

TR 118

Facts

D is an individual intending to set up a company ("X") to be incorporated in Mauritius. The company will hold a Category 1 Global Business Licence and will do business with other Mauritius incorporated companies which hold GBC 1 Licence.

Point of Issue

Whether the income derived by "X" from the GBC 1 Companies will be classified as *"foreign source income"*?

Ruling

In the case of a corporation holding a Category 1 Global Business Licence under the Financial Services Act, *"foreign source income"* as defined in section 2 of the Income Tax Act means income which is not derived from Mauritius and includes *"income derived from its transactions with non-residents or corporations holding a Global Business Licence."*

On the facts provided, it is therefore confirmed that the income derived by "X" from business carried on with other Mauritius incorporated companies holding a GBL 1 Licence will be classified as foreign source income.