

Mauritius regulatory and tax update

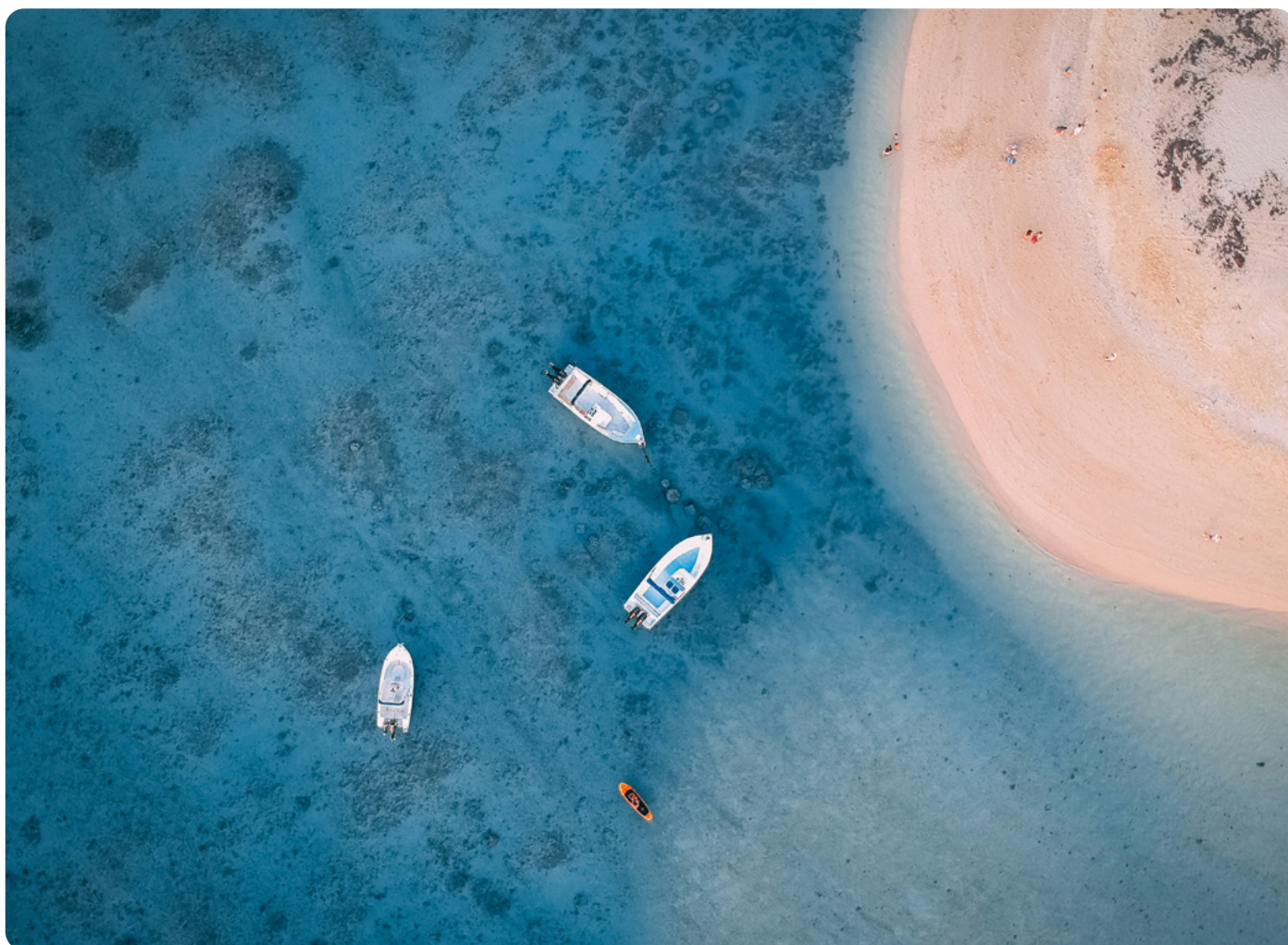
The Finance (Miscellaneous Provisions) Act 2024

The Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation (Miscellaneous Provisions) Act 2024



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Chapter 1: Introduction

The Mauritius International Financial Centre (“MIFC”) is at the heart of two major emerging continents, Africa and Asia, including the ASEAN region. Together, these regions account for more than 76% of the global population and exhibit steady and promising economic growth.

The MIFC also boasts a wide array of treaties, with 46 signed tax treaties and more than 30 treaties under negotiation or awaiting signature or ratification. This extensive treaty network enhances Mauritius’s attractiveness as a financial hub, facilitating cross-border investments and corporate banking activities.

In line with its strategic vision to bolster Mauritius as a premier financial hub, the government has introduced **The Finance (Miscellaneous Provisions) Act 2024**, which was passed by the Mauritius National Assembly on July 23, 2024, and gazetted on July 27, 2024. This Act legislates the measures announced in the Minister of Finance’s Budget Speech 2024-2025.

In its commitment to maintaining a transparent and robust financial environment, Mauritius has also enacted **The Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation (Miscellaneous Provisions) Act 2024**. Passed on July 18, 2024, assented, gazetted, and coming into force on July 25, 2024, it amends 16 existing legislations to meet international standards set by the Financial Action Task Force (“FATF”) on anti-money laundering and combating the financing of terrorism and proliferation.

This eBook highlights the key provisions that affect the business community in terms of regulatory, tax, and immigration measures, further reinforcing the MIFC’s role in driving economic growth and investment in the region.



Population

1.26 million



Languages

English and French



Local time zone

GMT + 4



Pillars

Cross-border investment
Cross-border corporate banking
Private banking and wealth management
Compliant and transparent tax regime



Contribution to GDP

13.5%



Sectorial growth

4.2%

Chapter 1: Introduction



Key members of regional economic blocs:

AU
SADC
COMESA



Bilateral agreements signed

46 Double Taxation Avoidance Agreements ("DTAA")
29 Investment Promotion and Protection Agreements ("IPPA")



OECD/EU recognition

Whitelisted
40/40 FATF conditions met



World Bank Doing Business ranking

13th out of 190



GFCI index ranking

2nd in Africa
5th in MENA



Apex Group MRU talent pool

Over 1000



Share of fund business in MIFC

42%



Share of overall market in MIFC

25%



Apex Group MRU-AUA

\$141 billion



Chapter 2: The Finance (Miscellaneous Provisions) Act 2024

Regulatory measures

Companies Act 2001

- **Section 290:** An administrator for the winding-up of limited life companies shall conduct the winding-up in accordance with the Insolvency Act, as far as possible.
- **Section 309(3):** A request for the removal of a company from the register of companies under Section 309(1) should, in addition to the written notice from the Director General of the Mauritius Revenue Authority (“MRA”), be accompanied, where applicable, by a No Objection from the Financial Services Commission (“FSC”).
- Companies limited by guarantee must submit a copy of their constitution to the Registrar of Companies as part of the application for incorporation.

Financial Services Act 2007

Effective from August 1, 2024

- **New Section 22B:** Provision included for licensees to pay to the FSC such post-licensing fees as may be specified in FSC Rules for any post-licensing request as required under the relevant Acts.
- **Section 25B:** A licensee will be required to promptly inform the FSC of any change of name.
- **Section 29(5)(aa):** Every qualified trustee shall, at the request of the FSC, provide any information about any trust under its administration and trusteeship.
- **Section 31:** An advertisement proposed to be published by a licensee about a financial service or product shall be submitted to the FSC at least seven working days before its publication. The FSC has the right to request the licensee to amend or withdraw the advertisement if it is not satisfied.

- **Section 71:** GBCs and the Act would be required to pay a fee to the FSC on an application to change the Management Company or Registered Agent.
- **Section 71A(10):** A company shall file an annual financial summary with the FSC within six months after the end of its financial year (Deemed to have come into operation on January 1, 2019).

GBCs will be permitted to operate in the freeport zone of Mauritius and carry out certain activities subject to the approval of the Economic Development Board (“EDB”), MRA, and the FSC.

Securities Act 2005 (Section 107 and 108)

- An auditor will require FSC approval to audit the financial statements of a closed-end fund.
- The FSC shall approve an audit firm that has adequate experience, expertise, and resources to audit the financial statements of a closed-end fund.
- The auditor of a closed-end fund shall report to the FSC any matters they become aware of during the audit, such as serious irregularities, any criminal offenses involving fraud or dishonesty, contraventions of the Act, or any rules or directions issued by the FSC.
- The FSC may direct a closed-end fund to terminate the appointment of an audit firm if such firm is in contravention of the Act, FSC rules, or directions.

Financial Reporting Act 2004

- The definition of a Public Interest Entity (“PIE”) has been amended to explicitly exclude Authorised Companies. Global Business License (“GBL”) holders were already excluded, apart from those holding a financial services license.
- New Section 69A added to require all PIEs listed in the 1st Schedule of the Act to apply for registration with the National Committee on Corporate Governance, subject to such fee as may be prescribed.

Chapter 2: The Finance (Miscellaneous Provisions) Act 2024

Workers Rights Act 2019

- **Section 5:** Enhanced the definition of discrimination to include workers on maternity or paternity leave if it impairs their career development or opportunities for promotion.
- **Section 17A:** Work-from-home requirements extended as follows:
 - A notice of at least 48 hours should be given by the employer to a worker where the latter is required to work from home.
 - Right of a worker to 'disconnect' when required to work during 'unsocial hours', except in situations of emergency or where the working hours of the worker correspond to the working hours in the market country served.
 - Payment of a disturbance allowance to a worker (in addition to any payment due under any enactment) equivalent to one time his hourly wage for every hour of work performed during unsocial hours.
 - New definition of 'disconnect' to mean disengage from work and work-related communications.
 - New definition of 'unsocial hours' to mean hours of work performed (a) between 1 p.m. on a Saturday and 6 a.m. on the ensuing Monday; and (b) between 10 p.m. on a weekday and 6 a.m. on the ensuing day.
 - Definition of "work-related communications" to include emails, telephone calls, video calls, or other means of sending and receiving messages.
 - New Section 24(4A) added to allow a worker to opt for paid time off in lieu of remuneration for work performed on a public holiday or on a weekday for more than the normal working hours.
- New provision Section 29A requires any person intending to operate as a labour contractor, as defined under the Act, to apply to the supervising officer of the Ministry responsible for employment.
- New Sections 29B and 29C added regarding the obligations of a labour contractor and the liability of a labour contractor and hirer employer.
- **Section 32(6):** Amended in respect of work performed by a worker under extreme weather conditions:
 - 'Extreme weather conditions' defined to include cyclonic conditions with a warning class III or IV, an order issued by the National Crisis Committee requiring a person to remain indoors during heavy or torrential rain, or a safety bulletin issued by the Mauritius Meteorological Services.
 - Allows a worker to be entitled to an allowance equal to three times the basic rate per hour for every hour of work performed and an adequate free meal if the worker is required to work under extreme weather conditions at the employer's premises or any other assigned location.
 - Allows a worker to be required to work from home during extreme weather conditions where there is no risk to their life or that of their family, no risk of injury, no risk of damage to their residence, or no electricity or communication breakdown. In such conditions, the worker shall be remunerated at not less than twice the rate applicable during normal working hours.

Chapter 2: The Finance (Miscellaneous Provisions) Act 2024

- **Section 47:** Amended in respect of vacation leave:
 - Vacation leave shall be for a period of not less than six consecutive days with pay, which shall be effected at least seven working days before the worker proceeds abroad if the leave is wholly or partly spent abroad.
 - At least three months' notice is required from a worker when applying for vacation leave, and the application shall, subject to reasonable business grounds, be approved by the employer.
 - Where vacation leave is not approved on reasonable business grounds, a mutual agreement can be reached for the leave to be taken at a later period, or in default of an agreement, the employer shall pay a normal day's wage to the employee for each day of leave applied. Payment shall be effected in the month the leave was due to start.
- **Section 52:** Amended to increase the maternity leave entitlement from 14 weeks to 16 weeks on full pay. The number of maternity leave weeks that can be taken after confinement has been increased from at least 7 weeks to at least 8 weeks.
 - An additional 2-week maternity leave with pay is granted to a female worker giving birth to twins, triplets, multiple births, or a premature baby.
 - In the case of a stillborn child, the leave on full pay is increased to 16 weeks.
 - For adoption of a child less than 12 months old by a female employee who has been in continuous employment with the same employer for 12 consecutive months, the leave on full pay is increased to 16 weeks.
- **Section 52A:** Requires an employer employing more than 250 workers to provide free childcare facilities to workers with children aged not more than 3 years. The facility need not be on the employer's premises or within 1 km as previously provided.
 - Paternity leave is increased from 5 days to 4 consecutive weeks with pay when the spouse of a male worker, who has been in continuous employment for 12 consecutive months, gives birth to a child or when the worker or his spouse adopts a child aged less than 12 months.
- **Section 63:** Amended to include termination of employment of a migrant worker and repatriation by the employer by giving at least 20 days' notice. Any unpaid remuneration shall be paid to the worker, including all benefits.

Virtual Asset and Initial Token Offering Services Act 2021

- **Section 15:** Amended to require a virtual asset service provider to have a senior executive at all times, who shall be appointed with the prior approval of the FSC.

Chapter 2: The Finance (Miscellaneous Provisions) Act 2024

Tax measures

Corporate Climate Responsibility (“CCR”) levy

Effective from the Year of Assessment (“YOA”) commencing July 1, 2024

A CCR levy will be introduced as follows:

- A 2% levy imposed on a company's chargeable income/net income in the case of a partnership.
- Applicable to companies (including resident partnerships) with a turnover of more than MUR 50 million, including an Authorised Company deriving Mauritian-sourced income.
- Turnover will include all gross income derived by a company from all sources, including any exempt income. Although clarification is needed, our interpretation of the definition of turnover is that capital gains or unrealized gains, such as fair value adjustments, should not be included as part of turnover for the purpose of the CCR calculation.
- Foreign tax credits (i.e., any withholding tax or underlying tax suffered) and investment tax credits may be used to offset any CCR levy payable.
- Given that the CCR levy is included in the definition of “income tax” under the Income Tax Act 1995 (“ITA”), it should be considered part of the covered tax for the purpose of the minimum tax under the Global Anti-Base Erosion Rules (“GloBE”).
- Please refer to the [appendix 1](#) for a tax simulation of the tax impact of the CCR levy.

Payment Intermediary Services (“PIS”) licence holders

Effective from the YOA commencing July 1, 2025

- An 80% exemption is available on income derived by PIS licence Holders, subject to meeting prescribed substance conditions.
- The substance conditions will be prescribed in the Income Tax Regulations.

Robotic and Artificial Intelligence Enabled Advisory Services licence

Effective from the YOA commencing July 1, 2025

- An 80% exemption is available on income derived by a company holding a Robotic and Artificial Intelligence Enabled Advisory Services licence issued by the FSC.
- The substance conditions will be prescribed in the Income Tax Regulations.
- An investment tax credit of 15% over three years will include Artificial Intelligence and patents, effective from July 1, 2024.

Virtual assets and virtual tokens

Effective from July 1, 2024

- Gains or profits derived from the sale of virtual assets and virtual tokens will be exempt from tax.

Captive insurance

Effective from the date gazetted

A 10-year income tax holiday is granted to a captive insurer from the date of the operations of its business.

Chapter 2: The Finance (Miscellaneous Provisions) Act 2024

Freeport sector

Effective from the date gazetted

- A company will now be able to operate in the Freeport Zone under both a Global Business Licence (“GBL”) and a Freeport certificate. The 8-year income tax holiday is available only on income derived by the GBL pertaining to its activities as a Freeport operator or private Freeport developer.

Interest from bonds issued by public sector

Effective from the date gazetted

- Tax exemption is available on interest income derived from bonds issued by public sector companies to finance infrastructure projects, subject to approval by the Minister of Finance, Economic Planning, and Development.

Amended returns

Effective from the date gazetted

- No amended return can be submitted for an income year for which an assessment has been raised or notification has been made by the MRA to the taxpayer of an intention to raise an assessment.
- The taxpayer may make a written declaration to the MRA to request changes to the return under enquiry prior to the MRA issuing the assessment, provided the proposed changes do not relate to matters forming part of the assessment.
- The MRA will inform the taxpayer of the outcome of the declaration within 6 months of its submission.
- The taxpayer may not challenge the decision of the MRA if the declaration is not entertained.

Tax Arrears Settlement Scheme (“TASS”)

Effective from the date gazetted

- TASS will be introduced for an additional year with a full waiver of penalties and interest on tax arrears due as of 30 June 2024, provided that the application for TASS is made to the MRA by 31 March 2025 and settlements are made to the MRA by June 26, 2025.
- The waiver of penalties and interest under TASS covers the Income Tax Act, the Value Added Tax Act, the Gambling Regulatory Authority Act, the Social Contribution and Social Benefits Act 2021, and the Human Resource Development Act.

VAT on services provided to non-resident trusts or foundations

Effective from the date gazetted

- Zero-rated VAT on services provided by management companies to:
 - Trusts whose settlor and beneficiaries are non-residents.
 - Foundations whose founder and beneficiaries are non-residents.

VAT invoices

Effective from the date gazetted

- VAT invoices denominated in foreign currency should include the applicable exchange rate into MUR.

Credit for input tax

Effective from the date gazetted

- Credit on input tax can be claimed on goods and services acquired from the date of voluntary registration.

Chapter 2: The Finance (Miscellaneous Provisions) Act 2024

Time limit for examination of VAT returns

Effective from the date gazetted

- The time limit for the MRA to examine a VAT return and raise an assessment will be 4 years from the taxable period in which the return was submitted, compared to the last date of the taxable period.
- The MRA may also request information on books and records for up to 5 years from the taxable period in which the return was submitted.

Immigration measures

Occupation Permit (“OP”)

Effective from the date gazetted

- The minimum monthly salary threshold to apply for an OP will be reduced from MUR 30,000 (approx. USD 650) to MUR 22,500 (approx. USD 485).
- An Expert OP will be introduced for professionals earning a minimum salary of MUR 50,000 (approx. USD 1,075).
- The Expert OP is eligible for a person with a minimum of 10 years’ experience in the field of wealth management, family office, virtual assets, and virtual tokens, who holds qualifications in the relevant fields and has an employment contract.
- The spouse of the holder of an Expert OP may also apply for an OP or an Expert OP if the eligibility criteria are met.



Chapter 3: The Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation (Miscellaneous Provisions) Act 2024

The Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation (Miscellaneous Provisions) Act 2024 introduces several key amendments across various legislations to enhance compliance and regulatory frameworks:

Companies Act 2001

- The Registrar of Companies (“Registrar”) is to maintain a Beneficial Ownership register accessible to all competent authorities and other prescribed public sector authorities. The Beneficial Ownership register shall not be available to the public for inspection.
- Companies must maintain a register of beneficial owners or ultimate beneficial owners, accessible to competent authorities upon request.
- Companies must appoint a designated person and an alternate, both ordinarily resident in Mauritius, to provide beneficial ownership information to competent authorities.
- Introduction of a risk-based approach and the Registrar’s powers concerning terrorism financing risks and prevention for companies limited by guarantee, with separate guidelines to be issued.

The Financial Services Act 2007

- Inspections can be carried out at any time, place, and manner determined by the FSC not limited to the licensee’s business premises.
- The FSC can request off-site access to necessary information and systems for inspection purposes.
- Failure to attend an investigator’s summons without reasonable excuse constitutes an offence, punishable by a fine up to 500,000 rupees and imprisonment up to 5 years.

Foundations Act 2012

- The Registrar is to maintain a Beneficial Ownership register accessible to all competent authorities and other prescribed public sector authorities.
- Charitable foundations must implement terrorism financing prevention programs proportional to their risks and business size, with guidelines to be issued by the Registrar.
- Foundations must maintain a register of beneficial owners or ultimate beneficial owners, accessible to competent authorities upon request.

Limited Liability Partnerships Act 2016

- The Registrar is to maintain a Beneficial Ownership register with prescribed information.
- Limited liability partnerships must maintain a register of beneficial owners or ultimate beneficial owners, accessible to competent authorities upon request.
- A natural person and an alternate, both ordinarily resident in Mauritius, must be appointed to provide beneficial ownership information to competent authorities upon request.

Limited Partnerships Act 2011

- The Registrar is to maintain a Beneficial Ownership register accessible to all competent authorities and other prescribed public sector authorities.
- Limited partnerships must maintain a register of beneficial owners or ultimate beneficial owners, accessible to competent authorities upon request.
- A natural person and an alternate, both ordinarily resident in Mauritius, must be appointed to provide beneficial ownership information to competent authorities upon request.

Chapter 4: How can we help?

As a pioneer in the global business space, Apex Mauritius provides a level of client service that is unsurpassed. Based in the heart of the Hi-tech Business Parks in Mauritius (licensed and regulated by the Financial Services Commission) the service delivery model is based on years of experience and in-depth knowledge of all areas of the fund business.

Apex Mauritius combines a mixture of dedicated resources and fully integrated technology which results in a fast and efficient service in all areas of the global fund administration business.

Our team of experienced professionals, our best-in-class technology and client-centric approach ensure that we deliver outstanding service tailored to the specific requirements of each individual client.

Our services:

- Closed-end and open-end fund administration and investor services
- Corporate solutions such as setups and incorporations, directorship and trustee services, secretarial and governance, accounting services, transaction and liquidity management
- [Platform-based solutions](#)
- Middle office services
- ESG services
- Valuation services, including the provision of complex valuation and modeling solutions across all levels of the corporate and alternative asset industry
- Financial and FX solutions, including banking, depository, escrow, loan, proxy services, safekeeping, securitization, etc.
- Global compliance services, including AML and KYC services, GDPR services, and regulatory reporting, such as CRS/FATCA assistance and AML audits
- Specialist knowledge with in-house tax and legal support services
- Specialist knowledge with in-house tax and legal services



Appendix 1: Tax simulation – Impact of CCR levy

Impact of CCR Levy			
Applicable to companies having a turnover of more than MUR50m (approx USD1 m)			
	Not claiming PE/FTC	Claiming FTC	Claiming PE
Income	120.00	120.00	120.00
Expenses	20.00	20.00	20.00
Profit before Tax	100.00	100.00	100.00
Tax adjustments			
80% Partial Exemption ("PE") on specified income			96.00
Unauthorised deductions - wrt 80% PE			16.00
Chargeable income	100.00	100.00	20.00
Tax at 15%	15.00	15.00	3.00
FTC to offset 15% tax liability (Note 1)		15.00	
Tax liability	15.00		3.00
CCR Levy (2% of chargeable income)	2.00	2.00	0.40
Remaining FTC to offset CCR Levy (Note 1)		2.00	
CCR Levy payable	2.00		0.40
Total tax liability	17.00		3.40
ETR prior to CCR Levy	15.00%	0.00%	3.00%
ETR post to CCR Levy	17.00%	0.00%	3.40%
Note 1:			
Assumed FTC suffered (including any withholding tax and underlying tax where applicable is USD 20)			
Where FTC is not sufficient to offset the CCR Levy payable, additional tax will arise.			

Appendix 2: Our technology solutions



One of the industry leading Private Equity platforms that automates the full range of private equity accounting processes from fee calculations to rebalances and partner transfers with a full range of granular reports that pivots data with Investors being the focal point



eFront Portfolio Monitoring (PM) streamlines and automates all portfolio monitoring activities from data collection and standardization all the way to advanced analysis and investor reporting, leveraging eFront's unparalleled experience in alternative investment technologies



Allvue, is a suite of private equity technology solutions covering Fund and management company accounting, CRM, Investor communications, Portfolio monitoring and Business intelligence. The technology will offer increased transparency, scalability and straight through processing for all private equity clients – enabling Apex to minimize risk and provide more oversight



Yardi's web-based end-to-end platform is fully integrated and delivers mobile access capabilities to manage operations, execute leasing, run analytics and provide innovative investor services from anywhere



One of the industry leading Private Equity platforms that excels in supporting traditional buy-out, infrastructure and real estate closed-ended structures with robust fund administration and reporting capabilities



IntegriDATA Expense Allocation System (EAS) brings control, consistency, and precision to expense allocation. Automatically allocate expenses with EAS to improve accuracy, increase efficiency, and ensure compliance



eFront Investment Café is a modern, clean and easy to use cloud-based portal that provides investors secure access to information anytime, anywhere and from any device. the portal delivers an easily accessible interface to send secure notices, financial statements and quarterly reports to clients. It also offers dynamic reporting for investors and data rooms for fund raising



Solvás is a comprehensive multi-asset class portfolio administration and reporting solution for asset managers, alternative investment funds, trustees, fund administrators and agent banks

Appendix 2: Our technology solutions



Calypso's software and cloud services support trading, risk management, collateral, processing, accounting, and compliance needs in a uniquely integrated platform



Tableau is a business intelligence software that helps people see and understand their data through limitless visual analytics, combining multiple views of data to get richer insight



A fund reconciliation software that automates and enables exception-based identification of breaks, traditionally utilized to service hedge funds, with wider applications for private equity managers with complex operational needs



Viewpoint is a multi-module tool supporting the Corporate Secretarial services. The platform offers an integrated governance solution to assist managers to streamline their data, processes, teams and client servicing to achieve unrivalled effectiveness



A compliance tool that aids in Politically Exposed Person ("PEP") screening, KYC compliance, transaction monitoring, fraud attempt detection and anti-money laundering



A leading general ledger platform that forms the basis for portfolio and fund accounting primarily for open-ended funds. The software also serves as the engine supporting portfolio accounting for private credit managers, as part of Apex Group's fully integrated Geneva / FIS eFront hybrid solution



Paxus is a specialist accounting and administration application system for back office fund administration. The platform enables securities portfolio accounting, profit allocations, multi-currency general ledgers, advanced fee calculations, a share registry / transfer agency module and an automated investor communication tool



Through a dedicated mobile application, you can securely access a full library of materials anytime, anywhere, eliminating the need for paperwork. Powered by Board Intelligence, we give you the ability to review papers ahead of board meetings and share comments within a secure portal



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