



Intercontinental Trust Ltd



Newsletter:

Summary of changes further to the enactment of the Finance Act 2024



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Further to the Budget announcement on the 7th of June 2024, the Parliament has now completed all debates on the proposed amendments to the different piece of legislations in Mauritius. We are pleased to share the key changes further to the enactment of the Finance Act 2024 for your consideration.

Your respective Relationship Managers shall get in touch with you to assess the opportunities and challenges for your respective entities within ITL.

Corporate Tax

Corporate Climate Responsibility (CCR) levy

A CCR levy shall be applicable at 2% on chargeable income of companies, trust, limited partnership and resident sociétés with a turnover of more than MUR50m (Approx USD1.05 m at current rate). The CCR levy will also be applicable for global business companies.

This will be effective from the year of assessment commencing on **1 July 2024**.

However, actual foreign tax credit can be offset against CCR.

NOTE FROM ITL TEAM: The introduction of the levy will impact entities with financial year ending as from January 2024. We shall be in touch shortly with our esteemed clients and partners to discuss on the impact and mitigating solutions.

Partial exemption

80% exemption shall be applicable to a company holding a Robotic and Artificial Intelligence Enabled Advisory Services licence issued by the Financial Services Commission (FSC), subject to substance requirements.

80% exemption is available on income derived by a company holder of a Payment Intermediary Services (PIS) licence issued by FSC.

Exemptions and reliefs

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- a. Effective from 1 July 2024, profits or gains derived from sale of virtual assets and virtual tokens will be tax exempt.
 - b. Zero-rated VAT will be extended to services provided by a Management Company to:
 1. Trusts whose settlor and majority of beneficiaries are non-residents; or
 2. Foundations whose founder and majority of beneficiaries are non-residents.
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Occupation Permits (OPs)

A new category of OP known as Expert OP is now available. The prospective OP holder needs to be an expert in wealth management, family office, virtual asset and virtual tokens with at least 10 years of experience. The holder will need to earn at least MUR50,000 per month (USD1,050 at current rate).

The minimum salary requirement for Professional OPs has been reduced from MUR30,000 to MUR22,500.

Financial Services



The Financial Services Commission (“FSC”) is now required by law to grant an application within 10 days of receiving a complete application. However, applicants will be expected to submit applications to the satisfaction of the FSC and to respond to any requests for information within 15 days, failing which the application will be deemed to have been withdrawn.



The FSC may now issue directions for a GBC entity in case the entity has contravened (or likely to contravene an act), conducted its affairs in an improper manner or is involved in a financial crime. A direction is considered as a regulatory sanction and shall have a negative impact on the licensees as well as the officers of such entities.



The FSC may now impose post licensing fees for actions such as change of name, change of Management Company and issuance of duplicate licence. We understand that this shall not be applicable immediately.



Shareholders of GBCs and ACs may apply to the supreme court for an order if they believe that the company's affairs are being wrongly managed but provided that their constitution provides for same.

Audit of Closed-End Funds

- Auditors will be required to have the approval of the FSC to audit the Financial Statements of Closed-End Fund. Approval will be based on the experience, expertise and resources of such auditor.
- Auditors will be required to report prescribed matters found during the audit to the regulator.
- The FSC may direct a Closed-end Fund to terminate the appointment of an auditor.

Financial reporting

Authorised Companies is now excluded from the definition of Public Interest Entities (PIEs). GBCs were already excluded from such definition. PIEs include listed entities, financial institutions, insurance companies, collective investment schemes and closed-end funds, CIS managers and custodians. It also includes (i) a company which has, during 2 consecutive preceding years, at least an annual turnover exceeding 500 million rupees or total assets exceeding 500 million rupees and (ii) a group company which has, during 2 consecutive preceding years, at least an annual turnover exceeding one billion rupees or total assets exceeding one billion rupees.

Freeport Activity

A GBC is now authorised to operate a freeport activity in Mauritius which includes amongst others warehousing and storage, breaking bulks, repacking, light assembly, minor processing, freight forwarding, vault services for precious metals & stones.

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