



FREQUENTLY ASKED QUESTIONS ('FAQs')

Management and Control of Category 2 Global Business Company

1. **Can a Mauritian resident hold shares directly/indirectly in a Category 2 Global Business Company ('GBC2')?**

No. However, where a Mauritian resident proposes to hold shares in a GBC2, the latter shall be required to demonstrate to the Financial Services Commission, Mauritius ('FSC Mauritius') that the Mauritian resident does not hold any 'management and control' in that GBC2.

In addition, the FSC Mauritius may also have regards to whether the group structure of the GBC2 is creating 'economic substance' in Mauritius.

2. **Can a GBC2 be held by a Category 1 Global Business Company ('GBC1')?**

Yes, a GBC2 can be held by a GBC1 provided that, at any point in time, the shareholders of the GBC1 do not include a Mauritian resident which has 'management and control' in the GBC1.

3. **What will the FSC Mauritius consider as 'management and control' in Mauritius by a GBC2?**

A GBC2 will be considered as being **managed and controlled** in Mauritius, if decision-making takes place in Mauritius and the resident shareholder(s) of the GBC2 is/are a 'controller' in relation to the corporation.

In this respect, 'controller' has the same meaning as in Section 2 of the Financial Services Act 2007 (FSA).

4. What will the FSC Mauritius consider as ‘economic substance’ in Mauritius in respect of question 1 above?

For the purpose of increasing substance, a Mauritian resident may be allowed to hold shares in a GBC2 if it can demonstrate that the overall group structure has strong economic impact in Mauritius. For instance, the FSC Mauritius will consider, whether the proposal will generate revenue in Mauritius; whether the proposal is likely to create employment in Mauritius; or the impact of the proposal on the development of the country.

5. Can a Mauritian national (not resident in Mauritius) hold shares in/ be the beneficial owner of a GBC2?

Yes. However, should the shareholder/ beneficial owner change his/her residence status to Mauritius, the latter should inform the FSC Mauritius of the change. The FSC Mauritius will then re-assess the company’s eligibility to hold a Category 2 Global Business Licence.

***Financial Services Commission
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FSC House, 54 Cybercity, Ebene, Republic of Mauritius
Tel: (230) 403 7000 Fax: (230) 467 7172
E-mail: fscmauritus@intnet.mu, Website: www.fscmauritus.org