



JURISTCONSULT
International Legal Services



HISTORY OF BUSINESS LAWS IN MAURITIUS

MARC HEIN SC, G.O.S.K., CHAIRMAN





History of Business Laws in Mauritius

- **Pre 1968:**
 - Colonial laws
- **Post 1968:**
 - i. The Constitution:
 - a. Protection of business,
 - b. Provide framework for Parliament to enact laws to promote & protect business,

c. laws passed to encourage development of:

- (i). Trade,
- (ii). Commerce,
- (iii). Agriculture,
- (iv). Industry,
- (v). Financial & corporate services, and
- (vi). Tourism & hospitality.

ii. Code Civil & Code de Commerce in force since 1809 and 1808 respectively provide for part of the framework for commerce & trade;

iii. The Export Processing Zone (EPZ) Act 1970 which helped to launch the industrialisation of Mauritius;

iv. In the field of industrial relations and labour laws, post-independence, came the Industrial Relations Act in 1973 after a period of serious industrial unrest. It remained in force until the enactment of the Employment Relations Act 2008. Also in 2008, the Employment Rights Act replaced the Labour Act 1975. A number of regulations supplement their laws;

v. Amendment to the Companies Act 1913 by the Companies Act 1984;

vi. The sugar cane industry became under the control of the Mauritius Sugar Authority in the 80s. There are a number of statutes and regulations in the field of sugar cane;

vii. New laws were also enacted to protect the environment. The latest legislations are The Environment Protection Act 2002;

viii. As regards the tourism industry, it also got its regulatory body through the Tourism Authority;

ix. Emergence of the offshore sector with the creation of the Mauritius Offshore Business Activities Authority 1992 (MOBAA);

x. Creation of the Stock Exchange of Mauritius by the Stock Exchange Act 1988;

xi. Enactment of the Offshore Trusts Act 1992;

xii. Enactment of the International Companies Act 1993 which allowed the incorporation of International Business Companies (IBC);

xiii. In 2001 the Financial Services Commission created by the Financial Services Act took over the MOBAA and the offshore sector was to become the global business sector.

The FSC has since been a pro-active regulator for non-banking financial services covering today global business, insurance, pensions and stock exchange;

xiv. On the other hand, Banks are regulated by the Bank of Mauritius created in 1967 whilst the latest Banking Act of 2004 governs the banking business;

FINANCIAL SERVICES

**FINANCIAL SERVICES
COMMISSION (FSC)**



**Non-Banking and
Financial Services**



- **Financial Services Act 2007**

**BANK OF MAURITIUS
(BOM)**



Banking Services



- **Bank of Mauritius Act 2004**
- **Banking Act 2004**

MAURITIUS AS AN INTERNATIONAL FINANCIAL CENTRE

- Mauritius has an elaborate regulatory framework with the Financial Services Commission (FSC) regulating non-banking services and the Bank of Mauritius.
- Legal structures: Category 1 or Category 2 Global Business License (GBL) which are two of the most popular entities, and are governed by the Financial Services Act 2007 and the Companies Act 2001.

CHALLENGES TO BUSINESS IN MAURITIUS

- The sugar cane sector;
- The environment sector;
- The tourism & hospitality;
- The real estate, IRS, RES & PDS

RECENT CHALLENGES TO GLOBAL BUSINESS IN MAURITIUS

- Amendment to the India-Mauritius Double Tax Treaty
- Automatic exchange of information
 - FATCA 2014
 - Common Reporting Standard (CRS) 2017
- BEPS proposals (Base Erosion Profit Shifting)
- Review of deemed foreign Tax Credit regime

Taxation Laws & Corporate Governance

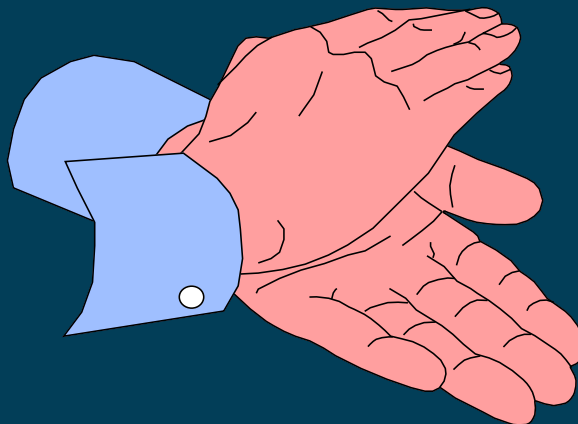
- On the taxation front, the Mauritius Revenue Authority (MRA) was created in 2004 with the aim of forming an effective and efficient revenue collection body. Value Added Tax (VAT) had been introduced by a new law in 1998;
- Corporate governance has been promoted by the adoption of a Code of Corporate Governance in 2003 which was updated later in 2016.

CONCLUSION

The growth of the global business sector is intertwined with that of the banking sector, of the accountancy & auditing firms, of the law firms and indeed of Management companies;

However, advent in the Fintech Industry has driven business in unknown directions. As such, our country now needs to innovate and keep pace with the global technological advancement.

Innovation is key but most of all, certainty in the laws governing us in the long term is essential to allow businesses to plan for the future.



Thank you.



JURISTCONSULT
International Legal Services

