Tax Note 2018

Income Tax

1. Global Business

The Deemed Foreign Tax Credit regime applicable to companies holding a Category 1 Global Business Licence will be abolished as from 31 December 2018 (regulations not yet published) and replaced by a partial exemption regime whereby 80% of the income mentioned below will be exempted from income tax. The income exemption will be granted to all companies on the following income subject to complying to the prescribed conditions relating to the substance of their activities (regulations not yet published):

- foreign source dividends provided the dividend has not been allowed as deduction in the country of source.
- foreign source interest derived by a company other than a bank.
- profit attributable to a permanent establishment which a resident company has in a foreign company.
- income derived from overseas by a collective investment scheme (CIS), closed end fund, CIS manager, CIS administrator, investment adviser or asset manager licensed or approved by the Financial Services Commission.
- income derived from overseas by company engaged in ship and aircraft leasing.

Foreign tax credit will not be allowed where a company has claimed the 80% partial exemption of its foreign source income.

Foreign source income of companies holding a Category 1 Global Business License issued prior to 17 October 2017 shall up to 30 June 2021 include income derived from its transactions with non-residents or corporations holding a Global Business Licence.

The tax exemption of ten years applicable to a licensee under the Captive Insurance Act 2015 is subject to the person satisfying such conditions relating to the substance of its activities as the Financial Services Commission may impose (regulations not yet published).

The Category 2 Global Business regime will be abolished as from 1 January 2019. However, companies which have been issued a licence prior to 17 October 2017 will benefit from the current regime until 30 June 2021 except for income derived from:

- intellectual property assets acquired from a related party after 16 October 2017;
- intellectual property assets acquired from an unrelated party or newly created intellectual property assets after 30 June 2018;
- specific assets acquired or projects started after 31 December 2018.

As from 1 October 2018, a company incorporated in Mauritius and which has its place of effective management outside Mauritius, such as an Authorised Company approved by the Financial Services Commission, is treated as non-resident for tax purposes but is required to submit a return of income. Such company is only required to pay tax on its income derived in Mauritius.

See pages 10 and 11 for more details on changes to global business entities.

2. Taxation of banks

The Deemed Foreign Tax Credit regime applicable to banks will be abolished as from 1 July 2019 (regulations not yet published).

Income derived by a bank from its banking transactions with non-residents or corporations holding a Global Business Licence will still be considered as foreign source income up to the year of assessment 2019/20.
As from the year of assessment 2020/21 without differentiating between Segment A and Segment B income, a bank, other than the Development Bank of Mauritius Ltd, will be subject to income tax at the following rates:

- where the chargeable income does not exceed Rs.1.5 billion – 5%.
- where the chargeable income exceeds Rs.1.5 billion and is lower than for the base year, i.e. the year of assessment 2017/18 for a bank in operation at 30 June 2018 or the first

year of assessment corresponding to a period of 12 months for a bank starting operations after 1 July 2018:
  - 5% on the first Rs.1.5 billion.
  - 15% on the remainder.
- where the chargeable income exceeds Rs.1.5 billion and is higher than that of the base year and the bank satisfies the prescribed conditions (regulations not yet published), the rates will be as follows where the chargeable income of the base year:
  - exceeds Rs.1.5 billion
    - 5% on the first Rs.1.5 billion.
    - 15% on the difference between the chargeable income of the base year and Rs.1.5 billion.
    - 5% on remainder.
  - does not exceed Rs.1.5 billion
    - 5%.

Foreign tax credit cannot be claimed on foreign source income which has been subject to tax at the rate of 5%.

3. Special levy on banks

The special levy on banks will still be governed by the provisions of the Income Tax Act up to 30 June 2019 and will be payable as follows:

- 3.4% of book profit and 1% of operating income for income derived from banking transactions with non-residents and corporations holding a Global Business Licence; and
- 10% of chargeable income for other types of income.

As from 1 July 2019, the special levy will be imposed as per the provisions of the Value Added Tax Act and will be charged on the sum of interest income and other income from banking transactions with residents before deduction of interest expense.

4. Investment banking

A corporation which has been granted an Investment Banking Licence as from 9 August 2018 is no longer exempt from corporate tax. However, corporations which have been issued with a licence after 31 August 2016 until 9 August 2018 will continue to benefit from the current tax exemption of 5 years.

5. Freeport zone

Freeport operators and private freeport developers are no longer exempt from the payment of corporate tax. However, companies which have been issued with a freeport certificate before 14 June 2018 will continue to benefit from the current tax regime until 30 June 2021.

Freight forwarding services, global trading and freeport related services supplied outside Mauritius for advisory, marketing, engineering, project management, technical support and related services are no longer considered to be freeport activities as from 9 August 2018. However, freeport operators licensed before 16 October 2017 for such activities will continue to benefit from the exemption until 30 June 2021. Manufacturing activities are also removed from the list of freeport activities as from 9 August 2018 except for companies which have been issued with a freeport certificate before 14 June 2018 and continue to carry out the same manufacturing activity provided the annual fee is paid to the Economic Development Board.

A freeport operator or private freeport developer is exempted from the payment of Corporate Social Responsibility as from 9 August 2018.

6. Tax credit

- Companies importing goods in semi-knocked-down form to produce a finished good with at least 20% local value addition can claim over 3 years a tax credit of 5% of the cost of purchase until 30 June 2020 of new plant and machinery excluding motor cars.

- Companies employing full-time homeworkers will be entitled for 3 years to an annual tax credit of 5% of the cost of purchase until 30 June 2020 of Information technology systems for the purpose of employing homeworkers.

7. 3% Reduced rate of corporate tax

Paper trading activities will, as from 1 January 2019, be considered as export of goods and will be subject to tax at the rate of 3%. Those activities include the international buying and selling of goods by an entity in its own name, whereby the shipment of such goods is made directly by the shipper in the original exporting country to the final importer in the importing country, without the goods being physically landed in Mauritius.

8. Solidarity levy on telephony service providers

The Solidarity levy of 5% of book profit and 1.5% of turnover payable by telephony service providers is extended for 2 more years up to 30 June 2020. However, no levy is payable where the operator has incurred a loss in the previous year. The condition for the book profit of a company to exceed 5% of its turnover to be liable to the levy is no longer applicable.

9. Corporate Social Responsibility

75% of any CSR Fund (2% of the chargeable income of the previous year) set up as from 1 January 2019 will have to be paid to the Mauritius Revenue Authority. However, the percentage can be reduced by up to 25% where the approval of the National CSR Foundation has been obtained to spend on CSR programmes which are according to its set guidelines and have started prior to January 2019.

Any tax credit such as foreign tax credit and investment tax credit cannot be offset against CSR payable.

Companies which have been granted tax holidays will be required to pay CSR calculated on their net income which shall be deemed to be their chargeable income.

10. Double deduction of expenses

- A company which incurs capital expenditure on a crèche for the benefit of its employees can deduct twice the amount spent provided annual allowance is not claimed.
- A person employing a full-time homeworker aged at least 18 to work from his residential premises during the period from 1 July 2018 to 30 June 2020 can claim a double deduction for the emoluments payable to the homeworker for a period not exceeding 24 consecutive months from the month he starts to work provided:
    - The employer has acquired the necessary information technology system to enable the homeworker to work from home;
    - he employs more than 5 homeworkers at any time during the year;
    - the monthly emoluments of a homeworker do not exceed Rs.100,000;
    - the Mauritius Revenue Authority is satisfied that the homeworker has started to work from home on or after 1 July 2018.

11. Tax losses

Any tax loss incurred during the period of tax exemption of particular schemes can be carried forward for set off against future profit subject to the time limit of 5 years by the following:

- small enterprise registered with the Small and Medium Enterprises Development Authority.
- company providing health services registered with the Economic Development Board.
- person engaged in bio-farming project approved by the Food and Agricultural Research and Extension Institute or the Rodrigues Regional Assembly.
- member registered under the Mauritian Diaspora Scheme.
- person licensed to carry out captive insurance.
- corporation holding a Global Headquarters Administration licence issued as from 1 September 2016.
- corporation holding a Global Treasury Activities licence issued as from 1 September 2016.

- corporation holding a Global Legal Advisory Services licence issued as from 1 September 2016.
- corporation holding an Investment Banking licence issued as from 1 September 2016.
- corporation holding an Overseas Family Office licence issued as from 1 September 2016.
- company wholly owned by a non-citizen who has invested at least USD 25 million in that company.
- company incorporated as from 1 September 2016 to carry out industrial fishing as approved by the Economic Development Board.
- company incorporated as from 1 July 2017 to carry out innovation-driven activities for intellectual property assets developed in Mauritius.
- company incorporated as from 8 June 2017 to manufacture pharmaceutical products, medical devices and high-tech products.
- company exploiting and using deep ocean water for providing air conditioning installations, facilities and services.
- company incorporated as from 8 June 2017 and registered with the Economic Development Board to operate a food processing plant.
- company carrying out project developer activities or project financing institution in collaboration with the Mauritius Africa Fund for developing infrastructure in Special Economic Zone in Africa.

12. Expenditure incurred on artwork

A company which is not a dealer in artwork can claim a deduction of the amount paid, limited to a maximum of Rs.500,000 over a consecutive period of 3 income years, on the acquisition of an artwork from an artist who is a member of the Mauritius Society of Authors. The artwork must be displayed at the place of business where the public can view them for a period of at least 3 years from the date of acquisition. In case the artwork is not displayed or sold within that three-year period, the expenditure allowed as deduction will be deemed to be gross income and subject to tax accordingly.

13. Tax Deducted at Source

- TDS at the rate of 10%, unless a lower rate is provided in a double taxation agreement, will be applicable to rent payable to a non-resident as from 9 August 2018. The tax deducted is deemed to be the final amount of tax payable hence an annual return of income is not required to be submitted.

- As from 9 August 2018, TDS at the rate of 3% is applicable on commissions payable being any sum paid or payable to an agent in relation to a commercial transaction by any person other than an individual.

- The provision for the application of Tax Deduction at Source on fees in lieu of director's fees is now removed from the legislation without ever being applied.

14. Penalty for late submission of annual return

The maximum penalty of Rs.5,000 applicable when an annual return is submitted late by a company having an annual turnover not exceeding Rs.10 million is not applicable to a company holding a Global Business Licence and a non-resident societe irrespective of their turnover.

15. Penalty for late payment of tax

The rate of penalty of 2% applicable when tax is paid late by a company having an annual turnover not exceeding Rs.10 million is not applicable to a company holding a Global Business Licence and a non-resident societe irrespective of their turnover.

16. Representations to the Assessment Review Committee (ARC)

As from 1 September 2018, where representation is made to the Assessment Review Committee in respect of a determination of objection made by the Mauritius Revenue Authority under the Income Tax Act, Value Added Tax Act and Gambling Regulatory Authority Act, the person lodging the representation is required to pay 5% of the amount determined as specified in the Notice of Determination.

17. Exempt income

- Income derived by a company from activities carried out by a project developer or project financing institution collaborating with the Mauritius Africa Fund Ltd for the development of infrastructure in Special Economic Zones in Africa for a period of 5 years as from start of activities.

- Income derived by a company manufacturing automotive parts and registered with the Economic Development Board for a period of 8 years as from start of activities.

- Income derived from any activity under the sheltered farming scheme set up by the Food and Agricultural Research and Extension Institute for the first 8 years of operation.

- The exemption threshold on lump sum received as severance allowance, negotiated compensation, commutation of pension, death gratuity or retiring allowance is increased from Rs.2 million to Rs.2.5 million with effect from 14 June 2018.

- Interest receivable by an individual, societe, succession or non-resident company from sukuks (Islamic bond) quoted on the Stock Exchange.

- Interest derived from sukuks issued by a company to finance renewable energy projects and such issue has been approved by the Mauritius Revenue Authority.

18. Income exemption threshold

As from the income year commencing 1 July 2018, the income exemption thresholds are as follows:

CATEGORY		
A	Individual without any dependent	Rs.305,000
B	Individual with 1 dependent	Rs.415,000
C	Individual with 2 dependents	Rs.480,000
D	Individual with 3 dependents	Rs.525,000
E	Individual with 4 or more dependents	Rs.555,000
F	Retired or disabled person without any dependent	Rs.355,000
G	Retired or disabled person with 1 or more dependents	Rs.465,000

A retired person deriving emoluments not exceeding Rs.50,000 in an income year is now entitled to the enhanced income exemption thresholds granted to retirees of Rs.355,000 or Rs.465,000.

19. Deduction for tertiary education

As from the income year commencing 1 July 2018, an individual whose aggregate of net income and exempt dividends and interest do not exceed Rs.4 million can claim a deduction in respect of a dependent child who is pursuing a non-sponsored full-time undergraduate course at a recognised tertiary educational institution as follows:

- Rs.135,000 for a child studying in Mauritius provided tuition fees of at least Rs.34,800 is paid. If the tuition fees exceed Rs.135,000, the deduction is the amount of the fees paid but limited to Rs.175,000.
- Rs.200,000 for a child studying outside Mauritius.

The deduction is limited to 3 dependents and for a period of not more than 6 years for each dependent.

20. Rain harvesting investment allowance

As from the income year commencing 1 July 2018, an individual is allowed to deduct from his taxable income the total amount invested in a rainwater harvesting system which is a system to capture, filter and store rainwater including consultancy, design works, excavation works, gutters and specialised water tanks for the setting up of such system. The deduction may be taken at the spouses' options by one spouse or divided equally between them. Any unrelieved amount can be carried forward for deduction from the net income of succeeding years.

21. Interest relief

The profit charge payable under an Islamic Financing Arrangement for the purchase or construction of a house will qualify for interest relief if the arrangement is secured on immovable property.

22. Tax band of 10%

As from the income year commencing 1 July 2018, an individual whose annual net income does not exceed Rs.650,000 will pay tax at the rate of 10% whereas if it exceeds Rs.650,000 he will be subject to tax at the rate of 15%.

23. Tax on winnings

As from 1 September 2018, final withholding tax of 10% will apply on winnings amount exceeding Rs.100,000 paid by:

- The Mauritius National Lottery operator.
- Casinos, hotel casinos and gaming houses.

The tax deducted has to be remitted together with a return electronically to the Mauritius Revenue Authority not later than 20 days after the end of the month in which the tax has been deducted. A nil return has to be submitted when no tax has been deducted in a month.

When a return is submitted late, there is a penalty of Rs.2,000 per month or part of a month until it is submitted but limited to Rs.20,000.

When the tax deducted is remitted late, there is a penalty of 5% and interest at the rate of either 1% or 0.5% of the amount of the tax per month or part of a month until it is paid.

The provisions of the Income Tax Act in relation to the general powers of the Director-General, assessments, objections, review of assessments, recovery of tax, keeping of books and records, service of documents, validity of notice of assessment or determination and jurisdiction of Magistrate apply to the tax on winnings.

A person convicted for an offence in relation to tax on winnings is liable to a fine not exceeding Rs.1 million and to imprisonment for a term not exceeding 8 years.

24. Taxation of artists

As from the income year commencing 1 July 2018, an artist who is a member of the Mauritius Society of Authors deriving gross income, other than emoluments, not exceeding Rs.500,000 in a year from artistic work will be given the option to deduct 50% of such gross income as expenses if it is higher than the actual expenditure incurred.

25. Negative Income Tax

The eligibility criteria and conditions for an employee to receive the Negative Income Tax (NIT) are as follows:

- The employee is a citizen of Mauritius whose total monthly earnings is less than Rs.20,000.
- The employee works for a minimum of 24 hours during at least 3 days in a week.
- An employee earning a monthly basic salary of up to Rs.9,900 is eligible for NIT provided his net income or that his spouse does not exceed Rs.390,000 in the current year.
- An employee will benefit from the NIT once the contribution to the National Pension Fund (NPF) and the National Savings Fund (NSF) are paid in respect of the month in which the NIT is being claimed.

An employee who has not received his NIT allowance has 9 months from the month he is entitled to make a claim to the Mauritius Revenue Authority.

26. Income derived by non-resident individual

As from the income year commencing 1 July 2018, a non-resident having income from rent, royalty, premium or other income derived from property will be subject to tax at the rate of 15% on the chargeable income attributable to the aforementioned income.

27. Statement of winnings

As from 1 January 2019, every casino operator, hotel casino operator, gaming house operator, bookmaker, totalisator, operator of the Mauritius National Lottery and an agent of a foreign pool has to file a statement showing winnings of more than Rs.100,000 together with the return that is required to be submitted under the Gambling Regulatory Authority Act. The statement should show the following for each winner:

- his full name;
- his NIC number for a citizen or his passport number or non-citizen ID issued by the Passport Officer for a non-citizen;
- the amount of winnings.

The time limit for submitting the statement is as follows:

- 7 days after the end of every quarter for the operator of the Mauritius National Lottery;
- 20 days after the end of every month for a casino operator, hotel casino operator and gaming house operator;
- Friday immediately following the race meeting for a bookmaker and totalisator;
- Friday immediately following the day of the football matches for an agent of a foreign pool.

28. Statement of assets and liabilities by individuals

An individual, other than a non-citizen, resident in Mauritius is required to submit a statement of assets and liabilities where he derives annual income exceeding Rs.15 million or owns assets costing more than Rs.50 million with his income tax return. However, as from 1 July 2018, where the individual has submitted his income tax returns for the last five years he is not be required to submit such statement.

Value Added Tax

1. Exempt

Exemption from VAT as from 15 June 2018 for:

- supply of manual labour by an individual such as a sirdar or a labour contractor to a VAT registered operator in the agricultural or construction sector.
- payment of subscription fees to a registered trade union, prescribed statutory body or prescribed registered association.
- Anti-smoking tablets.

2. Zero-rated

VAT at zero-rate is applicable as from 15 June 2018 on:

- examination of vehicles fees (fitness) until 30 June 2020.
- all components forming an integral part of a photovoltaic system.
- services relating to upgrading, repairs and maintenance, patrol and monitoring or rental of burglar alarm systems.
- Watch straps, watch bands and watch bracelets of H.S. Codes 9113.20.00 and 9113.90.00 and parts thereof.
- Menstrual cups as from 13 September 2017.

3. Exempt person

As from 15 June 2018, any holder of a road service licence for the transport of the general public by bus is exempted from the payment of VAT on the purchase of bus bodies, built on chassis for buses meant for public transport.

4. Input tax

- VAT registered persons whose main activity is the supply of accommodation, catering, entertainment or rental of motor vehicles services will be able to claim as input tax the VAT paid on the expenses relevant to their business which would otherwise have been irrecoverable.

- Input tax can be claimed on quad bikes, golf cars and similar vehicles.

5. Deferred payment of VAT at importation

As from 1 October 2018, the Mauritius Revenue Authority may allow a VAT registered person to defer the payment of VAT at Customs when he imports capital goods, being plant and machinery, having a duty-paid value of at least Rs.1 million and which will be used in the course or furtherance of his business. A security bond must be provided to cover the deferred VAT payable. Any VAT deferred must be shown as output tax in the VAT return of the taxable period in which it is deferred and is deemed to have been paid. The VAT deferred can be claimed as input tax subject to the recovery rules.

6. VAT Refund Scheme

- As from 15 June 2018, VAT is also refunded on the purchase of the following equipment and services by a planter:

Branch chopper	Earth auger	Fogging machine
Handy blower	Irrigation hose	Mini tiller including blade
Land preparation works		
Rental of land leased for agricultural purposes		

- Local artists registered with the Mauritius Society of Authors are refunded VAT on the purchase of musical instruments such as accordion, clarinet, cymbal, dhol, drum set, electrical keyboard, flute, guitar, harmonica, piano, trumpet, violin, other musical instruments under Chapter 92 of Part I of the First Schedule to the Customs Tariff Act and parts and accessories of musical instruments as from 15 June 2018.

7. Cancellation of registration

When a VAT registered person is deregistered for VAT, he must pay VAT on capital goods, other than motor vehicles on which input tax has not been claimed, forming part of the assets of his business if it amounts to more than Rs.100,000.

8. Electronic fiscal device

The Mauritius Revenue Authority (MRA) may require a person to use a prescribed (regulations not yet published) electronic fiscal device to record any matter or transaction that affect his VAT liability. There is a penalty of Rs.5,000 per month or part of a month limited to Rs.50,000 where a person does not use an electronic fiscal device when required to do so by the MRA. There is also a maximum penalty of Rs.50,000 where a person uses the device to mislead the MRA or deliberately tampers with the device or causes the device to work improperly. Both penalties are payable within a period of 28 days from the receipt of the claim. If a person is not satisfied with the claim for penalty, he can object against the claim within the same timeframe as for payment.

The usual general procedures for late objection, determination and lodging representations with the Assessment Review Committee apply.

If an electronic fiscal device has to be replaced following misuse or tampering, the person has to bear the cost of replacement.

A person convicted for failure to use an electronic fiscal device correctly is liable to a fine not exceeding Rs.200,000 and to imprisonment for a term not exceeding 12 months.

9. List of supplies

As from 1 October 2018, every VAT registered person who is submitting a monthly VAT return must also submit electronically a list of taxable supplies not done by retail showing the invoice number and value of supply in a specific format (regulations not yet issued).

10. Special levy on banks

For any accounting period ending after 31 December 2018, every profitable bank, other than the Development Bank of Mauritius Ltd, has to pay within 5 months after the end of its accounting period a special levy on its leviable income at the following rates:

- 5.5% if leviable income does not exceed Rs.1.2 billion;
- 4% if leviable income exceeds Rs.1.2 billion.

Leviable income is the sum of interest income and other income from banking transactions with residents, as defined in the Income Tax Act, less interest expense.

Late payment of the special levy entails a penalty of 5% and interest at the rate of 0.5% per month or part of a month of the amount of levy until payment.

The provisions of the Value Added Tax Act in relation to the powers of the Director-General, assessments, objections, review of assessments, recovery of tax, offences, service of documents, admissibility of documents produced by computer and jurisdiction of Magistrate apply to the special levy on banks.

Global Business

1. Global Business Corporation

As from 1 January 2019, the Financial Services Commission (FSC) will no longer issue Category 1 or Category 2 Global Business Licence. As from that date, where a person who is not a citizen of Mauritius or a corporation which is not incorporated in Mauritius and which is held or ultimately held by a person who is not a citizen of Mauritius controls the majority of shares or voting rights or the legal or beneficial interest in a corporation resident in Mauritius which proposes to conduct or conducts business principally outside Mauritius or with such category of persons as may be specified in the FSC Rules (not yet published), that corporation has to apply to the FSC for a Global Business Licence. In addition, the resident corporation must also obtain the relevant licence, authorisation, registration or approval from the appropriate body where the proposed business is regulated before commencing business.

A corporation resident in Mauritius means a company incorporated or registered under the Companies Act, a societe or partnership registered in Mauritius, a trust or any other body of persons established under the laws of Mauritius.

The conditions attached to the Global Business Licence are that the corporation whilst carrying out its core income generating activities in or from Mauritius -

i. should employ either directly or indirectly a reasonable number of suitably qualified persons to carry out such activities;
ii. should have a minimum level of expenditure which is proportionate to its level of activities;
iii. be managed and controlled from Mauritius;
iv. be administered by a management company.

The criteria the FSC will take into account to determine whether a corporation holding a Global Business Licence is managed and controlled from Mauritius include the following:

i. the corporation has at least 2 directors of sufficient calibre to exercise independence of mind and judgment who are resident in Mauritius;
ii. the principal bank account of the corporation is in Mauritius;
iii. the accounting records are kept and maintained at the registered office of the corporation in Mauritius;
iv. the statutory financial statements are prepared and audited in Mauritius; and
v. the meetings of the directors include at least 2 directors from Mauritius.

2. Authorised Company

As from 1 October 2018, where a person who is not a citizen of Mauritius or a corporation which is not incorporated in Mauritius and which is held or ultimately held by a person who is not a citizen of Mauritius controls the majority of shares or voting rights or the legal or beneficial interest in a company having its place of effective management outside Mauritius but incorporated under the Companies Act in Mauritius which proposes to conduct or conducts business principally outside Mauritius or with such category of persons as may be specified in the FSC Rules (not yet published), that company has to apply to the FSC for an authorisation to be an ‘’Authorised Company’’. An application for authorisation must be made through a management company which is also its registered agent in Mauritius.

A registered agent has to provide to an Authorised Company if required the following services:

i. filing of any return or document required under the Financial Services Act, Income Tax Act or Companies Act;
ii. receiving and forwarding of any communication from and to the FSC, Mauritius Revenue Authority or Registrar of Companies;
iii. undertaking measures on combating money laundering and the financing of terrorism and related offences;
iv. keeping of records, board minutes and resolutions.

An Authorised Company has to file an unaudited annual financial summary as provided in the Ninth Schedule of the Companies Act to the FSC as well as any other return that may be required by the FSC Rules (not yet published). It may be required to furnish information by the Mauritius Revenue Authority under the Income Tax Act and may also be investigated under the Financial Intelligence and Anti-Money Laundering Act.

An Authorised Company is allowed to invest in any securities listed on a securities exchange licensed by the FSC, open a foreign currency account with a local bank, hold any share, debenture, security or any interest in or dealing or transacting with a Global Business Corporation and enter into business relationship with a Management Licence company, law practitioner, legal consultant, law firm or qualified auditor in Mauritius.

An Authorised Company cannot carry out the business of banking, financial services, holding or managing or dealing with collective investment funds as a professional functionary, providing registered office facilities, nominee services, directorship services, secretarial services, other services for corporations and providing trusteeship services by way of business unless allowed in the FSC Rules (not yet published).

3. Transitional provisions for Category 1 Global Business Licences

A corporation holding a valid Category 1 Global Business Licence issued before 17 October 2017 continues to be governed by the existing provisions of the Financial Services Act until 30 June 2021. Thereafter it will be deemed to be a Global Business Corporation.

A corporation holding a valid Category 1 Global Business Licence issued after 16 October 2017 continues to be governed by the existing provisions of the Financial Services Act until 31 December 2018. Thereafter it will be deemed to be a Global Business Corporation.

4. Transitional provisions for Category 2 Global Business Licences

A holder of a valid Category 2 Global Business Licence issued before 17 October 2017 continues to be governed by the existing provisions of the Financial Services Act until 30 June 2021. Thereafter it can either apply to be an Authorised Company or a Global Business Corporation or migrate to another jurisdiction or be dissolved.

A holder of a valid Category 2 Global Business Licence issued after 16 October 2017 continues to be governed by the existing provisions of the Financial Services Act until 31 December 2018. Thereafter it can either apply to be an Authorised Company or a Global Business Corporation or migrate to another jurisdiction (the FSC must be informed before 31 December 2018) or be dissolved.

For further information about how BDO in Mauritius can assist you and your organisation, please get in touch with one of our key contacts listed below.

CONTACT

GILBERT SEEYAVE
Partner/Tax
+230 202 9548
gilbert.seeyave@bdo.mu

SIDICQ BAUHADOOR
Manager/Tax
+230 202 9810
sidicq.bauhadoor@bdo.mu

MEELYN HO-CHOOK
Manager/Tax
+230 202 9643
meelyn.ho-chook@bdo.mu

NAUSHEEN NUJJOO
Manager/Tax
+230 202 9786
Nausheen.nujjoo@bdo.mu

www.bdo.mu