

MAURITIUS KEY MEASURES OF FINANCE ACT 2024 AND AML/CFT ACT 2024

INTRODUCTION

Following the budget speech held on 7 June 2024, the Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation (Miscellaneous Provisions) Act 2024 (“AML/CFT Act 2024”) was gazetted on 25 July 2024. In addition, the Finance (Miscellaneous Provisions) Act 2024 (“FA Act 2024”) was gazetted on 27 July 2024.

In line with our [Memo - Mauritius National Budget 2024 - 2025](#), this update highlights some specific measures implemented under the AML/CFT Act 2024 and the FA Act 2024.

The information in this memo does not represent legal or tax advice and is not intended to be a substitute for legal advice or a legal opinion. It deals in broad terms only and is intended to provide general information.

KEY MEASURES

[Introduction of the Corporate Climate Responsibility \(CCR\) Levy \(Effective Date: Year of Assessment Commencing 1 July 2024\)](#)

Starting from the year of assessment on 1 July 2024, a CCR levy of 2% on a company’s chargeable income will be applicable, unless the company’s turnover in relation to that year of assessment is less than MUR50 million. This levy aims to support national initiatives for protecting, managing, investing in and restoring the country’s natural ecosystem, as well as combating the effects of climate change. Turnover has been defined to mean gross income, including any exempt income, derived by a company from all its sources.

In this context:

The definition of a company under the Income Tax Act 1995 (“ITA 1995”) includes:

- > a non-resident société
- > a cell of a protected cell company (PCC)
- > a variable capital company (VCC), its sub-fund or special purpose vehicle
- > a foundation
- > a trust, or a trustee of a unit trust scheme

In the provisions being implemented under ITA 1995 for the CCR levy, the definition is extended to include a société.

Expected impact:

- > Companies, PCCs, VCCs, société including limited partnerships, foundations and trusts which are tax resident in Mauritius and deriving chargeable income from any source and those not resident but deriving Mauritius source chargeable income, shall be subject to the CCR levy if they meet the minimum turnover criteria. This includes Global Business Licensed corporations deriving chargeable income from any sources and Authorised Companies deriving income from Mauritius sources.
- > For tax resident corporations, including Global Business Corporations, deriving chargeable income eligible for partial exemption, the net tax liability impact is expected to be 0.4% (2% levy time on the 20% of chargeable income subject to tax), resulting in an effective tax rate of 3.4%.
- > Where such tax resident corporations claim foreign tax suffered as tax credit instead of the partial exemption, the net CCR levy can be reduced to 0%, depending on the amount of foreign tax suffered (e.g. if the foreign tax rate is at least 17% of the gross income derived).

- > Tax resident corporations subject to a flat tax rate of 15% not claiming partial exemption and foreign tax credit, will have their net liability increased to 17% of the tax adjusted income.
- > Tax resident corporations engaged in the export of goods and services which are subject to tax at a rate of 3% will also bear the additional CCR levy of 2% on chargeable income, hence increasing the net tax burden to 5%.
- > Limited partnerships, including those which are tax transparent, are expected to be subject to the CCR levy. However, they can still use the foreign tax suffered as tax credit and hence, the net CCR levy can be reduced to 0%.

It is recommended to obtain tax advice for an impact assessment based on the structure of your business.

[Renewal of Tax Arrears Payment Scheme \(Effective Date: 27 July 2024\)](#)

Where tax arrears are outstanding as of 30 June 2024 under the Income Tax Act, the Value Added Tax Act and/or the Gambling Regulatory Authority Act are fully paid on or before 26 June 2025, any penalty and interest included in the tax arrears shall be fully waived, provided that an application for the reduction is made to the Director-General on or before 31 March 2025.

Similar incentives are in place for payment of liabilities arising under the Social Contribution and Social Benefits Act 2021, the National Pensions Act or the National Savings Fund Act and under the Human Resource Development Act and are fully paid on or before 26 June 2025, with varying levels of exemption.

Entities with outstanding tax liabilities as of 30 June 2024 are encouraged to apply for the reduction of penalties and interest before 31 March 2025, and ensure that their returns are submitted before the deadline above.

[Deductibility of Donations to NGOs \(Effective Date: 1 July 2024\)](#)

Companies that make donations via electronic means to NGOs engaged in combatting drug abuse, preventing gender-based violence or alleviating poverty, will be eligible to deduct the donation amount from their gross income in the income year the donation was made, up to a maximum of MUR1 million.

[New Process in Relation to Tax Assessments \(Effective Date: 27 July 2024\)](#)

Where the Mauritius Revenue Authority (MRA) informs a taxpayer of its intention to issue an assessment, a written declaration outlining changes to the tax return can be submitted instead of an amended tax return, provided these changes do not relate to matters forming part of the basis of assessment. The MRA will revert on the outcome within six (6) months from the date of submission of the written declaration.

[Exemption of Interest Income Derived from a Bond Issued by a Public Sector Company from Tax \(Effective Date: 27 July 2024\)](#)

Interest income derived from a bond issued by a public sector company for financing infrastructure projects, will be exempt from tax. A “public sector company” is defined as a company registered with the Registrar of Companies and where the government of Mauritius, a statutory body or a local authority or the Rodrigues Regional Assembly holds directly or indirectly more than 50% of the shares.

[Exemption of Income Derived by a Company a Freeport Operator or Private Freeport Developer Holding a Global Business Licence \(Effective Date: 27 July 2024\)](#)

The exemption shall apply only to the income derived by the company pertaining to its activities as a freeport operator or private freeport developer.

[New Post Licensing Fees \(Effective Date: 01 August 2024\)](#)

New post licensing fees to be paid to the Financial Services Commission (FSC) shall be applicable. This is expected to include matters such as applying for duplicate licenses, processing change of name, change in management company, change in registered agent, etc. More details to be obtained at the time of publication of the related FSC Rules.

Disclosure by Qualified Trustees to the FSC (Effective Date: 27 July 2024)

Qualified trustees shall be required to submit information and maintain records regarding trusts under their trusteeship in accordance with the requirements of the FSC, and at the request of the FSC.

Direction to be Issued by the FSC (Effective Date: 27 July 2024)

Where the FSC has reasonable ground to believe that a corporation holding a Global Business Licence has contravened or is likely to contravene a relevant Act, is conducting its affairs in an improper manner or is involved in a financial crime, it may issue a written direction to the Global Business Corporation. The Global Business Corporation will be given reasonable opportunity to make written representations before any further action is taken.

Changes Related to Workers' Rights Act 2019 (Effective Date: 27 July 2024)

Employers may require Workers (as defined under the Workers' Rights Act 2019) to work from home with at least 48 hours' notice. Workers have the right to disconnect from work during unsocial hours, except in situations of emergency or when the working hours align with the market country served. A disturbance allowance equivalent to one hour's wage shall be applicable for every hour of work performed during unsocial hours.

"Unsocial hours" means hours of work performed between 1 p.m. on a Saturday and 6 a.m. on the following Monday and between 10 p.m. on a weekday and 6 a.m. on the following day. A Worker may also opt to be granted paid time off instead of overtime.

Register of Beneficial Ownership for Companies, Limited Partnerships and Foundations to be Maintained

(Effective Date: 25 July 2024)

Companies, limited partnerships and foundations shall be required to maintain a register of beneficial ownership and ultimate beneficial ownership, which shall include the following details:

- > The full name and usual residential address of the beneficial owner or, in case no natural person is identified or where there is a nominee, the full name and the usual residential address of the nominee, if applicable, and the ultimate beneficial owner
- > The National Identification Number or passport number, as applicable
- > The citizenship or nationality, as applicable
- > An ownership structure identifying the ultimate beneficial owner
- > Such other information as may be prescribed

The record of actions taken to identify a beneficial owner or an ultimate beneficial owner must also be kept. The information above must be kept updated and accurate at all times.

The Registrar of Companies (the "Registrar", also acting as Registrar of Limited Partnerships and Registrar of Foundations) shall also maintain a register of beneficial ownership of such companies, limited partnerships and foundations. The details of the beneficial owners/ultimate beneficial owners will have to be submitted to the Registrar at time of application for incorporation/registration and whenever changes occur.

A register of beneficial ownership was already required to be maintained by certain licensees of the FSC. Details of beneficial ownership under a nominee arrangement were also already being provided to the Registrar, where applicable. It is believed that the Registrar may request for all companies, limited partnerships and foundations to provide the information for all beneficial owners and ultimate beneficial owners to maintain the newly implemented register at its end and for which directions are being awaited.

The register of beneficial ownership kept at Registrar shall be accessible to all competent authorities and other public sector bodies.

Inspections by the Financial Services Commission

The FSC now has power to conduct inspections of its licensees at such time, at such place and in such manner as it may determine. Licensees may be required to provide off-site access to information and systems necessary for the inspection.

Failure to attend before an investigator when summoned, without reasonable excuse, constitutes an offence. Penalties includes fines up to Rs 500,000 and imprisonment up to five (5) years.

Appointment of Persons and Their Alternate for Providing Basic Information (Effective Date: 25 July 2024)

Companies, limited partnerships and foundations were required to appoint an officer ordinarily resident in Mauritius, to provide all basic information and available beneficial ownership information to competent authorities upon request. Instead of an officer, the corporation will have to appoint an authorized person and an alternate, both ordinarily resident in Mauritius.

It was common to appoint the Secretary or Registered Agent as officer, however, corporations will now have to appoint a natural person and an alternate (e.g., the directors of the company or of the general partner of the limited partnership or council members of the foundation, if resident in Mauritius). Other arrangements will have to be made for corporations not having directors/council members resident in Mauritius.

Companies Limited by Guarantee to Implement Programmes Against Terrorism Financing (Effective Date: 25 July 2024)

A company limited by guarantee will have to implement anti-terrorism financing programs that are proportionate to the terrorism financing risks they face and the size and nature of their business.

The Registrar may conduct risk-based inspections to ensure that the company is complying with the requirement, require such company to take corrective measures and apply administrative sanctions against the company, its present or past officer, or its member.

HOW WE CAN ASSIST

For inquiries regarding these key measures, please get in touch with your usual contacts at Trident Trust or contact our Mauritius Office at mauritius@tridenttrust.com.

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