

TR 34

Facts

A Mauritian citizen who is a Chartered Accountant returned to Mauritius after having spent more than 10 years abroad. She joined a Chartered Accountancy firm and worked there for some 15 months and afterwards took up employment in a company holding a Management Licence issued under Section 24(2) of the Financial Services Development Act 2001.

Point at issue

Whether the Mauritian citizen can be considered as a specified Mauritian employee as defined at Item 14(b)(i) of Part II of the Second Schedule to the Income Tax Act for the 50% tax exemption on emoluments.

Ruling (issued in January 2004)

The company licensed as a Management Company is not authorised to conduct any of the business activities referred to in Item 25 of Part IV of the First Schedule to the Income Tax

Act. Hence, the Mauritian citizen cannot be considered as a specified Mauritian employee and is therefore not entitled to the 50% tax exemption on emoluments.