Doing business in Mauritius 2014
Introduction

The Moore Stephens International Doing Business In series of guides have been prepared by Moore Stephens member firms in the relevant country in order to provide general information for persons contemplating doing business with or in the country concerned and/or individuals intending to live and work in that country temporarily or permanently.

Doing Business in Mauritius 2014 has been written by Moore Stephens Mauritius. In addition to background facts about Mauritius, it includes relevant information on business operations and taxation matters. This Guide is intended to assist organisations that are considering establishing a business in Mauritius either as a separate entity or as a subsidiary of an existing foreign company. It will also be helpful to anyone planning to come to Mauritius to work and live there either on secondment or as a permanent life choice.

Unless otherwise noted, the information contained in this Guide is believed to be accurate as of 19 February 2014. However, general publications of this nature cannot be used and are not intended to be used as a substitute for professional guidance specific to the reader’s particular circumstances.

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We achieve this by providing sensible advice and tailored solutions to help our clients’ commercial and personal goals. Moore Stephens member firms across the globe share common values: integrity, personal service, quality, knowledge and a global view.

Mauritius, February 2014
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1. Mauritius at a glance

Geographical location and population
Mauritius is a tropical island with a surface area of 1865 square kilometres, situated in the Indian Ocean, approximately 2400 kilometres off the South East Coast of Africa. The country achieved independence in 1968 and became a Republic in 1992. The island is subdivided into nine districts. The capital city, Port Louis is the country’s main business centre.

The population is estimated at 1.3 million. It forms a mosaic of different races, cultures and religions since Mauritians are descendants of immigrants from the Indian sub-continent, Africa, Europe and China.

Language, religion and climate
Most Mauritians are multilingual, being fluent in French, English, Hindi, Mandarin and Mauritian Creole. The official languages are English and French.

The religions present in the Republic are Hinduism 52%, Roman Catholicism 28%, Islam 16%, Buddhism 2% and Adventist Protestantism 2%.

Mauritius has a tropical climate with temperature peaking up to 35 ºC in summer (October to April) and varying between 15-25 ºC in winter.

Politics and government
Mauritius is a Republic within the British Commonwealth. The democratic state is based on the Westminster model and separation of powers. There are 62 Members of Parliament, and elections are held every five years. The President is the head of the state but constitutional power is vested in the Prime Minister and the Cabinet of around 20 Ministers. The National Assembly is the supreme legislative body.

The main sources of law in Mauritius are the Constitution, the statutes (including regulations), the Criminal Code, the Civil Code, the Commercial Code, the Code of Civil Procedure, case law, and international treaties. Independence of the judiciary is guaranteed by the Constitution. The Supreme Court is the highest judicial authority but its decisions can be appealed to the Judicial Committee of the Privy Council of UK after seeking leave to appeal from the Supreme Court.

Currency, time zone, weights and measures
The Mauritian currency is the Rupee (MUR) which is divided into 100 cents. (1 USD = MUR 30 approx.).

Mauritius operates on the Greenwich Mean Time (GMT +4:00)

Mauritius does not observe daylight-saving time.
The country uses the metric system of weights and measures (km, kgs, etc).

Temperatures is expressed using Celsius scale.

**General economic outlook**

Mauritius is gradually transforming itself into a hub and an international jurisdiction for investors in search of security, transparent regulation and high value-addition. Over the years, the economy has been successfully metamorphosed following a smart shift from a mono-agricultural model to a diversified, innovation-driven and knowledge-based economy, underpinned by a broad spectrum of business activities. The country is equipped with a highly skilled labour force and excellent infrastructure. The Mauritian literacy rate hovers around 90%.

Mauritius is today an ideal investment location where businesses can start operations on the basis of self adherence to comprehensive and clear guidelines. Relevant authorities exercise ex post control to check compliance and facilitate investors to start business activities within three working days. The *World Bank 2014 Doing Business Survey* ranks Mauritius 1st in Africa and 20th in the world (out of 189 countries) for ease of doing business.

Furthermore, Mauritius is a member of various important international organisations as well as regional blocks and of greater importance, the island is one of the first African countries to be eligible under the *African Growth and Opportunity Act*.

The Mauritian economy has remained resilient in spite of the recession in the euro area that has weakened its external demand. The real GDP growth rate is forecasted at 4% for 2014 compared to 3.7% in 2013. The government of Mauritius is taking bold measures in order to improve economic growth. To further facilitate investment in Mauritius and attract foreign investors, a Fast Track Committee has been set up to expedite the processing of permits for all big impact projects. In addition, a centralised online system will radically improve the delivery of building and land use permits. Several concrete measures have also been announced to further ease the application process for Occupation and Residence Permits to foreigners and to boost small enterprises (SMEs).

New sectors have also been identified like developing an Aviation Hub, Marine Services Hub and Ocean Economy including mineral exploration and Green Economy. In the global financial services sector, the focus is mainly on strengthening the regulatory framework and a gradual convergence between global and domestic business to enable the former to increase dealings with residents.
2. Doing business

Main forms of business organisation

Introduction

There are a number of different types of business entity that can be used to operate in Mauritius.

The most common vehicle is a private company in Mauritius, of which there are variants. Other less popular options are trusts, foundations, partnerships, societes and sole proprietorships. Foreign companies are also allowed.

Companies

A Company is a separate legal entity incorporated under the Companies Act, 2001, which provides for several types and categories of public and private company. A company can be either a ‘domestic company’ or an ‘offshore company’ known as Global Business Company (GBC) in Mauritius. A Global Business Company is strictly protected by the laws of confidentiality in Mauritius.

A Public company:
- may have more than 25 shareholders
- may or may not be listed on the Stock Exchange of Mauritius
- directors over the age of 70 may be re-appointed yearly by ordinary resolution at AGM

A Private company:
- must not have more than 25 shareholders
- cannot make offers to the public to subscribe for its shares
- may impose restrictions on the transfer of shares
- may remove a director by special resolution subject to constitution

Forming a company

It is not complicated to set up a domestic company in Mauritius. A domestic company can be incorporated with a single shareholder, without a Constitution (M&A) and with no minimum paid-up share capital, within 3 working days. It is more complicated for a Category I Global Business Company (GBC1) or a Category 2 Global Business Company (GBC2) – also known as ‘offshore companies’ since enhanced due diligence is required by law and it can thus take at least 7 days for a GBC 2 and up to 3 weeks for a GBC 1 to be incorporated.

A company can be incorporated with a minimum nominal value, except for some specific sectors like Banking, Insurance, leasing companies among others which are required to maintain a high amount of unimpaired stated capital.

After incorporation all companies must have a registered office in Mauritius.

Directors, Shareholders and Secretaries

The Companies Act 2001 requires that all companies must have a minimum of one director who must be a natural person and resident of Mauritius at all times. However, a Category 2 Global Business Company (GBC2) may have non-resident directors – can be either a natural person or a corporate entity.

Shareholder(s) need not be necessarily be a resident of Mauritius.

Directors can be appointed by ordinary resolution of the shareholders.

A domestic company whose annual turnover exceeds or is likely to exceed MUR 50 Million and any GBC 1 must also appoint a qualified Company Secretary and a licensed auditor residing in Mauritius.
Types of Companies
A company may be:
• Company limited by shares
• A company formed on the principle of having the liability of its shareholders limited by its constitution to any amount unpaid on the shares respectively held by the shareholder

Company limited by guarantee
A company formed on the principle of having the liability of its members limited by its constitution to such amount as the Members may respectively undertake to contribute to the assets of the company in the event of its being wound up.

Company limited by shares and guarantee
A company formed on the principle of having the liability of its Members:
(a) who are shareholders, limited to the amount unpaid, if any, on the shares respectively held by them and
(b) who have given a guarantee, limited to the respectively amount they have undertaken to contribute, from time to time, and in the event of it being wound up

An unlimited company
An unlimited company is a company formed on the principle of having no limit placed on the liability of its shareholders.

Limited Life Company
A company formed for a fixed period of time, normally not exceeding 50 years.

Small Private Company
A ‘small private’ company is one with an annual turnover of less than 50 million rupees. It needs to file annual financial summary with the Registrar of Companies instead of audited financial statements.

Foreign Company
A ‘foreign’ company may establish a place of business in Mauritius. Registration is obtained from the Registrar of Companies upon submission of the prescribed documents and upon fulfilling criteria laid down in the Companies Act 2001, which includes the appointment of a local authorised agent and a registered office in Mauritius. Such companies are also required to prepare and file accounts on an annual basis.

Category I Global Business (GBC1) company
A GBC1 company is a corporation holding a Category 1 Global Business Licence issued by the Financial Services Commission (FSC) under the Financial Services Act 2007.

Provided they demonstrate that their ‘effective management and control’ is in Mauritius, Category 1 Global Business Companies are regarded as tax resident in Mauritius and can take advantage of Double Taxation Avoidance Treaties (DTAs) between Mauritius and other countries.

DTAs normally provide for a preferential rate of withholding tax on payments (e.g. dividends, interest, royalties, technical and other fees) made by investees in the “DTA country” to the GBC1. A GBC 1 must have at least 2 resident Directors to benefit from DTAs.

GBC1 are taxed at 15% less tax credits such that the effective tax rate is a maximum of 3%. They are not subject to Capital Gains Tax (CGT), as there is no CGT in Mauritius.
**Category 2 Global Business company (GBC2)**

A GBC 2 company is a company holding a Category 2 Global Business Licence issued by the Offshore Authority and conducting an approved global business activity (excluding financial services) only with non-residents. A GBC 2 is not required to have resident Directors in Mauritius nor to hold board meetings.

The GBC2 company is a low cost vehicle and is not considered as tax resident in Mauritius. A GBC 2 cannot benefit from the DTA network but is completely exempt from taxation in Mauritius.

**Protected cell company (PCC)**

The Protected Cell Company Act 1999 enables GBC 1 companies to create cells in order to provide additional opportunities, flexibility and security for international investment structuring. A PCC is a single legal entity with the ability to create one or more cells for the purpose of segregating and protecting cellular assets. As a result, the rights of creditors are limited to the assets of the cell of which they are creditors. Also, special winding up procedures are provided in the PCC Act which protect contagion of solvent cells by insolvent ones.

PCC can do only a limited number of activities e.g. collective investment funds, insurance, structure finance and asset holding. No minimum capital requirement is imposed for the PCC and for each cell within the PCC, except where imposed by the FSC for specific businesses like insurance.

A PCC is managed by its Directors. The same Directors of the ‘cell company’ must be the Directors of the individual cells since the cells have no separate legal entity. However, the management may be transferred or shared through a management contract with an Investment Manager like in the case of investment funds and of course each cell can appoint its own Managers or advisors. Each cell shall have a separate Constitution (M&A) or agreement and its own cell members. Consolidated accounts are filed with the FSC whilst there is an option to file either consolidated or individual cellular accounts with the Mauritius Revenue Authority.

**Other types of business entity that can be used to operate in Mauritius**

**Trust**

The legal framework for trusts are contained in the Trusts Act 2001. Various types of trusts may be set up by residents and non-residents in Mauritius such as charitable, discretionary, purpose and assets protection trusts. Trusts do not require formal registration thus providing absolute confidentiality. Flexibility is provided under the Trust Act in determining the applicable governing law. A Trust must have at least one resident ‘qualified trustee’ e.g. a management company or a lawyer.

**Foundation**

A foundation is a vehicle which enjoys legal personality and which fulfils similar functions as those of a trust, but with the administrative flexibility of a company. It is mostly used in wealth management, estate planning and asset holding and is the civil law answer to the trust. The foundation acts through its Council, which is a body charged with the administration of the foundation's assets and the attainment of its objects. The foundation can only acquire legal personality when it is registered with the Registrar of Foundations and has obtained a certificate of registration.

**General Partnerships**

The general partnership in Mauritius is governed by the (Code de Commerce) and is known as the (Societe en Nom Collectif). Partners may be individuals or companies. In a general partnership, a partner's liability is unlimited. Partnerships are common for professional service firms. General partners are jointly and severally liable for the limited partnership's debts and obligations.
Limited Partnership
The limited partnership (LP) in Mauritius is governed by the Limited Partnerships Act 2011. Limited partnerships are more flexible than companies, and are therefore significantly more attractive to investment vehicles such as private equity funds and joint ventures. The general partners may elect that the partnership has a legal personality.

Partners of a limited partnership may be individuals or companies. It must have at least one general partner and one limited partner. The general partners are jointly and severally liable for the LP’s debts and obligations and the limited partners are liable only to the extent of their agreed contributions, unless they participate in the management of the limited partnership. Any registered LP can elect for its income to be taxed in the hands of the partners rather than be treated as a taxable entity in its own right.

Sole Proprietorship
A sole proprietorship is the simplest and most common structure chosen to start a business in Mauritius, where the business is not registered under the Companies Act 2001. However, these businesses must apply for a Business Registration Number (BRN) under the Business Registration Act 2002. The sole trader has unlimited liability.

Collective Investment Schemes (CIS)
Mauritius is recognised as a leading regional centre for Collective Investment Schemes and their administration, for risk diversification and investment, particularly in Indian, Asian, Middle East and African countries. CIS normally includes closed-end funds.

CIS registered with the Financial Services Commission (FSC) in Mauritius are commonly structured as companies incorporated under the Companies Act 2001 and licensed by the FSC as a company holding a Category 1 Global Business Licence under the Securities Act 2005. CIS can also be a trust or any other legal entity approved by the FSC. The Securities Act permit establishment of open and closed ended funds, retail, professional, hedge and venture capital funds. Unit trust, partnership schemes and foreign recognised schemes may be registered in Mauritius. The Funds can be structured as two tier funds, or increasingly as single tier funds. Funds may also be established as protected cell companies. The FSC may also recognise a CIS established in a foreign country subject to certain conditions.

The FSC generally wishes to satisfy itself that, as far as possible, substance and ‘central administration’ is in Mauritius. To this end, the Fund must have a local administrator, a local custodian, a local auditor, at least 2 local directors, local Company Secretary, hold Board meetings chaired from Mauritius and Net Asset Value (NAV) calculated locally. The above does not exclude the possibility of the Fund obtaining assistance for the management of its assets from an investment adviser established overseas, nor does it prevent management decisions in relation to investment and disinvestment being executed overseas.
Cessation of business

The Insolvency Act 2009 is a comprehensive piece of modern legislation covering liquidation procedures, receivership, bankruptcy process, voluntary administration, netting arrangements and cross-border insolvency. A company can be either wound-up by a liquidator or apply to be ‘struck-off’ from the register with the Registrar of Companies. A company which has been struck-off can be restored upon application by a stakeholder or creditor. Voluntary shareholder winding-up is allowed if the company is solvent. Clearance from the tax authorities is mandatory before winding-up a company. A Director who believes that the company is unable to pay its debts as they fall due has a duty to call a board meeting to appoint a liquidator or administrator, failing which he may be personally liable for losses suffered by the creditors.

Labour relations and working conditions

Employment Market

Mauritius has a very rich, talented and diversified pool of workforce. All Mauritians are bilingual, speaking and understanding English and French well thus making them easily adaptable with foreign employers. The island has a workforce of about 610 000 for a population of just above 1.2 million. Unemployment rate historically averages at around 7-8%. Mauritians in general are well educated people and especially the younger generations are mostly degree holders. With free secondary education and affordable tertiary education accessible to almost everyone, 3000-4000 new graduates are joining the already saturated labour market annually. In the current difficult global economic conjecture, it is hard for the market to absorb all these graduates.

On the other hand, the rapid growth of manufacturing jobs has created labour shortages in the agricultural and manufacturing sectors and as a result, Chinese, Bangladeshi and Indian workers have been brought in by many textile factories as well as some other industries in the manufacturing sector. There is also room for highly qualified foreign professionals and for foreign investors to create jobs, live and work in Mauritius under the ‘Live and Work’ in Mauritius schemes.

The economic competitiveness has laid a high level of emphasis on human resources and the need for a productive workforce. This has encouraged companies and the Government to implement policies, which will create a motivated and productive workforce, particularly at a time when the country is undergoing a major restructuring towards services and knowledge-based growth.

Employment legislation

The main piece of legislation governing employment rights in general is the Employment Rights Act 2008 as amended. However, employment rights for some specific workers in the private sector are primarily governed by ‘Remuneration Orders’ (RO) which is a sort of by-laws recently revised. The old Labour Act 1975, though repealed, still applies to workers who were employed before year 2009.

Employees’ rights and conditions in Mauritius are protected by a comprehensive legal framework summarised as follows:

- Limitations on hours of work (normal working hours is 45 per week)
- Sickness pay (minimum 15 working days’ sick leave on full pay)
- Maternity leave and pay (12 weeks)
- Paternity leave and pay (5 days)
- Annual leave (20 days and 2 optional leave)
- Rights to health and safety at work
- A national minimum wage (for workers in specific industries only)
- Grievance and disciplinary procedures
- Protection against unfair dismissal (rules of natural justice)
- Notice of Termination (normally 30 days or as is specified in contract)
- Redundancy procedures (prior approval from Ministry of Labour required)
• Retirement Age (65 years)
• Workfare Programme (Transition Unemployment Benefit payable by the Government upon lost of employment)
• Recycling Fee: (fees paid by employer to Government when terminating employment)
• Gratuity on retirement or at death (15 days’ remuneration for every period of 12 months in continuous employment

Trade unions
Industrial and trade unions relations are governed by the Employment Relations Act 2008. Freedom of association is also enshrined in the Constitution of Mauritius. Thus, every worker has a right to establish or join as a member, a trade union of his/her own choice, without any prior authorisation from the employer.

Strikes are very rare in Mauritius. Yet, every worker has a right to strike provided that a strike ballot has been taken and notice of strike given to the Ministry of Labour, Industrial Relations and Employment.

Social Security and Pensions
The National Pensions Scheme (NPS) is based on a two-tier system in which Government finances payment of the universal basic pensions whilst earnings-related contributory benefits are paid to insured persons (employees) or their dependents, on basis of contributions paid to the scheme by the employees and their employers. Every employer has to pay in respect of every employee a monthly amount of 6% of the basic wage or salary of every employee, aged between 18 and 65. (Please refer to Chapter 9 ‘Social Security Contribution’ for more details.)

Work permits, visas, etc
Nationals of most countries do not require a visa prior to travelling to Mauritius for example Commonwealth and European Union countries. The visitor should hold a passport with a minimum validity of 6 months, a valid return ticket and sufficient funds to meet the costs of stay in Mauritius.

The government has relaxed the law and introduced the ‘Occupational Permit’ (OP) and ‘Permanent Residence’ (PR) to allow foreigners to live, work or invest in Mauritius, subject to certain conditions are met by the foreign applicant. Qualifying non-citizens include Investors, professionals, self employed persons, retired persons and buyers of luxurious villas under the Integrated Resort Scheme (IRS) and the Real Estate Scheme (RES). An OP is granted for 3 years normally whereas a PR is granted for 10 years and both are renewable at the discretion of the authorities if conditions are met. An OP may be converted into a PR after 3 years if certain criteria are met. Holders of a permanent residence permit are also eligible to acquire an apartment for residential use.

The table below sets the minimum qualification levels for OP and PR:

<table>
<thead>
<tr>
<th>Category</th>
<th>Min. Criteria for OP</th>
<th>Min. Criteria for PR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor</td>
<td>Min. Investment of USD 100 000 in a ‘qualified business’ Annual Turnover &gt;Rs 4m</td>
<td>Annual turnover &gt; Rs 15m for last 3 years or Min. Investment of USD 500 000 in a ‘qualified business’</td>
</tr>
<tr>
<td>Self Employed</td>
<td>Min. Investment of USD 35 000 Annual Income &gt; Rs 600 000</td>
<td>Annual income &gt; Rs 3 m for last 3 years</td>
</tr>
<tr>
<td>Professional</td>
<td>Monthly Salary &gt;Rs 45 000 Properly qualified/experienced</td>
<td>Monthly Salary &gt; Rs150 000 for last 3 years</td>
</tr>
<tr>
<td>Retired</td>
<td>USD 40,000 per annum</td>
<td>USD 40 000 per annum for last 3 years.</td>
</tr>
<tr>
<td>Any person</td>
<td>N/A</td>
<td>Acquisition of an IRS/RES villa for min. USD 500 000</td>
</tr>
</tbody>
</table>

(1 USD = Rs 30 approx.)
Non-citizens who do not meet the criteria for an Occupation Permit must apply for work and residence permits from the Ministry of Labour, Industrial Relations and Employment and the Passport & Immigration Office, before they can take up employment in Mauritius. The job must also be advertised in the local papers. The work permit process normally takes four to six weeks in clear cut cases. A Work Permit is normally valid for one year and renewable on a yearly basis at the discretion of the authorities.

The law has been considerably relaxed recently authorising foreigners who meet specific criteria to acquire an apartment in Mauritius for residential purposes but without necessarily obtaining Permanent Residence. Foreign nationals can acquire an apartment in a building block of ground + 2 at least floors if they are a holder of:

• An Occupation Permit as Investor investing more than USD 100,000.
• An Occupation Permit as Professional provided the monthly basic salary is above USD 3000.
• A Residence Permit as Retired Non Citizen and subject to an initial transfer of USD 120,000 being effected at time of application of his/her Residence Permit.
• A Permanent Residence Permit Holder – all categories (refer to Table above).
3. Finance and investment

Business Regulation
The Government has been constantly reviewing all regulated business activities with a view to streamlining and simplifying business licensing processes in order to eliminate bottlenecks and to implement process based licensing systems.

The business climate is friendly yet extremely competitive. The World Bank 2014 Doing Business Survey ranks Mauritius 1st in Africa and 20th in the world (out of 189 countries) for ease of doing business.

Business registration
Any individual or body corporate or trade name conducting a business in Mauritius must register the business with the Registrar of Companies which will then issue a Business Registration Card (BRC) which will bear a business registration number (BRN) and which must be cited in all invoices and receipts. It is an offence to do business without a BRC under the Business Registration Act.

Trade licence
All businesses in Mauritius must apply for a Trade Licence with the relevant local authority and the Trade Licence is renewed annually upon payment of the relevant trade licence fee.

Industry specific regulations
Relevant authorities may have their own specific regulations and requirements, for example: Agro-Industries, Creative Industries, Financial Services, Healthcare & Life Sciences, Hospitality & Property Development, Information Technology, Manufacturing & Light Engineering, Renewable Energies & Environment, Freeport, Seafood & Aquaculture.

Building Regulation
Any building or premises used/rented to conduct business must comply with the provisions of the Building Regulations which contain detailed and technical provisions as to building requirement. Clearance may also be required from the Fire Services and Health/Hygiene Department. Also, much emphasis is nowadays being added on any adverse environmental impact (Environment Impact Assessment) that any business or development may have.

Restriction by foreigners to own immovable property
Except for the Integrated Resort Scheme and Real Estate Scheme, non-citizens of Mauritius are not allowed to acquire immovable property in Mauritius for business or residential purpose unless prior authorisation is sought from the relevant authorities. Application is dealt on a case to case basis.

Anti-monopoly
The Competition Act 2007 established a competition regime in Mauritius under which the Competition Commission of Mauritius (CCM) was set up and which is empowered to investigate any anti competitive behavior by businesses.

Anti-dumping
The Trade (Anti-dumping & Countervailing Measures) Act was enacted in 2010 to protect the domestic industry against the negative effects of dumped and subsidised imports.
Consumer Protection
The Fair Trading Act of 1979 provides for better control of trade practices and related matters, e.g. no trader shall mislead or confuse consumers.

Export Regulations
Certain goods destined for export may sometimes require an Export Permit. A ‘VISA’ Certificate will be further required for exportation to USA. A EUR1 Certificate duly approved by the Origin Unit of the Industry Section is required for exportation to the EU Member States for eligibility to Preferential Treatment.

Intellectual Property Rights
The Patent, Industrial Designs and Trademarks Act 2002 and the Copyright Act 1997 are the main legislation governing intellectual property rights and both legislations are compliant with international conventions. There is an Industrial Property Office with a Controller to whom all applications are made.

A trademark registered in Mauritius is valid for 10 years and is renewable every 10 years thereafter upon payment of prescribed fees on the 10th anniversary. Registration of a trademark in Mauritius gives protection only in the territory of Mauritius.

A patent shall expire 20 years after the filing date of the application for the patent. In order to maintain the patent or patent application, a prescribed annual fee is payable to the Controller for each year, failing which the patent or application will be deemed to have lapsed. The rights conferred by the patent is limited to the territory of Mauritius. Some inventions cannot be patented.

Industrial Design can be registered for a period of 5 years from the filing date of the application for registration and renewable for another period of 5 years. The registration of any industrial design may be renewed for 2 further consecutive periods of 5 years upon payment of a prescribed fee.

The Copyright Act guarantees protection of the economic and moral rights of the author of artistic, literary and scientific works and this protection is not subject to any formalities. Economic and moral rights relating to the work of an author is protected during his lifetime and 50 years thereafter, while the rights relating to a photographic work is protected until the expiry of 25 years from the making of the work. Economic right is transmissible. The Protection against Unfair Practices (Industrial Property Rights) Act 2002 also provides for protection against unfair practices involving use of a trademark, trade name, a business identifier, the appearance of a product, the presentation of products and services.

Banking and local finance
The Mauritian banking industry is robust and well regulated by the Central Bank. There are both local and international banks offering a range of banking and financial products. Besides traditional banking facilities, banks offer card-based payment services, such as credit and debit cards internet banking and phone banking facilities. Specialised services such as fund administration, custodial services, trusteeship, structured lending, structured trade finance, international portfolio management, investment banking, private client activities, treasury and specialised finance are also offered by banks. The international banks offer a wide range of global banking and financial services to corporate, institutional and private clients. Some of the biggest and most reputable international banks are present in Mauritius and actively carry out international cross border activities.

As far as data protection is concerned, banks are under the duty to guarantee strict confidentiality unless required by law to disclose. Bank accounts may be opened in all major foreign currencies and Mauritian rupees.

Other sources of business finance
While banks are the most common source of business financing, businesses may also consider other sources of finance from non-banking financial institutions such as insurance companies, pensions funds, unit trusts, mutual funds, venture capital companies and leasing companies.
The Stock Exchange of Mauritius (SEM) is buoyant and is also open to foreign investors who may benefit from numerous incentives such as free repatriation of sales proceeds and the absence of both withholding tax on dividends and tax on capital gains.

**Exchange controls**
Foreign exchange controls were abolished in 1994, but any repatriation of foreign investment and the profits is always subject to Anti-money laundering checks. The current legislation to deal with the risks of money laundering is the Financial Intelligence and Anti-Money Laundering Act 1992 (FIAMLA).

**Incentives to investment**
Mauritius offers exciting business opportunities and incentives in the following sectors such as Agro-Industries, Creative Industries, Financial Services, Healthcare & Life Sciences, Hospitality & Property Development, Knowledge, Logistics & Distribution Services, Manufacturing & Light Engineering, IT & BPO, Renewable Energies & Environment and Seafood & Aquaculture.

Non-tax incentives available to businesses operating in Mauritius include:
- Streamlined procedures for issuance of permits and licences
- Excellent infrastructure and trans-shipment facilities
- Free repatriation of profits
- No exchange control
- Streamlined procedures for the recruitment of expatriates and foreign labour
- Various residency schemes for investors and professionals
- Competitive operational costs
- Investment Promotion Agreements signed with various countries to facilitate trade
- Preferential access to COMESA and SADC Market, US Market (through AGOA) and EU Market
- 50% of the re-export value can be sold on the local market for a company operating in the Freeport sector
- Modern Freeport and logistics facilities
4. The accounting & audit environment

Accounting regulations
The accounting profession in Mauritius is regulated by the Mauritius Institute of Professional Accountants (MIPA). Professional accountants are required to be registered with MIPA. To be eligible, they must be members of one of the accountancy bodies listed under the Financial Reporting Act 2004 or any other body authorised by the MIPA Board.

As per the requirements of the Companies Act 2001 and Financial Reporting Act 2004, all companies, except those exempted, have to prepare financial statements in accordance with International Financial Reporting Standards (IFRS). There are specific requirements for financial institutions, who have to comply with the provisions of the Banking Act 2004.

Audit requirements
Statutory audits of financial statements are mandatory for the following categories of companies:

- Large companies, i.e. those having an annual turnover of over MUR 50 million
- Public Interest Entities (PIEs), as defined by the Financial Reporting Act 2004
- Financial Institutions, as defined by the Banking Act 2004
- Category 1 Global Business Companies (GBC1)

The auditing profession in Mauritius is regulated by the Financial Reporting Act 2004. As per the requirements of the Act, statutory audits have to be carried out in accordance with International Standards on Auditing (ISA). To be eligible to undertake public practice, professional accountants must satisfy the experience and other criteria set by MIPA, following which application has to be made to the Financial Reporting Council (FRC) for Auditor's License.
5. Overview of tax system

Main taxes
The administration of Income Tax is governed by the Income Tax Act 1995. In Mauritius, taxes are applicable to all companies, individuals, expatriates, foreign investment entities and foreign enterprises doing business. The five common taxes are: taxes on income, taxes on property, taxes on goods & services, taxes on international trade and other taxes.

Taxes on income include both individual and corporate income; taxes on property comprise mainly registration duty and land transfer tax; taxes on goods and services are broad based and cover Value Added Tax, excise duties on specific goods, gambling taxes, taxes on air tickets. Taxes on international trade relate to customs duties whilst other taxes include special levies on banks, telecommunications, environment protection fee, etc.

The principal taxes in Mauritius are:
Taxes on income:
• Individual income tax
• Corporate Income Tax

Taxes on property:
• Registration duty on transfer of immovable property, shares, vehicles
• Land transfer tax
• Campement tax
• Land conversion tax
• Urban property tax

Taxes on goods & services:
• General taxes on goods and services – Value Added Tax
• Taxes on specific goods – Excise duties on spirits, tobacco, motor vehicles, petroleum product, pet bottles
• Taxes on specific services (air tickets, messaging services) and gambling

Taxes on international trade & transactions – Customs duties

Other Taxes:
• Environment Protection Fee
• Special Levy on Bank and Telecommunication Companies
• Advertising Structure Fee
• Corporate Social Responsibility Levy

Tax authorities
The Mauritius Revenue Authority (MRA), as an agent of the State, is responsible for the collection of taxes and management, operation and enforcement of revenue laws in Mauritius.

Appeals
Where a taxpayer is not satisfied with an assessment made by the tax authorities, he may object to the assessment by filing in an approved form. The tax authorities have 4 months to deal with the objection. Upon determination of the objection, the taxpayer may appeal to the Assessment Review Committee if he is aggrieved by it. The taxpayer may then appeal to the Supreme Court and eventually to the Privy Council if still dissatisfied.
6. Taxes on business

Corporate Income Tax
Scope and Extent
A resident company is subject to taxation on its worldwide income whereas a non-resident company is taxable on its Mauritian sourced income only.

Company residence
A company is resident if it is incorporated in Mauritius or its central management and control is in Mauritius. ‘Central management and control’ is taken to mean the place where the highest level of decision-making in the company takes place, rather than where the day-to-day management is carried on. This will normally be where the board meetings are chaired.

Taxable entities
Companies, Trusts, Trustees of Unit Trust Schemes and Non-resident societes (Partnerships). Trusts, Trustees of unit Trust Schemes, Foundations and all bodies corporate are treated as companies for tax purposes.

Taxable income
Taxable income is computed by deducting from non-exempt gross income all allowable deductions. Any expenditure or loss is deductible from gross income to the extent to which it is exclusively incurred in the production of the gross income, unless it is specifically treated as non-allowable. Non-allowable expenses include items of a capital or private nature, general provisions, entertainment, gifts and expenditure incurred in the production of exempt income.

All companies are required to prepare accounts on the accruals basis.

Exempt income
Dividends received from a company resident in Mauritius, interest and royalties received by a non-resident from a corporation holding a Category 1 or Category 2 Global Business Licence are exempt from tax in Mauritius. Any gain or profit derived from the sale of units or securities by a company holding a Category 1 Global Business Licence or in a company holding a Category 1 Global Business Licence is also exempt income.

Capital gains
No tax is imposed on capital gains in Mauritius.

Deductions
The general rule for the deductibility of expenditure for corporate tax purposes is that the expense must have been incurred wholly and exclusively in the production of income.

An annual allowance of 5% of cost is allowable on capital expenditure incurred on the acquisition of industrial and commercial premises. Annual allowances at prescribed rates up to a maximum of 50% are allowable on the acquisition of plant or machinery, agricultural improvements, scientific research, the setting up of golf courses etc.

Foreign source income
Foreign source income is defined as income which is not derived from Mauritius and includes income derived, for example dividends, interest and royalties, by a corporation holding a Category 1 Global Business Licence from its transactions with non-residents or its transactions with other corporations holding a Global Business Licence. It also includes income derived by a bank from its banking transactions with a non-resident or with a corporation holding a Global Business Licence.
Residents of Mauritius are eligible to a tax credit in respect of foreign tax paid on their foreign income. The foreign tax credit includes tax sparing credit.

**Dividends, interest and royalties**
Royalties paid by a resident company in Mauritius other than a Global Business Company and interest paid to a non-resident are subject to withholding tax at the rate of 15%. Royalties payable to a resident is subject to withholding tax at 10%. There is no withholding tax on dividends paid by a resident company.

Dividends paid by a Mauritius-resident company to resident shareholders are exempt from income tax.

Foreign dividends are taxable but a credit can be claimed for withholding tax and underlying tax charged on profits out of which dividends are paid.

**Group taxation**
In Mauritius, companies forming part of a group are taxable on an individual basis. A tax return has to be filed for each company. For that purpose, losses cannot be transferred to and from group companies.

Gain on assets transferred between group companies is treated as a capital gain. Capital gains are not taxable in Mauritius.

**Losses**
Losses arising in the production of gross income can be carried forward and offset against net income derived in the following five income years. The time limit of five years does not apply where the loss is attributable to annual capital allowances.

**Withholding taxes**
In Mauritius, withholding taxes, in the form of Tax Deducted at Source (TDS), is applicable as follows:

<table>
<thead>
<tr>
<th></th>
<th>Residents</th>
<th>Non-residents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Companies</td>
<td>Individuals</td>
</tr>
<tr>
<td>Interest</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Royalties</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Rent</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Contract</td>
<td>0.75%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Services</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Payments made by central government or local authority for procurement of goods/services</td>
<td>1−3%</td>
<td>1−3%</td>
</tr>
</tbody>
</table>

There are no withholding taxes on dividends.

There is no tax on royalties and interest payable by GBC1 companies to non-residents.

**Thin capitalisation**
There are no thin capitalisation rules in force in Mauritius.

**Transfer pricing**
There is no formal transfer pricing legislation in Mauritius. However, all transactions should be undertaken at arm's length.
The tax authorities may adjust the liability of a taxpayer where it considers that a transaction has not been entered into or carried out by persons dealing at arm’s length.

**Controlled foreign company (CFC) rules**

Control Foreign Company (CFC) rules have not yet been implemented in Mauritius.

**Tax incentives**

Mauritius is neither a tax-haven nor does it offer tax holidays. However, the tax regime in Mauritius is a simplified system with relatively lower tax rates compared to other jurisdiction. Some of the tax incentives are as follows:

- The corporate tax rate of a domestic company is at a low rate of 15%.
- A GBC 1 pays a net effective tax rate of 3% only.
- A GBC 2 is exempt from all forms of taxation.
- A ‘Freeport company’ is fully exempt from taxation.
- There is no capital gains tax.
- There is no withholding tax on dividends, interest and royalties.
- There are no inheritance tax, estate duty or gift taxes.
- No exchange controls; dividends and capital can be freely repatriated.

**Taxation of foreign operations**

Foreign tax creditable against Mauritius tax may be computed either by reference to each item of foreign source income separately or by reference to all foreign income. A company holding a Category 1 Global Business License (GBC 1 company) is entitled to claim a credit for the greater of the actual foreign tax incurred or a deemed foreign tax credit equivalent to 80% of the Mauritius tax payable, giving a maximum effective tax rate of 3%.

A Company holding a Category 2 Global Business Licence is exempt from tax in Mauritius. It is considered as non-resident for treaty purposes and is thus not covered by any Double Taxation Agreement concluded by Mauritius, except for exchange of information purposes, if the agreement so provides.

**Tax Rate**

The corporate tax rate is 15%.

**Simplified taxation**

There are no forms of simplified taxation in Mauritius.

**Assessment procedure**

The self-assessment system is applicable in Mauritius. The tax authorities only issue assessments following formal tax queries.

**Returns and payments**

Tax is payable in a year on income of the preceding year. The tax year is the calendar year to 31 December.

The deadline for filing tax returns and for payment of tax on a self-assessment basis is six months from the end of the month in which the accounting period ends. Penalties and interest are imposed for late submission of tax returns and late payment of tax.
**Alternative minimum tax (AMT)**

An alternative minimum tax is payable by a company paying dividends in a year where its tax payable in accordance with normal rules is less than 7.5% of its book profit. The alternative minimum tax is however equal to the lower of 7.5% of accounting profits or 10% of dividends declared for the relevant year is imposed.

**Advance payment system (APS)**

Companies, including GBC1 companies, are required to submit quarterly returns of income (APS statements) to the tax authorities and at the same time pay any tax as per the APS statement. The deadline for filing the quarterly APS statement is three months from the end of the relevant quarter.

**Corporate social responsibility (CSR)**

With the exception of GBC1 companies and banks (in respect of banking transactions with non-residents or GBC1 companies), all profitable companies, including trusts and non-resident partnerships, are required to contribute 2% of the chargeable income of the previous year towards CSR. The due date for payment is six months after year end to Mauritius Revenue Authority.

**Appeals**

The system for appeals against assessments and decisions of the tax authorities is the same for companies as for individuals (see chapter 5).

Consolidated returns for groups of companies are not permitted. Each company must file a return separately.

**Value added tax**

Value Added Tax (VAT) is a tax on goods and services. It is chargeable on all taxable supplies of goods and services made in Mauritius by a taxable person in the course or furtherance of any business carried on by him.

VAT is also payable on the importation of goods into Mauritius, irrespective of whether the importer is a taxable person or not. If a person is in business he becomes a taxable person as soon as his annual taxable supplies exceed 4 million rupees. However, if he is engaged in a specified business or profession, the threshold of 4 million rupees does not apply to him and he must charge and account for VAT on all his supplies. The rate of VAT is 15% but some supplies are zero-rated and others are exempt.

A taxable person may take credit for input VAT suffered on expenses used to make taxable supplies.

**Taxable entities**

A taxable person is a person who is registered for VAT or a person who is required to be registered.

Where the annual taxable turnover reaches or is likely to reach 4 million rupees per annum, or where a person is engaged in certain specified activities or professions, registration becomes compulsory. A person who has been discharging his obligations under the revenue laws may apply for voluntary registration.

**Taxable activities**

A taxable supply is a supply of goods, or a supply of services which are performed or utilised, in Mauritius and which is subject to VAT. A taxable supply includes a supply which is zero-rated, but it does not include an exempt supply.

**Exempt supplies**

An exempt supply is a supply of goods or services which are specifically exempted from the payment of VAT. A person who makes only exempt supplies cannot register for VAT. Some of the exempt supplies include basic foodstuffs, pharmaceutical products, medical, hospital and dental services educational and training services.
Standard, reduced and zero rates
In general, all goods or services which are exported are zero-rated. In addition, certain goods and services which are supplied on the local market are specifically zero-rated, for example: Meat (pork, beef, mutton etc.), fresh or frozen, Canned or preserved meat and fish, Sausages, Milk, buttermilk, curdled milk, Butter, Cheese and curd, Tea, Spices and Rice.

Registration
A person has to apply for compulsory registration of VAT in any of the following circumstances:
• If in the course or furtherance of his business he makes supplies taxable at the standard rate of 15% and the turnover of the taxable supplies exceeds or is likely to exceed Rs 4 000 000 per annum.
• If he is engaged in any of the specified businesses and profession (for e.g. accountants, auditors, advisers and consultants, architect, lawyers).

Returns and payments
A return has to be submitted within 20 days (for manual returns) or 30 days (for electronic returns) from the end of the month or quarter to which it relates.

A VAT registered person whose annual turnover of taxable supplies exceeds Rs 10 million has to submit monthly VAT returns.

Where the annual turnover does not exceed Rs10 million, he has to submit quarterly returns. The quarters end on 31 March, 30 June, 30 September and 31 December.

Where the output tax exceeds the input tax, the difference representing VAT payable has to be paid at the time the return is submitted.

Other Taxes on business
• Environment protection fee
• Special levy on banks and telecommunication companies
• Solidarity levy on hotels
• Advertising structure fee
• Corporate social responsibility levy
• Excise and customs duties on particular products
7. Personal taxation

**Income Tax**

**Territoriality and residence**

A person resident in Mauritius is liable to taxation on the worldwide income derived by that person.

A non-resident is taxed on income derived from sources in Mauritius. However, all income derived from overseas by an individual resident in Mauritius is taxable to the extent it is remitted to Mauritius.

A person is considered to be resident if he has his domicile in Mauritius unless his permanent place of abode is outside Mauritius or has been present in Mauritius in an income year for a period of, or an aggregate period of, 183 days or more or has been present in Mauritius in an income year and the two preceding income years for an aggregate period of 270 days or more.

**Persons liable**

Individuals are liable to income tax depending on their residence status as considered above.

Resident partnerships are transparent for tax purposes and their profits are therefore taxable in the hands of the partner. If the partner is an individual, income tax will be payable on that partner's share of any profits.

A registered Limited Partnership can elect for its income to be taxed in the hands of the partners.

**Structure of income tax**

Taxable income includes employment income, pensions, profits from a trade and profession and rents.

Some sources of income are exempt from taxes. These include:

- Bank interest received
- Dividend received from resident companies
- Gains on sale of units and securities
- Lump sums receivable on retirement up to 1.5 million rupees
- Transport allowance
- Rent allowances and car benefits in the public sector
- Passage benefits provided under a contract of employment not exceeding 6 per cent of the basic salary

**The Family Unit**

Separate assessment is compulsory for a married couple. Joint income can be declared in any proportion.

**Deductions and allowances**

A lump sum deduction, called the ‘Income Exemption Threshold’, is granted. Deduction is also allowable to a certain extent for medical scheme contributions, interest paid on loans for purchase of primary residences and for child tertiary education.

**Taxation of employment income**

If an employer provides an employee with anything other than a monetary payment, it will normally be treated as a taxable benefit in kind.

Fringe benefits include housing benefit, car benefit, tax benefit, interest free loan benefits, free meals to employees, full board and lodging to expatriates, personal expenses of the employee which are borne by his employer and any other advantage in money's worth.
Salary/withholding tax
Employers have the obligation to withhold tax from emoluments paid or made available to an employee under the Pay as You Earn (PAYE) system.

The tax withheld is to be remitted to the Mauritius Revenue Authority every month.

Under the PAYE system, the amount of monthly tax to be withheld is calculated on a cumulative basis and is withheld by the employer after accounting for the deductions of the employee.

Fees payable by a company to any of its directors are subject to withholding tax at the flat rate of 15%, irrespective of whether the services are performed in or outside Mauritius.

Taxation of personal business income
Current Payment System (CPS) is applicable to an individual who derives income from trade business, profession and rent. It also includes share of income from a societe and succession deriving income from trade, business and rent. CPS returns have to be effected on a quarterly basis for the self-employed with an annual turnover of more than Rs. 4 million.

The same tax rate applies to both personal businesses and companies.

Taxation of investment income
In Mauritius, withholding taxes, in the form of Tax Deducted at Source (TDS), is applicable as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Individuals (resident)</th>
<th>Individuals (non-resident)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non bank interest</td>
<td>0%</td>
<td>15%</td>
</tr>
<tr>
<td>Royalties</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Rent</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Contract</td>
<td>0.75%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Services</td>
<td>3%</td>
<td>10%</td>
</tr>
<tr>
<td>Payments made by central government or local authority for procurement of goods/services</td>
<td>1–3%</td>
<td>10%</td>
</tr>
</tbody>
</table>

There are no withholding taxes on local dividends and bank interest.

Taxation of other income
There is no special regime for the taxation of any particular type of income. Taxable income from each source is computed separately by deducting all allowable deductions there from. Taxable income from all sources are then aggregated and tax is computed thereon at 15% after deducting the appropriate Income Exemption Threshold. Non-residents are not entitled to deduction for Income Exemption Threshold or deduction for loan interest, for tertiary education or for medical contributions.

Capital gains
There is no capital gains tax in Mauritius.
Allowances and deductions
Each taxpayer can claim an Income Exemption Threshold (IET), which varies according to the number of dependents. “Dependent” means either a spouse, child under the age of 18 or a child over the age of 18 and who is pursuing full-time education or training or who cannot earn a living because of a physical or mental disability.

Additional deductions for children pursuing undergraduate courses, interest relief on secured housing loans and medical insurance premiums are allowable.

Tax rates
Chargeable income of individuals is taxed at a single flat rate of 15%.

Special expatriate tax regimes
Under section 77 of the Income Tax Act, a resident of Mauritius deriving income from abroad is entitled to claim credit in respect of foreign tax paid against income tax payable in Mauritius on that foreign source income.

Similar provisions for foreign tax credit are made in different tax treaties in force in Mauritius except that the credit allowable is in respect of foreign tax payable in the foreign country.

Returns and payments
The due date for the submission of tax returns and payment of tax is 31 March. If the return is submitted electronically and payment of tax is made via internet banking, the filing date is extended to 15 April. This also applies for general and limited partners of a Limited Partnership where these partners are chargeable to tax on their share of profits from the LP. Income tax is payable on income derived in the preceding year. The fiscal year runs from 1 January to 31 December.

Appeals
Where a taxpayer is not satisfied with an assessment made by the tax authorities, he may object to the assessment by filling in an approved form. The tax authorities have 4 months to deal with the objection.

Upon determination of the objection, the taxpayer may appeal to the Assessment Review Committee if he is aggrieved by it.

The taxpayer may then appeal to the Supreme Court and eventually to the Privy Council if still dissatisfied.

Inheritance and gift tax(es)
There are no such taxes in Mauritius.

Wealth tax
There are no taxes on wealth in Mauritius.
8. Other taxes

**Stamp duty**
Stamp duty is levied and paid to the Registrar-General on every document at the corresponding rate specified in the Schedule to the Stamp Duty Act.

**Customs and Excise duties**
This is levied on imports into Mauritius. The rate of duty varies according to the category of goods.

**Property and property transfer taxes**
Land Transfer Tax is leviable on a deed of transfer of immovable property at the rate specified. It is payable by the seller.
- Where the transfer is made after a period of ≤5 years of the date of acquisition of the property, the rate is 10%
- Where the transfer is made >5 years after the date of acquisition of the property, the rate is 5%

**Registration duty on transfer of immovable property**
Registration duty is applicable on a deed of transfer of immovable property is 5% and is payable by the purchaser or transferee.
Employee and employer
National pension contributions (NPS) are payable by a resident of Mauritius over the age of 18 who is employed or self-employed and earns over a certain amount. Once an individual reaches the age where he or she can claim a state pension, national pension contributions are no longer payable.

The National Pensions Scheme (NPS) has been introduced since 1976. It is based on a two-tier system in which Government finances payment of the universal basic pensions whilst earnings–related contributory benefits are paid to insured persons or their dependents, on basis of contributions paid to the scheme by the insured persons and their employers. As from the 1st October 2006, all business operators who are registered with the Registrar of businesses would be automatically registered with the Ministry of Social Security.

National Savings Fund (NSF)
There is a National Savings Fund (NSF) which provides for the payment of a lump sum to every employee on his retirement at the age of 65 or earlier, or on his death or on retirement on medical grounds or redundancy after attaining the age of 45.

Every employer has to pay monthly contribution in respect of every employee an amount of 2.5 per cent of the basic wage or salary of every employee, aged between 18 and 65.

The employee contributes 1% of his wage/salary into the NSF to cater for ‘Transitional Unemployment Benefit’ in case he loses his job one day.

National Pensions Scheme (NPS)
Employers and employees should pay contributions on wage or salary (excluding allowances) as per the rates below, but capped to a statutory limit:

<table>
<thead>
<tr>
<th>Rates of contribution</th>
<th>Employee</th>
<th>Employer</th>
<th>Total share</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Standard Rate</td>
<td>3%</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>(b) Higher Rate</td>
<td>5%</td>
<td>8.5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>(c) Prescribed rate</td>
<td>3%</td>
<td>10.5%</td>
<td>13.5%</td>
</tr>
</tbody>
</table>

Most employers pay at the standard rate. A higher rate is payable on application by both employees and employers subject to approval of the relevant Ministry.

Contributions are refunded to a non-citizen at the expiry or termination of his contract of employment provided he/she has not received any pension in Mauritius.

The Self-employed
The same rates apply for self-employed.
10. Moore Stephens in Mauritius

Moore Stephens Mauritius has been operating since 1990 and is part of the Moore Stephens International (MSI), which is one of the world’s leading international accounting and consulting organisations outside the Big Four. Today the network has 307 independent firms and 667 offices in 105 countries around the world.

Moore Stephens Mauritius strives to be the best financial and business solutions network across all sectors. Ranked among the Top Ten accounting firms in Mauritius, the firm is fast-growing with a modern, innovative and dynamic approach to the profession. With our five partners who lead the way coupled with a dedicated and dynamic workforce, we are able to provide an excellent professional service through strategic guidance, proactive advice and bespoke solutions to help clients meet their commercial and personal goals.

A key feature of our success is the array of services we offer. These include Statutory Audit, Corporate Advisory, Restructuring & Recovery, Taxation & VAT, International Financial Services, Business Support & Outsourcing, Forensics, IT Consultancy, Training Services, Legal Support & Secretarial.

At Moore Stephens, we are committed to going the extra mile for providing a quality service that is tailored to our clients’ needs. But it is by meticulously blending local expertise with international experience when dealing with our clients that our firm succeeds in making the difference.

For further information or queries, please contact us at:

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Email: moorestephens@intnet.mu
Website: www.moorestephens.mu
Appendix 1: Double tax treaties

Comprehensive double taxation treaties
Mauritius has comprehensive double taxation treaties with the following countries:

<table>
<thead>
<tr>
<th>Type</th>
<th>Europe</th>
<th>Asia</th>
<th>Africa</th>
<th>Middle East</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing DTAs</td>
<td>Belgium</td>
<td>China</td>
<td>Botswana</td>
<td>Kuwait</td>
<td>Australia</td>
</tr>
<tr>
<td></td>
<td>Croatia</td>
<td>India</td>
<td>Lesotho</td>
<td>Oman</td>
<td>Barbados</td>
</tr>
<tr>
<td></td>
<td>Cyprus</td>
<td>Malaysia</td>
<td>Madagascar</td>
<td>UAE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>France</td>
<td>Nepal</td>
<td>Mozambique</td>
<td>Qatar</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Germany</td>
<td>Pakistan</td>
<td>Namibia</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Italy</td>
<td>Singapore</td>
<td>Rwanda</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Luxembourg</td>
<td>Sri Lanka</td>
<td>Senegal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sweden</td>
<td>Thailand</td>
<td>Seychelles</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UK</td>
<td>Bangladesh</td>
<td>South Africa</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monaco</td>
<td></td>
<td>Swaziland</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Tunisia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DTAs awaiting ratification</td>
<td>Guernsey</td>
<td>Congo</td>
<td>Uganda</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Russia</td>
<td>Egypt</td>
<td>Zambia</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gabon</td>
<td>Zimbabwe</td>
<td></td>
<td></td>
</tr>
<tr>
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### Highlights of Mauritius Tax Treaties

<table>
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<tr>
<th>Country</th>
<th>Duration to constitute permanent establishment</th>
<th>Maximum tax rates applicable in the State of Source</th>
<th>Dividends</th>
<th>Interest (i)</th>
<th>Royalties</th>
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<td>5%</td>
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<td>5%</td>
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<tr>
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<td>&gt; 6 months (iv)</td>
<td>5% &amp; 10%</td>
<td>10%</td>
<td>Exempt</td>
<td>Exempt</td>
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<td>12%</td>
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<tr>
<td>5 China</td>
<td>&gt; 12 months (iii)</td>
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<td>&gt; 6 months (iv)</td>
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<td>&gt; 9 months (iv)</td>
<td>5% &amp; 15%</td>
<td>same rate as under domestic law</td>
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<td>11 Italy</td>
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<td>same rate as under domestic law</td>
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<td>Exempt</td>
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<td>15 Madagascar</td>
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<td>10%</td>
<td>5%</td>
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<tr>
<td>16 Malaysia</td>
<td>&gt; 6 months (iv)</td>
<td>5% &amp; 15%</td>
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<td>15%</td>
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<tr>
<td>17 Monaco</td>
<td>&gt; 12 months</td>
<td>&gt; 12 months</td>
<td>Exempt</td>
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<tr>
<td>18 Mozambique</td>
<td>&gt; 6 months</td>
<td>&gt; 6 months (ii)</td>
<td>8%, 10% &amp; 15%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>19 Namibia</td>
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<td>&gt; 6 months (ii)</td>
<td>5% &amp; 10%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>20 Nepal</td>
<td>&gt; 6 months</td>
<td>&gt; 6 months (ii)</td>
<td>5%, 10% &amp; 15%</td>
<td>10% &amp; 15%</td>
<td>15%</td>
</tr>
<tr>
<td>21 Oman</td>
<td>&gt; 6 months (iv)</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
</tr>
<tr>
<td>22 Pakistan</td>
<td>&gt; 6 months (iv)</td>
<td>10%</td>
<td>10%</td>
<td>12.5%</td>
<td></td>
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<tr>
<td>23 People's Republic of Bangladesh</td>
<td>&gt;12 months &gt; 12 months</td>
<td>10%</td>
<td>normal rate</td>
<td>normal rate</td>
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</tr>
<tr>
<td>24 Rwanda</td>
<td>&gt; 12 months</td>
<td>&gt; 12 months</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
</tr>
<tr>
<td>25 Senegal</td>
<td>&gt; 9 months (i)</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
</tr>
<tr>
<td>26 Seychelles</td>
<td>&gt; 12 months &gt; 6 months (ii)</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
</tr>
<tr>
<td>27 Singapore</td>
<td>&gt; 9 months (iv)</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
</tr>
<tr>
<td>28 South Africa</td>
<td>&gt; 9 months (iv)</td>
<td>5% &amp; 15%</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
</tr>
<tr>
<td>29 Sri Lanka</td>
<td>&gt; 6 months</td>
<td>&gt; 6 months (ii)</td>
<td>10% &amp; 15%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>30 State of Qatar</td>
<td>&gt; 6 months</td>
<td>&gt; 6 months (ii)</td>
<td>Exempt</td>
<td>Exempt</td>
<td>5%</td>
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<tr>
<td>31 Swaziland</td>
<td>&gt; 6 months</td>
<td>&gt; 6 months(ii)</td>
<td>7.5%</td>
<td>5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>32 Sweden (New)</td>
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<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
</tr>
<tr>
<td>33 Thailand</td>
<td>&gt; 6 months</td>
<td>&gt; 6 months (ii)</td>
<td>10%</td>
<td>10% &amp; 15%</td>
<td>5% &amp; 15%</td>
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</table>
### Table: Duration to constitute permanent establishment and Maximum tax rates applicable in the State of Source

<table>
<thead>
<tr>
<th>Country</th>
<th>Duration to constitute permanent establishment</th>
<th>Furnishing of services</th>
<th>Dividends</th>
<th>Interest (i)</th>
<th>Royalties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tunisia</td>
<td>&gt; 12 months</td>
<td>(iv)</td>
<td>Exempt</td>
<td>2.5%</td>
<td>2.5%</td>
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<td>Uganda</td>
<td>&gt; 6 months</td>
<td>&gt; 4 months (ii)</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
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<tr>
<td>United Arab Emirates</td>
<td>&gt; 12 months</td>
<td>&gt; 12 months</td>
<td>Exempt</td>
<td>Exempt</td>
<td>Exempt</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>&gt; 6 months</td>
<td>(iv)</td>
<td>10% &amp; 15%</td>
<td>Same rate as</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>under domestic</td>
<td></td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>&gt; 6 months</td>
<td>(iv)</td>
<td>10% &amp; 20%</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Zambia</td>
<td>&gt; 9 months</td>
<td>(iv)</td>
<td>5% &amp; 15%</td>
<td>10%</td>
<td>5%</td>
</tr>
</tbody>
</table>

i. where interest is taxable at rate provided in the domestic law of the State of source or at reduced treaty rate, provision is usually made in the treaty to exempt interest receivable by a Contracting State itself, its local authorities, its Central Bank/all banks carrying on bona fide banking business and any other financial institutions as may be agreed upon by both Contracting States.

ii. within any 12-month period.

iii. within any 24-month period.

iv. no specific provision made in respect of furnishing of services.

### Agreements for exchange of information

Mauritius has agreements for cooperation in tax matters through exchange of information with the following:

<table>
<thead>
<tr>
<th>In force</th>
<th>Signed</th>
<th>Await signature</th>
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<tbody>
<tr>
<td>Australia</td>
<td>Faroe Island</td>
<td>Greece</td>
</tr>
<tr>
<td>Denmark</td>
<td>Greenland, Iceland</td>
<td>India</td>
</tr>
<tr>
<td>Finland</td>
<td></td>
<td>Isle of Man</td>
</tr>
<tr>
<td>Norway</td>
<td></td>
<td></td>
</tr>
<tr>
<td>States of Guernsey</td>
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</table>

Moore Stephens International
Moore Stephens member firms may be found in 103 countries and territories around the world, with correspondent firms in another three.

<table>
<thead>
<tr>
<th>Albania</th>
<th>Czech Republic</th>
<th>Kuwait</th>
<th>Russia</th>
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<td>Latvia</td>
<td>Saudi Arabia</td>
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<td>Dominican Republic</td>
<td>Lebanon</td>
<td>Serbia</td>
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*denotes a correspondent firm only

For more detail, see www.moorestephens.com under ‘Locations’.