



## **The GWMS Global Business Solutions**

*...yet another high end business solution brought to you by GWMS*

**Global Wealth  
Management Solutions Ltd**

365 Royal Road Rose Hill Mauritius

Tel:+230 454 2110 / 4549670

Fax: +230 4549671

[info@globalwealth-ms.com](mailto:info@globalwealth-ms.com)

[www.globalwealth-ms.com](http://www.globalwealth-ms.com)



*This Information Pack, IP 12, 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 12 should be considered as a general guide only. IP 12 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 IP12.*

## **Introduction**

GWMS is a licenced trust and financial services provider. Our services are tailored to suit the needs of High Net Worth Individuals, foreign corporates and institutional investors and include Global Business company formations, the settlement of trusts, the provision of on-going professional and administration services in the field of international and Mauritius taxation, accounting services, general company and trust administration services, company secretarial services, corporate trusteeship, qualified trusteeship and registered agent services (as applicable) to Category 1 Global Business Licence companies ("GBL1") - the tax treaty companies-, Category 2 Global Business Licence companies ("GBL2") - the tax exempt companies.

### **1. Global Business Solutions**

#### **1.1. Company Secretarial/Administration/Accounting Services**

GWMS is staffed with a skilled and experienced corporate team who can handle any company law or regulatory framework queries and your statutory obligations. We routinely advise and provide the following comprehensive services:

- 1.1.1. Company formation and administration, including the provision of directors, nominee shareholders and registered office
- 1.1.2. Accounting in compliance with International Financial Reporting Standards
- 1.1.3. International tax planning management and monitoring of tax compliance
- 1.1.4. Corporate structuring and advice
- 1.1.5. Annual compliance and maintenance of statutory registers
- 1.1.6. Attendance at board meetings
- 1.1.7. Creation of Board, Committee and Shareholders minutes of meetings
- 1.1.8. Statutory compliance reviews
- 1.1.9. Comprehensive advice and guidance on good corporate governance
- 1.1.10. Trust formation, registration and administration, including the provision of trustees
- 1.1.11. Asset protection advice
- 1.1.12. Global business administration services



## 1.2. Mauritius Real Estate Acquisition - Advisory & Support Services

Mauritius offers world class real estate residential properties that may be acquired by international investors. These include golf estates, inland or residential properties having a marina concept. The high end properties have attractive rental income potential which may be fully repatriated. The hospitality sector also offers investment opportunities.

Foreigners are only allowed, by law, to acquire real estate in Mauritius under four schemes.

- 1.2.1 Integrated Resort Scheme (IRS) – minimum price is USD 500,000 (excluding taxes)
- 1.2.2 Real Estate Scheme (RES) – no minimum price
- 1.2.3 Occupation Permit
- 1.2.4 Invest Hotel Scheme [IHS]

### 1.2.1 & 1.2.2 IRS/RES

The acquisition of a residence under IRS automatically qualifies the acquirer to apply for a permanent residence permit (“PRP”) for him/her & family under the Immigration Act of Mauritius provided the fixed duty of USD 70, 000 is paid to the Registrar General.

The acquisition of a residence under RES makes the acquirer eligible to apply for a permanent residence permit (“PRP”) for him/her & family under the Immigration Act of Mauritius provided the value of the property exceeds USD 500, 000 and a fixed duty of USD 25, 000 is paid to the Registrar General. Acquirers of a residence under the RES are eligible to apply for residency under any of the 4 existing conditions: as an investor, as a professional, as a self-employed, or as a retired non-citizen. Varying conditions apply to each category.

A PRP is a permit that allows an eligible non-citizen to work and/or live in Mauritius for a period of 10 years. It is renewable.

### 1.2.3 Occupation Permit (“OP”)

An OP allows a non-national to work in Mauritius. It is both a work and a residence permit. The average processing time for the issue of the OP is 10 days. The OP is issued under the silent approval concept i.e if the applicant does not hear from the authorities past the date inscribed on the application receipt handed over to the applicant, approval should be assumed.

Since 21st December 2012, a professional who has a monthly salary of more than US\$ 3,000 or a foreigner who invests more than US \$ 100,000 will now be able to purchase an apartment in a building with at least two floors above ground for their personal residence upon receipt of their "occupational permit".

Since 21st December 2012, a foreigner who invests over US\$ 500,000 in one of the "qualified activities" will also be eligible for a PRP. Such investor will then be allowed to purchase an apartment in a building with at least two floors above ground for his/her personal residence.



#### 1.2.4 Invest-Hotel

Invest-Hotel is a scheme designed to enable property developers to sell hotel rooms, villas, suites or any other part of a hotel to individual buyers. It offers individual buyers all the facilities of an exquisitely-furnished new luxury resort hotel with amenities like F&B, full-service spas, health and fitness centres, resort-style pools, sophisticated business centres and maid service and the promise of rental income.

On acquisition, the buyer of a unit secures ownership title to a specific unit or part of the hotel.

- There is no minimum investment on acquisition of a room, suite or other part of the hotel.
- However, there is a minimum investment of US\$ 500, 000 for a stand-alone villa.

#### 1.2.5 Manner of purchase of property

1. In the individual's own name; or
2. Under a Domestic Company; or
3. Mauritius Trust.

#### 1.2.8 Tax and other benefits

1. No tax on Capital Gains in Mauritius;
2. No foreign exchange control
3. Free repatriation of profits and capital.

#### **GWMS has the expertise to assist you as follows:**

1. We have excellent working relationship with several of the property developers and estate agents who specialize with such types of properties. We only work with genuine and reputable companies and intermediaries and can introduce you to them. We urge you to beware bogus schemes or parties who may entice you to acquire properties which may turn out to be illegal. GWMS is a regulated entity (by FSC) and is able to assist you to acquire real estate property in compliance with Mauritian legislations, as well as administration of the entity holding the property;
2. We have the expertise to advise you on the structuring of your investment tax efficiently;
3. GWMS can handle your application for permanent residence;
4. We also can handle your Occupation/ Work Permit applications for foreign directors of Category 1 Global Business Licence vehicles who wish to work and live in Mauritius, expatriate staff, investors of Global Business, domestic companies or others.



### **1.3. Benefits of the Mauritius Global Business sector**

- 1.3.1. Category 1 entities are liable to pay tax at 15% on taxable income with credit for actual foreign tax paid or deemed foreign tax paid on foreign source income of 80% which reduces the effective tax rate in the latter case to a maximum of 3%.
- 1.3.2. Trusts may also benefit from the Mauritian double tax treaty network or elect for non residence in Mauritius and benefit from Mauritius tax exemption.
- 1.3.3. Category 2 private companies are tax exempt but are also not tax resident in Mauritius
- 1.3.4. No withholding taxes apply to dividends, interests and royalties in the global business
- 1.3.5. Capital gains on disposal of securities and other movable property are exempted from Mauritius taxation
- 1.3.6. Inheritance of shares is not subject to estate duty or cumbersome formalities
- 1.3.7. Exemption from several Companies Act statutory requirements

### **1.4. Foundations**

The Mauritius International Financial Centre now offers a new product in addition to the existing limited partnership, private and public company, limited life company and trust. The new offering is the "Foundation", a hybrid vehicle which combines the benefits of a company with those of a trust.

The Foundations Act 2012 is a very modern legislation and is effective since 1 July 2012. It is mostly used in wealth management, estate planning and asset holding but is equally ideal as a special purpose vehicle to legally protect one's assets against personal liability, high taxes or forced heirship rules.

A Foundation does not have legal personality unless it is registered with the Registrar of Foundations and has been issued with a certificate under the Foundations Act. This new legislation allows for the incorporation and migration of Foundations to and from Mauritius.

Taxation wise, the Foundation may be structured to be exempt from Mauritius tax.

### **1.5. Limited Partnership**

The Limited Partnerships Act 2011("LLP") is now effective in Mauritius. It is a long awaited legislation which has finally been enacted in Mauritius. The LLP is a very flexible vehicle and constitutes the latest offering of Mauritius towards enhancing its status as a Mauritian investment platform of substance.

The LLP is a vehicle of choice for private equity/venture capital funds and other type of funds mainly because of the possibility afforded by the LLP to combine the benefits of a company with those of the partnership such as limited liability protection to investors and the option of election to have separate legal personality while maintaining the fiscal transparency feature of partnerships.



The LLP law is however not specific to investment funds and can be easily used to fulfill other objectives.

The fiscal transparency feature of the LLP is one of its principal attractions. Accordingly, partners (not the LLP) will individually be liable to Mauritius taxation in their respective income sharing ratio of the LLP to the extent that the LLP has Mauritius source taxable income.

Conversely, should the LLP have any foreign source taxable income then only the Mauritius tax-resident partners of the LLP will be liable to Mauritius taxation. Effectively this means that an LLP whose partners are not tax resident in Mauritius and which derives only foreign source income will have no Mauritius tax liability at all making the LLP a tax exempt vehicle.

### **1.6. Trusts in Mauritius**

Mauritius has a modern trust legislation which does not require trusts to register with any authorities in Mauritius thus providing absolute confidentiality. Trusts can be used to:

- ✓ safeguard assets against bankruptcy
- ✓ effect generation planning, including the holding of assets for minors until they reach majority
- ✓ rearrange beneficial ownership of assets
- ✓ avoid inheritance laws in the country of residence
- ✓ accumulate income and protect assets

### **1.7. Private Trust Companies (PTC)**

The PTC is highly attractive to individuals and families who wish to structure their assets in one or more trusts without losing control altogether as is usually the case with trusts. Under the PTC structure, the PTC becomes the corporate trustee of connected trusts for the benefit of a sole family, extended family or related individuals.

Absent the PTC, an independent qualified corporate or individual trustee will need to be appointed and control is relinquished. Benefits are:

- ✓ Control without compromising the structure
- ✓ Decision making faster while adherence to wish of family
- ✓ Enables orderly generation planning
- ✓ Risk profile of family respected in respect of investments in assets

GWMS is able and qualified to advise you on the PTC to enable you to start your own Family Office.

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## *About us...*

GWMS is an experienced Management Company incorporated in Mauritius and licensed by the Financial Services Commission to Global Business services to businesses worldwide. One of the core competencies and activity of GWMS is the provision of a full range of Fund Administration services to offshore funds set up in Mauritius or elsewhere.

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 as well. Our staff comprises a mix of fully qualified accountants, near qualified accountants, law graduates and administrative clerks.

GWMS is the sole member for Mauritius of the Association of International Tax Consultants (AITC, [www.aitc-pro.com](http://www.aitc-pro.com)). AITC is an international association of independent professional firms represented throughout Europe and beyond. AITC currently has 48 member firms throughout Europe, in the United States and Canada, South America, Australia, Asia, Africa and is continuing to broaden its coverage worldwide. Members include lawyers and tax advisers. As a truly multi-disciplinary group, AITC is well able to advise clients on a wide range of issues, across most major business environments. GWMS's clients can thus benefit from cutting edge international tax advice through our AITC network.

GWMS is also associated with Nexia SAB&T, Chartered Accountants (SA) ("SAB&T"), [www.sab-t.co.za](http://www.sab-t.co.za). Nexia SAB&T is a leading black-owned accounting, auditing, consulting and professional services firm has nearly 40 directors/partners and approximately 500 staff and has offices located in the major centres of South Africa. Mr Bashier Adam, the CEO of SAB&T is also a director of GWMS and he has a seat on the management board of Nexia International' EMEA region.

GWMS is also proud to be the Preferred Partner in Mauritius, of Corporate Catalyst (India) Pvt Ltd , [www.ccindia.com](http://www.ccindia.com), a Business Advisory, Corporate Finance and Tax Advisory firm based in Delhi with offices in Mumbai and associate offices in major centres in India.

GWMS has formally concluded yet another Preferred Partner agreement with **Corporate Management Services** (CMS), [www.cmskh.com](http://www.cmskh.com), of Hong Kong to provide our clients with more quality international business solutions. CMS provides incorporation and management services including China market entry solutions, China company credit reports and accounting/audit services, among others, in over 20 jurisdictions

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

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