

JURISDICTION COMPARISON

Caribbean vs Mauritius: BVI and Cayman funds compared with Mauritius

Mauritius competes on a fundamentally different axis to BVI and Cayman — not global institutional scale, but its treaty network and structuring advantages for India- and Africa-focused capital.

01

Overview

Mauritius is regulated by the Financial Services Commission (FSC) Mauritius and offers fund structures — chiefly the Collective Investment Scheme (CIS, in Public and Private/Expert variants), Closed-End Funds, and specialist private equity and venture capital vehicles — built on a hybrid legal system combining English common law and French civil law influences. Unlike BVI and Cayman, whose principal value proposition is a broad, jurisdiction-agnostic tax-neutral wrapper, Mauritius's core value proposition is its extensive double taxation avoidance agreement (DTAA) network, historically anchored by its treaty with India and increasingly leveraged for sub-Saharan Africa-focused investment structures.

Mauritius is therefore not a like-for-like competitor to BVI/Cayman across most use cases; it is the preferred domicile specifically for funds structuring exposure into markets where its treaty network or economic-substance-driven structuring provides a genuine tax or access advantage. Reputationally, Mauritius carries a mixed record: it was placed on the FATF grey list in February 2020 but successfully exited in October 2021 after completing a reform action plan, including strengthened beneficial-ownership transparency and AML/CFT supervision — a rehabilitated but still occasionally-raised point in institutional due diligence.

02

Key features

Feature	BVI / Cayman	Mauritius
Legal system	Pure English common law	Hybrid: English common law + French civil law influence
Core fund vehicles	BVI/Cayman open- and closed-ended fund categories	Collective Investment Scheme, Expert Fund, Closed-End Fund
Typical setup timeline	Days to ~2 weeks	~8–12 weeks with complete documentation

Feature	BVI / Cayman	Mauritius
Core competitive advantage	Global tax-neutral wrapper; institutional acceptance / cost	Extensive DTAA network, notably India and a growing African treaty base
Reputational profile	Established, no recent FATF grey-listing	Removed from FATF grey list October 2021 (listed Feb 2020)
Typical use case	Global multi-strategy and institutional funds	India- and Africa-focused private equity and venture capital funds

03

Regulatory framework

Mauritius's fund regime gives it structuring flexibility — protected cell companies, Global Business Licence entities used as both operating and holding vehicles — alongside a genuine economic substance requirement, meaning Mauritius entities generally need demonstrable local management, staffing or decision-making presence to access treaty benefits. This differs from the largely jurisdiction-agnostic tax neutrality of BVI/Cayman, which are not signatories to the kind of extensive bilateral DTAA network Mauritius has cultivated.

This treaty network is Mauritius's genuine differentiator: its DTAA with India has historically been central to inbound Indian portfolio and private equity investment structuring, and Mauritius has increasingly repositioned itself toward Africa-focused fund structuring, leveraging its treaty network across multiple African jurisdictions. Cost and timeline both run against Mauritius relative to the Caribbean: setup timelines of roughly 8–12 weeks are markedly longer than BVI's fastest routes and even Cayman's ~2-week Private Fund registration, reflecting the more document- and substance-intensive Mauritius licensing process.

04

Practical considerations

- Choose Mauritius when the fund's core strategy is India- or Africa-focused and treaty-based withholding tax mitigation materially improves net investor returns.
- Choose BVI/Cayman when the fund's target markets, investor base or strategy have no meaningful treaty dependency — the global tax-neutral wrapper plus faster/cheaper setup will usually be the better fit.
- Budget for economic substance — Mauritius structures relying on treaty access typically need genuine local substance, adding ongoing cost not present in a comparable BVI/Cayman vehicle.
- Plan for a longer runway — Mauritius's ~8–12 week typical setup timeline is materially longer than BVI's or Cayman's fastest routes.
- Address the FATF history proactively in investor due diligence materials — the 2021 grey-list exit is resolved but institutional investors may still ask about it.
- Consider hybrid structures — some promoters combine a Mauritius vehicle for treaty-sensitive underlying investments with a Cayman or BVI vehicle further up the structure.

05

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