



Doing business in Mauritius

2016

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Introduction

Mauritius is an island situated in the centre of the Indian Ocean around 2,000 kilometres off the south east coast of Africa. It is strategically located at the crossroads of Asia and Africa with easy access to both continents. Since gaining independence in 1968, Mauritius has developed from a low-income, agriculturally-based economy to a diversified economy that now comprises textiles, tourism, information and communications technology, financial and business services, seafood and real estate.

Mauritius's economy has achieved steady and strong growth over the last few decades. The annual real GDP growth rate for 2015 was forecast to be 3.46 per cent. At present, the economy is dominated by services which comprise 73.4 per cent of GDP, while the manufacturing industry and agriculture represent 22 and 4.5 per cent respectively.

Mauritius pursues a liberal and open economic policy that welcomes and encourages foreign investment in the majority of sectors of the economy. Furthermore, Mauritius ranked 32nd in the World Bank's Ease of Doing Business Index for 2016 and first for Africa. Foreign investors are afforded the same rights as domestic investors and to further facilitate investment in

Mauritius, a Fast Track Committee has been setup to expedite the processing of permits for all big impact projects. Alongside a number of incentives offered by the government, Mauritius offers the following advantages to investors:

- Social, political and economic stability
- A strong and independent legal system with the Privy Council as the ultimate Court of Appeal
- A well-developed infrastructure including road, airports and IT
- A key member of regional economic blocs such as African Union, Indian Ocean Rim, COMESA & SADC
- Skilled and bilingual labour force
- A favourable time zone to service US, Europe, Middle East and Asia markets

- A well regulated and developed financial sector
- Exchange control with free repatriation of profits, dividends and capital
- An extensive network of 43 tax treaties and 26 Investment Promotion and Protection Agreements

While this guide makes reference to some of the most common issues investors might face, it must be noted that certain industries, such as sugar production and the television broadcasting sector, are subject to special regulation and therefore companies wishing to invest in this area should seek legal advice.

The information in this publication is current at January 2016.

Country profile

Capital City	Port Louis
Area	2,040 sq. km
Population	1.339 million
Language	English is the official language, although French and Mauritian Creole are also spoken.
Currency	Mauritian Rupee (MUR)
International dialling code	+ 230
National Holidays 2016	<p>1 January – New Year</p> <p>2 January – New Year</p> <p>24 January – Thaipooosam Cavadee</p> <p>1 February – Abolition of Slavery</p> <p>8 February – Chinese Spring Festival</p> <p>7 March– Maha Shivaratree</p> <p>12 March – National Day</p> <p>8 April – Ugaadi</p> <p>1 May – Labour Day</p> <p>6 July – Eid-UI-Fitr*</p> <p>15 August – Assumption Day</p> <p>6 September – Ganesh Chaturhi</p> <p>30 - October – Divali</p> <p>2 November – Arrival of Indentured Labourers</p> <p>25 December – Christmas Day</p> <p>* Muslim festivals are timed according to local sightings of the moon, therefore the dates given above are approximations</p>
Business and Banking hours	<p>Businesses: Monday to Friday – 08:30 to 17:00</p> <p>Banks: Monday to Thursday – 09:00 to 15:15pm and 09:00 to 17:00pm on Fridays</p>
Stock exchanges	Stock Exchange of Mauritius
Political structure	Parliamentary democracy
Doing Business rank 2016	32

Ease of Doing Business

Topics	2016 rank	2015 rank	Change in rank
Starting a business	37	29	-8
Licenses and Permits	35	74	39
Getting Electricity	41	39	-2
Registering property	99	98	-1
Financing	42	36	-6
Protecting Investors	29	27	-2
Paying Taxes	13	13	No change
Trading Across Borders	66	66	No change
Enforcing Contracts	27	28	1
Resolving Insolvency	39	36	-3

Source: World Bank Group (Doing Business)

Legal overview

Political and legal system

Mauritius is a Republic within the British Commonwealth. Mauritius is a democracy based on the Westminster model whereby power is separated into three distinct branches, as set out by the Constitution of Mauritius: the legislative, the executive and the judiciary.

The executive branch comprises the government of Mauritius. The national government is made up of the Council of Ministers, who are appointed and headed by the Prime Minister. The Prime Minister has full executive power and is appointed by the President.

The legislative branch comprises the President, Vice President and the speaker of the National Assembly. The National Assembly comprises 70 members of which 62 are elected by universal suffrage every five years (60 from 20 three-member constituencies on the island of Mauritius plus two from the single constituency of Rodrigues). The President is the Head of State who is elected by a simple majority of the National Assembly; the President enjoys a largely ceremonial role.

The judicial branch comprises the Supreme Court, the Court of Rodrigues, the Intermediate Court, the Industrial Court, the District Courts, the Bail and Remand Court, the Criminal and Mediation Court and the Commercial Court. The Chief Justice is head of the judiciary. Independence of the judiciary is set out in the Constitution. Mauritius has a 'hybrid' legal system; combining both the civil and common law practices. The procedural law in criminal and civil litigation is based on the British common law while the substantive law is derived from the French Napoleonic code. The Highest Court

of appeal is the Judicial Committee of Privy Council in England.

The main sources of law in Mauritius are the Constitution, the statutes, the Criminal Code, the Civil Code, the Commercial Code, the Code of Civil Procedure, case law and international treaties.

Data protection

Data protection provisions in Mauritius are governed by the Data Protection Act 2004, which came into operation in February 2009. Compliance with the Data Protection Act is regulated by the Data Protection Office, which is also responsible for bringing enforcement actions. The Data Protection Act applies to all data controllers present in Mauritius and the Data Protection Office is headed by the Data Protection Commissioner.

Under the Data Protection Act 2004, personal data is defined as "data which relates to an individual who can be identified from those data" or "other information, including an opinion forming part of a database, whether or not recorded in a material form about an individual whose identity can be reasonably ascertained from the data, information or opinion".

Sensitive personal data comprises information regarding a data subject's racial or ethnic origin, political opinion or adherence, religious belief or other belief of a similar nature, membership of a trade union, physical or mental health, sexual preferences or practices, the commission or alleged commission of an offence or any proceedings for an offence committed or alleged to have been committed by him and the disposal of such proceedings or the sentence of any court in such proceedings.



The procedural law in criminal and civil litigation is based on the British common law while the substantive law is derived from the French Napoleonic code.

The Data Protection Act 2004 (DPA) shall apply to a Data Controller who (a) is established in Mauritius and processes data in the context of that establishment or who (b) is not established in Mauritius but uses equipment in Mauritius for processing data, other than for the purpose of transit through Mauritius.

A data controller falling under (b) shall nominate, for the purpose of the Data Protection Act 2004, a representative established in Mauritius (a person who is ordinarily a resident in Mauritius and who carries out data processing activities through an office, branch or agency in Mauritius).

There is a register of data controllers (who have to register themselves) known as the data protection register, which is maintained by the Data Protection Office.

An application for registration as a data controller shall be made in writing to the Commissioner and the person shall furnish such particulars as requested under section 35 of the Data Protection Act 2004, including name and address, a description of the personal data being, or to be processed by or on behalf of the data controller, and of the category of data subjects, to which the personal data relate, the purpose for which the personal data are being processed, etc.

Any data controller who knowingly supplies false information on application shall commit an offence and be liable to a fine not exceeding MUR100,000 and to an imprisonment for a term not exceeding two years.

The obligations of data controllers are clearly stipulated in the DPA 2004 as well as the rights of the data subjects.

While there is no requirement for organisations to appoint a

data protection officer, for the purposes of registration with the Commissioner, a compliance person will need to be consigned.

Data controllers are permitted to collect and process personal data provided the following conditions are met:

- The data subject provides consent
- The data controller requires the data to enter into or carry out a contract to which the data subject is a party
- The data controller requires the data in order to take the steps required by the data subject prior to entering into a contract
- The processing of the data protects the data subject's vital interests
- The processing of the data is required for a legal obligation
- The processing of the data is required for the administration of justice
- The processing of the data is for public interest

The processing of sensitive personal data is subject to an additional list of conditions which include ensuring that processing does not involve disclosure of the personal data. For all types of information, the data controller must, at least, inform the data subject of the identity of the data controller and the purposes of the processing of his/her data.

Data controllers must implement appropriate security measures to prevent the unauthorised access, alteration, disclosure and destruction of any personal data.

Exchange controls

Officially, Mauritius abolished exchange controls in 1994. However, repatriation of foreign investment and the resulting profits can be subject to proof of the origin of money, and also subject

to payment of any outstanding Mauritian taxes.

Money laundering regulations

Mauritius has enacted anti-money laundering/combating the financing of terrorism (AML/CFT) legislation to deal with corruption, fraud, financial crime, money laundering and terrorism activities. These include, namely, the Financial Intelligence and Anti Money Laundering Act 2002 (FIAMLA), the Prevention of Terrorism Act 2002 and the Prevention of Corruption Act 2002. The Financial Intelligence Unit (FIU) was set up with enactment of the FIAMLA in 2002.

Under Section 14 of the FIAMLA (2002), banks, financial institutions, cash dealers or members of relevant professions must report to the FIU on any transaction which they have reason to believe may be a suspicious transaction.

A suspicious transaction is defined as any transaction which:

- Gives rise to a reasonable suspicion that it may involve:
 - The laundering of money or the proceeds of any crime
 - Funds linked or related to, or to be used for, terrorism or acts of terrorism or by proscribed organisations, whether or not the funds represent the proceeds of a crime
- Is made in circumstances of unusual or unjustified complexity
- Appears to have no economic justification or lawful objective
- Is made by or on behalf of a person whose identity has not been established to the satisfaction of the person with whom the transaction is made
- Gives rise to suspicion for any other reason

Financial institutions must take reasonable measures to ensure



that neither their institution nor their services are capable of being used to commit or facilitate the commission of a money laundering offence. Furthermore, financial institutions have a duty to verify the true identity of the customers and other persons with whom they conduct transactions. In addition, they are required to adopt internal reporting procedures, including the appointment of a Money Laundering Reporting Officer and to implement internal controls and other procedures to combat money laundering and the financing of terrorism.

As per Part II of the FIAMLA (2002), any person convicted of money laundering shall be liable to a fine

not exceeding MUR2 million or a term of imprisonment not exceeding 10 years.

Intellectual Property Rights

In Mauritius, the legislative framework for Intellectual Property Rights (IPR) comprises: the Copyright Act 1986, the Patent Act 1875 and the Trademarks Act 1868 being the oldest legislation. The IPR enforcement mechanism took a new turn in 1995 when the TRIPS (Trade Related Aspects of Intellectual Property Rights) Agreement of the World Trade Organisation came into effect. In order to conform the country's legislation to the principles and obligations laid down in the TRIPS, new pieces of legislation were adopted, namely the Copyright Bill, the Patent, Industrial Designs

and Trademarks Act 2002, the layout Designs (Topographies) of Integrated Circuits Act 2002, the Geographical Indications Act 2002. However the Layout Designs (Topographies) of Integrated Circuits Act 2002 and the Geographical Indications Act 2002 have not yet been proclaimed.

The bodies responsible for the enforcement of IPR comprise: the Industrial Property Office, International Trade Division of the Ministry of Foreign Affairs, Regional Integration and International Trade, Industrial Property Tribunals, the Mauritius Society of Authors, the Ministry of Arts and Culture and the Customs Department of the Mauritius Revenue Authority.

COPYRIGHT

Copyright can protect both folklore and traditional cultural expressions. Folklore includes folk tales, folk poetry, instrumental folk music, folk dances and plays, artistic forms or rituals and production of folk art. Traditional cultural expressions include any form or artistic and literary expression in which traditional culture and knowledge are embodied and which is intergenerational.

Protection granted	Copyright is granted to eligible work automatically; there is no need for registration under Mauritian law. Copyright does not protect ideas for work, it is only when the work itself is fixed that copyright automatically protects it. Copyright provides the owner with moral and economic rights: namely reproduction, distribution and performance rights, in addition to the right to claim authorship.
Enforcement	Copyright is infringed by any person who, without permission from the owner, publishes, reproduces, distributes, performs, communicates or broadcasts, imports or has in his possession in the course of trade any apparatus used for the making of infringing copyrighted works, of the material in question. Furthermore, an offence will be committed if someone intentionally or recklessly deprives the copyright owner of his rights for gain. On conviction, any person who commits an offence may be liable to a fine not exceeding MUR300,000 and to imprisonment for a term not exceeding two years or on a second offence, a fine not exceeding MUR500,000 and a term of imprisonment not exceeding eight years.
Duration	Economic and moral rights are protected during the lifetime of the author and for 50 years after his death. For works of joint authorship, the rights are protected during the life of the last surviving author and for 50 years after his death. For audio-visual works, the rights are protected for 50 years from the date on which the work was made or first made publicly available. For anonymous works, the rights are protected for 50 years from the date on which the work was made or first made publicly available by publication or by any other means, whichever date is the latest, where the author's identity is revealed or is no longer in doubt before the expiration of the said period. For a work of applied art, the rights shall be protected for 25 years from the making of the work.

PATENTS

Patents protect inventions which can be applied in an industrial environment. For a patent to be granted, the invention must be new, have an inventive step which is not obvious to someone with experience in the subject and is capable of being used in some kind of industry. Pure discoveries and scientific or mathematical formulae cannot be patented.

Protection granted	Patent protection is obtained via a national filing; the application is subject to formal examination. A patent gives its owner the ability to take legal action to stop others from: the making of a product or the use of a process, which is the subject-matter of the patent, selling anything incorporating the subject-matter of the patent or inducing third parties into any of the above, without the inventor's permission.
Infringement	Patent protection is obtained via a national filing; the application is subject to formal examination. A patent gives its owner the ability to take legal action to stop others from: the making of a product or the use of a process, which is the subject-matter of the patent, selling anything incorporating the subject-matter of the patent or inducing third parties into any of the above, without the inventor's permission.
Duration	20 years from the filing date. The maintenance of a patent is subject to annual maintenance fees, payable to the Controller for each year, following the year of the filing date.

TRADE MARKS

A trade mark must be a sign capable of distinguishing goods and services of one undertaking from those of another undertaking. Those signs can be: words, personal names, designs, letters, numeral slogans, sounds, smells, signs and distinctive colours.

Protection granted	<p>The owner can obtain protection in Mauritius by filing the trade mark at the Mauritius Industrial Property Office through a local agent. The application procedure includes a formal examination of the trademark and a trademark search. Following registration, the trademark is published in the official gazette where there is an opposition period of three months.</p> <p>Registration of a trademark provides the holder the exclusive right to use the trademark in the territory of Mauritius.</p>
Infringement	<p>Some examples of infringement of a trade mark are:</p> <ul style="list-style-type: none"> • Using an identical or similar trade mark for identical or similar goods and services to a registered trade mark creating a likelihood of confusion on the part of the public • Where a mark has a reputation, infringement may arise from the use of the same or a similar mark which damages or takes unfair advantage of the registered mark
Duration	<p>10 years (registration can be renewed for further periods of 10 years upon payment of a renewal fee).</p>

DESIGNS

In the Patent, Industrial Designs and Trademark Act 2002, a design is legally defined as being “any composition of lines or colours or any three-dimensional form, or any material, whether or not associated with lines or colours... provided that such composition, form or material – (a) gives a special appearance to a product of industry or handicraft, (b) can serve as a pattern for a product of industry or handicraft; and (c) appeals to and is judged by the eye”.

Protection granted	<p>Registering a design gives the owner a property right over the design; it is protected if the design in question is new and has individual character. Holding a design right provides the owner the exclusive right to use it and to prevent any third party using it without consent.</p>
Infringement	<p>A design right is infringed by an unauthorised person making an article exactly or substantially similar to the protected design or by making a design document for the purpose of making unauthorised copies.</p>
Duration	<p>Once obtained, a design right is protected for a period of five years from the date of filing of the application. It can then be renewed for another period of five years.</p>

Conducting business in Mauritius

Business entities

There are different types of business entities that can be used to operate in Mauritius. Nevertheless, a company is the most common form used in Mauritius. The Companies Act 2001 applies to all companies whether domestic or those with a global business licence. Other types of business entities include partnerships, sole proprietorships, foundations and foreign branches.

Company

Companies can be formed as a public company, a private company, a small private company or a one person company. Furthermore, companies may be licensed as a Domestic Company or Global Business Companies (GBC).

Types of company

Public Company

Every company shall be a public company unless it is stated in its application for incorporation or its constitution that it is a private company. Public companies cannot have more than 25 shareholders.

The application for incorporation shall state the particulars of any business occupation and directorships of any public company or subsidiary of a public company held by each director.

A public company or subsidiary or holding company of a public company shall maintain a register of substantial shareholders. In this register, the company must enter the particulars in respect of every share held by a substantial shareholder or in which directly or indirectly he has an interest.

A public company shall, within 28 days, following the issue or registration of a transfer of shares in the company send a share certificate to every holder of those shares stating:

- The name of the company
- The class of shares held by that person
- The number of shares held by that person

No person shall be appointed, or hold office, as a director of a public company if he is over 70 years of age.

A person who is a director of a public company who has a relevant interest in any shares issued by the company shall forthwith disclose to the Board the number and class of shares in which the relevant interest is held and the nature of the relevant interest and ensure that the particulars disclosed to the Board are entered in the interests register.

Private Company

A private company:

- Shall not have more than 25 shareholders;
 - Where two or more of its shareholders hold one or more shares jointly they shall be deemed to be one shareholder
 - In computing the number of 25, no account shall be taken of persons who are in the employment of the company, and who, having been formerly in the employment of the company were while in that employment and have continued, after the determination of that employment, to be members of the company
- Shall not make any offer to the public to subscribe for its shares or debentures
- May provide in its constitution that the right to transfer its shares is restricted
- May dispense with the holding of shareholders meetings

if resolutions which would otherwise require the holding of a meeting are passed by means of entry in the minute book of the company under section 117

- Subject to its constitution, may remove a director from office by special resolution under section 138(2)
- May dispense with the provision of an annual report by unanimous resolution
- May by unanimous agreement among the shareholders dispense with the observance of any of the matters referred to in section 272

Small Private Company

A company shall be a "small private company" where:

- It is a private company; the turnover of which, in respect of its last preceding accounting period, is less than MUR10 million
- It is not a company holding a Category 1 Global Business Licence

A small private company shall not be required to appoint a company secretary.

A small private company is required to file a financial summary or its financial statements with the Registrar. However, a small private company is not required to prepare and present its accounts in accordance with the International Accounting Standards. A small private company need not appoint an auditor or where it does appoint an auditor, that person need not be a qualified auditor unless the resolution referred to in that subsection requires this.

One-Person Company

A company shall be a "one-person company" where:



- It is a private company in which the only shareholder is also the sole director of the Company
- The single shareholder is not a corporation

The application for incorporation must provide the full name and residential address and occupation of the person nominated by the proposed director to be the secretary of the company in the event of the death or mental incapacity of the sole shareholder and director. If the nomination is not made at the time of incorporation, this must be filed with the Registrar within six months of the company being in operation.

The person nominated by a one person company shall assume office as secretary of the company upon the death of the sole shareholder and director. They will have the responsibility of calling a meeting of the heirs or other personal representative of the deceased for the purpose of appointing a new director or directors.

Global Business Companies

Mauritius is recognised as a leading regional financial centre. The country has embarked upon a new reform programme underpinned by an open economic philosophy. The objective is to boost its appeal to international investors and make Mauritius the financial hub of the African region and an ideal springboard for investment and doing business in Africa, the Middle East and Asia. With its specialist Global Business legislation, Mauritius enables corporate and commercial clients to expand their global footprint.

Global Business Companies (GBCs) are classified into two categories based on the type of licence – GBC1 and GBC2.

As per the Financial Services Commission's (FSC's) definition, the constitutive elements of global businesses are now:

- A resident corporation
- Conducting business outside Mauritius

Establishing whether the business is conducted exclusively outside Mauritius is subject to a number of requirements and tests.

A Global Business Company Category 1 (GBC 1) - A GBC1 can carry out any business activity, including: asset management, credit finance, custodian services (non-Collective Investment Schemes (CIS)), distribution of financial products, factoring, leasing, occupational pension schemes, pension fund administration, pension scheme management, retirement benefits schemes, superannuation funds, registrar and transfer agencies, treasury management and such other financial business activities as may be specified by the Financial Services Commission. A GBC1 is considered to be a tax resident in Mauritius and is entitled to claim benefits under the extensive Double Taxation Agreement (DTA) network of Mauritius. Income is taxable at a maximum effective rate of three per cent.

A Global Business Company Category 2 (GBC 2) – A GBC2 can

carry out most business activities but only with non-residents and in currencies other than the Mauritian rupee. However, it is not tax resident in Mauritius and therefore cannot benefit from the DTA network. It is completely exempt from paying taxes in Mauritius.

A GBC2 is subject to a flexible legal regime. Companies that are engaged in invoicing, marketing and international trading activities will often use a GBC2 structure.

Global Business companies are regulated by the Financial Services Commission which is mandated under the Financial Services Act 2007 to:

- Ensure the orderly administration of the financial services and global business activities
- Ensure the sound conduct of business in the financial services sector and in the global business sector
- Elaborate policies which are directed to ensure fairness, efficiency and transparency of financial and capital markets in Mauritius
- Study new avenues for development in the financial services sector, to respond to new challenges and to take full advantage of new opportunities for achieving economic sustainability and job creation
- Ensure soundness and stability of the financial system in Mauritius
- Work out objectives, policies and priorities for the development of the financial services sector and global business

	GBC 1	GBC 2
Licensing conditions	Licensing conditions depend on the activity	Standard licensing conditions
Financial statements	Submission to FSC of Audited Financial Statements (AFS) required within six months of financial year end or three months for those holding certain types of financial services activity licence	To file with FSC, financial summary within six months of financial year end
Taxation	Taxable entity in Mauritius and may as such qualify for Tax Residence Certificate issued pursuant to DTAs to which Mauritius is a party	Not a taxable entity in Mauritius and consequently not entitled to Tax Residence Certificate
Beneficial interest	Mauritian resident may hold beneficial interest	Mauritian resident may not hold beneficial interest. However, where a Mauritian resident proposes to hold shares in a GBC 2, the latter shall be required to demonstrate to the FSC, that the Mauritian resident does not hold any "management and control" in that GBC2
Management company shares	May not hold shares in a Management Company	May not hold shares in a Management Company
Immoveable property	May hold immovable property in Mauritius if appropriate approval has been obtained from the Prime Minister's Office pursuant to the Non-Citizens (Property Restrictions) Act	May not hold property in Mauritius
Shares in GBC 1/GBC 2	May hold shares in a Category 2 Global Business Company except where shareholders or beneficial owners are Mauritian resident	May hold shares in a Category 1 Global Business Company

The types of company that can be incorporated are as below:

Company limited by shares	The liability of its shareholders is limited by its constitution to any amount unpaid on the shares respectively held by the shareholder.
Company limited by guarantee	The liability of its members is 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 it being wound up.
Company limited by shares and guarantee	The liability of its members who are shareholders, is limited to the amount unpaid, if any, on the shares respectively held by them and who have given a guarantee, limited to the respective amount they have undertaken to contribute, from time to time, and in the event of it being wound up.
An unlimited company	No limit placed on the liability of its shareholders.
A foreign company	A body corporate that is incorporated outside Mauritius and that has a place of business or is carrying on business in Mauritius.
Limited life company	The constitution limits the life or duration of the company to a period not exceeding 50 years from the date of its incorporation. However, this period may be extended to a maximum of 150 years.

Formation

In order to form a domestic company, the following are required:

- A name (the name must be available before incorporation)
- One or more shares
- One or more shareholders or members
- One or more directors (at least one of which should be resident in Mauritius)

Domestic companies are incorporated within 24 hours of submission of application and the required documents. Certificates of incorporation for category 1 and category 2 Global Business Companies are delivered after the approval from the Financial Services Commission is obtained. This usually takes two working weeks for a Category 1 Global Business Company and usually three working days for a Category 2 Global Business Company.

Capital requirement

There is no minimum capital requirement in Mauritius.

Management

All companies are required to have a minimum of one director. A GBC 1 is required to have a minimum of one director who is ordinarily resident in Mauritius and is a natural person whilst a GBC 2 is allowed to have a non-resident and corporate director. However for a GBC1 to be able to apply for a Tax Residence Certificate there is a requirement to have at least two resident directors.

The Companies Act 2001 also requires all companies other than small private companies and a GBC 2 to have a secretary and to be ordinarily resident in Mauritius.

Filing requirements

All companies must maintain statutory books and records that adequately show the transactions

and financial position of the company. All companies, except for domestic private companies with turnover of less than MUR50 million must have their financial statements audited and subsequently file these with the Registrar of Companies.

Dissolution of a Company

A company which has already discharged all its liabilities and assets is dissolved through Section 309(1) (d) of the Companies Act 2001. Otherwise, a liquidator is appointed for voluntary winding up of the company under Section 100 (2) (b) of the Insolvency Act 2009.

Branch of a foreign company

A foreign company must register a branch in Mauritius within one month of establishing a place of business in Mauritius. Registration is obtained from the Registrar of Companies upon submission of the required documents.

Sole proprietorships

It is a one person owned business. Every person who carries on business in Mauritius must make an application to the Registrar of Business for registration of his business name and for a Business registration Card.

Partnerships

A partnership is an association formed by two or more partners for a specific purpose.

General partnerships

In a general partnership, the partners have unlimited liability for the debts and obligations of the partnership.

Limited partnerships

The limited partnership is governed by the Limited Partnerships Act 2011. A limited partnership consists of one or more general partners and one or more limited partners. There must be a partnership agreement which is binding upon

the partners, setting out the affairs of the partnership and the conduct of its business. The general partner has unlimited liability for the debts and obligations of the limited partnership.

A limited partnership may hold a GBL 1 or a GBL 2. A limited partnership holding a GBL 1 must have a management company as its registered agent and must submit its audited financial statements within six months of its balance sheet date to the FSC.

For a domestic partnership, an application for the formation of the partnership must be made to the Registrar of Limited Partnership whilst that for a GBL 1 or GBL 2 to the Registrar and the FSC.

Joint ventures

They are usually governed by a written agreement which may or may not be drawn before a notary.

Trusts

Trusts in Mauritius are governed by the Trust Act 2001, the Mauritian Civil Code and the common law. There are various types of trust which can be set up such as discretionary trusts, charitable trusts, employee benefit trusts, asset protection trusts, non-charitable trusts and purpose trusts amongst others. The duration of a trust other than a purpose trust should not exceed 99 years. However, the duration of a non-charitable purpose trust should not exceed 25 years and that of a charitable trust may be perpetual.

A GBL 1 licensed trust has to have its accounts audited and filed within six months of year end. A non-resident trust only needs to have its accounts prepared.

Foundations

Foundations are governed by the Foundations Act 2012. A foundation

may be used for charitable or non-charitable purposes, collection of royalties, pre-nuptial agreements and investment holdings amongst others. It has a separate legal entity from the members of the foundation if the Charter is registered with the Registrar of Foundations. It is mandatory for foundations to have a charter signed by all the founders. In addition, all foundations are required to have a secretary who may either be a management company or person resident in Mauritius and who is authorised by the FSC.

Protected Cell Company

Protected cell companies (PCCs) in Mauritius are governed by the Protected Cell Companies Act 1999. A PCC is a company which has a single legal entity but which may be segregated into cells such that the assets and liabilities of each Cell are legally separate from the assets and liabilities of any other cell. PCCs can only create new cells with the approval of the Financial Services Commission.

PCCs are mainly used for the following activities: asset holding, structured finance business, collective investment scheme and closed-end funds, specialised collective investment schemes and closed-end funds, insurance business and external pension schemes.

A PCC may be structured as a fund.

The important feature of the PCC is that there is legal segregation of assets and liabilities for each cell and the PCC is useful for any investment entity with various investment portfolios where each has its own investment.

Funds

The law in Mauritius provides for two main categories of funds in Mauritius: open-ended funds also known as Collective

Investment Schemes (CIS) and closed-end funds known as private equity funds.

Open-ended funds

An open-ended fund also known as a CIS is a scheme constituted as a company, a trust or any other legal entity prescribed or approved by the Commission whose sole purpose is the collective investment of funds in a portfolio of securities, or other financial assets, real property or non-financial assets as may be approved by the Commission. The operation of open-ended funds is based on the principle of diversification of risk. The participants in an open-ended fund do not have day to day control over the management of the property.

Closed-end funds

A closed-end fund, commonly known as a private equity fund, is an arrangement or a scheme, other than a CIS constituted in such legal form as may be approved by the commission and whose object is to invest funds, collected from subscribers during an offering made under the Securities Act or from sophisticated investors, in a portfolio of securities, or in other financial or non-financial assets, or real property, as may be approved by the commission. Closed end funds usually have a fixed share capital and typically restrict investors rights to call for their shares to be redeemed at net asset value by the fund.

Unlike a CIS, a closed-end fund:

- May not allow redemption at option of investors
- Need not operate on risk diversification principle
- May allow investors to exercise control on day to day management



...all foundations are required to have a secretary who may either be a management company or person resident in Mauritius and who is authorised by the FSC.

Tax system

The administration of Income Tax is governed by the Income Tax Act 1995. The Mauritius Revenue Authority is the agency responsible for the management, operation and enforcement of the revenue laws in Mauritius.

Corporate Income Tax Scope

Corporate Income Tax is levied on all companies, trusts, trustees of unit trust schemes and non-resident sociétés (partnerships) based on their residency. Residents are taxed on worldwide income and non-residents are taxed only on Mauritius-source income. However, all income derived from overseas by an individual resident in Mauritius is taxable to the extent it is remitted to Mauritius.

In Mauritius, there is a flat tax rate of 15 per cent on chargeable income.

A Category 1 Global Business Company (GBC 1) is subject to a headline tax rate of 15 per cent on chargeable income. However, there is a Presumed Tax Credit of 80 per cent, resulting in a Maximum Effective Tax Rate of three per cent.

A Category 2 Global Business Company (GBC 2) is exempt from tax as it is considered non-resident for tax purposes and does not qualify for treaty benefits.

Taxable income

Chargeable income is computed as the difference between gross income and allowable deductions. Allowable deductions include expenses incurred in the production of income, losses, bad debts written off (subject to certain conditions) and annual allowances (in lieu of depreciation). It should be noted that not all expenses incurred are allowable by the Mauritius Revenue Authority.

Annual depreciation allowances rates range from five per cent to 50 per cent depending on the asset type. 100 per cent allowance is available on plant and machinery costing less than MUR50,000 and on aircrafts and aircraft simulators leased by a company engaged in aircraft leasing.

Exempt income

- Dividends paid by a company resident in Mauritius
- Bank interest on call and deposit accounts received by a GBC from a Mauritian bank
- Income earned by companies in Freeport Zone except income earned by these companies from the local market

Capital gains

No tax is levied on capital gains in Mauritius.

Groups

There is no relief for group losses. Furthermore, consolidated returns are not permitted.

Losses

Unutilised business losses may be carried forward for set-off against future income (other than emoluments) provided there is not more than 50 per cent change in shareholding.

The limit to carry forward losses is five years. However, the time limit of five years does not apply for the carry forward of any amount of loss which is attributable to annual allowances.

Dividend income

Dividends paid by a Mauritius-resident company are exempt from income tax. Foreign dividends are taxable but foreign tax credit can be obtained for any foreign tax suffered. The foreign tax

credit is limited to the amount of Mauritius tax on that income.

Administration

The tax year runs from 1 July to 30 June of the following year. Nevertheless, companies can opt to choose the accounting year; however, this must not exceed 12 months.

All companies are required to submit their income tax returns and pay the income tax due six months after the accounting year end. It should however be noted that where the accounting period ends in the month of June, the due date for submission of the return and payment of tax is two days, excluding Saturdays and public holidays, before the end of December.

In addition, all companies are required to file quarterly returns of income (APS) statements and pay tax accordingly. However, companies which in the accounting year immediately preceding the commencement of that APS quarter, did not have gross income exceeding MUR10 million or had no chargeable income are not required to submit APS statements.

Withholding tax

In certain cases, the payer is required to deduct tax at the time payment is made to or credited to the account of the payee. Different withholding tax rates apply to different types of payments and these range from 0.75 per cent to 15 per cent. Reduced withholding tax rates apply to treaty countries based on the respective Double Taxation Agreements.

There is no withholding tax on dividends paid by Mauritian Companies. Moreover, GBC 1 companies are exempted from withholding tax on interest



payments and royalties to non-residents not carrying out any business in Mauritius.

A typical 15 per cent withholding tax applies to interest unless specifically exempted. The rate of withholding tax on royalties is as follows:

- Royalties payable to a resident 10 per cent
- Royalties payable to a non-resident 15 per cent

Transfer pricing

There are no specific transfer pricing regulations in Mauritius. However, transactions between related parties should be at arm's length.

Thin capitalisation

There are no specific thin capitalisation rules in Mauritius. However, the Income Tax Act 1995 contains anti-avoidance provisions. If a company has issued debentures to its shareholders and paid interests on those debentures to the latter, the interest will be deemed to be dividend paid.

Controlled foreign companies (CFC)

There is no controlled foreign company legislation.

Corporate Social Responsibility (CSR)

All companies except for GBC 1 are required to set up a CSR fund equivalent to two per cent of its chargeable income of the preceding year to implement an approved programme or to finance an approved NGO. Where the amount spent is less than the amount provided under the Fund, the difference should be paid to the Mauritius Revenue Authority (MRA) at the time the company submits its income tax return..

CSR is not applicable to:

- A GBC 1
- A bank in respect of income derived from Non-Residents or GBC
- An IRS company
- A non-resident society, trust or a trustee of a unit trust scheme

Special levy for banks

All banks are required to pay a special levy. The special levy on income derived from banking transactions with non-residents and GBC 1 are as shown below:

Year of Assessment commencing from	Special Levy Rates
1 January 2014 and 1 January 2015	3.4 per cent on book profit and 1.0 per cent on operating income
1 July 2015 to 1 July 2017	3.4 per cent on book profit and 1.0 per cent on operating income

The special levy on income derived from sources other than from the above transactions is as follows:

Year of Assessment commencing from	Special Levy Rates
1 January 2014 and 1 January 2015	10 per cent of chargeable income
1 July 2015 to 1 July 2017	10 per cent of chargeable income

As from Year of Assessment commencing on 1 July 2018 and in respect of every subsequent year of assessment, levy shall be calculated as 1.70 per cent on book profit and 0.50 per cent on operating income.

Foreign tax credits

Unilateral credit relief

Residents of Mauritius are eligible to a tax credit in respect of foreign tax paid on their foreign source income. The foreign tax credit includes tax sparing credit and in the case of dividends credit is also granted for underlying tax charged on profits out of which the dividends are paid.

Tax sparing credit

When provisions have been introduced in the law of the foreign country with a view to promoting industrial, commercial, scientific, educational or other development in that country and, under those provisions, a lower rate of tax has been imposed or income has been exempted



from tax, credit is allowed for the amount of foreign tax which would have been chargeable in the absence of those provisions.

Tax treaties

Relief for double taxation can also be claimed under any tax treaty in place.

All resident domestic companies are eligible to the various tax reliefs that are available through these tax treaties.

A GBC 1 may also benefit from these treaties upon obtaining a Tax Residence Certificate ("TRC") from the Mauritius Revenue Authority. In order to be considered a tax resident, a GBC 1 must show that its central control and management is in Mauritius. The requirements considered by the FSC are as follows:

- The corporation has as at least two directors, resident in Mauritius, of sufficient calibre to exercise independence of mind and judgement
- The corporation maintains its principal bank account in Mauritius at all times
- The corporation keeps and maintains, at all times, accounting records at its registered office in Mauritius
- The corporation prepares statutory financial statements and has such financial statements audited in Mauritius
- The corporation provides for meetings of directors to include at least two directors from Mauritius
- The corporation which is authorised/licensed as a collective investment scheme, closed end fund or external pension scheme, is administered from Mauritius

In addition to the above, by 1 January 2015, all GBC1s will have to meet at least one of the following criteria to satisfy the FSC that it is controlled and managed in Mauritius:

- The corporation has or shall have office premises in Mauritius
- The corporation employs or shall employ at least one person who shall be resident in Mauritius on a full time basis at administrative/technical level
- The corporation's constitution contains a clause whereby all disputes arising out of the constitution shall be resolved by way of arbitration in Mauritius
- The corporation holds or is expected to hold within the next 12 months, assets (excluding cash held in a bank account or shares/interests in another corporation holding a Global Business License) which are worth at least USD100,000 in Mauritius
- The corporation's shares are listed on a securities exchange licensed by the FSC
- It has or is expected to have a yearly expenditure in Mauritius which can be reasonably expected from any similar corporation which is controlled and managed from Mauritius

Personal Income Tax (PIT)

Scope

Mauritius residents are taxed on their worldwide income. Non-residents are taxed only on Mauritius-source income. Gross income includes wages, annuities, pensions, income from business, income from property, foreign dividends, royalties, and interest. Allowable deductions include expenditure incurred in the production of income, losses, bad debts, annual allowances (instead of depreciation).



A resident individual is entitled to an income exemption threshold during an income year. The income exemption thresholds in respect of income year from 1 July 2015 to 30 June 2016 are as follows:

Category	Amount (MUR)
Category A – An individual with no dependent	285,000
Category B – An individual with one dependent	395,000
Category C – An individual with two dependents	455,000
Category D – An individual with three dependents	495,000
Category E – A retired / disabled person with no dependent	335,000
Category F – A retired / disabled person with one dependent	445,000

Individuals liable to Mauritian tax

A resident individual is defined as an individual who satisfies one of the following conditions:

- Has his domicile in Mauritius unless his permanent place of abode is outside Mauritius
- Has been present in Mauritius in that income year for a period of, or an aggregate period of, 183 days or more
- Has been present in Mauritius in that income year and the two preceding income years for an aggregate period of 270 days or more

Tax rates

In Mauritius, there is a flat tax rate of 15 per cent on chargeable income.

Tax returns

Generally, tax on employment income is withheld monthly by the employer under the PAYE system and remitted

directly to the tax authorities. Nevertheless, all other types of income are self-assessed and individuals must make quarterly payments and file annual tax returns.

Returns have to be submitted by 30 September together with remittance of amount payable. If returns are filed electronically, an extended delay up to 15 October is applicable. Separate assessments are compulsory for married couples.

Other taxes

Value Added Tax (VAT)

VAT is a tax on the supply of goods and provision of services. The standard rate of VAT is 15 per cent. The threshold for VAT registration is an annual taxable turnover of MUR2 million. However, certain business activities and professions (eg accountants, consultants, lawyers or quantity surveyors) are required to register for VAT regardless of their turnover. In addition, a company may also choose to apply for voluntary registration.

The filing requirement for VAT is as follows:

Annual Turnover of Taxable supplies	Returns Submission
>MUR 10 million	Monthly (within one month of month end and return should be submitted electronically)
< MUR 10 million	Quarterly (within 20 days from end of quarter or within 1 month from quarter end where the return is electronically submitted)

Inheritance tax

There is no inheritance tax in Mauritius.

Land transfer tax

Land transfer tax is levied on a deed of transfer of immovable property at the rate specified in Part A of the second schedule of Land (Duties and Taxes) Act.

Labour

Labour in Mauritius is primarily governed by the Employment Rights Act (ERA 2008). Nevertheless, sector specific provisions are set out in Remuneration Orders issued by the Ministry of Labour. The Ministry of Labour, Industrial Relations and Employment is the supreme authority which regulates labour laws in Mauritius.

Employment agreement

Employers and employees will normally sign a contract of employment prior to the commencement of an employment engagement. This should include job title, duration of contract, conditions of work, wages, benefits, hours of work, annual leave, probation period, travel allowance and place of work. The written particulars of a work agreement (Section 8, ERA 2008) will be governed by the Second Schedule which prescribes additional specifications pertaining to the nature of activity, sex of worker, date of birth of worker, place of work, grade, class or category of employment, etc.

Minimum wage

There are no national minimum wages applicable in Mauritius. However, sector specific Remuneration Orders may stipulate minimum wages for the different category of workers in employment in such sectors.

Not all sectors have a Remuneration Order; in this case, there is no minimum wage applicable and no mandatory sector specific conditions of work.

Working time and leave

The normal day's work of an employee, other than a part-time worker or a watchperson shall consist of 8 hours' actual work and

may begin on any day of the week, whether or not on a public holiday.

Overtime is defined as any time worked beyond normal working hours. Overtime must be agreed with the employee and an advance notice of 24 hours should be given. Payment for overtime is calculated over a fortnight. Overtime rates become applicable once the employee has worked over 90 hours in a fortnight; overtime is remunerated at 1.5 times the notional rate per hour of work performed and two times for work on public holidays. If more than two hours' extra work is performed after the normal days' work, an adequate free meal or meal allowance (as specified in the Third Schedule of the ERA 2008) is required.

A worker shall be entitled to a rest day of at least 24 hours in every period of seven consecutive days and where, by nature of its operational requirements, an employer operates on a seven day week, the rest day shall, at least twice a month, be a Sunday unless otherwise agreed by the worker and the employer.

Every worker shall be entitled to a rest of not less than 11 consecutive hours in any day.

After one year of continuous service with an employer, a worker is entitled to 22 days' paid annual leave and 15 days' paid sick leave.

After six months of continuous employment without absence with the same employer, a worker shall be entitled to one day of paid annual leave and one day of paid sick leave during each subsequent month up to the twelfth month of continuous employment.



After one year of continuous service with an employer, a worker is entitled to 22 days' paid annual leave and 15 days' paid sick leave.

There are 15 public holidays a year. Remuneration for working on a public holiday is twice the notional rate per hour for every hour performed.

In Mauritius, women are entitled to 12 weeks' paid maternity leave, while fathers are entitled to five days' paid paternity leave.

Healthcare and benefits

Healthcare

While there is no mandatory provision to provide medical insurance to employees, every company that employs 10 or more workers shall make appropriate arrangements for the medical and health requirements of the employees.

Where a worker suffers injury or illness at work necessitating his removal to his home or to a hospital or other similar institution, the employer shall promptly and at his own expense provide an appropriate means of conveyance for the worker.

Transport allowance

In accordance with the Employment Rights Act 2008, if the distance between a worker's residence and his place of work exceeds three kilometres, free transport or the equivalent of the return bus fare must be provided.

An employer shall, irrespective of the distance between a worker's residence and his place of work, provide the worker with free transport from the worker's residence to his place of work and from the worker's place of work to his residence, where the worker is required by his employer to attend or cease work at a time when no public bus service is available.

Where an employer provides a worker with a means of transport, the employer shall pay to the worker wages at the normal rate in respect of any waiting time exceeding 45 minutes after he has stopped work.

End of year bonus

Every worker that fulfils the following conditions is entitled to an end of year bonus equivalent to one-twelfth of his earnings for that year:

- Takes employment during the course of a year
- Is still in employment as at 31 December
- Has performed a number of normal days' work with that employer, equivalent to not less than 80 per cent of the number of working days, during his employment in that year

Under the provision, "earnings" means basic wages and includes:

- Wages earned for overtime under section 16
- Wages paid under sections 17,24, 27(1), (2), (2A) and (3),28, 30(1), (4) and (5)(a) and 31
- Any sum of money, excluding commission, by whatever name called, paid to a worker, in respect of any work performed by him, in addition to the basic wages agreed upon between him and the employer and which is related to productivity. In Mauritius, the provision of an end of year bonus is compulsory by law

No. of months of continuous employment	End of year bonus
12	One month of salary based on December salary
<12	No. of months worked X Last Month Salary /12

Probation

There is no specific provision in Mauritian labour law pertaining to probationary periods.

Dismissal

Employment contracts can be terminated unilaterally, or on agreement between employer and employee, providing the correct notice periods are given. Furthermore, the employer can dismiss an employee on grounds of gross misconduct.

Notice period

The typical notice period is 30 days, unless otherwise specified in the employment contract. No notice period is required in the case of dismissal for gross misconduct.

Employment protection legislation

Various legislations exist for the protection of employees including the Employment Rights Act 2008, the Employment Relations Act 2008, the Occupation Safety & Health Act 2005, the Data Protection Act 2004, the Equal Opportunities Act 2008 and sector specific Remuneration Orders amongst a few others.

Social security

Social security in Mauritius is based on contributions to the National Pension Funds and the National Solidarity Fund.

National Pension Fund

Standard rate of contribution by employer = six per cent of basic salary. Standard rate of contribution by employee = three per cent of basic salary.



After one year of continuous service with an employer, a worker is entitled to 22 days' paid annual leave and 15 days' paid sick leave.

National Savings Fund

The National Savings Fund provides a lump sum to every employee upon his/her retirement at the age of 65, or earlier, or on his/her death or on medical grounds or redundancy.

Every employer must pay a monthly contribution of 2.5 per cent of the basic wage or salary of every employee, aged between 18 and 60. The employee contributes one per cent towards "transitional unemployment benefit" in the case that she/he loses their job.

Employment of non-resident employees

A work permit is a type of permit that allows a non-national only to work in Mauritius. As such, the non-citizen is also required to have a valid residence permit. Applications for both a work permit and a residence permit should therefore be made concurrently. Certain expatriates such as those employed at Ministries, Embassies, University of Mauritius, etc. may be granted a Certificate of Exemption for working in Mauritius. The categories of expatriates who are exempted from a work permit are regulated by the Employment (Non-Citizens) (Restriction) Exemptions Regulations 1970.

Exceptionally for investors, professionals or self-employed persons who meet the criteria below, there is a type of permit (known as the Occupation Permit) which allows them to both live and work in Mauritius without having to apply for two separate permits.

Type	Criteria
Investor	<p>Business Activity should generate turnover >MUR4 million annually</p> <p>Initial investment of USD100,000 per investor or equivalent in freely convertible foreign currency. In case there is more than one investor, the turnover criteria should apply in respect of each applicant (ie MUR8 million for two applicants, MUR12 million for three applicants, and so on)</p>
Professional	<p>Basic salary >MUR 60,000 monthly</p> <p>For ICT sector: Basic salary >MUR30,000 monthly. For all applications submitted prior to 31 October 2015, the salary threshold of MUR45,000 still applies.</p>
Self-employed	<p>Income from business activity >MUR600,000 annually for the first two years of activity with initial investment of USD35,000 or equivalent in freely convertible foreign currency</p> <p>The annual income will be increased from MUR600,000 to MUR1.2 million as from the third year of activity.</p>

Trade unions

The establishment of trade unions is governed by the Employment Relations Act 2008. Every employee has the right to establish or join a trade union without authorisation from his/her employer. Furthermore, every employee has the right to strike provided that a strike ballot has been taken and notice of strike has been given to the Ministry of Labour.

Audit

The Companies Act 2001 and Financial Reporting Act 2004 provide for the accounting reporting frameworks for companies.

Accounting standards

All companies are required to prepare financial statements in accordance with the International Financial Reporting Standards (IFRS). Small private companies and GBC 2 companies are exempted from preparing full financial statements but are required to prepare a financial summary comprising the statement of comprehensive income and the statement of financial position.

Statements and reports

The board of directors of a company is required to hold an annual meeting of shareholders not later than six months after the end of the reporting period and not later than 15 months after the previous annual meeting. The first annual meeting of a company must be held within 18 months of its incorporation.

The board of every company shall ensure that within six months after the balance sheet date of the company, the financial statements are dated and signed on behalf of the board by two directors of the company or, where the company has only one director, by that director.

Every company, other than small private companies, shall ensure that within 28 days after the financial statements of the Company and group financial statements are required to be signed, copies of those statements together with a copy of the auditor's report on those statements are filed with the Registrar of Companies.



A small private company shall file its annual return and the financial summary containing the information set out in the Ninth Schedule of the Companies Act 2001 with the ROC.

Listed companies are required to file a copy of the annual report with the Stock Exchange of Mauritius within 90 days but not later than six months after its balance sheet date.

A GBC 1 is required to file its audited financial statements whilst a GBC 2 is required to file its financial summary with the Financial Services Commission.

Accounting records

All companies must maintain statutory books and records that accurately show the transactions and financial position of the company.

Audit requirements

All companies are required to appoint a licensed auditor to audit their financial statements except for small private companies and GBC 2.

The auditing profession is regulated by the Financial Reporting Act 2004 which sets out that statutory audits must be carried out in accordance with International Standards on Audit.

All companies are required to prepare financial statements in accordance with the International Financial Reporting Standards (IFRS).

Trade

Foreign Direct Investment

Mauritius is welcoming of foreign direct investment and through its membership to the International Court of Justice, the International Centre for the Settlement of Investment Disputes as the Multilateral Investment Guarantee Agency, the country has a framework in place to ensure the effective protection of foreign investors' rights and interests.

Mauritius' economy is largely open to foreign investment. Nevertheless, there are some industries that are still subject to foreign investment restrictions. In the television broadcasting sector, foreign capital participation needs to be less than 20 per cent and the share of foreign members on the board of directors should not exceed 20 per cent. Sugar production and certain activities in the tourism sector are also regulated in Mauritius.

In addition to these overt legal restrictions, sectors such as electricity transmission and distribution, waste management and recycling, and port and airport operations are characterised by monopolistic market structures, with one dominating publicly owned enterprise, making it difficult for foreign companies to invest.

Mauritius is transforming itself into a hub and an international jurisdiction for investors. The economy has shifted from a mono-agricultural model to a diversified, innovation-driven and knowledge-based economy, underpinned by a broad spectrum of business activities. The Board of Investment has identified a number of sectors with investment opportunities.

Agro-Industry

The government is actively encouraging agricultural and

agro-industrial development to diversify the industry. Opportunities are available in: agricultural biotechnology, agro-processing, bio farming, dairy farming, seed production and technology-based farming.

Aquaculture

Mauritius offers investment opportunities in: lagoon cage culture with a production range of 300 to 500 tonnes per production unit, offshore lagoon cage culture with an approximate production capacity of 2,000 tonnes per production unit, inland aquaculture farms, tuna ranching & fattening in cages and hi-tech production techniques such as aqua pods.

Education

Mauritius offers investment opportunities for the setting up of: world-class pre-primary, primary and secondary schools, pre-vocational and vocational schools and university campuses, business and professional schools.

Financial Services

Mauritius has a well-developed and sophisticated financial services industry. It is recognised as one of the leading financial centres of the region. Opportunities exist in banking in setting up: private banking, investment and cross border investment/global business banking and Islamic banking. Furthermore, investors can take advantage of using Mauritius as the base to set up Regional Head Quarters (RHQ) and Regional Treasury Centres (RTCs).

Healthcare

Investment opportunities in the healthcare sector exist in the setting up of: multispecialty and super-specialty centres

- Specialised diabetes research and treatment centres



The Government has put in place a number of business development programmes to aid in the growth of business.

- Specialised centres for elderly care and rehabilitative medicine
- Specialised centres for novel treatments stem-cell therapies
- Plastic reconstructive surgery clinics
- Clinics for dental surgery and dento-facial orthopaedics
- Convalescence and pain clinics providing specialised care to patients suffering from acute and chronic conditions
- Wellness centres and health resorts

Hospitality & Property Development

The government introduced the Property Development Scheme which aims to attract investment from abroad for the development of a mix of residences for sale to non-citizens, citizens and members of the Mauritian Diaspora.

Opportunities for investment in Real Estate include: business/ industrial parks, shopping malls, office buildings and mixed-use development projects.

Opportunities for investment identified in the hospitality sector include: hotel development, the Investment Hotel Scheme, marinas, leisure/amusement parks, health tourism, heritage tourism and green tourism.

Smart Cities

The Government of Mauritius has set up the Smart City Scheme to provide an enabling framework and a package of attractive fiscal and non-fiscal incentives to investors for the development of smart cities across the island.

The smart-city concept is about providing investors, nationals and foreigners, with options for living in sustainable, convenient and enjoyable urban surroundings.

A company investing in the development of a smart city and/or its components is exempted from payment of:

- Income Tax for a period of eight years from the issue of the SCS Certificate provided that the income is derived from an activity pertaining to the development and sale, rental or management of immovable property
- Value Added Tax paid on capital goods
- Customs duty on import or purchase of any dutiable goods, other than furniture, to be used in infrastructure works and construction of building within the Scheme
- Land Transfer Tax and Registration Duty on transfer of land to a SPV provided that the transferor holds shares in the SPV equivalent to at least the value of the land transferred
- Land Conversion Tax in respect of the land area earmarked for the development of non-residential components
- Morcellement Tax for the subdivision of land.

Other tax incentives

- First-time Mauritian buyers and buyers under the Mauritian Diaspora Scheme acquiring a residential unit will be exempted from registration duty
- Full recovery of VAT in terms of input tax allowable in terms of capital goods (building structure), plant, machinery and equipment
- Accelerated annual allowance granted at a rate of 50 per cent of the costs in respect of capital expenditure incurred by any company operating within the Smart City Scheme on energy-efficient equipment and green technology.

Investors will also be provided with land purchase, residency and citizenship rights.

ICT-BPO

The ICT-BPO sector has grown into one of the country's leading sectors for employment and contribution to GDP. Investment opportunities exist in the following sectors:

- BPO Voice – Call Centres
- BPO Non-Voice – Back Office, Payroll, Finance & accounting outsourcing, Legal Process Outsourcing
- Information Technology Outsourcing – software development, Mobile apps development, Web development, E-commerce, Multimedia
- IT Services – Data Centres, Disaster Recovery, Training, Consultancy
- Telecommunication
- ICT Trade – retail and wholesale

Life Sciences

The life sciences sector has opportunities in: pharmaceuticals, medical devices, clinical research, agricultural biotechnology and marine biotechnology.

Logistics

The logistics and distribution sector offers the following investment opportunities:

- Warehousing and storage
- Breaking bulk, sorting, grading, cleaning and mixing
- Labelling, packing, re-packing and repackaging
- Manufacturing
- Minor processing and Light assembly
- Storage, maintenance and repairs of empty containers
- Ship building, repairs and maintenance of ships and aircrafts
- Freight forwarding services
- Quality control and inspection services

Manufacturing

The manufacturing sector of Mauritius offers investment opportunities in: textiles and garment making, non-textiles comprising light engineering, food and seafood processing and high-precision engineering comprising products such as watches and jewellery, medical devices, pharmaceuticals, electronic components and products, parts for the aerospace and automotive industries, amongst others.

Film Industry

The Mauritian government believes that there are many opportunities for film-production in Mauritius. The Film Rebate Scheme offers a cash rebate of 30 per cent on local Qualifying Production Expenditures (QPEs) for projects comprising feature films, television dramas, documentaries and high-end commercials.

Ocean Economy

Transforming Mauritius into an ocean state was one of the main pillars of development in the Mauritian Government Programme 2015. In order to achieve this, a Ministry of Ocean Economy, Marine Resources, Fisheries, Shipping and Outer Island dedicated to ocean related activities has been created. In addition, the legal and regulatory frameworks to monitor ocean economy operators will be established.

Key investment opportunities include: seabed exploration for hydrocarbons and minerals, fishing, seafood processing and aquaculture, Deep Ocean Water Applications (DOWA), marine services, seaport-related activities, marine renewable energies and ocean knowledge.

Renewable Energy

Private sector initiatives in the renewable energy sector do not

require Government approval; all other renewable energy projects are only considered under a tender exercise.

Opportunities exist for Energy Efficiency Projects targeting Large Energy Consumers and Energy Audit, Management and Advisory Services.

Opportunities for collaboration exist for the use of the waters of Mauritius as a test base for marine renewable energies.

The government has also identified the following Transformational Energy Projects as opportunities for investment:

- DOWA that exploit deep sea water currents for cooling and other uses.
- Geothermal energy, currently under study, taps into the potential of heat generated by the earth
- Offshore wind farms which, following preliminary results by the Mauritius Research Council, demonstrate the potential for large scale developments in the waters of both Mauritius and Rodrigues. Offshore wave farms for which preliminary studies from the Mauritius Research Council have demonstrated conclusive results

Seafood

The seafood sector is founded on the development of value-added fisheries and seafood-related activities. The sector offers opportunities in: fishing, transshipment, storage and warehousing and light processing such as sorting, grading, cleaning, filleting, loining and canning.

Government incentives

Mauritius offers various incentives to foreign investors:

- 100 per cent foreign ownership

- No minimum foreign capital required
- Free repatriation of profits, dividends and capital
- No capital gains tax
- Tax free dividends

Furthermore, Mauritius has entered into various trade agreements and international cooperation agreements:

- COMESA (Common Market of Eastern and Southern Africa) – 20 member states – free trade area
- SADC (Southern African Development Community)
- ACP (Cotonou agreement for preferential access to EU market)
- AGOA (duty free and quota free access to the US market)
- IOC (Indian Ocean Commission)

Alongside the sectors identified as having significant investment opportunities, the Government has put in place a number of business development programmes to aid in the growth of business. The main ones include:

- Mauritius Business Growth Scheme - provides grants on a cost-sharing principle to bring in outside expert services or technical assistance
- Leasing Equipment Modernisation Scheme (LEMS)
- AFD Green Lending Scheme
- Schemes under the Development Bank of Mauritius
- SME Partnership Fund - a fund of MUR200 million to promote the creation, restructuring and consolidation of SME's
- Mauritius-Africa Fund
- Payback "Start-ups Entrepreneurship" Scheme – provides a basic monthly allowance of MUR20,000 for one year to creative entrepreneurs

- Mentoring & Coaching – the Mauritius Business Growth Scheme offers free “mentoring” or “coaching” or “hand-holding” services to potential and existing entrepreneurs

Use of land

Under the Non-Citizens (Property Restriction Act), a non-citizen investor may not acquire property without prior approval of the relevant authorities.

Competition rules

The Competition Act 2007 regulates competition in Mauritius. It defines several restrictive business practices, namely abuse of monopoly situation, collusive agreements like Horizontal agreements, bid-rigging, vertical agreements involving resale price maintenance, anti-competitive agreements, merger situation, share of supply criteria and provides for measures of control of such practices.

Competition Commission Rules of Procedure 2009

These rules shall apply to a merger, a monopoly situation, collusive agreements and any other restrictive business practice falling under the Competition Act 2007.

The Protection against Unfair Practices (Industrial Property Rights) Act 2002 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 or a celebrity or a well-known fictional character.

The Fair Trading Act 1979 provides for better control of trade practices and related matters.

Imports

Mauritius pursues a free trade policy. Any person wishing to import goods on a commercial basis must

hold a Business Registration Card from the Companies Division. Registration with the Mauritius Revenue Authority is compulsory for companies with an annual turnover exceeding MUR2 million.

Import restrictions

Imports of goods requiring clearances from the relevant authorities:

- Foodstuffs – Ministry of Health & Quality of Life
- Agricultural Items (fruits, vegetables, flowers, seeds) – Ministry of Agro Industries and Food Security
- Pharmaceutical products – Government Pharmacist
- Live Animals – Veterinary/ Quarantine Services
- Tobacco Products – National Agricultural Products Regulatory Office (NAPRO)
- Tea – NAPRO
- Toys and other consumer products (iron bars, electric cables etc)-Mauritius Standards Bureau

An import permit is required for goods listed in the First Schedule of the Consumer Protection (Control of Import) Regulation 1999. Some goods are listed below:

- Wheat or meslin flour
- Palm oil and its fractions
- Sunflower seeds
- Rape, colza or mustard oil and their fractions
- Maize (corn) oil
- Salt
- Petroleum Oil
- Broken & Basmati Rice
- Fireworks
- Articles of asbestos cement
- Articles of asbestos fibres and mixtures
- Gold and diamond

Prohibited goods

Prohibited goods are those goods whose importation have been completely banned for reasons linked to health, environment, protection of endangered species of flora and fauna, security, legislation etc. These items will be seized on the spot by customs and a receipt issued to the importer. Prohibited goods cannot be cleared from customs but in some cases the seized/detained items can be exported (eg underwater fishing guns). After the required customs formalities and procedures, the seized prohibited items will be destroyed to prevent their use/ consumption locally. The below is not an exhaustive list:

- Ball valve bottles
- Explosive caps
- Fire crackers of a type commonly known as “pétards rapés”
- Underwater fishing guns
- Ivory and Tortoise Shell
- Second-hand motor vehicle spare parts and accessories
- Toy pistols and guns with projectiles
- Electric Water Heaters with bare element and parts and accessories thereof

Customs duties

Customs duty is levied on the transaction value of goods imported, excluding VAT. If the goods are not imported as accompanied baggage and there are freight and/ or insurance charges, these costs will also form part of the value of the goods. Nevertheless, businesses in the Mauritius Freeport involved in the production of goods destined for re-export are exempt from customs duties.

Finance

Capital markets

The Stock Exchange of Mauritius (SEM) is a full-fledged member of the World Federation of Exchanges. It operates two markets: the Official Market and the Development & Enterprise Market (DEM). The key differences between the Official Market and the DEM are the lower costs, lower level of compliance and simpler and cheaper listing documentation in the DEM. The DEM is meant for Small and Medium-sized Enterprises (SME) and newly set-up companies that have a good growth potential.

Listing enables companies to raise capital in an organised and related market to fund their future growth, improve liquidity in their shares, obtain an objective market valuation of their shares and enhance their overall corporate image.

The market is regulated by the Financial Services Commission. The market is fully open to foreign investors.

Banking system

The Bank of Mauritius is the Central Bank and is the regulatory body of the banking system in Mauritius. The Mauritian Banking Industry comprises 22 banks including a number of banks with an international presence.

These banks provide facilities such as short term financing through bank overdrafts, medium to long-term loans, refinancing of loans, leasing, factoring services, letters of credit, bank guarantees, equity financing, etc.

Bank accounts can be opened in all major foreign currencies, alongside Mauritian rupees.

The Development Bank of Mauritius (DBM) provides loan assistance and concession finance facilities to individuals or groups of persons for implementing projects or carrying out businesses against varied forms of guarantees for loan repayments. DBM also provide incentives for households to take up a loan in order to buy solar water heaters and personal computers.

Insurance industry

The Mauritian insurance industry is one of the most developed in the sub-Saharan Africa region. The industry is governed by the FSC which is responsible for licensing, regulating, monitoring and supervising activities in the insurance sector.

The Insurance industry can be classified into three business lines; life, general and reinsurance. According to the Insurance Act 2005, the insurance business is a business which undertakes, by way of insurance or reinsurance, under long term insurance policies or general insurance policies, and might also include external insurance business and the business of a professional re-insurer. Furthermore, insurance companies in Mauritius offer various services and products which include property and casualty insurance, motor insurance, financial risks, aviation insurance amongst others.

Investment management industry

Funds can be set up as any legal entity prescribed or approved by the FSC and may take the form of a local fund or a global fund structured as a GBL 1.



The Mauritian insurance industry is one of the most developed in the sub-Saharan Africa region.

Infrastructure

The overall quality and reliability of infrastructure is a critical factor for businesses across all sectors.

Mauritius's transport infrastructure is well developed. It is characterised by a network of roadways, ports and airports.

The road network is highly efficient. There are 2,070 kilometres of roads, 98 per cent of which are paved and this includes at least 30 kilometres of motorways and 940 kilometres of main roads.

While, at present, there are no railways in Mauritius, the government has been considering a Monorail network which would primarily link the major towns.

Mauritius' state-owned Sir Seewoosagur Ramgoolam International Airport is served by 16 airlines with around 150 flights a week. The airport offers extensive international air links, offering more than 90 international flights a week.

The main port in Mauritius is Port Louis. It is the only official port of entry and exit for sea vessels in Mauritius.

The country also has a highly developed information and communication technology infrastructure. Mauritius ranked 45th in the world in the World Economic Forum Network Readiness Index 2015. This was a shift upwards of seven places and largely attributed to improvements in ICT infrastructure and skills base and higher levels of individual usage.

The Network Readiness Index also states that the government's vision to develop ICT as a key sector to support the economic development of the island, coupled with a positive political and regulatory environment, have resulted in improvements in an affordable ICT infrastructure and higher levels of ICT users, even if less than half of its population uses the Internet or has a computer with an Internet connection at home.



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