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Facts

Z, a company incorporated in Mauritius as a private company, holds a GBL 1 Licence. It employs professionals, mainly expatriates of different nationalities, who provide consultancy services to Y, another GBL 1 company, and to all companies under the portfolio of this latter company with respect to the day-to-day management and general administration. Y is an investment holding company based in Mauritius with offshore portfolio companies.

Certain employees of Z have 'professional permit' pursuant to Part III of the Investment Promotion Act 2000, and the rest hold 'occupational permit' issued under Section 9A of the Immigration Act. These employees carry out work outside Mauritius. Presently all employees have been seconded to the portfolio companies of Y, based in various African countries outside Mauritius.

Point in issue

Whether the expatriate employees of Z are subject to income tax in Mauritius.

Ruling

As the expatriate employees of Z are based outside Mauritius and their services are wholly performed outside Mauritius, they are not subject to income tax in Mauritius, in accordance with the provisions of Section 5 of the Income Tax Act.