

Mauritius

Property Buyers Guide & Residency-by-Investment



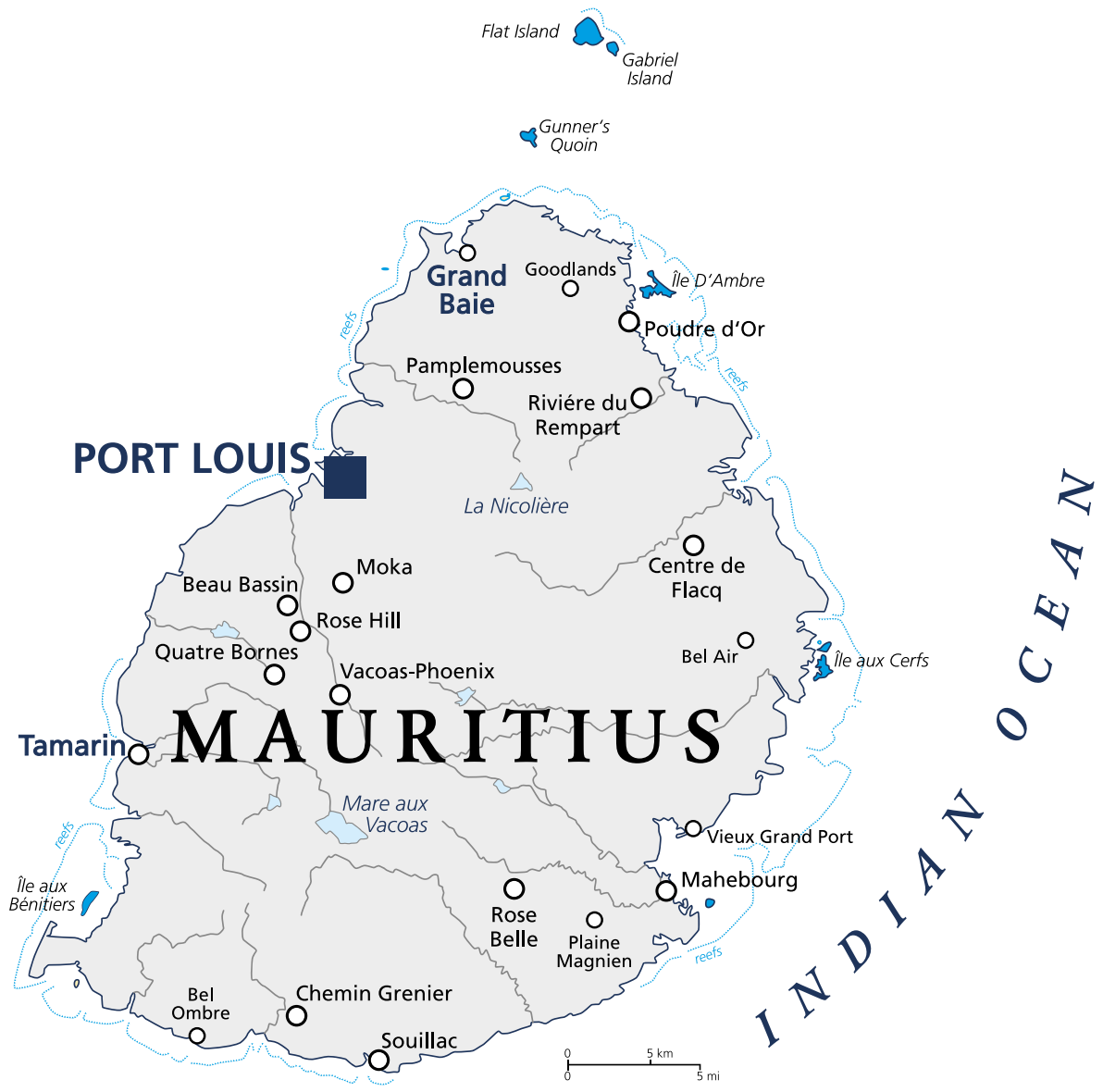
10 Reasons why you should consider *living in Mauritius*

1. Desirable, idyllic lifestyle
2. Beautiful clean waters; popular destination for water-based activities
3. International schools and a growing number of internationally recognised tertiary institutions
4. Tropical climate with year-round sunshine
5. Number of world-class golf courses
6. Large expat community makes settling easy
7. International standard medical facilities
8. Safe living environment
9. Low cost of living compared to Europe
10. The establishment of the Mauritius Air Corridor makes the island the perfect location from which to travel to Africa, Middle East, Asia and Europe

10 Reasons why you should *invest in Mauritius*

1. No. 1 place in Africa to do business and no. 13 globally
2. Top 5 globally for wealth growth and 195% over 10 years (3rd globally)
3. Property value expected to grow by 40% in the next 10 years
4. Strong GDP growth of 5,9% since 2006
5. Mauritian residency with purchases over USD 375,000
6. Strong democracy and political stability
7. Tourism growth of 10% per year
8. Extremely tax efficient - no inheritance tax; no capital gains tax
9. Continued infrastructure growth is aiding business expansion
10. Low unemployment and inflation rate





About Mauritius



Geography

Mauritius is a volcanic island situated in the Indian Ocean, approximately 2,400km off the southeast coast of Africa. Its highest peak, Piton de la Riviere Noire, reaches around 828m in altitude and its breath-taking 330km coastline is surrounded almost entirely by one of the world's largest unbroken coral reefs.

Climate

Mauritius enjoys typical tropical climate with year-round sun. In summer (November to April), coastal temperatures range between 25°C and 33°C. Winter (May to October) is cooler and drier with the average inland temperature around 19° C. The rainy season occurs from January to March, especially on the central plateau.

Economy

As one of the safest countries in the world, Mauritius has a stable economy, steady currency and high global ranking on the World Bank's ease of doing business ratings. Local currency is the Mauritian rupee. With historically safe capital return on investments, its many property opportunities are highly sought-after by investors.

Culture

Mauritius has a rich, eclectic culture, with just over half its population Hindu, one-fifth Muslim and the remaining composed mainly of Creoles and Franco-Mauritians. The resultant diverse mix of cuisines – including Chinese, Indian, French and African – is a highlight of experiencing life on the island as is the distinctive beat of the Creole sega music and dance.

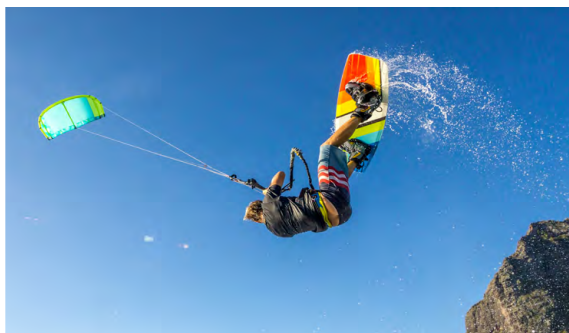
North Coast – *live the Grand Baie lifestyle*

The north of Mauritius is well-loved among global travellers. With its string of powder-white beaches, emerald waters, warm tropical weather, sheltered bays and a quaint mixture of coastal and inland villages, it's a place one might visit, and then decide to call home. At its centre is the lively resort town of Grand Baie that offers visitors and residents world-class amenities and facilities; in fact, all the ingredients for a healthy, happy life are right on your doorstep.

It's easy to fall in love with the magical north, where commercial and residential developments remain respectful of heritage and nature, and where life is leisurely, peaceful and comfortable. Here's what you can expect:

- A lively mixture of restaurants and retail outlets in Grand Baie.
- The 18-hole championship golf course and club house at Mont Choisy Golf & Beach Estate.
- Stretches of pristine beaches.
- Sailing and water sports.
- International schools, world-class banking and medical facilities.
- Mauritian permanent residency for those investing US\$375 000 or more in designated developments.





West Coast – living the natural life

The west of Mauritius is where nature, sea, heritage and history meld in spectacular fashion. From UNESCO World Heritage Sites, untouched beaches, quaint seaside villages to mountains, gorges, nature reserves and the bluest ocean, the area has retained its authenticity amid respectful and tasteful real-estate and commercial developments. There are many compelling reasons to consider purchasing real estate on Mauritius's West Coast. Aside from its emerging infrastructure and the development of smart cities like Tamarin and Unicity, the area's inherent natural beauty is incomparable.

Here's what you can expect:

- Mountain-bike, hiking and walking trails.
- Water sports, deep-sea diving and yachting.
- Natural attractions.
- A variety of retail centres offering extensive services.
- Private medical clinics, commercial centres and international schools.

Foreigners buyers' guide to *purchasing property in Mauritius*

A foreigner (i.e. Non-citizen of Mauritius) can purchase property only within designated integrated resort scheme (irs), real estate scheme (RES), property development scheme (PDS), smart city (SC) and Ground plus 2 (G+2) developments. Purchases for more than US\$375,000 within one of these property development types gives the purchaser, their spouse and immediate family under the age of 24 permanent residency status, thus allowing them to reside full-time in Mauritius. Permanent Residency status also allows the holders to take up employment without a separate work permit application.

Details of the buying process in Mauritius

A residential property under an IRS, RES, PDS, Ground plus 2 or Smart City may be sold off plan, during the construction phase or when the construction is complete. Once the decision to purchase a property has been made, you as the client would be required to complete the following process:

- Signature of Preliminary Reservation Agreement (Contrat de Réservation Préliminaire, CRP). The documents to accompany the CRP include a certified passport with photograph, utility bill in the purchaser's name and a Know Your Client (KYC) letter from the client's bank;
- Signature of three bank escrow agreements;
- Signature of a site plan including unit number;
- Signature of a finishing schedule and furniture schedule, if applicable;
- Signature of selected unit plans.

Investor protection is very well regulated in Mauritius and buyers are issued a completion guarantee prior to signature of the title deeds. All deposited amounts for the purchase are housed in escrow accounts until the developer has all their guarantees in place. These are only drawn down upon sign-off from the quantity surveyor, the financing bank and the developer.

Indicative payment schedule for foreigners buying off-plan property in Mauritius:

STAGES	PAYMENT SCHEDULE	%	TOTAL %
1	Initial deposit	10	10
2	Deed of sale / start construction	20	30
3	Completion of foundations	5	35
4	Start of masonry work	17	52
5	Completion of roof	18	70
6	Fitting and decoration (furniture)	25	95
7	Key handover	5	100

When purchasing a property off plan, the payment schedule is typically as above. However, it may differ slightly in certain instances:

What are the additional fees incurred when purchasing a resale property?

- Transfer Tax 5% of purchase price (\$70,000 for IRS)
- Notary fee: 1% + vat of Purchase Price
- Agency fee: 2.75% + vat
- EDB Processing fee: Rs40,000
- No commission is payable on off-plan purchases

What is a Property Development Scheme (PDS)?

A PDS, which has replaced the IRS and RES, allows for the development of mixed residences and sales to noncitizens, citizens and members of the Mauritian diaspora. The PDS provides the following:

A noncitizen is eligible for a residence permit upon the purchase of a unit under the PDS scheme when they have invested more than US\$375,000 or its equivalent in any freely convertible foreign currency.

The PDS is also a departure from the IRS and RES in that it does not differentiate between small and big landowners and harmonises the registration duty to a single rate of 5% instead of US\$70,000 on registration of a deed under IRS and US\$25,000 under RES.



What is a Smart City?

The Smart City concept is based on the live/work/play lifestyle, which incorporates mixed-use developments in cosmopolitan conurbations with smart technology and pioneering innovation at their core. The aim is to offer a happier living experience through the development of self-sufficient cities providing integrated sustainable solutions, ensuring minimum wastage and maximum comfort for the long-term benefit of all citizens irrespective of social and economic class.

A non-citizen is eligible for a residence permit upon purchase of a unit under the Smart City when they have invested more than US\$375,000 or its equivalent in any freely convertible foreign currency.

What is the Integrated Resort Scheme (IRS)?

Under the IRS, residential properties such as luxury villas, apartments and penthouses can be sold freehold to foreigners at a minimum price of US\$375,000, which entitles the purchaser to a residency permit. The IRS targets the top-end segment of the international property market with an attractive lifestyle investment offer, expecting to yield high returns and escalate in growth over the next 10 years. IRS developments generally include luxury amenities such as a golf course, marina, beach club and wellness centre, as well as restaurants and other facilities.

What is the Real Estate Scheme (RES)?

Under the RES, residential units are sold to non-citizens at no minimum price. The RES allows the development of any mix of residences for sale on freehold land (not exceeding 10ha), while acquisition of property worth at least US\$375,000 entitles the purchaser to a residency permit. The scheme targets those who want to invest, work and live in Mauritius, and those wanting to own a second home or holiday home there.

What is a ground plus 2 (G+2) development?

The Non-Citizens (Property Restriction) Act as amended on 20 December 2016 allows foreigners to purchase apartments in apartment developments of at least two levels above ground (G+2) with the prior approval of the Economic Development Board. The amount payable for the acquisition of an apartment must exceed Rs6m or its equivalent in any other freely convertible foreign currency. It is important to note that ground plus 2 developments often do not follow the same investor protection process as the IRS, RES, PDS and Smart City options, which ensure the completion of the development through the bank guarantee process. It is therefore important to ensure that you purchase with a reputable property developer. Acquisition of property worth at least US\$375,000 entitles the purchaser to a permanent residency permit.





Who can acquire ownership within an IRS, RES, PDS, G+2 and Smart City development in Mauritius?

When purchasing a property within one of these developments, the following persons or companies may acquire ownership:

- A Trust a trust, where the trusteeship services are provided by a qualified trustee licenced by the Financial Services Commission.
- A non-citizen of Mauritius;
- A citizen of Mauritius;
- A foreign company registered under the Companies Act 2001;
- A Mauritian company incorporated under the Companies Act 2001;
- A society, set up by a licensed financial services commission

Note: Global businesses, as defined by the Financial Services Act 2007, holding a Global Business License may not acquire property under the IRS or RES scheme.

What are the tax implications of buying property in Mauritius?

The island of Mauritius offers a favourable taxation environment, with key tax benefits including:

- 15% corporate and individual income tax rate;
- Double taxation agreements with 36 countries
- No capital gains and no inheritance tax on properties purchased.

Note: The tax implications on property are subject to change according to changes in Mauritian taxation laws as prescribed by the Mauritius Revenue Authority.

How is Mauritian residency acquired?

Permanent residency permits for successful purchasers (including spouse and dependents) are linked to the ownership of freehold property with a minimum investment value of US\$375,000. After the government-prescribed number of years, the purchaser may then apply for a Mauritian passport, however, the process is complex and therefore Mauritius is not considered as a citizenship-by-investment program, but rather a residency-by-investment program.

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