



MAURITIUS REVENUE AUTHORITY PROVIDES CLARIFICATION ON POEM

According to the Financial Services Act 2007 (FSA) as amended by the Finance (Miscellaneous Provisions) Act 2018 (the “Finance Act 2018”), an Authorised Company is required to:

- (a) be owned or controlled in majority by non-citizen(s) of Mauritius;
- (b) conduct business principally outside Mauritius or with such category of persons as may be specified in FSC Rules*; and
- (c) have its Place of Effective Management (POEM) outside Mauritius.

In November 2018, the Mauritius Revenue Authority issued a Statement of Practice to clarify on the factors to be taken into account in determining the POEM of a company. Generally, a company shall be deemed to have its place of effective management in Mauritius if:

- (a) the strategic decisions relating to the company’s core income generating activities are taken in, or from, Mauritius; and
- (b) any one of the following conditions is met:
 - i. The majority of the Board of directors’ meetings are held in Mauritius; or
 - ii. The executive management of the company is regularly exercised in Mauritius.

Therefore, for an Authorised Company to have its POEM outside of Mauritius, it is recommended that its Board comprises mostly foreign directors and that the majority of its directors meetings are held outside the Mauritian territory.

However, the above proposals have raised uncertainties as to whether the selected jurisdiction(s) in which the Authorised Company chooses to have POEM will entail any tax implications in these jurisdictions for the company.

In response to these concerns, ITL, through its presence in the Seychelles jurisdiction, can now provide a unique solution to our existing client base as well as prospective clients wishing to set up Authorised Companies.

For more information regarding same, you may liaise with your usual contact person at ITL or drop us an e-mail on info@intercontinentaltrust.com

* According to the Rules, the category of persons include:

- A holder of GBL
- An Authorised Company
- A holder of a GBL1 or GBL issued on or before 16 October 2017

For any additional information please contact us.

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