

**IP 06**



*In association with* **SAB&T inc.**  
CHARTERED ACCOUNTANTS (S.A.)

## **Ship Registration in Mauritius**

*...yet another high end business solution brought to you by GWMS in association with SAB&T*

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*This Information Pack, IP 06, has been prepared for international investors and businesses who are seeking a cost and tax efficient jurisdiction for the structuring of their international business activities. IP 06 should be considered as a general guide only. IP 06 contains information, which, to the best of our knowledge and belief, is correct at the time of writing. You are however, strongly recommended to seek specific advice before acting on any information contained in IP06.*

## **Introduction**

Ship registration and mortgaging are regulated by the Mauritius Merchant Shipping Act 1986 and the Mauritius Shipping (Amendment) Act 1992 which have been largely modelled on the British Merchant Shipping Act.

The administration of the Mauritius Open Ship Registry is under the responsibility of the Director of Shipping, Ministry of Trade and Shipping. The Home Port is Port Louis where the Head Office of the Registry is situated. Mauritius has ratified most of the international conventions on maritime safety, prevention of pollution and training and certification of seafarers.

## **Qualifications for Registration**

Ship registration in the Global Business (previously known as offshore) sector in Mauritius requires the setting up of a company holding a Category 1 Global Business Licence (“GBL1”).

Accordingly, a GBL1 is entitled to own and register its ship under the Mauritian Flag provided its objects is confined to the registration of the ship under the Mauritian Flag and that its shipping activities is carried out exclusively outside Mauritius.

Furthermore GBL1 companies can register a foreign ship under the Mauritian Flag if the ship is bareboat chartered to them for a period of at least 12 months.

## **Registration Requirements**

### **Type**

Every type of sea worthy vessel, lighter, barge structure or launch, however propelled, intended for use in navigation is eligible

### **Age**

It shall not exceed 15 years of age since the date of first construction



## **Class**

It must maintain class with one of the classification societies approved by the Director of Shipping who will issue a Mauritius Tonnage Certificate.

## **Insurance**

A third party liability insurance must be produced with certificates evidencing compliance with international maritime conventions to which Mauritius has acceded.

## **Registration Procedures**

The registration procedures involve:

1. the formation of a company licensed by the Financial Services Commission as a GBL1; and
2. the registration of the vessel itself with the Ministry of Trade and Shipping.

### **Formation of the GBL1 for the purpose of shipping or ship registration:**

The formation of a GBL1 is made through a **Management Company licensed** to the Financial Service Commission ("FSC") (*GWMS is licenced by the FSC*)

1. The procedures for the incorporation of a GBL1 are laid out in IP01 which is available on request;
2. An application for the registration of a foreign vessel under the Mauritian Flag by a GBL1 must be made by the owner or charterer or his authorised representative (*GWMS will do this*) to the Ministry of Trade and Shipping through the FSC.

## **Registration of the Vessel**

The Mauritian shipping laws allow for, permanent, provisional and parallel registration of vessels. The application accompanied by the necessary documents is required to be submitted to the Director of Shipping through the FSC. Upon approval of the application, the Director of Shipping will issue the relevant registration certificate.

### **Permanent Registration**

Permanent registration is where the ship is permanently registered after fulfillment of all of the registration procedures. On receipt of the certificates, the Director of Shipping will allot to the ship an official number and issue the Carving and Marking Note, which contains the number which must be carved on the ship, together with the name, registered tonnage and the port of registry. On the completion of the carving, marking and the inspection by an approved surveyor, and receipt of the necessary documents and fees, the Director of Shipping may issue the certificate of registration.



### **Provisional Registration**

1. Provisional registration under the Mauritian Flag for a period not exceeding 6 months prior to permanent registration is allowed. Provisional registration of a vessel may be effected at any place abroad, where Mauritius has an embassy, a consulate or a honorary consul.
2. The requirements as to the age, class, proof of liability insurance and international conventions as required for permanent registration shall also apply.
3. For a ship which has a foreign certificate of registration and wants to transfer to the Mauritius register, a certificate of deletion from the foreign register clearing any registered encumbrances is required.

### **Parallel (Bareboat) Registration**

1. Ships bareboat registered in a foreign registry chartered by Mauritian companies may be registered in the Mauritius Open Ship Registry for the period of the charter, however, not exceeding 3 years. The registration of the ship in the foreign register shall be meanwhile suspended.
2. Application must be supported by a certified copy of the bareboat charter, a certificate of ownership and mortgages of that foreign register, consent in writing of the registered owner of the foreign ship, and the mortgagees, together with all the documents required for permanent registration.
3. If approved, a certificate of Mauritius Parallel Registry setting out its date of validity will be issued by the Director of Shipping.

### **Registration of the Mortgage of a Ship**

1. A Mauritian ship may be given as mortgage for security of principal sum and interest. The legislation has been amended to bring it in line with the British System of Mortgages. Both owners and mortgagees are fully safeguarded by clear provisions in the appropriate regulations.
2. A ship under the Mauritian Flag or a share therein may be pledged or given security for a loaner guarantee.
3. A provisionally registered Mauritius ship can be mortgaged and the priority of such mortgage is preserved upon permanent registration of the ship.

### **Discharge of Mortgage**

1. It shall be registered with the Director of Shipping on submission by the mortgagee of an attested and completed appropriate form.
2. Any transfer of mortgage must be registered with the Director who will endorse on the instrument of transfer the how and date of registration.



## **Fiscal Incentives & Advantages**

1. Mauritian registered vessels are exempt from tax on freight earnings, resultant net revenue or dividends received from the Mauritian shipping company
2. Ships' stores, consumables, spare parts and bunkers are exempted from customs and excise duties
3. All personnel working on board a Mauritian Flag ship are exempted from payment of income tax
4. No capital gains tax is payable upon the sale or transfer of a ship or of the shares in a shipping company
5. No estate duty is payable on the inheritance of shares in a shipping company
6. The requirement of a work permit for foreigners is waived in the case of personnel working on a Mauritian Flag ship
7. No restrictions on the nationality of the crew

## **Costs**

We charge for on-going administration predominantly on a time charge basis, save where appropriate, a flat fee may be agreed with the client. Please request our standard company fee schedules for GBL 1.

*Please note that our professional and maintenance fees are payable in advance.*

The fees payable to the FSC are payable in advance at the stage of formation. Thereafter, annual fees are payable not later than 15 days before the expiry of the licence. If annual fees are not paid within one month of their becoming due, the Global Business Licence will lapse. The Registry fee is also payable on an annual basis and in advance.

## **To obtain further information on our services, please contact:**

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## ***About us...***

GWMS is an emerging Management Company incorporated in Mauritius and licensed by the Financial Services Commission to provide advisory and management services to businesses worldwide.

The board of GWMS comprises mainly of Chartered Accountants of calibre and experience in diverse sectors encompassing accounting, audit, management, global business, international and local taxation among others. GWMS is able to handle back office work like running your payroll, handling the accounting and taxation aspect of your business, registration of your company for VAT, PAYE (employee income tax) and NPF (pension fund) among others. In other words, we take care of the “hassles” and let you concentrate on what you do best...running your business!

GWMS is associated with SAB&T Incorporated, Chartered Accountants (SA) (“SAB&T”), a full fledged member of SC International, an international and widely known group of independent accountants, represented in over 60 countries and with 203 member offices globally. Consequently, GWMS, by virtue of its association with SAB&T, also benefits from the SCI network.

GWMS is also proud to be the Preferred Partner in Mauritius, of Corporate Catalyst (India) Pvt Ltd (“CCI”), a Business Advisory, Corporate Finance and Tax Advisory firm based in Delhi with offices in Mumbai and associate offices in major centres in India. The Chairman of CCI has served as the Chief Consultant to the Ministry of Finance, Government of India and another director of CCI has been the Ambassador of India to Japan, Thailand and Libya. The board of CCI also comprise of professionals of calibre and vast experience.

If you wish to structure your international business in a commercially viable and low cost jurisdiction and seek to maximize your tax efficiency...you need to talk to GWMS...

If you wish to set up a domestic company in Mauritius and require assistance to run your business...then you need to talk to GWMS...

If you wish to access the African continent for your international trading business, then the Mauritius Freeport might be the answer to your questions...to find out, talk to GWMS...

Ever wondered about settling down in Mauritius...the island in the sun...your own 1.25 acre world standard luxury villas...there are various incentive schemes to fit your needs...to find out if you qualify, talk to GWMS...

**GWMS...the smart way to do business**