

Mauritius GBC 1 Company (Tax Resident – Treaty Access)

General	
Type of entity	GBC 1
Type of law	Hybrid
Shelf company availability	No
Our time to establish a new company	4 weeks
Minimum government fees (excluding taxation)	US\$1,750 to FSC US\$325 to ROC
Corporate Taxation	Varies from 0% to 3% (maximum)
Double taxation treaty access	Yes
Share Capital or Equivalent	
Standard currency	US\$
Permitted currencies	Any except Rs
Directors or Managers	
Minimum number	2
Local required	2 required
Publicly accessible records	No
Location of meetings	To be chaired in Mauritius and must include 2 directors from Mauritius
Members	
Minimum number	One
Publicly accessible records	No
Company Secretary	
Required	Yes
Local or qualified	Local and qualified
Accounts	
Requirement to prepare	Yes
Audit requirements	Yes
Requirement to file accounts	Yes
Publicly accessible accounts	No
Other	
Requirement to file annual return	No
Change in domicile permitted	Yes

OVERVIEW

Mauritius GBC 1 Companies are resident in Mauritius and consequently subject to tax. However, they benefit from both tax credits and a longstop tax rate of 3%. Correctly structured and managed Mauritius GBC 1 companies may access Mauritius' network of 37 tax treaties. Neither capital gains nor withholding taxes are levied. Consequently, Mauritius GBC 1 companies are used by tax practitioners and businesses to structure investments into Mauritius' treaty partners, which include China, India, Luxembourg and Thailand.

Mauritius GBC 1 Companies are governed by The Companies Act, 2001 and regulated by the Mauritius Financial Services Commission. They are subject to compliance and reporting regimes similar to those of Hong Kong or UK companies.

All companies seeking to benefit from this status are granted licenses on a case by case basis by the regulatory authorities in Mauritius. This procedure demands the submission of a detailed business plan and disclosure of beneficial ownership.

Normally it takes about three weeks to set up a Mauritius GBC 1 Company.

GENERAL INFORMATION

Introduction

Mauritius is situated in the Indian Ocean approximately 800 km off the East Coast of Madagascar.

Population

The population of the Island is approximately 1,200,000 made up principally by people of European, African, Indian and Chinese origin. Mauritius takes pride in the fact that these different cultures co-exist in peace and succeed in creating a cultural entity that is distinctly Mauritian.

Political Structure

The British ruled Mauritius for 158 years until 12 March 1968 when it became an independent country within the Commonwealth. The Republic of Mauritius is a Westminster style democracy. The President is the Head of State and Commander in Chief. Full executive power rests with the Prime Minister who is Head of Government. The Members of Parliament are elected every five years by popular vote and a number of political parties contest the elections, reflecting the country's firm commitment to a multi-party political system.

Economy

Since independence in 1968, Mauritius has developed from a low income, agriculturally based economy to a middle-income diversified economy with growing industrial, financial, and tourism sectors. For most of the period, annual growth has been of the order of 5% to 6%.

The government's development strategy centres on foreign investment. Mauritius has attracted more than 20,000 offshore entities, many aimed at commerce in India and South Africa, and investment in the banking sector alone has reached over US\$ 1 billion.

Language

English is the official language. However, the Mauritian population is largely bilingual, being equally fluent in English and French. Creole is also spoken and understood by everyone.

Currency

Mauritian Rupee.

Exchange Control

None.

Type of Law

Common Law for corporate matters.

COMPANY INFORMATION

Principal Corporate Legislation

The Companies Act 2001.



ISO 9001:2000
Certificate Number 91196

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Financial Services Act 2007.

A Company holding Category 1 Global Business License is resident for tax purposes and can access Mauritius' network of double tax treaties, provided that it is correctly structured and that the seat of management and control is in Mauritius.

Procedure to Incorporate

Once name search and approval are obtained, application is submitted to the ROC. Upon approval, application is submitted to the FSC.

Restrictions on Trading

A licence is required to undertake banking or insurance business or solicit funds from the public.

Powers of Company

A company incorporated in the Republic of Mauritius has the same powers as a natural person.

Language of Legislation and Corporate Documents

The legislation is in English and French whilst documentation may be expressed in any language but must be accompanied by a certified English translation.

Registered Office Required

Yes, must be maintained in Mauritius at the address of a licensed management company or law firm.

Shelf Companies Available

No.

Time to Incorporate

Four weeks.

Name Restrictions

Any name that is identical or similar to an existing company or any name that suggests the patronage of the President or the Government of Mauritius.

Language of Name

English or French.

Names Requiring Consent or a Licence

The following names or their derivatives: assurance, bank, building society, Chamber of Commerce, chartered, co-operative, government, imperial, insurance, municipal, royal, state or trust or any name which in the opinion of the Registrar suggests the patronage of the President or the Government of Mauritius.

Suffixes to Denote Limited Liability

Limited, Corporation, Incorporated, Public Limited Company, Société Anonyme, Société Anonyme à Responsabilité Limitée, Sociedad Anónima, Berhad, Proprietary, Naamloze Vennootschap, Besloten Vennootschap, Aktiengesellschaft or the relevant abbreviations.

Disclosure of Beneficial Ownership to Authorities

Yes, but not public.

COMPLIANCE**Usual Capital**

The concept of share capital now applies.

Classes of Shares Permitted

Registered shares, preference shares, redeemable shares and shares with or without voting rights.

Taxation

Companies pay a fixed annual licence fee of US\$ 1,750 and a one-off licence application fee of US\$ 500 to the Financial Services Commission. On incorporation a once-off fee of US\$ 325 is payable to the Registrar of Companies for private companies. Thereafter a further US\$ 325 is payable annually for private companies. Companies are resident in Mauritius for tax purposes. There is no capital gains taxation in Mauritius and there are no withholding taxes on the payment of dividends, interest or royalties from Companies. There are no stamp duties or capital taxes. Companies holding Category 1 Global Business License are liable to taxes at a rate of 15%.

Tax Situation

Provided that the Company holding a Category 1 Global Business License owns at least 5% of an underlying company, credit will be available on foreign tax paid on the income out of which the dividend was paid ("underlying foreign tax credit").

When a company not resident in Mauritius, which pays a dividend, has itself received a dividend from another company not resident in Mauritius (a "secondary dividend") of which it owns either directly or indirectly at least 5% of the share capital, such dividend will be allowable as a foreign tax credit and an underlying foreign tax credit will also be available.

Mauritius has no thin capitalisation rules.

Interest and royalty payments paid by Companies holding a Category 1 Global Business License are fully tax deductible in Mauritius.

Tax sparing credits are available - Under this regime the effective rate of taxation in Mauritius can be reduced as a long stop provision exists whereby Companies holding Category 1 Global Business License may elect not to provide written evidence to the Commissioner showing the amount of foreign tax charged and enjoy deemed taxation at 80% of the normal rate of 15%, i.e. 12%. Thus, use of this long stop provision in isolation would reduce the effective rate of taxation in Mauritius from 15% to 3%.

Double Taxation Agreements

Mauritius has an extensive double tax treaty network which includes treaties with the following countries: Australia (Partial), Barbados, Belgium, Botswana, Congo, Croatia, Cyprus, Egypt, France, Germany, Guernsey, India, Italy, Kuwait, Lesotho, Luxembourg, Madagascar, Malaysia, Malta, Monaco, Mozambique, Namibia, Nepal, Oman, Pakistan, People's Republic of Bangladesh, People's Republic of China, Rwanda, Senegal, Seychelles, Singapore, Sri Lanka, South Africa, State of Qatar, Swaziland, Sweden, Thailand, Tunisia, Uganda, United Arab Emirates, United Kingdom, Zambia, Zimbabwe

Licence Fees

US\$ 1,750 to the FSC.

Registrar of Companies Charge approximately:

- US\$ 325 Private Limited Company
- US\$450 Public Limited Company

Financial Statement Requirements

Audited financial statements must be filed with the Financial Services Commission.

Directors

Companies holding Category 1 Global Business Licenses require a minimum of two Directors who must be natural persons resident in Mauritius.

Company Secretary

A qualified resident company secretary must be appointed.

Shareholders

One.

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