

JOINT ATMC / GFM PRESS COMMUNIQUE

It has come to our attention that the International Consortium of Investigative Journalists (ICIJ), in partnership with l'Express, a local newspaper, has released a report on Mauritius ('Mauritius Leaks') on July 23, 2019. By the ICIJ's own admission, their so-called "investigation" has been based on a USB key that was handed over to them anonymously. It is, therefore, reasonable to assume that the data on the USB key may have been illegally obtained.

Mauritius not used for illegal activities

The ICIJ in its own report admits that the Mauritius International Financial Centre has not been used for the conduct of any illegal activities. Yet the way in which the ICIJ articles have been couched, the headlines that have been used ("Mauritius *Siphons* tax from poor nations", "It takes a village to create a *Tax Dodge*"), the extracts that have been highlighted ("Voila! A new Mauritius *Shell Company* is born"), together with false information ("What is a GBC1? A *vehicle that serves nothing else* but to take advantage of tax treaties and to avoid paying taxes") and information taken out of context susceptible creates a false perception of wrongdoing.

UNCTAD recognises Mauritius's contribution to Africa's FDI

The articles derogatively describe Mauritius as a "*tiny Indian Ocean tax haven*" supposedly assisting multinational companies to avoid paying tax in Africa. This is a complete fallacy and at best demonstrates that the authors are totally misguided about the role that Mauritius plays in promoting trade and investments into Africa. As an IFC, Mauritius has positively contributed to the growth of many developing nations in the region. By having in place, a proper business facilitated environment englobing a robust legal framework, a pool of skilled workers and stable economy, Mauritius is instrumental in facilitating the flow of quality foreign direct investment (FDI) in Africa. For example, the United Nations Conference on Trade and Development (UNCTAD) World Investment Report 2019, has confirmed that Mauritius is contributing its part to roughly \$46bn worth of FDI flowing into Africa in 2018. UNCTAD also recognised the role of Mauritius as actively participating in the development of the continent through Special Economic Zones (SEZs) in various African countries and continuing to innovate in this area. This has resulted in creation of jobs and development of infrastructure and business in these countries. Last but not least, all these businesses in Africa which are the recipient of FDI pay taxes locally, irrespective of whether the investments are being made from Mauritius.

Significant contribution of the financial sector to the Mauritian economy

On the local front, the financial services sector has and continues to play an important role in improving the standards of living of the population. People from modest backgrounds have been provided with the opportunity to progress more rapidly in their lifestyle through employment in this sector. The sector has also ensured that meritocracy and talent is recognised thereby contributing towards the reduction of brain drain of our professionals. As a vital sector of the Mauritian economy, the global business sector has succeeded in generating high value-added employment. It is estimated that the sector, including banking, directly employs more than 15,000 professionals. Indirectly, it contributes to the general economy by providing work and opportunities to taxi drivers, restaurants, hotels and also the press through advertising. More importantly the financial sector has contributed to boosting the country's foreign exchange reserves, thereby contributing positively to the balance of payments and preserving the stability of the Mauritian rupee.

Mauritius International Recognition

Mauritius has always been committed to full compliance with international standards and best practices in the global business and the wider financial sector. It is rated as fully compliant with the OECD standards on transparency and exchange of information for tax purposes. In the ESAAMLG Follow Up Report, in May 2019, Mauritius successfully obtained an upgrade of 11 FATF recommendations, demonstrating significant progress in meeting technical compliance. Mauritius has also been ranked 20th globally and 1st in Africa in the World Bank Doing Business Index, 49th in the Global Competitiveness Index and 39th in Forbes Survey of Best Countries for Business.

Over the years, significant efforts have been made to continuously deepen and diversify the business offering with a wide range of products and services of interest to investors in Africa, such as investment banking, global legal advisory services, global headquarters administration, global treasury activities, overseas family offices and asset and fund management schemes. In addition, investors in Mauritius are also able to benefit from an efficient banking system, one of Africa's leading and most innovative Stock Exchanges, modern infrastructure, an investment friendly regulatory regime and a skilled and bilingual workforce adding to the attractiveness of the jurisdiction to investors. We reiterate that Mauritius has always been working in full transparency and the private sector has always worked in line with best international practices to ensure that both the country and its partners benefit.

The ATMC and GFM condemn the publication of private information and the ensuing articles which appear to be solely aimed at tarnishing the reputation of Mauritius as a credible and reputed international financial centre in the region. The ATMC and GFM are working closely with authorities and are fully supportive of all necessary actions to be undertaken to defend the jurisdiction from such unsubstantiated, unfounded and prejudicial reports.

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