Facts

B Limited holds a GBC 2 licence issued by the Financial Services Commission under the Financial Services Act 2007. In accordance with the Act, no trade or activity is carried out within Mauritius, and all such activity of the company is based outside the country. The management and control of the company is exercised in Mauritius. The company has a registered agent in Mauritius, and the directors of the company are resident in Mauritius.

Points at Issue

1. whether the GBC 2 company will have any income tax obligations in Mauritius; and
2. whether in the above scenario which can also apply to a foreign-based (offshore) entity, i.e. not having any trading activity or a permanent establishment in Mauritius, the entity will have any income tax obligations.

Ruling

On the basis of facts given, it is confirmed that the GBC 2 company will have no income tax obligations in Mauritius in accordance with Item 19 of Part 1 of the Second Schedule to the Income Tax Act which gives an exemption status to all holders of GBC 2 licence holders.

As the second issue raised by you is based on an assumption, we regret to inform you that we are unable to give you a ruling on that issue.

However, you may wish to note that apart from a GBC 2 company, any company whose central management and control is being exercised from Mauritius is considered to be resident in Mauritius under the provisions of Section 73 (1)(b) of the Income Tax Act and is therefore liable to Mauritius income tax on its worldwide income.