



INTERCONTINENTAL TRUST

International Tax & Management Services

INTERCONTINENTAL TRUST NEWSLETTER

VOLUME 5 - ISSUE 16

MOODY'S UPGRADES MAURITIUS FROM Baa2 TO Baa1

On 26 June 2012, Moody's investors service upgraded Mauritius's ratings from Baa2 to Baa1. Amongst the trigger for this upgrade from Baa2 to Baa1 is the increased diversification of the economy into the high-value added service sector as well as a growing conduit for foreign investment into Africa and Asia.

What is Moody's Rating?



Moody's Investors Service is a private credit rating agency (CRA) which has a system of bond credit rating securities set up to provide investors with a simple system of gradation by which future relative creditworthiness of securities may be gauged. Gradations of creditworthiness are indicated by rating symbols that are used to designate least credit risk to that denoting greatest credit risk: Aaa Aa A Baa Ba B Caa Ca C. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa.

Mauritius as a platform for investments into Africa

The Africa strategy is complementary to the one regarding Asia, including India and China, rather than a loss-compensating initiative. The making of Mauritius as the ideal platform for investments into Africa actually fits within the development strategy of transforming the country into a services hub. Africa now offers immense opportunities to investors be it in the mining industry, construction industry, telecommunications, software and IT services or manufacturing, etc and Mauritius has become the preferred platform for routing these investments into Africa. In fact, Development Financial Institutions favors Mauritius as the natural domicile for

their investments in Africa. The Mauritian authorities are multiplying the number of taxation treaties they are negotiating with African countries in order to replicate the success they experienced with a similar treaty in India. The government is also in the process of internationalizing the stock exchange from an equity-centric to an international multi-class asset-trading platform.

The strengthened institutional framework, which is expected to further bolster the Mauritian economy's demonstrated resilience to shocks; and the government's significant progress in reducing its debt-servicing burden and improving its debt structure by lengthening maturities have also contributed in the ratings upgrade. For more information, [please click here](#).

The Mauritius Advantage

Mauritius has rapidly developed as a major financial services centre in recent years and, is well positioned as a financial hub with salient features such as no capital gains tax, no withholding tax, no capital duty on issued capital, confidentiality of company information, exchange liberalization and free repatriation of profits and capital, and the distinct advantages of being a treaty-based jurisdiction with a substantial network of treaties and DTAs.

Sources: • financeenquiry.com • Af.reuters.com • Moody's.com

Intercontinental Trust Ltd is regulated by the Financial Services Commission in Mauritius.

For any additional information please contact us.

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