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WHY A BANK ACCOUNT IN MAURITIUS MAKES SENSE

By Yolande Butchart, Foreign Exchange Consultant—Brentwealth (Mauritius)

With numerous storm clouds hanging over South Africa, including an ongoing and worsening power supply crisis, the country's inclusion in the global grey list, a declining currency, and a tense political situation, many South Africans are becoming increasingly concerned about the risks and volatility they may face. One of their primary concerns is the potential inability to access their funds in a worst-case scenario, such as a total electricity grid failure or economic collapse.

Saving has always been an important part of financial planning, trying to cater for unexpected circumstances or special holidays, whilst the increased cost of living has not always made this possible.

Mauritius provides an ideal alternative. It is within easy reach of South Africa and has become known as an international financial centre, with a well-developed banking sector that caters to both domestic and international clients. A major benefit when considering an international bank account in Mauritius is the fact that it does not require travelling to the island.

An offshore bank account can be used the same way as a current account in South Africa, which can assist in building up offshore assets in a hard currency and protection against the risks and volatility of the rand.

Another positive, for investors who already have an existing offshore investment, is to link an offshore bank account to offshore investments. This means any withdrawals can be transferred to the Mauritian bank account, thus remaining in the same hard currency, and it generally allows the investor to access these funds from the Mauritian account from anywhere in the world.

The local currency is the Mauritian Rupee (Rs), however, most banks provide multiple currency accounts which include EUR, GBP, AUD, USD and more.

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Mauritian banks provide a range of services, including online banking, debit and credit cards, international transfers, personal savings, current/transmission accounts, fixed-term deposits, as well as offshore accounts. Offshore accounts are mainly used by non-residents and international businesses for tax planning and asset protection. It might be important to note that there are no foreign exchange control rules in Mauritius, unlike South Africa, thus making it easier for the flow of funds in and out of the country.

Many banks also offer specialised services for international clients, such as international payment processing and trade finance.

Mauritius has implemented various measures to comply with international standards on banking transparency and anti-money laundering, is a member of the Common Reporting Standard (CRS) and has signed numerous tax information exchange agreements (TIEAs). While Mauritius still maintains confidentiality and privacy in its banking system, it is important for the banks to comply with relevant legal and regulatory requirements in both Mauritius and the investor's alternative jurisdiction.

Many banks provide financing which includes mortgages for the purchasing of property on the island and, depending on the institution, may grant a mortgage on a 40/60 or 30/70 split where the applicant meets the bank's specific requirements.

- Mauritius Bank Lending Rate was reported at 7.070% p.a. in January 2023.
- This records an increase from the previous 6.990% p.a. for December 2022.
- Mauritius Bank Lending Rate data is updated monthly, averaging 9.985% p.a. from December 1997 to January 2023, with 302 observations.
- The data reached an all-time high of 14.390% p.a. in October 1999 and a record low of 4.540% p.a. in December 2021.
- Mauritius Bank Lending Rate data remains active status in CEIC and is reported by CEIC Data.
- The data is categorised under World Trend Plus's Global Economic Monitor – Table: Bank Lending Rate: Monthly: Middle East and Africa.

LAST	PREVIOUS	MIN	MAX	UNIT	FREQUENCY	RANGE
▲ 7.070 Jan 2023	▲ 6.990 Dec 2022	4.540 Dec 2021	14.390 Oct 1999	% pa	monthly	Dec 1997 - Jan 2023

It's important to conduct thorough research and seek professional advice when considering offshore banking or opening a bank account in Mauritius. Consulting with a Brenthurst Wealth Management financial advisor or contacting Brent Wealth (based in Mauritius) directly will provide you with the most up-to-date and accurate information tailored to your specific requirements.

EXPLORE MAURITIUS OPPORTUNITIES: MEET OUR MAURITIUS TEAM IN CAPE TOWN ON JUNE 5, 6 OR 7 AT THE BRENTHURST CAPE TOWN OFFICE.

EMAIL YOLANDE & GAVIN DIRECTLY TO SCHEDULE AN APPOINTMENT.

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BRENTHURST EXPANDS ITS SERVICE OFFERING:

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Unrestricted Investment Manager License – Mauritius

The company established an international wealth management office in Mauritius, offering global wealth management services and investment opportunities to clients. In addition Brenthurst acquired a stake in a fiduciary management company, Brent Consulta, on the island. https://brentwealth.com/

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SET UP A MAURITIUS TRUST TO PROTECT YOUR ASSETS

Brent Consulta focuses on trust and fiduciary services. They assist clients in establishing and managing trusts, foundations and corporate structures to optimise asset protection, estate planning and wealth preservation. Their expertise lies in navigating the complexities of international trust law and ensuring compliance with regulatory requirements. https://www.brentconsulta.com/

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