

INTERCONTINENTAL TRUST e-NEWS

July 2021



Intercontinental Trust Ltd

Global Business & Financial Services

FSC: Financial Services (Robotic and Artificial Intelligence Enabled Advisory Services) Rules 2021

In an effort to encourage licensed service providers in Mauritius to adopt new and emerging technologies, the Financial Services Commission (FSC) has taken the initiative to introduce a regulatory framework, reinforced by the issue of the Financial Services (Robotic and Artificial Intelligence Enabled Advisory Services) Rules 2021 (the “Rules”).

As per the Rules, the holder of a Robotic and Artificial Intelligence Enabled Advisory Services licence will be entitled to provide advisory services (including discretionary and non-discretionary investment and portfolio management services) through expert systems and/or computer programs using artificial intelligence enabled algorithms, with limited human intervention. As such, the following set of Rules have been introduced and amended to cater for this licence:

- The Financial Services (Robotic and Artificial Intelligence Enabled Advisory Services) Rules 2021;
- The Securities (Investment Advice) Rules 2021;
- The Securities (Solicitation) (Amendment) Rules 2021; and
- The Financial Services (Consolidated Licensing and Fees) (Amendment No. 3) Rules 2021.

Access the FSC communique [here](#) for more information.

Watch out for our upcoming newsletter that will cover the salient obligations for a licensee under the Financial Services (Robotic and Artificial Intelligence Enabled Advisory Services) Rules 2021.

Mauritius FATF Updates

The Financial Action Task Force (FATF) announced during its latest Plenary session held from 21 to 25 June 2021 that Mauritius has substantially completed its action plan at technical level and that its delegates will be making an on-site visit to Mauritius to assess the implemented measures outlined in the progress report submitted by the country in April 2021.

The results of the visit will be reported in October 2021 when a final decision regarding the removal of Mauritius from the FATF Grey list will be taken based on the findings of the onsite inspection.

Furthermore, the European Commission had already provided confirmation that the country’s delisting from the FAFT Grey list will automatically entail its removal from the list of High Risk Third Countries (commonly referred to as the “EU Blacklist”).

We will endeavor to keep our valued clients informed of the situation in due course.

Our recent newflash release, ‘FATF Grey list/EU Blacklist: A glimmer of light on the Mauritian horizons’, provides further information on this FATF update. You can access it [here](#)

FSC: Extension of due dates for filing of Financial Statements and Returns

The Financial Services Commission (FSC) released a communique on 30 June 2021 informing relevant stakeholders of the extension of 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 End and Quarter End	Original filing deadline as per Relevant Acts or FSC Rules	New Filing Deadline (Extended date)
1. Audited Financial Statements/ Financial Summaries	Year End: 31 December 2020 to 28 February 2021	Not later than 6 months of its balance sheet date	30 September 2021
2. Annual Reports/ Audited Financial Statements	Year End: 31 March 2021 to 31 May 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 September 2021
3. Quarterly/ Interim Financial Statements	Quarter End: 31 May 2021 to 31 July 2021	Not later than 45 days after the end of each quarter	30 September 2021

• Statutory Returns:

Type of Reports	Year End	Original filing deadline as per Relevant Acts or FSC Rules	New Filing Deadline (Extended date)
1. Actuary Report	31 March 2021	Within 3 months after the end of the period to which they relate	30 September 2021
2. Auditor's Certificate	31 March 2021	Within 3 months after the end of the period to which they relate	30 September 2021
3. Statutory Returns	31 March 2021	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 September 2021

• RMF Returns:

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

While licensees are encouraged to submit their financial statements and returns within the current deadlines, the FSC informs licensees that no administrative penalties will be applied provided that the new respective deadlines are met.

Access the full communique from the FSC [here](#)

FSC releases FAQ on the new Special Purpose Fund

The Ministry of Financial Services and Good Governance in collaboration with the Financial Services Commission (FSC) launched the New Special Purpose Fund (SPF) on 9 June 2021. As a reminder, the Financial Services (Special Purpose Fund) Rules 2021 (referred hereinafter as the “Rules”) came into force on 6 March 2021.

The FSC has also released a FAQ with regard to this newly implemented framework in a view to provide more in-depth information and clarifications. The FAQ can be accessed [here](#)

We communicated on the Rules which supersede the Financial Services (Special Purpose Fund) Rules 2013 and usher in a revamp of the existing framework for SPFs, as announced in the 2019/2020 National Budget, in our past newsletter¹.

¹ To access our news release on the Financial Services (Special Purpose Fund) (Amendment) Rules 2021: [HERE](#)

FSC signs an Innovation Functions Co-operation Agreement with CSA

The Fintech hub has positioned itself as a fast-growing sector in Mauritius, and with more and more Fintech entrepreneurs looking to test their services on the market, there is a need to provide them with a sound regulatory framework to operate.

The recent Innovation Functions Co-operation Agreement (the “Agreement”) signed between the Financial Services Commission (FSC) and members of the Canadian Securities Administrator (CSA) includes a referral mechanism for innovative businesses, and enhances and clearly defines information sharing between these jurisdictions.

In addition to having signed bilateral Memorandum of Understandings (MOUs) on Fintech with regulatory counterparts in several key jurisdictions including France, Mauritius joined the Global Financial Innovation Network. These MOUs together with the Agreement provide Mauritius with a framework which will enable Fintech entrepreneurs to thrive in terms of cross-border innovation from Mauritius to other continents.

Read the full communique from the FSC [here](#)

The FSC and the QFCRA sign a Memorandum of Understanding

The Financial Services Commission (FSC) and the Qatar Financial Centre Regulatory Authority (QFCRA) have signed a Memorandum of Understanding (MoU) in a bid to promote cooperation in the fields of information exchange and regulatory assistance between the two reputable financial centres.

With regard to the regulatory part, this MoU explores the possibility of enhancing the efficiency and financial soundness of the Mauritius International Financial Centre and the Qatar Financial Centre through improved supervision of cross-border transactions and prevention of fraudulent practices.

Access the full communique from the FSC [here](#)

MRA: Deadline for submission of Tax returns and application for TASS

In a communique released on 4 June 2021, the Mauritius Revenue Authority (MRA) informed the public of the deadline for the submission of the following returns and payment of tax, if any, which was on **28 June 2021**:

- Advance Payment System (APS):
 - for any quarter ended in August 2020 and up to quarter ended in March 2021
 - Payment of the 2nd instalment of tax under APS by companies operating in the tourism industry and having opted to pay tax under APS, for quarters ended in October 2019 and up to September 2020, in two equal instalments

- Corporate Tax:
 - Companies whose accounting period ends in December 2020
 - Payment of the 2nd instalment of corporate tax by companies operating in the tourism industry and having opted to pay corporate tax, for accounting periods ended in September 2019 and up to June 2020, in two equal instalments
- Returns and Payment of tax due in May 2021:
 - Returns and Payment of tax, if any, that were due in the month of May 2021 from all taxpayers and employers

If you've missed the above deadline and you require assistance on the way forward, please send us an email on info@intercontinentaltrust.com.

Small and Medium Enterprises (SMEs), with turnover not exceeding Mur. 50 million, will have up to **15 July 2021** for the submission of VAT return and payment of VAT, if any, for the month of February 2021 and that were due on 31 March 2021.

For more information on the above, have a look at the full communique from the MRA [here](#)

FATCA FAQ published by the US Internal Revenue Service

The US Internal Revenue Service (IRS) issued a FAQ as Q6 under Reporting on the Foreign Accounts Tax Compliance Act (FATCA) FAQs page in a bid to provide all of the required information regarding the new optional TIN codes in the FATCA XML Schema.

The Mauritius Revenue Authority (MRA) released a communique to inform its concerned stakeholders of this publication. The FAQ can be accessed [here](#)

Promulgation of the Double Taxation Avoidance Agreement (Kingdom of Lesotho) Regulations 2021

The Minister of Finance, Economic Planning and Development promulgated the Double Taxation Avoidance agreement (Kingdom of Lesotho) Regulations 2021. The Double Taxation Avoidance Agreement with the Kingdom of Lesotho would:

- provide certainty to investors in their dealings with Mauritius or Lesotho, as the case may be;
- create a conducive environment for greater cross-border investment flows between the two countries; and
- provide mechanisms to:
 - combat tax evasion and other malpractices; and
 - resolve tax disputes that may arise.

Promulgation of the Double Taxation Avoidance Agreement (Republic of Estonia) Regulations 2021

The Minister of Finance, Economic Planning and Development would promulgate the Double Taxation Avoidance Agreement (Republic of Estonia) Regulations 2021. The Double Taxation Avoidance Agreement with the Republic of Estonia (the "Agreement") which was signed on 19 February 2021 would:

- provide tax certainty to investors of both countries in their dealings with Mauritius or Estonia, as the case may be;
- provide mechanisms to:
 - combat tax evasion and other malpractices through the collaboration between the two authorities in terms of exchange of information and lending assistance to each other for tax due to the concerned tax authorities; and
 - resolve tax disputes that may arise, through a mutual agreement procedure; and
- create a conducive environment for greater cross-border investment flows between the two countries.

The promulgation of the said Regulations forms part of the internal procedure to ratify the Agreement.

Banking & Finance

Promulgation of the Banking (Processing and Licence Fees) (Amendment) Regulations 2021

The Minister of Finance, Economic Planning and Development has approved the promulgation of the Banking (Processing and Licence Fees) (Amendment) Regulations 2021 (the “Regulations”). This would allow the Bank of Mauritius (BOM) to consider the possibility of waiving the payment by financial institutions of licence fees, where:

- the Central Bank has, on account of an exceptional event i.e. an event of a systemic nature that is outside the reasonable control of a financial institution, authorised a temporary cessation of the operations of the financial institution or the closure of one or more of its branches for a period of more than three months; or
- the financial institution is able to demonstrate to the Central Bank that it has experienced a period of reduced business activities (i.e. a reduction of at least 25 per cent in annual turnover compared to the same period in the previous year) for more than three months due to an exceptional event.

Where the licence fees have already been paid by the financial institutions, these fees or part thereof will be refunded to them by the BOM.

The Banking (Processing and Licence Fees) (Amendment) Regulations 2021 are deemed to have come into operation on 1 July 2021.

International Benchmark

Global Peace Index 2021: Mauritius remains the most peaceful country in Africa

With an overall score of 1.592, Mauritius has ranked 28th globally on the Global Peace Index 2021 (the “Index”) and maintains its position as the most peaceful country in the African region. With regard to the African continent, a slight deterioration in peacefulness was recorded in this year’s index – in fact, the average country score for Africa declined by 0.5%.

The Index further reports that Mauritius recorded a slight fall on the Safety and Security domain owing to increased homicide rate and civil unrest caused by protests against the government’s handling of the massive oil spill in August 2020.

Despite global wars and conflicts showing signs of abatement, a deterioration was witnessed in the average level of global peacefulness, which is the ninth one observed over the past 13 years. In fact, the Index revealed a decline of 0.07% in the average level of global peacefulness and this can be attributed to uncertainty and tension due to the Covid-19 pandemic – owing to unstable political agendas and even more volatile economic conditions.

The 15th edition of the Global Peace Index ranks 163 independent states and territories according to their level of peacefulness through the analysis of three domains: the level of Societal Safety and Security, the extent of Ongoing Domestic and International Conflict, and the degree of Militarisation.

Access the full report [here](#)

Kearney’s GSLI 2021: Mauritius as the only African country to rank on the ‘Digital Resonance’ Index

The Global Services Location Index (GSLI) aims at providing an overview of emerging digital hubs across 60 countries through four major categories namely financial attractiveness, people skills and availability, business environment, and digital resonance category. The recent 27th position – globally - achieved by Mauritius on the GSLI is evidence of the Government’s effort to promote the country as a reliable tech hub with a friendly business climate. With this ranking, Mauritius stands second in Africa and maintains the 1st place in Sub-Saharan Africa.

Furthermore, Mauritius has achieved a landmark position as the only African country to be in the list of top 25 nations in the Digital Resonance category of the latest GSLI. The ‘digital resonance’ metric introduced by Kearney in 2019 widens the scope of research in the tech-service sector.

The objective of this new dimension is to score countries across a multitude of factors such as digital skills of the labour force, digital outputs, the amount of corporate activity, legal protections of intellectual property, and other key elements of business activity in the digital age. Read the full report by clicking on the link below:

Kearney's Global Services Location Index (GSLI): [HERE](#)

Travel & Tourism

Re-opening of Mauritian borders

As communicated in one of our recent publications¹, Mauritius has moved to the third phase of its de-confinement plan as from 1 July 2021. With regard to travel restrictions, Mauritius is gearing up to re-open borders to vaccinated visitors for resort tourism, as announced in the National Budget 2021/22, as from 15 July 2021. As such, travellers coming to Mauritius are required to provide the following documents before boarding:

- a certificate of negative COVID-19 PCR test administered between 5 and 7 days prior to boarding at their last point of embarkation;
- a valid air ticket to Mauritius; and
- proof of purchase of a stay package in a certified COVID-19 safe resorts.

Unvaccinated visitors will still be allowed entry to the island. A distinction will be made between vaccinated tourists and unvaccinated visitors as follows:

Vaccinated tourists	Unvaccinated visitors
Holiday at one of the Covid-safe hotels	Stay for 14 days in quarantine hotels
Access to hotel beaches and all facilities	Meals delivered in-room – no access to beach or hotel facilities
Take PCR test on arrival day and on days 7 and 14	Take PCR test on arrival day and on days 7 and 14
Allowed to leave the hotel after 14 days with a negative PCR test	Allowed to leave the hotel after 14 days with a negative PCR test

Depending on the evolution of the covid-19 situation, all vaccinated tourists with a negative PCR test will be allowed in Mauritius without restrictions as from 1 October 2021.

¹ Covid-19 Update @ 24 June 2021: [HERE](#)

For any additional information please contact us.

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