



2019 OECD Peer Review Results: No Harmful Tax Practices in Mauritius

The Organisation for Economic Cooperation and Development's ("OECD") Inclusive Framework on BEPS approved on 19 July 2019 the results of the review on the substance requirements for no or only nominal tax jurisdictions, as well as updates to the results of reviews of preferential tax regimes previously conducted as part of the "2018 Progress Report on Preferential Regimes".

As per the report released by the OECD, and which reviewed a wide spectrum of the Mauritius tax system as summarised in the table below, there are **no harmful tax practices in Mauritius**. The results of the OECD's review therefore recognise the efforts of our jurisdiction to align itself on the international best practices with regards to taxation and further cement Mauritius' status as an International Financial Centre of repute.

The report has also validated the new Global Business regime introduced last year and which encompassed the phased abolition of the Category 1 and Category 2 Global Business Companies regimes ("GBC1 and GBC2"), to be replaced by the GBC and the Authorised Company. The new partial exemption regime of 80% on certain types of income earned by resident corporations has also been reviewed and deemed compliant by the OECD.



Regimes Reviewed	Regime	Status	Comments
New Results on Preferential Regimes / IP Regimes	Innovation Box	Not Harmful (Amended)	Substance requirements (nexus approach) in place. No grandfathering provided.
IP regimes that are also reviewed as non-IP regimes	GBC1 and GBC2	Abolished	Grandfathering in accordance with FHTP timelines.
Headquarters Regimes	GBC1 and GBC2	Abolished	Grandfathering in accordance with FHTP timelines.
	Global Headquarters Administration	Not Harmful	No harmful features.
Financing and Leasing Regimes	Global Treasury Activities	Not Harmful	No harmful features.
Banking and Insurance Regimes	Captive insurance Not harmful (amended)	Substance requirements (non-IP) in place.	Grandfathering in accordance with FHTP timelines.
	Banks holding a banking licence under the Banking Act 2004 ('Segment B banking')	Abolished	Grandfathering in accordance with FHTP timelines.
	Banks holding a banking licence under the Banking Act 2004	Not Harmful	New regime, designed in compliance with FHTP standards.
	Investment banking	Not Harmful	No harmful features.
Distribution and Service Centre Regimes	Freeport zone	Out of scope (amended)	Benefits for income from geographically mobile activities removed. Grandfathering in accordance with FHTP timelines.
Shipping Regimes	Shipping Regime	Not Harmful	No harmful features
Miscellaneous Regimes	Partial Exemption System	Not Harmful	New regime, designed in compliance with FHTP standards.



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