

INTERCONTINENTAL TRUST e-NEWS

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Intercontinental Trust Ltd

News Snippets from the Global Business Industry & Others

Global Business & Financial Services

Recent amendments brought to the legislation

Non-Citizens (Property Restriction) (Amendment) Act 2021

The Non-Citizens (Property Restriction) (Amendment) Act 2021 (the “Amendment Act”), legislated on 29 th April 2021, brings in several changes to the Non-Citizens (Property Restriction) Act (the “Act”). One of the main changes is that the scope of application of the Act has been widened to include Foundations established under the Foundations Act 2012 and having founders, beneficial/ultimate beneficial owners and beneficiaries who are non-citizens.

Stay tuned for our upcoming newsletter which covers the salient features of the Non-Citizens (Property Restriction) (Amendment) Act 2021.

Financial Services (Special Purpose Fund) (Amendment) Rules 2021

The existing framework for Special Purpose Funds (SPF), which was first introduced in 2013, has undergone several changes following the legislation of the Financial Services (Special Purpose Fund) Rules 2021 (“the Rules”) on 6 March 2021. The Financial Services (Special Purpose Fund) (Amendment) Rules 2021 (hereinafter referred to as the “Amendment Rules”) was gazetted on 17 April 2021 and brings in the following changes to the Rules:

- The scope has been widened to include any collective investment scheme or a closed-end fund authorised by the Financial Services Commission (FSC) under Section 97 of the Securities Act, meaning that a scheme licensed before the commencement of the Rules can apply for an authorisation to operate as SPF
- It has been clarified that any scheme authorised to operate as a SPF shall pay to the Financial Services Commission (FSC) such annual fees as may be specified in the FSC Rules and these amount to MUR. 200,000 (USD 5,000).

We have updated the newsletter that we issued previously on the SPF. You can access it [here](#).

MRA: Online VAT registration on incorporation of a company

The Mauritius Revenue Authority (MRA) in collaboration with the Corporate and Business Registration Department (CBRD) has devised a simplified process for online VAT Registration of a company on incorporation.

Going forward, applicants will have to provide details relating to VAT registration, where applicable - upon making an online application to the CBRD for incorporation of a company. After the company has been registered by the CBRD, the MRA will inform the company of its VAT registration status and the assigned VAT Registration Number.

Where a company has been VAT-Registered, the effective date of the VAT registration will be:

- the date the company will start business as declared in the application; or
 - the date of incorporation,
- whichever is the later.

In the incidence of a company not being VAT-Registered on incorporation and thereafter either becoming liable for compulsory VAT registration or wishing to be voluntarily VAT-Registered, an application for VAT registration will have to be done directly to the MRA.

Access the communique from the MRA [here](#).

Submission of Returns & Payment of Taxes

The Mauritius Revenue Authority (MRA) issued a communique on 3 May 2021 to inform taxpayers and employers of the following:

- For those who have missed the deadline for submission of returns and payment of taxes which were due during the lockdown period – 10 March 2021 to 30 April 2021 -, the MRA will not be applying any penalty or interest provided that these be remitted by 31 May 2021;
- For submissions and payments that fall due in the month of May 2021, the MRA will not apply any penalty or interest provided the return is submitted and the tax, if any, is paid by 28 June 2021.

Small and Medium Enterprises (SMEs) having turnover not exceeding Mur. 50 million and whose submission of VAT return and payment of VAT were due on 31 March 2021 have been granted an extension to 15 July 2021.

The MRA reminds taxpayers and employers of the legal obligation to submit returns, with respect to Income Tax/ VAT/ PAYE/ TDS/ APS/Gaming and Betting and Social Contributions (CSG/NSF/T.Levy/RCF) and effect payment of tax, if any, electronically.

You may access the full communique by clicking on the link below:

[Submission of Returns & Payment of Taxes](#)

FSC: Guidelines for the ‘Conversion’ or ‘Shift’ of defined benefit pension schemes to defined contribution pension schemes (the “Guidelines”)

The Guidelines issued by the Financial Services (FSC) on 23 April 2021, aims at providing a regulatory framework to any conversion or shift of defined benefit pension schemes to defined contribution pension schemes.

Prior to the conversion/shift, the scheme shall give a written statement of benefits and options to the members being affected by the conversion within 7 days of the communication exercise once the members’ entitlements and commuted values have been determined wherever applicable. The minimum information to be provided in the written statement is specified in Appendix 2 of the Guidelines. This will enable members to make an informed decision regarding the shift/conversion.

With regards to issues of underfunded defined benefit schemes, as per the Guidelines, sponsoring employers can either

- forthwith fund respective deficits or
- submit a contingency plan when deciding for a conversion or shift of the defined benefit schemes.

Access the circular [here](#) for more information on the Guidelines.

FSC: Issuers can submit audited financial statements in accordance with national accounting standards for listing and ongoing disclosures

In a circular issued by the Financial Services Commission (FSC) on 8 April 2021, issuers are informed that audited financial statements prepared in accordance with the issuer's national accounting standards, in compliance with its local generally accepted accounting principles ('local GAAP'), as applicable are now being accepted by the FSC. These accounting standards will be accepted for:

- the purpose of listing securities on securities exchanges licensed by the FSC; and
- foregoing disclosures as required under section 88 of the Securities Act and the Securities (Disclosure Obligation of Reporting Issuers) Rules.

In the case of audited financial statements prepared in accordance with its national accounting standards being submitted by an issuer incorporated, established or organised under the laws of a jurisdiction other than Mauritius, the following are required:

- the issuer must file its audited financial statements in compliance with its national accounting standard; and
- securities of the issuer shall not be offered to retail investors in Mauritius.

Read the circular from the FSC [here](#)

Variable Capital Companies: a soon-to-be reality for the Mauritius IFC

The introduction of the Variable Capital Companies (VCC) in Mauritius formed part of the set of measures announced in the Budget Speech 2020–2021 in line with the recommendations of the 10-Year Blueprint for the Sector.

On 16 April 2021, Cabinet has agreed to proceed with the drafting of the VCC Bill which will take into account the requirements of the relevant Anti-Money Laundering/Combating the Financing of Terrorism legislation and framework.

If you missed our newsflash on the Variable Capital Companies Bill, you can still access it [here](#)

Proposed amendments to Securities Act 2005

On 16 April 2021, Cabinet agreed to amend the Securities Act 2005 as follows:

- bringing in the concept of “retail investor” compared to “sophisticated investor” in the legislation;
- enabling the licensing of other exchanges and depository institutions over and above the Stock Exchange of Mauritius and the Central Depository and Settlement Ltd;
- recognising foreign funds whose securities are marketed to retail investors in or from Mauritius; and
- waiving the requirement for foreign reporting issuers to be registered with the Financial Services Commission.

We will endeavour to keep you informed of future development with regards to the drafting of the Securities (Amendment) Bill.

If you missed our newsflash on the proposed amendments to Securities Act 2005, you can still access it [here](#)

Amendment to the «Contribution Sociale Généralisée »

ITL released a newsletter¹ in April to give key insights on the Contribution Sociale Généralisée (Amendment) Regulations 2021 (the “Regulations”). As per the Regulations, non-citizens employees, who are not tax resident in Mauritius in line with the definition provided by the Income Tax Act 1995 (ITA), will not be required to contribute CSG.

This amendment is retrospective and is deemed to come into effect as from 1 September 2020.

¹ Access our newsletter here: [CSG: Exclusion of foreign employees who are not tax resident in Mauritius](#)

Banking & Finance

The Bank of Mauritius joins the OECD/INFE

The creation of the Organisation for Economic Co-operation and Development International Network on Financial Education (OECD/INFE) platform stemmed from the need to promote financial literacy. Comprising of central bankers and policy makers from over 125 countries, the OECD/INFE provides assistance on matters of design and implementation of country-specific financial education strategies and proposes innovative methods to ensure the effective roll out of financial literacy programmes.

The Bank of Mauritius has become a member of the OECD/INFE at a time where the Bank has initiated financial literacy programmes across Mauritius and Rodrigues in a view to disseminate understanding of core financial products and risks to consumers.

The full communique from the Bank of Mauritius can be accessed [here](#)

International Benchmark

Global Mobility Report Q2 2021: Mauritius moves up two spots from last year’s ranking.

Amid travel uncertainty and selective re-opening of borders, Henley set out to analyse current mobility patterns in its second quarterly Global Mobility Report. With countries across the globe adopting Covid-19 vaccination programmes, the report gives a glimpse of how a post-pandemic travel future is likely to be.

Mauritius retains a favourable 30th position on the global ranking – moving up two spots from its 2020 ranking. We also note that the country has improved one spot from the Q1 2021 ranking¹ (Q1 2021: 31st). Indeed, the Mauritian passport provides visa-free/visa-on-arrival access to 146 destinations, thus making it one of the world’s most travel-friendly passports.

The Global Mobility Report Q2 2021 can be accessed [here](#)

¹ We communicated on the Global Mobility Q1 2021 report in our January news release. You can access it [here](#)

Mauritius Film Industry

Mauritian movie ‘Three Wise Men – Parallel Lives’ globally acclaimed

The Mauritius Film Industry has been thriving lately with the overseas success of Three Wise Men - Parallel Lives. The movie directed by Sada Rajiah and Desire Prevost - and featuring a mainly local cast - has received acclaims from prestigious events such as L’Age d’Or International Art-house Film Festival and Oniros film awards.

The movie recounts the evolution of electricity through the story of three men born in different eras and sharing similar paths. Since its release in November 2020, Three Wise Men - Parallel Lives has been shortlisted for multiple categories from over 40 festival entries.

Mauritius serves as primary filming location for mythological web series 'Ram Yug'

Mauritius has been a long-time favourite destination among Indian film producers. Kunal Kohli, Indian filmmaker, predominantly known for his coming-of-age ventures has finally brought his much-anticipated revamped rendition of the timeless tale 'Ramayana' to the screen. The web series titled 'Ram Yug' - released digitally on 6th May 2021 - promises a never seen before visual interpretation of this ancient text.

The technical finesse and locations add up to the appeal since the series not only boasts the use of latest technologies to breathe life into the story, but also a striking filming landscape - courtesy of the versatile Mauritian backdrop. Indeed, this Bollywood project was filmed locally and saw the contribution of more than 1,500 Mauritians. It also benefited from the Film Rebate Scheme under which, film projects are entitled to a cash rebate of up to 40% on its qualifying production expenditures.

About the Film Rebate Scheme:

It will be recalled that the Government of Mauritius, through its investment promotion agency, the Economic Development Board (EDB) introduced a slew of initiatives over the past years to further develop the local film industry.

The Film Rebate Scheme (FRS) was introduced in 2013 and entitles film producers to a cash rebate of up to 40% on several kinds of audiovisual projects including animation movies, films, TV shows, documentaries, dubbing and commercials, etc.

For more information about the Mauritius Film industry and on how we can assist film producers to benefit from the FRS, please get in touch with your usual contact person at ITL or write to us on info@intercontinentaltrust.com

News tidbits from Seychelles

Creation of the Financial Services Reform Committee in Seychelles

The growing need to further develop and implement reforms in the Seychelles financial sector has prompted the creation of the Financial Services Reform Committee (the "Committee"). Its main objectives are to:

- act as an advisory body and encourage all stakeholders to work collaboratively to provide advice to the Ministry for Finance regarding the financial sector reform; and
- make Seychelles a modern, reputable and transparent jurisdiction offering valued financial services products

The Committee held its first meeting on 27 April 2021 and raised discussions on issues such as the Financial Sector Strategy from Seychelles, AML/CFT, EU, OECD Reforms and New Product Development.

Regrouping representatives from key actors of the Seychelles Financial Services sector, the Committee aims at transforming this sector into a real pillar of their economy.

Corruption Perceptions Index: Seychelles retains first position in Sub-Saharan Africa.

The Corruption Perceptions Index (CPI) released by Berlin-based Transparency International, is a measure of the perception of corruption in the public sector. It is the most widely used indicator of corruption worldwide, and compiles data originating from twelve independent institutions specialising in governance and business climate analysis. This process ensures that the indicator is comprehensive and accurate.

With a score of 66, Seychelles ranks 27 th out of 180 countries globally, and remains the least corrupt country in the Sub-Saharan region, as perceived by experts and business executives. Seychelles has remained stagnant for three consecutive years, despite Covid-19 limitations.

The detailed report can be read at below link:
Corruption Perceptions Index 2021: [HERE](#).

Launch of the Collateral Database Registry in Seychelles

The Collateral Database Registry (CDR) was launched in Seychelles on 3 May 2021. It will be recalled that the CDR was initiated by the Central Bank of Seychelles, in collaboration with the Office of Registrar General and the assistance of the World Bank back in 2013. The Collateral Database Registry is also in line with the coming into force of the Secured Transactions Act, 2015, which governs the system.

A Collateral Database Registry acts as a centralised, electronic database – accessible to the public and to secured parties – and allows the registration of security interests in movable assets in a faster and more convenient way.

A fee of SR500 is applicable for the filing of notice of security interest, amendment, continuation and termination. However, the general public can conduct searches and file objections on the CDR free of charge.

For any additional information please contact us.

Mauritius Office

Email: mauritiust@intercontinentaltrust.com
Website: www.intercontinentaltrust.com

Seychelles Office

Email: seychelles@intercontinentaltrust.sc

South Africa Office

Email: sa@intercontinentaltrust.com

Singapore Office

Email: singapore@intercontinentaltrust.com.sg
Website: www.intercontinentaltrust.com.sg

Kenya Office

Email: ke@intercontinentaltrust.com



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