



Tax Holidays Granted to FSC Licensees

The avant-gardist mindset instilled by its leaders and the inexorable drive to promote Africa to international investors have positioned Mauritius as the business center of excellence for the region.

In fact, the island nation has a lot to offer to investors: political stability guaranteed by parliamentary democracy based on Westminster Model, a modern legal and banking system, a solid corporate governance framework, investment protection through its numerous Investment Promotion and Protection Agreements as well as a conducive fiscal regime, just to name a few.

Along this line of vision, several innovative measures were announced in the budget speech 2016/2017 including changes proposed to the Income Tax Act that would allow more fiscal flexibility to investors operating in the finance sector. A number of corporations and individuals licensed by the Financial Services Commission (FSC) have been granted tax holidays on their income or emoluments subject to meeting the conditions attached thereto.

In that respect, the Income Tax (Amendment of Schedule) (No.2) Regulations 2016 (the “Regulations”) were made on 31 October 2016 and gazetted on 5 November 2016. The salient changes brought about by the Regulations are detailed below:

1. Individuals acting as Asset / Fund Managers

With effect 1 September 2016, the emoluments of an individual acting as Asset / Fund Manager will be exempted from Income tax for a period of **5 income years** as from the income year in which the employee was granted the certificate mentioned further below, provided that:

- The employee is issued with one of the following certificates from the FSC:
 - (a) Asset Manager Certificate
 - (b) Fund Manager Certificate
 - (c) Asset and Fund Manager Certificate
- The employee manages assets of more than USD100 million
- The corporation employing the individual is licensed by the FSC

2. New Licences

Global Headquarters Administration Licence

Corporations that have been issued with a Global Headquarters Administration Licence on or after 1 September 2016 will benefit from an **8-year** income tax holiday on its income provided that:

- Income is derived from activities covered under that licence; and
- The corporation satisfies the minimum employment criteria and the substance requirements as specified by the FSC

Other new Licences

A **5-year** income tax holiday is granted to corporations issued with the following licences on or after 1 September 2016:

- Global Treasury Activity Licence
- Global Legal Advisory Licence
- Investment Banking Licence
- Overseas Family Office (Single) Licence
- Overseas Family Office (Multiple) Licence

Provided that:

- Income is derived from activities covered under that licence; and
- The corporation satisfies the minimum employment criteria and the substance requirements as specified by the FSC

3. Investment in Mauritius by foreigners

A non-citizen individual or a company wholly owned by a non-citizen who invests more than USD25 million in Mauritius on or after 1 September 2016, subject to meeting the terms and conditions approved by the Board of Investment, will benefit from a tax holiday of **5 years** as from the income year the investment was made. Exemption will be void should investment amount fall under USD 25 million at any time during the first 5 years.

How can ITL assist?

ITL endeavors to provide a one-stop-shop solution and our team will be glad to assist you in applying for the relevant licences / certificates from the FSC as well as in completing the relevant tax formalities.

For more information on the above or on how we can further assist, please do not hesitate to write to us on info@intercontinentaltrust.com or liaise with your usual contact person at ITL.

For any additional information please contact us.

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