



Mauritius – A compliant jurisdiction

On 10th October 2019, the Economic and Financial Affairs Council of the European Union (the “EU Council”) declared that Mauritius is compliant with the EU tax good governance principles. As such, the EU Council removed Mauritius from its Grey List (Annex II) which encompasses the jurisdictions identified as cooperative, subject to successful delivery on their commitments to comply with the EU screening criteria.

This decision marks the culmination of a series of initiatives undertaken by the Government to implement a transparent framework as well as the Organisation for Economic Cooperation and Development’s (OECD) Base Erosion and Profit Shifting (BEPS) minimum standards whilst skimming off any tax practices that may have been flagged as harmful. It has further been reported that Mauritius implemented ahead of schedule all the necessary reforms to comply with EU tax good governance principles.

The removal of Mauritius from the Grey List heralds a new era for the Mauritius International Financial Centre and without a doubt sends out a strong message about the island nation’s unalloyed ambition to position itself as the International Financial Centre for the region. It will also be recalled that Mauritius never appeared on the EU Blacklist. In addition, the island nation is rated as a “Compliant” jurisdiction by the OECD.

The other changes made by the EU Council in its latest review, are:

Country	Action
Albania	Removed from Annex II – Grey List
Costa Rica	Removed from Annex II – Grey List
Serbia	Removed from Annex II – Grey List
Switzerland	Removed from Annex II – Grey List
United Arab Emirates	Removed from Annex I –Black List
Marshall Islands	Moved from BlackList to Grey List

The updated Blacklist as at 10 October 2019 is as follows:

EU LIST OF NON-COOPERATIVE TAX JURISDICTIONS

NO COMMITMENT TO ADDRESS EU'S CONCERNS

American Samoa
Guam
Samoa
US Virgin Islands

DID NOT DELIVER ON THEIR COMMITMENT ON TIME

Belize
Fiji
Oman
Vanuatu

MAJOR TRANSPARENCY CONCERNS

Trinidad & Tobago

Source: European Commission website

Countries listed in the Grey List as at 10 October 2019:

Anguilla, Antigua and Barbuda, Armenia, Australia, Bahamas, Barbados, Bermuda, Bosnia and Herzegovina, Botswana, British Virgin Islands, Cabo Verde, Curacao, Cayman Islands, Cook Islands, Eswatini, Jordan, Maldives, Marshall Islands, Morocco, Mongolia, Montenegro, Namibia, North Macedonia, Nauru, Niue, Palau, Saint Kitts and Nevis, Saint Lucia, Seychelles, Thailand, Turkey and Vietnam

Background

The EU Blacklist (List of non-cooperative jurisdictions) was introduced by the EU Member States on 5 December 2017 following the screening of 92 jurisdictions, with the aim of implementing good governance and combatting tax malpractices. It comprises countries that either failed to deliver on their commitments to comply with required good governance criteria, or did not commit to do so at all.

There are a series of countermeasures that have been put in place on countries appearing in the EU Blacklist including the following:

- EU external development and investment funds cannot be channeled or transited through these countries
- Tax schemes routed through Blacklisted countries will be automatically reportable to tax authorities. Stricter reporting requirements will also be imposed on multinationals having activities in blacklisted jurisdictions
- Blacklisted countries will face increased monitoring and audits, withholding taxes, special documentation requirements and anti-abuse provisions from EU Member states



Intercontinental Trust Ltd

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ITL is licensed by the Mauritius Financial Services Commission to provide a plethora of financial and fiduciary services such as structuring, formation and administration of companies, trusts, limited partnerships, foundations and funds; accounting and tax services; FATCA and Common Reporting Standards services; expatriate/relocation services and corporate finance advisory services - comprising mainly of listing services and assistance in capital raising.

ITL has a proven track-record that spans over nearly 20 years and was the first management company in Mauritius to have completed an ISAE 3402 Type II audit.

For more information about how we can assist you in establishing your business in the Mauritius IFC, please liaise with your usual contact person or write to us on info@intercontinentaltrust.com

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