



FSC issues policy stand on the application of the Core Income Generating Activities requirements for Global Business Companies

In a correspondence dated 17 January 2022, the Financial Services Commission (FSC) confirmed that, effective 1 January 2022, only holders of / applicants for a Global Business Licence (GBL) wishing to avail of a preferential tax advantage should demonstrate that their Core Income Generating Activities (CIGA) are / will be carried out, in or from Mauritius at all times.

Therefore, only Global Business Companies (GBCs) wishing to benefit from the Partial Exemption Regime (PER) which entitles them to an exemption of 80% on certain streams of income such as interest received by GBCs or the income derived by GBCs on certain activities which are licensed and regulated by the FSC etc.¹, are required to demonstrate their CIGA in Mauritius.

This is a welcomed development for the global business industry and a relief for GBCs for which preferential tax advantages are not available or applicable. Previously, there was uncertainty on whether meeting the CIGA requirements was a condition attached to the licence of GBCs or if this was part of the substance requirements only for GBCs wishing to avail of preferential tax advantages.

It is noteworthy to mention that **all** GBCs can still claim tax credit in Mauritius for any tax suffered on foreign sourced income as an alternative to claiming benefit under the PER.

Regardless of the above, the FSC and the tax authorities will still require GBCs to be managed and controlled in Mauritius to ascertain their tax residence, which will then enable them to take advantage of the various tax treaty benefits that are available to tax resident vehicles.

To access the correspondence dated 17 January 2022 issued by the FSC, please click [Here](#)

How can ITL help?

Our specialized tax team will be able to provide guidance on the applicability of the available preferential tax advantages to GBCs whilst identifying and advising on any gaps in relation to economic substance. We can also assist our clients in the implementation of their CIGA requirements through the provision of serviced office space and the fulfilment of their direct and/or indirect employment endeavours. For more information on how we can assist, please write to us on info@intercontinentaltrust.com

¹ For a comprehensive list of the income streams to which the PER applies, please write to us on info@intercontinentaltrust.com