



# WHY ARE HIGH-NET-WORTH INDIVIDUALS INCREASINGLY TURNING TO MAURITIUS FOR WEALTH MANAGEMENT?

By PLEION Investment Adviser

**There are several reasons why the rich and ultra-rich individuals are turning to Mauritius for the management of their wealth. Firstly, Mauritius is a country that offers political and economic stability. It has a competitive tax regime and many advantages such as no inheritance tax or wealth tax. Mauritius' regulators and financial service providers respect international standards of confidentiality, while ensuring transparency and combating money laundering and terrorist financing.**

Ideally located in a favourable time zone for business with Asia and Europe, several private management companies have established themselves in Mauritius. Both Mauritian and foreign, they provide these new clients with access to the skills of qualified and experienced local professionals, offering services tailored to their specific needs.

Finally, Mauritius offers a high quality of life with a pleasant tropical

climate, lush nature and a rich and diverse culture. For High-Net-Worth Individuals and families who wish to settle down, the island offers high-end real estate and numerous leisure activities. For children's education, Mauritius has a growing choice of private schools at primary and secondary level, either French or English speaking.

**HOW DOES MAURITIUS EMERGE AS A JURISDICTION FOR WEALTH MANAGEMENT?**

Thanks to a number of factors that enhance its attractiveness, Mauritius has evolved into a jurisdiction of choice for wealth management. Indeed, the country has put in place a strict regulatory framework for financial services close to that practiced in Europe, especially for wealth management.

Here are some key aspects that contribute to the development of Mauritius as a hub for wealth management.

Continued on Page 62

Continued from Page 60

## **STRONG REGULATORY FRAMEWORK:**

The Financial Services Commission (FSC) of Mauritius supervises and regulates the non-bank financial services sector, including wealth management. Regulations are aligned with international standards, ensuring a safe and transparent environment for investors.

## **ASSET PROTECTION AND SUCCESSION PLANNING:**

Mauritius allows the establishment of various legal structures, such as companies, trusts and foundations, providing asset protection and succession planning options for High-Net-Worth clients.

## **INTERNATIONAL REPUTATION:**

Mauritius' reputation as a transparent jurisdiction and compliance with international standards (OECD, Financial Action Task Force, and the European Union among others) reinforces its credibility as a wealth management hub.

## **CONNECTIVITY AND ACCESSIBILITY:**

Mauritius' strategic geographical location and excellent air and sea connectivity facilitate travel and transactions with other global financial markets and business centres.

The attractiveness of Mauritius was also highlighted in the latest Africa Wealth Report published by Henley & Partners, which observes that the number of millionaires on the island went from 2,500 to 4,900 in ten years, and is expected to exceed 8,500 by 2032.

## **WHAT ARE THE ADVANTAGES OF WORKING WITH AN INDEPENDENT WEALTH MANAGER?**

Independent wealth management has become increasingly popular in recent years, largely due to the growing demand from clients for tailored advice for the management of their wealth. Independent asset managers often maintain long-term relationships with their clients, which can promote continuity and stability in wealth management. This is particularly important for clients who wish to work with a trusted advisor over several generations.

Independent wealth managers also differ from banks and large financial institutions in their ability to offer fully independent and unbiased management, with no conflict of interest with their own financial products or specific sales targets.

With an open architecture, independent wealth managers can select products from a variety of providers, such as banks, insurance companies and fund management companies (as opposed to a closed architecture where the products offered come only from the bank or the wealth management company). This type of management is particularly attractive to clients with complex management needs.

This approach offers clients a number of advantages, including enhanced investment diversification and increased flexibility in the management of their portfolio. Independent managers therefore have the freedom to select the best products for their clients accor-

ding to their specific investment needs, rather than being restricted to a predefined range of products.

Moreover, the open architecture is a way to ensure greater transparency in the management of assets. Indeed, independent asset managers can provide detailed information on the products selected and the reasons why they were chosen.

The current economic context is marked by a certain amount of tension, causing many clients to challenge both the advice of their private banker and the standardised products offered by the large financial institutions, and even seek an alternative. This trend does not only apply to the younger generation, but also to investors with long experience in the field. The latter are turning to independent wealth managers for tailor-made solutions adapted to their specific requirements and expectations.

