



INTERCONTINENTAL TRUST NEWSLETTER

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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.



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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 2020 Ibrahim Index of African Governance and 1st in Sub- Saharan Africa in the World Bank’s Doing Business Report 2020 and Mercer Quality of Living Survey 2019.

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.



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 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 and equipment)	Investor (Innovator)	Professional	Self-Employed	Transfer of Funds	PDS Residency Scheme
Business Activities	No restriction	See Note 8	See Note 9	No restriction	Services only Must be registered with the Registrar of Businesses	N/A	N/A
Initial investment^{1/3} Transfer of funds to Mauritius	USD 50,000	USD 50,000 (minimum USD25,000 in cash and the balance in terms of high-tech machinery & equipment ⁵)	No minimum investment 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 Gross Income / Business Income²	Gross Income > MUR 4M (i.e. approx. USD 100,000) as from 3 rd year of operations ³	Gross Income > MUR 4M (i.e. approx. USD 100,000) as from 3 rd year of operations ³	N/A	N/A	Business Income > MUR 800,000 (approx. USD 20,000 as from 3 rd year of operations	N/A	N/A
Minimum Research & Development (R&D) Expenditure	N/A	N/A	Minimum 20% of total operational expenditure in R&D ¹⁰	N/A	N/A	N/A	N/A
Minimum salary / Transfer of funds to Mauritius	N/A	N/A	N/A	> MUR 60,000 monthly (approx. USD 1,500 monthly) ^{2/4}	N/A	USD 1,500 monthly or USD 18,000 annually See Note 13	N/A

Occupation Permit						Retired non-citizens	
Criteria	Investor (Company only)	Investor (Machinery and equipment)	Investor (Innovator)	Professional	Self-Employed	Transfer of Funds	PDS Residency Scheme
Tax Holidays	N/A	N/A	N/A	N/A	N/A	N/A	Yes See note 11
Duration of OP/RP	10 years	10 years	10 years	3 years	10 years	10 years	Valid as long as the RP holder holds/ leases the property
Right to invest	Yes In activity for which an OP is applied	Yes In activity for which an OP is applied	Yes In activity for which an OP is applied	Yes See note 7	N/A	Yes See Note 7	Yes PDS scheme aimed at retired non-citizens
Right to work	Yes	Yes	Yes	Yes	Yes	No	No
Resident permits for dependents (see note 12)	Yes	Yes	Yes	Yes	Yes	Yes	Yes His/her spouse or common law partner of opposite sex
Eligibility for Permanent Residence	Yes	Yes	Yes	Yes	Yes	Yes	Yes



Notes

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 40.*
3. *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.*
4. *Basic monthly salary of Professional in ICT, BPO, pharmaceutical, manufacturing and food processing sectors should exceed Mur 30,000 (approx. USD 750).*
5. *Investment in high technology machines and equipment must 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.*
6. *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.*
7. *A Professional OP holder/Retired Non-Citizen may invest in any business provided that:*
 - (a) *he/she is not employed in the business*
 - (b) *he/she does not manage the business*
 - (c) *he/she does not derive any salary or employment benefits from the business*

A Professional OP holder may also hold a minority stake in the company that employs him/her.
8. *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.*
9. *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.*
10. *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.*
11. *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.*
12. *“Dependents” is defined as spouse (including common law partner of the opposite sex), parents, children including stepchildren or lawfully adopted children under the age of 24. The dependent should ensure that he/she has a valid tourist visa. In case the dependent wishes to work in Mauritius, he/she will have to apply for either a Work Permit or an OP.*
13. *Evidence of bank transfer of funds into the permit holder’s local bank account should be submitted to the EDB at the end of each year.*

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	<ol style="list-style-type: none"> 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 2) Goods intended for export shall satisfy the rules of origin of preferential markets and 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
Investor (company only) for the setting up of a film studio in Mauritius	<ol style="list-style-type: none"> 1) Investment of at least one billion rupees (USD 25 million) or its equivalent in freely convertible foreign currency and 2) Investor to provide facilities to film production companies
Any other investor	Project value exceeding MUR 20 million (approx. USD 500,000)
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



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:

Investor (Company only / Machinery & Equipment)	The minimum gross income should be of MUR 45 million (approx. USD 1,125,000 for the 3 years preceding application)
Professional	Basic monthly salary of at least MUR 150,000 (approx. USD 3,750) for 3 years preceding application.
Self-employed	Business income exceeding MUR 3 million (approx. USD 75,000) for 3 years preceding application.
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 40.

The PRP is valid for a period of 20 years, which is renewable thereafter.

Foreigners who have invested a minimum of USD375,000 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

Non-citizens may also obtain residence permits in Mauritius through the acquisition of residential property worth over USD 375,000 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

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.
- Arrange for 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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