

INTERCONTINENTAL TRUST e-NEWS

April 2021



Intercontinental Trust Ltd

News snippets from the Global Business Industry and others

Global Business & Financial Services

FSC: End of Grandfathering provision for GBC2

Pursuant to the enactment of the Finance (Miscellaneous Provisions) Act 2018 (the “Finance Act 2018”) in the same year, several changes were made to the Global Business regulatory framework as summarised below:

- There would only be one type of Global Business Licence issued by the Financial Services Commission (FSC)
- The Category 2 Global Business licence (GBL2) would no longer be issued by the FSC
- A new type of entity, known as the “Authorised Company”, was introduced

To that effect, the Financial Services Commission (FSC) stopped entertaining the applications for GBC2 as from October 2018. However, a grandfathering period was provided for GBC2 licensed on or before 16 October 2017 i.e. those entities were allowed to continue to operate under the same tax regime and conditions until 30 June 2021. Post 30 June 2021, the licence of GBC2 having benefitted from the grandfathering period, will lapse.

There are a number of possibilities that could be considered by those GBC2 which have been grandfathered:

1. Convert to a Global Business Company (GBC); or
2. Convert to Authorised Company; or
3. Migrate to another jurisdiction; or
4. Wind up/liquidate the GBC2.

The FSC issued a correspondence on 31 March 2021 with regards to options 1 and 2 cited above in which it advises that it has put in place a simplified process for same. It also confirms that the statutory processing fee and annual fee for conversion from GBC2 to AC will be waived. On the other hand, normal statutory fees for conversion from GBC2 to GBC will apply. To access the full correspondence, please click [here](#).

If you require more in-depth advice relating to the options cited above or if you would like to have specialist tax advice for any of these options, please get in touch with your usual contact person at ITL or write to us on info@intercontinentaltrust.com

FSC: Regulatory relief from administrative penalties for late filing of financial statements – Deadline for due dates extended

With regards to the current lockdown situation, the Financial Services Commission (FSC) has taken the decision to extend the timeline for filing of financial statements, statutory returns, risk management framework, auditor's report and actuary report (collectively referred to as "RMF Returns") for licensees (including those registered as Reporting Issuers) as follows:

- Financial Reports:**

Type of Reports	Year Ended/ Quarter Ended	Original filing deadline as per relevant Acts/ FSC Rules	New filing deadline – (Extended date)
1. Audited Financial Statements/ Financial Summaries	Year ended 30 September 2020 to 30 November 2020	Not later than 6 months of its balance sheet date	30 June 2021
2. Annual Reports/ Audited Financial Statements	Year ended 31 December 2020 to 28 February 2021	Not later than 90 days or 3 months of its balance sheet date or within 3 months after the end of the period to which they relate or 3 months after the expiry of each balance sheet date	30 June 2021
3. Quarterly/ Interim Financial Statements	Quarter ended 31 January 2021 to 30 April 2021	Not later than 45 days after the end of each quarter	30 June 2021

- Statutory Returns:**

Type of Reports	Year Ended/ Quarter Ended	Original filing deadline as per relevant Acts/ FSC Rules	New filing deadline – (Extended date)
1. Actuary Report	31 December 2020	Within 3 months after the end of the period to which they relate	30 June 2021
2. Auditor's Certificate	31 December 2020	Within 3 months after the end of the period to which they relate	30 June 2021
3. Statutory Returns	31 December 2020	Within 3 months after the end of the period to which they relate or not later than 3 months after the expiry of each balance sheet date	30 June 2021

- RMF Returns:**

Type of Reports	Year Ended/ Quarter Ended	Original filing deadline as per relevant Acts/ FSC Rules	New filing deadline – (Extended date)
1. Documentation relating to RMF	31 December 2020	Not later than 6 months after each balance sheet date	30 September 2021
2. Auditor's Report	31 December 2020	Not later than 6 months after each balance sheet date	30 September 2021
3. Actuary Report	31 December 2020	Not later than 6 months after each balance sheet date	30 September 2021

The FSC further informs concerned parties that administrative penalties will be waived provided that licensees comply with the extended deadlines granted.

Licensees are also encouraged to continuously review their Business Continuity Plan to ensure continued level of service during the lockdown.

For more information, click [here](#) to access the full communique.

Updates to the Anti-Money Laundering and Combatting the Financing of Terrorism Handbook 2020

The Financial Services Commission (FSC) has brought the following important updates to the Anti-Money Laundering and Combatting of Terrorism (AML/CFT) Handbook 2020 further to its first AML/CFT supervisory cycle 2020-2021:

- A new chapter on Independent Audit has been added, the aim of which is to assist financial institutions in carrying out independent audits by providing key guiding points
- The Risk Based Approach chapter catered for additional provisions to assist in implementing proper business risk assessment.

The above criteria are in accordance with the AML/CFT regime currently in place and require that financial institutions abide by them. The updated AML/CFT Handbook can be accessed [here](#).

Read the full communique by the FSC [here](#).

SEM: Extension of deadline for publication of abridged financial statement for year ended 31 December 2020

The Stock Exchange of Mauritius (SEM) has granted an extension of 1 month for the publication of the Abridged Audited Financial Statements for the year ended 31 December 2020 given the current lockdown situation.

The new deadline being set for 30 April 2021, the SEM endeavours to inform concerned stakeholders as well as the public of any further changes and developments that may brought to the above.

You may access the official communique issued by the SEM, by clicking [here](#).

MRA: Deadline for Country by Country (CbC) Reporting extended

In view of the implementation of a nationwide lockdown, the Mauritius Revenue Authority (MRA) released a communique on 26 March informing the public that the deadline for the filing of CbC Report/notification to MRA under the Income Tax (Country-by-Country Reporting) Regulations 2018 for entities having accounting period ended 31 March 2020 has exceptionally been extended until 20 April 2021.

Click [here](#) to read the full communique by the MRA.

Finance & Economy

Coming into force of the Comprehensive Economic Cooperation and Partnership Agreement

As communicated in our previous e-news¹, the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) between Mauritius and India was signed on 22 February 2021. It will be recalled that the CECPA became the first agreement signed between India and an African country.

Further to the completion of the ratification process on both sides, the CECPA came into effect on 1 April 2021. Under this agreement,

- For trade in goods, Mauritius is set to gain preferential access into India on a list of 615 products while India benefits from market access into Mauritius on a list of 310 products.
- For services, market access will be provided in sectors such as financial services, tourism, education, distribution, ICT and professional services.

¹ Access the March edition of our e-news [here](#)

African Continental Free Trade Area: Submission of draft schedule of tariff concessions

The African Continental Free Trade Area (AfCFTA) was signed in March 2018 and came to effect on 1 January 2021¹. With regards to the tariff concessions of Mauritius on the remaining 10 percent tariff lines, the submission of a draft schedule has been agreed upon. This schedule of concession consists of:

- A list of sensitive products (7%) which includes 399 tariff lines with duty ranging between 0% and 30 %, and
- An exclusion list (3%) which includes 192 tariff lines.

The exclusion list accounts for products that are considered sensitive from the perspective of the domestic industries of Mauritius. These include, amongst others, black tea, wheat flour, sugar, oil, fruit wine, soap and detergent.

¹ E-news January 2021: [HERE](#)

COMESA: Online Portal for Covid-19 related activities

As part of its long-term regional integration agenda, the Common Market for Southern and Eastern Free Trade Agreement (COMESA) Free Trade Area was launched in October 2000 following the decision of nine member states (Djibouti, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe) to eliminate their tariffs on COMESA originating products.

At its core, the COMESA was created with a view to form a large economic and trading unit that can overcome barriers faced by individual states. The primary focus of the COMESA is to foster sustainable economic development as well as enhance security and stability through co-operation among its 21 Member States*.

Following a meeting of the COMESA Council of Ministers held in May 2020, the setting up of an online portal to promote dissemination and sharing of information among its Member States was agreed upon. This further constitutes a means of business facilitation, with the 21 member states having the possibility to share their trade related regulatory measures in response to COVID-19, their potential to produce and supply different types of goods, especially the essential products, food supplies as well as connect buyers to suppliers thereby promoting and fostering regional intra-COMESA trade.

Further details can be accessed at below link:

COMESA Online Portal for COVID-19 Related Trade: [HERE](#)

*21 Member States: Burundi, Comoros, D.R Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia, Zimbabwe

Banking & Finance

BOM signs a MoU with and Bangko Sentral NG Pilipinas

The Bank of Mauritius (BoM) has announced through a communique on 18 March 2021 that it has signed a Memorandum of Understanding (MoU) with the central bank of Philippines - Bangko Sentral NG Pilipinas (BSP) - in a collective bid to reinforce the bilateral ties between the two countries. Additionally, the MoU is expected to help foster exchange of information, capacity building, and collaboration in key areas of Central Banking.

This partnership is in accordance with BoM's aim to better its processes and capabilities through interactivity with foreign regulatory institutions. Having taken effect on 1 March 2021, the MoU covers the development of banking and payment systems, FinTech, cybersecurity, and sustainable central banking.

You can access the full press release [here](#)

Mauritius joins the African Development Bank Bloomberg Index

An attested tool to measure and track African Sovereign Bond Markets, the Bloomberg African Bond Indices (ABABI) aims at deepening the continent's sovereign local currency bond markets as well as providing reliable benchmark indices to investors. It is administered by the African Bank Development (AfDB) and sources its primary data from the global index provider Bloomberg.

The AfDB has recently announced Mauritius as its latest addition to the ABABI. This inclusion evidences the effort put in by Mauritius to deepen its sovereign bond market. The ABABI further strengthens Mauritius' position as a reputable International Financing Centre and emphasises the country's potential as a bond issuer.

Launched in 2015, the Index now comprises of ten participants* following the addition of Mauritius and Morocco.

More details on the inclusion of Mauritius on the ABABI can be accessed at below link:

African Development Bank Bloomberg Index: [HERE](#)

* South Africa, Egypt, Nigeria, Kenya, Botswana, Namibia, Ghana, Zambia, Mauritius & Morocco

International Benchmarks

Democracy Index 2020: Mauritius ranks 1st in Africa and 20th worldwide

The Democracy Index (the "Index") is a measure of the global state of democracy through the comprehensive analysis of multiple factors across 165 independent nations and two territories. The 2020 report published by the Economic Intelligence Unit (EIU) marks the thirteenth edition of the series, and predictably, the focus for this particular year laid on the impact of the Covid-19 pandemic on freedom and democracy.

Indicators from five categories - electoral process and pluralism, the functioning of government, political participation, political culture, and civil liberties - were considered for the report. With social distancing and lockdowns regimes becoming the standard approach to curtailing the threat of the virus, the Index was found to have worsened in every single region of the world.

In the same line, Mauritius has gone down two spots on the global ranking since the 2019 Index but still maintains an admirable 20th position worldwide. With a score of 8.14, the country remains first in Africa, and boasts being the only Full Democracy in the entire African region.

The EIU report encompasses a thorough analysis of the democracy level in each region. Click [HERE](#) to access the full report.

World Happiness Report 2021: Mauritius ranks 1st in Africa and 50th worldwide

The latest World Happiness Report, unsurprisingly, focused on how people from over the World have dealt with the effects of the Covid-19 pandemic in 2020. The report set out to understand the impact on the structure and quality of lives, as well as the response of governments in this particular situation.

The Index was calculated using six variables namely GDP per capita, social support, health life expectancy, freedom to make life choices, generosity and perceptions of corruption. With a score of 6.049, Mauritius ranks 1st in Africa and retains a commendable 50th position worldwide.

For the fourth consecutive year, Finland topped the global ranking, followed by Denmark and Switzerland. Despite the lamentable current conditions, the Index had not reported an average decline on overall well-being; this can be attributed to people demonstrating a greater sense of solidarity against a common threat –Covid-19- that is affecting everybody.

You can access the World Happiness Report 2021 [here](#).

Economic Value of Peace 2021: Mauritius ranks among top 15 most peaceful countries

The Economic Value of Peace Report (the “Report”) by the Institute for Economic and Peace (IEP) is a gauge of the economic impact of violence and conflict on the global economy. The Report aims at bringing forward the costs –direct and indirect- of violence as well as the expenditures involved to contain and prevent violence.

The study is founded on the basis that violence disrupts economies through undesirable effects such as reduced GDP, a less predictable economy, higher levels of unemployment, lower levels of foreign direct investment and higher interest and inflation. Comprehensive data from 163 countries and independent territories was gathered for this report.

Mauritius positions itself among the top 15 most peaceful countries on the official ranking. The economic impact of violence accounts for only 3 percent of the country’s GDP, which highlights the fact the Mauritius is not heavily burdened by consequences such as increased instability and inequality.

The full report can be accessed at below link:

Economic Value of Peace Report 2021: [HERE](#)

Covid-19 updates

Latest updates: Extension of lockdown in Mauritius until 30 April 2021

As at the date of this writing, the ongoing contact tracing and random testing exercises have led to the detection of 498 local cases since 5 March 2021. Out of these, 375 are still active and 117 have recovered. 2 deaths due to Covid-19 were also recorded. In a bid to curb the further spread of the virus, the nationwide was further prolonged to 30 April.

As communicated in our latest newflash¹, the country has entered its first phase of re-opening since 1 April 2021 despite the extended lockdown, which brought about the resumption of certain economic activities.

In parallel, the National Vaccination Programme is still ongoing in the country, and the government has set the objective of immunizing at least 60% of the population at the earliest in a bid to achieve herd immunity.

We wish to remind our valued clients that as a safety measure, ITL had already instated its Work From Home policy since 8 March. Given the extension of the lockdown, our employees will continue to work from home until 30 April 2021. Being fully compliant with our data privacy and data security protocols, our WFH facilities are geared to keep our service level unaffected. Your contact persons at ITL will remain primarily reachable by e-mail and Zoom.

¹ For more information, click [here](#) to read our latest newsflash.

Extension of Visas and Grant of Permission to Stay to Residence Permit and Occupation Holders in Mauritius

In view of the current Covid-19 lockdown situation in Mauritius, the Prime Minister’s Office (PMO) has taken the decision to extend the visa and grant permission to stay in Mauritius until 31 May 2021 (or until the lockdown is lifted, whichever occurs first) to Non-citizens having Visas or Residence Permits or Occupation Permits that are expiring during the lock down period.

The Passport and Immigration Office remains at the disposal of non-citizens to aid in resolving their situations.

For any additional information please contact us.

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