

TR 213

Facts

Z is a company incorporated in Mauritius and holds a Global Business Licence. Z equally holds an Investment Adviser (Unrestricted) Licence issued by the Financial Services Commission (the “FSC”).

The principal activity of Z is to act as an Investment Advisor and authorized to manage, under a mandate, portfolios of securities and give advice on securities transactions through printed materials or any other means. Z will also facilitate partnerships, acquisitions and investments.

Points at issue

- i. Whether Z, by virtue of holding an Investment Adviser (Unrestricted) Licence from the FSC, will benefit from a tax exemption in respect of 80% of its income?
- ii. Whether the tax exemption applies to all income derived by Z or only to income covered by the Investment Adviser Licence?

Ruling

On the basis of facts mentioned above, it is confirmed that Z being holder of an Investment Adviser licence issued by the FSC will be eligible to claim the partial exemption as per item 41(a) of Sub-Part C of Part II of the Second Schedule to the Income Tax Act provided it carries out its core income generating activities relating to Investment Advisory services in Mauritius and it satisfies all the other prescribed conditions relating to the substance of its activities as laid down in Regulation 23D of the Income Tax Regulations 1996.

Where all the required conditions are met, the above exemption will apply only to income derived from investment advisory services offered by Z.