

MAURITIUS IN FIGURES

 **1.3 million**
inhabitants

 GDP of USD **15,000**
with a target of USD 20,000 for 2030

 Foreign Direct Investment
of USD **385 million** in 2016

L'ÎLE MAURICE DANS LES CLASSEMENTS MONDIAUX (1^{ER} D'AFRIQUE)

- World Bank Ease of Doing Business Index : 49th/100
- Forbes' Best Countries for Business List : 40th/139
- Democracy Index (Full democracy) : 18th/167

MAURITIUS' ECONOMY IN A NUTSHELL

- A diversified and innovative economy,
- Double taxation avoidance agreements signed with more than 35 countries,
- A legislative framework and judicial system secured by international commitments,
- An attractive fiscal regime,
- A reliable and secure place to invest,
- Politically stability since independence in 1968.

WHAT IS AN IRS? (INTEGRATED RESORT SCHEME)


- A legal scheme created by the government and BOI (Board of Investment), allowing foreigners invest in specific real estate developments in Mauritius,
- A minimum unit price of USD 500,000,
- Developments of a total area of more than 10 hectares,
- A minimum investment on the part of the developer of 200,000 rupees per unit sold, as a social contribution.

MAURITIUS, AN IDEAL DESTINATION IN WHICH TO ESTABLISH A BUSINESS

- A simple and modern legal framework in the shape of the Companies Act,
- Rapid procedures and low fees,
- Several possible types of company: Local or Global Business (GBC1 or GBC2),
- 100% foreign ownership authorised,
- No minimum capital required.

IRS ANBALABA, AN EXCELLENT INVESTMENT WITH MULTIPLE BENEFITS

 Allows for **FULL OWNERSHIP**, individually or in the name of a company registered in Mauritius.

 Allows for the acquisition of a **RESIDENCE PERMIT** on the part of the purchaser, his or her spouse and any dependent children under the age of 24. The permit is valid for the entire period that they own the property.

FISCAL AND MONETARY BENEFITS

- Universal **15% rate of income and corporate tax**,
- **15% VAT** on goods and services,
- **No tax on dividends or capital gains**,
- **No tax on wealth**,
- **No inheritance tax** for direct heirs,
- 80% tax credit on GBC1 with an **effective tax rate of 3%**,
- **No foreign exchange controls**,
- **No controls on the repatriation** of profits, dividends or capital.

BUYING OFF-PLAN: HOW DOES IT WORK IN MAURITIUS?

As a former French colony, the legal framework governing real estate in Mauritius is similar to that in France. Under Mauritian law, it is compulsory to agree a **contract of sales when buying IRS properties off-plan** – a system also known as VEFA (Vente en État Futur d’Achèvement, or sale under condition of future completion). Under the terms of the Mauritian Civil Code, which is consistent with the French Civil Code, foreign investors and/or Mauritian citizens who acquire an IRS property must therefore sign a specific contract in the presence of a notary in Mauritius.

VEFA contracts offer purchasers a **high level of security**. They include a completion guarantee known as a **GFA** (Garantie de Fin d’Achèvement) – effectively a **bank guarantee linked to their acquisition**. In the event that the promoter defaults, the partner bank ensures that the project is completed and delivered according to its original specifications.

A reservation contract is also signed when the property is first acquired. This includes provisions for a **reservation deposit** to be paid to and **held in escrow by a bank or notary**. The security deposit is therefore unavailable, unassignable and cannot be seized prior to

the agreement of the final sales contract. The reserving party is, however, entitled to cancel the acquisition and to recover the deposit if the promoter does not respect the deadlines for the execution of works as set out in the reservation contract.

The contract of sale can be signed before a notary as soon as the construction of the property begins, on the proviso that the promoter has sent the following documents by registered post one month prior to the date of signature: the original deed of sale, a plan of the property as drawn up by the project’s architect, a general plan of the site and a description of the property.

In contrast to other types of sales, the purchaser becomes the owner of the land and of the construction in progress upon signing the VEFA contract – that is, before the completion of the work. The purchaser then pays funds in according to the construction’s progress, based on timelines specified by the promoter and the following payment conditions:

- 15% upon signing the pre-booking contract, to be held in escrow,
- 15% upon signature of the deed of sale,

- 5% upon completion of the foundations,
- 15% upon completion of the ground floor slab,
- 10% upon completion of the roof,
- 10% upon complete installation of all openings (doors, windows, transoms) and glazing,
- 20% upon completion of plastering and laying of tiles,
- 5% upon completion of the villa,
- 5% upon the premises being made available.

As soon as the construction is complete, the promoter will confirm the delivery date with the purchaser and a delivery note will be drawn up.

VEFA contracts ensure that the owners’ purchase is protected at every stage of the project’s development. For a real estate developer like Bouïgue Développement, the use of the VEFA system is an indicator of real financial stability. This stability makes it possible to comfort our banking partner and guarantees the feasibility of the project, creating the conditions for a collaboration based on trust.



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