



Dale International Trust Company Limited

July 2023

Budget Highlights 2023/2024 Of the Republic of Mauritius

On 02 June 2023, the Minister of Finance, Economic Planning and Development of Mauritius, presented the National Budget 2023 – 2024. The main focus of the budget consisted of the following three factors: strengthening, continuing and sustaining the local economy.

This newsletter aims to provide our readers with a brief summary of some of the major budget highlights and to show that Mauritius remains a low tax jurisdiction and remains among the top countries of ease of doing business.

Financial Services Sector

Mauritius will continue to implement changes to strengthen its position as an International Financial Center by implementing the following various measures. Some of the main changes in laws which in our opinion is of interest to our readers are:

The activities permissible under a Variable Capital Company will be extended to include Family office and Wealth Management.

Currently, a Variable Capital Company ("VCC") is a company incorporated under the Companies Act and which carries its activities through its sub-funds and Special Purpose Vehicles ("SPVs").

In addition to the above, the Income Tax Act of Mauritius is being amended so that any tax liability of one Cell (in the case of a PCC) or Sub Fund of Variable Capital Company cannot be extended to another Cell or Sub Fund within the same structure.

We are of the opinion that such change in Law will make it difficult for foreign tax authorities or creditors to try to recover assets from another Cell or Variable Capital when such liability is not due by the specific Cell or liability.

Should you need more information about a VCC, our team will be happy to assist.



Work and Live in Mauritius

The government of Mauritius is encouraging people to work and live in Mauritius. Many changes are being implemented to make it easier for professionals and workers to come and work in Mauritius and at the same time encourage existing residents to remain in Mauritius by introducing a new tax regime.

The changes relating to occupation permit are as per below:

1. Salary threshold reduces from MUR 60,000 to MUR 30,000 per month.
2. No requirement to have a local bank account at the time permit is being applied.

The changes relating to work permit are as per below:

1. The ratio of foreign to local employee shall be removed.
2. Person who enters Mauritius under tourist visa will be allowed to apply for a work permit.

It will be now be easier to have entrepreneurs moving their business to Mauritius and have access to Mauritian and foreign professionals and at the same time benefit from an attractive tax regime.

We kindly remind our readers that Occupation permit is applied via the Economic Development board.

Send our team at Dale Trust an email at mauritius@dale-trust.com so that we can assist you with your permit application.



Taxation

Corporate Tax

One main change to the income tax relating to Collective Investment Scheme is the increase of partial exemption on interest earned from 80% to 95%. This measure again positions Mauritius as a leading International Financial Centre which definitely will attract more investors.

Personal Tax

Mauritius is implementing a new tax system which it believes to be fair to everybody residing in Mauritius for tax purposes. Income will now be taxed in different bracket starting with a 0% tax rate up to a Maximum of 20%.

The solidary tax of up to a maximum of 25% is no longer applicable.

These changes now brings Mauritius back to a low tax jurisdiction.



Key Proposed Legislative Amendments

The Companies Act

Amendments will be made to the Companies Act to:

- Provide that a meeting of shareholders and voting may be done in such manner as the Registrar of Companies may approve
- Require a company to send its annual report to shareholders at least 21 days prior to the annual meeting, instead of 14 days.
- Specify that the service address of a company has to be in Mauritius.
- Allow a company to send its annual report and financial statements electronically coupled with a right for shareholders to request for a hard copy of the documents
- Set a time limit of one month from the date of resignation or death of the last remaining director, for shareholders of a company to appoint new directors, failing which shall lead to Registrar of Companies removing that company from the Register.



ABOUT DALE INTERNATIONAL TRUST COMPANY LIMITED (Dale Trust”)

Dale Trust is in existence for more than 20 years and is well known for providing tailored services to its clients. It is regarded as a boutique Management Company which provides a full range of services to its clients which includes but not limited to the incorporation of companies, establishment of trusts and foundations.

It also assists its clients to open personal bank accounts with reputable banks in Mauritius and to make application for occupation permit and retired permit.

Being part of the MSI Global Alliance, Dale Trust can assist clients worldwide by introducing them to affiliation member firms of the MSI which are spread in more than 100 countries.



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