



ENSIGHT

ENSafrica ENSight
6 February 2019

you are here: [home](#) > [news](#) > [ENSafrica ENSight](#)

FSC sheds some light on changes brought to the Mauritian global business sector

by **Xavier Koenig**

The Mauritian Government announced in its 2018-2019 budget speech major changes to be brought to the Mauritian Financial Services sector which were then confirmed within the enactment of the Finance (Miscellaneous Provisions) Act, 2018 on 9 August 2018. This was the result of intense pressure in recent years for Mauritius to align itself with global norms and transparency standards.

We previously reported that the Financial Services Act, 2007 (the “**Act**”) was amended so as to repeal the regime of Category 2 Global Business (subject to transitional provisions), with all Category 2 Global Business Licences lapsing on 30 June 2021 and no new applications for Category 2 Global Business Licences being entertained by the Financial Services Commission (“**FSC**”) as from 1 January 2019 (existing Category 2 Global Business Licences would have to surrender their licence and be converted to Authorised Companies). The regime of Category 1 Global Business was replaced by the Global Business Licence (a Category 1 Global Business Licence being valid on 30 June 2021, will, after 30 June 2021, be deemed to be a Global Business Licence).

Section 71(1) of the Act, which entered into force on 1 January 2019, provides as follows:

“Subject to this section and to section 71A, where the majority of shares or voting rights or the legal or beneficial interest in a **resident corporation**, other than a bank licensed by the Bank of Mauritius and such other corporation as may be specified in FSC Rules, are held or controlled, as the case may be, by a person who is not a citizen of Mauritius and such corporation proposes to conduct or conducts business principally outside Mauritius or with such category of persons as may be specified in FSC Rules, it shall apply to the Commission for a Global Business Licence. (...)

'resident corporation' means a company incorporated or registered under the Companies Act, a société or partnership registered in Mauritius, a trust or any other body of persons established under the laws of Mauritius.” (*our emphasis*)

We mentioned in our previous communication that the above could have impacted on the domestic company regime in Mauritius whereby non-citizens who were previously using Mauritius to carry out their offshore activities through a domestic company would arguably be required to apply to the FSC for a Global Business Licence with all the conditions of substance attached to it.

We are pleased to announce that the FSC has published new rules under section 71 and 93 of the Act to shed some light on this concept of “resident corporation” which provides that for the purposes of section 71(1) of the Act, the following specified resident corporations will not be required to apply for a Global Business Licence:

- a resident corporation incorporated or established on or before 31 December 2018 and which did not hold a Category 1 or Category 2 Global Business Licence on or before 31 December 2018;
- a resident corporation incorporated or established after 31 December 2018 and which has, among its investors or proposed investors, development financial institutions, multilateral agencies or sovereign funds, provided that the resident corporation has been granted an approval by the FSC on such terms and conditions as FSC thinks fit;
- a trust established under the Trust Act governed by the laws of Mauritius; or
- a foundation established or registered in Mauritius under the Foundations Act.

For more information, please contact:



Xavier Koenig

ENSafrica | Mauritius | executive

cell: +230 5745 9353



No information provided herein may in any way be construed as legal advice from ENSafrica and/or any of its personnel. Professional advice must be sought from ENSafrica before any action is taken based on the information provided herein, and consent must be obtained from ENSafrica before the information provided herein is reproduced in any way. ENSafrica disclaims any responsibility for positions taken without due consultation and/or information reproduced without due consent, and no person shall have any claim of any nature whatsoever arising out of, or in connection with, the information provided herein against ENSafrica and/or any of its personnel. Any values, such as currency (and their indicators), and/or dates provided herein are indicative and for information purposes only, and ENSafrica does not warrant the correctness, completeness or accuracy of the information provided herein in any way.



