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## Mauritius Domestic Company

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Mauritius has carved a comfortable niche in the world of international financial services and built a strong name as a trustworthy, stable and reputable offshore jurisdiction. Its main objective is to position itself as an efficient economic bridge to important trade and investment flows within the region and beyond. The success of the offshore sector has been built primarily on the opportunities which Mauritius provides, such as its expanding tax treaty network, its strategic location and its membership to major regional trading block.

Mauritius provides a well established company infrastructure with tax advantages and access to Double Taxation Agreements. A Mauritius Domestic Company (hereinafter referred to as the Company) which may either be public or private, is resident in Mauritius and therefore liable to tax in Mauritius itself. Domestic Companies are governed by the Companies Act 2001 (the Act). The company shall be a small private company where the turnover is less than MUR 10 million and it is not a company holding a Category 1 Global Business License.

### Characteristics of a Mauritius Domestic Company

- The Company must have a name approved by the Registrar of Companies;
- May be limited by share, by guarantee, both by shares and guarantee. It may be an unlimited company, a foreign company, a limited life company, a one-person or a small private company;
- Open bank accounts in local and foreign currencies;
- Tax Residency Certificate (TRC) allows the company to claim double taxation relief under the various treaties signed by Mauritius;
- Submits annual tax returns and management accounts annually (The first annual tax returns and management accounts shall be submitted within 18 months of incorporation);
- Must submit audited accounts when turnover exceeds Rs30m pa;
- Foreign shareholders are allowed;
- Can trade with clients locally and abroad;
- May but need not have a constitution, will follow the provisions of the Act.

*Please note that the characteristics of a Mauritius Domestic Company may vary depending upon whether it is limited by shares, guarantee, unlimited, foreign, private, limited life or small private type company.*

## **The Purpose of a Mauritius Domestic Company**

A Mauritius Domestic Company can carry out any business activity provided it not against public interest and the Company holds the appropriate license for conducting such business. There is generally no obligation on the company to state its objects. In case the objects are specified, the company is limited to carrying on those objects.

## **Mobility**

- A company may transfer its seat in another jurisdiction. It may as such be removed from the register of companies for the purposes of becoming registered or incorporated under the law in force in, or in any part of, another country;
- A foreign company may establish a place of business in Mauritius or register a branch in Mauritius;
- A domestic Company may be converted to a Global Business Category 1 or 2 Company.

## **Taxation of a Mauritius Domestic Company**

- A Mauritius Domestic Company is resident in Mauritius and is taxable on income at a rate of 15% per annum.
- Must be VAT registered for specified services or where turnover exceeding Rs2m per annum.
- May be tax exempted on the enforceability of Double Taxation Agreements.
- Pays no capital gains tax and no withholding tax on payment of dividends, interests or royalties, no stamp duties and no inheritance tax are imposed in Mauritius.
- Is not subject to exchange control.

## **Requirements**

- Must have a name approved by the Registrar of Companies;
- A Mauritius Domestic Company requires a minimum of one Director resident in Mauritius.
- Must at all times have a registered office in Mauritius. Accounting records and statutory documents including register of members, share register and company records must be kept there.
- Must at all times have a qualified company secretary (corporate or individual) who is resident in Mauritius.
- The Company is required to lodge an annual return within 28 days of the date of the annual general meeting of the company. Where the matters required to be stated are unchanged from the last preceding annual return, the company may present a "No change Return" in which it is certified by the director or the secretary of the company that there is no change with respect to any of the matters stated from the last preceding annual return. A company may not make an annual return in the calendar year of its incorporation.
- The Company also has an obligation to prepare annual report in respect to the affairs of the Company and in the same line prepare the financial statements of the Company.

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### **La Tourelle Secretarial Services**

*Appointed to act as Secretary under the provisions of Section 164 of the Companies Act 2001*  
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