



Innpact Mauritius | March 2022

The road to success for an impact fund project in Africa

- What did the recent delisting change for your impact fund initiative?
- How to get the best fund setup and management?

What did the recent delisting change for your impact fund initiative?

Mauritius, an exceptional financial environment

Mauritius has always been the preferred gateway for impact fund promoters. Be it for its geographical location by bridging Asia, Africa and Europe or for its long-standing collaboration with European countries as being a prominent place of domicile for impact investments. A series of trade agreements with India, China and Africa and through its network of Investment Promotion Protection Agreements, Mauritius offers protection of foreign investments in the main African nations.

The excellence of the Mauritian offshore is historical. It was built on three decades of know-how in the service of the fund industry. Originally, Mauritius was a gateway for the creation of local funds to make investments in Asia, and now in Africa where it offers many advantages: bilateral treaties, ease of transacting with African banks, ease of opening up accounts in local currency, legal networks, etc. Over time, a broad spectrum of financial services has been built to form a financial ecosystem of excellence and the Offshore is now a recognised international finance place and able to compete with other leading centres. The country has been ranked first in Africa for ease of Doing Business by the World Bank.

The listing parenthesis

The period of grey and blacklisting started when the Financial Action Task Force (“FATF”) identified strategic deficiencies in the AML/CFT framework of Mauritius and included Mauritius on its grey list of high-risk jurisdictions countries (the “FATF Grey List”) in February 2020. Mauritius was then officially placed on the European Union Blacklist. Since that day, the government, the financial sectors both public and private have been working hand in hand to demonstrate Mauritius political commitment to enhance its AML/CFT framework.

Despite the listings and Covid, the activities of the fund industry slowed down but were not at a halt. Indeed, according to the Mauritius Financial Services Commission (FSC) Newsletter dated July to September 2021, 4,186 new licenses were issued by the regulator only for the period from June 2021 to September 2021 – out of which 759 GBCs. 26% of the licenses are from Europe with 55% investment in Africa. The announcement of the delistings not only reinforces the confidence of impact fund investors in the Mauritian jurisdiction but also helps Mauritius to look forward by strengthening its position and offering a promising environment for impact businesses with more resilient legislations. The number of impact funds using Mauritius as their structuring platform is increasing day by day, and the Mauritian authorities are actively supporting them

The passage from Grey and Blacklist to delisting has helped Mauritius to embrace a clearer legal, compliance and regulatory framework adhering with international practices and boosting the confidence of investors in the jurisdiction. The Mauritian financial ecosystem has now the full infrastructure with a transparent and resilient legal and regulatory framework with political stability providing a conducive approach for the setting up of impact funds.

Established in 2018, Innpact Mauritius relies on the 15 years’ experience of Innpact S.A., the mother company, which has supported the creation of over 30 impact funds and has advised impact investments worth over \$8bn by providing unique expertise and state-of-the-art services. More than ever, the Innpact team stands ready with our Mauritian team and our fund platform [MIFGA - Mauritius Impact Finance Gateway to Africa](#) to boost the number of impact fund initiatives for Africa.

The Listing in key dates

February 2020

The FATF included Mauritius on its grey list of high-risk jurisdictions countries.

October 2020

Mauritius was officially placed on the European Union Blacklist.

In the meantime, working groups were constituted and several reports were submitted to the FATF.

October 2021

Mauritius was removed from the FATF grey list.

January 2022

Mauritius was removed from the EU blacklist.

March 2022

Official delisting from the EU Blacklist.

5 essential steps to get the best setup and management for your impact fund

STEP 1: Get the best design for your fund

Choose the right partner from the start! Innpact Mauritius supports you in:



- Designing and creating the appropriate investment vehicle to deploy your impact finance strategy **from concept to first closing**,
- Providing structuring services such as design, governance, negotiation with investors, legal feasibility, financial,
- Implementing the impact structure,
- Offering admin services – closing – on boarding of investors, first board meetings.

STEP 2: Establish your fund in Mauritius

Innpact Mauritius provides you with substance via dedicated professionals on site



- With its presence in Mauritius, Innpact provides you with substance via a dedicated investment committee to assist you in your investment decision process, with a Compliance Officer, as well as portfolio monitoring and reporting tools co-developed with DFIs and impact investors.
- Leveraging on the experience of the Risk Managers and Risk Officers and Innpact, we also endorse an independent risk management function.
- We produce customised and statutory reports, independent reviews of NAVs and audit assistance.

STEP 3: Choose a turnkey solution

A fully integrated fund solution for impact fund promoters



- For those managers who want a short time to market structure, we propose **MIFGA** as a **turnkey solution**.
- With pre-selected partners, MIFGA is a “one-stop shop” fund management solution for impact investment managers, allowing them to focus on their core expertise of deal origination & management. Set up as a Mauritius PCC with individual segregated impact investing funds, MIFGA provides you with legally existing, cost efficient and timely solutions.

STEP 4: Develop your impact fund strategy with our Impact Measurement and Management Services

We make sure that impact is considered within each activity of the fund



- Our goal is to help you achieve the greatest possible impact. This philosophy has driven our company since its inception and explains how we contribute to our clients' success. Impact management should be an integral part of any impact fund. We offer impact measurement and management services to make sure that impact considerations are at the centre of the activities of the fund i.e., in the design of the Impact Management Framework, in the design of the Impact Management System, the implementation of the Impact Management Framework, the on-going Impact Management Support.

STEP 5: Implement full-fledged management services

Thanks to a full suite CIS management services



- Beyond the mere provision of substance, Innpact's objective is to support emerging fund managers with all the technical expertise necessary to setup and operate your fund. Our support to the establishment of your fund structure starts from day 1 with the identification of the most suitable legal structure to the establishment of your impact fund up until the first dosing. Once your fund begins its operations, Innpact provides you with core CIS managerial functions but also with a full suite of high standard fund management services including, among others, risk management, asset and liability management, cash and FX management and impact management.
- Our preferred partners or service providers of your choice may complement this offering with administration, legal or other preferred partners' services depending on your needs.
- Our partnership model allows you to control your fund structure, while also focusing on your deals and gradually internalising fund management expertise.

Get the best setup and management for your impact fund

Contact our experts in Mauritius and worldwide



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Innpact is a leading impact finance specialist providing advisory and third-party fund management services.

Our team, based in Luxembourg and Mauritius, has unrivalled expertise in designing impact funds and blended finance vehicles.

We work with fund managers, sponsors and investors around the world. Innpact has structured over 30 impact funds, has worked on over 150 impact finance projects and had advised impact investments totaling over \$8bn targeting the UN Sustainable Development Goals.

We provide our services with motivation, dedication and smile, being faithful to our mission and our values.

Dedicated to Impact Finance.



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