

## Mauritius Private Trust Companies

### 1. What is a Private Trust Company?

A Private Trust Company (PTC) is a company formed to act as trustee to a limited number of trusts, either for the benefit of a single family, or for the benefit of different branches of a family or for distinct (but related) family groups. The administration, investment management services or investment advice required in connection with the trusts can be outsourced to licensed service providers.

In Mauritius, a PTC can take the form of a “Global Business Licence” company, Category 1 (GBL1) or Category 2 (GBL2). The PTC is a private trusteeship arrangement whereby:

- a high net worth individual sets up a company which will act as trustee in respect of his own assets that would be settled onto one or more trusts; and
- its client base comprises of persons or families who are able to evaluate and assume the financial risks and economic consequences of their investments.

### 2. Benefits of a Mauritius Private Trust Company

There is no public register of directors and shareholders of a PTC formed under the laws of the Republic of Mauritius. There is also no need to register the individual underlying trusts and the information provided to the Mauritius Financial Services Commission (FSC) for the purpose of licensing is treated with utmost confidentiality.

Moreover, a PTC set up as a GBL2 offers unique advantages; it can be set up quickly, there are minimum reporting requirements, there is no requirement for a licence to act as trustee and it is cheap as compared to a PTC established in other international financial services centres. A PTC owned by a family can afford to be more flexible and efficient in its decision making as compared to a standard trust arrangement whereby the professional trustee would seek indemnities from all beneficiaries before taking major or complex investment decisions concerning the investment of the trust property.

The involvement of the settlor or a family member or personal advisor on the board of directors of the PTC will allow closer monitoring of the affairs of the trust(s). Also, the suitability of junior family members to manage the family business can be tested by being appointed on, and/or removed from, the board of directors of the PTC with ease.

Finally, knowledge of the family business will remain within the family circle and can be passed on effectively without necessarily involving third party trustees.

### **3. Establishing a Private Trust Company in Mauritius**

A PTC in Mauritius must be established through a licensed Management Company (MC), such as AAMIL Ltd. The constitution (M&A) of the company will restrict its activities to that of acting as a PTC.

There are several conditions applicable to a PTC in Mauritius, namely that it should:

- at all times, maintain a minimum paid up capital of US\$ 5,000;
- provide its private trust business services solely to connected persons;
- not solicit trust business from, or provide trust business services to, the public;
- appoint a duly licensed MC to carry out its trust administration services in relation to the trust(s) for which it acts as trustee;
- forthwith notify the FSC of any change in the nature and scope of its private trust business;
- provide the FSC, on a yearly basis or upon request, a list of trusts for which it acts as trustee; and
- comply with any law that may in future be enacted, and which may impact on the conduct of its business.

### **4. Administration of a Mauritius PTC**

The FSC is very clear that the responsibility for ensuring compliance with the terms of the licence rests on the MC, duly appointed. In this respect, the FSC has laid out several conditions to which the MC has to adhere to.

The conditions applicable to the chosen MC are that it shall:

- at the time of application, certify that the PTC qualifies as such and that the PTC is not providing its services by way of business;
- enter into a written agreement with the PTC which specifies precisely what services it will provide to the PTC and its underlying trusts and allocate precise responsibilities between it and the PTC;
- provide the FSC, on a yearly basis or upon request, a list of PTC with which it has entered into an arrangement to provide trust administration services; and
- forthwith notify the FSC when it has ceased to provide trust administration services to a PTC and/or when the PTC has ceased to qualify to act as such.

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