

TR 265

**Facts**

A is a domestic company incorporated on 17 September 2021.

The activities of A consist of fishing in Mauritian waters. A does not own any fishing vessels and does not have any technical and human resources to carry out fishing activities. It has only administrative staff.

As A has no technical resources, it engages the services of B to supply all technical, fishing vessels and human resources. B is incorporated and based in Samoa (a Polynesian island).

The shareholder of B is Mr D, who owns 60% of A.

The quantity and type of fish caught are declared to the Ministry of Blue Economy, Marine Resources and Shipping Fisheries, which issues an Export Authorisation and a Landing Authorisation.

The catch belonging to A is sold to B. An invoice is issued by A to B for all sales. Likewise, a debit note is received from B which covers the cost of fishermen and other resources supplied to A.

Only an insignificant quantity of fish is sold locally.

When the catch is on-boarded, a bill of lading is issued by the shipping agent to evidence shipment.

**Points at issue**

1. Whether the sale of fish by A to B qualifies as an export of goods ?
2. Whether A qualifies to pay income tax at 3% ?

**Ruling**

On the basis of the facts provided, it is ruled that:

1. the sale of fish by A to B does not qualify as an export of goods; and
2. A is liable to pay income tax at the rate of 15%.