



FABASA

“Business opportunities are like buses, there's always another one coming.”

Richard Branson

EXPLORING MAURITIUS AS A BUSINESS OPPORTUNITY

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FAMILY BUSINESS TIPS

Globalisation removed trade barriers between countries. The saying is: You have to Think Global and Act Local OR you have to Think Local and Act Global.

Moneyweb article:
REASONS FOR ENTREPRENEURS TO CONSIDER SETTING UP AN OFFSHORE BUSINESS.

Says Ciaran Ryan: “Hundreds of South African businesses have set up offshore companies in Mauritius – among other offshore jurisdictions – in recent years because of the business-

friendly environment and availability of professional skills.”

“In the past, Mauritius, like many other international financial centres, was seen as a soft spot for aggressive tax planning. That is no longer the case, neither in perception nor reality,” says Willem Badenhorst, Managing Director of Corporate Clients at Maitland.

The motivation and benefit of using offshore structures are less about tax planning and more about operational effi-

ciency and access to opportunities.

Additionally, companies setting up offshore structures want to limit the jurisdictional risk arising from issues such as corruption, governance, expropriation and nationalisation in emerging and frontier markets.”

The article lists some advantages to using Mauritius as a gateway to do business to doing business in Africa.

- Ease of doing business – The World Bank Doing Business

Report 2019 ranks Mauritius first in Africa (it is now ranked among the top 20 economies in the world in this category);

- Political stability – The Economist Intelligence Unit's Democracy Index 2018 ranks Mauritius first in Africa;
- Good governance – Mauritius is first in Africa in the Mo Ibrahim Foundation's 2018 Ibrahim Index of African Governance;
- Economic democracy – Mauritius ranks first in Africa in the Heritage Foundation's Index of Economic Freedom, and first in Africa in the Fraser Institute's Economic Freedom of the World Index

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is situated in Mauritius and is one of the service providers that can help you in the setting up and administration of your business, and advise you on the best option on how to optimise and grow your business.

They can also accompany you in relocating to Mauritius with your family.

Why Mauritius is the perfect jurisdiction for you to expand throughout Africa

Says Kevin Veerapen, Team Leader of Business Development at Sunibel: "Ranking first on some international indices,

including the ease of doing business and governance, Mauritius offers a business and investment-friendly environment to family businesses and investors. As an International Financial Centre of repute and substance, the country provides efficient and cost-effective structuring solutions to help you maximise the value of your company. By settling in Mauritius, you won't feel far from home; many South Africans have already relocated and are taking advantage of the benefits of doing business from the island,"

Situated 3,637 km from the northeast of South Africa, Mauritius is the ideal country for you to unlock new business opportunities throughout Africa. Indeed, many South Africans have moved to Mauritius, and use the jurisdiction to optimise their business. Why not set up or extend your family business in Mauritius while living there?

Why consider Mauritius to do business?

Mauritius is reputed for its political, economic and social stability, attracting both short-term and long-term investors.

The alluring business and regulatory environment of the island prompts family businesses and entrepreneurs to use Mauritius as a business hub.

Mauritius is a member of regional trade blocks, such as

the Common Market for Eastern and Southern Africa (COMESA) and the Southern Africa Development Community (SADC).

Setting up a company in Mauritius to better optimise your activities can help you benefit from the many advantages that the jurisdiction offers. The advantages of using Mauritius as a business hub include:

- 100% foreign ownership
- Mauritius ranks 13th globally for ease of doing business worldwide;
- A conducive platform for intercontinental and global investments;
- No exchange controls;
- Cost-effective company establishment and registered office costs;
- The country has DTAA's with countries across Africa, Europe and Asia which eradicate double taxation;
- Highly qualified and bilingual (English and French-speaking) professionals;
- One of the best countries for opening an offshore bank account in foreign currency;
- International Arbitration Centre;
- The hybrid legal system, merging the English Common Law and the French Civil law;
- Investment destination which guarantees asset protection; and

- Offshore businesses enjoy limited liability.

An interesting fiscal regime

With its business-friendly and investment-friendly ecosystem, Mauritius is among the preferred platform for doing business in Africa. As such, it boasts some attractive features enabling businesses to prosper concerning taxation. Some include:

- Corporate and personal tax rate of 15% (in some cases, corporate tax is at 3%);
- A strong network of Double Tax Avoidance Agreements (DTAAs) and Investment Promotion and Protection Agreements (IP-PAs);
- Tax holidays of up to 8 years for certain activities;
- No customs duty on selected equipment, machinery and furniture;
- No Capital Gains Tax, no property tax and no inheritance tax;
- No tax on dividends;
- Free repatriation of profits, dividends and capital; and
- Companies set up in Mauritius can benefit from an 80% partial exemption and are entitled to ask for a partial exemption of 80% on

specific income varieties (such as dividends from foreign sources, interest income, and ship/aircraft leasing), if they meet certain substance demands.

Mauritius is the ideal place to relocate with your family

Mauritius is not solely one of the best jurisdictions for doing business. Over the years, many South Africans have moved to the country with their families. There are more than 20,000 expatriates in Mauritius coming from various parts of the world. There are different types of permits that allow foreigners to relocate to, live and work in Mauritius. The holder of a Permit can relocate to the island with their children, spouse or parents as dependents. Another way of relocating to and establishing your fiscal residence in Mauritius is through the acquisition of a real estate property of at least USD 375,000.

Here are more reasons why you should consider relocating to Mauritius with your family:

- Modern healthcare facilities;

- Safe living environment;
- English and French-speaking population;
- A wide array of leisure activities with competitive prices;
- International schools (English and French-speaking);
- Warm climate all year-round;
- Transparent and compliant country;
- Blend of different cultures;
- Luxurious accommodations to choose from; and
- The best beaches in the Indian Ocean are in Mauritius.

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Note: FABASA is merely sharing information and does not promote any specific service provider