

Mauritius

Mauritius has met all aspects of the terms of reference (OECD, 2017^[3]) (ToR) for the calendar year 2019 (year in review) and no recommendations are made.

Mauritius can legally issue three types of rulings within the scope of the transparency framework.

In practice, Mauritius issued rulings within the scope of the transparency framework as follows:

- 20 past rulings;
- For the period 1 September 2017 - 31 December 2017: no future rulings;
- For the calendar year 2018: one future ruling, and
- For the year in review: no future rulings.

Mauritius publishes taxpayer specific rulings in redacted form.¹

No peer input was received in respect of the exchanges of information on rulings received from Mauritius.

A. The information gathering process

732. Mauritius can legally issue the following three types of rulings within the scope of the transparency framework: (i) preferential regimes;² (ii) cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; and (iii) permanent establishment rulings.

733. For Mauritius, past rulings are any tax rulings within scope that are issued either: (i) on or after 1 January 2015 but before 1 September 2017; and (ii) on or after 1 January 2012 but before 1 January 2015, provided they were still in effect as at 1 January 2015. Future rulings are any tax rulings within scope that are issued on or after 1 September 2017.

734. In the prior years' peer review reports, it was determined that Mauritius' undertakings to identify past and future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. In addition, it was determined that Mauritius' review and supervision mechanism was sufficient to meet the minimum standard. Mauritius' implementation remains unchanged, and therefore continues to meet the minimum standard.

735. Mauritius has met all of the ToR for the information gathering process and no recommendations are made.

B. The exchange of information

736. In the prior years' peer review reports, it was determined that Mauritius' process for the completion and exchange of templates were sufficient to meet the minimum standard. With respect to past rulings, no further action was required. Mauritius' implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

737. Mauritius has international agreements permitting spontaneous exchange of information, including being a party to the (i) *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[4]) ("the Convention") and (ii) bilateral agreements in force with 45 jurisdictions.³

738. As Mauritius did not issue any rulings in scope of the transparency framework in the relevant period, Mauritius was not required to exchange any information on rulings in the year in review and no data on the timeliness of exchanges can be reported. The table on statistics below relates to exchanges on the IP regime, which were required to be conducted notwithstanding that no ruling was issued.

739. Mauritius has the necessary legal basis for spontaneous exchange of information, a process for completing the templates in a timely way and has completed all exchanges. Mauritius has met all of the ToR for the exchange of information process and no recommendations are made.

C. Statistics (ToR IV)

740. The statistics for the year in review are as follows:

| Category of ruling | Number of exchanges | Jurisdictions exchanged with |
|---|---------------------|------------------------------|
| Ruling related to a preferential regime | 0 | N/A |
| Cross-border unilateral advance pricing agreements (APAs) and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles | 0 | N/A |

| | | |
|--|--------------------------------|-----|
| Permanent establishment rulings | 0 | N/A |
| <i>De minimis</i> rule | 3 | N/A |
| IP regimes: total exchanges on taxpayers benefitting from the third category of IP assets, new entrants benefitting from grandfathered IP regimes; and taxpayers making use of the option to treat the nexus ratio as a rebuttable presumption | <i>De minimis</i> rule applies | N/A |
| Total | 3 | |

D. Matters related to intellectual property regimes (ToR I.4.1.3)

741. Mauritius offered two intellectual property regimes (IP regime)⁴ that are abolished as of 1 July 2018 and are subject to transparency requirements under the Action 5 Report (OECD, 2015^[1]). It states that the identification of the benefitting taxpayers will occur as follows:

- ***New entrants benefitting from the grandfathered IP regime:*** In the prior year peer review report, it was determined that Mauritius' process for identifying and exchanging information on new entrants to the grandfathered IP regime were sufficient to meet the minimum standard. Mauritius' implementation in this regard remains unchanged and therefore continues to meet the minimum standard.
During the year in review, Mauritius has identified one existing taxpayer that was benefitting from grandfathering with new IP assets and exchanged information on this taxpayer with three jurisdictions. Mauritius confirms that it has now completed the identification and exchange of all new entrants to the grandfathered IP regime.
- ***Third category of IP assets:*** not applicable as the IP regimes have been abolished.
- ***Taxpayers making use of the option to treat the nexus ratio as a rebuttable presumption:*** not applicable as the IP regimes have been abolished.

742. In addition, Mauritius offers an IP regime⁵ that is subject to the transparency requirements under the Action 5 Report (OECD, 2015^[1]). It states that the identification of the benefitting taxpayers will occur as follows:

- ***New entrants benefitting from the grandfathered IP regime:*** as this is a new IP regime rather than a grandfathered IP regime, transparency on new entrants is not relevant.
- ***Third category of IP assets:*** the regime provides benefits to the third category of IP assets. All taxpayers benefitting from the IP regime should self-identify this in the tax return, which includes a separate box for the third category of IP assets. Only taxpayers with a certificate for the third category of IP assets issued by the Mauritius Research and Innovation Council are eligible. The Research and Innovation Council is still in the process of finalising its certification application process. However, to date, no taxpayer has approached the Council for certification and as such, Mauritius confirms that no taxpayer has benefitted from the third category of IP assets. Once the certification application process is finalised, there will be a co-operation mechanism put in place with the Mauritius Revenue Authority to ensure that any taxpayer's claims to benefit from the third category of assets are verified.
- ***Taxpayers making use of the option to treat the nexus ratio as a rebuttable presumption:*** not applicable as the regime does not allow the nexus ratio to be treated as a rebuttable presumption.

Summary of recommendations on implementation of the transparency framework

| Aspect of implementation of the transparency framework that should be improved | Recommendation for improvement |
|--|--------------------------------|
| | No recommendations are made. |

References

- OECD (2017), *BEPS Action 5 on Harmful Tax Practices - Terms of Reference and Methodology for the Conduct of the Peer Reviews of the Action 5 Transparency Framework*, OECD Publishing, Paris, <http://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>. [3]
- OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264241190-en>. [1]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264115606-en>. [4]

Notes

¹ Available at: <http://www.mra.mu/index.php/media-centre/rulings/income-tax-rulings>.

² With respect to the following preferential regimes: 1) Global business license 1, 2) Global business license 2, 3) Global headquarters administration regime, 4) Global treasury activities, 5) Captive insurances, 6) Segment B banking, 7) Investment banking, 8) Freeport zone, 9) Shipping regime, 10) Innovation box and 11) Partial exemption system.

³ Parties to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Mauritius also has bilateral agreements in force with Bangladesh, Barbados, Belgium, Botswana, Cabo Verde, China (People's Republic of), Congo, Croatia, Cyprus, France, Germany, Ghana, Guernsey, India, Italy, Jersey, Kuwait, Latvia, Lesotho, Luxembourg, Madagascar, Malaysia, Malta, Monaco, Mozambique, Namibia, Nepal, Oman, Pakistan, Qatar, Rwanda, Senegal, Seychelles, Singapore, South Africa, Sri Lanka, Swaziland, Sweden, Thailand, Tunisia, Uganda, United Arab Emirates, United Kingdom, Zambia and Zimbabwe. In addition, Mauritius' TIEA with the United States permits for the spontaneous exchange of information.

⁴ These regimes are: 1) Global business licence 1 and 2) Global business licence 2.

⁵ Innovation box.



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