


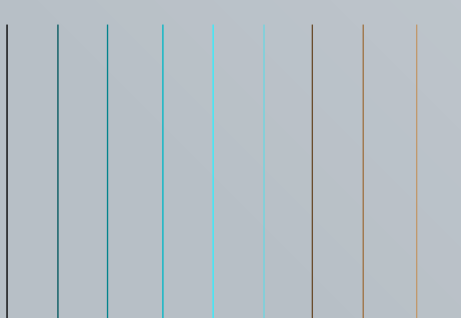


NEWSLETTER

**FINANCE (MISCELLANEOUS
PROVISIONS) ACT 2023**



CONTENT

- 
- 3** Introduction
 - 4** Global Business & Financial Services
 - 9** Work & Live
 - 14** Taxation
 - 18** Employment
 - 20** Glossary
- 



INTRODUCTION

THE FINANCE (MISCELLANEOUS PROVISIONS) ACT 2023

The Finance (Miscellaneous Provisions) Act 2023, enacted on 20 July 2023, provides for the implementation of most of the measures announced by the Minister of Finance, Economic Planning and Development, Dr. the Honourable Renganaden Padayachy in his budget speech for 2023/2024.

Our newsletter outlines the salient measures, as initially communicated in our budget highlights 2023/2024, which are coming into force via the Finance Act and which we believe are of pertinence to our valued client base.

If you have any queries as to how these measures will affect your current or upcoming structures or projects, please get in touch with your usual contact person at ITL or write to us at info@intercontinentaltrust.com



GLOBAL BUSINESS & FINANCIAL SERVICES



Scope of VCC extended to include Family Offices and Wealth Management

A VCC may now seek authorisation from the FSC to operate as:

- ❖ A VCC Fund;
- ❖ A family office through a special purpose vehicle; or
- ❖ Such other activity as may be prescribed.

Previously, the scope of the VCC was limited to operating as a VCC Fund.

Termination of Licence for Non-Payment of Administrative Penalties

The FSC is now empowered to terminate the licence of a licensee for non-payment of administrative penalties, after giving notice of at least 90 days to the licensee.

AML/CFT

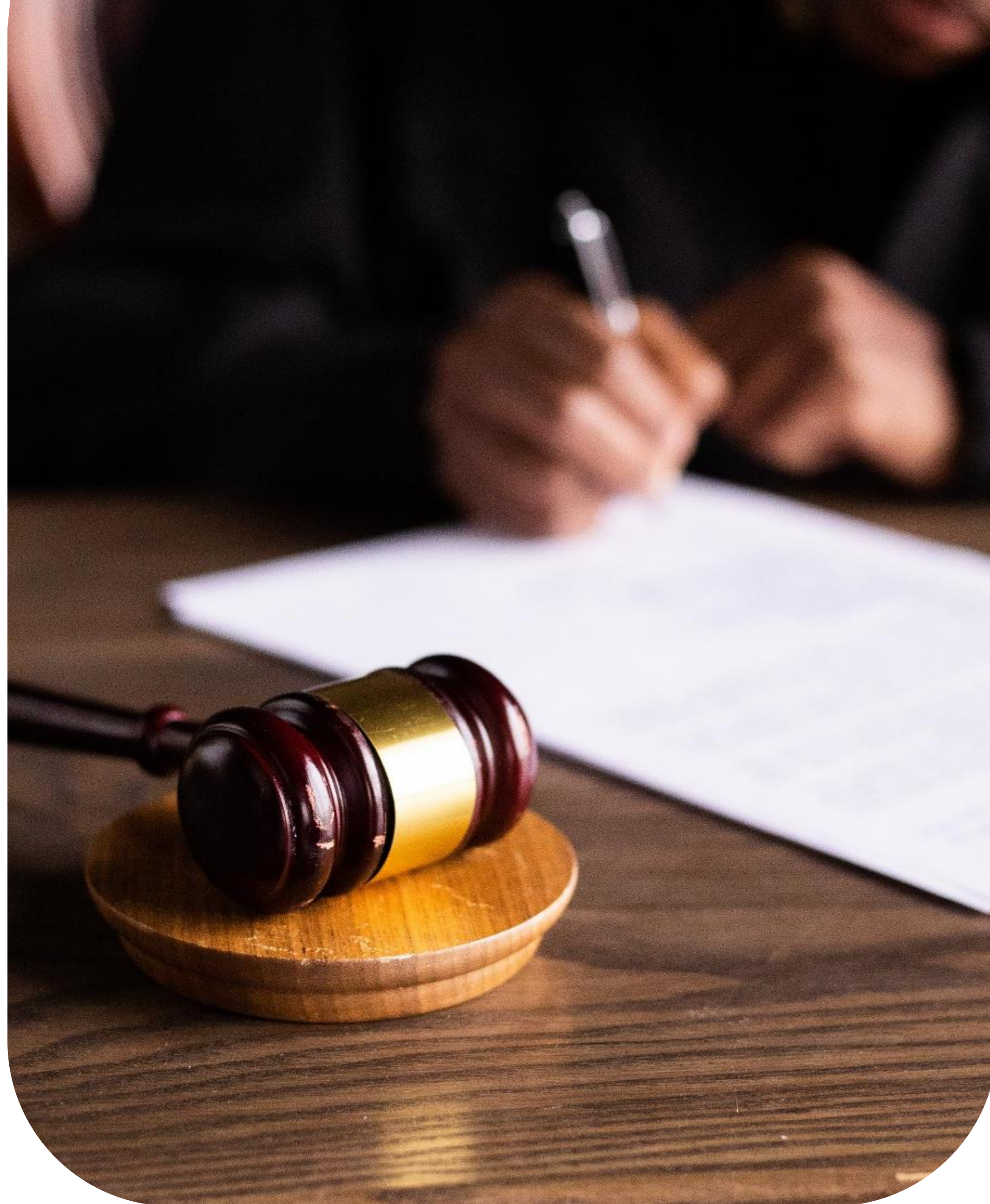
Definition of AML/CFT and AML/CFT Legislation

“AML/CFT” and “AML/CFT Legislation” are now defined under section 2 of the Financial Services Act as follows:

- ❖ “AML/CFT” – anti-money laundering and combatting the financing of terrorism and proliferation
- ❖ “AML/CFT legislation” – the Financial Intelligence and Anti-Money Laundering Act, the United Nations (Financial Prohibitions Arms Embargo Travel Ban) Sanctions Act, or any regulations or guidelines issued under the aforementioned acts.

Empowering the FSC with respect to enforcing Compliance with the AML Legislation

- ❖ The FSC is now empowered to give directions to any person to ensure compliance with AML/CFT legislation, and to conduct investigation in cases of non-compliance. The FSC may authorise an investigator to conduct such investigations.
 - ❖ The Enforcement Committee may now initiate disciplinary proceedings against a licensee for contravention of the AML legislation.
-



Requirement to Submit Compliance Report

Licensees are now required to submit an independent compliance report, on such terms and conditions as the FSC may determine.

Cooperation with International Agencies

The FSC is now empowered to enter into arrangements and extend assistance to a foreign supervisory institution provided that the latter satisfies the relevant confidentiality requirements imposed by the FSC.

Enhancing the Role of Management Companies with respect to ensuring Compliance of their Clients

The FSC is now empowered to make Rules on obligations and responsibilities of Management Companies with respect to their functions of administrator or registered agent of a Global Business Company or Authorised Company.

Recovery of Fees due to the FSC

The recovery of annual licence fees and late charges due to the FSC will not be time-barred or affected by any law relating to limitation of action.

Electronic Filing of Documents with FSC

It is now possible to file documents with the FSC electronically.

Allowing Funds to Invest in Debt Instruments

A Closed-end Fund (CEF) or Collective Investment Scheme (CIS) are now allowed to invest in money market instruments or debt instruments including loans, debt obligations or similar instruments.

Company Law

Clarification of Definition of Service Address

The definition of service address has been amended to clarify that service address means the address at which documents may be served in Mauritius and includes the address of a registered office in Mauritius.

Requirement for Minimum of 25% of Women on Board

Effective as from 1 January 2024, a public listed company will be required to have a minimum of 25% of women on its Board.

Resignation or Death of Last Director

Shareholders of a company are now required to appoint new directors within 1 month from the date of resignation or death of the last remaining director, failing which the ROC may remove that company from the Register.

Sending of Annual Report / Financial Statements to Shareholders

A company is now required to send its annual report (or financial statements where shareholders elect not to receive an annual report) to shareholders at least 21 days, instead of 14 days, prior to the annual meeting.

The annual report or financial statement may now be sent to shareholders electronically, with the shareholders retaining the right to receive a hard copy within a reasonable time.

Meetings of Shareholders

- ❖ Meetings of shareholders may be held in such manner as the ROC may approve.
- ❖ Voting at meetings of shareholders may be done by any electronic means approved by the ROC.



Virtual Assets and Initial Token Offerings

Custody of Securities Tokens

It is now possible for a Virtual Asset Custodian with a class R licence to hold custody of securities tokens.

Application for Registration as Issuer of Initial Token Offerings

To be considered as an Issuer of Initial Token Offerings, an applicant is no longer required to submit an approval letter issued by the virtual asset exchange in respect of the initial token offerings.

Setting up of Virtual Asset Register

The FSC is now empowered to make Rules to provide for the setting up of a Virtual Asset Register for any person holding a virtual asset.

Registration Duty or Fee for Documents signed by the FIU

No registration duty or fee shall be payable in respect of any document signed or executed by the FIU under which the FIU is a beneficiary.

Purview of the Ombudsperson for Financial Services

The purview of the Ombudsperson for Financial Services now excludes financial services not licensed by the BOM and the FSC.

Setting Up of National Contact Point for Responsible Business Conduct

In line with the OECD Guidelines for Multinational Enterprises, a National Contact Point for Responsible Business Conduct shall be set up to:

- ❖ raise awareness among businesses and other stakeholders on such matters as may be prescribed;
 - ❖ contribute to the resolution of such issues and in such manner as may be prescribed; and
 - ❖ do such other things as may be necessary for such purpose.
-

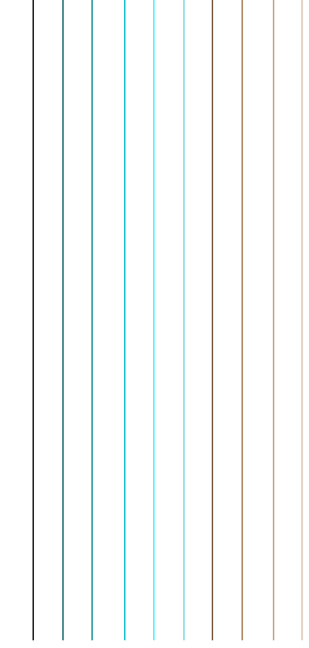
Virtual Asset and Initial Token
Offering Services Act

Financial Intelligence
and Anti-Money
Laundering Act

Ombudsperson for
Financial Services
Act Act

Economic
Development
Board Act





WORK & LIVE



Criteria for Occupation Permit and Residence Permit (Retired Non-Citizens)

Non-citizens applying for an Occupation Permit (OP) as Investor or Self-Employed are no longer required to open a local bank account and transfer the amount of the initial investment at time of issuance of the OP.

They can now do so within 60 days from the date of issuance of the OP, subject to submitting proof of funds and a written undertaking to transfer the amount of the initial investment as part of the application.

Retired non-citizens applying for a Residence Permit (RP) are no longer required to open a local bank account and make an initial transfer at time of issuance of the RP, subject to submitting proof of funds / income as part of the application.

Scope and Criteria for Professional Occupation Permit

The minimum monthly basic salary requirement for Professional Occupation Permit has been set at Rs. 30,000 for all sectors. Previously, the minimum monthly salary requirement was Rs. 30,000 for specific sectors only (e.g. ICT, BPO, Pharmaceutical manufacturing and Food processing) and Rs. 60,000 for other sectors.

Scope of Young Professional Occupation Permit

The scope of the Young Professional Occupation Permit has been extended to all fields of study.

WORK & LIVE

The updated criteria for OP and RP (Retired Non-Citizen) are summarised as follows:

	Investor (main)	Investor (Machinery & Equipment)	Professional	Self-employed	Retired (above 50 yrs)
Initial Investment / Transfer Requirements	Initial Investment of USD 50,000 to be made within 60 days from issuance of the OP	Initial Investment of USD 50,000 to be made within 60 days from issuance of the OP.	No initial transfer of funds	Initial Investment of USD 35,000 to be made within 60 days from issuance of the OP	N/A
Salary Requirement	N/A	N/A	Monthly salary of Rs.30,000	N/A	N/A
Proof and/or written undertaking to be submitted	Applicant to submit: (i) sufficient proof of funds; and (ii) a written undertaking to wire the USD 50,000 to his or her Mauritius bank account within 60 days from issuance of the OP.	Applicant to submit: (i) sufficient proof of funds; and (ii) a written undertaking to wire the investment in cash of USD 25,000 to his or her Mauritius bank account within 60 days from issuance of the OP. The balance of the investment to be made in terms of high-tech machinery and equipment	N/A	Applicant to submit: (i) sufficient proof of funds; and (ii) a written undertaking to wire the USD 35,000 to his or her Mauritius bank account within 60 days from issuance of the OP.	Applicant to submit a certified bank statement from his or her country of origin/ residence showing: (i) a minimum amount of USD 18,000; (ii) or a guaranteed minimum income of USD 1,500 per month.

Scope of Premium Investor Scheme

The objects of the Premium Investor Scheme have been extended to facilitate the acquisition of non-strategic assets of the Government.

Qualifying projects now also include the following:

- ❖ Projects relating to the manufacture of materials for renewable energy technologies; or
- ❖ Projects involving a minimum investment of Rs. 500 million in:
 - ✓ the acquisition or taking over of the whole or part of a Government undertaking;
 - ✓ the acquisition of more than 50% of the shareholding held, directly or indirectly, by the Government in a company; or
 - ✓ a project implemented under an appropriate Environment, Social, and Governance (ESG) framework and having met a minimum ESG score as certified by a recognised rating agency.

Economic Development Board Act



Applications for Work Permit

Online Application

An application for a work permit or for the renewal thereof shall henceforth be made solely through the National Electronic Licensing System (NELS).

The amended section shall come into operation on 1 October 2023 in relation to fresh applications and on 31 January 2024 in relation to renewal applications.

Introduction of Silence is Consent Principle for Application Process

An application for a work permit shall be deemed to have been granted if the application is not determined within 30 working days from the date of the complete application, unless the applicant is notified during that period that the application is still under consideration.

Introduction of the Sustainable City Scheme

The Immigration Act 2022 has been amended to define “Sustainable City Scheme” as prescribed under the Economic Development Board Act.

With the introduction of this new Scheme, a non-citizen and his dependents shall be eligible for a residence permit on the acquisition of property for a minimum price of USD 375,000 or equivalent.

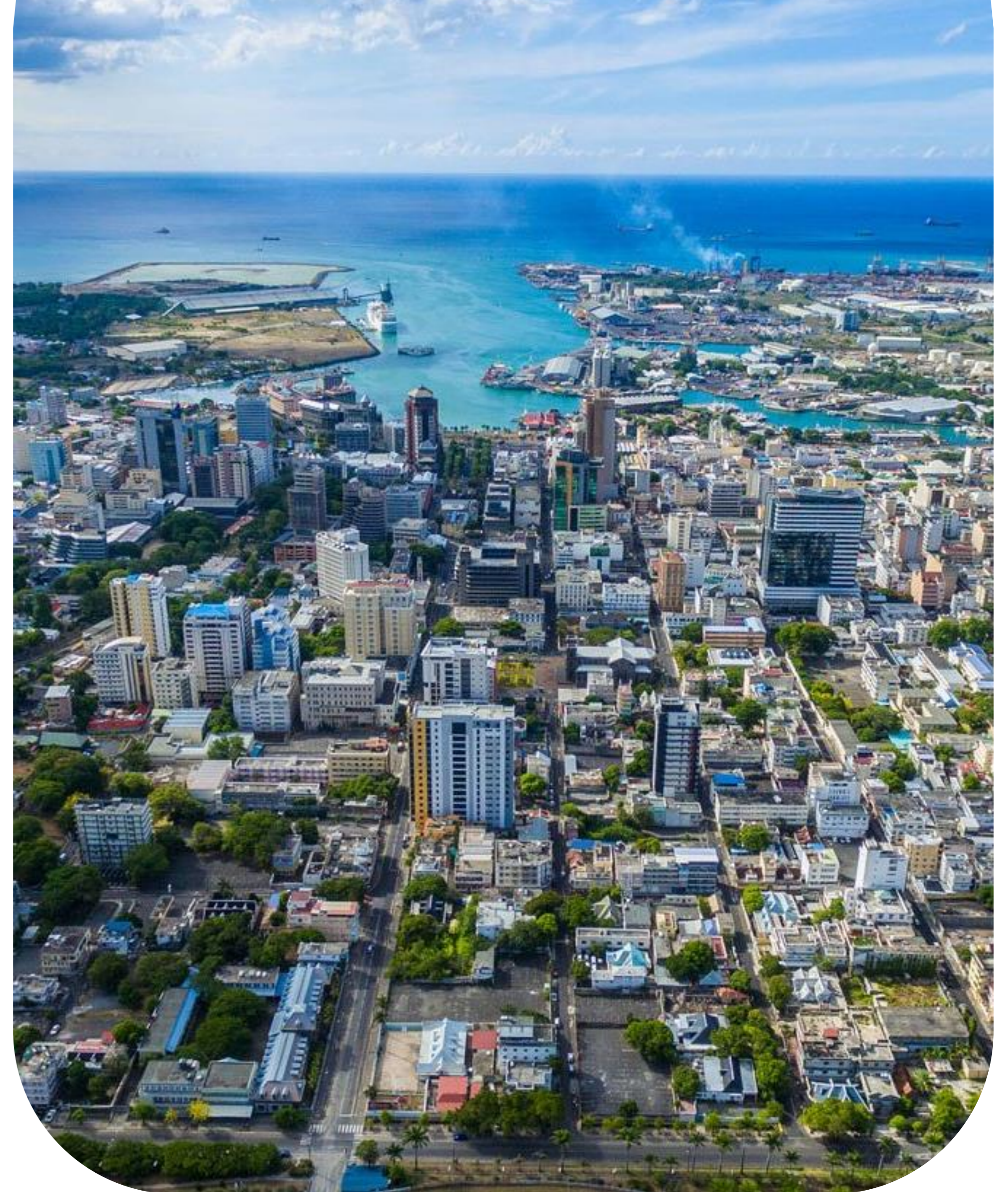
Acquisition of Property in a PDS Project related to Senior Living

A non-citizen aged above 50 years and his dependents shall be eligible for a residence permit on the acquisition of a residential property under the PDS Scheme related to senior living provided that:

- ❖ The non-citizen is aged over 50 years at time of application; and
 - ❖ The purchase price exceeds USD 200,000 or equivalent.
-

Non-Citizens (Employment
Restriction) Act

Immigration Act



Acquisition of Property by Non-Citizens Outside of Schemes

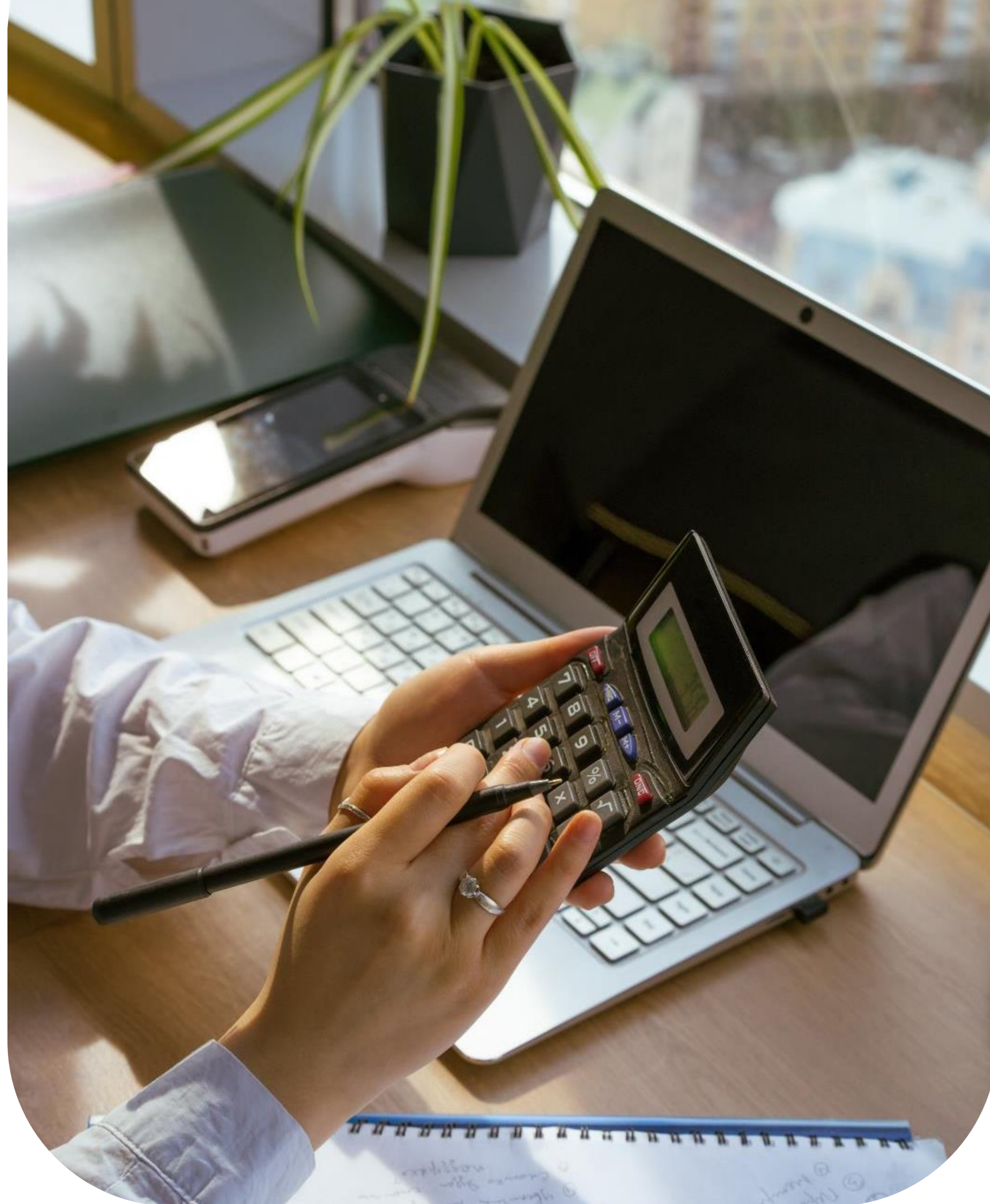
A non-citizen may now acquire residential property outside of schemes (i.e. Smart City, Sustainable City, and PDS) provided that:

- ❖ the non-citizen is the main holder of a resident / occupation permit;
- ❖ only one property is acquired by the non-citizen;
- ❖ the purchase price is at least USD 500,000 or equivalent; and
- ❖ the additional duty currently leviable at a rate of 10% is paid.





TAXATION



Individual Income Tax

A fully progressive personal income tax system was introduced with effect from 1 July 2023 as follows:

Annual Chargeable Income	Applicable Tax Rate
0 - 390,000	0%
390,001 - 430,000	2%
430,001 - 470,000	4%
470,001 - 530,000	6%
530,001 - 590,000	8%
590,001 - 890,000	10%
890,001 - 1,190,000	12%
1,190,001 - 1,490,000	14%
1,490,001 - 1,890,000	16%
1,890,001 - 2,390,000	18%
Above 2,390,000	20%

Corporate Income Tax

Exempt Income

The exemption rate under the Partial Exemption Regime granted on interest derived by a Closed-End Fund (CEF) or Collective Investment Scheme (CIS) licensed/approved by the FSC has been increased from 80% to 95%.

Tax exemption on interest income has been extended to:

- i. bonds, debentures or sukuks issued by an overseas entity to finance renewable energy projects; and
- ii. sustainability bonds or sustainability-linked bonds issued in accordance with the bond principles, guidelines and handbooks administered by the International Capital Market Association to finance sustainable projects in Mauritius.

Tax Deduction at Source (TDS)

Fees payable to Management Companies and Investment Advisers, licensed by the FSC, are now exempted from TDS.

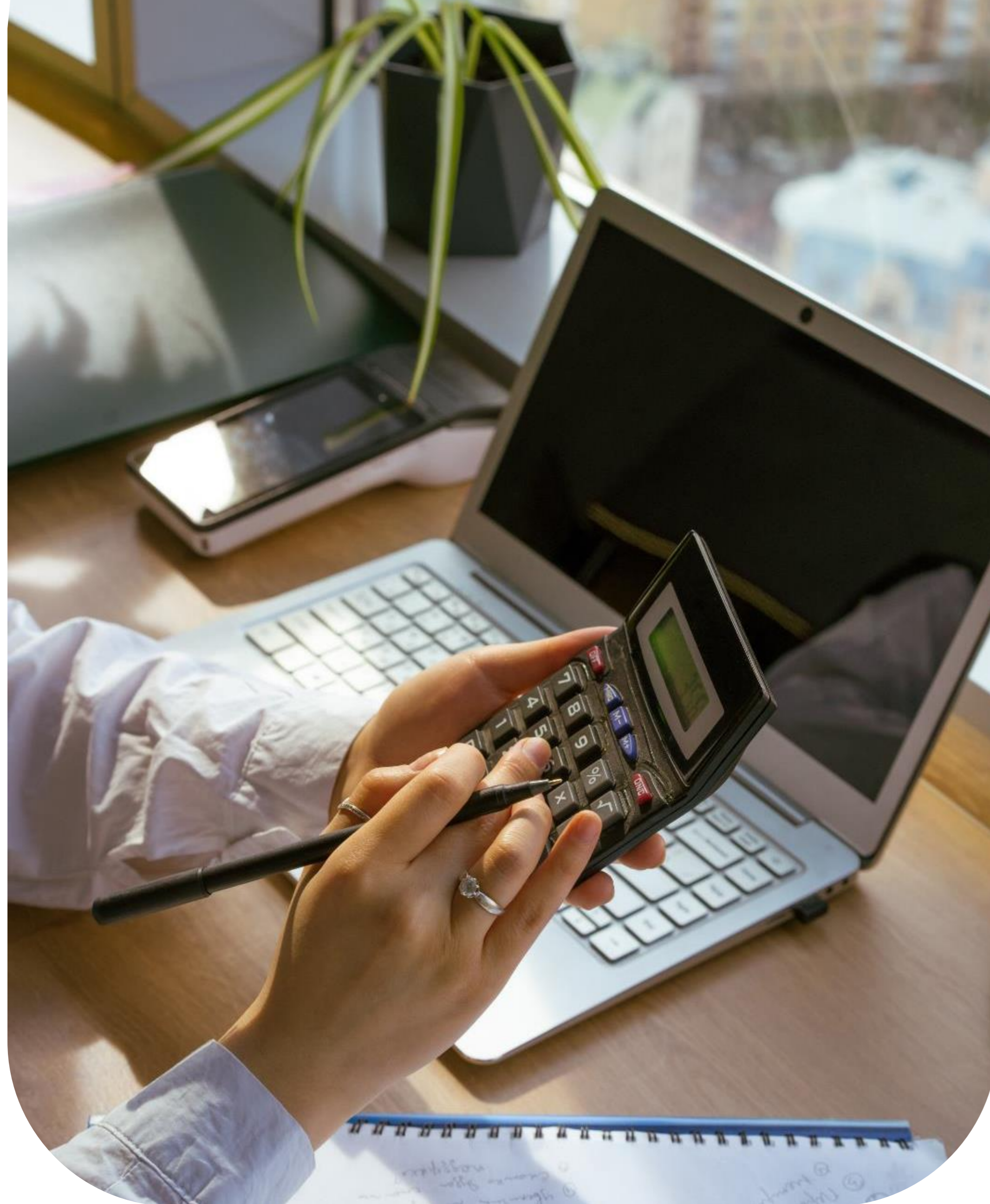
Tax Arrears Settlement Scheme (TASS)

Any penalty and interest included in tax arrears outstanding as at 2 June 2023 under the Income Tax Act, the Value Added Tax Act or the Gambling Regulatory Authority Act, shall be waived, provided that the arrears are fully paid on or before 31 March 2024, and registration under the scheme is made on or before 31 December 2023.

Statement of Financial Transactions

Every virtual asset service provider and issuer of initial token offerings, under the Virtual Asset and Initial Token Offering Services Act 2021, shall submit to the MRA, on or before 15 August in every year, a statement of financial transactions effected by:

- ❖ An individual, a société, or a succession that made a transaction exceeding Rs. 250,000 or transactions exceeding Rs. 2 million in the aggregate in the preceding year; or
- ❖ A person, other than an individual, a société, or a succession who made a transaction exceeding Rs. 500,000 or transactions exceeding Rs. 4 million in the aggregate in the preceding year.




The above requirement shall not apply to the following:

- ❖ an individual who is a non-resident;
- ❖ an entity that holds a Global Business Licence issued by the Financial Services Commission; and
- ❖ a public listed company, its subsidiaries and associates.

Protected Cell Company and Variable Capital Company

It has been clarified that:

- ❖ Where a PCC has elected to present separate financial statements in respect of each of its cells, the MRA shall not recover income tax due by a cell from the cellular assets of another cell of the company, or the non-cellular assets of the protected cell company, except where such assets are directly attributable to that cell of the company.
 - ❖ Where a VCC has elected to present separate financial statements for each of its sub-funds or SPVs, the MRA shall not recover income tax due by a sub-fund or SPV from the assets of another sub-fund or SPV, or from the assets of the VCC where such assets are directly attributable to another sub-fund or SPV of the company.
-

A close-up photograph of a person in a dark suit and tie, sitting at a desk and writing on a document with a black pen. The person's hands are the main focus, with the right hand holding the pen and the left hand resting on the paper. A watch is visible on the left wrist. The background is blurred, showing a light-colored wall. The image is partially obscured by a large, light blue circular graphic on the right side of the slide.

EMPLOYMENT

EMPLOYMENT

Provision of Childcare Facilities

Any company employing more than 250 workers is now required to provide, free of charge to the workers, childcare facilities on the premises of the workplace or within a distance of 1 km from the workplace for their children of up to 3 years of age.

Leave Entitlement in case of Miscarriage

A female worker, who suffers a miscarriage which is duly certified by a medical practitioner, is now entitled to 3 weeks' leave, followed by an additional 5 days' leave, both on full pay, immediately after the miscarriage.

Leave to Care for Family

A worker may now avail of up to 10 days of leave from his paid annual, sick or vacation leave entitlement to care for his child, including his adopted child, his parents or grandparents, having healthcare-related issues, provided that he notifies his employer on the first day of absence, produces the relevant proof of relationship, medical certificate, or such other relevant document which the employer may require.

The limit of 10 days shall not apply where the request for leave is to care for a sick child, i.e. parents have the possibility to use all their leave entitlement to take care of their sick child.

Incentives for the Employment of Women

Companies are now eligible to a 200% tax deduction on emoluments paid to women under their full-time employment and approved under the Prime à l'Emploi Scheme. Such deduction shall be allowable for the period during which the payment is made to the employees under the Scheme.

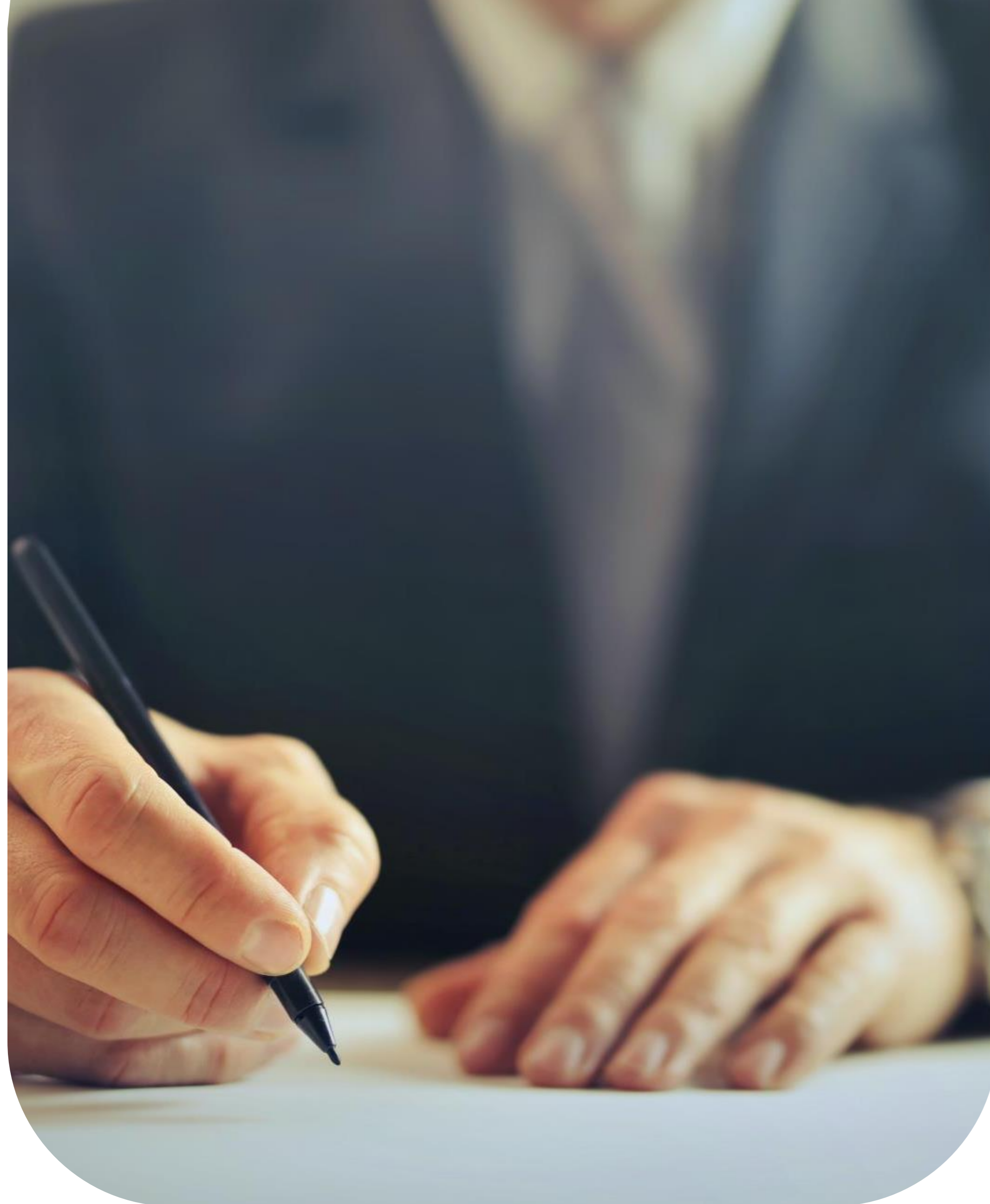
Incentives for the Employment of Disabled Persons

Companies are now eligible to a 300% tax deduction on emoluments paid to disabled persons under their full-time employment and approved under the Prime à l'Emploi Scheme. Such deduction shall be allowable for the period during which the payment is made to the employees under the Scheme.

Workers' Rights Act

Income Tax Act





GLOSSARY

Term	Definitions
BOM	Bank of Mauritius
BPO	Business Process Outsourcing
EDB	Economic Development Board
FIU	Financial Intelligence Unit
FSC	Financial Services Commission
ICT	Information and Communication Technology
PCC	Protected Cell Company
PDS	Property Development Scheme
ROC	Registrar of Companies
SPV	Special Purpose Vehicle
VCC	Variable Capital Company

INTERCONTINENTAL TRUST LTD



Level 3, Alexander House 35 Cybercity, Ebene Mauritius



(230) 403 0800



info@intercontinentaltrust.com



www.intercontinentaltrust.com

Disclaimer

The information in this Newsletter was prepared by Intercontinental Trust Limited to provide clients and potential clients with a broad overview of the opportunities available in Mauritius. While all reasonable care has been taken in the preparation of this Newsletter, Intercontinental Trust Limited accepts no responsibility for any errors it may contain, whether caused by negligence or otherwise, or for any loss, however caused, sustained by any person that relies on it. Readers are advised to consult with appropriate, qualified professional advisors before taking action. Intercontinental Trust Limited will be pleased to discuss any specific issues.

