset and Initial Token Offering Services (VAITOS) Act to provide a clear regulatory framework for the sector. For our banking industry, this opens new frontiers but also demands robust systems, enhanced AML/CFT protocols, and a willingness to invest in digital transformation.

By Rajiv Reekhaye,
Officer in Charge,
KBI (International Banking),
MauBank

> With the introduction of the VAITOS, Mauritius has positioned itself as a forward-thinking jurisdiction

Regulatory scrutiny is intensifying globally, and the compliance space is becoming challenging and complex across locations. Jurisdictions like Mauritius are not immune. Enhanced due diligence, KYC procedures, and strict controls on the source of funds of investors are non-negotiable pillars of our IFC.

How can the Mauritian IFC remain competitive?

For our IFC to remain competitive, it must continue to innovate — not just to attract the next generation of investors, but also to service them with the same confidence and credibility we've built in the traditional wealth space.

With the introduction of the VAITOS, Mauritius has positioned itself as a forward-thinking jurisdiction with robust regulatory oversight. But the challenge now lies in bridging regulation with execution. Financial institutions, especially banks, are still navigating risk, compliance, and technological readiness to service this fast-moving sector.

As wealth becomes more digital, Mauritius must stay ahead of the curve. Our IFC has laid the groundwork, but the future demands bold innovation.

The Evolution of Tax Incentives for FinTech and Digital Investments in Mauritius

As the island economy takes robust steps to offer the right taxation policies and incentives to foster growth in the FinTech and digital sectors, Mrs Zaynab Hisaund, Associate Tax Director at Andersen, Mauritius, unfolds global best practices and looks ahead to how Mauritius can cement its position as a leader in emerging technologies.

Mauritius, long recognised as a strategic International Financial Centre (IFC), continues to harness its robust regulatory framework and investor-friendly policies to attract global business. In recent years, the nation has proactively adapted its tax incentives to foster growth in the FinTech and digital sectors, aligning with the global shift toward digital transformation.
As the world increasingly embraces the potential of technology, Mauritius is positioning itself as a leader in this space, with the financial services sector playing a pivotal role.

Laying the Groundwork

Mauritius' journey towards becoming a hub for innovation-driven businesses began with the government's recognition of digital transformation's immense potential. Since 2020, Mauritius introduced an eight-year tax holiday for companies engaged in innovation-driven activities related to intellectual property (IP) assets developed in the country. By offering tax exemptions to innovation-focused businesses, Mauritius laid a strong foundation as a rising hub for digital and financial innovation in the region.

Mauritius' Tax Policies Embrace Emerging Technologies

Building on this foundation, Mauritius has continuously refined its tax policies to support emerging technologies. The introduction of several forward-thinking incentives has created a competitive environment for FinTech and digital sector investments.

Notable incentives include:

INCENTIVES	OBSERVATIONS
Extending the definition of "Securities" to include Virtual Assets and Virtual Tokens. Gains or profits derived from the sale of virtual assets and virtual tokens are exempt from income tax in Mauritius. There is also no capital gains tax in Mauritius.	This progressive stance aligned the taxation of digital assets with traditional securities, making Mauritius an attractive destination for cryptocurrency and blockchain ventures.
15% Investment Tax Credit on capital expenditure incurred on Artificial Intelligence (AI)	This initiative acknowledges the financial burden of investing in cutting-edge technology, reinforcing Mauritius as a forward-thinking jurisdiction.
80% exemption on income derived by a company holding a Robotic and Artificial Intelligence Enabled Advisory Services licence	Designed to drive AI and robotics adoption in financial services, ensuring Mauritius remains at the forefront of innovation.
50% Annual Allowance on capital expenditure incurred on research and development, including innovation	This initiative makes technological investments more affordable, enabling Mauritius-based businesses to stay competitive.
Double Deduction on expenditure incurred on specialised software and systems	Encouraging innovation and streamlining technological development within businesses.

These incentives are not only making Mauritius an appealing destination for FinTech but are also a clear

demonstration of the nation's commitment to fostering innovation and driving technological growth.

Tax Incentives for FinTech and Digital Growth: A Global Perspective

To strengthen its position as a FinTech and digital hub, Mauritius must continuously refine its tax policies by drawing insights from other leading International Financial Centres (IFCs). Countries like India, Singapore, and Malta have strategically used tax incentives to attract digital investments and strengthen their positions as leading IFCs.

India's GIFT City has positioned itself as a premier financial hub by offering a 100% tax exemption for 10 consecutive years out of 15 for eligible companies, alongside relaxed regulatory requirements and special economic zone benefits. Singapore provides generous deductions for research, development, and IP commercialisation, while Malta, with its blockchain-friendly policies and Patent Box Deduction scheme, has positioned itself as a prime destination for digital asset businesses.

These international benchmarks highlight the importance of strategic tax policies in fostering innovation and attracting global investors. By aligning its tax framework with global best practices, Mauritius can enhance its competitiveness and reinforce its standing as a preferred jurisdiction for FinTech and digital enterprises.

Overcoming Challenges in the Digital Era

Despite Mauritius' proactive approach, the rapidly evolving digital economy presents regulatory and taxation challenges that demand adaptive strategies. The taxation of cross-border digital transactions remains complex, particularly as businesses operate without a physical presence. The rise of decentralized financial models, including cryptocurrencies and blockchain technology, further complicates regulatory and tax compliance efforts. Aligning with global tax initiatives, such as the OECD's BEPS framework and the Pillar One and Pillar Two rules, will be essential to maintaining Mauritius' reputation as a responsible and forward-thinking jurisdiction.

To strengthen its appeal, Mauritius could introduce new tax incentives tailored for FinTech and digital investments. Extending the existing 80% partial exemption regime to cover income derived from intellectual property (IP) and FinTech activities could enhance the country's competitiveness. Additionally, a super-deduction or tax credit for companies investing in advanced FinTech and AI research could drive innovation. Incentives focused on digital infrastructure—such as accelerated annual allowance or tax holidays for investments in cloud computing, cybersecurity, and blockchain technology—could further position Mauritius as a leading hub for digital finance.

By proactively addressing these challenges and introducing targeted tax measures, Mauritius can reinforce its status as a global centre for digital innovation while fostering a tax-friendly environment that supports sustainable growth.

Sustaining Mauritius' Competitive Edge: The Next Chapter in FinTech and Digital Tax Incentives

Mauritius has taken significant strides in shaping its tax framework to attract FinTech and digital investments, reinforcing its position as a forward-thinking IFC. However, as global jurisdictions continuously refine their tax policies to foster innovation, Mauritius must remain proactive in enhancing its incentive structures to sustain its competitive edge.

Addressing regulatory challenges, aligning with international tax developments, and embracing emerging technologies will be key to ensuring Mauritius remains a preferred jurisdiction for digital business and financial services. While AI has the potential to drive further transformation in the sector, the immediate priority lies in creating a tax and regulatory environment that supports sustainable digital growth and cements Mauritius' role as a leader in the evolving financial landscape.

**By Mrs Zaynab Hisaund,
Associate Tax Director,
Andersen in Mauritius**

Why the EU's Artificial Intelligence law matters for Mauritius

Yashoda Fezah, General Manager, Compliance Administration and Support Services Ltd (CASS), elaborates the key facets of the EU AI Act and explains why Mauritius-based companies providing services to EU customers should prioritise compliance with the Act.

The European Union has unveiled the world's first comprehensive Artificial Intelligence law. After reshaping global data privacy with GDPR, Brussels has now set its sights on artificial intelligence with the EU Artificial Intelligence (AI) Act.

It came into force on 1 August 2024 and introduces sweeping regulation that will fundamentally reshape how artificial intelligence operates worldwide, not just within European borders, but also in Mauritius.

Risk classifications: Know where you stand

This groundbreaking legislation establishes a clever risk-based system for classifying AI technologies within or impacting the EU market. AI systems are analysed based on how they're used and the potential risks they pose to everyday users. The higher the risk, the stricter the compliance requirements.

- **Unacceptable Risk:** Simply put, these AI applications are banned outright. Building a social scoring system to analyse individual's behaviours, actions, and characteristics based on their digital footprints? Planning to deploy real-time facial recognition in public spaces for mass surveillance? The EU's response is a firm "absolutely not."

> Mauritius-based companies providing services to EU customers should prioritise compliance with the Act

- **High Risk:** The EU's framework identifies two categories of high-risk AI demanding strict oversight: AI embedded in products already regulated under safety legislation (from children's toys to medical devices), and AI systems with significant impact on critical domains like infrastructure, education, essential services, law enforcement, and legal interpretation. These require rigorous pre-market and conformity assessments, transparency, and human oversight.
- **Limited Risk:** Transparency takes centre stage here. If you're developing chatbots, generating content with AI, you'll need to clearly tell users they're interacting with or viewing artificial content, ensuring people aren't unwittingly conversing with machines while thinking they're chatting with humans (Informed consent).
- **Minimal Risk:** Basic AI applications like spam filters or recommendation algorithms fall under this category. These do not require regulatory restrictions.

Seem straightforward? Unfortunately, real-world applications rarely fit neatly into these boxes. The line between "high" and "limited" risk remains blurry in many sectors, creating classification challenges that will keep legal and compliance departments busy for years to come.

Extraterritorial impact: What it means for Mauritius

The EU AI Act is extraterritorial, meaning AI developers and organisations using AI to generate output that will be used in the EU fall under its scope. Mauritius-based companies providing services to EU customers should prioritise compliance with the Act. For example, company service providers using GenAI for minutes writing for EU customers or tax advisors using GenAI for drafting tax opinions will need to adhere to these regulations.

Local banks using AI agents for credit scoring might have no physical presence in Europe. But if its algorithm assesses creditworthiness for European customers, both GDPR and the AI Act apply. The compliance obligations don't stop at geographical boundaries. A software provider selling AI-powered HR tools to EU clients must meet both AI Act and GDPR transparency standards.

As compliance and regulatory experts, we can expect the "Brussels effect" to come into play, where EU regulations influence global standards. Even organisations without direct EU dealings but with presence in jurisdictions that have significant EU relationships may soon face compliance requirements.

Mauritius stands at a regulatory crossroads. AI laws can be expected here in the future. Companies already working on compliance will undoubtedly have a head start when Mauritian legislation arrives, giving them a clear advantage over competitors.

Global Reach: Why every business should pay attention

If the GDPR taught us anything, it's that European regulations rarely stay confined to European borders. The AI Act's reach extends to any business in the world whose AI systems impact EU citizens or markets.

The stakes couldn't be higher. Non-compliance penalties can reach a staggering €35 million or 7% of global annual turnover, higher than GDPR's cap of €20 million or 4% of global annual turnover by comparison. Beyond the financial risks, there's the very real prospect of being locked out of the European market entirely. For global enterprises, this represents more than a compliance challenge – it constitutes an existential threat to business continuity.

Your AI Compliance roadmap – A step-by-step guide

Step 1: Conduct an AI Risk & Data Privacy Assessment
Start by cataloguing all your AI systems - even experimental algorithms and third-party tools. Evaluate each: Do they affect individuals? How transparent are they? Do they process GDPR-regulated data?

> The AI Act's reach extends to any business whose AI systems impact EU citizens or markets

Your existing GDPR compliance work offers a valuable foundation that can fast-track your AI Act preparations.

Step 2: Implement required safeguards
For high-risk systems, prepare for substantial investment in compliance infrastructure. You will need:

- Bias testing frameworks reflecting real-world usage - Algorithms must be trained on truly representative datasets. The fairness principle that underpins both GDPR and the AI Act requires rigorous testing across diverse populations.
- Human oversight – Simply having a person rubber-stamping AI decisions won't suffice. Human operators must understand the system's limitations and possess genuine authority to overrule automated outcomes.
- Robust documentation and auditability - Beyond technical specifications, regulators want to see the journey of risk identification, assessment and mitigation. Your documentation should demonstrate thoughtful engagement with potential harms, not just checkbox compliance.

Step 3: Prepare for conformity assessments
Many high-risk systems will require third-party compliance checks and DPIAs, external conformity assessments and external audits beyond self-assessment, similarly to GDPR's requirements. Self-assessment alone won't be enough.

Our advice? Don't wait for external audits to discover compliance gaps. Establish internal pre-assessment protocols that mimic regulatory reviews. A critical internal evaluation is far less painful than a regulatory finding of non-compliance.

Turning compliance into competitive advantage

Here's a perspective shift worth considering: What if AI compliance isn't merely a burden, but an opportunity hiding in regulatory clothing?

Forward-thinking businesses are already recognising that robust AI governance creates tangible market advantages. In a world increasingly wary of "black box" algorithms, demonstrable commitment to transparent, ethical AI becomes a powerful differentiator.

Companies that integrate AI Act and GDPR compliance into unified governance frameworks aren't just avoiding penalties – they're building trust capital with customers, regulators and investors alike. The EU AI Act is setting a global standard, just as GDPR reshaped data privacy worldwide.

The EU AI Act isn't just changing compliance requirements – it's redefining what responsible AI development means in practice. Those who embrace this shift proactively won't just survive the regulatory transition; they'll thrive in the new landscape of accountable, human-centred artificial intelligence.

By Yashoda Fezah, General Manager, CASS

An AI Legislation for Mauritius: Fundamental Considerations

Drawing inspiration from the EU AI Act, Janesh Chuttoo, Partner, Orison Legal, explains that Mauritius should start developing its own frameworks to ensure its continued competitiveness and reinforce its commitment to innovation as an International Financial Centre (IFC) of note.

As artificial intelligence (AI) continues to evolve at a staggering speed, the need to establish a legal framework to nurture innovation while also balancing public safety and ethical considerations has never been greater.

Although AI is still in its infancy in Mauritius, the government has underlined its intention to harness the transformational powers of AI by coming up with a national strategy on AI back in 2018. As part of that strategy, the FSC came up with a Robotic and Artificial Intelligence Enabled Advisory Services licence and a bespoke rule to regulate that activity through the Financial Services (Robotic and Artificial Intelligence Enabled Advisory Services) Rules in 2021 (the FSC AI Rules).

Why should we regulate AI?

Given its standing as an IFC of repute and also the increased role that AI will have in our daily lives, Mauritius should ensure that any AI system that is developed or otherwise used in Mauritius does not create risks that may lead to undesirable outcomes. For example, any legislation should ensure that the algorithm enabling an AI system to make decisions is capable of being audited by a human.

The current AI legal framework

The FSC AI Rules only apply to the extent that a licensee wishes to provide investment and portfolio management services through AI-enabled algorithms. While the FSC AI Rules are robust enough in addressing the governance aspects that a licensee should implement, the ability of the FSC to audit the computer program that takes the decisions is a desirable addition. Despite the existing FSC AI Rules, the unique challenges posed by AI – algorithmic bias, accountability and transparency, just to name a few – highlight the need for a comprehensive AI legislation.

Where should Mauritius start then?

The European approach to AI

It is widely accepted that the European Union Artificial Intelligence Act (the EU AI Act) is, so far, considered the world's most comprehensive legal framework to regulate AI across sectors. Mauritius should then look no further than the EU to draw its vision on the regulation of AI.

The EU AI Act defines 4 levels of risk for AI systems, namely: unacceptable risk, high risk, limited risk and minimal risk. For the purposes of this article, we shall only delve into unacceptable and high risks.

Unacceptable risk

AI systems that pose a clear threat to the safety, economic interest and fundamental rights of Europeans are prohibited. Eight practices are set out in that list:

1. Harmful AI-based manipulation and use of deceptive techniques;
2. Harmful discrimination based on certain vulnerabilities;
3. Social scoring of individuals based on social behaviour or personal traits;
4. Use of profiling to assess the risk of an individual committing a criminal offence;
5. Using the internet or CCTV material in an untargeted manner to create or expand facial recognition databases;
6. Use of emotional recognition patterns in workplaces or educational institutions;
7. Biometric categorisation systems to infer sensitive personal data (e.g. race, political opinion, sexual orientation etc); and
8. Real time and sweeping remote biometric identification in publicly accessible workspaces.

> The government of Mauritius crafted a national AI strategy in 2018

High risk

AI systems that pose serious risks to the health, safety or fundamental rights are classified as high-risk. Examples of such high-risk cases include AI components when used in:

- critical infrastructures (e.g. mass transport);
- educational institutions (e.g. access to education);
- employment and management of workforce (e.g. resume sorting for recruitment agencies);
- access to essential private and public services (e.g. credit scoring in banks);
- biometric identification, emotion recognition and biometric categorisation (e.g. identification of an offender);
- immigration, asylum and border control management; and
- administration of justice and democratic processes (e.g. preparation of court rulings).

High-risk AI systems are subject to a stringent system of controls before they are commissioned. Some of those controls include:

- risk assessment and mitigation systems;
- the testing and validation of datasets that are used in the AI model to ensure that they are error free, as far as possible;
- traceability of results;
- detailed documentation to enable authorities to audit the system;
- allowing for human oversight; and
- implementation of a quality management system.

Emphasis on transparency and accountability

The EU AI Act requires AI systems to have a certain level of transparency in them. In that regard, developers of AI systems must include specific disclosures to ensure that human users of the systems are informed that they are interacting with non-human intelligence. For instance, humans using chatbots should be made aware that they are interacting with an AI system.

To address one of the topical issues around deep fakes that has come to the fore with the widespread use of generative AI (e.g. Chat GPT and Deepseek), providers of such technology should ensure that AI-generated content is clearly and visibly labelled.

Governance

The European AI Office and authorities of the EU member states are responsible for implementing, supervising and enforcing the EU AI Act. Advice on and management of the governance aspects of the EU AI Act is carried out through the AI Board, the Scientific Panel and the Advisory Forum.

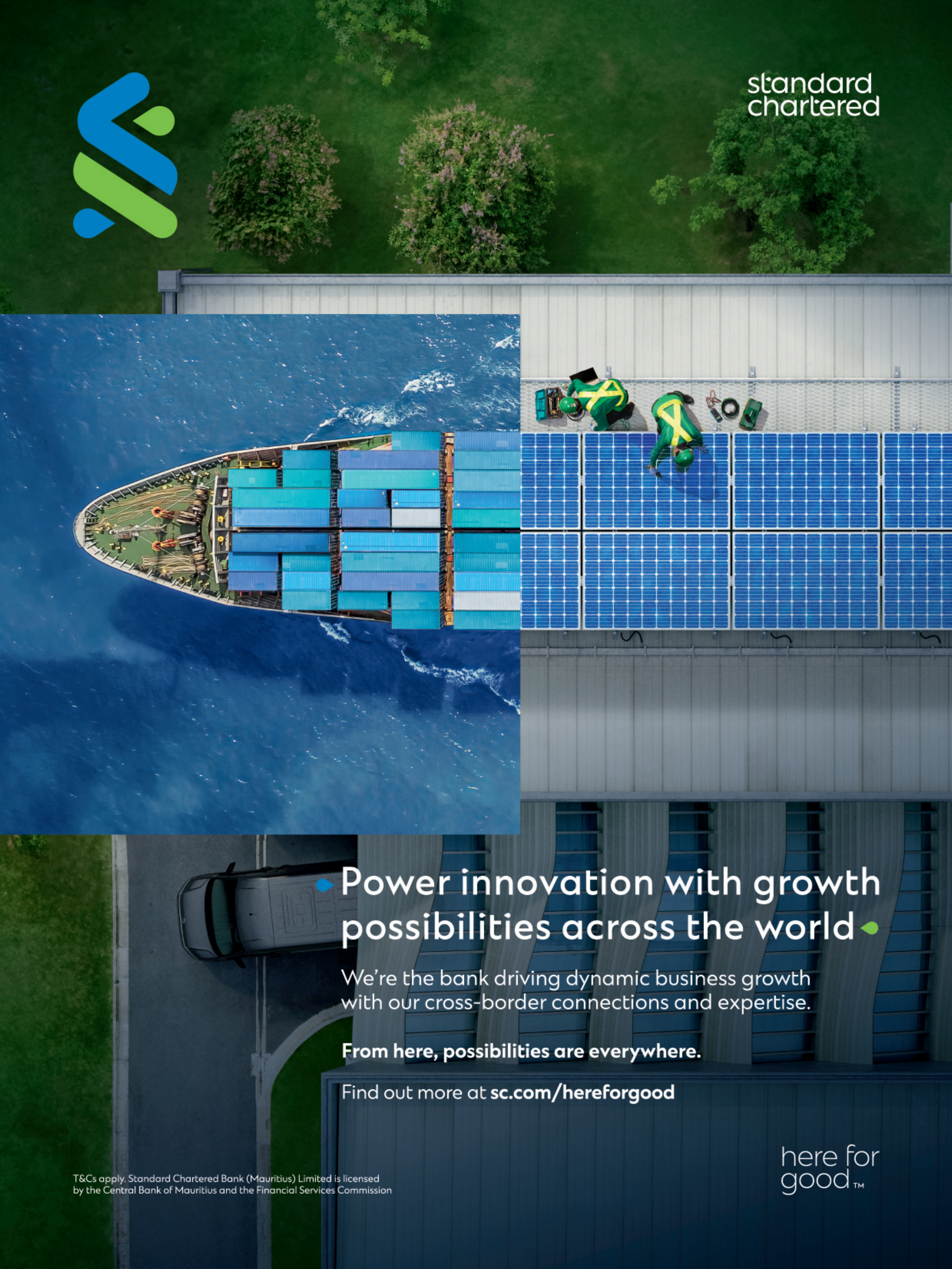
The EU AI Act is only part of a wider programme to support the development of safe and reliable AI, which also includes AI Factories, the Coordinated Plan on AI and an AI Innovation Package, from which Mauritius could draw inspiration.

Looking forward

AI is undeniably one of the most significant breakthroughs in human history. While the benefits from the adoption of such a system are immeasurable, if left unchecked it also has the power to create havoc on a global scale.

In its endeavour to 'tame' and foster the development of AI, Mauritius should not leave the regulation of AI to the last minute.

By Janesh Chuttoo,
Partner, Orison Legal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