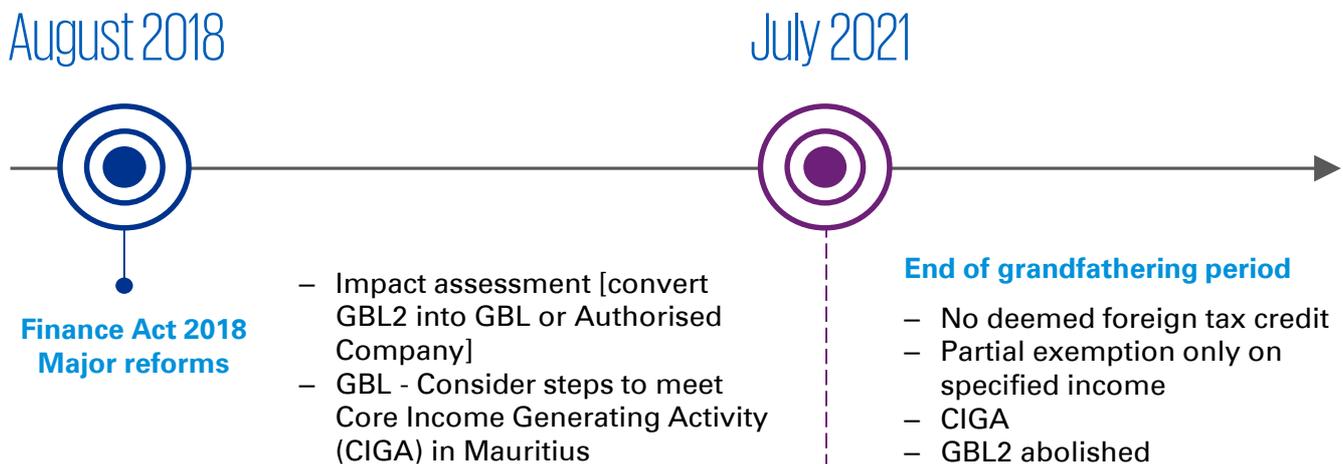


## Global Business Sector Reforms: Are you ready for 1 July 2021?

Important changes brought by Finance Act 2018 to the global business regime will take effect as from 1 July 2021. A timeline which depicts the main changes and their effective dates is as follows:



### Abolition of Category 2 Global Business Licence (“GBL2”)

Companies issued with a GBL2 on or before 16 October 2017 will have to either convert into a Global Business Licence (GBL) Company or an Authorised Company by 30 June 2021.

### New substance requirements

Companies issued with the GBL (previously called category 1 Global Business Licence) on or prior to 16 October 2017 will, as from 1 July 2021, have to carry out their CIGA in or from Mauritius.

### Other key changes

- Meeting the new substance requirements is essential for a company to be eligible for the 80% partial tax exemption
- Tax returns have been amended to assist the local tax authority to determine whether the newly introduced substance requirements are met, which include:
  - the CIGA of the company being carried out in or from Mauritius;
  - employing a reasonable number of suitably qualified persons to carry out the core activities;
  - having a minimum level of expenditure proportionate to the company’s level of activities; and
  - being centrally managed and controlled in Mauritius.

## How can KPMG assist you?

- Impact assessment on your current structure when converting into an Authorised Company or Global Business Company as well as recommending tax efficient alternative structures; and
- Assess whether you meet the new substance requirements.

## Contact Us

We hope you find this tax alert useful. Feel free to contact us if you have any question.



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This document is based on our interpretation of the current income tax law and international tax principles. These principles are subject to change occasioned by future legislative amendments and court decisions. You are therefore cautioned to keep abreast of such developments and are most welcome to consult us for this purpose.

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