



Intercontinental Trust Ltd

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Global Business and Financial Services

FSC: Updates to the Competency Standards

On 9 June 2022, the Financial Services Commission (FSC) communicated several updates brought to its Competency Standards. Aligned with international best practices, the Competency Standards - initially published in 2014 - aims at providing the minimum technical competencies required by licensees, its officers and employees engaged in the provision of advice, intermediaries services as well as involved in management and control function.

The recent amendments brought to the Competency Standards updates the competency requirements for the appointment of a Money Laundering Reporting Officer (MLRO) and/or a Deputy MLRO, and sets out the requirements for a Compliance Officer (together referred to as “Officers”). The salient competency requirements for the Officers are as follows:

- The Officers shall hold relevant experience of at least 5 years in the industry;
- Alternately, the FSC may consider relevant experience of at least 3 years in the industry, subject to the submission of relevant and valid AML/CFT professional certification*;
- Notwithstanding the above, for the purpose of Section 4.6 of the Competency Standards, the Officers shall demonstrate a minimum of 10 years of relevant experience in the industry

They must achieve a minimum of 10 hours as structured CPD every year.

These amendments have taken effect on 1 June 2022 and are applicable for all new MLROs, Deputy MLROs and Compliance Officers.

Access the updated Competency Standards [here](#)

**Valid certifications: the Financial Services Institute (FSI), the Certified Anti-Money Laundering Specialist (ACAMS), the International Compliance Association (ICA) or any other certifications meeting the global AML/CFT requirement standards may be considered by the FSC*

Introduction of the Variable Capital Companies Act 2022

First announced in April 2021, the introduction of the Variable Capital Company (VCC) aimed to deliver on the increasing demands for innovation in the fund market space. With the need to ensure that there is a legislative frame-work - in compliance with the requirements of the Anti-Money Laundering/Combating the Financing of Terrorism - regulating this structure, the Variable Capital Companies Act 2022 (the “Act”) was enacted in April 2022.

In case you missed our newsletter, which covers the main technicalities and licensing fees for Mauritius VCCs, as well as provides a comparison between the Protected Cell Companies (PCCs) and VCCs, you can access it [here](#)

On 4 July 2022, the Financial Services Commission – the institution responsible for regulating and supervising VCCs – issued a FAQ in an effort to bring clarity on this structure and its governing framework. Read the FAQ [here](#)

Introduction of the Virtual Assets and Initial Token Offering Services Act 2021

In an effort to widen the service offerings of Mauritius' financial services sector, the Government has introduced the Virtual Asset and Initial Token Offering Services Act 2021 (hereinafter referred to as the "Act") on 7 February 2021.

The Act lays the groundwork for the regulation and supervision of business activities of Virtual Assets Services Providers (VASPs) and Issuers of Initial Token Offerings (IITOs) in Mauritius. ITL released a newsletter on 23 March 2022, which elaborates on the salient features from the Act. The publication also covers the main AML/CFT obligations for VASPs and IITOs – initially published in February 2022 and later updated in July 2022 - in this new line of business.

In case you missed the newsletter, you can access it [here](#)

Subsequently, the Financial Services Commission (FSC) shared the fee schedule as well as the licensing criteria for VASPs and IITOs, and released a communique to inform the public that applications for the relevant licence(s)/ registration(s) under the Act may henceforth be submitted through the FSC One Platform.

Access the full communique from the FSC for the prescribed fees and licensing criteria [here](#)

Promulgation of the EDB (Real Estate Development Scheme) Regulations 2022

The Economic Development Board (Real Estate Development Scheme) Regulations 2022 (the "Regulations") was enacted on 12 April 2022 in an effort to encourage the sale of remaining Integrated Resort Scheme (IRS)/ Real Estate Scheme (RES) properties by reinstating the following provisions governing IRS/RES:

- the process for the acquisition or resale of residential property in an IRS/RES project;
- the persons/entities eligible to acquire residential property under the IRS/RES;
- a minimum selling price of USD 500,000 in respect of residential property in an IRS; and
- payment of a social contribution by an IRS company for an additional residential property developed in an existing project.

Excluding the percentage of serviced land allowed to be sold in an IRS project – for which the threshold of land area planned for construction of residential properties is being increased from 25 percent to 33 percent - the other main conditions relating to the implementation of an IRS/RES project are also being reinstated.

Click [here](#) to access the Regulations which give more details on the above provisions.

SADC Protocol on Trade in Services

On 13 January 2022, the Southern African Development Community (SADC) Protocol on Trade in Services, previously signed by the SADC Heads of States and Governments, including Mauritius, on 18 August 2012 in Maputo, came into force 30 days after two-thirds of the Member States having deposited of instruments of ratification.

The coming into operation of this Protocol entails that Mauritius now has market access in 10 SADC Member States on a transparent, legally secure and predictable basis in the following sectors:

- Financial Services;
- Communications;
- Tourism;
- Transport;
- Construction; and
- Energy-related services

Mauritius to sign DTAA with Hong Kong Special Administrative Region of the People's Republic of China

Mauritius is set to sign the Double Taxation Avoidance Agreement (DTAA) with the Hong Kong Special Administrative Region of the People's Republic of China.

This DTAA, in line with the OECD and UN Model Agreements on Avoidance of Double Taxation, further complies with the OECD/G20 Base Erosion and Profit Shifting (BEPS) recommendations and comes as an opportunity to not only clarify the taxing rights of each country on income covered by the DTAA but also aims to:

- provide certainty to investors in their dealings with Mauritius or Hong Kong, as the case may be;
- create a conducive environment for greater cross-border investment flows between the two countries;
- establish a framework for exchange of information between the tax authorities of Mauritius and Hong Kong, with a view to combatting tax evasion and other tax malpractices; and
- provide a mechanism to taxpayers for the resolution of tax disputes

We will endeavour to provide you with more information on the signing of the DTAA with Hong Kong in due course. Stay tuned!

Banking and Finance

BoM: Key Repo Rate raised to 2.25% per annum

On 3 June 2022, the Monetary Policy Committee (MPC) of the Bank of Mauritius (BoM) announced its decision to raise the Key Repo Rate (KRR) by 25 basis points to 2.25% per annum. We recall the increase of the KRR by 15 basis points to 2.00% per annum earlier this year, in March 2022.

The reopening of the Mauritian borders combined with the adoption of appropriate policy actions have maintained Mauritius on a steady path to recovery, and the BoM is forecasting real GDP growth between 7 – 8% for 2022 depending, among others, on the number of tourist arrivals.

On the other hand, the war between Russia and Ukraine has sent a wave of inflation across the world, and Mauritius was not spared from the consequences with rising fuel and commodity prices. This has led the BoM to further revise its inflation projection to around 6.7% for 2022.

Faced with increased risk of inflation, and with a view of implementing the appropriate macroeconomic conditions for recovery, the MPC has deemed raising the KRR to 2.25% per annum appropriate for our economy. It continues to monitor the situation closely.

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

BoM signs multiple MoUs

On 16 February 2022, the Bank of Mauritius (BoM) released a communique to announce that it has signed a Memorandum of Understanding (MoU) with the Dubai International Financial Centre (DIFC), the leading global financial centre in the Middle East, Africa and South Asia (MEASA) region.

At the core, this MoU has the purpose of facilitating exchange of information and sharing of expertise with regard to banking and financial services between the two entities, but it also generates opportunities for:

1. establishing a framework that encompasses the organisation of meetings, consultations, seminars, workshops, internships as well as study visits and experts' visits in areas of common interest with regard to capacity-building in the financial services industry.
2. strengthening collaboration in the field of research pertaining to financial services, banking, cybersecurity and FinTech, among others.

For more information, access the full communique from the BOM [here](#)

In the same vein, the BoM announced the signing of a MoU with the Banque Centrale des Comores to strengthen the existing bilateral cooperation between the two institutions as well as improve exchange of information on cross border supervision, on-site inspections of cross border establishments, capacity building, and collaboration in key areas of mutual interest.

Read the full communique published on 19 February 2022 [here](#)

Travel and Tourism

Streamlined procedures for OPs and YPOPs

Mauritius presents various opportunities, in the form of Occupation Permits (OPs) and Young Professional Occupation Permits (YPOPs), for foreigners looking to work and live on the island. In an effort to make the procedures regarding applications made for OPs and YPOPs more efficient, the following measures have recently been adopted:

(a) With regard to OP:

1. henceforth, OPs which were so far only granted to applicants arriving in Mauritius on Business visa would also be extended to foreigners on tourist visa;
2. applications for OP from students would only be considered after completion of their studies. However, employment should be related to their field of studies.

(b) With regard to YPOP, a holder of this category of permit would be allowed to:

1. switch to the OP category with another company, only after termination of his current contract of employment and not during his running contract;
2. switch to the OP category within the same company during the validity of his contract of employment.

Why make the switch from YPOP to OP?

Young professionals can benefit from greater advantages when applying for an OP:

- While the YPOP provides a residency validity of three years, certain categories of OPs allow foreigners to remain on the island for a period of up to 10 years or for the duration of their contract of employment.
- OP holders further have the possibility to work across broader fields unlike YPOP holders who are restricted to working in companies having business activities as follows: Artificial Intelligence, Biotechnology, Fintech, Robotics, Financial Services, Information Technology.

Should you wish to receive more information about the Premium Visa and the various types of Occupation and Residence Permits that are available to foreign nationals, please write to our Relocation Team at relocation@intercontinentaltrust.com

In the meantime, you can consult our newsletter, '**Mauritius: a more accessible Work & Live destination**' [here](#) for a detailed guide on the above.

International Benchmarks

Global Peace Index 2022: Mauritius remains the most peaceful country in the Sub-Saharan region

On 15 June 2022, the Institute for Economics & Peace (IEP) came out with the Global Peace Index (GPI) 2022. Titled 'Measuring peace in a complex world', this 16th edition unveils that the world is considerably less peaceful now than it was in 2008; indeed, the GPI records a deterioration in the average level of global peacefulness by 0.3% in 2021.

Despite a slight fall in peacefulness in the Sub-Saharan region, Mauritius has once again taken the top spot in the Sub-Saharan region (Global Ranking: 28th). With a GPI score of 1.57, the country shows slight improvement, owing to a notable upswing in its Militarisation domain and UN peacekeeping funding.

The GPI 2022 ranks 163 independent states and territories according to their level of peacefulness across three domains:

- the level of societal Safety and Security;
- the extent of Ongoing Domestic and International Conflict; and
- the degree of Militarisation.

To access the full report, click [here](#)

World Happiness Report 2022: Mauritius remains the happiest country in Africa

The latest World Happiness Report (the "Report"), released on 18 March 2022, marks the tenth anniversary of this series, and has, this year, directed its focus on the far-ranging effects of COVID-19. At the core, the Report aims to extract meaningful subjective data on happiness levels across the World and transform it into an objective analysis which can help guide individuals and societies towards better lives.

With an improved score of 6.071 (2021: 6.049), Mauritius takes the 52nd spot on the World Ranking, and has subsequently retained its position as the happiest country in Africa.

The analysis which demonstrates how the COVID-19 pandemic starting in 2020 has led to a 2021 pandemic of benevolence with equally global spread - takes into account the following variables:

- GDP per capita;
- social support;
- health life expectancy;
- freedom to make life choices;
- generosity and
- perceptions of corruption

The full Report can be accessed [here](#)

Democracy Index 2021: Mauritius ranks 1st in Africa and 19th worldwide

The Democracy Index (the “Index”), published annually by the Economic Intelligence Unit (EIU), is a report that provides a broad overview of the state of democracy across 167 countries and territories. Bound in its drive to bring forth deep insight into World economic and political developments, this year’s index, released on 10 February 2022, shows declining resilience across most regions, and sets the record for the worst global score since the index was first produced in 2006 (2021: 5.28).

This global score is reflective of the adverse effects of the ongoing pandemic, where civil liberties across democracies and authoritarian regimes alike are being continuously threatened. Indeed, the imposition of lockdowns and travel restrictions, as well as increasingly common obligation to show proof of vaccination to participate in public life have led to a subtle shift in power in favour of states across the World.

Despite the less than favourable findings, Mauritius has fared well in the Index with an improved ranking at the 19th spot (2020: 20th) and a score of 8.08. The country thus maintains its position as the only Full Democracy on the African continent.

The Index takes into consideration five essential criteria to analyse the democracy level across the countries and territories - electoral process and pluralism, functioning of the government, political participation, political culture and civil liberties – and we note that Mauritius has done particularly well for the electoral process section, where it scored 9.17 out of 10.

Read the full report titled ‘The China challenge’ from the EIU [here](#) where the research division dedicates a section of the report to China’s exceptional economic success and its take on democracy.

Retraite sans Frontières: Mauritius named sixth best country for retirement

For a decade now, France-based website *Retraite sans Frontières* has been publishing its ranking for the best overseas retirement destinations through an analysis of twelve criteria such as cost of living, value of real estate, medical care, cultural heritage and gastronomy, amongst others.

Mauritius was found to be the sixth most coveted country for French retirees, owing to its economic and political stability as well as the French-speaking advantage of its inhabitants.

While the ranking itself does not seem to come as a surprise, Paul Delahoutre, founder of *Retraite sans Frontières*, notes that since the onset of the Covid-19 pandemic, French retirees have favoured European countries – clearly denoted in the Top 3 ranking (Greece, Portugal and Spain). He attributes the above to the ease of travel between within Europe and the high healthcare standards of these countries.

Access more information on the Top 10 ranking [here](#)

Global Terrorism Index 2022: Mauritius remains unaffected by terrorism attacks

At a time where Russia is waging war on Ukraine, the Institute for Economics and Peace (IEP) came up with the notion that despite increasing attacks across the World, the impact of terrorism continues to decline in its 2022 Global Terrorism Index (GTI), released on 1 March 2022.

Indeed, this report which analysed a comprehensive set of data over a five-year period – from 2007 to 2021 – has covered the global trends in terrorism through a thorough analysis of not only deaths, incidents, hostages, and injuries caused by terrorism attacks, but also the advent of advanced technologies behind these attacks. While the latter have been found to becoming less and less lethal, they are however likely to be more concentrated in regions and countries already suffering from political instability and conflicts.

Despite Sub-Saharan Africa accounting for 48% of total global deaths from terrorism, Mauritius remains one of the 22 countries across this region to have recorded no terrorist incidents in the past five years, ranking at the 93rd spot with a score of zero owing to its political stability and appropriate policies and measures guarding the rights of its civilians.

You can access the full report from IEP [here](#)

Mauritius fares well on latest Henley & Partners reports

Henley & Partners - the world's leading agency in residence and citizenship by investment – unveiled its latest findings on residence by investment, real estate-linked investment migration & wealth management:

1. *Global Residence Program Index 2022*

The 2022 Global Residence Program Index depicts the top 25 most reputable residence by investment programs around the World, and Mauritius, as the only African country in the list, has shown the remarkable strength of its Residence by Investment Program by ranking 14th globally (score: 56).

The country attributes this achievement to the prospective schemes in place that allow foreign nationals who invest into one of four main real estate projects - Integrated Resort Scheme (IRS), Real Estate Scheme (RES), Property Development Scheme (PDS) or Smart City Scheme (SCS) - full residence rights including the right to live, work, and retire in Mauritius within two to six months. The local Residence Program further has the ability to be extended to the dependents of the applicants, and a reasonable timeframe for the application process has played in our favour.

For more information on the residence requirements, you can access the full ranking from Henley & Partners [here](#)

2. *Best Investment Migration Real Estate Index 2022*

In parallel, Henley & Partners has also come out with its Best Investment Migration Real Estate Index 2022, the first of its kind that aims to act as a comprehensive tool assessing real estate-linked investment migration options - through an assessment of 12 key criteria - vis-à-vis international real-estate investors who are looking to acquire alternative residences and citizenships.

Totalling a score of 66.4, Mauritius lands a place among the top 16 countries that were considered for this index (14th). With a minimum real estate acquisition of USD 375,000, the country ranks high in the 'Investment Amount' category, alongside Residence Requirements, Property Costs and Rental Income.

Access the full ranking [here](#) for more information.

Should you have any query on Mauritius' Residence by Investment Program or wish to know more on how we can assist you to relocate to the country, please send us an email on relocation@intercontinentaltrust.com

3. Africa Wealth Report 2022

The Africa Wealth Report, published in partnership with South African wealth intelligence firm New World Wealth, provides an in-depth analysis of the wealth sector in Africa, and highlights the trends among high-net-worth individuals (HNWIs), the luxury market, and the wealth management sector on the continent.

Released on 26 April 2022, the latest edition names Mauritius as “an Indian Ocean powerhouse”, owing to the country having the highest wealth per capita (average wealth per person) in Africa, at USD 34,500, therefore pulling ahead of South Africa and Namibia. Mauritius is further deemed to be the fastest growing wealth market in Africa, with projected growth of 80% over the next decade.

This strong performance is attributed to the high quality of its services sector as well as its technology-driven approach to projecting itself as an investment hub of choice to foreign parties.

Access the full report from Henley & Partners [here](#)

4. Global Mobility Report (Q2 2022)

Seychelles and Mauritius have once again proven the strength of their passports by ranking 28th and 31th respectively in Henley & Partners Global Mobility Report Q2. Released on 8 April 2022, this quarterly report puts forward the differences in travel surety between developed and developing countries, explaining further how vulnerability to climate change can affect travel prospects.

Seychelles and Mauritius provide visa-free/visa-on arrival access to 152 and 146 destinations respectively, certifying the status of their passports as being the most travel-friendly ones on the African continent.

Access the full report [here](#) for more insight on global mobility.

We communicated on the Global Mobility Q1 2022 report in our January news release. Have a look at it [here](#)

SEYCHELLES NEWS

News tidbits from Seychelles

Removal of Business Tax Concessions

The Seychelles Revenue Commission (SRC) published the Business Tax (Amendment of Schedules) Regulations, 2021 on 31 December 2021, which highlights the following updates with regard to business tax concessions:

- The First Schedule of the Business Tax Act has been amended to remove Item 1(d) (Company listed on the Seychelles Securities Exchange) and Item 4 (Owner of a Casino Business).
- Item 2 (International Corporate Service Providers) and Item 8 (Companies listed on the Seychelles Securities Exchange) have both been removed from the Business Tax Act's Seventh Schedule.

The above amendments entail that starting 1 January 2022, Companies listed on the Seychelles Securities Exchange, Casino Operators and International Corporate Service Providers (“ICSPs”) no longer benefit from concessional rates of Business Tax and now fall under the Normal Business Tax Regime, which is levied on the annual taxable income.

With regard to tax payment, ICSPs will now be required to settle their liabilities directly with the SRC.

Introduction of the Financial Consumer Protection Bill 2022

In a collective effort to establish a legal framework for financial consumer protection in Seychelles, the Central Bank of Seychelles (CBS) and the Financial Services Authority (FSA) have worked towards the creation of the Financial Consumer Protection Act (the ‘Act’). The Act will aim to primarily increase financial literacy among consumers which will enable them to make informed financial products purchases.

The Act further sets out to provide the FSA and the CBS with the power to oversee the regulatory aspect while maintaining a collaborative relationship with the Fair Trading Commission (FTC), the leading institution responsible for consumer protection in Seychelles. As Competent Authorities, the FSA and the CBS will be able to impose sanctions and disciplinary actions, when necessary, on Financial Institutions which violate the conditions of the Act.

On 23 March 2022, the Financial Consumer Protection, Bill 2022 was presented and approved by the National Assembly of Seychelles and shall be assented later this year.

RSF Freedom of the Press Index: Seychelles takes top spot in Africa

Reporters without Borders (RSF) came out with the 2022 World Press Freedom Index, and this year, the edition sheds light on the increase in media polarisation across countries, fuelled by a globalised and unregulated online information space that encourages fake news and propaganda. RSF ranks 180 countries based on five indicators - political context, legal framework, economic context, sociocultural context, and security – which assess the state of journalism as well as provide an overview of its socio-economic influence.

With a score of 83.33, Seychelles sits at the top as the country having the most favourable environment for journalism on the African continent. Indeed the country made a laudable jump to the 13th spot on the global ranking (from 52 in 2021), and places high across all indicators.

To view the country profile and gain more insights on the 20th World Press Freedom Index, check out the full report [here](#)

For any additional information please contact us.

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