

The Finance (Miscellaneous Provisions) Act 2018

The Finance (Miscellaneous Provisions) Bill 2018 was enacted on 31 July 2018. As announced in the budget speech, the Finance (Miscellaneous Provisions) Act 2018 (the 'Act') has brought a major revamping of the financial services sector.

Revamping of the Financial Services Sector

As stated in the budget speech, the Act confirms (i) the abolishment of GBC2 companies and (ii) that GBC1 Companies will be renamed as Global Business Corporations and Category 1 GBL will be renamed as Global Business Licence ('GBL').

The Financial Services Commission ('FSC') will cease to issue Category 2 GBL as from 1 January 2019. Companies holding a GBC2 Licence issued by the FSC prior to 16 October 2017 will be exempt from income tax until 30 June 2021. As for GBC2 Companies incorporated after 16 October 2017, they will be grandfathered until 31 December 2018.

GBC1/GBC2 Licence Issue Date	Grandfathering Period
On or before 16 October 2017	Grandfathered up to 30 June 2021
After 16 October 2017	Grandfathered up to 31 December 2018

After 31 December 2018 or 30 June 2021 as applicable, GBC2 licences will lapse and GBC2 companies will have the following options:

- (i) Convert into a Global Business Corporation by complying with the prescribed requirements of the GBL as issued by the FSC;
or
- (ii) Convert into an Authorised Company by applying for an authorisation from the FSC to be registered as an Authorised Company.

Introduction of the Authorised Company

Mauritian based companies and partnerships with majority shareholders being non-citizens and which conduct business mostly outside Mauritius and has its place of effective management outside Mauritius, will now be required to apply for an authorisation from the FSC to be registered as an Authorised Company through a duly appointed Management Company.

The Authorised Company will be treated as a non-resident for tax purposes in Mauritius, and will be required to file a return of income to the Mauritius Revenue Authority within 6 months of its year end.

In light of this key change, a number of legislations have been amended notably:

- Companies Act
- Financial Services Act
- Income Tax Act
- Securities Act

We shall update you once we have further information from the relevant authorities and rules, regulations and guidelines are published.

Disclaimer: The contents of this Newsflash has been solely sent to you to provide you with an oversight of the measures that have been contemplated and does not in any circumstance purport to be any investment, tax or legal advice. Professional advice should be sought before acting on the tenor of any of the information contained herein.

Should you require any further information, do not hesitate to contact us on:

legal@tripro.mu

(230) 464-0889

Tri-Pro Administrators Ltd | Level 5, Maeva Tower, Bank Street, Cybercity, Ebene, Mauritius