



The Foreign Account Tax Compliance Act (FATCA)

Inter-Governmental Agreement between Mauritius and the United States

In an effort to promote transparency and to reduce tax evasion, Mauritius and the United States (US) have signed a Model 1, Reciprocal and Inter-Governmental Agreement (IGA) and a Tax Information Exchange Agreement on 27 December 2013.

The provisions of the IGA have been ratified and included in the Mauritius Income Tax Act. The Mauritius Revenue Authority (MRA) has recently issued draft Guidelines on FATCA compliance and reporting. We expect these Guidelines to be finalised in the coming weeks.

All entities caught by FATCA's definition of Foreign Financial Institution (FFI), will be required to report to the MRA relevant account details relating to US Persons, which include individuals and companies, for onward transmission to the US Internal Revenue Service (IRS).

Non-compliance with FATCA

Failure to comply with FATCA could result in the imposition of a 30% withholding tax on certain payments of US source income.

What is FATCA?

FATCA is a US domestic law with global impact which was enacted in 2010 and came into force on 1 July 2014. The aim of this law is to fight tax evasion for US citizens and residents holding assets through non-US financial institutions.

FATCA introduces the concept of 'Foreign Financial Institution'. This term applies to non-US entities that meet the definition of a Financial Institution, i.e. the scope of FATCA applies if an entity falls within any of, or more than one of, the following categories:

In this issue

- The Foreign Account Tax Compliance Act (FATCA)
- ITL's CEO Ben Lim to speak at 'Business Success in Africa' Summit
- General Elections in Mauritius
- Mauritius benefits Indian e-visa facility
- Ben Lim on ACOA website news

- Depository Institution
- Investment Entity
- Custodial Institution
- Specified Insurance Company

Who are concerned?

All entities that meet the definition of FFI, have to register with the IRS and obtain a Global Intermediary Identification Number (GIIN) by 31 December 2014. FFIs incorporated in countries that have signed an IGA Model 1, have to report certain information concerning financial accounts held by US Persons and/or by foreign entities in which US Persons have a substantial interest, to their national tax authorities, which will in turn communicate the information to the IRS.



All entities that do not meet the definition of FFI are regarded as 'Non-Financial Foreign Entities' (NFFE) and they do not have any reporting obligations under FATCA towards the IRS. However, a 'passive' NFFE (an NFFE in which more than 50% of its gross income is passive income, and more than 50% of its assets are assets that produce or are held for the production of passive income such as dividend, interest, rent and royalties) should upon request, furnish information in respect of controlling US Persons of that entity to any FFI having a duty under FATCA to report such information to the IRS.

How we can help?

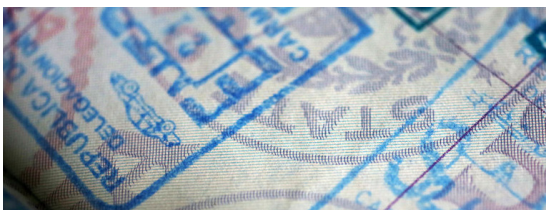
Having a dedicated FATCA project team, Intercontinental Trust Limited (ITL) has a detailed knowledge of the legislation and the processes involved. Our procedures have been updated to include the enhanced due diligence required for identification of US persons and the reporting.

ITL can assist in the FATCA classification of entities that we administer, i.e. to determine whether they fall within the definition of FFI or not. We can also liaise with your tax advisor to provide the required information for FATCA classification.

ITL can also act as a 'Point of Contact' for the registration process with the IRS, submitting the forms on behalf of the entities in your structure.

Once the relevant entities have been 'classified' and registered with the IRS, investor onboarding and other processes will need to be changed to accommodate the additional due diligence procedures imposed by the IGA.

Should you need more information and assistance please contact us:



Intercontinental Trust Limited
Level 3, Alexander House, 35 Cybercity,
Ebene 72201, Mauritius
Tel: (230) 403 0800 Fax: (230) 403 0801
Email: info@intercontinentaltrust.com
Web Site: www.intercontinentaltrust.com

ITL's CEO Ben Lim to speak at 'Business Success in Africa' Summit

Our CEO, Ben Lim will be a speaker at the 'Business Success in Africa – Partnering with Mauritius for African Growth' summit in Johannesburg on 9 December 2014.

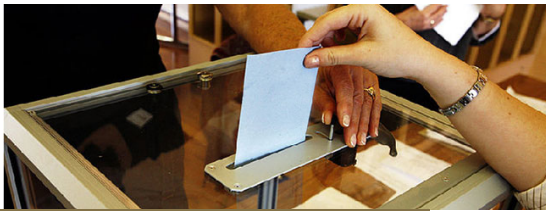
This one day event will be hosted by the Board of Investment Mauritius, in association with 'This is Africa' and 'Financial Times Lives' and will be open to national and multinational senior executive professionals.

This summit is yet another opportunity for ITL, as the leading fiduciary and corporate services provider in Mauritius, to help Africa realise its enormous development potential.

It will also be an excellent platform for discussion on strategic partnerships for business growth across the continent, the latest challenges and rewards facing corporate expansion in the region, African growth case studies and what leading African international financial centres have to offer to growing corporations.

General Elections in Mauritius

General Elections in Mauritius will be held on Wednesday 10 December 2014. This day has therefore been declared public holiday so as to enable Mauritian citizens to vote. The last general elections were held on 5 May 2010.

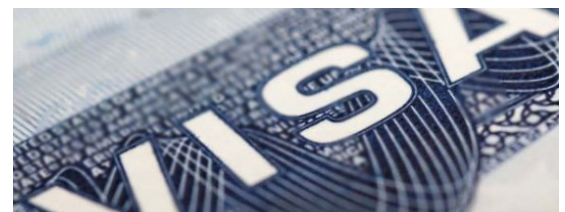


Mauritius elects on national level a legislature. The National Assembly has 70 members, 62 are elected for a four-year term in 21 multi-member constituencies and 8 additional "best loser" members appointed by the Supreme Court. The president is elected for a five-year term by the parliament. Mauritius has a multi-party system, with two or three strong parties and a third party that is electorally successful.

Mauritius benefits Indian e-visa facility

Mauritius along with 42 other countries have been granted e-visa facilities. This was announced by Home Minister Rajnath Singh, along with Tourism minister Mahesh Sharma.

To get an e-visa, an application on a designated website along with the required fees would be required and the electronic version of the visa would be delivered within 96 hours.





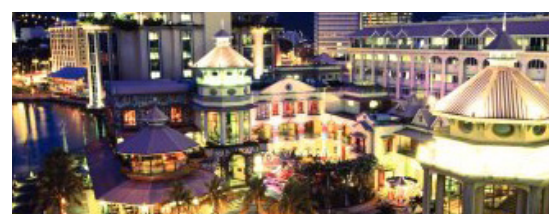
Ben Lim on ACOA website news - “Our ambition is to help Africa realise its enormous development potential”

ITL being a gold sponsor for the Africa African Congress Of Accountants (ACOA) Summit which will be held in Mauritius from 12 to 14 May 2015, CEO Ben Lim gives his views on why ITL has decided to be involved in this big event on the news section of ACOA website.

Being one of the main sponsors, what are the reasons which motivated your company to support the 3rd Africa Congress of Accountants 2015?

The 3rd ACOA is a unique opportunity which will enable finance professionals to gather under one roof and share their expertise. Being a Gold ACCA Approved Employer -Trainee Development and an ICAEW Authorised Training Employer, it was a must for ITL to be at the forefront of this gathering which also helps to enhance our visibility in front of a qualified audience, to create business relations and to consolidate our network.

Mauritius being described as the preferred hub for investment into the continent, is ranked first in Africa by various international indices, with a well legalised financial sector and good corporate governance, provides a platform that is conducive to the setting up of business. We at Intercontinental Trust, as the leading fiduciary and corporate services provider in Mauritius, are proud to be given the opportunity to showcase our capacities through this prestigious event and to put our resources in contribution in making it a success.



What are the current issues for the financial services sector / Accounting profession in Africa?

The use of international standards, for example, adoption of International Financial Reporting Standards (IFRS), is gaining ground throughout the continent, which is indeed a step forward towards communicating in a common language among African countries on a first level but also talking as one voice when addressing external investors.

However, one main issue remains the strengthening of skills, competencies and abilities of people. Indeed, qualified and competent individuals are lagging behind to match the robust economic growth rate in Africa.

This issue can go as far as the foundations of the education system in some African countries. To build capacity, institutions need to be established and/or strengthened under a sound legal framework.

Mauritius is a good example which many African countries can follow, providing free education from primary to tertiary level, free transportation for students and easy access to do ACCA or ACA. This shows a real concern to raise education level and access to all. Likewise, the setting up of the Financial Reporting Act 2004 led to a regulation on the reporting of financial matters and the establishment of the Financial Reporting Council, the Mauritius Institute of Professional Accountants and the National Committee on Corporate Governance, thus promoting the highest standards of professional and business conduct. Facilitating access to education and setting up of strong legislation is therefore pivotal to the future of Africa.

What are the ambitions of your company for Africa?

Africa is today the world's fastest growing continent. At ITL, we have witnessed the flows of investments pouring into the continent for the last few years and have assisted our clients in the proper structuring of those investments. Our ambition at ITL is to help Africa realise its enormous development potential by becoming the hub connecting African countries amongst themselves and to the rest of the world.

To better serve and be close to our clients, we have already established a presence and have staff based in three countries, which are South Africa, Kenya and Seychelles. We will be called to be present in other countries as well and are looking at various ways to achieve this.

We must also bear in mind that as Mauritius is consolidating its position as the platform for business in Africa, ITL's involvement in facilitating billions of US dollar investment on this continent is a showcase for the capacities of professionals working for our company, as well as for Mauritian professionals as a whole in this sector.

How can a strong accounting profession / financial services sector contribute to Africa's economic growth?

Good corporate governance and transparent financial reporting practices have always been paramount to the long-term economic prosperity of any country. Conversely, poor corporate governance and lack of transparency in financial reporting, whether at country or company level, can prove to be detrimental even to the toughest economies, as the world has witnessed in the past two decades. Africa is no exception to this rule. Decades of mismanagement of resources have inhibited Africa's growth making the establishment of an internationally recognised framework of financial reporting and corporate governance of paramount importance.

Mauritius has understood this need and has been investing, since the inception of the global business in 1999, in creating the right climate to attract international investors worldwide who value good corporate governance and a solid financial services.

Any sustainable long-term economic development should benefit all stakeholders, and this includes the African people. Therefore, financial professionals are required to be on the front of the stage to put their skills and competencies into action to devise, apply and monitor good corporate governance and transparent financial reporting to bring Africa towards the economic growth it is seeking.

What are your expectations for the 3rd Africa Congress of Accountants 2015 in Mauritius?

During the three days of the conference, we expect a detailed and constructive debate among the professionals to be present, on the current issues facing the African continent during its times of growth, and derive solutions to know the way forward for the people and for the businesses.

We do not expect to find all solutions after just three days of debate but hope to lay the foundations upon which a concerted effort will bloom. Hence, it is essential that the networking among these professionals, including the regulators who have the power to action decisions taken, continues after the congress and a monitoring done to assess the progress until the next ACOA is held in two years' time.

For any additional information please contact us.

Mauritius Office

Email: mauritius@intercontinentaltrust.com
Website: www.intercontinentaltrust.com

Seychelles Office

Email: seychelles@intercontinentaltrust.sc
Website: www.intercontinentaltrust.sc

South Africa Office

Email: sa@intercontinentaltrust.com

Singapore Office

Email: singapore@intercontinentaltrust.com.sg
Website: www.intercontinentaltrust.com.sg

Kenya Office

Email: ke@intercontinentaltrust.com



Intercontinental Trust Ltd is regulated by the Financial Services Commission in Mauritius.

DISCLAIMER

The information in this brochure was prepared by Intercontinental Trust Limited to provide potential clients with a broad overview of the opportunities available in Mauritius. While all reasonable care has been taken in the preparation of this brochure, Intercontinental Trust Limited accepts no responsibility for any errors it may contain, whether caused by negligence or otherwise, or for any loss, however caused, sustained by any person that relies on it. Readers are advised to consult with appropriate, qualified professional advisors before taking action. Intercontinental Trust Limited will be pleased to discuss any specific issues.