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Editorial

Dear Readers,

A warm welcome to this first issue of 2004 of our newsletter. We extend our best wishes for a successful year ahead.

The Supreme Court Decision in India and the dismissal of the Review Petition have given a tremendous boost to our global business sector as it has removed the uncertainty in respect of one of our main markets. Following this ruling we have seen a renewed interest from investors worldwide going into India. This should give a boost to the funds industry in Mauritius.

We are also seeing sustained interest in our global business sector from investors looking at other markets in Asia such as China, Indonesia, Thailand and Singapore. The marketing effort organised by the Financial Services Promotion Agency in Asia will capitalise on this.

Jimmy Wong

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India/Mauritius Tax Treaty Update

The Supreme Court of India has given its judgement in October 2003, in the appeal made by the Union of India against the Delhi High Court ruling of 31 May 2002. The Supreme Court decision has reversed the Delhi High Court ruling which had set aside the Circular No. 789 issued by the Central Board of Direct Taxes ("CBDT") on 13 April 2000.

The Supreme Court has therefore confirmed that the CBDT Circular No. 789 is valid. The circular clarified that whenever a Certificate of Residence is issued by the Mauritian Authorities, such certificate will constitute sufficient evidence for accepting

the status of residence as well as beneficial ownership for applying the tax treaty between India and Mauritius.

Following this latest ruling, the aggrieved party filed a Review Petition to the Supreme Court against the abovementioned judgement. The Review Petition has been dismissed.

The Supreme Court decision and the dismissal of the Review Petition have put an end to the uncertainty surrounding the India/Mauritius treaty. This is an extremely positive development for investors worldwide who had put on hold their investment plans into India.

An Update on the Mauritius Fund's Industry

Mauritius is now a well recognised jurisdiction for the establishment of investment funds for investments in India, China, South East Asia and Africa. Mauritius has been chosen as the country of domiciliation by around 270 funds as at the end of June 2003, representing assets under management of around US\$6.6 billion.

Funds set up to date have been either structured as open ended/closed ended, private equity/venture capital fund, hedge fund or debt fund.

Mauritius, as a jurisdiction offers an array of incentives for investment funds, including low taxation and generous tax credits, no withholding tax on dividends, no capital gains tax, expanding double taxation agreements, availability of fund administration capabilities, no exchange control, free repatriation of profits and capital amongst others.

As compared to the preceding years where India was the most targeted investee country, the period from 1 July 2002

to 30 June 2003 has shown that investments into Africa represent the most important share as compared to India and other markets.

The Supreme Court of India ruling in October 2003, brought along a much awaited sentiment of confidence to our Fund's industry. It has consolidated further the foundation of the Fund's industry.

Full administration services, including calculation of Net Asset Valuation at any frequency from source documents, are provided at reasonable cost as compared to other jurisdictions. This service is being provided to funds domiciled in Mauritius and also to funds domiciled in other jurisdictions as Mauritius is also increasingly being looked at for outsourcing of fund accounting and administration services.

With the favourable domestic regulatory environment, tax regime, well trained professionals and its growing network of tax treaties, Mauritius is on the right track to become the preferred jurisdiction for domiciliation of investment funds in the region.

Promotion Mission to Asia

The Financial Services Promotion Agency is organising a promotion mission to Asia scheduled for the end of March 2004. The delegation which should comprise of government officials and operators from the private sector namely Management Companies and Banks, is planning to visit Shanghai, Hong Kong and Singapore. These countries are regarded as being the main markets for the Mauritius financial services industry in the Far East. The aim of the mission will be to further enhance the strong ties existing between the relevant stakeholders in these countries and their Mauritian counterparts, to promote the new products and services available in the Mauritius global business sector and to create further awareness among those who are not already present.

News

New Corporate Offices for DTOS Ltd

As from October 2003, DTOS Ltd has moved into its new corporate offices at 4th Floor, IBL House, Caudan, Port Louis. Situated in the Caudan area of the city centre, where most of the global financial services operators are based, the new offices are equipped with the latest technology. We are currently investing in an innovative client-database system and accounting package to enable our staff to perform more efficiently, thus delivering outstanding services to our clients.



Over the years, DTOS Ltd has grown from strength to strength and is now a leading service provider in the Global Business sector. It offers a unique blend of very attractive services, including fund valuation, trusteeship, formation of global business companies, international tax planning and structuring, which best answers our client requirements and adds value to a wide range of global investment vehicles.

Staff News

Pinpin Kweton and Madvi Jeebun, both in the Client Accounting division of DTOS Ltd, have been promoted as Managers with effect from 1 January 2004.

We congratulate Pinpin and Madvi, who are among the longest serving members of DTOS, on their appointment.

List of 2004 Public Holidays

New Year.....	Thursday 1 January
New Year.....	Friday 2 January
Chinese Spring Festival...	Thursday 22 January
Abolition of Slavery.....	Sunday 1 February
Thaiposam Cavadee.....	Thursday 5 February
Maha Shivaratree.....	Wednesday 18 February
National Day.....	Friday 12 March
Ougadi.....	Sunday 21 March
Labour Day.....	Saturday 1 May
Assumption of the Blessed Virgin Mary.....	Sunday 15 August
Ganesh Chaturthi.....	Sunday 19 September
Arrival of Indentured Labourers.....	Tuesday 2 November
Divali.....	Friday 12 November
*Eid-UI-Fitr.....	Sunday 14 November
	or Monday 15 November
Christmas.....	Saturday 25 December

* The exact date of this festival is subject to confirmation as its celebration depends on the visibility of the moon.

Board of Directors

Patrice d'Hotman de Villiers (Chairman)
 Gaetan Lan
 Simon Pierre Rey
 Eric Venpin
 Jimmy Wong

Your Contacts

You may have specific business requirements, in which case you should contact:

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