

## Mauritius – Global Business Companies - Category 2

Mauritius, an island covering 1865 square kilometers, is situated some 2000 kilometers off the South East Coast of Africa. Mauritius was discovered by the Dutch and the French in the 16<sup>th</sup> and 18<sup>th</sup> century respectively and became British at the beginning of the 19<sup>th</sup> century. The country gained its independence in 1968 and became a Republic in 1992. The population of the island is approximately 1.23 million comprising of people of Indian, African, Chinese and French origin. English is the official language but the Mauritians are equally fluent in French. "Creole" is widely spoken in the island. The official currency of Mauritius is Mauritian Rupee.

Mauritius is a treaty based jurisdiction of substance that combines all the essential characteristics such as political and legal stability, good telecommunications network, skill human resources, and efficient professional & financial support services to make the ideal location for international tax planning and offshore structuring business.

Mauritius has a hybrid legal system combining both civil and common law practices. During the period of the French rule the island's legal system was governed by the French Napoleonic Code, which remained in force under the British rule with subsequent amendments in civil and criminal procedural laws and company law. While private law is largely based on the Napoleonic Code, public and administrative laws draw essentially from English Common law. Although Mauritius is now a Republic, the country still remains a member of the Commonwealth and the right of appeal to the Judicial Committee of the Privy Council in London is preserved.

### SALIENT FEATURES

The Global Business Company Category 2 (GBC2) replaced the old International Company under the Companies Act 2001. The International Company (IC) is the Mauritian equivalent of the International Business Company found in many offshore jurisdictions. It was established by the International Companies Act 1994, but is now constituted under the Companies Act 2001. The GBC2 is ideal for international trading, invoicing, licensing, international consultancy business and is often used to hold investments or other assets.

The regulatory framework has recently been updated and GBC2 companies are now governed by the Companies Act 2001 ("the Companies Act") and the Financial Services Development Act 2001 ("the FSD Act").

### CORPORATE REQUIREMENTS

**Name** The following words cannot be used in English or any other language: Authority, Bank, Chamber of Commerce, Chartered, Cooperative, Fund, Government, Insurance, Investment or Management Services, Mauritius, Municipal, National, Regional, Presidential, Republic or State. Names should end with Limited or Corporation.

**Capital:** There is no minimum capital requirement; likewise there is no statutory limit on capital. The shares of a company holding a Category 2 Global Business Licence may be issued with or without a par value provided only that all the ordinary shares or all the preference shares of the company shall consist of one kind or the other. Par value shares, if any, may be stated in more than one currency. Only Registered shares are permitted. A Company with a Category 2 Global Business Licence may, where its constitution so provides, also issue fractional shares. Government formation costs are the same regardless of capital structure.

**Shareholders:** A Shareholder may be either an individual or a body corporate. Shareholders may hold their meetings at such times and in such places in or outside Mauritius as the directors deem necessary or desirable. Meeting by telephone or other electronic means is allowed and shareholders may be represented by proxy

**Registered Office / Agent:** As a matter of local company law, the company **MUST** maintain a registered office address within Mauritius and must also appoint a Mauritian resident as a registered agent.

**Directors / Officers:** A GBC2 company shall have at least 1 director who need not be ordinarily resident in Mauritius. Furthermore, the director is not required to be a natural person, another corporate entity being permitted to take on the role of director. A Register of Directors has to be kept by the Company, to which only shareholders have a right of inspection. There is no public access to this information. Any change in the Register of Directors must be notified to the Registrar of Companies within 28 days of the date of such change.

**Register of Members:** A GBC2 Company is required to keep a Register of Members, a Register of Directors and Officers, and a Register of Mortgages and Charges. Any new issues of shares must be filed with the Registrar of Companies within 14 days of the issue. Notices of change of directors or secretaries must be filed with the Registrar of Companies within 28 days of the change. Documents on record at the Registrar may only be inspected by a shareholder of the Company and are **not** open to public inspection. This means that even though registers of Shareholders and Directors and Officers must be **filed** with the Registrar, they are not matters of public record and cannot be retrieved by a company search at the Companies registry. Nominee shareholders may also be used.

**Books, Records, and Seal:** There is no requirement to file accounts or an annual return. The only requirement is that the company must pay the relevant fee to the local government on the anniversary date of incorporation. The IBC Company shall have a common seal and an imprint thereof shall be kept at the registered office of the company.

**Registration of Charge :** According to the Companies Act 2001, every company shall within 28 days of the creation of any charge, file with the Registrar, a statement of the particulars of the charge.

## COMPANIES LIMITED BY GUARANTEE AND HYBRID COMPANIES

In addition to companies limited by shares, which are discussed above, the Mauritius Companies Act also permits the formation of companies **Limited by Guarantee**, where no shares are issued and liability is limited by Guarantee. Similarly the Act permits the formation of **Hybrid Companies**, which are companies limited both by shares and by guarantee. These two types of companies can have a variety of applications, including tax planning and succession planning. Hybrid companies may also function rather like incorporated trusts.

A Register of Guarantee Members must be kept by the Company and the signed consents of the Guarantee Members must be filed with the Registry. Any changes to the Register must also be filed with the Mauritius Companies Registry, but again this information is retained by the Registrar and does NOT form part of the public record of the Company. Confidentiality can be further assured through the use of nominee or corporate guarantee members as appropriate.

## CONFIDENTIALITY

Section 33 of the FSDA 2001 provides for confidentiality concerning all matters relating to GBC2 companies

## TAXATION

The income of a GBC2 Company is treated as exempt from tax under the provisions of the Income Tax Act 1995 (as amended) and is not taxed in Mauritius. GBC2 Companies cannot obtain relief under Double Taxation Agreements in force in Mauritius.

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