

MOVING TO MAURITIUS

Mark Twain, once said that “Mauritius was made first, then heaven was copied from it”, and anyone who has visited the island would no doubt agree with him.

Mauritius is renowned as a place to enjoy one’s holidays for its white sandy beaches and blue lagoons. While this is still the case, with the growing number of foreigners settling in Mauritius, it is a fact that the island is also seen as the ideal place to set up one’s home.

Indeed, with the introduction of pro-business and immigration policies in 2005 by the Government of Mauritius, foreign investors and professionals have since then availed of these opportunities and now live on the island while at the same time earning a living. Foreign retired nationals also enjoy an exquisite lifestyle on paradise island with special residence permits.

This newsletter aims to provide a general guideline to help you make the move to Mauritius.



THE MAURITIUS ADVANTAGE

Mauritius’ unique proposition is to conduct business in an attractive and buoyant place while at the same time enjoying an exquisitely beautiful lifestyle:

Social & political stability

Coming from various origins namely Indian, Chinese, African and European, the population of Mauritius is a unique blend of different races, cultures and religions living together in harmony. Mauritius has enjoyed political stability ever since its independence in 1968.

It is a multi-party Parliamentary democracy based on the British Westminster model with elections every 5 year.

Strong and diversified economy

The Mauritian economy is one of the fastest growing in Sub-Saharan Africa. In just three decades, the country has moved from a mono-crop sugar-dominated economy to a sophisticated and diversified services oriented one.

State-of-the-art telecommunication facilities and excellent physical infrastructure

The island is connected to the SAFE/SAT 3 international submarine fibre optic cable. In addition, the country’s airport and harbor are equipped to meet the full needs of both passenger and cargo traffic. Major airlines and shipping companies service the island, providing Mauritius with regular air and sea connections with the rest of the world.

Strategic business hub

At the cross road between Asia, Africa and Australia, the island is ideally located in the Indian Ocean. With a favourable time zone (GMT+4), a population bilingual in English and French, a pool of skilled and qualified professionals, adherence to the best practices in terms of transparency, good governance and ethics, Mauritius is worldly recognised as being an excellent place for doing business. The country ranked 1st in the 2018 Ibrahim Index of African Governance and 1st in Sub-Saharan Africa in the World Bank’s Doing Business Report 2018 and Mercer Quality of Living Survey 2016.

. Exquisite life style

Mauritius offers an exceptionally safe and pleasant environment to live in. Luxury apartments, fully furnished villas and beach front residences are available for rent at a competitive price over the island.

. International standards in education and health

The island boasts several public and private hospitals and clinics that deliver health care services as per international norms and standards. On the educational side, Mauritius offers both British and French schooling systems where students can sit for either the UK Cambridge University A Levels, the French Baccalaureate or the International Baccalaureate. These qualifications open the door for the students to pursue higher education worldwide including in the United Kingdom, US, Canada, Australia, France etc.

Several tertiary education providers can also be found, offering internationally recognized degrees and post-degree qualifications.

. Attractive fiscal regime

Mauritius provides for a flat and homogenized tax platform at a rate of 15% on both corporate and personal income. In addition, there is no tax on dividend and no capital gain tax.

With regard to the monthly social contribution to the National Pension Fund, the employer should contribute 6% of the basic salary up to a maximum amount MUR 999.30 (approx USD 28.55) while the employee contributes 3% of the basic salary up to a maximum amount of MUR 500 (approx USD 14.29).



WORKING AND LIVING IN MAURITIUS

An Occupation Permit (“OP”) allows a foreign national to reside and work in Mauritius. It is both a work and residence permit. The foreign national may apply for an Occupation Permit under three categories: As an investor, a professional or a self-employed person. A foreign national, irrespective of nationality but having reached the age of at least 50, can also retire in Mauritius by applying for a Residence Permit (“RP”) as retired non-citizen.

Criteria for the main Occupation Permits/ Residence Permits are as follows:

Criteria	Occupation Permit					Retired non-citizens	
	Investor (Company only)	Investor (Machinery & equipment)	Investor (Innovator)	Professional	Self-Employed	Transfer of Funds	PDS Residency Scheme
Business Activities	No restriction	See Note 10 below	See Note 11 below	No restriction	Services only	N/A	N/A
Initial investment ^{1/4/6} Transfer of funds to Mauritius	USD 100,000	USD 100,000 (minimum USD25,000 in cash and the balance in terms of high-tech machinery & equipment)	USD 40,000 Or Registered with an incubator accredited with the Mauritius Research Council	N/A	USD 35,000	USD 1,500	N/A – there is no minimum purchase or lease amount
Annual Turnover ²	>USD 57,100 (MUR 2M) ^{3(i)/4} USD 285,700 (MUR 10M) ^{3(ii)/4}	>USD 57,100 (MUR 2M) ^{3(i)/4} USD 285,700 (MUR 10M) ^{3(ii)/4}	>USD 57,100 (MUR 2M) ^{3(i)/4} USD 285,700 (MUR 10M) ^{3(ii)/4}	N/A	> USD 17,200 (MUR 600,000) ⁸ USD 34,400 (MUR 1.2M) ⁹	N/A	N/A
Minimum Operation Expenditure	N/A	N/A	Minimum 20% in Research & Development ¹²	N/A	N/A	N/A	N/A
Minimum salary / Transfer of funds to Mauritius	N/A	N/A	N/A	USD 1,720 (> MUR 60,000) (monthly) ^{2/5}	N/A	USD 1,500 monthly or USD 18,000 annually	N/A
Tax Holidays	N/A	N/A	N/A	N/A	N/A	N/A	Yes – See note 13
Resident permits for dependents	Yes	Yes	Yes	Yes	Yes	Yes	Yes - his/her spouse or common law partner
Eligibility for Permanent Residence	Yes	Yes	Yes	Yes	Yes	Yes	Yes

1. *Initial investment in USD or its equivalent in any freely convertible foreign currency.*
2. *MUR figures converted at an approximate rate of 1USD= MUR 35.*
3. *(i) Annual turnover of the company for the first year.
(ii) Cumulative annual turnover of the company for the subsequent two years with a minimum of at least MUR 2M every year*
4. *If there is more than one investor applying for an Occupation Permit in the same company, the initial investment and annual turnover will be a multiple of the number of investors in the company.*
5. *Basic salary of Professional in ICT Sector should exceed USD 860 (MUR 30,000) monthly.*
6. *Initial investment may vary depending on the sector in which the foreigner intends to operate his business.*
7. *A non-citizen may apply for:*
 - *short-term OP as professional for a period not exceeding nine months; or*
 - *for a period up to two years; or*
 - *for a period up to three years.*
8. *Annual turnover of company for first 2 years.*
9. *Annual turnover of company on the 3rd year.*
10. *Investment should be in a qualifying activity including but not limited to Agro-Industry, Aquaculture, Healthcare, ICT-BPO, Fin-tech, Life Sciences, Biotechnology, Manufacturing, Ocean Economy and Renewable Energy.*
11. *Research & Development in qualifying sectors including but not limited to life and health sciences, technology, ICT, Fintech, biotechnology, Nano technology, light manufacturing, pharmaceuticals and design.*
12. *The following costs may qualify as Research and Development:*
 - i. *Direct R&D staff costs*
 - ii. *Subcontracted R&D costs*
 - iii. *Externally provided R&D staff*
 - iv. *Clinical trial volunteer costs*
 - v. *Prototypes*
 - vi. *Software directly used in R&D*
 - vii. *Consumable items*
 - viii. *Any other expenditure deemed to have been incurred with the prospect of gaining new scientific or technical knowledge and understanding.*

For greater clarity, the following costs will not be considered as R&D expenditure:

 - i. *The production and distribution of goods and services*
 - ii. *Capital expenditure.*
 - iii. *The cost of land*
 - iv. *Expenditures incurred for the use and the creation of patents and trademarks, as these are the cost of protecting the completed R&D.*
13. *5-year income tax holiday to a foreign retiree issued with a residence permit under the scheme on pension income and other income remitted to Mauritius by himself/herself and his/her spouse or common law partner. In addition, foreign retirees who are taking residence in Mauritius will be eligible to the standard exemption of customs duty and VAT granted on importation of household and personal effects*

Other routes to consider by foreigners:

Route	Assessment Criteria
Investor (only company incorporated under the Companies Act on or after 8 June 2017) operating a food processing plant for food processing activities and for the manufacture of products from agricultural and medicinal plants and herbs either as intermediate goods or finished products	<p>(1) Goods shall be produced by a process involving a value addition of not less than 20 per cent of the ex-factory cost of the finished product</p> <p>(2) Goods intended for export shall satisfy the rules of origin of preferential markets</p> <p>and</p> <p>(3) At least 50 per cent of the final products manufactured by the company are exported, after 2 years as from the date from which the company starts its operation</p>
Investor (company only) for the setting up of a film studio in Mauritius	<p>(1) Investment of at least one billion rupees (USD 28 million) or its equivalent in freely convertible foreign currency</p> <p>and</p> <p>(2) Investor to provide facilities to film production companies</p>
Any other investor	Project value exceeding 20 million rupees (USD 571,000)
Young professional	Completion of at least an undergraduate degree in a local tertiary education institution recognised by the Tertiary Education Commission in any field listed in Part II of the Schedule to the Immigration Act

The OP / RP is processed within 15 business days and is issued for a maximum period of three years. Application for renewal is possible.

PERMANENT RESIDENCE PERMIT

Holders of the Occupation and Residence Permits can apply with the Prime Minister's Office for a Permanent Residence Permit ("PRP") after three years. To qualify, the following conditions must be met during the 3 years of the OP and RP:

Non-citizens may also obtain residence permits in Mauritius through the acquisition of residential property worth over USD 500,000 under the Property Development Scheme, the Integrated Resort Scheme, Real Estate Scheme and Smart City Scheme.

Children of OP and RP holders will be automatically granted RP up to age of twenty-four.

Investor <i>(Company only / Machinery & Equipment / Innovator)</i>	<ul style="list-style-type: none"> Individual must be actively involved in the management of the company. The aggregate of turnover should exceed USD 1,285,720 (MUR 45M) for the 3 years' period in respect of each shareholder.
Professional	Basic monthly salary of at least USD 4,300 ¹ (MUR 150,000).
Self-employed	Annual income exceeding USD 86,000 (MUR 3M).
Retired non-citizen	Transfer of at least USD 54,000 during the 3 preceding years

1. MUR figures converted at an approximate rate of 1USD= MUR 35.

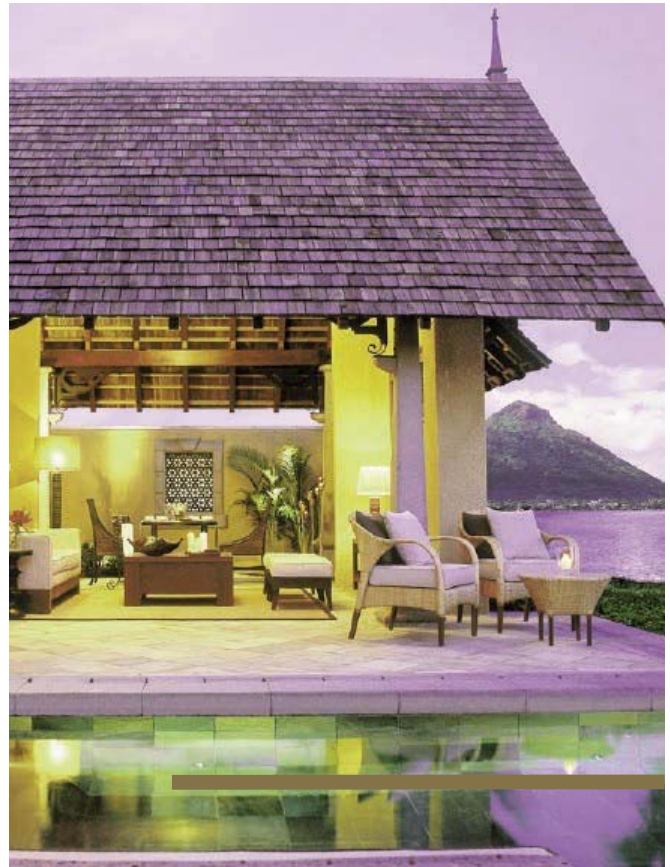
The PRP is valid for a period of 10 years, which is renewable thereafter.

Foreigners who have invested a minimum of USD 500,000 into a qualifying activity may also be eligible for the PRP. Qualifying activities include *Agro-based industry, Audio-visual, Cinema and Communication, Banking, Construction, Education, Environment-friendly and green energy products, Financial Services, Fisheries and Marine Resources, Freeport, Information Technology, Infrastructure, Insurance, Leisure, Manufacturing, Marina development, Tourism and Warehousing, Initial Public Offerings.*

HOW CAN WE HELP?

Intercontinental Trust Ltd can assist you with the following:

- Implementing your business in Mauritius by providing the following services:
 - Setting up of a company and providing the necessary company administration services;
 - Applying for the relevant authorizations to start your business in Mauritius including necessary business registrations and investment permits;
 - Assistance in finding appropriate office space and industrial space where necessary;
 - Recruitment services.
- Completing formalities with regard to Occupation Permits and Residence Permits for the family.
- Finding suitable accommodation for you and your family
- Tax Advice.
- Establishing contacts with local cargo agents for customs clearance of furniture/new materials.
- Medical Test Appointment.
- Liaison with banks for the issue of bank drafts.



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

For any additional information please contact us.

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