

# Establishing a business in Mauritius

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A Q&A guide to establishing a business in Mauritius.

This Q&A is part of the global guide to establishing a business in .... Areas covered include an introduction to the legal system; available business vehicles, formalities, corporate governance structures and requirements. Also covered are foreign investment incentives and restrictions, currency regulations, tax, and employment issues.

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## Legal System

1. What is the legal system in your jurisdiction based on (for example, civil law, common law or a mixture of both)? Does your jurisdiction operate a federal or unitary system?

## **Basis of Legal System**

Mauritius has a hybrid legal system, combining both civil and common law practices. It is governed by principles drawn from both the French *Code Napoléon* and the English common law.

The Supreme Court is the highest judicial authority in Mauritius and has unlimited jurisdiction to hear any criminal and civil proceedings. Mauritius has retained the Judicial Committee of the Privy Council of the UK as its final court of appeal.

## **Federal or Unitary System**

Mauritius operates a unitary system in which municipal councils and district councils have a certain degree of autonomy, under the authority **of** the central government.

## **Business Vehicles**

2. What are the main forms of business vehicle used in your jurisdiction? What are the advantages and disadvantages of each vehicle?

There are various vehicles used to structure a business including:

- Companies.
- *Sociétés* (derived from French law), often described in Mauritius as civil or commercial partnerships.
- Limited partnerships.
- Limited liability partnerships.
- Trusts.
- Foundations.

## Companies

Companies can be incorporated or registered under the Companies Act 2001 and can be either private or public. A private company is limited to 50 shareholders and cannot offer shares to the public. Companies can have a limited or unlimited life.

A company can be:

- **Limited by shares.** The liability of its shareholders is limited to any amount unpaid on the shares held by the shareholder.
- **Limited by guarantee.** The liability of its members is limited to the amount that the members undertake to contribute to the assets of the company in the event of it being wound up.
- **Limited by shares and by guarantee.**
- **Unlimited.** Where there is no limit on the liability of its shareholders.

## Sociétés

*Sociétés* are set up under the Civil Code or Commercial Code. The participants' interests are referred to as *parts sociales*. *Sociétés* are fiscally transparent and the partners' liability can be limited. A *société commerciale* must be registered with the Registrar of Companies.

The disadvantage of *sociétés* is that they are based on a form of French partnership law, and French legal concepts and terminology are not understood by all investors.

## Limited Partnerships

A limited partnership is set up under the Limited Partnerships Act 2011. A limited partnership can elect to have legal personality and must have at least one general partner who is liable for all the debts and obligations of the partnership, and one limited partner who is liable only up to the maximum amount of its commitment.

A limited partnership can elect to have a separate legal personality. Irrespective of whether it has elected to have a legal personality, the partners are still liable for the partnership's debts (general partners have unlimited liability whereas limited partners are liable to the extent of their contribution or other agreement). A limited partnership can be set up and registered within three working days.

A limited partnership must have a partnership agreement that determines the conduct of the partnership's affairs and the mutual rights and duties of partners. The partnership agreement is binding on present and future partners. The Limited Partnerships Act 2011 leaves it to the partnership agreement to determine most matters relating to the partnership, failing which the default provisions of the Limited Partnerships Act 2011 will apply.

## Limited Liability Partnerships

A limited liability partnership (LLP), introduced by the Limited Liability Partnerships Act 2016 (LLP Act), is a relatively new type of partnership vehicle. It combines features of both a company and a limited partnership. It can

be used to offer professional or consultancy services and also legal services under a Global Legal Advisory Services Licence issued by the Financial Services Commission (FSC).

An LLP can be set up by two or more partners. The LLP Act also provides for the conversion of an existing entity or unincorporated body to an LLP and the re-domiciliation of foreign LLPs or Mauritian LLPs to and from Mauritius.

There are no restrictions on the residency of the partners and a partner can be an individual, an entity or an unincorporated body.

The LLP must appoint a manager, resident in Mauritius at all times. This must be a local management company if the LLP holds a Global Business Licence, or a person qualified as a secretary if this is not the case.

The LLP must be registered with the Registrar of LLPs. A partnership agreement must be put in place by the partners providing for the governance of the LLP and the rights and duties of the partners. The records of an LLP that holds a Global Business Licence filed with the Registrar of LLPs are not available for inspection, and its audited financial statements must be filed with the FSC.

## Trusts

Trusts are formed under the Trusts Act 2001. They can be created either as purpose or beneficiary trusts, either by disposition of property between living persons (*inter vivos*) or by will, or by holding property on trust. A trust instrument must be created in writing. Participants are issued with units in the trust. Trusts are easy to set up because they do not require any registration, incorporation or corporate filings. However, the lack of formality and reporting requirements make a trust less transparent than a company. In addition, trusts do not have corporate personality and trustees are subject to fiduciary duties. A trust can be set up in one working day.

## Foundations

A foundation is set up under the Foundations Act 2012. A foundation can be set up for any purpose specified in its charter, provided its objects are not contrary to the laws of Mauritius. Purposes can be charitable, non-charitable or both, and for the benefit of a person or a class of persons to carry out a specified purpose, or both. A foundation can be set up within three working days.

## Global Business Licence (GBL)

A corporation (other than an Authorised Company, a bank licensed by the Bank of Mauritius and such other corporation as may be specified in the rules issued by the FSC) in which the majority of shares or voting rights, or the legal or beneficial interest, are held and controlled by a person who is not a citizen of Mauritius, must apply for a GBL from the FSC if it proposes to conduct business:

- Principally outside Mauritius.
- With such category of persons as specified in the rules issued by the FSC.

The following specified resident corporations are not required to apply for a GBL:

- A resident corporation incorporated or registered on or before 31 December 2018 and which did not hold a category 1 or category 2 GBL on or before 31 December 2018.

- A resident corporation incorporated or registered after 31 December 2018 and which has amongst its investors or proposed investors development financial institutions, multilateral agencies or sovereign funds, provided that the resident corporation has obtained the approval of the FSC.
- A trust governed by the laws of Mauritius.
- A foundation established or registered in Mauritius.
- Any person applying for an investment banking licence under section 79A of the Financial Services Act 2007 (FSA).

A GBL entity is resident for tax purposes to the extent that it is managed and controlled from Mauritius and can take advantage of any double tax treaties that Mauritius has with various countries. The main characteristics of a GBL are that it must at all times:

- Carry out its core income generating activities in, or from, Mauritius, as required under the Income Tax Act 1995.
- Be managed and controlled from Mauritius.
- Be administered by a management company licensed by the FSC.

### **Authorised Company**

A corporation (other than a bank licensed by the Bank of Mauritius and incorporated under the Companies Act) in which the majority of shares or voting rights, or the legal or beneficial interest, are held and controlled by a person who is not a citizen of Mauritius, must apply to the FSC for an authorisation if it:

- Proposes to conduct or conducts business principally outside of Mauritius or with such category of persons as may be specified in the rules issued by the FSC.
- Has its central management and control outside of Mauritius.

*(Section 71A, FSA.)*

A company holding an authorisation under section 71A of the FSA is restricted from conducting the following activities:

- Banking.
- Financial services.
- Carrying out the business of holding or managing or otherwise dealing with a collective investment fund or scheme as a professional functionary.
- Providing of registered office facilities, nominee services, directorship services, secretarial services or other services for corporations.
- Providing trusteeship services by way of business.

- Any other activities as may be specified in the rules issued by the FSC.

An Authorised Company is not considered resident for Mauritius tax purposes and would not be liable to tax in Mauritius. An Authorised Company also does not benefit from double tax treaties that Mauritius has with various countries.

## Establishing a Presence from Abroad

3. What are the most common options for foreign companies establishing a business presence in your jurisdiction?

The most common options for foreign companies establishing a business presence in Mauritius are:

- Establishing a Mauritian subsidiary company.
- Registering with the Registrar of Companies as a branch of a foreign company.
- Establishing a joint venture with a local company.

4. How can an overseas company trade directly in your jurisdiction?

An overseas company wishing to carry on business or trade directly in Mauritius must register with the Registrar of Companies as a branch of the overseas company. Carrying on business in Mauritius includes:

- Establishing or using a share transfer office or a share registration office in Mauritius.
- Administering, managing, or dealing with property in Mauritius as an agent, personal representative, or trustee, whether through employees, an agent or in any other way.

The overseas company must reserve its company name and within one month after it starts carrying on business in Mauritius, it must file the following documents with the Registrar of Companies:

- A duly authenticated copy of the certificate of its incorporation or registration.
- A duly authenticated copy of its constitution.

- A list of its shareholders, including the name of any beneficial owner in its place of incorporation (and where the shares are held by a nominee, the names in alphabetical order and the last known addresses of the beneficial owners, or the ultimate beneficial owners giving instructions to the shareholder to exercise a right in relation to a share either directly or through the agency of one or more persons).
- A list of its directors.
- A memorandum of appointment or power of attorney appointing at least two agents in Mauritius to accept service of process and any notices required to be served on the company.
- Notice of the situation of its registered office in Mauritius.
- A declaration made by the authorised agents of the company.

When the filing requirements have been complied with, the Registrar of Companies will issue a certificate of registration to the foreign company.

The overseas company must file annually its balance sheet, together with any documents that are required to be filed in the country of incorporation of the foreign company.

The foreign company can enter into transactions in its own name.

5. What are the formalities for setting up a partnership?

See *Question 2*, [Limited partnerships](#) and [Limited liability partnerships](#).

6. What are the formalities for setting up a joint venture?

A joint venture can be established as an incorporated body (usually in the form of a company owned by the joint venture partners) or unincorporated (where the partners of the joint venture enter into a contractual arrangement governing the terms of the joint venture).

Joint ventures carrying out a business in Mauritius must be registered with the Registrar of Business under the Business Registration Act 2002 at least two days before the proposed start date of the business.

7. Are trusts (or a local equivalent) available in your jurisdiction?

Trusts are created under the Trusts Act 2001. They can be created as purpose or beneficiary trusts. The Trusts Act 2001 provides for different types of trusts, including discretionary, charitable purpose and non-charitable purpose trusts (see *Question 2, Trusts*).

### **Discretionary Trust**

Discretionary trusts allow the trustees to appoint additional beneficiaries or to remove existing beneficiaries, and to distribute the income and capital of the trust to the beneficiaries in varying amounts and at various times. Discretionary trusts are usually used when no decision is taken at the time the trust is established as to what portion of the trust income and capital should be reserved for each beneficiary. The settlor then provides the trustees with a letter of wishes as guidance as to how the trustees should administer the trust and manage the assets.

### **Purpose Trust**

A purpose trust can be created for a purpose without the appointment of any beneficiaries. The purpose must be specific, reasonable and capable of fulfilment and must not be immoral, unlawful or contrary to public policy. The trust instrument of a purpose trust must appoint an enforcer who can enforce the trust and at least one qualified trustee (for example, a management company or such other person resident in Mauritius, as may be authorised by the FSC to provide trusteeship services). The trust instrument can also appoint a protector. This type of trust is of most interest to foreign investors.

### **Charitable Purpose Trust**

A trust is deemed to be charitable where it has, as its exclusive purpose or object, one of the purposes provided for these types of trusts under the Trusts Act 2001. A charitable trust must have one or more of the following as its main purpose:

- The relief of poverty.
- The advancement of education.
- The advancement of religion.
- The protection of the environment.
- The advancement of human rights and fundamental freedoms.
- Any other purpose beneficial to the public in general.

A charitable trust must benefit a section of the public or members of the public and can also benefit one or more persons privately or objects within a class of persons not resident in Mauritius. The charitable objects can be pursued in Mauritius or elsewhere and can be beneficial to the community in Mauritius or elsewhere.

### **Forming a Private Company**



8. How is a private limited liability company or equivalent corporate vehicle most commonly used by foreign companies to establish a business in your jurisdiction formed?

## Regulatory Framework

A company is the most common form of business vehicle in Mauritius. The majority of Mauritius-established entities are set up as companies and regulators are familiar with the structure of a company as a business vehicle. A company can be incorporated within one working day.

To incorporate a company in Mauritius, a company name must be reserved with the Registrar of Companies. Once the Registrar of Companies confirms availability of the proposed name, an application for incorporation can be submitted.

If the application for incorporation complies with the Companies Act 2001 and the prescribed fee is paid, the Registrar of Companies will:

- Issue a certificate of incorporation.
- Enter the particulars of the company into the register of companies in Mauritius and give the company a unique company number.

The company can apply for a GBL under section 71 of the FSA or an authorisation under section 71A of the FSA, if it satisfies the specified criteria (*see Question 2, [Global Business Licence \(GBL\)](#) and [Authorised Company](#)*).

A GBL under section 71 of the FSA or an authorisation under section 71A of the FSA is issued by the FSC. The FSC is responsible for regulating all global business from Mauritius. Incorporation of a company holding a GBL normally takes between ten and fourteen days, and the incorporation of an Authorised Company takes between five to seven days.

Registrar of Companies website: [www.companies.govmu.org/](http://www.companies.govmu.org/)

FSC website: [www.fscmauritius.org/](http://www.fscmauritius.org/)

## Tailor-made or Shelf Companies

Tailor-made and shelf companies are available.

The practice of numbered companies is not used in Mauritius.

## Formation Process (GBL Company and Authorised Company)

The applicant must submit a completed and signed application form through a management company, together with the following to the FSC:

- Covering letter.
- Signed declaration that the application is made with the relevant authority.
- Legal certificate confirming that the application complies with the laws of Mauritius.
- Confirmation of due diligence checks.
- Business plan.
- Customer due diligence documents such as CVs, passports, bank references (if an individual) or certificate of incorporation, list of directors and shareholders, identity of the ultimate beneficial owner, constitution, and financial statements (if a company).
- The relevant application and processing fees, as follows (payable to the FSC):
  - for a GBL company: a processing fee of USD500 and an annual licence fee of USD1,950; or
  - for an Authorised Company: a processing fee of USD150 and payment of an annual licence fee of USD350.

Incorporation with the Registrar of Companies is only completed after approval is received from the FSC.

## **Company Constitution**

A company can (but does not need to) have a constitution. Having a constitution is optional because the Companies Act 2001 contains rules in relation to the rights, powers, duties and obligations of the company, the board, each director and shareholder of the company.

If a company has a constitution, the company, the board, each director and each shareholder have the rights, powers, duties and obligations set out in the Companies Act 2001, except to the extent that they are restricted, limited or modified by the constitution of the company in accordance with the Companies Act 2001.

If a company has no constitution, the shareholders can adopt one at any time by special resolution. Shareholders can also alter or revoke a constitution by special resolution. The board of the company must ensure that notice of an adoption, alteration or revocation is filed with the Registrar of Companies within 14 days of the alteration.

The constitution is available for inspection by the public for domestic companies and to authorised persons only for GBL companies and Authorised Companies.

In addition to adopting a constitution, the shareholders can have a separate shareholders' agreement, which is not required to be filed with the Registrar of Companies. The provisions of any unanimous shareholders' agreement will prevail over the provisions of the constitution. However, in practice, the provisions of the constitution will be aligned with the provisions of the unanimous shareholders' agreement to avoid any inconsistency.

## **Financial Reporting**

9. What financial or tax reports must the company submit each year?

## Companies

The board of a company must, within six months after the balance sheet date of the company, complete financial statements in relation to the company in accordance with International Accounting Standards. The financial statements must be filed with the Registrar of Companies within 28 days of the date the statements are signed, together with a copy of the auditor's report on those statements.

A company must also file an annual return within 28 days of the annual meeting.

A small private company whose annual turnover does not exceed MUR20 million can file a financial summary or its financial statements and is not required to file an annual return.

A company holding a GBL must file its audited financial statements with the FSC every year, while an Authorised Company must file a financial summary with the FSC every year.

## Branches of Overseas Companies

A foreign company registered as a branch in Mauritius must file its balance sheet annually, together with any documents that are required to be filed in the country of incorporation of the foreign company.

## Trading Disclosure

10. What are the statutory trading disclosure and publication requirements for private companies?

A company must ensure that its full name is clearly stated:

- In every written communication sent by, or on behalf of, the company.
- On every document issued or signed by, or on behalf of, the company that evidences or creates a legal obligation on the company.

The purpose of this requirement is to signal to third parties that they are dealing with a company whose shareholders enjoy limited liability.

Where the shareholders' liability is limited, the registered name of the company must end with the word "Limited" or "Limitée", or the abbreviation "Ltd" or "Ltée" (although this requirement does not apply to a GBL company or an Authorised Company).

11. How do companies execute contracts or deeds?

A contract made between private persons and required to be in writing can be made on behalf of the company if it is either:

- Signed by the company.
- Signed by any person acting under its express or implied authority.

There is no concept of "deed" under Mauritius law and a Mauritius agreement is signed by the relevant or authorised parties without further signing formalities. However, if a foreign law states that certain documents must be executed as a deed, the provisions of that foreign law will apply to the execution requirements. A company can, in its constitution or by corporate approval, designate the persons who are authorised to sign a document for and on behalf of the company.

It is advisable therefore to confirm whether there are specific requirements for the execution of a document under the company constitution or any foreign law.

## Membership/Shareholders

12. Are there any restrictions on the minimum and maximum number of members?

In a private limited liability company, the minimum number of members is one and the maximum number of members is 50.

The Companies Act 2001 provides that one person can form a private company, called a "one person company", where the only shareholder is also the sole director. However, at incorporation or within six months, the sole shareholder/director must nominate a person to be the secretary in the event of his/her death or incapacity.

## Minimum Capital Requirements

13. Is there a minimum investment amount or minimum share capital requirement for company formation?

There is no minimum investment amount or minimum share capital requirement. However, a company must have at least one share in issue, which can be issued at a nominal value and which cannot be redeemed.

14. Are there restrictions on the transfer of shares in private companies?

Transferring shares in a private company is subject to the provisions of the company's constitution. Where the company does not have a constitution, the pre-emptive rights provisions on transfers of shares under the second schedule to the Companies Act 2001 apply, meaning that the shares proposed to be transferred must first be offered to the existing shareholders (other than the proposed transferor).

## Shareholders and Voting Rights

15. What protections are there for minority shareholders under local law? Can additional protections be given? Is liability limited to the value of shareholders' shares?

The following protections are available to minority shareholders under the Companies Act 2001:

- **Minority buy-out.** A minority shareholder who dissents from major transactions approved by the majority can be bought out by the company at a fair value. The same applies where there is a variation of their rights.
- **Management review.** Shareholders can make recommendations to the board about the management.
- **Attendance of auditors.** The attendance of auditors at shareholders' meetings is an additional safeguard, so that maximum information about financial statements is available.
- **Statement of rights.** A shareholder can request a statement setting out the classes and number of shares held by the shareholder and the rights, privileges, conditions and limitations attached to those shares.

- **Prejudiced shareholders.** A shareholder of a company who considers that the affairs of the company are being conducted (or the company is acting) in a way that is oppressive, unfairly discriminatory or unfairly prejudicial to the shareholder can apply to the court for an order. This is not applicable to companies holding a GBL.
- **Derivative actions by shareholders.** Shareholders can be granted leave by the court to bring derivative actions in the name of the company where it is in the interests of the company (or its subsidiary) that the conduct of the proceedings should not be left to the directors or to the determination of the shareholders as a whole.
- **Court power.** The courts have wide powers to protect shareholders against different forms of abuse by directors.

Additional protections can be given to minority shareholders in the constitution of the company or in the shareholders' agreement relating to the company.

Under Mauritian law, the liability of a shareholder of a company is limited to the amount unpaid on shares.

16. Are there any statutory restrictions on quorum or voting requirements at shareholder meetings?  
Must quorum or voting rights be proportionate to shareholdings?

The quorum requirements at shareholders' meetings can be regulated in the constitution of the company. If no quorum is set in the constitution, or if the company has no constitution, the quorum at a meeting of shareholders is the number of shareholders or their proxies present who are able to exercise a majority of the votes to be cast at the meeting. Subject to the rights and restrictions attached to any class of shares, every shareholder present in person or by proxy and voting by voice or by show of hands has one vote.

If a poll is demanded at a meeting of shareholders, the votes of shareholders are counted according to the votes attached to the shares of each shareholder present in person or by proxy and voting.

17. Are specific voting majorities required by law for any corporate actions (for example, increasing share capital, changing the company's constitution, appointing and removing directors, and so on)?

Under the Companies Act 2001, there are certain corporate actions that require an ordinary resolution and others that require a special resolution.

An ordinary resolution means a resolution approved by a simple majority of the votes of the shareholders entitled to vote and voting on the matter that is the subject of the resolution.

A special resolution means a resolution of a majority of at least 75% of the shareholders entitled to vote and voting on the matter, unless a higher majority is required by the company's constitution.

The matters that require a special resolution under the Companies Act 2001 include:

- Adopting a constitution or, if a company has a constitution, altering or revoking the constitution.
- Reducing the stated capital of the company.
- Approving a transaction involving the acquisition, disposition, or the acquisition of rights, interests, or incurring obligations over more than 75% of the value of the assets of a company.
- Approving an amalgamation of the company.
- Putting the company into liquidation.
- Rescinding a special resolution (except where the special resolution relates to putting the company into liquidation).
- Varying the rights of a class of shares.

The approval of a transaction involving the acquisition, disposition, or the acquisition of rights, interests, or incurring obligations over more than 50% of the value of the assets of a company requires an ordinary resolution.

The matters that require an ordinary resolution, unless the company's constitution provides otherwise, include:

- Issuing of shares.
- Appointment and removal of directors.
- Dividend distributions.
- Directors' remuneration and benefits.

18. Can voting majorities required by law be disapplied to protect a minority shareholder (for example, through class rights, weighted voting or super-majority veto rights)?

Voting majorities required by law can be increased to include the vote of a minority shareholder. However, they cannot be reduced.

In addition, different classes of shares can be issued in a company, with different rights, privileges, limitations and conditions attached to them. These rights must be specified in the constitution of the company or the terms of issue.

## Sectoral Restrictions

19. What are the conditions or restrictions on establishing a business in specific industry sectors? Are there industry sectors in which it is not permitted to establish a business?

The following sectors are heavily regulated:

- Banking.
- Non-banking financial services.
- Information and communication technology.
- Freeport activities.
- Tourism.
- Health.

Licences are required before starting operations and the regulatory bodies which supervise activities are the:

- Bank of Mauritius, for banking services.
- Financial Services Commission, for the non-bank financial services sector.
- Information and Communication Technologies Authority, for the ICT sector and postal services.
- Economic Development Board, for Freeport activities.
- Tourism Authority, for the overall operations of tourist enterprises.
- Ministry of Health and Wellness for the promotion of health in the population.

## Foreign Investment Restrictions

20. Are there any restrictions on foreign shareholders/company members?

In general, there are no restrictions on foreign investment in Mauritius, except for foreign ownership in Mauritian sugar companies listed on the stock exchange. Not more than 15% of the voting capital of a sugar company can be held by a foreign investor without written consent from the FSC.



21. Are there any exchange control or currency regulations? Are there any registration requirements under anti-money laundering laws?

## **Exchange Control or Currency Regulations**

There is no exchange control in Mauritius.

The Customs Act 1988 does not prohibit the transportation of currency or bearer negotiable instruments by any traveller into or out of Mauritius. However, any person making a physical cross-border transportation of currency or bearer negotiable instruments of more than MUR500,000 or its equivalent in any foreign currency must declare the amount of the currency or bearer negotiable instruments in their possession, their origin and intended use.

Failure or refusal to make this declaration or making a declaration that is false or misleading is an offence liable to a fine not exceeding MUR1 million and imprisonment for a term not exceeding five years.

## **Anti-Money Laundering laws**

Corporations including companies, limited partnerships, LLPs and foundations must enter in alphabetical order, the names of the beneficial owner or ultimate beneficial owner in a register of shareholders or members.

Under the Companies Act 2001, "beneficial owner" or "ultimate beneficial owner" means any natural person who ultimately owns or controls a company or on whose behalf a transaction or activity is conducted in relation to a company. This includes the person who:

- Ultimately owns or controls a company through:
  - direct or indirect ownership of such shares in any prescribed percentage;
  - voting rights;
  - ownership interest; or
  - control by other means;
- Controls the company in the manner one company controls another company (as understood under the Companies Act 2001).
- Acts as executive director or has equivalent executive powers.

The Registrar of Companies must be informed of any new issue of shares where a beneficial owner is involved. The same requirements for disclosure are applicable to a transfer of shares where a beneficial owner is involved. This information is required to be filed within 14 days of entry or alteration to the share register.

The Registrar can only disclose the above information to any third party:

- If it is required by the beneficial owner or the ultimate beneficial owner.
- For the purpose of an investigation, enquiry or any similar matter.
- If ordered by a court of law or the judge in chambers.

Failure to comply with the above provisions amounts to an offence and is, on conviction, liable to a fine of up to:

- MUR300,000 for companies (other than small private company).
- MUR100,000 for a small private company.

22. Are there restrictions on foreign ownership or occupation of real estate, or on foreign guarantees or security for ownership or occupation?

Investments made by foreign investors in immovable property (whether freehold or leasehold) or in a company holding freehold or leasehold immovable property in Mauritius require the authorisation of the Prime Minister's Office (PMO).

A written application must be made to the PMO, detailing (among other things):

- The precise location of the property.
- A site plan showing its extent.
- The nature of the interest intended to be purchased or otherwise acquired or held.
- The reasons for which the application is made.

The PMO can, at its discretion, request any other information it requires.

It can take three to six months to obtain approval from the PMO. A certificate of authorisation, setting out any particular conditions that must be respected by the applicant, is issued when the PMO authorises the application.

Where the PMO approves an application made by a non-citizen after the acquisition of the property has already been made, the non-citizen must file the document witnessing the approval with the Conservator of Mortgages.

However, PMO approval is not required for:

- Holding immovable property for commercial purposes under a lease agreement not exceeding 20 years.
- A deed of concession under the Fisheries and Marine Resources Act 2007.

- An investor with approval from the Economic Development Board to acquire property for use in business.
- An investor holding an occupation permit to purchase an apartment of at least two floors for a personal residence, provided the purchase price is not less than MUR6 million or its equivalent in any other hard convertible foreign currency (or in such other amount as may be prescribed), on production of an authorisation from the Economic Development Board granted after it has obtained with approval from the Minister of Internal Affairs.

In addition, a foreign investor requires the approval of the Economic Development Board for the following:

- Purchasing a villa under the Integrated Resort Scheme or Real Estate Scheme.
- Purchasing luxury villas, apartments, penthouses or other similar properties under the Invest Hotel Scheme, Property Development Scheme and Smart City Scheme or other similar schemes.

## Directors

23. Are there any general restrictions or requirements on the appointment of directors?

The following restrictions and requirements apply on the appointment of directors:

- A company must have at least one director who must be ordinarily resident in Mauritius (except for companies holding a GBL, which must have at least two directors resident in Mauritius).
- Directors must be individuals. Only Authorised Companies can have corporate directors.

*(Companies Act 2001.)*

Individuals cannot be appointed directors if they:

- Are under 18 years of age.
- Are an undischarged bankrupt.
- Are prohibited from being a director or promoter of, or being concerned or taking part in the management of a company because they have been convicted of an offence in connection with the promotion, formation or management of a company, or a crime involving dishonesty, or are guilty of insider dealing or fraud or false or misleading conduct in relation to securities under the Securities Act 2005, in which case they cannot act as director for a period of five years unless leave of the court is obtained.
- Have been adjudged to be of unsound mind.

- Do not comply with any qualifications required for directors under the company's constitution.

A person cannot be appointed as director of a company without having consented in writing to be appointed and without certifying that they have not been disqualified from being appointed or holding office as a director of a company.

## Board Composition

24. What are the legal requirements for the composition of a company's board of directors?

### Structure

The Companies Act 2001 provides that the business affairs of the company must be managed by, or under the direction or supervision of, the company's board of directors. However, committees can be set up to advise the board of directors. A company holding a GBL must have at least two directors, resident in Mauritius, as part of the board. In addition, there must be at least one woman on the board of a public company.

### Number of Directors or Members

The number of directors on the board can be either:

- No less than the required quorum acting together as a board of directors.
- Where the company has only one director, that director.

### Employees' Representation

Employees do not have a statutory right to board representation.

## Re-Registering as a Public Company

25. What are the requirements for a business to re-register as a public company or when does an entity become a reporting issuer?

A private company can be converted into a public company by filing a copy of a special resolution to that effect with the Registrar of Companies.

## Membership

There are no restrictions on the number of members in a public company.

## Share Capital

There is no minimum investment amount or minimum share capital requirement. However, a company must have at least one share in issue, which can be issued at a nominal value.

A private company cannot make any offers to the public to subscribe for its shares or debentures. A public company can conduct a public offering of their shares, provided that the offer is made in a prospectus that complies with the Securities Act 2005 and has been granted a registration by the FSC.

## Other key Requirements

The following main legislation and rules and regulations apply to listed public companies:

- **Securities Act 2005.** The Securities Act provides wide and deep coverage of the securities market and is based on standards recommended by the International Organisation of Securities Commissions (IOSCO). The main objects of the Securities Act 2005 is to ensure a fair, efficient and transparent securities market and most importantly, to strike an appropriate balance between investor protection and the interests of the securities market.
- **Enactments, rules and regulations that complement the Securities Act.** These include the:
  - Securities (Instruments) Regulations 2013;
  - Securities (Public Offers) Rules 2007;
  - Listing Rules, to the extent that a company is listed on the Stock Exchange of Mauritius Ltd;
  - Securities (Disclosure Obligations of Reporting Issuers) Rules 2007;
  - Securities (Preferential Offer) Rules 2017;
  - Financial Services Act 2007;
  - Securities (Central Depository, Clearing and Settlement) Act 1996; and
  - Securities (Takeover) Rules 2010.

## Tax

26. What main taxes are businesses subject to in your jurisdiction?

## Corporate tax

A tax resident company is subject to tax at a flat rate of 15%. A tax resident company can claim foreign tax paid on their foreign source income as a credit to the full extent against Mauritius tax in respect of that income if it can be evidenced. Alternatively, a tax resident company is entitled to an 80% exemption in respect of the following types of income:

- Foreign source dividend, provided that the dividend is not allowed as a tax-deductible item in the source country. and the company satisfies the substance requirements as prescribed.
- Interest derived by a company other than, a bank referred to in the Income Tax Act 1995, a non-bank deposit taking institution, a money changer, a foreign exchange dealer, an insurance company, a leasing company and a company providing factoring, hire-purchase facilities or credit sale facilities provided that the company satisfies the conditions relating to the substance of its activities as prescribed.
- Profit attributable to a permanent establishment that a resident company has in a foreign country.
- All income derived by a collective investment scheme (CIS), closed ended fund, CIS manager, CIS administrator, investment adviser or assets manager licensed or approved by the FSC.
- Income derived by companies engaged in ship and aircraft leasing.
- Income derived by a company from reinsurance and reinsurance brokering activities subject to satisfying conditions as may be prescribed relating to the substance of its activities.
- Income derived by a company from leasing and the provision of international fibre capacity subject to satisfying conditions as may be prescribed relating to the substance of its activities.
- Income derived by a company from the sale, financing arrangement, asset management of aircraft and its spare parts and aviation advisory services related to that subject to satisfying conditions as may be prescribed relating to the substance of its activities.
- Interest derived by a person from money lent through a peer-to-peer lending platform.

A non-tax resident company is taxable on income derived from Mauritius at the rate of 15%.

Every company, whether or not it is a taxpayer, must file its annual tax return declaring all its income derived by it during the preceding year and pay any tax due not later than six months from the end of the month in which its accounting year ends.

Companies (other than companies with a turnover of less than MUR10 million or with no chargeable income) must make quarterly interim tax payments under the advance payment system.

## Withholding tax

The following rules on withholding tax apply:

- **Dividends.** There is no withholding tax on dividends.
- **Interest.** Interest paid by a person, other than an individual, to any person other than a company resident in Mauritius, is taxed at 15% of the gross amount of the interest. However, there is no withholding tax on interest paid to a non-resident:
  - by a company holding a GBL out of its foreign source income; or
  - by a bank which holds a banking licence in so far as the interest is paid out of gross income derived from its banking transactions with non-residents and corporations holding a GBL.
- **Royalties.** Royalties paid by any person (other than an individual or a GBL company) to any person (other than a citizen in respect of royalties for artistic or literary work), are subject to withholding tax at the following rates:
  - 10% if paid to a resident; or
  - 15% if paid to a non-resident.

Royalty payable to a non-resident by a company out of its foreign source income is exempt from tax.

Submitting a return and remitting the withheld tax must be done at the following times:

- Not later than one month from the end of the month in which income tax was deducted, if the remittance and return is made electronically.
- Not later than 20 days from the end of the month in which the income tax was deducted, if the remittance and return is made in another way.

## Capital Gains tax

There are no capital gains taxes in Mauritius. Any gains realised by a non-resident or resident shareholder on a disposition of its shares in a company will not be liable to tax in Mauritius.

## Controlled Foreign Company (CFC) rule

The CFC rule has been introduced as an additional anti-avoidance provision. Where a resident company carries on business through a CFC and the Director-General of the Mauritius Revenue Authority considers that the non-distributed income of the CFC arises from non-genuine arrangements which have been put in place for the essential purpose of obtaining a tax benefit, that income will be deemed to form part of the chargeable income of the resident company. For the purposes of the CFC rule, "tax benefit" means the avoidance or postponement of the liability to pay income tax, or a reduction in the amount of the income tax.

A CFC is defined as a non-resident company in which more than 50% of its total participation rights are held directly or indirectly by a resident company or together with its associated enterprises and includes a permanent establishment of the resident company.

An arrangement (or a series of arrangements) will be regarded as non-genuine if the CFC would not own the assets or would not have undertaken the risks which generate all, or part of, its income if it were not controlled by a company where the significant people functions, which are relevant to those assets and risks, are carried out and are instrumental in generating the CFC's income.

The CFC rule will not apply to a CFC where, in an income year, any of the following apply:

- Accounting profits are not more than EUR750,000, and non-trading income is not more than EUR75,000.
- Accounting profits amount to less than 10% of its operating costs for the tax period (the operating costs will not include the cost of goods sold outside the country where the entity is resident for tax purposes, and payments to associated enterprises).
- The tax rate in the country of residence of the controlled foreign company exceeds 50% of the tax rate in Mauritius.

An "associated enterprise" means:

- An entity in which the company holds (directly or indirectly) a participation in terms of voting rights or capital ownership of 25% or more or is entitled to receive 25% or more of the profits of that entity.
- An individual or entity which holds (directly or indirectly) a participation in terms of voting rights or capital ownership in the company of 25% or more or is entitled to receive 25% or more of the profits of the company (where that individual or entity holds (directly or indirectly) a participation of 25% or more in the company and one or more entities, all the entities concerned, including the company, will also be regarded as associated enterprises).

## **Value Added tax (VAT)**

VAT applies to goods and services. It is chargeable on taxable supplies of goods and services made in Mauritius by taxable persons in the course of or furtherance of their business. VAT is also payable on importation of goods into Mauritius, irrespective of whether the importer is taxable or not. The rate of VAT is 15% on a taxable supply or 0% on a zero-rated supply. Goods and services that are exported, and certain goods and services that are supplied on the local market, are zero-rated.

An entity must register for VAT if its turnover exceeds MUR6 million a year. However, certain service providers (for example, accountants and auditors, attorneys and barristers, consultants, surveyors and valuers) must register for VAT irrespective of their turnover.

VAT on the import of services and intangibles is collected through the reverse charge mechanism, that is, the person receiving the service from abroad accounts for VAT through a process of self-declaration and recognises both input and output VAT on the transaction.



A VAT registered person whose annual turnover of taxable supplies exceeds MUR10 million must submit monthly VAT returns and make the payment required.

A VAT registered person whose annual turnover does not exceed MUR10 million must submit quarterly returns and make the payment required. The quarters end on 31 March, 30 June, 30 September and 31 December.

## Stamp duty

Stamp duty is levied and paid to the Registrar General on the following:

- Document witnessing transfer of property: MUR700.
- Copies of documents witnessing transfer of property for transcription: MUR1,000.

27. What are the circumstances under which a business becomes liable to pay tax in your jurisdiction?

## Tax Resident

Income derived from Mauritius or elsewhere by business vehicles resident in Mauritius are subject to tax, with certain exceptions.

A company is considered resident in Mauritius if it is incorporated in Mauritius or it has its central management and place of control in Mauritius.

## Non-tax Resident

Income derived from Mauritius by business vehicles that are non-tax resident in Mauritius will be taxed in Mauritius, subject to the business vehicle qualifying for relief under a double tax treaty between Mauritius and the country where the business vehicle is tax-resident.

28. What is the tax position when dividends or profits are remitted abroad?

There is no tax on repatriation of profits and capital in Mauritius.

29. What thin-capitalisation rules and transfer pricing rules apply?

There are no thin capitalisation rules in Mauritius.

## Grants and tax Incentives

30. Are grants or tax incentives available for companies establishing a business in your jurisdiction?

Investment incentives are applied uniformly to both domestic and foreign investors. Mauritius is a low-tax jurisdiction and offers a number of other fiscal incentives, such as:

- Income tax rate of 15% (apart from for companies engaged in export of goods, which are taxed at 3%).
- 80% exemption in respect of specified foreign source income, provided that the relevant substance requirements are met by an entity.
- 100% foreign ownership is permitted in certain circumstances.
- No minimum foreign capital is required.
- No tax on dividends distribution.
- No capital gains tax.
- Free repatriation of profits, dividends, and capital.
- Accelerated depreciation on the acquisition of plant, machinery, and equipment.
- Exemption from customs duty on equipment.
- Direct cash incentives for employers involved in recruiting and training.
- Enhanced investment tax credit for investments in the textile sector.
- Extensive network of double tax avoidance treaties.
- An eight-year income tax holiday for:
  - companies set up on or after 1 July 2017 involved in innovation-driven activities, in respect of their income derived from intellectual property assets developed in Mauritius;
  - companies incorporated after 8 June 2017 engaged in the manufacture of medical devices, pharmaceutical and high-tech products;

- companies engaged in exploitation and use of deep ocean water for providing air conditioning installations, facilities and services;
  - a small company which qualifies under a scheme referred to in section 5A of the Small and Medium Enterprises Development Authority Act 2017, in respect of income derived from the activities relating to a project under the scheme referred to in section 5A of the Small and Medium Enterprises Development Authority Act 2017; and
  - an individual who sets up a new small enterprise on or after 2 June 2015, where the small enterprise is registered under the Small and Medium Enterprises Development Authority Act 2017 on or after 2 June 2015, and qualifies under a scheme referred to in section 5A of the Small and Medium Enterprises Development Authority Act 2017, in respect of the income derived from a project under that scheme.
- Exemption from corporate tax for a period of five income years from the income year in which a corporation was issued with any of the following licences (on or after 1 September 2016) by the FSC and subject to conditions set out under the Income Tax Act 1995:
    - a Global Treasury Activities Licence;
    - a Global Legal Advisory Services Licence;
    - an Overseas Family Office (Single) Licence; or
    - an Overseas Family Office (Multiple) Licence.

## Employment

31. What are the main laws regulating employment relationships?

The main legislation governing employment law in Mauritius is the Workers' Rights Act 2019 (WRA). The WRA was enacted to provide a modern and comprehensive legislative framework for the relationship between an employer and an employee in Mauritius

It provides for the terms of employment, including the benefits to which an employee is entitled, the procedures to be followed before the termination of an employment relationship and payment of severance allowance.

Where applicable, the WRA is read alongside the relevant regulations which are prescribed by the Ministry of Labour.

The WRA came into force by proclamation in the *Government Gazette* on 24 October 2019.

The provisions of the WRA relating to the "portable gratuity retirement fund" came into effect on 1 January 2020.

The WRA repeals the Employment Rights Act 2008 and has introduced major changes to the labour sector including:

- Amending the definition of "worker" to increase the threshold basic salary from MUR30,000 MUR50,000.
- Introducing conditions:
  - for contracts of determinate duration;
  - under which end of year bonuses are awarded and calculated.
- Requiring a compromise agreement to be vetted by an officer of the Ministry of Labour, the legal advisor of the workers or an officer or member of a registered trade union.
- Introducing new types of leave, including but not limited to juror's leave and leave to participate in international sports events.

Other legislation includes the:

- **Employment Relations Act 2008.** This governs trade unions, fundamental rights of workers and employers, collective bargaining, dispute resolution and related matters.
- **Equal Opportunities Act 2008.** This provides for the protection of employees against discrimination of whatsoever kind and places an obligation on employers to implement procedures to prevent discrimination in the recruitment process and at the workplace. It also establishes an Equal Opportunity Commission and an Equal Opportunities Tribunal for related matters.
- **Economic Development Board Act 2017.** This provides for, amongst other things, the conditions attached to occupation permits which are issued to foreign professionals, the procedures for obtaining such license and the applicable fees payable in respect of such licenses.
- **End of Year Gratuity Act 2001.** This is applicable to employees who are not governed by the WRA in respect of the end of year bonus provisions.
- **Remuneration Regulations issued by the Ministry of Labour, Human Resource Development and Training.** These set out additional employment rules in industries operating with specific needs.
- **National Wage Consultative Council Act 2016.** This provides for the establishment of the National Wage Consultative Council, which is responsible for making recommendations to the Minister of Labour on the introduction of the national minimum wage.
- **National Minimum Wage Regulations 2017 and National Minimum Wage (Amendment No. 2) Regulation 2019.** These set out, as applicable, the national minimum wage for every worker, including part-time workers.
- **Private Pensions Schemes Act 2012.** This sets out the regulatory framework for the operation of private pension scheme in Mauritius.
- **Non-citizens (Employment Restriction) Act 1973.** This provides for work permits for expatriates.
- **Occupational Safety and Health Act 2005.** This governs the duties of employers in respect of the safety, health and welfare of employees at work.

- **Recruitment of Workers Act 1993.** This governs private recruitment agencies.

32. What prior approvals (for example, work permits, visas, and/or residency permits) do foreign nationals require to work in your jurisdiction?

Foreign employees require a permit to be employed in Mauritius. There are two different regimes that apply, depending on the category of employment and the level of remuneration of the foreign employee. As a result, an employee will need either:

- A work permit and a residence permit.
- An occupation permit.

## Work and Residence Permit

An employer must apply for a work permit from the Ministry of Labour, Industrial Relations and Employment for foreign workers to be allowed to work in Mauritius. Work permits are issued by the Employment Division of the Ministry under the Non-citizens (Employment Restriction) Act 1973.

A foreign worker must be employed full time for a specific job to qualify for a work permit. There are various criteria that must also be met for a foreign worker to obtain a work permit.

A work permit is usually granted for a maximum period of four years. Foreign workers employed at managerial, supervisory or technical levels can be allowed to work for five years or more, subject to the conditions set out by the Ministry of Labour, Industrial Relations and Employment.

If an employer intends to employ a significant number of foreign workers, it must make a group application for work permits. Certain conditions set out by the Ministry of Labour, Industrial Relations and Employment apply, including maintaining a certain ratio of local employees to foreign workers.

On submission of an application for a work permit, an employer must pay a processing fee of MUR700 for each foreign worker. When the application is approved, the employer must also pay a work permit fee and an annual fee that varies depending on the nature of the work being carried out by the foreign worker.

In addition to a work permit, a foreign worker must hold a residence permit for the entire period of employment in Mauritius. An application for a residence permit is made simultaneously with the application for a work permit at the residence permit counter of the Employment Division of the Ministry of Labour, Industrial Relations and Employment.

## Occupation Permit

The occupation permit (OP) is a combined work and residence permit which allows a foreign national to work and reside in Mauritius under one of three specific categories:

- Investor.
- Professional.
- Self-employed.

**Investor.** An investor is a shareholder and director in a company incorporated in Mauritius under the Companies Act 2001. The investor must make an initial transfer of USD100,000 or its equivalent in freely convertible foreign currency in the bank account of the company under which the application is made. The business activity must have generated a cumulative turnover of at least MUR12 million during the three preceding years and with a turnover of at least MUR2 million per year.

**Professional.** A professional is an expatriate employed in Mauritius by virtue of a contract of employment. The professional must:

- Be employed by a company incorporated in Mauritius to deliver professional services.
- Earn a monthly basic salary of at least MUR60,000 (or at least MUR30,000 for professionals in the information and communications technology sector).
- Arrive in Mauritius with a business visa that is valid for at least 15 days.

A professional working for a period of less than one year in Mauritius may apply for a short-term occupation permit. Under the short-term occupation permit, a professional can work and reside in Mauritius for a period not exceeding nine months. This permit may be extended only once, for a period not exceeding three months.

**Self-employed.** A self-employed person is defined as a non-citizen engaged in a professional activity under the services section only and registered with the Registrar of Businesses under the Business Registration Act 2002. A self-employed person must:

- Operate a one-person business activity, working exclusively for his or her own account.
- Make an initial transfer of USD35,000 or its equivalent in freely convertible currency to his/her local bank account in Mauritius.

In addition, the business activity must have generated a cumulative business income of at least MUR2,400,00 during the three years preceding the application for the OP and have a business income of at least MUR600,000 per year.

An OP is issued for a maximum period of three years and at the expiry of that period, the permit holder can make a new application for an OP. The fees payable for an application for an OP will depend on the category of the OP and are as follows:

- Investor (new application): MUR20,000.
- Self-employed (new application): MUR20,000.
- Professional (in respect of a contract of employment of up to two years' duration): MUR15,000.

- Professional (in respect of a contract of employment of more than two years' duration, but not exceeding three years' duration): MUR20,000.
- Short-term occupation permit (for a period not exceeding nine months): MUR10,000.
- Extension of a short-term occupation permit (for a period not exceeding three months, which can only be extended once): MUR5,000.
- Dependents of a person applying for an OP: MUR5,000 per dependent.

## Young Professional Occupation Permit

A young professional occupation permit (YPOP) is an OP for foreign students who have completed at least an undergraduate degree in a tertiary education institution in Mauritius, and is issued by the Occupation Permit Unit of the Economic Development Board. A YPOP is issued for a period of up to three years depending on the duration of the relevant contract of employment. If the employer still requires the services of the individual holding a YPOP after the expiry of the three-year period, the employer can apply for an OP (under the "professional" category) on the individual's behalf.

In order to be eligible to apply for a YPOP, all of the following criteria must be fulfilled:

- The young professional must have completed at least an undergraduate degree in a tertiary education institution in Mauritius.
- The application must be submitted not later than six months after the date of publication of the undergraduate degree results.
- The application can only be made for work in the following fields:
  - artificial intelligence;
  - biotechnology;
  - Fintech;
  - robotics;
  - financial services;
  - information technology;
  - any such other field as may be approved.

The application fees for a YPOP depend on its duration and are as follows:

- Duration of not more than one year: MUR5,000.
- Duration of more than one year, but not more than two years: MUR7,500.
- Duration of more than two years, but not more than three years: MUR10,000.

Dependents of a person applying for an OP, work permit or YPOP can also apply for residence permits for a duration not exceeding that of the OP holder, work permit holder or YPOP holder (as applicable).

## Proposals for Reform

33. Are there any impending developments or proposals for reform that concern any of the issues covered in this Q&A?

**Fintech.** A Financial Services and Innovative Driven Regulatory Committee (Fintech Committee) was set up in February 2018 under the control of the FSC, to assess the current regulatory set-up in Mauritius in relation to Fintech and to make recommendations. The Fintech Committee identified three priority areas for regulation in Mauritius:

- Initial token offerings (ITOs).
- Custody services in relation to digital assets.
- Trading of digital assets.

The FSC has set up a regulatory framework for the custody of digital assets in Mauritius and **issued** the Custody Services (Digital Asset) licence under section 14 of the FSA and in accordance with the [Financial Services \(Custodian services \(Digital Asset\)\) Rules 2019](#), with effect from 1 March 2019.

The FSC has also issued Guidance Notes on Securities Token Offerings (STOs) to highlight the regulatory approach of the FSC in relation to STOs and on Security Token Trading Systems to provide for the implementation of a common set of standards for the licensing of Security Token Trading Systems in Mauritius.

In the **2019-2020** budget, the Honourable Minister announced a series of reforms to:

- Preserve jobs and livelihoods for the most vulnerable members of society.
- Rebuild the economy.
- Ensure an inclusive, robust and sustainable economic development.

The 2020-2021 budget aimed to minimise the adverse effects of the COVID-19 pandemic, in particular to preserve jobs and to provide financial assistance to companies to prevent them to go bankrupt. The objectives announced have, to a large extent, been achieved however, ongoing efforts in the recovery are continuing. The tourism sector will be closely monitored. With the opening of the borders in two phases, the country aims to receive some 650,000 tourists over the next 12 months. To this end, the Honourable Minister announced a significant boost to the Mauritius Tourism Promotion Authority.

**AML measures.** On 9 July 2020, the Government of Mauritius strengthened its framework against money laundering and the financing of terrorism by passing the Anti-Money Laundering and Combatting the Financing



of Terrorism (Miscellaneous Provisions) Act 2020, in its aim to align Mauritius with the recommendations of the Financial Action Task Force (FATF) and the EU Commission.

The country remains committed to fully comply with international AML-CFT requirements. The government is aiming to complete implementation of the FATF Action Plan and various measures including supervisory, regulatory and law enforcement were introduced to further strengthen the sustainability and effectiveness of the AML-CFT system. The following actions were undertaken:

- Relevant laws were amended to meet the requirements of the FATF Recommendations.
- New personnel were recruited to strengthen compliance capacity.
- Financial Crimes Divisions were set-up at the Supreme Court and the Intermediate Court to ensure that financial crime cases are dealt with expeditiously.

**Business incentives.** About sixteen different incentive schemes are expected to be streamlined under three new certificates issued by the Economic Development Board (EDB):

- **The Premium Investor Certificate** will allow companies investing at least Rs 500 million to benefit from negotiable incentives, upon recommendation of a Technical Committee and approval by the Minister.
- **The Investment Certificate** will allow companies investing in, amongst others, seafood, pharmaceutical, digital technology and healthcare biotechnology to avail from a number of tax incentives and holidays.
- **The Export Development Certificate** is aimed at companies exporting goods.

A Premium Visa Scheme has been introduced to encourage eligible foreigners to stay in Mauritius for at least one year, with the possibility of renewal. The holder of a Premium Visa who spends at least 183 days or more in the Republic of Mauritius, will be subject to income tax as follows:

- Mauritian-sourced income of a Premium Visa Holder (for example emoluments for work performed remotely in Mauritius) will be taxed on a remittance basis, that is in the same manner as foreign-sourced income.
- Money spent in Mauritius through foreign credit or debit cards by the holder of a Premium Visa will not be deemed to have been remitted to Mauritius.
- Income brought and deposited in a bank account in Mauritius will be liable to tax unless a declaration is made by the visa holder that the required tax has been paid on it in their country of origin or residence.

These amendments will be backdated to take effect as from 1 November 2020.

The above are among a series of contemplated changes expected to be passed into law in the Finance Bill 2021.

**Contributor profile**

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**Professional and academic qualifications.** Barrister, Mauritius; LLB, London School of Economics, 1978; LLM, London School of Economics, 1979

**Areas of practice.** Financial services; compliance; dispute resolution.

**Recent transactions**

- Advised as Mauritian Counsel to Cathay AfricInvest Innovation Fund LLC, a fund targeting investments in startups and ventures that leverage technology and innovative models to respond to socio-economic challenges.
- Advised as Mauritian Counsel to Encourage Solar Finance, L.P., a growth equity fund that intends to achieve long-term capital appreciation while catalysing rooftop solar finance for micro, small and medium-sized enterprises in India.
- Advised as Mauritian counsel to the Fund - Leapfrog Investments III.
- Acting as local counsel to a global BPO service provider in a USD200 million facility agreement with a major UK bank for the acquisition of the offshore captive BPO units of a NYSE listed insurance giant.
- Advising on a major railway venture in East Africa, structured as a joint concession of two African country railways involving investments from sovereign funds and governments.
- Advising a number of global investment funds and private equity funds.
- Advised as counsel to Peepul Capital Fund II LLC and Millennium Strategic Group Ltd in an appeal before the Judicial Committee of the Privy Council against VSoft Holdings LLC.

**Professional associations/memberships.** Middle Temple, Inn of Court, London; Mauritius Bar Association; International Tax Planners Association.

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