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**Mauritius**

BLC Chambers

## New guidelines for global business companies

The Financial Services Commission has recently issued special guidelines for professional directors, especially those sitting on multiple boards in the global business sphere. In addition to the fiduciary duties expected from directors, resident directors must demonstrate that they have sufficient time to prepare for and attend board meetings. Resident directors are also expected to have a reasonable number of directorships. Reasonableness will be judged on various factors including, but not limited to, the number of board meetings being held, categories of companies and staff supports available to the director.

Mauritius, as an offshore jurisdiction, is adopting the substance over form approach following the recommendation of the OECD. By January 1 2015, all GBC 1 companies must, in addition to existing requirements to demonstrate management and control in Mauritius, meet at least one of the following criteria: (i) have office premises in Mauritius; (ii) employ a staff on a full time basis; (iii) choose Mauritius as the seat for arbitration of disputes; (iv) hold assets which are worth at least \$100,000 in Mauritius (v) list on a Mauritius stock exchange or incur a reasonable yearly expenditure in Mauritius. It is also recommended that GBC 1 companies conduct at least one physical board meeting in Mauritius.

For more than a decade Mauritius has emphasised the importance of good corporate governance, through the publication of a detailed report in 2003 and introducing the comply or explain approach to corporate governance. In recognition that good governance is not a static science, the jurisdiction continues to come up with new initiatives to enhance the Mauritius product offering.

*Fayaz Hajee Abdoula*

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**Contacts**

2nd Floor, The Axis  
26 Cybercity, Ebene 72201  
Mauritius  
T: (+230) 403 2400  
F: (+230) 403 2401  
E: [chambers@blc.mu](mailto:chambers@blc.mu)  
[www.blc.mu](http://www.blc.mu)