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in creating value

MAURITIUS

Domestic
Company

MITCO
A member of Ciel Finance

A Domestic Company is registered with the Registrar of Companies and governed under the Companies Act 2001.

A domestic company can be set up for various activities, including Trading, Investment Holding, and Consulting Services amongst others.

The activities can be conducted with residents of Mauritius as well as with non-residents of Mauritius. However, where the Company is controlled by a non-citizen of Mauritius and conducts its business principally outside Mauritius, it will have to apply for a Global Business Licence.

Additionally, a domestic company is recognised as tax residence in Mauritius and can avail of the provisions of the double taxation treaty agreements signed by Mauritius.

Tax incentives

- Income tax rate of 15%
- For company engaged in export of goods¹, an income tax rate of 3 %
- An exemption regime of 80% on-
 - i. Foreign dividend, subject to the amount not allowed as deduction in source country
 - ii. Foreign source interest income
 - iii. Profit attributable to a permanent establishment of a resident company in a foreign country
 - iv. Foreign source income derived by a Collective Investment Scheme, Close End Funds, CIS manager, CIS administrator, Investment Adviser or Asset Manager licenced or approved by the FSC
 - v. Income derived by companies engaged in ship and aircraft leasing

¹ export of goods: includes international buying and selling of goods by an entity in its own name, whereby the shipment of such goods is made directly by the shipper in the original exporting country to the final importer in the importing country, without the goods being physically landed in Mauritius;

- No withholding tax on dividends declared by Domestic Company
- No capital gains tax in Mauritius in the event of disposal of investments
- No exchange control for transfer of capital and gains [to country (ies) of residence of shareholder (s)]

Some of the main features of a domestic company are:

STATUTORY

General information	
Type of Law	Hybrid
Corporate Social Responsibility (CSR)	2%
Double taxation treaty access	Yes
Stated Capital	
Currency	Mauritian Rupees
Minimum paid up Capital	No minimum requirements
Par value	Not allowed
Directors ²	
Resident Director	At least 1 director resident in Mauritius
Corporate Director	Not allowed
Shareholders	
Corporate and Individual shareholder	allowed
Individuals non-resident	Allowed up to 100% of shareholding
Company Secretary³	
Required	Yes
Registered Office	
In Mauritius	Yes
Constitution⁴	
Lead time for incorporation ⁵	Approximately 2 to 3 days

² MITCO can act as Resident Director

³ MITCO shall act as Company Secretary

⁴ Kindly note that unless specified, we shall adopt our standard constitution

⁵ Once all the documents have been received and ROC has no additional queries.

Financial Statements

- The board has to ensure that, within 6 months after the balance sheet date of the Company, the financial statements are registered with the Registrar of Companies (ROC).
- The Company shall present its Financial Statements in Mauritian Rupees, otherwise in another currency subject to ROC approval.
- A company whose annual turnover exceeds 20 million Mauritian Rupees shall file an Annual Return once a year.
- Audited Financial Statements are compulsory for a company having an annual turnover exceeding 50 million Mauritian Rupees.

TAX COMPLIANCE

Advance Payment System and Annual Tax declaration

Every company is required to file its annual tax declaration to the Mauritius Revenue Authority (MRA) not later than 6 months after its financial year end.

In addition to the Annual Tax Declaration (ATD), a company with an annual turnover of MUR 10 Million will have to submit a quarterly tax declaration 'Advance Payment System' (APS) to the MRA in the second year.

VALUE ADDED TAX (VAT)

VAT is a tax on goods and services and is chargeable on all taxable supplies of goods and services made in Mauritius by a taxable person. VAT is also payable on the import of goods into Mauritius, irrespective of whether the importer is a taxable person or not. The VAT rate is 15%.

VAT registration of a company is compulsory for any domestic company with a turnover exceeding MUR 6 Million or under certain specific activities.

Once a company is registered for VAT, a VAT return must be filed on a quarterly basis (or every month in case its annual turnover of taxable supplies exceeds MUR 10 million).

Corporate Social Responsibility (CSR)

Every domestic company (except an Integrated Resort Scheme Company) is required to contribute to a CSR Fund equivalent to 2% of its chargeable income of the preceeding year.

Tax deduction at Source ("TDS")

TDS is a system where the payer is required to deduct tax at the time the payment (for example: payment for Interest, Royalties, Rent, fees paid to architects, engineers, land surveyors, contractors etc.) is received by or credited to the account of the payee.

The deduction of TDS is an advance payment of taxes and would be offset against the annual income tax liability of the payee upon filing of its ATD.

Principal place of Business

A domestic company requires a Trade Licence from the Municipal Council/ District Council pertaining to the location of its principal place of business.

Data Protection

The objective of the Data Protection Act is to provide for the protection of the personal data of individuals. A domestic company must register a data controller with the Data Protection Office and pay an annual fee.

Main roles of MITCO Corporate Services Ltd

- To manage, provide secretarial, administration and accounting services to domestic companies
- To ensure compliance of the companies with all relevant authorities
- To ensure that the companies have all the relevant licences/permits for operations

- To guide and advise the clients on the best way to manage and administer their companies
- To keep the clients abreast of any changes/development in laws and regulations

HOW MITCO CAN HELP?

- Assistance for registration of the Company with ROC
- Act as Company Secretary
- Provision for resident directorship and registered office address
- Provision of company secretarial & administration and accounting services
- Assistance with the application and renewal of licence/ permit for operations
- Assistance with the recruitment process and payroll of professionals;

- Assistance in search of investments and financing;
- Assistance to find a physical office in Mauritius; and
- Assistance for application of occupation and residence permits for investors, employees and their dependents
- Assistance with any project in Mauritius; investment in residential and/commercial properties
- Assistance with expatriation to Mauritius
- Assistance for acquisition process of a commercial activity in Mauritius

Contact details

For more information, please contact:
The Business Development Team by email bd@mitcoworld.com or phone them on + 230 404 8000.

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