



Financial Services Commission  
Mauritius

## Fact Sheet Global Business

- **Global Business in Mauritius**

Global Business (GB) is a regime available in Mauritius for resident corporations proposing to conduct business outside Mauritius. GB is regulated by the Financial Services Commission (FSC) under S71 (1) of the [Financial Services Act 2007 \(FSA\)](#). There are 2 categories of Global Business Licences:

- 1) Category 1 Global Business (GBC1) Licence; and
- 2) Category 2 Global Business (GBC2) Licence

- **Eligibility for a Global Business Licence (GBL)**

To operate in the GB sector, the following requirements need to be fulfilled:

- a. **As per S71 (1) FSA, applicants for a GBL need to be a “resident corporation”:**

- i. For GBC1 companies, under S71(7) of the FSA, “resident corporation” means a company incorporated or registered under the Companies Act, a société or partnership registered in Mauritius, a trust, or any other body of persons governed by the laws of Mauritius.

The Mauritian laws also allow other types of body of persons to be established; namely foundations under the Foundation Act and limited partnerships under the Limited Partnership Act.

- ii. For GBC2 companies, under S71 (3) of the FSA, a “resident corporation” shall be a private company.

**b. Conduct of Business**

A “resident corporation” conducting business outside of Mauritius **may** opt to operate under the GB regime.

A company applying for a GB Licence must pass the ultimate business purpose test which assesses whether the applicant will be conducting business outside Mauritius. In applying this test to an application for a GBL, the FSC assesses whether the ultimate purpose of the applicant’s proposed activity is an investment to be made or a service to be provided outside Mauritius.

**c. Management & Control**

Pursuant to S71 (4) (b) of the FSA, in determining whether the conduct of business is being managed and controlled from Mauritius, the FSC may, as it may deem relevant in the circumstances, and take into consideration whether the corporation:

- (i) shall have or has at least 2 directors, resident in Mauritius, of sufficient calibre to exercise independence of mind and judgement;
- (ii) shall maintain or maintains at all times its principal bank account in Mauritius;
- (iii) shall keep and maintain or keeps and maintains, at all times, its accounting records at its registered office in Mauritius;
- (iv) shall prepare, or proposes to prepare or prepares its statutory financial statements and causes or proposes to have such financial statements to be audited in Mauritius;
- and
- (v) shall provide or provides for meetings of directors

- Salient features of holders of Category 1 and Category 2 Global Business Licences

Features	CATEGORY 1 GLOBAL BUSINESS COMPANY (GBC1)	CATEGORY 2 GLOBAL BUSINESS COMPANY (GBC2)
<b>Corporate Directors</b>	Not Allowed	Corporate Directors allowed
<b>Dealing with Residents</b>	A GBC1 can also deal with resident subject to the approval of the FSC.	Dealings with residents <b>not</b> allowed
<b>Activities</b>	<p>Can only undertake activities set out in the Business Plan filed with the FSC at the time of application for a licence or as amended and notified to the FSC.</p> <p>As per the licensing conditions, the FSC shall be notified of amendments to the Business Plan or working principle.</p>	<p>May not engage in the following activities:</p> <ul style="list-style-type: none"> <li>Banking</li> <li>Financial services</li> <li>Carrying out the business of holding or managing or otherwise dealing with a collective investment fund or scheme as a professional functionary</li> <li>Providing of registered office facilities, nominee services, directorship services, secretarial services or other services for corporations; and</li> <li>Providing trusteeship services by way of business.</li> </ul>
<b>Licensing Conditions</b>	Licensing conditions depend on activity.	Standard licensing conditions.

Features	CATEGORY 1 GLOBAL BUSINESS COMPANY (GBC1)	CATEGORY 2 GLOBAL BUSINESS COMPANY (GBC2)
<b>Fees</b>	Fees for processing and licensing are applicable as per <a href="#">Financial Services (Consolidated Licensing and Fees) Rules 2008.</a>	Fees for processing and licensing are applicable as per <a href="#">Financial Services (Consolidated Licensing and Fees) Rules 2008.</a>
<b>Submission of financial statements</b>	Submission to FSC of Audited Financial Statements (AFS) required within 6 months of financial year end or 3 months for those holding certain types of financial services activity licence.	To file with FSC, financial summary within 6 months of financial year end.
<b>Financial Reporting Requirements</b>	<p>Pursuant to S30 (1) of the FSA, Audited Financial Statements (AFS) are required to be prepared in accordance with International Financial Reporting Standards (IFRS) or such internationally recognised accounting standards* as may be agreed by the FSC.</p> <p>* Refer to <a href="#">Circular Letter CL16042010</a></p> <p>The Financial Statements should be audited in accordance with International Standard on Auditing (ISA) by an auditor licensed by the Financial Reporting Council (FRC).</p>	<p>A financial summary as per the form in the Ninth Schedule to the Companies Act 2001.</p> <p>The financial summaries need not be audited.</p>
<b>Tax Certificate</b>	Taxable entity in Mauritius and as such, qualifies as a Tax Resident entity and may apply for Tax Residence Certificate.	Not taxable entity in Mauritius and consequently not entitled to Tax.

Features	CATEGORY 1 GLOBAL BUSINESS COMPANY (GBC1)	CATEGORY 2 GLOBAL BUSINESS COMPANY (GBC2)
	Certificate issued pursuant to DTAA's to which Mauritius is a party.	Not eligible for Tax Residence Certificate.
<b>Mauritian Resident with beneficial interest</b>	Mauritian resident may hold beneficial interest.	Mauritian resident may not hold beneficial interest.
<b>Holding shares in a Management Company</b>	May not hold shares in a Management Company.	May not hold shares in a Management Company.
<b>Holding Immovable Property</b>	May hold immovable property in Mauritius if appropriate approval has been obtained from the Prime Minister's Office pursuant to the Non-Citizens (Property Restrictions) Act 1975.	May not hold property in Mauritius.
<b>Holding of shares in another company with a GB licence</b>	May hold shares in a Category 2 Global Business Company except where shareholders or beneficial owners are Mauritian residents.	May hold shares in a Category 1 Global Business Company.

- **Operating a GB company**

Resident Corporations opting to be regulated as GB companies shall apply for a Global Business Licence through a Management Company (MC), which is licensed by the FSC under S77 of the FSA.

A MC is a service provider whose duty is to set up, manage and administer GB companies. A MC is, at all times, subject to the [Code on the Prevention of Money Laundering & Terrorist Financing](#) issued by the FSC in line with the recommendations of the Financial Action Task Force (FATF). Therefore as a licensee of the FSC, a MC, when first establishing a business relationship with an Applicant for Business as well as on an ongoing basis, is required to apply appropriate Customer Due Diligence measures to the business relationship, including identifying and verifying the identity of the Applicant for Business.

In processing the application, the FSC will screen, process and scrutinise it to ensure that the applicant is in compliance with the laws and regulations of Mauritius and that the proposed business activity is not unlawful, contrary to public interest and will not cause prejudice to the good repute of the Mauritian International Financial Centre.

Upon conclusion that the applicant is compliant with all the requirements of the legislative framework pertaining to the GB sector and with any best practice adopted by the FSC, the latter will issue the GB licence.

A holder of a GB licence, as per S71 (1) of the FSA, conducts business outside Mauritius. In this respect, where the conduct of the activity as proposed by a GB company is subject to any additional licence, authorisation, permission or consent (however described) whether under the laws of Mauritius or any other jurisdiction where the activity will be conducted, the GB company is required to seek the appropriate licence, authorisation, permission or consent (however described). This is an essential condition attached to the GB licence issued by the FSC.

- **Obligations of the holder of a GB Licence**

Once an applicant is granted a GB licence, it becomes a licensee of the FSC and as such, becomes subject to the Mauritian legislative framework, including the AML/CFT Code as well as any other Guidelines and Circulars issued by the FSC.

It is imperative to understand that there are licensing conditions attached to a GB licence issued by the FSC. In monitoring the conduct of business activities of its licensees, the FSC focuses, *inter alia*, on market conduct, anti-money laundering and combating the financing of terrorism measures taken, corporate governance principles implemented along with observance of international norms and standards.

Furthermore, a company holding a GBC1 licence and a licence to conduct an activity under any other relevant Acts<sup>1</sup> (referred to as an “activity licence”) is, in addition to the requirements of the GB regime, also subject to the requirements laid down in the relevant laws as detailed below.

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<sup>1</sup> The Financial Services Act, the Securities Act, the Insurance Act, the Trust Act, the Protected Cell Companies Act and the Private Pension Schemes Act

- **Activity Licence under a GBC1 licence**

Where the “resident corporation” proposes to carry out business activity for which a licence, authorisation, approval, or registration is required under any law, for instance, the [FSA](#), the [Securities Act 2005](#), the [Insurance Act 2005](#) or the [Private Pension Schemes Act 2012](#), it is required to apply and obtain same prior to starting operations.

The Financial Business Activities, per S2 of the Second Schedule of the FSA, for which an entity requires a license from FSC, include Asset Management, Credit Finance, Treasury Management, and Distribution of Financial Products. Given that the companies undertaking these activities are licensed under S14 of the FSA, they are often referred to as S14 companies.

In addition, Parts 2 and 3 of the Second Schedule of the FSA provide for Global Treasury Activities and Global Headquarters Administration respectively.

S29 and S30 of the Securities Act 2005 provide for licences as Investment Dealer and Investment Adviser. It is to be noted that the applicant can submit an application in any category of investment dealer and investment adviser as prescribed by the Securities (Licensing) Rules 2007. For these two types of licences, the applicant can only conduct business in ‘securities’ as defined in section 2 of the Securities Act 2005.

Code	Licence	Relevant Sections of the SA05
<b>SEC 2.1 A</b>	Investment Dealer (Full Service Dealer inc. Underwriting)	S 29
<b>SEC 2.1 B</b>	Investment Dealer (Full Service Dealer exc. Underwriting)	S 29
<b>SEC 2.2</b>	Investment Dealer (Broker)	S29
<b>SEC 2.3</b>	Investment Dealer (Discount Broker)	S 29
<b>SEC 2.4</b>	Investment Adviser (Unrestricted)	S 30
<b>SEC 2.5</b>	Investment Adviser (Restricted)	S 30

Under S97 of the Securities Act 2007 and as per Rule 3 of the Financial Services (Consolidated Licensing

and Fees) Rules 2008, a GBC1 may apply for the following authorisation: to operate as CIS or CEF.

<b>Code</b>	<b>Licence</b>	<b>Relevant Sections of the SA05</b>
<b>SEC-3.1A</b>	CIS (Single fund)	S97
<b>SEC-3.1Bv</b>	CIS (having more than 1 fund)	S97
<b>SEC-3.1Cv</b>	CIS (Protected Cell Company)	S97
<b>SEC-3.2A</b>	Closed-end fund (Single Fund)	S97
<b>SEC-3.2Bv</b>	Closed-end fund (having more than 1 fund)	S97
<b>SEC-3.2Cv</b>	Closed-end fund (Protected Cell Company)	S97

Under S98 of the Securities Act 2005, a GBC1 may apply for a CIS Manager Licence to engage in the management of CIS or CEF.

<b>Code</b>	<b>Licence</b>	<b>Relevant Sections of the SA05</b>
<b>SEC-4.2</b>	CIS Manager	S98

Under S11 and S70 of the Insurance Act 2005 a GB Company may undertake the following activities:

<b>Code</b>	<b>Licence</b>	<b>Relevant Sections of the IA05</b>
<b>INS 1.1</b>	Long Term Insurance Business	S11
<b>INS 1.2</b>	General Insurance Business	S11
<b>INS 1.3</b>	External Insurance Business	S11
<b>INS 1.4</b>	Professional Reinsurer	S11
<b>INS 2.1</b>	Insurance Manager	S70
<b>INS 2.2A</b>	Insurance Agent (Company)	S70
<b>INS 2.3</b>	Insurance Broker	S70

Under the Private Pension Schemes Act (PPSA) 2012, the FSC licences private pension schemes, external pension schemes and foreign pension schemes.

- **Level of supervision for holders of GB Licence having an activity licence**

The FSC maintains the focus of its supervisory resources on risks that have the greatest potential to undermine the FSC's regulatory objectives and adopts the **Risk-Based Supervision** (RBS) approach to identify potential weaknesses of licensees and the appropriate supervisory actions required. To ensure that the supervisory framework remains effective in the face of investors' needs and dynamics of the markets, the FSC places emphasis on both off-site and on-site supervision.

Off-Site Supervision includes monitoring of post licensing issues which involves supervising the general good standing of GBCs with regard to Customer Due Diligence requirements, changes in ownership, assessment of internal control measures and procedures, appropriate compliance such as obtaining regulatory approvals, filing of documents and audited financial statements within the prescribed deadlines, records keeping and adherence to laws and regulations.

On-site inspections are focused on the on-going Customer Due Diligence checks by Management Companies, internal controls and procedures in place, corporate governance issues, and monitoring of the client companies' business, under administration. Whenever discrepancies are detected during on-site inspection visits, global business licensees are required to implement remedial actions and to report to the FSC on the progress made, at their end.

The FSC may conduct an investigation on the premises of the licensees under S44 of the FSA. The FSC has recourse to information and intelligence from international institutions and foreign regulatory counterparts to assess whether a licensee has indeed contravened any of its licensing conditions.

- **Enforcement actions**

The FSC is empowered under the S75 (4) of the FSA to take actions against those licensees who have carried out, are carrying or are likely to carry out any activity which may cause serious prejudice to the soundness and stability of the financial system of Mauritius or to the reputation of Mauritius which may threaten the integrity of the system.

Breaches that may lead to revocation include:

- Breach of Mauritian Laws;

- Breach of regulations and codes i.e. AML CFT;
- Breach of Licensing conditions;
- Conduct of business which is prejudice to the good repute of Mauritius and
- Conducting activities which can damage the financial integrity of Mauritius.

In the instance that a breach has been committed by a GB Licensee, the FSC has the power to:

- Conduct Inquiry;
  - **The grounds to initiate an inquiry include:-**
    - Breach or likeliness to commit breach of the relevant Acts, guidelines, any condition of its licence or any direction
    - Carrying or likeliness to carry out any activity which may cause serious prejudice to the soundness, stability, integrity and reputation of the financial system of Mauritius.
- Direct the company to remove officers/controllers;
- Suspend the Licence and
- Revoke the Licence where the Global Business Company is carrying out any activity which may cause serious prejudice to the soundness, stability, integrity and reputation of the financial system of Mauritius.
- **Revocation of GB Licences**

As per S74 (5) of the FSA, the FSC may revoke a Global Business Licence to protect *inter alia* the good repute of Mauritius as a centre for financial services.

In all fairness, the FSC shall give to the holder of the Global Business Licence prior notice of its intention and the reasons for doing so prior to revoking a Global Business Licence. As per the framework and in accordance with the law, the FSC shall also provide the holder of the licence an opportunity to make representations in writing.

FSC's powers also include:

1. giving directions to any person to ensure compliance with a relevant Act or guideline;
2. with respect to a present or past licensee or any person who is a present or past officer, partner, shareholder, or controller of a licensee –

- (i) issue a private warning;
- (ii) issue a public censure;
- (iii) disqualify a licensee from holding a licence or a licence of a specified kind for a specified period;
- (iv) in the case of an officer of a licensee, disqualify the officer from a specified office or position in a licensee for a specified period;
- (v) impose an administrative penalty; and
- (vi) revoke a licence.

## Frequently Asked Questions (FAQs)

### **Q1. Can an entity with a GB activity licence issued by the FSC conduct business or distribute its products in other jurisdictions?**

- A.** This will depend on the licensing conditions attached to the licence held by the entity. In some circumstances, it is necessary for the licensee to seek the appropriate authorisation of the relevant regulatory body of the host jurisdiction where it intends to distribute its products or conduct the financial activities.

### **Q2. Are measures taken by the FSC against GBL holders made public?**

- A.** The FSC has adopted a model of regulation with a greater emphasis on work done in 'prevention' rather than ex-post enforcement efforts.

Accordingly, the FSC has put in place a robust licensing framework at the Licensing stage where the applicant is required to meet a whole set of criteria before getting a Licence.

The applicant must satisfy a whole set of criteria as per the Financial Services (Consolidated Licensing and Fees) Rules 2008 and the Securities Licensing Rules, including the submissions of Customer Due Diligence (CDD) documents, PQ forms, and business plan before getting a licence. Further, the FSC may grant the licence upon certain conditions.

Due to the robust licensing framework in place at the FSC, the risk of having non-compliant licensees entering the market is mitigated. For this reason, the FSC neither have many enforcement actions nor any publicised cases as compared to other jurisdictions which have a flexible licensing framework.

The Financial Services Commission (FSC) is the independent regulator of financial services other than banking and Global Business in Mauritius. The FSC's regulatory mandate is to license, monitor, and supervise the conduct of business activities in line with the internationally recognised principles and standards under the legal framework of the Financial Services Act 2007.

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