

Table 1:

MAURITIUS DTA NETWORK - Maximum Rates of Withholding Tax

Year		Country	Dividends		Interest		Royalties	Capital Gains
<i>Signed</i>	<i>Ratified</i>		<i>Substantial interest</i>	<i>Portfolio</i>	<i>Banks</i>	<i>Others</i>		
28/09/04	28/01/05	Barbados	5%	5%	5%	5%	5%	(d)
04/07/95	28/01/99	Belgium	5%(b)	10%	Exempt	10%	Nil	(d)
26/09/95	13/03/96	Botswana	5%(a)	10%	12%	12%	12.5%	(d)
01/08/94	05/05/95	China	5% #	5% #	10%	10%	10%	(d)
06/09/02	10/08/03	Croatia	0% (e)	0% (e)	0% (e)	0% (e)	0% (e)	0%
21/01/00	12/06/00	Cyprus	0% (e)	0% (e)	0% (e)	0% (e)	0% (e)	(d)
11/12/80	17/09/82	France	5%(b)	15%	Exempt	(c)	15%	(d)
15/03/78	01/01/81	Germany	5%(a)	15%	Exempt	(c)	15%	(d)
24/08/82	11/06/85	India	5%(b) #	15% #	Exempt	(c)	15%	(d)
09/03/90	28/04/95	Italy	5%(a)	15%	(c)	(c)	15%	(d)
24/03/97	01/09/98	Kuwait	0% (e)	0% (e)	0% (e)	0% (e)	10%	(d)
29/08/97	09/09/04	Lesotho	10%	10%	10%	10%	10%	(d)
15/02/95	12/09/96	Luxembourg	5%(b)	10%	(e)	(e)	(e)	(d)
30/08/94	04/12/95	Madagascar	5%(a)	10%	10%	10%	5%	(d)
23/08/92	19/08/93	Malaysia	5%(b)	15%	15%	15%	15%	(d)
14/02/97	08/05/99	Mozambique	8%(a)	10%	Exempt	8%	5%	(d)
04/03/95	25/07/96	Namibia	5%(a)	10%	Exempt	5%	5%	(d)
03/08/99	10/11/99	Nepal	5% (h) 10% (b)	15%	10% (i)	15%	15%	(d)
30/03/98	20/07/98	Oman	0% (e)	0% (e)	0% (e)	0% (e)	0% (e)	(d)
03/09/94	19/05/95	Pakistan	10%	10%	10%	10%	12.5%	(d)*
30/07/01	14/04/03	Rwanda	0%	0%	0%	0%	0%	(d)
		Senegal	0% (e)	0% (e)	0% (e)	0% (e)	0% (e)	(d)
	21/06/05	Seychelles	0% (e)	0% (e)	0% (e)	0% (e)	0% (e)	(d)
19/08/95	07/06/96	Singapore	0% (e)	0% (e)	0% (e)	0% (e)	0% (e)	(d)
05/07/96	20/06/97	South Africa	5%(b) #	15% #	Exempt	Nil	Nil	(d)
12/03/96	02/05/97	Sri Lanka	10%(b)	15%	Exempt (g)	10%	10%	(d)
29/06/94	08/11/94	Swaziland	7.5%	7.5%	5%	5%	7.5%	(d)
23/04/92	21/12/92	Sweden	5%(b)	15%	Exempt	15%	15%	(d)
01/10/97	10/06/98	Thailand	10%	10%	10%	15%	5%-15%	(d)
12/02/08	10/05/08	Tunisia	0%(j)	0%(j)	2.5% (i)	2.5%	2.5%	(d)
19/09/03	21/07/04	Uganda	10%	10%	10%	10%	10%	(d)
11/02/81	26/10/87	U.K. (and Northern Ireland)	15%	15%	Exempt	(c)	15%	(d)
18/09/06	22/01/07	United Arab Emirates	0% (e)	0% (e)	0% (e)	0% (e)	0% (e)	(d)
06/03/92	05/11/92	Zimbabwe	10%(a)	20%	Exempt	10%	15%	(d)



Notes

- (a) Shareholding not less than 25%.
- (b) Shareholding not less than 10%.
- (c) Interest taxed in source country according to taxation laws of that country.
- (d) Generally taxable in the alienator's country of residence, except for the alienation of immovable property and immovable property forming part of the business property of a Permanent Establishment. Gains from alienation of ships or aircraft taxable in the state in which the place of effective management of the enterprise is situated.
- (e) Dividends / Interests / Royalties are taxable only in the recipient's country of residence.
- (f) Shareholding not less than 20%.
- (g) If the loan is from state-owned bank or institution.
- (h) Shareholding not less than 15%
- (i) Exempt if Government owned/controlled financial institution, otherwise limited to the rate in the table.
- (j) Taxable in none of the contracting states.
- # These are maximum rates of withholding tax on dividends applicable according to the DTA. Presently there is no withholding tax on dividends according to the laws of that state.
- * Arising on the sale of shares and other securities in Pakistan. Listed shares on the Stock Exchange are exempt up to the year ending 30 June 2007.

7 treaties **await ratification** with Bangladesh, Malawi, Nigeria, Russia, State of Qatar, Vietnam and Zambia.

5 treaties are **being negotiated** with : Canada, Czech Republic, Greece, Portugal, Republic of Iran, and Egypt.

Table 2:

A comparison of non-treaty versus treaty withholding tax rates on dividend

Country	Non-Treaty tax rate	Maximum withholding tax rate pursuant to Treaty (i.e., lower of domestic rate and treaty rate)	
		Substantial interest	Portfolio
Botswana	15%	5%(a)	10%
Lesotho	15% / 10% (for manufacturing companies only)	10%	10%
Madagascar		5%(a)	10%
Mozambique	20%	8%(a)	10%
Namibia	10%	5%(a)	10%
Rwanda	20%	0%	0%
Senegal	10%	0% (b)	0% (b)
Seychelles	15%	0% (b)	0% (b)
South Africa	0	0	0
Swaziland	15%	7.5%	7.5%
Uganda	15%	10%	10%
Zimbabwe	20%	10%(a)	20%

(a) Shareholding not less than 25%.

(b) Dividends / Interests / Royalties are taxable only in the recipient's country of residence.

Table 3.1:

LIST OF IPPAS

	Country	Date of Signature		Country	Date of Signature
1	Germany	25 May 71	16	Swaziland	15 May 2000
2	France	22 March 73	17	Zimbabwe	17 May 2000
3	United Kingdom	20 May 86	18	Benin	18 May 2001
4	China	04 May 96	19	Burundi	18 May 2001
5	Mozambique	14 February 97	20	Ghana	18 May 2001
6	Indonesia	05 March 97	21	Mauritania	18 May 2001
7	Pakistan	03 April 97	22	Tchad	18 May 2001

8	Portugal	12 December 97	23	Comoros	18 May 2001
9	South Africa	17 February 98	24	Guinea Republic	18 May 2001
10	India	04 September 98	25	Rwanda	30 July 2001
11	Switzerland	26 November 98	26	Cameroon	03 August 2001
12	Czech Republic	05 April 99	27	Senegal	14 March 2002
13	Nepal	03 August 99	28	Sweden	23 February 2004
14	Romania	20 January 2000	29	Madagascar	06 April 2004
15	Singapore	4 March 2000	30	Barbados	28 September 2004

IPPA awaiting signature: Chile, Korea, **Malawi**, **Turkey**, and Uganda.

Source: Mauritius Ministry of Foreign Affairs

Table 3.2:

COMESA member states:

 Burundi	 Comoros	 D.R. Congo	 Djibouti	 Egypt
 Eritrea	 Ethiopia	 Kenya	 Libya	 Madagascar
 Malawi	 Mauritius	 Rwanda	 Seychelles	 Sudan
 Swaziland	 Uganda	 Zambia	 Zimbabwe	

Source: Mauritius Ministry of Foreign Affairs

Table 4:

MAURITIUS – FACT SHEET

General Overview	
Location	<ul style="list-style-type: none"> Indian Ocean, 20°17' South and 57°33' East 2,000 km to the East of South Africa
Time Zone	<ul style="list-style-type: none"> GMT + 4 hours East Africa + 2 hours; West Africa + 4 hours
Population	<ul style="list-style-type: none"> 1.1 m inhabitants + about 1 m tourists each year
Capital	<ul style="list-style-type: none"> Port Louis
Language	<ul style="list-style-type: none"> Bi-lingual: English and French
Local currency	<ul style="list-style-type: none"> Mauritius Rupee
Political system	<ul style="list-style-type: none"> Former British Colony; Independent since 1968 and Republic since 1991 Democracy; West Ministerial Government
Legal system	<ul style="list-style-type: none"> Hybrid

Main sectors	<ul style="list-style-type: none"> Tourism, Financial Services
Average salary of an accountant	<ul style="list-style-type: none"> US\$16,000 per annum
Tax	
Corporate Income Tax	<ul style="list-style-type: none"> Headline tax rate: 15%; But maximum effective rate is 3% 15% on chargeable income less foreign tax credit; if proof of foreign taxes cannot be provided, claim is allowed for a deemed tax credit of 80% of Mauritius tax payable. Consequently the maximum effective rate is 3%
Tax treaties	<ul style="list-style-type: none"> Yes, with 34 countries. All treaties give taxing rights of capital gains to country of residence of alienator
Capital gains	<ul style="list-style-type: none"> Tax exempt income in Mauritius
Tax sparing relief	<ul style="list-style-type: none"> Allowable under domestic law
Share Capital	
Permitted capital	<ul style="list-style-type: none"> Any amount; Non Mauritius Rupee denominated
Type of shares	<ul style="list-style-type: none"> Different classes of shares can be issued and rights of the different classes may differ Shares can be of par value or no par value shares Shares may be redeemable, non-voting or confer preferential, special or limited rights to income, capital or voting as specified in the bye-laws (constitution)
Directors	
Local Director	<ul style="list-style-type: none"> Minimum: 2 for Global Business Companies
Board meetings	<ul style="list-style-type: none"> Held, chaired and minuted in Mauritius; Telephonic meetings allowed
Accounts	
Audit required	<ul style="list-style-type: none"> Yes
Local auditor	<ul style="list-style-type: none"> Yes
Filing of accounts with Authorities	<ul style="list-style-type: none"> Yes
Public access to accounts	<ul style="list-style-type: none"> No

Confidentiality	
Notify Authorities for each share allotment	<ul style="list-style-type: none"> Generally: Yes; Open ended entities: No
Nominee shareholder can be used	<ul style="list-style-type: none"> Yes
Beneficial ownership disclosed to Authorities	<ul style="list-style-type: none"> Special purpose vehicle: Yes, to the FSC Funds: Only identity of fund manager/promoter disclosed to the FSC; However the FSC may request for information on investors, if necessary (in practice the FSC will do so only if there is reason to suspect the investor) Information confidentially kept
Exchange of information	<ul style="list-style-type: none"> Strict confidentiality is enshrined in the Law No disclosures shall be made by the FSC to any court, tribunal, committee of enquiry or other authority in Mauritius or elsewhere except on a court order made only if the court is satisfied that the confidential information is bona fide required for the purpose of any enquiry or trial into, or relating to, the trafficking of narcotics, drugs, arms trafficking or money laundering The powers of the FSC to transmit information have been extended to include disclosure to foreign supervisory agencies – applies only with respect to financial services providers only and not to private holdings / special purpose vehicles

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