



# GUIDE TO GOING GLOBAL CORPORATE

*Mauritius*



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## INTRODUCTION

Welcome to the 2023 edition of DLA Piper's *Guide to Going Global – Corporate*.

### GUIDE TO GOING GLOBAL SERIES

To compete and be successful today, companies need to develop and scale their businesses globally. Each country presents its own set of unique laws, rules and regulations and business practices that companies must understand to be successful. In order to help clients meet the opportunities and challenges of expanding internationally, we have created a handy set of global guides that cover the basics companies need to know when going into and doing business in new countries. The *Guide to Going Global* series reviews business-relevant corporate, employment, intellectual property and technology, executive compensation, and tax laws in key jurisdictions around the world.

### CORPORATE

The *Guide to Going Global – Corporate* has been created based on our research, our experience and feedback we have received from clients in both established and emerging businesses that have expanded internationally. We hope it will be a helpful resource for you.

The *Guide to Going Global – Corporate* covers corporate basics in 54 key jurisdictions across the Americas, Asia Pacific, Europe and the Middle East. We touch on a wide range of corporate issues for companies expanding internationally, including establishing a corporate presence and choice of entity, liability considerations, tax presence and tax filings, capital requirements, the formation process, director, officer and shareholder requirements, registration processes, office lease processes and possible exit strategies.

With more than 600 lawyers, DLA Piper's global Corporate group is one of the largest in the world, with one of the widest geographical footprints of any global law firm and experience across the legal areas companies need as they expand internationally. With both global experience and local knowledge, we partner with our clients wherever they do business to find solutions and manage their risk in relation to their challenges and objectives.

While this guide provides high-level guidance, it is not a substitute for legal advice, and we encourage you to seek advice regarding the specific matters that concern you. If you wish to speak to any of our contributors, you may find their contact details at the end of the guide.

We hope you find this guide valuable, and we welcome your feedback.

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This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

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## MAURITIUS



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### FORM OF ENTITY

There are different types of entities to conduct business in or from Mauritius and the most common types are:

- Company limited by shares
- Company limited by guarantee
- Company limited by shares and by guarantee
- Unlimited company
- Foreign company
- Limited life company (constitutionally limited life not exceeding 50 years)
- Global Business corporation
- Authorized company
- Protected cell company
- Société
- Trust
- Foundations
- Limited liability partnerships and
- Variable capital company

Companies are categorized between private companies and public companies.

The most common type of company is the private company limited by shares which is governed by the Companies Act 2001 of Mauritius (the Companies Act).

Global Business Corporations, Authorized Companies and Protected Cell Companies are also governed by the Companies Act.

Any entity which proposes to conduct business outside of Mauritius must apply for a license (Global Business Corporation License or Authorized Company License) from the Financial Services Commission of Mauritius (FSC).

## ENTITY SET UP

### Limited Company

The limited liability company requires a minimum of 1 shareholder at incorporation of any nationality and country of residence, 1 director who must be ordinarily resident in Mauritius and a minimum of share capital of MUR 1. There are restrictions with regards to foreign ownership in the tourism, sugar and telecom industries.

The company is incorporated at the Registrar of Companies of Mauritius (Registrar of Companies). The application must contain the name of the registered office, the full name and address of each applicant, director and secretary of the company. There is a payment of MUR3,000 to make for the incorporation of a company.

A small private company (company which has a turnover of less than MUR50 million) is not required to appoint a secretary or auditor.

### Protected Cell Company

A protected cell company consists of a core (non-cellular) and an indefinite number of cells (cellular) whereby each cell is isolated from one another and operates separately. This allows for the segregation of risks, assets and liabilities of different individual and/or corporate entities under a shared structure. A protected cell company must have the words "PCC" or "Protected Cell Company" at the end of its name, with each cell having its own designation or name.

### Global Business Corporation

The Global Business Corporation can be set up with a minimum capital of USD 1, 1 shareholder and 2 directors who must be ordinarily resident in Mauritius. Additional evidence that the company is managed from Mauritius is also required to be shown to the FSC, such as having at all times its principal bank account in Mauritius and keeping and maintaining its accounting records at its registered office in Mauritius. The Global Business Corporation must be administered locally by a management company.

### Authorized Company

The Authorized Company can be set up with a minimum capital of USD 1, 1 shareholder and 1 director who does not need to be resident in Mauritius. The setting up of an authorized company requires a resident registered agent, which shall be the management company, and which is in charge of maintaining company records. It is mandatory for an authorized company to file a return of its income with the Mauritius Revenue Authority and it must conduct business and have its place of effective management and control outside of Mauritius.

## Limited Liability Partnerships

A limited liability partnership can be set up with a minimum of 2 partners who can both be non-residents. A minimum capital of USD1 is required per partner and, unless 1 of the partners is resident in Mauritius, every limited partnership shall at all times have and maintain in Mauritius a registered agent. The partnership must be registered with the Registrar of Limited Partnerships and if the partnership will conduct business outside of Mauritius, a license from the FSC is also required. The name of the limited partnership must end with the words “Limited Partnership,” “L.P.” or “LP.” The registered office of the limited partnership must be in Mauritius.

## Variable capital company

A variable capital company (VCC) is a company incorporated under the Companies Act and which carries its activities through its sub-funds and Special Purpose Vehicles (SPVs). A VCC must be authorized by the FSC as a VCC Fund pursuant to the Variable Capital Companies Act 2022 of Mauritius.

A VCC Fund which meets the criteria provided under section 71 of the Financial Services Act 2007 of Mauritius is required to hold a Global Business Licence from the FSC.

A sub-fund of a VCC Fund, subject to the approval of the FSC, operates as a Collective Investment Scheme (CIS) or a Closed-End Fund (CEF) of any category and may elect to have a separate legal personality from that of the VCC Fund. The FSC expects a VCC Fund to appoint the same company secretary (management company, in case it holds a Global Business Licence) for all of its incorporated sub-funds/SPVs.

## MINIMUM CAPITAL REQUIREMENT

For Global Business Corporations and Authorised Companies, the minimum capital requirement is USD1.

There is no minimum capital requirement for the PCC and for domestic companies. In practice, it will be of USD1 for PCC and MUR1 for domestic companies.

## LEGAL LIABILITY

In a company limited by shares, the liability of its shareholders is limited by its constitution to any amount unpaid on the shares respectively held by the shareholder.

In a company limited by guarantee, the liability of its members is limited by its constitution to such amount as the members may respectively undertake to contribute to the assets of the company in the event of its being wound up.

In an unlimited company, there is no limit placed on the liability of its shareholders.

## TAX PRESENCE

Companies incorporated in Mauritius are liable to pay income tax at the uniform rate of 15 percent. However, a Global Business Corporation is entitled to foreign tax credits and may opt to claim credit for actual tax paid in another jurisdiction, resulting in an effective tax rate of 3 percent, or 0 percent in certain circumstances.

A Global Business Corporation that is controlled and managed and is tax resident in Mauritius may, upon written approval from the Commissioner of Income Tax, benefit from tax relief from any of the double taxation treaties Mauritius has with other countries.

An Authorized Company is not considered as resident for tax purposes and therefore cannot claim double taxation relief under the double taxation treaties in force in Mauritius.

There is no withholding tax in Mauritius on capital gains, dividends or interest, nor any stamp duty levied.

## INCORPORATION PROCESS

The incorporation of a company is done by the Registrar of Companies by submitting an application online.

An application for incorporation is submitted to the Registrar of Companies with the name of the proposed company, specifying whether the liability of the company will be limited or unlimited, whether the company is to be private, the registered address, the name and address of the applicant, the director, the shareholder and secretary of the company.

There is a prescribed fee of MUR3,000 to pay and the company will then be assigned a company number and a certificate of incorporation.

For Global Business Corporations and Authorized Companies, the application for incorporation must be made through a management company licensed by the FSC. An application to the FSC must also be made to obtain the Global Business Corporation License or the Authorized Company License.

## BUSINESS RECOGNITION

Private companies limited by shares are well regarded and the most common type of company.

## SHAREHOLDER MEETING REQUIREMENTS

Within 18 months of its incorporation, a company must hold its 1st annual meeting.

The board of directors shall call an annual meeting of shareholders to be held not more than once in each year, not later than 6 months after the balance sheet date of the company and not later than 15 months after the previous annual meeting. It is not necessary for private companies to hold an annual meeting – everything can be done by written resolution.

The proceedings of the meeting of shareholders depends on the constitution of the company and if the company does not have a constitution, the provisions of the Companies Act will apply.

## BOARD OF DIRECTOR MEETING REQUIREMENTS

The proceedings of a board meeting will depend on the company's constitution, and, if the company does not have a constitution, then the Eighth Schedule of the Companies Act will apply to the proceedings of the board.

A director may convene a meeting by sending notice to every director who is in Mauritius, which must include the date, time and place of the meeting, and the matters to be discussed. The meeting can then either be held in person at the date, time and place stated in the notice, or by means of audio, or audio and visual, communication, provided that all the directors can simultaneously hear each other, and a quorum is present. A quorum can be fixed by the board, and if not so fixed will be a majority of the directors. No business may be transacted unless a quorum is present.

## ANNUAL COMPANY TAX RETURNS

Every company must file with the Registrar of Companies an annual return once a year. The annual return must be completed and filed with the Registrar of Companies within 28 days of the date of the annual meeting and must be signed by a director or secretary.

Global Business Corporations must respectively file their annual financial statements and financial summaries with the Financial Services Commission.

## BUSINESS REGISTRATION FILING REQUIREMENTS

Companies are required to submit their application for business registration at the office of Registrar of Businesses or online via its website.

The information required to be provided:

- Name of the company
- Company file number
- The business name
- The general nature of the business and its location
- Date or proposed date of commencement of business
- Address of the principal place of business
- Postal address
- Workforce of the applicant and
- Telephone number, fax number, email address.

The registration fee which is payable depends on the workforce.

A foreign company must, within 1 month of establishing a place of business in Mauritius, register a branch of the foreign company in Mauritius.



## BUSINESS EXPANSION

The Companies Act provides ways in which businesses can expand.

2 or more Mauritian companies may amalgamate and continue as 1 company, either as 1 of the amalgamating companies or as a new company. The solvency test should be satisfied following amalgamation and it should be in the best interest of the company.

Mergers and acquisitions of companies are also regulated in the Companies Act and the Securities Act 2005 of Mauritius. Acquisitions are usually accomplished by an acquisition of the share capital of the target company, pursuant to an offer of shares or cash made by an acquirer.

If the number of shareholders exceeds 50, then the private company must convert into a public company.

## EXIT STRATEGY

### Deregistration

If there are no liabilities and minimal assets. Application to deregister is lodged with the Registrar of Companies.

### Liquidation

If there are insolvent or significant assets or liabilities to be dealt with. A formal process involving the appointment of a liquidator, providing proof of debts, realizing assets, paying creditors and distributing any surplus to shareholders.

## ANNUAL CORPORATE MAINTENANCE REQUIREMENTS

All companies must maintain statutory books and records that adequately show the transactions and financial position of the company. All companies, except for small private companies with turnover of less than MUR100 million, must have their financial statements audited. These must then be provided to the Registrar.

Global Business Corporations and Authorized Companies are required to prepare and file annual audited financial statements/financial summaries with the FSC.

## DIRECTOR / OFFICER REQUIREMENTS

All companies, except for Authorized Companies as specified above, are required to have a minimum of 1 director who must be ordinarily resident in Mauritius.

Global Business Corporations are required to have at least 2 directors who are resident in Mauritius and board meetings must be held in Mauritius. This is to show that the business is being managed and controlled from Mauritius. There is no requirement to have a resident director for an Authorized Company.

For more information on directors' duties, see our [Global Guide to Directors' Duties](#).

## LOCAL CORPORATE SECRETARY REQUIREMENT

The Companies Act also requires all companies other than small private companies to have a secretary and to be ordinarily resident in Mauritius.

A Global Business Corporation must have a management company duly licensed by the FSC as secretary. There is no statutory requirement for an Authorized Company to have a secretary in Mauritius but it must at all times have a registered agent in Mauritius who shall be a management company.

## LOCAL LEGAL OR ADMIN REPRESENTATIVE REQUIREMENT

None beyond the required director(s) and company secretary/registered agent.

## LOCAL OFFICE LEASE REQUIREMENT

The companies are required to have a registered office in Mauritius to which all communications and notices may be addressed and which shall constitute the address for service of legal proceedings on the company. Global Business Corporations and Authorized Companies must also have the name and address of its management company or its registered agent as its registered office address.

## OTHER PHYSICAL PRESENCE REQUIREMENTS

Not applicable for this jurisdiction.

## SUFFICIENCY OF VIRTUAL OFFICE

Companies are required to have a registered office in Mauritius.

Foreign companies are also required to have a registered office in Mauritius to which all communications and notices may be addressed. The registered office must be open and accessible to the public for not less than 4 hours on every day other than Saturdays, Sundays and public holidays. A virtual office is not sufficient.

## PROVISION OF LOCAL REGISTERED ADDRESS BY LAW FIRM OR THIRD-PARTY SERVICE PROVIDER

Other than a small private company, local companies must at all times have a qualified company secretary who is resident in Mauritius. It can be either an individual or a corporate body. A law firm or a third-party service provider can also act as company secretary.

## PROVISION OF LOCAL DIRECTOR OR CORPORATE SECRETARY BY LAW FIRM OR THIRD-PARTY SERVICE PROVIDER

These services are provided by some law firms and there are third-party service providers which offer company secretarial services. For Global Business Corporations and Authorized Companies, the company secretary must be a management company duly licensed by the FSC.

## NATIONALITY OR RESIDENCY REQUIREMENTS FOR SHAREHOLDERS, DIRECTORS AND OFFICERS

### Private and public company

Subject to the sector of activity/industry in which the company is involved, a company incorporated in Mauritius can be 100 percent foreign-owned.

With respect to directors, at least 1 director should be ordinarily resident in Mauritius, unless it is an Authorized Company as specified above.

### Global Business Corporations

A Global Business Corporation can be 100 percent foreign-owned.

With respect to directors, at least 2 directors should be ordinarily resident in Mauritius.

### Authorized Companies

Shares can only be held by foreign entities/individuals.

## RESTRICTIONS REGARDING APPOINTMENT OF NOMINEE SHAREHOLDERS OR DIRECTORS

Not applicable for this jurisdiction.

## SUMMARY OF DIRECTOR'S, OFFICER'S AND SHAREHOLDER'S AUTHORITY AND LIMITATIONS THEREOF

According to the Companies Act, the business and affairs of a company is managed by or under the direction of the board. The company's constitution will usually give the directors authority to take all day-to-day decisions concerning the operations of the company.

The company's constitution may provide that certain decisions are taken only by the shareholders of the company. In addition, the Companies Act also provides that some powers of the company are only exercisable by its shareholders (such as putting the company into liquidation.)

## PUBLIC DISCLOSURE OF IDENTITY OF DIRECTORS, OFFICERS AND SHAREHOLDERS

Details of directors and shareholders are publicly available on the Registrar of Companies' website. For Global Business Corporations and Authorized Companies, only details of directors are available on the said website.

## MINIMUM AND MAXIMUM NUMBER OF DIRECTORS AND SHAREHOLDERS

### Private Companies

- Directors: minimum 1, no maximum; 2 directors required for a Global Business Corporation.
- Shareholders: minimum of 1, maximum of 50.

### Public Companies

- Directors: minimum of 1, no maximum with at least 1 woman as a board member; 2 directors are required for a Global Business Corporation.
- Shareholders: minimum of 50, no maximum.

## MINIMUM NUMBER OF SHAREHOLDERS REQUIRED

Minimum of 1 shareholder (individual or corporate) required and need not be resident in Mauritius.

## REMOVAL OF DIRECTORS OR OFFICERS

### Private company

Unless the constitution of the company provides otherwise, a special resolution is required to remove a director from office.

A resolution to remove a director can only be passed at a meeting called for the purpose that includes the removal of the director.

### Public company

The directors of a public company may be removed by an ordinary resolution; this is mandatory.

A resolution to remove a director can only be passed at a meeting called for the purpose that includes the removal of the director.

## REQUIRED AND OPTIONAL OFFICERS

Except for resident directors (1 for domestic companies and 2 for global business corporations) and for a company secretary (registered agent for an Authorized Company), there are no other obligations under Mauritius laws.

## BOARD MEETING REQUIREMENTS

A meeting of the board may be held by a number of the directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting.

A resolution of the board is passed if it is agreed to by all directors present without dissent or if a majority of the votes cast on it are in favor of it.

A majority of directors must be present at the meeting before a vote may be called and a company must keep minutes of all board meetings.

## QUORUM REQUIREMENTS FOR SHAREHOLDER AND BOARD MEETINGS

### Shareholders meetings

The quorum for a shareholders' meeting is the number of shareholders able to exercise a majority of votes (in person, postal or by proxy) on the business to be dealt with, unless the company's constitution specifies otherwise.

### Board meetings

A quorum consists of the majority of directors, unless the company's constitution provides otherwise.

A director who has a conflicting interest in the business of the meeting is counted for purposes of the quorum, unless the constitution prohibits this.

## MUST A BANK ACCOUNT BE OPENED PRIOR TO INCORPORATION, AND MUST THE BANK ACCOUNT BE LOCAL?

There is no requirement to open a bank account when registering a company in Mauritius.

However, there is a requirement for a Global Business Corporation to maintain, at all times, its principal bank account in Mauritius to show that the entity is managed and controlled from Mauritius.

## AUDITING OF LOCAL FINANCIALS. IF SO, MUST THE AUDITOR BE LOCATED IN LOCAL JURISDICTION, AND MUST THE COMPANY'S BOOKS BE KEPT LOCALLY?

## AUDITING OF LOCAL FINANCIALS

### Private and public companies

A company is required to appoint an auditor at each annual meeting.

The board of a company must, within six months after the balance sheet date of the company, complete financial statements in relation to the company in accordance with International Accounting Standards.

The financial statements must be filed with the Registrar of Companies within 28 days of the date the statements are signed, together with a copy of the auditor's report on those statements.

### Small private company

A small private company whose turnover does not exceed MUR100 million can file a financial summary or its financial statements and is not required to file an annual return.

### Global Business Corporations and Authorized Companies

A company holding a Global Business License must file its audited financial statements with the FSC every year, while an Authorized Company must file a financial summary with the FSC every year.

### Foreign company

A foreign company registered as a branch in Mauritius must file its balance sheet annually, together with any documents that are required to be filed in the country of incorporation of the foreign company.

## LOCATION OF THE AUDITOR

A person who is not ordinarily resident in Mauritius shall not be appointed or act as an auditor of a company.

## KEEPING OF COMPANY'S BOOKS

The company's accounting records shall be kept in Mauritius, except where the directors determine that the accounting records may be kept outside Mauritius.

A Global Business Corporation shall maintain at all times its accounting records at its registered office in Mauritius.

## REQUIREMENT REGARDING PAR VALUE OF STOCK

Any shares created or issued after the commencement of the Companies Act shall be shares with no par value.

With respect to a company applying for or holding a Global Business License or an Authorized Company or company applying as Authorized Company, shares at par value may be issued.

## INCREASING OF CAPITALIZATION IF NEEDED

There is no concept of authorized or maximum capital. Increased capitalization can occur at any time and must be authorized by ordinary resolution of directors or as otherwise determined by the Constitution of the company.

## **SUMMARY OF HOW FUNDS CAN BE REPATRIATED FROM YOUR JURISDICTION (IE DIVIDENDS OR REDEMPTION)**

Funds can be repatriated abroad from Mauritius via dividends or redemption. There is no withholding tax on dividends and interest. There are also no exchange controls in force in Mauritius and funds can be repatriated freely.

The Customs Act 1988 of Mauritius does not prohibit the transportation of currency or bearer negotiable instruments by any traveler into or out of Mauritius. However, any person making a physical cross-border transportation of currency or bearer negotiable instruments of more than MUR500,000 or its equivalent in any foreign currency must declare the amount of the currency or bearer negotiable instruments in their possession, their origin and intended use.

Failure or refusal to make this declaration or making a declaration that is false or misleading is an offence liable to a fine of not less than 20 percent of the whole amount which is the subject matter of the offense but not exceeding MUR2 million and imprisonment for a term not exceeding 5 years.

## **RESTRICTIONS ON TRANSFERABILITY OF SHARES**

### **Private company**

The Companies Act provides that any change in ownership of company shares should be subject to existing shareholders' pre-emptive rights, unless the company's constitution provides otherwise.

A private company's constitution may place other types of limitations on the transferability of shares.

Private company shares and debentures cannot be offered to the public.

### **Public company**

Public company shares are freely transferrable.

## **OBTAINING A NAME AND NAMING REQUIREMENTS**

In order to incorporate a company in Mauritius, a company name may be reserved with the Registrar of Companies before an application for incorporation is lodged.

Where the liability of the shareholders of a company is limited, the registered word "Limited" or the word "Limitée" or the name of the company shall end with the abbreviation "Ltd" or "Ltée."

Almost any name can be used, provided that it is not the same as, or similar to, another corporate name and that the use of the corporate name does not cause any confusion with or infringe on another company's name or trademark.

The use of certain words in the name of a company are prohibited unless you obtain the written consent of the ROC. These words include: Authority, Government, Mauritius, National, etc.

## **SUMMARY OF "KNOW YOUR CLIENT" REQUIREMENTS**

Know your client requirements (ie, anti-money laundering) apply to banks, law practitioners and law firms, management companies and other financial institutions in accordance with the Financial Intelligence and Anti-Money Laundering Act 2002 of Mauritius.

## **APPROVAL REQUIREMENTS FOR AMENDING CHARTER DOCUMENT**

A company may alter its constitution by special resolution (ie, passed by shareholders holding at least 75 percent of the voting shares).

Once a resolution amending a constitution has been passed, the board must give notice of the alteration to the Registrar of Companies within 14 days of the amendment.

## **LICENSES REQUIRED TO CONDUCT BUSINESS IN JURISDICTION**

Most licenses are industry-specific rather than company structure-specific.

A company conducting certain businesses activities in Mauritius (for example, construction, electronic communications, energy, financial services, mining, real estate and activities impacting environment) may require licenses or other forms of authorization.

Industry-specific laws and regulations apply to companies operating within certain industries – for example, the Banking Act 2004 of Mauritius and the Financial Services Act 2007 of Mauritius.

## **PROCESS OF PURCHASING AND UTILIZING A SHELF COMPANY**

Rarely used in Mauritius.

## **KEY CONTACTS**



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