

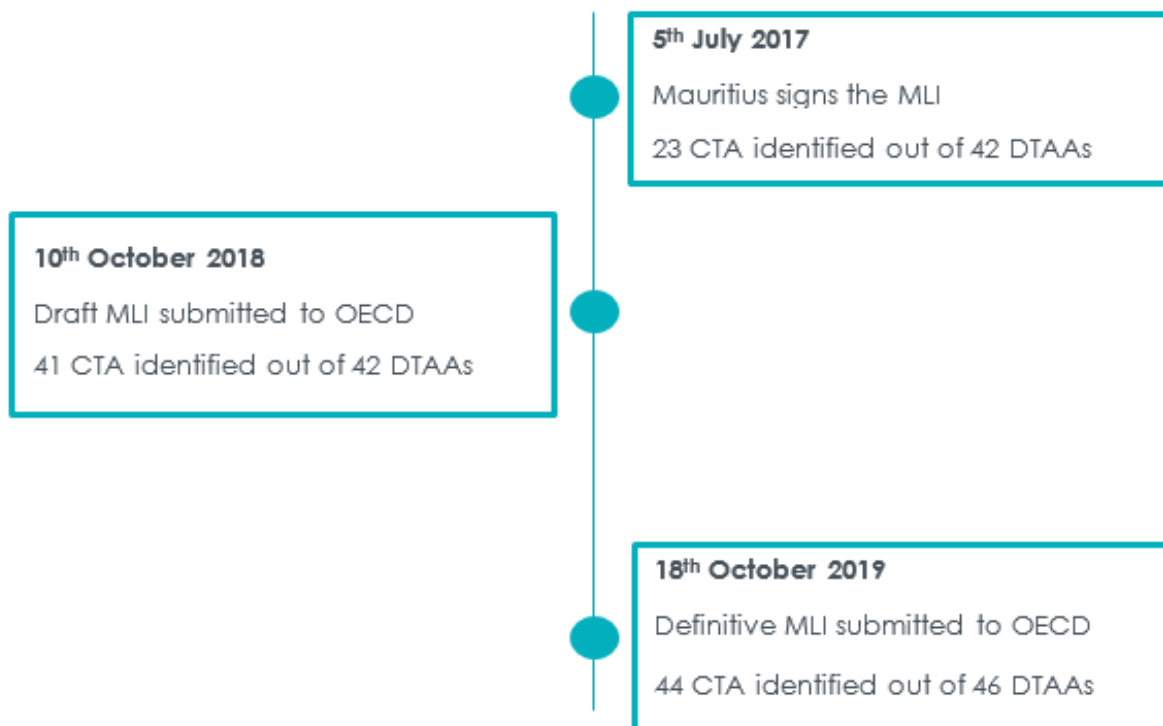
## Mauritius deposits its definitive instrument of ratification for the multilateral BEPS Convention

### Preamble

In a past edition of our [newsletter](#) issued in July 2017, we informed our valued clients that Mauritius signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (hereunder referred to as the “MLI”) on 5 July 2017. On 18 October 2019 Mauritius deposited its definitive instrument of ratification of the MLI, a copy of which can be accessed [here](#).

The MLI is an instrument used for warding off Base Erosion and Profit Shifting through the implementation of the tax treaty-related measures in those Double Taxation Avoidance Agreements (“DTAAs”) that have been identified as Covered Tax Agreements (“CTA”) in a synchronised and efficient manner. These measures are aimed at preventing treaty abuse, improving dispute resolution, preventing the artificial avoidance of permanent establishment status and neutralising the effects of hybrid mismatch arrangements.

### A timeline of Mauritius’ progression since 2017



For the MLI to apply between Mauritius and a contracting state, the other contracting state to the DTAA must have also elected to classify the DTAA as a Covered Tax Agreement. In addition, the instrument of ratification must also be deposited by the contracting state in order for the MLI to be effective between Mauritius and that contracting state.

Below is the list of the countries with which DTAA's have been concluded by Mauritius as well as their status with regards to the MLI.

<b>DTAA covered under the MLI</b>					
	<b>Country</b>	<b>Date of entry into force</b>	<b>Signatories to the MLI</b>	<b>Instrument of Ratification deposited</b>	<b>Has Mauritius been identified as CTA in corresponding country MLI?</b>
1	Bangladesh	15-09-2010	No	N/A	N/A
2	Barbados	28-01-2005	Yes	Not Yet – only MLI signed	Yes
3	Belgium	28-01-1999	Yes	Yes – effective as from 01-10-2019	Yes
4	Botswana	13-03-1996	No	N/A	N/A
5	Cabo Verde	05-03-2018	No	N/A	N/A
6	China	04-05-1995 Main DTAA 25-01-2007 Amending instrument (a)	Yes	Not Yet – only MLI signed	Yes
7	Congo	08-10-2014	No	N/A	N/A
8	Croatia	09-08-2003	Yes	Not Yet – only MLI signed	Yes
9	Cyprus	12-06-2000 Main DTAA 02-05-2018 Amending instrument (a)	Yes	Not Yet – only MLI signed	Yes
10	Egypt	10-03-2014	Yes	Not Yet – only MLI signed	Yes
11	Eswatini (formerly known as Swaziland)	08-11-1994	No	N/A	N/A
12	France	17-09-1982 Main DTAA 01-05-2012 Amending instrument (a)	Yes	Yes – effective as from 01-01-2019	Yes
13	Germany	07-12-2012	Yes	Not Yet – only MLI signed	Yes
14	Ghana	22-01-2019	No	N/A	N/A
15	Guernsey	30-06-2014	Yes	Yes – effective as from 01-06-2019	Yes
16	Italy	28-04-1995 Main DTAA 19-11-2012 Amending instrument (a)	Yes	Not Yet – only MLI signed	Yes
17	Jersey	19-12-2018	Yes	Yes – effective as from 01-07-2018	No

DTAA covered under the MLI					
	Country	Date of entry into force	Signatories to the MLI	Instrument of Ratification deposited	Has Mauritius been identified as CTA in corresponding country MLI?
18	Kuwait	01-09-1998	Yes	Not Yet – only MLI signed	Yes
19	Lesotho	09-09-2004	No	N/A	N/A
20	Luxembourg	12-09-1996 Main DTAA 11-12-2015 Amending instrument (a)	Yes	Yes – effective as from 01-08-2019	Yes
21	Madagascar	01-12-1995	No	N/A	N/A
22	Malaysia	19-08-1993	Yes	Not Yet – only MLI signed	Yes
23	Malta	23-04-2015	Yes	Yes – effective as from 01-04-2019	Yes
24	Monaco	08-08-2013	Yes	Yes – effective as from 01-05-2019	Yes
25	Mozambique	08-05-1999	No	N/A	N/A
26	Namibia	25-07-1996	No	N/A	N/A
27	Nepal	10-11-1999	No	N/A	N/A
28	Oman	20-07-1998	No	N/A	N/A
29	Pakistan	19-05-1995	Yes	Not Yet – only MLI signed	Yes
30	Rwanda	04-08-2014	No	N/A	N/A
31	Senegal	15-09-2004	Yes	Not Yet – only MLI signed	Yes
32	Seychelles	28-01-2005 Main DTAA 18-05-2012 Amending instrument (a)	Yes	Not Yet – only MLI signed	Yes
33	Singapore	07-06-1996	Yes	Yes – effective as from 01-04-2019	Yes
34	South Africa	28-05-2015	Yes	Not Yet – only MLI signed	Yes
35	Sri Lanka	28-05-2015	No	N/A	N/A
36	State of Qatar	28-07-2009	Yes	Not Yet – only MLI signed	Yes
37	Sweden	07-12-2012	Yes	Yes – effective as from 01-04-2019	Yes
38	Thailand	10-06-1998	No	N/A	N/A
39	Tunisia	28-10-2008	Yes	Not Yet – only MLI signed	No
40	Uganda	21-07-2004	No	N/A	N/A
41	United Arab Emirates	31-07-2007	No	N/A	N/A

DTAA covered under the MLI					
	Country	Date of entry into force	Signatories to the MLI	Instrument of Ratification deposited	Has Mauritius been identified as CTA in corresponding country MLI?
42	United Kingdom	19-10-1981 Main DTAA 26-10-1987 Amending instrument (a) 23-10-2003 Amending instrument (b) 13-10-2011 Amending instrument (c) 13-07-2018 Amending instrument (d)	Yes	Yes – effective as from 01-10-2018	Yes
43	Zambia	04-06-2012	No	N/A	N/A
44	Zimbabwe	05-11-1992	No	N/A	N/A

DTAA not covered under the MLI	
	Country
1	Australia (Partial treaty)
2	India (Note 1)

Note 1: A Protocol for the amendment of the Double Taxation Avoidance Agreement between Mauritius and India has been signed on 10th May 2016

## Entry into Force

The MLI enters into force the first day of the month that follows three months after the deposit of the fifth instrument of ratification, acceptance or approval i.e. for Mauritius, the MLI is effective as from 1 February 2020.

## ESAAMLG: Follow-up report for Mauritius

At the 19th Council of Ministers Meeting of the the Eastern and Southern Africa Anti-Money Laundering Group (“ESAAMLG”) held in September 2019, it was declared that Mauritius complies with most of the recommendations of the Financial Action Task Force (“FATF”) following the technical re-ratings undertaken by the ESAAMLG earlier this year.

The updated findings and re-assessments have now been published in the 2nd Follow-Up Report (FUR) which can be accessed [here](#).

It is noted that Mauritius has taken a major leap forward since 2018 and now complies with 39 of the 40 recommendations except for “Recommendation 8 – Non-profit organisations”. It is understood that the relevant authorities are working on tackling the concerns raised by the ESAAMLG on this specific area.

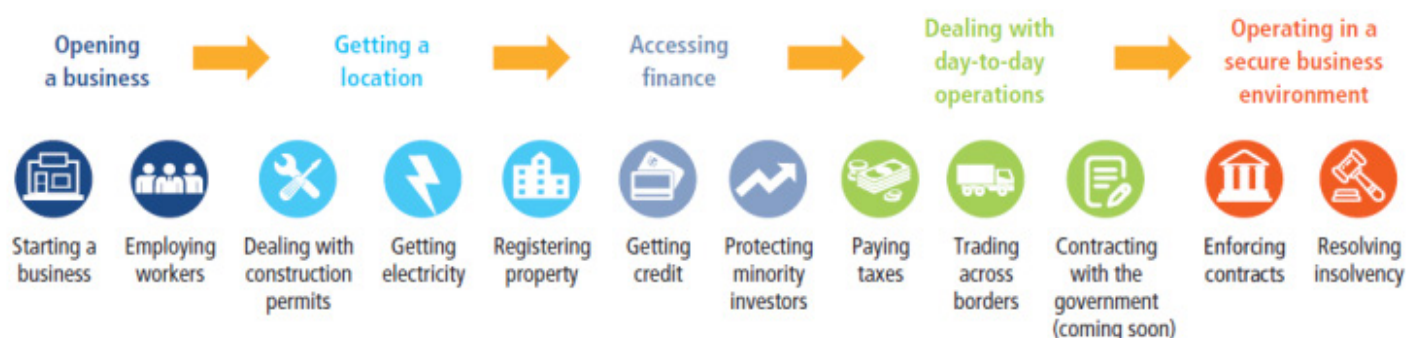
It will be recalled that the Mutual Evaluation Report (“MER”) of Mauritius which was approved by the Council of Ministers of the ESAAMLG in July 2018, set out how well Mauritius has implemented the technical requirements of the FATF Recommendations and how effective its AML/CFT system is. It also provided recommendations on how to address the weaknesses identified in the Mauritian AML/CFT framework. The FUR assesses the progress made to overcome the shortcomings highlighted in the MER as well as in the implementation of the new requirements of one of the FATF Recommendations which has been updated since the adoption of the MER.

## Ease of Doing Business: Remarkable progress for Mauritius

The World Bank issued its flagship report, Doing Business 2020, on 24 October 2019 according to which Mauritius still holds on to its pole position on the African continent, ranking 1st for the region. In addition, it has also made a considerable progression on its worldwide ranking by moving up 7 places compared to last year and now ranks 13th. This achievement is the result of the government’s unflinching commitment to create a business friendly environment for investors that have translated into the introduction of efficient regulatory reforms over the past year.

The Doing Business 2020 report (the “Report”) assesses the regulations that promote business activities as well as the bottlenecks and red tape that hinder investment across 190 countries. The methodology of the report is focused on the core areas of the life of a business as shown below:

**FIGURE 0.1** What is measured in *Doing Business*?



Note: The employing workers and contracting with the government indicator sets are not included in the ease of doing business ranking.

Source: Doing Business 2020 report

According to the Report, Mauritius witnessed a marked improvement in the following areas:

- **Dealing with Construction Permits:** Mauritius streamlined the process of dealing with construction permits by simplifying the process of plan approvals from utilities and reducing the time to apply for wastewater connection
- **Registering Property:** Mauritius made property registration faster by making it easier to check for encumbrances. Mauritius also improved the quality of its land administration system by publishing official service standards and court statistics on land disputes for the previous calendar year
- **Enforcing Contracts:** Mauritius made enforcing contracts easier by publishing performance measurement reports for the commercial division of the Supreme Court
- **Resolving Insolvency:** Mauritius made resolving insolvency easier by improving the continuation of the debtor’s business during insolvency proceedings

Click [Here](#) to access the full Report.

## Signing of a Protocol amending the DTAA with Kenya

A protocol amending the new Kenya-Mauritius Double Taxation Avoidance Agreement (“DTAA”) was signed on 16 October 2019, details of which will be disclosed once the new DTAA and the accompanying protocol are ratified by both states.

It will be recalled that a new Kenya-Mauritius DTAA was signed earlier this year, in April 2019, following the ruling of the High Court of Kenya in March 2019 to nullify the initial DTAA that was signed in May 2012 since it was never laid before the House of Parliament within the deadline prescribed in the Statutory Instruments Act 2013 (Kenyan law). ITL issued a newsletter on the signing of the new DTAA – this can be accessed again by clicking on the link below:

Read article: [Kenya signs new tax treaty with Mauritius](#)

## Contact us

Should you have any questions pertaining to the above news, please liaise with your usual contact person at ITL or write to us on [info@intercontinentaltrust.com](mailto:info@intercontinentaltrust.com)

---

For any additional information please contact us.

### Mauritius Office

Email: [mauritius@intercontinentaltrust.com](mailto:mauritius@intercontinentaltrust.com)  
Website: [www.intercontinentaltrust.com](http://www.intercontinentaltrust.com)

### Seychelles Office

Email: [seychelles@intercontinentaltrust.sc](mailto:seychelles@intercontinentaltrust.sc)  
Website: [www.intercontinentaltrust.sc](http://www.intercontinentaltrust.sc)

### South Africa Office

Email: [sa@intercontinentaltrust.com](mailto:sa@intercontinentaltrust.com)

### Singapore Office

Email: [singapore@intercontinentaltrust.com.sg](mailto:singapore@intercontinentaltrust.com.sg)  
Website: [www.intercontinentaltrust.com.sg](http://www.intercontinentaltrust.com.sg)

### Kenya Office

Email: [ke@intercontinentaltrust.com](mailto:ke@intercontinentaltrust.com)



### DISCLAIMER

The information in this newsletter 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 newsletter, 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.

If you do not wish to receive further information from Intercontinental Trust Limited, please send an email to [news@intercontinentaltrust.com](mailto:news@intercontinentaltrust.com).