

TR 26

Facts

A resident company incorporated in Mauritius on 19 June 1998 hold an offshore certificate issued on 25 June 1998. The company continues to be governed by the Income Tax Act 1974 as it has not opted to be taxed under the Income Tax Act 1995.

Point at issue

Whether a Mauritian resident subscribing to Participating Shares of that company will be entitled to Investment Relief thereon pursuant to Section 36 of the Income Tax Act 1995.

Ruling

The company is governed by the Income Tax Act 1974 and it does not qualify as a tax incentive company. A Mauritian resident subscribing to shares in that company will therefore not be entitled to Investment Relief under Section 36 of the Income Tax Act 1995.