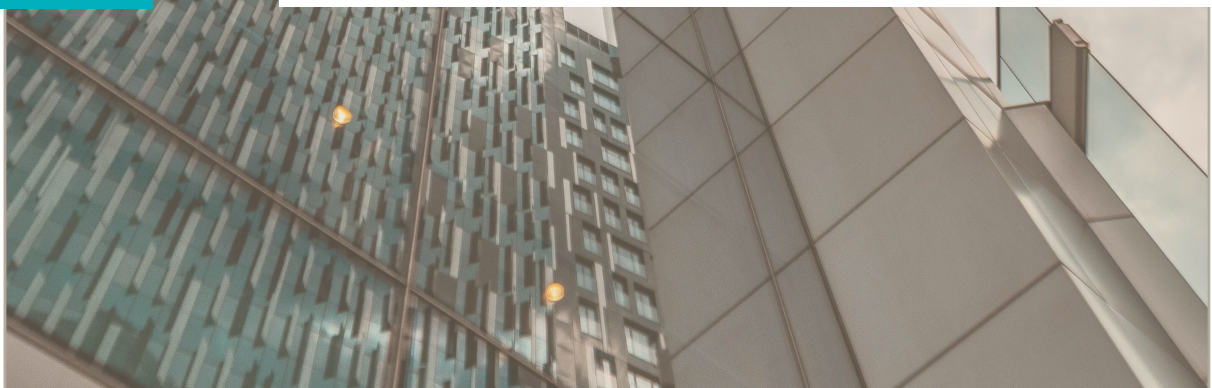




Intercontinental Trust Ltd

ITL e-News November 2022



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MAURITIUS NEWS

Global Business and Financial Services

Signing of the DTAA between Mauritius and Hong Kong Special Administrative Region of the People's Republic of China

Following the completion of ratification procedures, the Double Taxation Avoidance Agreement (DTAA) between Mauritius and Hong Kong has been signed on 7 November 2022. This DTAA which is compliant 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 will seek to:

- a. Encourage investment flows between the countries by creating an environment more conducive to cross border transactions;
- b. Provide greater tax certainty to investors; and
- c. Improve bilateral cooperation by facilitating exchange of information between tax authorities of Mauritius and Hong Kong

Should you wish to access more information on the Mauritius-Hong-Kong DTAA, click [here](#)

Issuance of the Insurance (Structured Investment Linked Insurance Business) Rules 2022

In line with its vision to boost wealth management prospects within the financial services sector, and as part of its ongoing strategy to enhance the competitiveness and innovation of the Mauritius IFC, the Financial Services Commission (FSC) has introduced the Insurance (Structured Investment Linked Insurance Business) Rules 2022, effective since 3 September 2022.

We recall the amendments brought to the Insurance Act on 2 August 2022 to introduce a fifth class of business pertaining to Structured Investment-Linked Insurance Business (commonly known as 'Insurance Wrappers').

The Insurance Regulations 2007 were further amended to exempt the structured investment-linked policies, as is the case for an external insurer, from the provisions in Regulation 7(1), which provides that an insurer:

- a. shall at all times keep invested in Mauritius an amount of at least 50 percent; and
- b. may invest outside Mauritius an amount not exceeding 50 percent, of its technical provisions in respect of insurance business in Mauritius.

For more information, access the official communique from the FSC [here](#)

MoU between the EDB and the Eastern Africa Association

The Economic Development Board (EDB) is set to sign a Memorandum of Understanding (MoU) with the Eastern Africa Association with a view to increasing the prospects of investors and corporations forming part of this association to use Mauritius as the platform for investment into the eastern African region.

The MoU has the following main objectives:

- a. establishing a practical framework for cooperation and collaboration with regard to investment, trade promotion and facilitation;
- b. maintaining a continuous working relationship for the promotion of the partnership between both parties; and
- c. strengthening institutional relations and identifying areas of comparative advantage, competence and complementarity.

Mauritius to sign DTAA with Republic of Angola

Mauritius is set to sign a Double Taxation Avoidance Agreement (DTAA) with the Republic of Angola. This DTAA which is currently awaiting ratification will aim to inter alia:

- a. provide tax certainty to investors of the two countries in their dealings with Mauritius or Angola, as the case may be;
- b. provide mechanisms to -
 - i. combat tax evasion and other malpractices through collaboration between the two authorities in terms of exchange of information and lending assistance to each other for the collection of tax due to the concerned tax authority; and
 - ii. resolve tax disputes that may arise, through a mutual agreement procedure; and
- c. create a conducive environment for greater investment flows from the Mauritian global business sector to Angola, by providing tax incentives.

MoU between the EDB and the TPO of Iran

In an effort to bridge a trade collaboration gap between Mauritius and Iran, a Memorandum of Understanding (MoU) will be signed between the Economic Development Board (EDB) and the Trade Promotion Organisation (TPO) of Iran. This MoU will not only aid in consolidating the EDB's market development and diversification strategies, but also encourage cooperation across various areas such as:

- a. investment promotion in export-oriented manufacturing, light engineering, agro-processing, pharmaceuticals, healthcare, freeport and logistics, ICT, construction, hospitality, education and film industry, amongst others;
- b. trade promotion with focus on exploring the Islamic Republic of Iran as a potential export market for made in Mauritius products such as textile and apparel, special sugars, processed foods, medical devices and jewellery, amongst others; and
- c. encouraging Iranian companies to use Mauritius for manufacture of consumer goods for exports and benefit from preferential market access, mainly to Southern and Eastern Africa.

Banking and Finance

BoM raises KRR to 4.00% per annum

On 4 November 2022, the Monetary Policy Committee (MPC) of the Bank of Mauritius (BoM) announced its decision to raise the Key Repo Rate (KRR) by 75 basis points to 4.00% per annum following the recent decisions by the European Central Bank, the Federal Reserve Board, and the Bank of England to sharply raise their policy rates.

The BoM states maintaining inflation below a double-digit figure at 9.5% for 2022 as the main reason for this hike and envisions inflation to range between 5-6% for 2023. Real GDP growth is further forecast at above 7% for 2022 and 5% for 2023.

The MPC continues to monitor the situation closely and will meet in December to review the economic situation. We will endeavour to provide you with further updates, should there be any, on the KRR.

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

Travel and Tourism

WTA 2022: Mauritius reiterates its position as the leading Indian Ocean destination

The gala dinner for the World Travel Awards (WTA) 2022 was held in Kenya on 15 October 2022, during which Mauritius was crowned 'Indian Ocean's Leading Adventure Tourism Destination', 'Indian Ocean's Leading Wedding Destination' and 'Indian Ocean's Leading Sustainable Tourism Destination' - thus propelling the country to be the most coveted across the region.

The country's national carrier, Air Mauritius, was also awarded 'Leading Airline Brand' and 'Leading Airline – Economy Class' in the Indian Ocean region.

The WTA sets out to acknowledge outstanding accomplishment across all key sectors of the travel, tourism and hospitality industries and is recognised globally as the ultimate hallmark of industry excellence.

These rewards demonstrate the remarkable resilience of our tourism industry in the face of adversity and the effort deployed by local authorities in implementing long term projects – namely (1) the launch of *#MauritiusNow*, an interactive digital campaign geared towards showcasing the island’s natural beauty and (2) the introduction of the Premium Visa, which gives foreigners the opportunity to reside and work in the country, for a one-year period which can be renewed thereafter – with a view to increasing tourism demand to Mauritius.

Read the full release [here](#)

International Benchmarks

fDi Global Free Zones of the Year 2022 - Mauritius remains best free zone in Africa

The fDi Intelligence magazine released its much-awaited 2022 Global Free Zones of the Year Awards on 3 October. Known as the world’s leader in monitoring development in foreign direct investment (FDI) across global free zones, this year, fDi Intelligence received 67 entries.

Mauritius fared well globally and features among the top 10 most performing freezones in 2022. As was the case in last year’s ranking, the country retains the top spot in the Africa region, owing to improved and sustained investment levels – indeed, overall investment has reached nearly \$250m through 2025, and projects for the year 2022-23 expected to reach \$50m.

The local freeport’s activities are currently undergoing a shift from logistics-based ones to those more focused on servicing exports in the Indian Ocean and sub-Saharan Africa. Coupled with its newly devised ESG framework, as well as the Economic Development Board (EDB) streamlining the procedures for the issuance of freeport certificates, Mauritius has proven its worth as the most promising free zone in the region.

Access the full list of rankings from FDI Intelligence [here](#)

GII 2022: Mauritius fares well at regional and global levels

On 29 September 2022, the World Intellectual Property Organisation (WIPO) came out with the Global Innovation Index (GII) for the year 2022. Deeply rooted in its quest to bring to light the most innovative economies in the world, this year, the GII highlights the global innovation trends amid an ongoing COVID-19 pandemic, stalled growth in productivity and other challenges.

Mauritius leads the Sub-Saharan region and the overall African continent, where the country boasts remarkable performance across multiple factors, namely Institutions (22nd), Infrastructure (70th), Market sophistication (16th) and Creative outputs (31st).

With a score of 34.4, Mauritius takes the 45th spot globally after earning notable ranking across the following innovation pillars:

- a. Trademarks (15th);
- b. ICT services imports (20th); and
- c. New businesses (20th)

The country further demonstrated its potential to upturn the global innovation landscape by placing 6th on the ranking for middle-income economies and by being the only country to show improvement from last year's report.

The GII, a leading reference for measuring an economy's innovation performance, provides detailed metrics of 132 countries and economies around the world. For a more comprehensive breakdown of the report, access it [here](#)

Mauritius is the only country with a 'very high human development' in Africa

On 8 September, the United Nations Development Programme (UNDP) released the Human Development Report 2021-2022. Titled Uncertain Times, Unsettled Lives: Shaping our Future in a Transforming World, this edition focuses on the reasons for an unprecedented back-to-back decline in the global Human Development Index (HDI) value.

At the 63rd position globally, and with a score of 0.8, Mauritius is the only country which has been ranked as having a 'very high human development' in Africa.

The Report takes into account: three basic dimensions of human development, namely:

- a. A long and healthy life;
- b. Knowledge;
- c. A decent standard of living

Access the Human Development Report [here](#) to read the full analysis.

Economic Freedom of the World 2022: Mauritius among top 10 countries on global ranking

The Fraser Institute released the Economic Freedom of the World (EFW) 2022 Annual Report on 8 September 2022. Through its rating of 165 jurisdictions, the EFW index aims to provide an overview of how much effort a country's institutions dedicate to introducing policies in favour of economic freedom.

For the year 2022, the report ranked Mauritius at a noteworthy improved 9th position globally (2019: 11th) which places the country among the top nations worldwide having policies and institutions conducive to economic freedom.

The Fraser Institute is an independent, non-partisan research and educational organisation which provides an in-depth analysis of each country's degree of economic freedom across five key areas, namely:

- a. Size of Government;
- b. Legal System and Property Rights;
- c. Sound Money;
- d. Freedom to Trade Internationally; and
- e. Regulation of Credit, Labour and Business.

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

SEYCHELLES NEWS

News tidbits from Seychelles

ITSL is now licensed as Seychelles Foundation Services Provider

We are pleased to announce that Intercontinental Trust (Seychelles) Limited (ITSL) has received its Seychelles Foundation Services Provider Licence.

As a legal entity separate from its founder, a Seychelles Foundation is governed by the Foundations Act 2009 and is usually used for asset protection, inheritance planning, wealth management purposes, general asset holding, and charitable purposes.

Should you wish to have more information on the main features of the Seychelles Foundation and its implication, as well as better understand how we can help you, please liaise with your usual contact person at ITL/ITSL or send us an email at info@intercontinentaltrust.com

Seychelles receives BB- Fitch Ratings upgrade

On 21 October 2022, Fitch Ratings - award-winning credit rating agency - has upgraded Seychelles' Long-Term Foreign-Currency Issuer Default Rating (LTFC IDR) to 'BB-' from 'B+' with a stable outlook.

This upgrade is attributed to multiple factors conducive to steadfast and sustainable economic growth, such as, amongst others, declining debt levels and a recovering tourism industry. Driven primarily by the latter as well as strong exports levels, Fitch further forecasts real GDP at 6.6% in 2022 and on average 3.7% in 2023-2024 (2021: 10.6%).

Tourist arrivals having already reached 87% of corresponding 2019 levels in January-August 2022, and with this sector being the largest contributor to VAT receipts, Seychelles is set to experience stable fiscal performance through increased tax revenues.

Read the full commentary from Fitch Ratings [here](#)

Seychelles becomes the first African country to launch a Tourism Satellite Account

On 12 September 2022, Seychelles officially launched its Tourism Satellite Account (TSA) and became the first country to implement this project on the African continent.

TSA's are known to provide accurate measure of the impact of tourism on an economy and have been widely used across destinations around the world to understand what tourism contributes to the gross domestic product (GDP).

With key indications such as tourism contribution to GDP, Tourism Direct Gross Value Added and tourism consumption by inbound, domestic and outbound visitors, this statistics system will aim to better track Seychelles' tourism industry's performance, especially at a time where the country is in its recovery phase from the pandemic.

For any additional information please contact us.

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