

GLOBAL BUSINESS LICENCE – (“GBL ”)

Introduction

A GBL is incorporated under the Companies Act 2001 of Mauritius and is governed by the Financial Services Act 2007. A GBL holds a licence which is issued by the Financial Services Commission (“FSC”) and carries out qualified global business activities, as approved by the FSC.

A GBL is deemed to be tax resident in Mauritius and as such, it can take advantage from a network of Double Taxation Agreements, which Mauritius has signed with 44 countries.

Main Features of a GBL

- (i) Customer due diligence documents are required and disclosed to the FSC
- (ii) At least 2 resident directors; corporate directors are not allowed
- (iii) Must have a management company and registered office in Mauritius
- (iv) Dealings with residents are permitted subject to prior authorisation of the FSC
- (v) Shareholder may not be resident
- (vi) Audited financial statements must be filed with the FSC within 90 days or 6 months of the balance sheet date
- (vii) Financial statements must be prepared in accordance with International Accounting Standards or such other recognised accounting standards as agreed by the FSC
- (viii) The auditor must be licensed by the Mauritius Financial Reporting Council
- (ix) Annual tax returns must be filed with the Mauritius Revenue Authority within 6 months of the balance sheet date
- (x) As a taxable company in Mauritius, the GBL can apply for a Tax Residence Certificate and has access to the treaty network of 44 Double Taxation Agreements
- (xi) The activity of the GBL must be as set out in the business plan filed with the FSC at the time of application; any change in activity or working principle must be notified to the FSC
- (xii) Can be migrated to and from Mauritius
- (xiii) Mauritian resident may hold beneficial interest in a GBL
- (xiv) May not hold shares in a management company
- (xv) May hold immovable property in Mauritius if appropriate approval has been obtained from the Prime Minister’s Office pursuant to the Non-Citizens (Property Restrictions) Act
- (xvi) Can open and maintain a bank account in Mauritian rupee with a local bank for the purpose of its day to day transactions arising from its ordinary operations in Mauritius.

TAXATION OF THE GBL

1. The Deemed Foreign Tax Credit regime, currently available to companies holding a GBL will be abolished with effect from January 2019. A partial exemption regime will be introduced for GBL companies whereby 80% of specified income will be exempt from the following income:
 - Foreign source dividends, provided the dividend has not been allowed as a deduction in the source country;
 - Foreign sourced interest income;
 - Profit attributable to a permanent establishment of a resident company in a foreign country;
 - Income derived by a Collective Investment Scheme (CIS), closed end fund, CIS manager, CIS administrator, investment adviser or asset manager licensed or approved by the Mauritius FSC (substance criteria to apply);
 - Income derived by companies engaged in ship and aircraft leasing (substance criteria to apply).

No foreign tax credit will be allowed where the GBL has claimed the 80% exemption. GBL companies claiming the partial exemption will need to satisfy the mentioned pre-defined substantial activities requirements in point 5.

2. A holder of a GBL shall, at all times carry out its core income generating activities in, or from, Mauritius by –
 - Employing, either directly or indirectly, a reasonable number of suitably qualified persons to carry out the core activities; and
 - Having a minimum level of expenditure, which is proportionate to its level of activities.
3. When assessing the substance requirements, the Financial Services Commission (FSC) will consider the nature and level of core income generating activities conducted (including the use of technology) by the GBL.
4. To meet the above requirements, a person employed either directly or indirectly (e.g. employment by a Management Company) should be suitably qualified to conduct the core income generating activities of the GBL.

5. When assessing the core income generating activities of its licensees, per type of licence, the FSC will refer to the following **indicative** definitions:

Type of Licence	Indicative Core Income Generating Activities
COLLECTIVE INVESTMENT SCHEME	Investment of funds in portfolios of securities, or other financial assets, real property or non-financial assets; diversification of risks; redemption on the request of the holder
CLOSED-END FUND	Investment of funds collected from sophisticated investors, in portfolios of securities, or in other financial or non-financial assets, or real property
CIS MANAGER	Management of a Collective Investment Scheme; taking decisions on the holding and selling of investments; calculating risks and reserves; taking decisions on currency or interest fluctuations and hedging positions; and preparing relevant regulatory or other reports for government authorities and investors
CIS ADMINISTRATOR	Providing services with respect to the operations and administrative affairs of a collective investment scheme including accounting, valuation or reporting services
INVESTMENT ADVISER or ASSET MANAGER	<p>Advise, guide or recommend other persons, or hold himself out to advise, guide or recommend other persons, whether personally or through printed materials or by other means, to enter into securities transactions;</p> <p>Manage or hold himself out to manage, under a mandate, whether discretionary or not, portfolios of securities;</p> <p>Give advice on corporate finance advisory matters concerning securities transactions</p>

6. With respect to Global Business Companies that are part of a Group, the FSC will assess the new enhanced substance requirements at Group level.
7. When determining what is intended by “ a reasonable number of suitably qualified persons” and “ a minimum expenditure which is proportionate to its level of activities”, the FSC will make the assessment on a case by case basis and will look at the specific circumstances of each GBL. In doing so, the FSC will refer to the **indicative** guidelines as set out in the following table:

Category	Sub-Category	Minimum Annual Expenditure (USD)	Minimum Employment in Mauritius (Direct or Indirect)
Non-Financial	Investment Holding (excluding IP rights) ¹	12,000	No minimum employment specified
	Non-Investment Holding	15,000	If annual turnover is : Less than USD 100m : minimum 1 More than USD 100m : minimum 2
	CIS Manager / Asset Manager	30,000	If assets under management are : Less than USD 100m : minimum 1 Between USD 100m and USD 500m : minimum 2 More than USD 500m : minimum 3

Category	Sub-Category	Minimum Annual Expenditure (USD)	Minimum Employment in Mauritius (Direct or Indirect)
Financial	Institutions ²	100,000	If annual turnover is : Less than USD 50m : minimum 1 Between USD 50m and USD 100m : minimum 2 More than USD 100m : minimum 3 For Insurers If annual gross premium is : Less than USD 50m : minimum 1 Between USD 50m and USD 100m : minimum 2 More than USD 100m : minimum 3
	Intermediaries ³	30,000	1
	Others	25,000	1

1 GBCs holding IP Rights will be required to demonstrate that they have incurred expenditure in Mauritius which is proportionate to the research and development of the relevant IP Rights.

2 E.g. Insurance, Leasing, Credit Finance

3 E.g. Investment Adviser, Insurance Broker, Insurance Agent