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SETTING UP A GLOBAL BUSINESS ENTITY IN MAURITIUS

Investors may use the Mauritius Global Business sector, formerly known as the Mauritius Offshore Business sector, as a platform for investing in other countries through out companies holding a Category 1 or 2 Global Business Licence.

In order to attract them a package of fiscal incentives are provided: more particularly, a low domestic tax regime, tax free repatriation of funds and double taxation treaties.

1. Global Business in Mauritius

Mauritius allows non-residents to set-up and register to do business on an international basis against payment of an annual licence. Mauritius provides tax benefits to the registered company and disallows any dealings with the residents, except where authorized.

1.1. Why Mauritius?

- Economic and political stability
- Time zone of GMT plus four
- Low tax jurisdiction
- Double-tax treaty agreements
- No exchange control
- Anti-money laundering regulations
- Efficient telecommunication and business infrastructure
- Up-to-date legislations for Global Business activities
- Pool of well qualified professionals
- Reputable banking system
- Mauritius is not black listed on the Organisation for Economic Co-operation and Development (OECD)
- Double-Tax Treaty Network

1.2. Few examples of Global possibilities

- Investment Holding Companies whose return can be free of tax
- Property Holding Companies hold property and property rights in a Global Business Centre in order to avoid capital gains taxes on the sale of property as well as on inheritances taxes
- Patent and Copyright Holding Companies may own intellectual property rights which may be franchised to companies all over the world.
- International trading companies make profits in selling goods which they have bought at a low cost, to high-income market countries.
- Professional services company can contract with a professional to provide with services outside their country of residence and the fees paid can be accumulated free from taxation in the Global Business.

1.3. What is a Global Business?

It is defined under the Financial Services Act 2007 as any business or activity which is carried out

outside Mauritius in a foreign currency from within Mauritius.

1.4. Advantages of qualified Global Business companies

- Assets are protected
- Risk is reduced
- Administration is easy
- Confidentiality prevails
- Anonymity
- Professional directors able to act upon their clients' instructions

2. Corporate vehicles available to carry Global Business Activities

The corporate vehicles are the Global Business companies holding a category 1 Global Business Licence and companies holding a category 2 Global Business Licence.

There are two types of Global Business companies available, namely, companies holding a category 1 Global Business licence and companies holding a category 2 Global Business Licence.

2.1. Category 1 Global Business Licence (GBL1)

2.1.1. Key Features

Requirements for the setting up of a GBL1:

- Qualified company secretary (CK (Corporate Services) may provide for it)
- Two resident directors at least, corporate director not permissible
- One individual/corporate shareholder permissible
- May or may not have a constitution
- No minimum capital required except for certain special activities
- Details of beneficiaries owners are disclosed to FSC thought not available to the public

Requirements for the GBL1 to be considered as a resident for tax purposes and to benefit from the Double-Tax treaties:

- Minimum of 2 local directors (CK (Corporate Services) may provide for it)
- Board meeting to be held in Mauritius (CK (Corporate Services) may provide for it)
- Must at all time have a registered office in Mauritius where accounting records and statutory documents are kept (CK (Corporate Services) may provide for it)
- Qualified secretary who is a resident in Mauritius (CK (Corporate Services) may provide for it)
- Must open a bank account in foreign currency in Mauritius through which the GBL1 must transact

Activities:

Activities include but are not limited to:

- Aircraft financing and leasing
- Asset Management
- Consultancy services
- Financial services
- Funds management
- Information and communication technology services
- Insurance
- Licensing and franchising
- Logistics and/or marketing
- Operational headquarters
- Pension funds
- Shipping and ship management
- Trading
- Any such other qualified Global Business as may be approved by the Financial Services Commission

2.1.2. Corporate vehicles available

Many corporate vehicles are available, among others:

- Societe
- Private or Public Company
- Limited by shares or guarantee
- Limited life company
- Protected cell company
- Investment Fund company

- Captive insurance company
- Private trust company

2.1.3. Taxation

- No exchange control
- No capital gain tax
- No tax on dividends distributed to any company to its shareholders and no withholding tax on interest paid to non-residents
- Tax resident at 15% on chargeable income, the same tax may be reduced to 3% after application of the deemed foreign tax credit.
- Benefit from the double tax treaties

2.2. Category 2 Global Business Licence

2.2.1. Key features

Requirements for the setting up of a GBL2:

- No minimum capital requirements
- Single shareholder and director allowed
- Corporate director and corporate shareholder permissible
- Must at all time have a registered office and a registered agent approved by the FSC
- No need to submit audited accounts or annual returns but a Financial Summary
- Continuation, mergers and migration is possible

Activities:

Activities include:

- non-financial consultancy
- IT services
- Logistics
- Marketing
- Shipping
- Ship management
- Trading
- Non-financial passive investment
- Any other activity as may be approved by the FSC

2.2.2. Available corporate vehicles

Many corporate vehicles are available, among others:

- Limited life company
- Private trust company

2.2.3. Taxation

- Non resident and exempt from tax
- No access to Mauritian double tax treaties
- No withholding tax on dividends or interest paid to non residents

***Nothing in this document shall be construed as legal advice from any lawyer of CK (Corporate Services).
The document is necessarily generalized. Professional advice should therefore be sought before any
action is undertaken based on this document.
We are at your disposal for any assistance.***

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