

CIRCULAR LETTER

CL300921

(issued under section 7(1)(a) of the Financial Services Act 2007)

30 September 2021

1. This Circular Letter replaces the Circular Letter CL120717.
2. In October 2016, the Second Schedule of the Income Tax Act (“ITA”) provided for a 5-year tax holiday for employees of certain licensees of the Financial Services Commission, Mauritius (“the Commission”) who manage an asset base of not less than USD 100 million to be issued with the following Certificates from the Commission:
 - (i) An Asset Manager Certificate;
 - (ii) A Fund Manager Certificate; or
 - (iii) An Asset and Fund Manager Certificate.
3. In August 2021, the Second Schedule of the ITA has been amended to increase the duration of the tax holiday to a 10-year period and reduce the value of assets being managed to a minimum of USD 50 million.
4. In light of the above amendments, the Commission will continue to issue the Certificates to officers approved under Section 24 of the Financial Services Act 2007 (“FSA 2007”) and employed by CIS Managers and Assets Management Companies (holders of an Assets Management Licence issued by the Commission under Section 14 of the FSA 2007), provided they satisfy the following conditions:
 - (i) The officer must be resident in Mauritius: “resident” has the same meaning as in the ITA;
 - (ii) The asset base being managed by the officer must not be less than USD 50 million at all times as per the ITA; and
 - (iii) The employer of the officer must submit a declaration to the Commission signed by two directors, to the effect that the officer has managed an asset base of not less than USD 50 million.

5. Only one officer, designated by the employer and responsible for managing an asset base of not less than USD 50 million at all times, will be eligible to apply for the Certificate. In the case of a Fund Manager Certificate, the officer must be managing a fund with an asset base of not less than USD 50 million to be eligible to apply for the Certificate.
6. The Certificate will be issued by the Commission to the officer on an annual basis, subject to the officer continuing to satisfy the above criteria.
7. Although the Certificate remains valid for the period, in the case where the asset base falls below USD 50 million, the employer of the officer is required to forthwith communicate it to the Tax Authorities of Mauritius as the income tax exemption will lapse.
8. As a result, Pay As You Earn (PAYE) will be applicable on the emoluments of the officer managing that asset.
9. At the end of an income year (01 July to 30 June), for income tax purposes, the employer must provide the officer a statement for the income year showing the period during which the officer has managed the asset with full particulars of the asset, monthly asset base value, the amount of emoluments paid to the officer for managing such asset base and any tax which has been withheld as PAYE.

Signed by Mr Dhanesswurnath Thakoor, Chief Executive, on 30 September 2021

**Financial Services Commission
FSC House, 54 Cybercity
Ebene, 72201 Mauritius
T: (+230) 403-7000 F: (+230) 467-7172
E: fscmauritius@intnet.mu
www.fscmauritius.org**