



FAMILY OFFICE (SINGLE) AND
FAMILY OFFICE (MULTIPLE)

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1. FAMILY OFFICE (SINGLE) AND FAMILY OFFICE (MULTIPLE)

1.1 Introduction

Family Offices are structures used by high-net-worth individuals as a vehicle for wealth preservation, succession planning, reducing family dispute and ensuring smooth management of family affairs.

In line with the diversification strategy promoting wealth management as a new avenue for growth for the Mauritius International Financial Centre (IFC), the Overseas Family office licenses were announced in the 2016-2017 Budget Speech.

The Financial Services Act 2007, was subsequently amended to include both Family Office (Single) license (**SFO**) – which provides for the day-to-day management of financial affairs of a single family, and Family Office (Multiple) License (**MFO**) – which allows for the daily management of financial affairs of multiple families.

2 ACTIVITIES OF A SFO OR MFO

2.1 Activities of holder of a Family office License

a) **The categories of family office services, which a holder of a Family Office (Single) or (Multiple) may provide shall include, but not be limited to;**






-  Administration and management of investments, assets and/or estate(s);
-  Administration and management of concierge services;
-  Management of accounting and reporting;
-  Administration and management of philanthropic services;
-  Providing training and development to the incoming generations;
-  Administration and management of disaster recovery planning;
-  Administration of risk management;
-  Provision of administrative support;
-  Ensuring compliance with domestic and international legislations;
-  Establishing family governance, wealth strategies, family board(s) including family charter(s);
-  Providing tax advisory and compliance services;
-  Advising on wealth planning and protection; and
-  Any other activities as may be approved by the commission.

b) **The value of the assets and/or investments of each family under SFO or MFO management must be more than USD 5 million.**






3 CRITERIA OF A SFO OR MFO

3.1 Designation of an Officer

a) A family office shall, at all times, designate an approved officer, such as JurisTax, who shall be responsible for:

-  filing an application for a licence with the Commission;
-  filing with the Commission such document as may be required under these Rules, the relevant Acts or by virtue of any other enactment;
-  filing with the Commission such other document as may be required including the annual compliance statement in the Schedule 2;
-  obtaining, keeping and maintaining appropriate records of the SFO or MFO to substantiate that it is compliant with the Rules or under any relevant Acts; and
-  responding promptly to any request made by the Commission.

b) The designated officer shall:

-  be the point of contact between the Commission and the Family office (Single or Multiple);
-  be approved by the Commission;
-  be a member of the senior management of the SFO or MFO;
-  have unrestricted access to information about the members of the SFO or MFO; and
-  have access to sufficient resources to fulfil his responsibility.

3.2 Designation of a Money Laundering Reporting Officer






Each family office shall, at all times, have a designated Money Laundering Reporting Officer and a Deputy Money Laundering Reporting Officer approved by the Commission, who shall comply with its duties under the Rules and any relevant Acts.

3.3 Minimum stated unimpaired capital requirements

- a) A Family office (Single) shall, at all times maintain a fully paid minimum stated unimpaired capital of at least **USD 35,000**.
- b) A Family office (Multiple) shall, at all times maintain a fully paid minimum stated unimpaired capital of at least **USD 70,000**
- c) Where an SFO or MFO is unable to maintain the fully paid minimum stated unimpaired capital under paragraph (1) or (2), it shall immediately notify the Commission.
- d) Where the Commission receives a notification under paragraph (3), it shall take such action as it deems appropriate under the relevant Acts.

3.4 Professional Indemnity Cover

The holder of an SFO or a MFO shall subscribe to such insurance policies as are necessary to cover:

-  Fraudulent activities of employees;
-  Fraudulent instructions;
-  Losses arising from the malicious or fraudulent corruption of electronic data or electronic transactions;
-  Liabilities arising from breaches of professional duties; and
-  Any other activities as the sfo or mfo deems appropriate.

4 COMPLIANCE REQUIREMENTS AND RISK MANAGEMENT

4.1 Annual compliance

A holder of an SFO or an MFO shall submit to the Commission an annual statement of compliance, in the form specified in the Schedule 2, not later than 6 months after the financial year end.



4.2 Risk Management

A holder of an SFO or an MFO must develop and adopt an integrated risk management approach, which must be reviewed on a yearly basis. The risk management system must include, amongst others, factors such as risk identification, risk measurement, risk reporting and risk mitigation.

5 APPOINTMENT OF AUDITOR

The applicant is to seek the approval of the Commission with respect to the appointment of the auditor.

Details on the auditor to be appointed should be provided;

-  The audit firm should be approved by the Financial Reporting Council (FRC); and
-  Details on the signing partner within the audit firm should also be provided and the latter should be registered with The Mauritius Institute of Professional Accountants (MIPA)




Note: The names of the auditor and signing partner should be as per FRC List.

6 ATTRACTIVENESS OF FAMILY OFFICES





As an incentive, a holder of a family office license may benefit from a **10-year tax holiday, promulgated in the budget speech 2021/2022**, provided it meets the substance requirements of the FSC.

6.1 Substance Requirement

The substance requirement of the FSC with respect to family offices are listed hereunder;

-  A physical office in Mauritius
-  Minimum number of employees resident in Mauritius – At Least 1 professional for SFO and 3 professionals for MFO
-  More than USD 5 Million assets under management per family

7 SALIENT FEATURES

-  'Family' is defined under the Rules as a group of individuals who are connected in at least one of the ways set out in Schedule 1 of the rules providing for a list of persons related to any individual within the family office. This includes spouse, descendants, parents, step-parents, grandparents, parents-in-law, step parents-in-law, brother, step-brother, sister, step-sister.
-  A family office may, but need not, be wholly-owned by family clients and exclusively controlled by family members or family entities.
-  The holder of a family office license is required to subscribe for insurance policies and to develop and adopt an integrated risk management system which must be reviewed annually and must include factors such as risk identification, measurement, reporting and mitigation.
-  Mauritius boasts a sound legal system, political stability, robust legislative framework on data protection, qualified workforce and the absence of exchange control. These provide a conducive environment to house family offices.

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