Issues related to Globalisation

Mauritius practices and experience
Main Data sources

- Bank of Mauritius’s own records
- Banking returns
- Surveys
- Data sharing with other organisations through MOUs
Coordinated Portfolio survey

• The Coordinated Portfolio Investment Survey (CPIS) is an annual exercise jointly conducted by the Bank of Mauritius and the Financial Services Commission, under the initiative of the IMF.

• Information is collected on investment by Mauritian residents, including for this purpose, banks, global business companies, insurance companies, mutual funds, pension funds and investment companies, in securities issued by unrelated non-residents, both in terms of market value and geographical distribution.
International Investment Position (IIP)

- IIP is compiled annually by the Bank in line with standards and conventions as laid down in the 5\textsuperscript{th} edition of the Balance of payments Manual (BPM 5, 1993).

- IIP reports stocks of external assets and liabilities at a point in time.

- Owing to limited data sources, current data may at best only represent a partial coverage.
Foreign Assets and Liabilities Survey (FALS)

- The monitoring of capital flows is becoming of increasing importance.
- Section 51A(2) of Bank of Mauritius Act indicates that the Bank may call for data that may be used in the preparation of the Balance of Payments.
- The Bank conducted its first FALS at the end of 2007 and the second one in 2009.
- Technical assistance received from the IMF.
- Residency considers centre of economic interest
Residency

• BPM 5 recommends residency based on centre of economic interest.

• An entity is resident if its center of economic interest in Mauritius.

• A foreign-owned enterprise incorporated in Mauritius is considered a resident irrespective of the domicile of the owners of the enterprise.

• Branches/subsidiaries of non-resident companies registered in Mauritius are regarded as residents.
Residency of Special Purpose Entities (SPEs)

- SPEs provide financial services like financing and asset holding to their own group companies.
- Normally little or no physical presence
- SPE not defined in BPM5
- CPIS Guide more specific- residency of SPE should be determined by their legal incorporation.
- A unit should be resident of one and only one territory
Residency of Special Purpose Entities (SPEs)

- In Mauritius, Global Business Licensed companies have been treated as resident as they are incorporated in the Mauritian jurisdiction.

- GBL 1 Companies are also Tax resident in Mauritius

- The principle of predominant centre of economic interest point to the same conclusion that the territory of incorporation or registration must be the decisive factor in the determination of residency. (At least for Statistical purposes).

- More transparent and clear guidance to survey respondents
THANK YOU