



Mauritius Global Business Update 27

THE FINANCE (MISCELLANEOUS PROVISIONS) ACT 2013

THE ECONOMIC & FINANCIAL MEASURES (MISCELLANEOUS PROVISIONS) ACT 2013

(collectively, the “Acts”)

The Acts became effective on 20th December 2013, following the budget speech of 8th November 2013. Several changes pertaining to the legislative framework of the global business sector in Mauritius are pointed out below. This update is not meant to be and is not an exhaustive list of all changes brought about by the new legislations. Only those changes which, in our opinion, may be of interest to international clients are included here.

1. Increasing substance in Mauritius

- 1.1. In order to further increase substance in Mauritius, section 71(6) of the Financial Services Act was amended to provide that a holder of a Category 1 Global Business Licence may conduct business in Mauritius subject to such restrictions, terms and conditions as may be provided in any guidelines issued by the FSC;
- 1.2. Where a holder of a Category 1 Global Business Licence fails to comply with any Rules or guidelines issued by the Financial Services Commission relating to the conduct of business in Mauritius, the FSC may direct it to cease part or all of its operations in Mauritius or take such remedial action as the FSC thinks fit.

2. Increasing auditors accountability in Mauritius

- 2.1. The Financial Reporting Council (“FRC”) is the regulator of auditors in Mauritius.
- 2.2. The CEO of the FRC is now required, by law, to report a licenced auditor to the entity undergoing audit by that auditor where the CEO is of the opinion that the auditor has not conducted the audit of that entity in compliance with International Standards on Auditing.
- 2.3. Note that GBL1 entities are only required to file audited accounts with the FSC and not the FRC.



3. Submission of corporate tax returns

The Income Tax Act 1995 has been amended so that, henceforth, where the accounting period of an entity ends in the month of June and no tax is payable, or a loss is declared, the tax return may be submitted on or before the 15 January of the following year. Previously the due date for submission of tax return and payment of tax was 2 days, excluding Saturdays and public holidays before 31 December.

4. Regulatory action for non-compliance

- 4.1. All licensed auditors, professional accountants, public accountants, member firms, law firms, barristers, etc in Mauritius are under the supervision of regulatory bodies, as per the Financial Intelligence and Anti-Money Laundering Act 2002 (“FIAMLA”) :

Member of a relevant profession or occupation	Regulatory body
Professional accountant, public accountant and member firm under the Financial Reporting Act 2004 (“FRA”)	Mauritius Institute of Professional Accountants established under the FRA
Licensed auditor under the FRA	Financial Reporting Council established under the FRA
Law firm, foreign law firm, joint law venture, foreign lawyer, under the Law Practitioners Act	Attorney-General
Barrister	Bar Council established under the Mauritius Bar Association Act
Attorney	Mauritius Law Society Council referred to in the Mauritius Law Society Act
Notary	Chamber of Notaries established under the Notaries Act

- 4.2. Henceforth a regulatory body may require any relevant member to furnish it with information and produce records/documents as may be required in writing.

- 4.3. Failure to abide by the requirements above is an offence and carries a fine and imprisonment.



5. Increasing the integrity/monitoring & speed of reporting in the financial services sector.

- 5.1. Banks/financial institutions/cash dealers/members of relevant professions or occupations (“Reportees”) e.g. management companies, accountants, bankers, lawyers etc henceforth have, *up to 15 working days* to make a report to the FIU of any suspicious transaction and such records may be have to be kept for a specified period, as may be directed by the Director of the Financial Intelligence Unit (“FIU”).
- 5.2. The Director of the FIU may request *further information* in relation to a suspicious transaction and Reportees now have *up to 15 working days* to furnish the FIU with the requested information.
- 5.3. The FIU is now bound by law to provide feedback in writing on the outcome of the suspicious transaction report to the Reportees and to the relevant supervisory authority.
- 5.4. FIAMLA has been amended to provide that no suspicious transaction report shall be required to be disclosed or be admissible as evidence in any court proceedings.

6. Certificate of current standing

In addition to statements typically included in a certificate of current standing (e.g. whether the company has paid all the fees due and payable, etc), a certificate of current standing as per the Companies Act 2001 will henceforth include a statement as to whether a company has submitted its annual return and any other related documents, is in receivership or in administration.

7. Registration of documents

The Registrar of Companies is henceforth required to notify an applicant of its refusal to register a document within *7 days*, instead of the previous 14 days, from the filing date of such documents and is required to also notify the applicant of any amendment/new document to be submitted.

8. Removal from the register of companies

The grounds for removal from the register has been expanded such that the Registrar of Companies may now also remove a company from the register of companies where such company has failed to pay its registration fees or fail to file its annual return. These grounds are in addition to the previous ground where company has ceased to carry on business and there is no other reason for the company to continue in existence.



9. Application for name reservation

- 9.1. Names which are identical *or almost identical* to names already reserved and still available for incorporation could not be reserved by the Registrar of Companies.
- 9.2. The restriction relating to “*or almost identical*” has now been dropped.

10. Approval for appointment of secretary by Foundations

- 10.1. Foundations are no longer required to seek the approval of the Registrar of Foundation to appoint firms or companies as their secretary.

11. Group financial statements of GBL1

- 11.1. The Companies Act 2001 provides a consolidation exemption whereby a GBL1 company could opt to not prepare group financial statements where the GBL1 is a wholly owned or virtually wholly owned subsidiary of any company *incorporated outside Mauritius*.
 - 11.2. The requirement for the parent company to be *incorporated outside Mauritius* has now been dropped.
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