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FIRM INFORMATION

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COUNTRY INFORMATION

Mauritius is one of the countries in Africa that has set the pace in the ease of doing business. Mauritius was ranked 13th out of 190 countries according to the World Bank Ease of Doing Business Report 2020 and amongst African countries, it is ranked first. Now, the World Bank Ease of Doing Business Report 2020 has been replaced with the Business Ready Report 2025. In addition to providing an efficient platform to invest from, Mauritius is well regarded when it comes to good governance and economic democracy. Mauritius ranks 2nd in Africa for the Mo Ibrahim Index of African Governance2023.

Mauritius is a beacon of political, social and economic stability. With its wide network of Double Taxation Avoidance Agreements and Investment Promotion and Protection Agreements (IPPAs), Mauritius offers investors a conducive environment for doing business which guarantees predictability, certainty and security. Mauritius has a low rate of filings for liquidation.

The Mauritius tax regime was reviewed by the Organisation for Economic Co-operation and Development (OECD) which in its 2023 report on Peer Review Results released on 16th December 2024 mentioned that Mauritius meets all the international requirements of the BEPS Action 5 and does not have any harmful practices in its tax regime.

Mauritius' regime against money laundering and the financing of terrorism is compliant with the Financial Action Task Force's standards since 21 October 2021, and Mauritius is now cleared from all international lists of non-compliant jurisdictions. It is to be noted that Mauritius keeps on updating its laws in relation to money laundering and the financing of terrorism in that the most recent amendment dates back to 2024 (vide The Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation (Miscellaneous Provisions) Act 2024). The recent amendment has as purpose to strengthen the compliance of Mauritius with FATF standards, in prevision for 2027 Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) assessment.

SECURITY

Types of security

Under Mauritian law, security can largely be sub-divided into 2 categories, which stem from the Mauritian Civil Code (of French origin) and the Code de Commerce:

- personal guarantee and corporate guarantee - "cautionnement" - where a guarantor undertakes to pay the debt of a debtor in case of default by the latter;
- real guarantee - "garantie réelle"- where property, whether movable or immovable, is used to guarantee the repayment of a debt;
- fixed and floating charges;
- pledges of movables, like share pledges and transferable rights and interests;
- liens and privileges over bank accounts and transferrable rights and interests; and
- mortgages or hypothecations ("hypothèque conventionnelle").

Taking of security

In the case of movable property, a pledge ("gage" or "nantissement"), which can be without deprivation of property ("gage sans déplacement") or with deprivation of property ("gage avec déplacement") is used. In the case of immovable property, fixed or floating charges are commonly used. Also, with regard to immovable property, a creditor can also hold the property in custody ("antichrèse"), even if it is not what lenders mostly rely on in practice nowadays.

FORMAL AND INFORMAL INSOLVENCY PROCESSES

Out-of-court Restructuring Guidelines

There are 8 principles that may be followed for informal restructuring. The principles, as set out by the Insolvency Service, can be summarised as follows:

- Cooperation amongst creditors and between creditors and the debtor is required with a view to proposing solutions to resolve the debtor's financial difficulties during a "standstill period";
- During the "standstill period", all relevant creditors should agree not to take any steps to enforce their claims against the debtor;
- During the "standstill period", the debtor should not take any action that would adversely affect the prospective returns of the relevant creditors;
- In complex cases, coordination may be facilitated by the formation of one or more representative coordination committees and by the appointment of professional advisers to advise and assist such committees;
- During the "standstill period", the debtor should provide all relevant information regarding its assets, liabilities, business and future prospects;
- Proposals contained in a restructuring plan for resolving the financial difficulties of the debtor must comply with both the applicable law as well as reflect the relative positions of the relevant creditors at the commencement of the "standstill period";

- Any information obtained for the purposes of the restructuring process, dealing with the assets, liabilities and business of the debtor should, unless already in the public domain, be treated as confidential; and
- If additional funding is provided to the debtor during the "standstill period", or as part of any restructuring proposal. The repayment of such additional funding should, in so far as is practical, be accorded priority status as compared to other indebtedness or claims of the relevant creditors.

COMPROMISE

The Mauritius Companies Act 2001 (Companies Act) provides for a compromise mechanism which is defined as a compromise between a company and its creditors, including a compromise to cancel all or part of a debt of the company, vary rights of its creditors or terms of a debt, or alter the terms of the company's constitution to improve its ability to pay its debts. The proposal for a compromise can be initiated by the company's board of directors, a receiver, a liquidator, or, with the Court's leave, any creditor or shareholder where such person has reason to believe that the company is, or is likely to be, unable to pay its debts. The proponent (who is the person who proposes a compromise) must compile a list of affected creditors, detailing the amounts owed and the number of votes each creditor is entitled to cast. Notice of the meeting to vote on the compromise and detailed information about the proposal must be given to all known creditors, the company, any receiver or liquidator, and the Registrar of Companies (ROC) and must include prescribed information such as terms of proposed compromise and reasons for it.

For a compromise to be binding, it must be approved by the creditors or a class of creditors at a duly convened meeting. When a resolution proposing a compromise (including any amendments) is voted on by multiple classes of creditors, it is assumed that the approval by each class is dependent on the approval by every other class voting on the resolution and the proponent must give written notice of the result of the voting to each known creditor, the company, any receiver or liquidator, and the ROC.

BANKRUPTCY, ADMINISTRATION, LIQUIDATION AND RECEIVERSHIP

Formal insolvency procedures

The formal insolvency procedures that are covered by the Insolvency Act 2009 (the Act) are bankruptcy, administration, liquidation and receivership.

Statutory Demand

A statutory demand is usually served on a debtor (company) by a creditor or a contingent or prospective creditor as a preliminary step before insolvency or winding up proceedings. The prerequisite conditions for a statutory demand are namely: (i) in respect of a debt that is due and is not less than Rs 250,000; (ii) in the prescribed form as set out in the Insolvency (Prescribed Forms) Regulations 2012; (iii) served on the company; and (iv) require the company to pay the debt, or enter into a compromise, or otherwise compound with the creditor, or give a charge over its property to secure payment of the debt, to the reasonable satisfaction of the creditor, within one month of the date of service, or such longer period as the Court may order.

The company may make an application to the Bankruptcy Division of the Supreme Court to have the statutory demand set aside. The application shall be made, and served on the creditor, within 14 days of the date of service of the statutory demand on the company (vide the recent case of Madagascar Oil Limited v Outrider Master Fund LP [2025 SCJ 196]). The grounds on which the company can rely to have the statutory demand set aside are namely: (i) there is a substantial dispute whether or not the debt is owing or is due; (ii) the company appears to have a counterclaim, set-off or cross-demand and the amount specified in the demand less the amount of the counterclaim, set-off or cross-demand is less than the prescribed amount; or (iii) the demand ought to be set aside on other grounds. The pertinent cases for the setting aside of a statutory demand are inter alia Kiddyland (Indian Ocean) & Co Ltd v Landscope (Mauritius) Ltd [2018 SCJ 10]; Green Bags Limited v Rasapearn Reconditioning Centre Ltd [2023 SCJ 35]; Services Development et Communications Ltee & Anor v Societe Mohamed Investment Holdings [2025 SCJ 209]; Yu Din Metal Works (Mtius) Ltd v Keystone Project Management Ltd [2025 SCJ 237].

In case of failure by the company to comply with the statutory demand, the creditor will have to enter a winding up petition within one month after the last date for compliance with the statutory demand.

Bankruptcy

A debtor will be held to be bankrupt where (a) a creditor of the debtor petitions the court for a bankruptcy order; or (b) the debtor petitions the court himself. Of note, bankruptcy applies only in respect of natural persons who can be declared bankrupt.

Liquidation

Liquidation may arise as a result of a court order handed down to that effect at the instance of an application brought by either the company, a contributory or any person who is the heir of a deceased contributory, a shareholder, a creditor including a contingent or prospective creditor, a liquidator, the Director of the Insolvency Service or the Financial Services Commission where the company is a licensee thereof, and also an administrator and the Registrar of Companies following amendments brought to the Act in 2015, as a result of the company's own decision where the company is solvent and the liquidator is appointed by a shareholders' meeting; or as a result of a decision of creditors made at a meeting appointing a liquidator when the company is insolvent.

Formal restructuring procedures

The formal restructuring procedures that are covered under the Act are administration and receivership.

Administration

The administration process may be commenced without the intervention of the courts, although a number of formalities must be adhered to. The primary objective of administration is to rescue the company as a going concern. Administration can be initiated by the company itself, its directors, or one or more creditors through a court application. Additionally, an out-of-court process is available, where the company or its directors can appoint an administrator directly, provided the company is or is likely to become unable to pay its debts.
Upon the initiation of administration, an administrator is appointed and must be a licensed insolvency practitioner. An administrator, once appointed, assumes control of the company's affairs, business, and property. The administrator's primary duty is to act in the interests of the creditors as a whole. They possess the authority to manage the company's business, sell property, and make distributions to creditors.

Receivership

Receivership is a procedure in terms of which a receiver is appointed by a lender who holds a charge over some or all of the company's assets. The main responsibilities of the receiver are to ensure that the appointing lender is paid off. A receiver may also be appointed by a way of an order of court following an application made by a chargee or any other interested person and on notice to the company where the court is satisfied that (a) the company has failed to pay a debt due to the charge or has otherwise failed to meet any obligation to the charge, or that any principal money borrowed by the company or interest is in arrears for more than 21 days; (b) the company proposes to sell or otherwise dispose of the secured property in breach of the terms of any instrument creating the security or charge; or (c) it is necessary to do so to ensure the preservation of the secured property for the benefit of the charge.

COMMENCEMENT OF PROCESS

Process required to commence a liquidation

A company may, whether or not it is being wound up voluntarily, be wound up by an order of court. A petition to wind up by a company may be presented by:

- The company (a special resolution will be required);
- A contributory or any person who is the heir of a deceased contributory or the trustee in bankruptcy of the estate of a contributory;
- A shareholder;
- A creditor, including a contingent or prospective creditor, of the company;
- A liquidator;
- An administrator;
- The Director of the Insolvency Service;
- The Registrar of Companies; or
- The Financial Services Commission, where the company is a licensee thereof.

A voluntary winding up may be (a) a creditors' voluntary winding up where the company is insolvent and the liquidator is appointed by the creditors at a meeting of creditors; or (b) a shareholders' voluntary winding up where the company is solvent and the liquidator is appointed by the shareholders at a shareholders' meeting.

In the case of a shareholders' voluntary winding up, the company shall, within 7 days, lodge with the Director of the Insolvency Service of the Registrar of Companies a copy of the winding up resolution and within 10 days, give notice of the winding up resolution in one daily newspaper and in the Government Gazette.

At what point does the liquidation process commence?

This liquidation process commences either through the passage of a winding-up resolution or through a winding-up order by the court.

Administration

Process required to commence administration

In Mauritius, the procedure most similar, but not identical, to business rescue is administration. The process begins with the appointment of an administrator. The latter shall not be appointed unless he has consented in writing to accept such appointment and that such consent is filed with the Registrar of Companies. The administrator may be appointed by the company (a board and shareholders' resolution is required), a liquidator (if the company is in liquidation), a secured creditor holding a charge over the whole or substantially the whole of the company's property, or by the Court.

At what point does the administration process commence?
The administration process commences at the time when the administrator is appointed.

MORATORIUM

Administration

Proceedings in a court against the company or in relation to any of its property shall not be commenced except with the administrator's written consent or with the permission of the court; and an enforcement process in relation to the company's property shall not be commenced or continued except with the permission of the court.

Liquidation

Once a company is in liquidation, unless the liquidator agrees or the court orders otherwise, a person shall not:
(i) commence or continue legal proceedings against the company or in relation to its property; or
(ii) exercise or enforce, or continue to exercise or enforce, a right or remedy over or against property of the company.

TIMING

Duration of administration process

There is no prescribed time limit for the administration process. The Court has the power to order the conclusion of an administration when it is satisfied that the company is solvent. It also has the power to appoint a liquidator whilst the company is in administration.

Duration of the liquidation process

The Act does not provide for any prescribed period of time for the completion of the liquidation process, however, based on our experience, the duration depends on the complexities of the company. The liquidation of a company may take from 12 to 18 months to conclude, and longer with more complex companies.

INSOLVENCY PRACTITIONER AND MANAGEMENT

Administration

Management of the company

Whilst the company is in administration, the administrator:
- has control over the company's business, property and affairs;
- is required to investigate the company's affairs and consider possible ways of salvaging the company's business in the interests of creditors, employees and shareholders;
- may terminate or dispose of all or part of the business of the company if same is required, and may dispose of any of the property of the company; and
- may perform any function, and exercise any power, that the company or any of its officers could perform or exercise if the company were not in administration.

The appointment of an administrator does not however remove the directors of the company from office. It simply means that the directors of a company may not exercise or perform, or purport to exercise or perform, a function or power as an officer of the company except with the prior, written approval of the administrator or as expressly permitted by the Insolvency Act 2009.

Extent of court involvement in the administration process
The Court has the power to order the conclusion of an administration when it is satisfied that the company is solvent. It also has the power to appoint a liquidator whilst the company is in administration. The Court also has powers regarding creditors' meetings. It may, for example, order, on the application of the administrator or of a creditor, that the creditors' resolution be set aside, that a new meeting be held or even order that a specified creditor may not vote on the resolution. More generally, the Court may, on the application of a creditor, a shareholder or the Director of the Insolvency Service, make any order it thinks appropriate where it is satisfied that an administrator's management of the company's business, property or affairs is prejudicial to the interests of some or all of the company's creditors or shareholders.

Liquidation

Management of the company

Whilst in liquidation, the directors of a company, with effect from the commencement of the liquidation of a company, shall remain in office but cease to have powers, functions, or duties other than those required or permitted to be exercised by the Act.

As regards the liquidator, he shall have custody and control over the company's assets. He shall have the power to, inter alia, commence, continue or discontinue legal proceedings, appoint a lawyer, enter into a compromise or arrangement with creditors, sell or otherwise dispose of the property of the company with the approval of the committee of inspection, act in the name and on behalf of the company and enter into deeds, contracts and arrangements in the name and on behalf of the company, borrow money whether with or without providing security over the company's assets and call a meeting of creditors or shareholders.

Extent of court involvement in the liquidation process

A liquidator may also apply to Court for directions in relation to any particular matter arising during or from the winding up of the company. The Court may, for example, following the application by a liquidator, order a person to produce any record or document relating to the business, accounts, or affairs of the company that is in that person's possession or under that person's control.

The Court may also intervene in any matter relating to the procedure for the appointment of the liquidator for the purposes of ensuring compliance with the Act.

More generally, the Court shall have regard to the conduct of every liquidator and, where a liquidator does not faithfully perform his duties and observe the requirements of the Court or where there is a failure to comply with a relevant duty, or where a complaint is made to the Court by a creditor, contributory or committee of inspection, or by the official receiver, or Registrar of Companies or the Director of Insolvency, the Court shall inquire into the matter and make such order as it thinks fit.

EFFECT ON STAKEHOLDERS

Administration

Effect of administration on employees

The Act states that the appointment of an administrator does not automatically terminate an employment agreement to which the company is a party. Furthermore, the administrator will not be personally liable for any obligation of the company under an employment agreement to which the company is a party, unless the administrator expressly adopted the agreement in writing, or is personally liable for payment of wages or salaries that, during the administration of the company, accrues under a contract of employment with the company that was entered into before the administrator's appointment, unless the administrator has lawfully given notice of the termination of the contract within 21 days of appointment.

Effect of administration on shareholders

Whilst the company is in administration, the shares of the company cannot be transferred and the rights and liabilities of the shareholders cannot be altered under the Act. The administrator may, however, consent to the transfer of shares in a company (subject to the consent of the relevant shareholder/s) where he is satisfied that the transfer is in the best interests of the company's shareholders.

Effect of administration on creditors

Following his appointment, the administrator shall call a first creditors' meeting for the appointment, if any, of a creditors' committee. The committee may not, however, give directions to the administrator, but the administrator shall report to the committee about matters relating to the administration of the company as and when the committee reasonably requires.

Liquidation

Effect of liquidation on employees

After paying the claims related to amounts due to government and its agencies, the receiver or liquidator must next pay, to the extent that they remain unpaid, all wages or salaries of any employees of the debtor, whether or not earned wholly or in part by way of commission, and whether payable for time or for piece work, in respect of services provided to the debtor during the period of 1 month before the commencement of the winding up. The maximum amount that may be paid to any one employee is Rs 30,000 or such other sum as may be prescribed.

Effect of liquidation on shareholders

A sum due to a shareholder by way of dividend, profit or otherwise shall not be a debt of the company payable to that shareholder in a case of competition between himself and any other creditor who is not a member, but any such sum may be taken into account for the purpose of the final adjustment of the rights of the contributories amongst themselves. Where a company is wound up, every present and past shareholder shall be liable to contribute to the assets of the company in an amount sufficient for the payment of its debts and liabilities and the costs, charges and expenses of the winding up and for the adjustment of the rights of the contributories among themselves. A past shareholder shall, however, not be liable where he has ceased to be a member for 1 year or more before the commencement of the winding up and unless it appears to the Court that the existing shareholders are unable to satisfy the contributions required to be made by them.

Effect of liquidation on creditors

The liquidator may propose a compromise to the creditors of the company where he has reason to believe that a company is, or is likely to be, unable to pay its debts. Such compromise, if approved by the creditors, is binding on the company and the creditors. The Court may fix a date on or before which creditors are to prove their debts or claims, after which date they will be excluded from the benefit of any distribution made before those debts are proved. More generally, every creditor shall prove his debt as soon as may be after the commencement of a winding up. As regards priority of payments for the distribution of the debtor's assets, the principle is that the receiver or the liquidator shall pay, out of the money received by him from the realisation of the property of a debtor, the preferential claims set out in the Fourth Schedule to the Act, to the extent and in the order of priority set out in that Schedule, i.e. (i) costs of liquidator, (ii) wages or salaries due to employees, (iii) amounts due to government and its agencies (iv) costs of compromise with creditors, (v) payments made pari passu with first ranking fixed and floating charges and mortgages inscribed for more than 3 years, (vi) rent, (vii) first ranking fixed and floating charges and mortgages inscribed for less than 3 years, (viii) claims of victims of an accident, (ix) other privileges, securities and creditors, (x) amounts due to Government and its agencies for amounts due and unpaid for over 3 months, and (xi) all other unsecured creditors who have proved their claims in bankruptcy or winding up proceedings.

TERMINATION

How is the administration process terminated?

The administration will end where:

- a deed of company arrangement is executed by the company and the deed's administrator (the most recent judgment of the Court of Civil Appeal in the case of Wong Hee J. & Anor v. The Mauritius Development Investment Trust Company Ltd [2026 SCJ 1] is pertinent on the issue of Deed of Company Arrangement (DOCA) - The Supreme Court of Mauritius (Court of Civil Appeal) held that, under section 269(2) of the Insolvency Act 2009, the release of a company's debt under a Deed of Company Arrangement (DOCA) does not discharge the liability of its guarantors. Accordingly, despite the company having paid 30% of its debt under the DOCA and being released, the appellants remained jointly and severally liable for the outstanding balance as personal guarantors.);
- the company's creditors resolve that the administration should end; and
- the company's creditors appoint a liquidator by a resolution passed at a watershed meeting.

The administration may also end where, inter alia;

- the Court orders that the administration end because it is satisfied that the company is solvent;
- the convening period expires without a watershed meeting having been held or without an application having been made to extend it;
- a watershed meeting ends without a resolution that the company execute a deed of arrangement;
- the company fails to execute a proposed deed of company arrangement within the time allowed by the Act; or
- the Court appoints a liquidator or an interim liquidator and the administration ends at the time when the order is made.

How is the liquidation process terminated?

Court Winding-Up - the liquidator may apply to the Court for an order that he be released and the company be dissolved where he has:

- realised all the property of the company or so much as can, in his opinion, be realised without needlessly protracting the liquidation;
- distributed a final dividend, if any, to the creditors;
- adjusted the rights of the contributories among themselves; and
- made a final return, if any, to the contributors.

Voluntary winding-up - where the affairs of a company have been fully wound up, the liquidator shall as soon as possible:

- draw up an account showing how the winding up has been conducted and the property of the company has been disposed of; and
- call a general meeting of the company, or in the case of a creditors' voluntary winding up, a meeting of the company and the creditors, and lay the account before the meeting.

The liquidator shall, within 7 days of calling the abovementioned meeting by advertisement published in at least one daily newspaper, lodge a notice of the holding of the meeting and of its date together with a copy of the account with the Director of Insolvency, and deliver a copy of the notice to the receiver. The company shall be dissolved on the expiry of 3 months after the notice has been lodged.

CIVIL AND CRIMINAL LIABILITY

Director or officer liability

Under the Companies Act 2001, if a director fails to appoint a liquidator or an administrator at the time when the company is unable to pay its debts as they fell due and the company is subsequently placed in liquidation, the Court may, on the application of the liquidator or creditor of the company, make an order that the director is liable for the whole or any part of any loss suffered by creditors of the company as a result of the company continuing to trade. Under the Companies Act 2001, a past or present director may be found liable or accountable for money or property of the company, or be guilty of negligence, or default or breach of duty or trust in relation to the company.

Consequences of Director or Officer Liability

Civil consequences

Under the Companies Act 2001, where in the course of the winding up, it appears to the Court that a past or present director of the company has misapplied or retained or become liable or accountable for money or property of the company, or is guilty of negligence, default, breach of duty or trust in relation to the company, the Court may on the application of the liquidator, a creditor, shareholder or director (i) inquire into the conduct of the director; and (ii) order that he repays or restores the money or property or any part of it with interest, to the assets of the company by way of compensation as the Court thinks just, or transfer the money or property or any part of it with interest, as the Court thinks fit, to the creditor.

Criminal consequences

A past or present officer of a company will be said to have committed an offence and shall, on conviction, be liable to a fine not exceeding Rs. 2,000,000 and to imprisonment not exceeding 5 years. The Court may order that the person convicted shall not for a period not exceeding 5 years from the date of the order, be a director of a company or be directly or indirectly involved in the management of a company, in certain situations such as:

• where he does not truly and fully disclose to the liquidator all the property of the company;
• where he has dealt with company property fraudulently; or
• where, within 12 months preceding the commencement of winding up, or any time thereafter, he has attempted to account for any part of the property of the company by fictitious losses or expenses.

Administration:

Director and officer liability

As in a liquidation, the Companies Act 2001 provides that if a director fails to appoint a liquidator or an administrator at the time when the company was unable to pay its debts as they fell due and the company is subsequently placed in liquidation, the Court may, on the application of the liquidator or of a creditor of the company, make an order that the director shall be liable for the whole or any part of any loss suffered by creditors of the company as a result of the company continuing to trade. Further, a company officer who purports, on the company's behalf, to enter into a transaction that is void, or is in any other way knowingly concerned in, or party to, the void transaction or dealing whether by an act or omission, whether directly or indirectly, shall be said to have committed an offence.

IMPEACHABLE TRANSACTIONS

Administration

Voidable transactions

A transaction or dealing by a company in administration or by a person on behalf of the company, that affects the company's property is void unless the transaction or dealing was entered into

(i) by the administrator on the behalf of the company;
(ii) with the prior written consent of the administrator; or
(iii) by an order of Court. It should be noted that the Act specifically provides that the above does not apply to a payment made by a bank out of an account kept by the company with the bank, made in good faith and in the ordinary course of the bank's banking business, and on or before the date on which the bank was notified in writing by the administrator that the administration had begun.

Liquidation

Voidable preference

A "voidable preference" is a transaction by the debtor that is made at a time when the debtor is unable to pay his due debts; and enables another person to receive more towards satisfaction of a debt by the debtor than that person would receive, or would be likely to receive, in liquidation.

A transaction by a debtor may be set aside by the Court on the application by the receiver or the liquidator where it is a "voidable preference" and was made within 2 years immediately before commencement of the winding up.
A charge over any property or undertaking of a debtor may be set aside by the Court on the application of the receiver or liquidator where the charge was given within 2 years immediately before the date of the debtor's adjudication or the commencement of the winding up and if immediately after the charge was given, the debtor was unable to pay his due debts.

Every alienation of property made by the debtor within 5 years immediately before the commencement of the winding up of the debtor with intent to defraud a creditor may be set aside by the Court on the application of the official receiver or a liquidator.

A gift by a debtor to another person may also be set aside by the Court on the application of the official receiver or the liquidator where the debtor made the gift within 2 years immediately before the adjudication or the winding up and the debtor was unable to pay his or its due debts immediately after making the gift.

CROSS BORDER INSOLVENCY

There are two main sources of law regarding cross border insolvency, pursuant to which the Mauritius Court may recognise and give assistance to a foreign insolvency proceeding.

The first is Part VI of the Insolvency Act 2009 of Mauritius (the Insolvency Act 2009) (effective as from the 25 July 2019) by presidential proclamation on 11 October 2019. Part VI of the Insolvency Act 2009 is based on the 1997 United Nations Commission on International Trade Law (UNCITRAL) Model Law on Cross-Border Insolvency and regulates cross-border insolvency proceedings (the "Model Law").

The second is the common law. The common law sits alongside the Model Law and they are often seen pleaded as alternative grounds of relief. There is debate about whether the common law also sits alongside Model Law. The main principle of the common law on cross border insolvency is the principle that there should be a uniform insolvency proceeding in the court of the insolvent entity's domicile, which receives worldwide recognition and should apply uniformly to all the insolvent entity's assets.

Under the applicable regime, it is possible for a foreign insolvency practitioner to apply to the Mauritian Court to obtain recognition of an insolvency process being undertaken abroad provided that the State of the insolvency practitioner has adopted insolvency rules substantially similar to the UNCITRAL Model Law. It is also possible to obtain recognition if the insolvency process is a foreign main proceeding or a foreign non-main proceeding (depending on whether the insolvency process is taking place in a state where the debtor has its ‘centre of main interests’ or ‘establishment’).

LEGAL DEVELOPMENTS

There has been a proposed amendment to the Companies Act 2001 which requires administrators of winding-up limited life companies to comply with the Insolvency Act 2009. This change aims to address a gap in the Companies Act, which currently does not mandate that administrators follow a specific insolvency regime, unlike the Insolvency Act for registered Insolvency Practitioners. The amendment seeks to standardize the winding-up process, ensuring administrators make necessary filings and public notices, thereby enhancing protection for creditors, shareholders, and other stakeholders.