

# Live and work in Mauritius

***Rogers Capital***

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# AGENDA

1. Acquisition of an immovable property in Mauritius	3
1.1 For investment purposes only	
1.2 For investment and residency purposes	
2. Set-up a business or invest in an existing business in Mauritius	4
3. Live in Mauritius	
3.1 Premium Travel Via	
3.2 Holding a Retired Non-Citizen Permit	5
3.3 Holding a Resident Permit as a Dependant	
3.4 Holding a 20-year Permanent Residence Permit	
4. Work and live in Mauritius	
4.1 Professional	
4.2 Self-employed	
4.3 Investor	6
4.4 Innovator	
5. Settle my wealth planning in Mauritius	7
5.1 Trust	
5.2 Foundation	8





Rogers Capital offers integrated solutions with regard to relocation, immigration process and related planning in Mauritius.

#### **Mauritius offers :**

- Various options for tax and estate planning ;
- Quality of life ;
- stable political and economic climate ;
- Personal security ;
- Potential to acquire an additional citizenship.

Mauritius is a jurisdiction where the business environment, the quality of life, and the possibility of acquiring citizenship are only a few of the advantages. [to develop the advantages of Mauritius].

Non-citizens of Mauritius can invest in immovable properties, create a business, invest in an existing business, incorporate a company or a branch/subsidiary of a foreign company or work in Mauritius. It is possible to obtain a residence permit or a work permit if relevant requirements are met.

As you may not be fully conversant with the Mauritian legal framework and its potential changes, the assistance of a professional consultant will significantly increase the chances to obtain the relevant permits and to enjoy a successful relocation experience. Furthermore, Rogers Capital will interact efficiently with the relevant government bodies to deal with procedures on your behalf.

#### **Rogers Capital :**

- Assess meticulously your particular situation from all relevant perspectives ;
- Propose the available options ;
- Prepare an action plan and ;
- Implement the action plan and ;
- Follow-up on the long-term.

Rogers Capital put at your disposal as many experts your project may require. A dedicated point of contact will uphold the global overview of your project and situation, will coordinate the different stakeholders involved and will ensure the service continuity and excellence.

Rogers Capital has a strong network of securing relationships with key partners such as law firms, banks, insurers, and real estate professionals, and will help you to take advantage of your new Mauritian environment.



## 1 Acquisition of an immovable property in Mauritius

Some types of immovable properties in Mauritius can be acquired by a non-citizen. The definition of the latter includes :

- (a) a person who is not a citizen of Mauritius ;
- (b) an association or body of persons, whether corporate or incorporate, such as a Company, a Société, a Foundation or a Limited Partnership, where it is not domiciled in Mauritius or one of its shareholders is not a citizen of Mauritius ;
- (c) a trust in so far as it is involved in any transaction referred to in section 22 of the Trusts Act.

### 1.1 For investment purposes only

The following schemes are allowable for an acquisition by a non-citizen :

1. The Integrated Resort Scheme (IRS)
2. The Real Estate Scheme (RES)
3. The Property Development Scheme (PDS)
4. The Smart City Scheme
5. Ground +2 apartments
6. The Invest Hotel Scheme (will not be developed here)

- Investments by non-citizens with no minimum investment amount :

The IRS and the RES are high-end residential properties exclusively developed for the sale to non-citizens

The PDS has replaced the IRS and RES, allows the development of a mix of residences for sale to non-citizens, citizens and members of the Mauritian Diaspora.

The Smart City Scheme, or the "work, live and play concept" is the development of self-sufficient cities offering integrated sustainable solutions and ensuring minimum wastage.

This scheme incorporates mixed use developments with smart technology and innovation. Non-citizens may acquire built-up residential properties comprising villas, houses, townhouses, apartments and duplexes.

- Investments by non-citizens subject to a minimum investment threshold :

«Ground+2» Apartments are apartments in condominium developments of at least two levels above ground (G+2), provided the purchase price of an apartment is not less than MUR 6 million or its equivalent in any other hard convertible foreign currency.

### 1.2 For investment and residency purposes

The acquisition of one or more allowable immovable properties does not automatically grant a residence permit or a long-stay visa to the non-citizen.

Regarding the schemes 1 to 4 above (IRS, RES, PDS and Smart City Scheme), the non-citizen and his dependents\* are eligible for a residence permit if he has invested a minimum amount of USD 375,000.

*\* the spouse, dependent child, parent or other dependant*

*Ref : IMMIGRATION ACT Section 5 (1) (i)*

Regarding the scheme 5 (« Ground+2 » Apartments), upon purchase of an apartment at a price exceeding USD 500,000 or its equivalent in any convertible currencies, a non-citizen is eligible to apply for a long-stay visa. A long stay visa allows a non-citizen and his dependents to stay for a consecutive period of ten (10) years, renewable depending on the status of ownership. It remains valid so long as the non-citizen holds the apartment.

## 2 Set-up a business or invest in an existing business in Mauritius (for investment purposes only)

Any foreign nationals can own a business in Mauritius.

However, holders of an occupation permit as professional and holders of a Retired non-citizen Residence Permit may invest in any business if they are not employed in the business, if they do not manage the business or derive any salary or employment benefits from the business.

You may wish to create a company in Mauritius which purpose may be whether to operate outside of Mauritius or to operate on the local market.

A Global Business Company or an Authorised Company shall be used by non-citizen shareholders when the business is conducted principally outside of Mauritius.

Various legal forms can shape your business : Limited partnership, Société, Company limited by shares, company limited by guarantee, trust, foundation, etc.

## 3 Live in Mauritius

In the case you wish to live in Mauritius with no specific investment or professional project, 3 routes are possible :

### 3.1 Premium Travel Visa

Any non-citizen who intends to stay in Mauritius for a maximum period of one year as a tourist, retiree or a professional willing to come with his/her family and carry out his business or work remotely from Mauritius can apply for a Premium Travel Visa for Long Stays.

To qualify for the Premium Visa, the applicant should produce proof of his long stay plans and sufficient travel and health insurance for the initial period of stay while meeting the following criteria :

- the applicant should not enter the Mauritius Labour Market but may work remotely for a foreign employer ;
- the main place of business and source of income and profits should be outside Mauritius ;
- documentary evidence to support application such as purpose of visit, accommodation etc. ; and
- other basic immigration requirements.

### 3.2 Holding a Retired Non-Citizen Permit

A Retired Non-Citizen is defined as a person who is not a citizen of Mauritius and aged 50 years or above. The applicant should make an initial transfer of at least USD 1,500 or its equivalent in freely convertible foreign currency to his local bank account in Mauritius.

A holder of an occupation permit as professional may hold shares in a business where he is employed provided that he is not a majority shareholder.

Thereafter, the Retired Non-Citizen should transfer :

- at least USD 1,500 monthly or ;
- the aggregate of at least USD 18,000 per year or its equivalent in freely convertible foreign currency during the 10 years' validity of the residence permit.

At the end of each year, the applicant should submit to the EDB the evidence of transfer of funds into his local bank account of at least USD 18,000 during the year.

If the Retired Non-Citizen permit holder has transferred at least USD 54,000 or its equivalent in freely convertible foreign currency for a period of 3 years, he is eligible to apply for a 20-year Permanent Residence Permit.

### 3.3 Holding a Resident Permit as a Dependant

The Dependents of a Permit holder are eligible to apply for a Residence Permit. Dependents are defined as :

- spouse (including Common Law Partner of the opposite sex) ;
- parents ; and
- children (including stepchildren or lawfully adopted children) under 24 years old.

In case the dependent wishes to work in Mauritius, he will have to apply for the relevant permit.

### 3.4 Holding a 20-year Permanent Residence Permit

A 20-year Permanent Residence Permit may be granted to the following persons :

- The holder of an Occupation Permit - Investor for at least 3 years with a minimum annual gross income of at least MUR 15 million or an aggregate turnover of MUR 45 million for any consecutive period of 3 years.
- The holder of an Occupation Permit – Professional for at least 3 years with a basic monthly salary of at least MUR 150,000 for 3 consecutive years.
- The holder of an Occupation Permit - Self-Employed for at least 3 years with an annual business income of at least MUR 3 million for the 3 consecutive years.
- The holder of a Retired Non-Citizen Residence Permit for at least 3 years with transfer of at least USD 54,000 or its equivalent in freely convertible foreign currency for the period of 3 years.
- An investor who invests at least USD 375,000 in a qualifying business activity is also eligible to apply for the 20-year residence permit.

## 4 Work and live in Mauritius

Should you wish to work and settle down in Mauritius, various professional and investment projects are available to obtain an Occupation Permit.

### 4.1 Professional

A Professional, as defined under the Immigration Act, is an expatriate employed in Mauritius by virtue of a contract of employment.

You may be eligible for a 10-years Occupation Permit as Professional if you earn a monthly basic salary of at least MUR 60,000. For Professionals in the sector of information and communication technologies (ICT), business process outsourcing (BPO), pharmaceutical manufacturing and food processing, the monthly basic salary should be at least MUR 30,000.

Professionals may also apply for a Short-term Occupation Permit for a period not exceeding 9 months, renewable only once for a period not exceeding 3 months.

### 4.2 Self-employed

A Self-Employed is defined as a non-citizen engaged in a professional activity under the services sector only, registered with the Registrar of Businesses under the Business Registration Act 2002, and operating as a one-person business activity, working exclusively for his own account.

To be eligible to a 10-years Occupation Permit as Self-Employed, you should make an initial transfer of USD 35,000 or its equivalent in freely convertible foreign currency to your local bank account in Mauritius. For renewal, the business activity should generate a business income of 800,000 rupees per year as from the third year of registration.

### 4.3 Investor

An Investor, as defined under the Immigration Act, is a shareholder and director in a company incorporated in Mauritius under the Companies Act 2001.

You are eligible to apply for an Investor Permit if :

For a new business, an initial amount of USD 50,000 or its equivalent in freely convertible currency is transferred in the bank account of the company under which the application will be made.

For existing businesses and businesses inherited, the company has a net asset value of at least USD 50,000 or its equivalent in freely convertible foreign currency, and generates a cumulative turnover of at least 12 million rupees during the 3 years preceding the application.

An initial investment of USD 50,000 or its equivalent in freely convertible currency, of which a minimum transfer of at least USD 25,000 to the bank account of the company under which the application will be made and the equivalent of the remaining value in high technology machines and equipment.

2 Qualifying activities : Agro-based industry, Audio-visual, Cinema and Communication, Banking, Construction, Education, Environment-friendly and green energy products, Financial Services, Fisheries and Marine Resources, Freeport, Information Technology, Infrastructure, Insurance, Leisure, Manufacturing, Marina development, Tourism and Warehousing, Initial Public Offerings.

For renewal of an OP Investor, the company should generate a minimum gross income of MUR 4 million per year as from the third year of registration.



#### 4.4 Innovator

The applicant may be eligible for a 10-year Occupation Permit - Investor for innovative start-ups ("Innovator OP") if he submits to the EDB an innovative project that satisfies the following conditions (no minimum investment is required) :

- The business plan should clearly depict all expenditures related to R&D activities ;
- The scheme applies to companies conducting R&D in qualifying sectors including but not limited to life and health sciences, technology, ICT, fintech, biotechnology, nano technology, light manufacturing, pharmaceuticals and design ;
- The R&D expense component should constitute of at least 20% of total operational expenditure during the research phase ;
- The EDB will assess, on a case to case basis, each project on its own merit to determine its eligibility to the scheme.

It would be on the onus of the promoter to provide for precise, comprehensive and reliable information on its qualifying activities and the EDB reserves the right to accept or reject qualifying R&D expenditures based on sound interpretation of the innovative and added value aspects of the project.

Another route exists : the permit can be granted to the shareholder of a company registered with an incubator accredited with the Mauritius Research and Innovation Council.

## 5 Settle my wealth planning in Mauritius

Through the use of a trust or a foundation, it is often possible for family assets to be preserved over succeeding generations substantially free from taxation, probate requirements, succession laws, expropriation and foreign exchange controls.

Trusts have traditionally been used in by individual living in Common Law jurisdictions for Private Wealth Management compared to foundations which are preferred in Civils Laws jurisdictions.

There is no requirement in Mauritius to register trusts, thereby maintaining confidentiality. On the other hand, foundation has to be registered with the Registrar of Company.

Investors are increasingly confident to hold their international assets through Offshore Trusts set up in Mauritius. The last decade has witnessed a large number of Trusts being migrated from other traditional financial centres to Mauritius as well as new ones being set up. The reasons behind this surge in Mauritius Trusts include the high comfort level with the jurisdiction thanks to the robustness of the Mauritius financial centre and the range of skills available at competitive costs in the country.

The prime motivation for setting up a Trust and foundation remains Asset Protection. They also avoid the force heirship rules. Tax planning remains a key aspect of Trust as does Estate Planning. Continuity of ownership is also secured.





## 5.1 Trust

### Key features

- The Settlor is a person who provides trust property or makes a testamentary disposition on trust or to a trust
- The Settlor may also be appointed as a Protector to the Trust so that his consent be required for certain proposed acts by the Trustee.
- A Trustee is the legal owner of the assets held in trust and has to manage them
- Beneficiary is a person, whether natural or corporate, entitled to benefit under a trust, or in whose favour a power to distribute trust property may be exercised.

### Tax regime

- A trust with non-resident Settlers and Beneficiaries can elect to be non-resident for tax purposes in Mauritius. As a result, the Trust will be exempt from tax in Mauritius.
- A trust which does not qualify to be non-resident is taxable on its chargeable income at a rate of 15% per annum.
- A resident trust can benefit from the Mauritius tax treaty network.
- Distributions made by a trust (resident or non-resident) are exempted from tax in Mauritius.

## 5.2 Foundation

### Key features

- The founder possesses supervisory rights by law over the foundation and may ensure that the board observes the articles.
- Protector - the person or persons appointed in accordance with a charter and having such powers and duties as may be specified in the charter
- Charter - Constitutional documents of the foundation
- Council - Administer the property of the foundation

### Tax regime

- The Mauritian Foundation is exempt from income tax for a financial year if:
  - The Founder is non-resident or is a Global Business Companies ; and
  - All beneficiaries are non-resident or are Global Business Companies.
- Any distribution to a beneficiary of a Foundation shall be considered to be a dividend to the beneficiary.
- Dividends paid by a resident foundation is exempted from Income Tax in Mauritius.