



# BOARD OF INVESTMENT

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## **Invest Hotel Scheme**

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## PREFACE

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This publication contains guidance for (1) promoters who want to engage in a project under the Invest-Hotel Scheme, (2) companies that hold a letter of approval or an IHS Certificate from the Board of Investment and (3) any person intending to acquire a unit or any other part of a hotel under the Invest-Hotel Scheme.

These guidelines are based upon the Investment Promotion Act and Investment Promotion (Real Estate Development Scheme) Regulations 2007 as amended. They are designed to provide information and assist in decision-making. They are not intended to replace the provisions of the law and should not be construed as one. Neither should they be interpreted as prescribing an exclusive course of management.

Whilst care has been taken to ensure that the information provided herein is accurate and correct at the time of publication, users of this publication are advised to seek guidance from the Board of Investment in case of uncertainty or ambiguity encountered in reading. The Board of Investment shall, in no circumstances whatsoever, be held liable to any person arising from use of information contained herein.

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## **INDEX**

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### **DESCRIPTION**

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**BACKGROUND**

---

**THE INVEST-HOTEL SCHEME**

---

**THE IHS CERTIFICATE**

---

**STAGES TO BE FOLLOWED PRIOR TO THE ISSUE OF AN IHS  
CERTIFICATE**

---

**SALE OF UNITS OR OTHER PARTS OF THE HOTEL**

---

**DUTIES AND TAXES**

---

**BANK GUARANTEE**

---

**APPLICATION FORM FOR TRANSFER OF LEASE TO  
SYNDICAT DES COPROPRIETAIRES**

---

**APPLICATION FORM FOR IHS CERTIFICATE**

# A. BACKGROUND

## General Objective

This set of guidelines aims to:

- 1) Define procedures required to be followed by promoters in line with the requirements under the Investment Promotion (Real Estate Development Scheme) Regulations 2007, as amended;
- 2) Provide a comprehensive and user-friendly guide and reference document to assist investors to submit projects under the Invest-Hotel Scheme (IHS);
- 3) Avoid any misunderstanding in the interpretation, application or implementation of agreed procedures, rulings and regulations and ensure that the implementation of all IHS projects is always in pursuance of and are consistent with the regulations on the Invest-Hotel Scheme.

More specifically, this set of guidelines:

- 4) Facilitates the submission and processing of applications for new hotel projects under the scheme through a clear, streamlined and more transparent project development, evaluation, approval and implementation process; and
- 5) Ensures the application of the provisions of the Investment Promotion Act and the Investment Promotion (Real Estate Development Scheme) Regulations 2007 as amended.

## Definition of terms

For purposes of these guidelines, the terms and phrases used herein shall be understood to mean:

- 2.1 **Bank guarantee** - An indemnity letter in which a bank in Mauritius commits itself to pay a certain sum if the IHS Company fails to perform as per the terms and conditions of the certificate issued by the Board of Investment.
- 2.2 **Board of Investment or BOI** – Statutory body established under the Investment Promotion Act. For the present purpose, BOI processes all applications for projects under the IHS and issues the letter of approval and the IHS Certificate.

- 2.3 **EIA** – EIA is a study that predicts the environmental consequences of a proposed development. It evaluates the expected effects on the natural environment, human health and on property.
- 2.4 **Hectare (ha)** – Land area equal to 10,000 square metres
- 2.5 **Hotel** – A hotel is operated by a company that holds a tourist enterprise licence issued by the Tourism Authority where lodging and sleeping facilities, ancillary services and amenities and breakfast, meals and refreshments are provided against payment.
- 2.6 **Letter of Approval** – Document issued by the Board of Investment on approval of a project and lays down the terms and conditions that should be satisfied for the issuance of an IHS Certificate. With a Letter of Approval, an IHS Company may sign a “contrat préliminaire en état futur d’achèvement” but cannot sell any units under the scheme.
- 2.7 **IHS Company** - A Company incorporated under the Companies Act 2001 that holds a Letter of Approval for the development of a project approved by the Board of Investment under the Invest-Hotel Scheme and includes a company holding an IHS Certificate.
- 2.8 **Tourism Authority** - The Tourism Authority is responsible for licensing, regulating and supervising the activities of tourist enterprises, pleasure crafts, skippers and canvassers and falls under the aegis of the Ministry of Tourism.
- 2.9 **Unit** – A unit is either a room, an apartment, a villa, a suite or any other similar properties forming part of an invest-hotel and which is used for lodging and sleeping.
- 2.10 **Unit Owner** – Any person investing in the acquisition of a unit under the IHS.

## Legal Basis

The legal basis for these guidelines is the:

- 1) Investment Promotion Act 2000, as amended
- 2) Investment Promotion (Real Estate Development Scheme) Regulations 2007
- 3) Investment Promotion (Real Estate Development Scheme) (Amendment No. 2) Regulations 2009

## B. THE INVEST-HOTEL SCHEME

### About the scheme

The Invest-Hotel Scheme (IHS) allows hotel developers to finance the development of a hotel project by allowing them to sell villas, suites, rooms or other components that form part of the hotel to individual buyers.

The Invest-Hotel Scheme provides:

1. for the development of a hotel on either freehold or leasehold land of more than 1 hectare where units, villas, suites or other parts of the hotel can be sold;
2. that the buyer of a unit enters into a lease agreement by which the property is leased back to the seller; and
3. that the unit leased to the seller may be used and occupied by the unit owner or any person on his behalf for a total of not more than 45 days in any period of 12 months.

### Eligibility for acquisition of a unit or other parts of a hotel

The following persons may acquire a property from an IHS Company:

- (a) a non-citizen of Mauritius
- (b) a citizen of Mauritius
- (c) a company registered as a foreign company under the Companies Act 2001
- (d) a company incorporated under the Companies Act 2001
- (e) a société, where its deed of formation is deposited with the Registrar of Companies
- (f) a trust, where the trusteeship services are provided by a qualified trustee licensed by the Financial Services Commission

Note: A qualified global business as defined under the Financial Services Act 2007 holding a Global Business Licence cannot acquire property under the IHS scheme.

### Extent of property for development

A hotel project under the Invest-Hotel Scheme must be of extent of land of not less than 1 hectare. The project can be developed on freehold or leasehold land.

### Investment in the acquisition of a unit

- **For stand alone villa** - The amount of investment in the acquisition of a stand alone villa should not to be less than US\$500,000 (excluding taxes) or its equivalent in any freely convertible currency.
- **For units other than stand alone villa** – No minimum investment required to acquire such units

## C. THE IHS CERTIFICATE

### An IHS Certificate

- An IHS certificate issued under section 18 of the Investment Promotion Act is conclusive evidence that all the requirements of Invest-Hotel Scheme as to an investment project submitted to the Board of Investment have been complied with. From the date of issue of the certificate, the company is responsible under the Act for the timely development, implementation and management of the IHS project in accordance with the approval granted by the Board of Investment.
- The Company issued with an IHS Certificate has to implement the project as approved by the Board of Investment and cannot change the use to which each major part of the development area has been approved, without the prior approval of the Board of Investment.
- The Board of Investment reserves the right to revoke an IHS certificate where the IHS Company:
  - has not started the project as per the implementation schedule for which the certificate was granted;
  - is acting or has acted in breach of any terms and conditions of the IHS certificate;
  - has provided false and misleading information and has acted in contravention to the Investment Promotion Act and the regulations made thereunder;
  - has changed the use to which each major part of the development area was approved without the prior approval of the Board of Investment;
  - has contravened any enactment under which a relevant permit has been issued; or
  - has acted in such a way as to tarnish the good repute of Mauritius as an attractive base for investments.

## Stages to be followed prior to the issue of an IHS Certificate

**Stage 1:** Identification of hotel development area and obtention of Letter of Intent from Tourism Authority

**Stage 2:** Submission of application for IHS Certificate

**Stage 3:** Presentation of project to technical committee chaired by BOI & site visit

**Stage 4:** Issuance of Letter of Approval by BOI

**Stage 5:** Obtention of permits and licences by relevant authorities for the project

**Stage 6:** Transfer of land rights to IHS Company

**Stage 7:** Formation of Syndicat des Copropriétaires, provision of Bank guarantee & submission of other documents as per letter of Approval

**Stage 8:** Issue of IHS Certificate

**Stage 9:** Transfer of land rights to Syndicat des Copropriétaires

**Stage 10:** Sale of units or other parts of the hotel

## Stage 1: Identification of hotel development area & obtention of letter of intent from Tourism Authority

### Hotel development area – Freehold

1. Where a company intends to carry on a development under the Invest-Hotel Scheme on Freehold land, it must show a good title to the property and hold a "compromis de vente" with the vendor. A "compromis de vente" irrevocably binds the seller and the purchaser, subject to fulfilment of the conditions precedent.
2. The sale or transfer must be executed prior to the issue of the IHS certificate under an

"acte de vente". This deed will operate the legal transfer of title to the IHS company.

3. The IHS Company must submit a copy of the deed ("acte de vente") prior to the issue of the certificate.

#### **Hotel development area – Leasehold**

1. Any promoter willing to have a lease over state land for Hotel Development under the Invest-Hotel Scheme should submit an application to the Ministry of Housing and Lands.
2. If the request is approved, a reservation letter is issued to the promoter. The reservation is subject to the following conditions:-
  - a. a cash deposit determined by the Ministry of Housing and Lands must be made within a period of one month as from date of the letter;
  - b. submission of three copies of the preliminary plans within a period of three months as from date of the reservation letter;
  - c. the reservation is for a period of six months.
3. Once the conditions mentioned in the reservation letter have been satisfied, the Chief Government Valuer (CGV) is requested to assess the rent to be claimed.
4. A letter of intent containing all conditions and rent (payable in advance) is issued to the promoter. Upon acceptance of the offer, the payment of the rent and the survey fee, a lease agreement is drawn up between the Ministry of Housing and Lands and the promoter (under the name of a company).
5. Industrial leases are normally granted for an initial period of twenty years with option of renewal for four consecutive periods of ten years each. At each renewal the rent is reassessed to reflect the market value.
6. The approved lessee should contribute an amount of Rs 25 million to the Tourism Fund prior to the signature of the Lease Agreement.

#### **Tourist Enterprise licence**

1. No person can run or carry on a tourist enterprise (including an invest-hotel) in Mauritius without a tourist enterprise licence issued by the Tourism Authority.
2. The following documents must be submitted to the Tourism Authority with the application form for a Tourist Enterprise Licence (*an application fee of Rs. 1,000 is payable upon submission of an application form*):
  - a. Certificate of Incorporation
  - b. Constitutive documents of the company i.e the list of directors or such other office bearer's and updated list of shareholders and their respective

- shareholdings certified by company's secretary
- c. Land titles
  - d. Four (4) copies of site/ location and Layout plans
  - e. An approval from the Ministry of Tourism and Leisure with respect to the project
  - f. A business plan specifying the costing of the project and marketing strategy
  - g. 3-dimension plans of the hotel
  - h. Artist impressions (designed by an interior decorator) for the proposed tourist enterprise
3. On approval of the hotel project, a letter of intent is issued by the Tourism Authority setting out the conditions upon which a tourist enterprise licence will be issued to the applicant.
  4. A tourist enterprise licence is issued to the applicant where all the conditions specified in the letter of intent have been complied with.

## Stage 2: Submission of application for IHS Certificate

1. An application for an IHS Certificate must be made to the Managing Director of the Board of Investment.
2. The duly completed and signed application form must be submitted with the following mandatory documents (submitted in both soft and hard copies):
  - a. **Certificate of Incorporation and other constitutive documents of the company** – Conclusive evidence issued by the Registrar of Companies that a company is incorporated under the Companies Act 2001 and is a body corporate with the name by which it is registered.
  - b. **Detailed business plan** containing:-
    - i. Background of promoters and investors
    - ii. Project components and description
    - iii. Proposed start date of construction
    - iv. Marketing plans
    - v. Detailed financial structure of project (projected cash flow, annual income

statement, selling price)

- c. **Site/location plan by sworn land surveyor** – Plan showing the exact location of the immovable property
- d. **Detailed master plan** for the whole project – A document that describes, with a map, the overall development concept.
- e. **Architecture and drawings** - Drawings showing the artistic impression of the hotel
- f. **Outline Planning Permission (OPP)** - a permission for the development of land sought from a local authority at an early stage and irrespective of whether a Building and Land Use Permit is to be granted or not and before any substantial costs are incurred in relation to the development of the land.
- g. (i) For freehold land - **Title Deed** of the present land owner where the land transferor shall hold shares in the IHS Company or **presale agreement (promesse de vente)** between present landowner and the company making an application for the IHS certificate where there shall be a sale  
 (ii) For leasehold land – A **letter of reservation** or a **letter of intent** or a **lease agreement** in respect of the hotel development area from the Ministry of Housing and Lands or any other lessor.
- h. **Documents showing proof of funds** - A document that demonstrates that the investor has the ability and funds available for the whole project based on the financial studies submitted. The purpose of the document is to ensure that the funds required for the transaction are obtainable and legitimate proof that the investors have the funds. A bank confirmation and letter of arrangement may suffice. The account holder must request a letter from the bank or brokerage house to the effect that the sum in question is available in the account for the client's investment.
- i. **Letter of Intent from Tourism Authority** – a document issued by the Tourism Authority under part IV (Licensing of Tourist Enterprises) of the Tourism Act 2006.
- j. **A specimen copy of the deed of sale for the transfer of a unit** – a draft copy of the deed of sale including the "règlement de copropriété".
- k. **A specimen copy of the lease back agreement** - an agreement by which a property acquired by an investor is leased back to the IHS Company (seller) where the unit owner or any person on his behalf may use that unit for a total of not more

than 45 days in any period of 12 months.

**Note: An application shall be considered as ready for processing by BOI at the date by which all the information, particulars and documents have been duly submitted and considered as complete by BOI.**

### **Stage 3: Presentation of project to technical committee & Site visit**

1. Once the above documents are submitted to BOI, a site visit will be carried out.
2. The promoters will be called upon to make a presentation of the project at BOI. The promoters would be required to highlight specifically:
  - a. The issues that may hinder the realisation of the project
  - b. Areas requiring BOI and other authorities involvement
3. The technical committee will comprise of:
  - a. **BOI** - Chairperson
  - b. **Ministry of Finance and Economic Empowerment** – for tax and revenue planning
  - c. **Ministry of Tourism, Leisure and External Communications** – for quality of development
  - d. **Ministry of Housing and Lands** – for state land issues and general planning guidance
  - e. **Ministry of Environment and National Development Unit** – for environmental issues
  - f. **Ministry of Public utilities** – for availability of utilities and supply constraints
  - g. **Relevant local Authority** – for planning issues

### Stage 3: Issuance of Letter of Approval for a project under IHS

A registration certificate and a letter of approval are issued to the company making an application for IHS certificate where:

- a. the project meets the criteria of the Invest-Hotel Scheme as stipulated in the Investment Promotion (Real Estate Development Scheme) Regulations 2007, as amended, and;
- b. the technical committee members have no objection on any matter pertaining to their area of jurisdiction

The letter of approval is valid for a period of 12 months from the date of the letter. The letter of approval stipulates all the conditions that should be met for the issue of the IHS Certificate to the company, in particular:

- a. Obtention of the EIA Licence from the Ministry of Environment and National Development Unit;
- b. Transfer of land in the name of the IHS company in the case of freehold land or signature of lease agreement between the lessor and the IHS company in case of lease of land;
- c. Constitutive documents evidencing the formation of the Syndicat des Copropriétaires and appointment of a syndic;
- d. Obtention of the Building and Land Use Permit from the District or Municipal council
- e. Provision of a bank guarantee of 25,000 rupees per unit to the Board of Investment;

**In case of substantial change in the ownership or transfer of shares in the company subsequent to the issue of the letter of approval which could impact on the control of the company, the letter of approval would automatically be considered as null and void.**

### Stage 5: Obtention of permits & licenses

#### Land Conversion Permit (where development on freehold land)

1. Where a project is being developed on freehold land classified as agricultural land, a **land conversion permit** will be required. The Ministry of Agro Industry and Fisheries grants the authorisation for the conversion of agricultural land to non agricultural use in accordance with the provisions of Section 28 of the Sugar Industry Efficiency (SIE) Act

2001, as amended.

2. The promoter has to apply in writing to the Ministry of Agro-Industry in a prescribed form available at the Ministry. The application is available online. As per the provisions of the SIE Act, a land is considered to be agricultural if it has been under cultivation at any point in time during the past 10 years immediately preceding the effective date of an application.
3. Applications should be made in the name of the owner/s and should be signed by the latter or any person legally entitled to do so.
4. The duly filled in original application form should be submitted to the Ministry along with 8 copies. The following documents should accompany the application form:-
  - a. 9 copies of title deed
  - b. Certified and precise site and location plan drawn up by a Sworn Land Surveyor (21 photocopies) clearly indicating identifiable landmarks such as a building, a major intersection, etc
  - c. Photocopy of National Identity Card/s of applicant/s
  - d. Photocopy of Affidavit of Succession, if applicable, or any other documents as may be required by the Ministry
5. All documents should be sent by registered post to the  
Senior Chief Executive  
Ministry of Agro Industry and Fisheries  
9th Floor, Renganaden Seeneevassen Building
6. While submitting applications for a Land Conversion Permit, applicants should ensure that:
  - a. the forms have been properly filled;
  - b. the relevant documents e.g title deed, site/location plan, identity card, affidavit etc, are in conformity with those requested for; and
  - c. relevant/important information on the owner of the land, the purpose of the conversion, the size of land, etc have been provided.
7. The site/location plan to be submitted shall:
  - a. be drawn up by a sworn Land Surveyor on the scale of 1/2500 or its multiples or submultiples;
  - b. be signed by the sworn Land Surveyor;
  - c. indicate the extent and the linear measurements of the boundaries of the property, its location and distance in relation to any nearby public roads and public buildings or spaces or to any prominent physical features. The units of measurement and their corresponding equivalent shall be expressed as provided in the International Systems (SI Unit) Act No. 6 of 1994;

- d. contain the Transcribed Volume No. of the owner's title deed;
  - e. be clear, neat and legible.
8. Other information required:-
- a. in case the application is made by a company a photocopy of the certificate of incorporation should be submitted together with the application;
  - b. in cases of division in kind or where applicant has given a power of attorney to a third party all legal documents should be submitted at the time of application;
  - c. in cases of division among children/heirs/co-owners/ascendants and descendants, the full names and the copy of Identity card of all persons concerned should be given and each child/heir/co-owner/ascendant/descendant should state whether he/she is already owner of a house; and
  - d. in cases of application made by more than one person, forms should be signed by all applicants.

#### **Environment Impact Assessment**

1. Hotel projects, including extension, with first boundary within 1 kilometre from the high water mark developed on the coastal region require an EIA.
2. The guidelines for the submission of EIA report can be downloaded from the Ministry of Environment and National Development Unit at <http://environment.gov.mu>.
3. No EIA is required for inland hotel. The environmental guideline for inland hotel has been prepared by the Ministry of Environment & NDU to ensure that all environmental issues are duly taken into consideration by the promoters. The guideline can be downloaded from [http://www.gov.mu/portal/goc/menv/files/eguidelines/inland\\_hotel.pdf](http://www.gov.mu/portal/goc/menv/files/eguidelines/inland_hotel.pdf).

#### **Building and Land Use Permit**

1. Before construction of any building or carrying out development on the land, the promoter is required to apply and be issued with a Building and Land Use Permit (BLP) by the local authority where the project is to be implemented.
2. The Building and Land Use Permit guide can be downloaded from <http://localgovernment.gov.mu>
3. The local authorities in Mauritius are:
  - a. Port Louis – <http://mpl.intnet.mu/>
  - b. Beau Bassin/ Rose Hill – <http://www.bbrh.org/>
  - c. Quatre Bornes - <http://www.qb.mu>
  - d. Vacoas/Phoenix – <http://www.vacoasphoenix.org>
  - e. Curepipe – <http://www.curepipe.org>

- f. Pamplemousses/Riviere du Rempart – <http://www.prdconline.org>
- g. Moka/Flacq – <http://www.mokaflacq.org>
- h. Black River – <http://www.gpsdc.intnet.mu>
- i. Grand Port/Savanne – <http://www.brdc.mu>

## Stage 6: Transfer of land rights to IHS Company

### Freehold land

1. Where the development is on freehold land, the land development area must be transferred in the name of the IHS Company.
2. The registration duty and land transfer tax are levied on the difference between the value of the immovable property transferred in the IHS company (holder of letter of approval) and the value of the shares held by the transferor in the IHS company.

### Leasehold land

1. The land development area must be vested in the name of the IHS company prior to the issue of the IHS certificate.
2. The lease agreement must be signed, registered and transcribed with the Registrar General and appropriate duty and taxes paid.

## Stage 7: Formation of Syndicat des Copropriétaires, provision of bank guarantees & submission of documents as per requirements of the letter of approval

### Règlement de Copropriété & Cahier des Charges

1. In order for the project to be carried out under the Invest-Hotel Scheme, the promoter has to make use of the provisions of Article 664 – 95 Mauritian Civil Code which requires the creation of a **Syndicat des Copropriétaires** (an association).
2. The sale of units or other parts of the hotel is thus made with a “règlement de copropriété” that permits the owner of a unit/property to acquire the full freehold

ownership of his unit or property, hence dividing occupation of the property.

3. The hotel buildings are divided into private and common units. The full freehold ownership of the private units is passed to the respective owners whilst the common units (e.g. entrance lobby, garden, roof) are collectively owned in "copropriété" proportionally relating to the size, situation and nature of private space held by each owner.
4. The definition and management of units are set out in the "règlement de copropriété". This document sets the proportionate shares in the control and service charges of the common parts. It stipulates the rights and obligations of copropriétaires (co-owners) and it lays down the communal areas of the building as well as the private areas, along with the uses that they can be put to.

### **Syndicat des Copropriétaires**

1. The Syndicat des Copropriétaires holding legal personality in pursuance of Article 664-95 of Mauritian Civil Code, shall ensure that the specifications and servitudes mentioned in the "règlement de copropriété" are implemented, duly and properly carried out and adhered to.
2. The unit owners of the individual units being part of the development will be, ex officio, grouped as members in the Syndicat des Copropriétaires.
3. Any purchaser of a unit or other parts of the hotel at a later stage will automatically become a member of the Syndicat des Copropriétaires and will, by virtue of deed of sale, be obliged to adhere to the "règlement de copropriété".
4. The Syndicat des Copropriétaires shall exist for an unlimited period of time.
5. The Syndicat des Copropriétaires shall have a seal bearing its particulars and title.
6. The Syndicat des Copropriétaires shall have a registered office.

### **The Syndic**

1. To enable the Syndicat des Copropriétaires to start off and running, a Syndic shall be appointed. This first appointment is subject to ratification by the first General Assembly.
2. The Syndic is the Official Agent of Syndicat des Copropriétaires. The Syndic is generally entrusted with all the powers which have been bestowed upon him by under the "règlement de copropriété".
3. The Syndic is appointed by the General Assembly who determines the remuneration. The Syndic may be chosen from amongst or outside the owners; his term of office may not exceed three years, but is renewable for the same period of time in accordance with

the provisions of Article 664 – 55 MCC.

4. The Syndic must ensure that all communal areas are maintained, that their administration is operating smoothly and he must represent the Syndicat des Copropriétaires in legal proceedings and generally in all legal matters and deeds.

#### **Bank Guarantee**

1. To ensure that the IHS Company starts construction works within a period of 6 months from the date of the issue of the Building and Land Use Permit, the company must furnish a bank guarantee of 25, 000 rupees per unit in favour of the Board of Investment.
2. A format for the bank guarantee is provided in appendix.

### **Stage 8: Issue of IHS Certificate**

An IHS Certificate is issued after:

- a. Submission to the Board of Investment of the title deed or lease agreement duly registered and transcribed that witnesses the transfer of land to the company holding the letter of approval for the purposes of the IHS project;
- b. Obtention of the EIA Licence and the Building and Land Use Permit from the District or Municipal council
- c. A bank guarantee of 25,000 rupees per residential property is furnished in favour of the Board of Investment;

An IHS Certificate is issued subject to the following terms and conditions:

1. The IHS Company shall at all times be responsible for the execution, promotion, development and the proper implementation of the scheme in accordance with the approval granted by the Board of Investment.
2. (a) The IHS Company shall only conduct such business or activity, being business or activity permissible under the laws of Mauritius. Where such business requires any licence, authorisation, permission, or consent (however described), the business must not be undertaken until such has been obtained.  
(b) The IHS Company shall keep at its registered address a copy of such business licence/authorization, permission or consent (however described) obtained from any

#### Invest-Hotel Scheme

- other Authority in relation to the conduct of its activities.
3. The IHS Company shall forthwith notify the Board of Investment of any material change from the scheme as approved by the Board.
  4. The IHS Company shall –
    - (a) implement the scheme as approved by the Board;
    - (b) not change the use to which each major part of hotel development area shall be put without the approval of the Board.
  5. The IHS Company shall provide the Managing Director at least once every quarter with a report on the work progress and the general implementation of the project.
  6. The IHS Company shall not sell any unit or other parts of the hotel under the Scheme unless the person acquiring the residential property has obtained the authorization under the Investment Promotion (Real Estate Development Scheme) Regulations 2007, as amended.
  7. The Board of Investment shall be informed of any change in shareholding structure and the general financial condition of the IHS Company during the entire phase of the implementation of the scheme. Where the IHS Company has delegated, subcontracted or assigned any part of the works required in pursuance to the scheme, the Board of Investment shall be notified forthwith of such appointments.
  8. The income tax payable by the IHS Company as well as the exemption from income tax on dividends paid to shareholders shall be in accordance with the provisions of the Income Tax Act, as amended.
  9. The IHS Company is warned that pursuant to section 27 (1) of the Investment Promotion Act any person who contravenes the Investment Promotion Act and the Investment Promotion (Real Estate Development Scheme) Regulations 2007, as amended, shall commit an offence and shall, on conviction, be liable to a fine not exceeding 100,000 rupees and to imprisonment for a term not exceeding 3 years.

### **Stage 9: Transfer of land rights to Syndicat des Copropriétaires**

1. On creation of the co-owned property, the hotel development area must be transferred to the Syndicat des Copropriétaires. The Syndicat des Copropriétaires is created with the sale of the first unit or a part of the hotel.
2. Where land is leased from the Ministry of Housing and Lands, an application for transfer of lease to the Syndicat des Copropriétaires must be submitted to the Ministry on the form prescribed in appendix.

## **D.** SALE OF UNITS OR OTHER PART OF THE HOTEL

### **Eligibility for acquisition of a unit or other part of the hotel**

The following persons may acquire a unit or any other part of the hotel property from an IHS Company:

- (a) a non-citizen of Mauritius
- (b) a citizen of Mauritius
- (c) a company registered as a foreign company under the Companies Act 2001
- (d) a company incorporated under the Companies Act 2001
- (e) a société, where its deed of formation is deposited with the Registrar of Companies
- (f) a trust, where the trusteeship services are provided by a qualified trustee licensed by the Financial Services Commission

Note: A qualified global business as defined under the Financial Services Act 2007 holding a Global Business Licence cannot acquire property under the IHS scheme.

### **Basis of sale of units or any other part of the hotel**

1. An immovable property for residence under the Invest-Hotel Scheme may be sold either on the basis of a plan, during the construction phase or when the construction is completed.
2. Where the acquisition of an immovable property is made on the basis of a plan or during the construction phase, the contract shall be governed by the provisions of a “vente à terme” or “vente en l’état futur d’achèvement”, as the case may be, in accordance with the provisions of the Code Civil Mauricien.

### Invest-Hotel Scheme

3. A sale for future delivery is the contract by which the seller undertakes to deliver the building on its completion, and the buyer undertakes to take delivery of it and to pay the price of it at the date of delivery. The transfer of ownership is achieved by operation of law by the acknowledgement of the completion of the building through an authentic instrument; it is effective retroactively on the day of the sale.
4. A sale in a future state of completion is the contract by which a seller transfers at once to the buyer his rights in the ground as well as the ownership of the existing structures. The works to come become the property of the buyer as they proceed; the buyer is bound to pay the price of them as the work proceeds.
5. In accordance with the provisions of Article 1601-30 of the Code Civil, the price of a residential unit when sold under “vente en l'état futur d'achèvement” is payable in instalments as the work progresses, as follows:
  - a. Upon signing of the deed: 25%
  - b. Upon completion of the foundation works: 10%
  - c. Upon completion of roofed-in phase: 35%
  - d. Upon completion: 25%
  - e. Upon availability of premises: 5%

### Acquisition of unit or any other parts of the hotel

1. The amount of investment in the acquisition of a stand alone unit (villa) should not be less than US\$500,000 (excluding taxes).
2. No minimum price is set for the acquisition a hotel room or other parts of a hotel.
3. Where a unit or any other part of a hotel is acquired by a non-citizen or a company where a shareholder is non-citizen or a trust where a beneficiary is a non-citizen or where the associate of a societe is non-citizen, the payment must be made in either USD or Euro, GB pounds sterling or in any other freely convertible currency.
4. A citizen of Mauritius can acquire a unit or any other part of a hotel and effect payment in Mauritian rupees, or USD, Euro, GB pounds sterling or any other freely convertible currency.
5. Where payment is effected in currencies other than USD, the Board of Investment shall use the exchange rate at selling price in force on the date of the application to calculate the USD equivalent and to ensure the price exceeds US\$ 500, 000 in cases of stand alone villas.
6. Where a unit or other part of the hotel is acquired by a non-citizen, the investment in

the acquisition of that property must be financed by the purchaser from funds outside Mauritius and transferred to Mauritius through any reputable bank listed in the Banking Almanach recognized by the Bank of Mauritius.

7. A non-citizen can contract loan in rupees provided that the first US\$500,000 is paid in a freely convertible foreign currency and the repayment of the loan is effected in any freely convertible foreign currency.

## Documents to be submitted prior to sale of a unit or other parts of the hotel

The IHS Company must submit to BOI after the issue of the IHS Certificate and prior to the sale of any immovable property under the IHS, final specimen copies of the following documents:

- a) **“Contrat de réservation préliminaire a une vente en état future d’achevemen<sup>t</sup>”** – A contract witnessing the reservation made by the applicant with the IHS Company for a specified unit in the IHS project. The contract is governed by the provisions of article 1601-38 of the Code Civil Mauricien.
- b) **“Contrat de vente en état future d’achèvement d’une maison individuelle”** – The contract of sale between the IHS Company and the buyer. This contract is governed by the provisions of the Code Civil Mauricien;
- c) **Guarantee of due completion by way of surety conformably to article 1601-34(b) of the Code Civil Mauricien** – A formal agreement that the IHS company has entered into with a banking institution in Mauritius to ensure the financing and implementation of the villa. The banking institution should be listed on the Banking Almanach recognized by the Bank of Mauritius;

**Please note that no application for acquisition of a unit or any other part of the hotel shall be considered by the Board of Investment if the above documents have not been duly submitted to the BOI.**

## Application to acquire units or part of hotel under IHS

1. A non-citizen, citizen, company, société or trust wishing to acquire property under the scheme shall make an application to the Board of Investment. The application must be submitted by the IHS Company online to BOI using the Property Acquisition and Management System (<http://pams.investmauritius.com/Login/>).
2. Every application for the acquisition of property under the IHS together with such information, particulars and documents as specified in this guideline and a non-refundable processing fee of 10,000 rupees must be made through the IHS Company and addressed to the Managing Director of the Board of Investment.
3. The non-refundable processing fee of 10,000 rupees must be paid through cheque by the IHS Company and drawn to the order of the Board of Investment. (The IHS company may pay in advance a sum for a batch of applications)
4. An application shall be considered as ready for processing by the Board of Investment at the date by which all the information, particulars and documents have been duly submitted and considered as complete by BOI.

### Screening of application

1. The IHS Company shall carry out due diligence exercise through a reputable bank for all applications received prior to submission of same to the Board of Investment. The IHS Company's bank shall carry a Know Your Client (KYC) exercise and open a bank account for the client called the "Escrow Account".
2. The IHS company may sign the "Contrat de réservation préliminaire a une vente en etat futur d'achevement" for the unit. The potential buyer shall deposit up to a maximum of 25% of the total investment amount for the acquisition of the property in the bank.
3. The IHS Company shall forward the completed application form duly filled and signed to the Managing Director of BOI for approval.
4. **In the case of a non-citizen, the following documents must be submitted to the BOI:**
  - a) Duly authenticated copy of first 5 pages of passport
  - b) Duly authenticated birth certificate
  - c) Certificate of morality dated not more than 3 months
  - d) Letter from the bank certifying the KYC exercise for the client.

5. **In the case of a Corporate Applicant (Company):**

- a) Certificate of registration evidencing the company is registered as a foreign company under the Companies Act 2001 or Certificate of incorporation under the Companies Act 2001, as may be the case;
- b) The shareholding pattern/ultimate beneficiary

6. **In case of trust where the trusteeship services are provided by a qualified trustee**

- a) Evidence from the Financial Services Commission that the trustee is a qualified trustee under the Trust Act 2001

7. **In case of a societe where its deed of formation is deposited with the Registrar of Companies**

- a) Evidence of the societe having a file number with the Registrar of Companies and deed of formation deposited with the Registrar of Companies

8. **In the case of a Citizen of Mauritius:**

The applicant is required to submit along with the application form to acquire property in Mauritius, his/her National Identity card and letter from the bank certifying opening of an escrow account.

## Compulsory lease back agreements

1. After purchasing a unit, the owner is required to enter into an agreement by which the property is leased back to the IHS Company.
2. The unit leased to the IHS Company may be used and occupied by the unit owner or any person on his behalf for a total of not more than 45 days in any period of 12 months.

## Resale or transfer of a unit or any other part of the hotel

1. The owner of a property is allowed to resell his/her property with no minimum price

- requirement.
2. Where the owner of a property intends to sell or transfer the property, he/she is required within 30 days prior to the sale, give notice in writing thereof to the Managing Director. A copy of the notice shall be given to the IHS Company and the Syndic.
  3. The sale or transfer of the property can only be made to:
    - a. a non-citizen of Mauritius
    - b. a citizen of Mauritius
    - c. a company registered as a foreign company under the Companies Act 2001
    - d. a company incorporated under the Companies Act 2001
    - e. a société, where its deed of formation is deposited with the Registrar of Companies
    - f. a trust, where the trusteeship services are provided by a qualified trustee licenced by the Financial Services Commission
  4. The person acquiring the property is required to submit an application as per these guidelines. The application must be accompanied by an attestation of opening a bank account through which money for payment shall be transferred and a non-refundable fee of 10, 000 rupees paid by mode of a cheque drawn to the order of the Board of Investment.

# E. DUTIES AND TAXES

<b>Duties and taxes on acquisition of land for IHS project</b>	
<b>Duty</b>	<b>Rates</b>
<b>Land Transfer tax for property</b> (payable by the seller of land on the value)	Levied on the difference between the value of the immovable property transferred and the value of shares held by the transferor (if any) in the IHS company at the <b>rate of 5 % (ONLY FOR DEEDS OF TRANSFER SIGNED BETWEEN 23 MAY 2009 AND 31 DECEMBER 2010)</b> .
<b>Registration duty</b> (payable by the company intending to do the IHS project on the value of the property)	Levied on the difference between the value of the immovable property transferred and the value of shares held by the transferor (if any) in the IHS company at the <b>rate of 5%</b>

<b>Duties and taxes on acquisition of unit by purchaser from IHS Company</b>	
<b>Duty</b>	<b>Rates</b>
<b>Land Transfer tax</b> (payable by the IHS Company on the value of the property)	5% of the value of the property
<b>Registration duty</b> (payable by the purchaser)	5% of the value of the property (other than stand alone villa) USD 70, 000 for stand alone villa

## **Tax on registration of land lease agreement for State land**

The Registration Duty is levied at the rate of 1.25 % on the rent and the value of any other charges (charges) imposed on the lessee for the duration of the lease or for the first 10 years, whichever is shorter.

**Bank Guarantee**

**To: The Managing Director  
Board of Investment  
10<sup>th</sup> Floor, One Cathedral Square Building  
16, Jules Koenig Street  
Port Louis**

In accordance with the provision of regulation 18E (b) of the Investment Promotion (Real Estate Development Scheme) Regulations 2007, as amended, and a condition of the letter of approval which inter alia provides for production of a Bank Guarantee of 25,000 rupees per unit, *[name of IHS Company]* (hereinafter called "IHS Company") having its registered address at *[address of IHS Company]* shall deposit with the Board of Investment, a statutory body established under the Investment Promotion Act 2000, a bank guarantee to guarantee that the IHS Company shall start construction works within a period of 6 months of the date of the issue of the Building and Land Use Permit in an amount of *[amount of Guarantee]* \_\_\_\_\_ *[in words]*.

We, the *[bank and indicate the address and other particulars of the Bank]* (hereinafter called "the bank"), as instructed by the IHS Company, agree **unconditionally** and **irrevocably** to guarantee as primary obligator and not as Surety merely, the payment to the Board of Investment, **upon the first written demand** of the Managing Director of the Board of Investment, and without whatsoever right of objection on our part, stating that the amount claimed is due by way of failure to abide by regulation 18F (3) of the Investment Promotion (Real Estate Development Scheme) Regulations 2007, as amended, in the amount not exceeding *[amount of Guarantee]*\_\_ *[in words]*. Such demand shall, to this effect, be duly accompanied by the original of the present Guarantee.

WE, THE BANK , DO HEREBY DECLARE AND AGREE that the decision of the Board of Investment as to whether the IHS Company has failed to abide by any terms and condition under the said regulations shall be final and binding on us.

WE, THE BANK, DO HEREBY DECLARE AND AGREE that notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to *[amount of Guarantee]*\_\_ *[in words]* and our Guarantee shall remain in force until the [ Date], after which date, unless a demand or claim under this Guarantee is made on us in writing on or before that date, all the rights of the Board of Investment under this Guarantee shall be forfeited and we shall be automatically released and discharged from all our obligations and liabilities hereunder.

SIGNATURE AND SEAL OF THE BANK:

Name of bank:

Address:

Dated this .....day of .....20.....

TRANSFER OF LEASE FORM - JULY 2009 VERSION

**APPLICATION  
FOR TRANSFER  
OF LEASE  
FOR INVEST-HOTEL  
PROJECT**

**PART A****TRANSFEROR DETAILS “(CURRENT LEASE HOLDER)”**

File Reference: ►			
Name of transferor: ►			
Represented by: ►		Position: ►	
Mailing Address: ▼	Date of signature of lease agreement: ►		___/___/___
	Telephone	Fax	
	Email		
Date IHS certificate issued by BOI: ►	___/___/___		

**PART B****LEASE AGREEMENT DETAILS**

Location of State land: ► <i>(as stipulated in lease agreement)</i>	
Extent of land: ►	
Purpose of industrial lease: ►	

**PART C****TRANSFEEE DETAILS**

Name of Syndicat de Copropriétaires: ►			
Name of Syndic: ►		Date of registration of the Syndicat: ►	___/___/___
Transferee represented by: ►		Position ►	
Mailing Address: ▼			
	Telephone	Fax	
	Email		

**PART D**

**DECLARATION BY TRANSFEROR**

I \_\_\_\_\_ on behalf of the said \_\_\_\_\_ as transferor hereby apply to transfer to the transferee all the right title and interest in the land above described held by \_\_\_\_\_ under a lease agreement entered into by the Transferor with the Ministry of Housing and Lands .

Dated this ..... day of ..... 200 ...

**DECLARATION BY TRANSFEREE**

I \_\_\_\_\_ on behalf of the said \_\_\_\_\_ as Transferee do hereby apply for the above transfer, and undertake to carry out all conditions and stipulations of the said lease agreement entered into by the Transferor with the Ministry of Housing and Lands.

Dated this ..... day of ..... 200 ...

MINISTRY OF HOUSING AND LANDS OFFICE USE ONLY		___/___/___
1. Copy of lease agreement	<input type="checkbox"/>	
2. Notarial documents evidencing the creation of the Syndicat des copropriétaires	<input type="checkbox"/>	
3. Copy of the IHS certificate	<input type="checkbox"/>	



## **BOARD OF INVESTMENT**

10<sup>th</sup> Floor, One Cathedral  
Square Building  
Port Louis

Telephone: +230 203 3800  
Facsimile: +230 2082924

E-mail: [hp@investmauritius.com](mailto:hp@investmauritius.com)  
Website: [www.investmauritius.com](http://www.investmauritius.com)

### **THE INVEST-HOTEL SCHEME**

#### **APPLICATION FOR IHS CERTIFICATE**

*made under the Investment Promotion Act 2000*

(Section 18)

This application form must be accompanied by the relevant documents and particulars as per the guidelines issued by the Board of Investment

Please hand-deliver the completed application form to:

**The Managing Director  
Board of Investment  
10th Floor, One Cathedral Square Building  
Port Louis**

## SECTION 1 : GENERAL

### 1.1 Business Details

Company Name \_\_\_\_\_  
Company Incorporation number \_\_\_\_\_  
Business Registration number \_\_\_\_\_  
Name of Director \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_ Facsimile \_\_\_\_\_  
Email Address \_\_\_\_\_

### 1.2 Shareholder Detail(s)\*

#### Investor 1

Name or Business name \_\_\_\_\_  
Telephone \_\_\_\_\_ Facsimile \_\_\_\_\_  
Email Address \_\_\_\_\_  
Primary Nationality \_\_\_\_\_

#### Investor 2

Name or Business name \_\_\_\_\_  
Telephone \_\_\_\_\_ Facsimile \_\_\_\_\_  
Email Address \_\_\_\_\_  
Primary Nationality \_\_\_\_\_

#### Investor 3

Name or Business name \_\_\_\_\_  
Telephone \_\_\_\_\_ Facsimile \_\_\_\_\_  
Email address \_\_\_\_\_  
Primary Nationality \_\_\_\_\_

\*If more than one, provide same as annex to application form

Full description of the promoters' background should be provided in the business plan.

## SECTION 3 INVEST-HOTEL PROJECT

### 3.1 Project description

Location \_\_\_\_\_

**Total number of units** \_\_\_\_\_

Hotel rooms \_\_\_\_\_

Villas \_\_\_\_\_

Suites \_\_\_\_\_

Other types of units \_\_\_\_\_

**Other components of the hotel:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### 3.2 Sale of units & other parts of a hotel

Number of units planned for sale \_\_\_\_\_ Number

List of components planned for sale: \_\_\_\_\_  
\_\_\_\_\_

### 3.3 Hotel management company & Tourist Enterprise Licence

Name of Management Company: \_\_\_\_\_

Date letter of intent issued by the  
Tourism Authority \_\_\_\_\_

## SECTION 4 FINANCIAL STRUCTURE

### 4.1 Financial Structure

Total authorised capital	Rs	
	Local (Rs)	Foreign (Rs)
<b><u>Issued Capital</u></b>		
Paid up equity		
i. Cash		
ii. In kind		
<b><u>Loan Capital</u></b>		
i. Amount (Rs)		
ii. Term (years)		
iii. Rate of interest (%)		
iv. Shareholder's advance (Rs)		

### 4.2 Development Costs\*

		(Rs)
Cost of land		
Engineering and architectural fees		
Professional fees (EIA, consultant fees, etc)		
Constructions costs (hotel rooms and villas)		
Constructions costs (other parts of the hotel)		
Landscaping		
Infrastructure works		
- Roads		
- Utilities		
- Waste water		
Financing costs		
Marketing costs		
Other (specify)		
<b>Total Investment Costs</b>		
*A complete cash flow / profitability projection for three years must be part of the business plan.		
	(Local) Rs	(Foreign) Rs
Total Investment costs		

### 4.3 Employment (numbers)\*

	Year 1		Year 2		Year 3		Average	
	L	F	L	F	L	F	L	F
Management	_____	_____	_____	_____	_____	_____	_____	_____
Skilled	_____	_____	_____	_____	_____	_____	_____	_____
Non-skilled	_____	_____	_____	_____	_____	_____	_____	_____

\*Do not include investors  
L = Local, F = Foreign

## SECTION 5 LAND USE PLANNING

### 5.1 Land development

Please provide plot size for each component

	Land Area (Ha)
Freehold	_____
Leasehold	_____

### 5.2 State Land (if development on state land)

Do you hold:

- |                       |                          |   |
|-----------------------|--------------------------|---|
| Lease Agreement       | <input type="checkbox"/> | Date of lease agreement: ____/____/____       |
| Letter of Intent      | <input type="checkbox"/> | Date of letter of intent: ____/____/____      |
| Letter of reservation | <input type="checkbox"/> | Date of letter of reservation: ____/____/____ |

## SECTION 6 BANK & IMPLEMENTATION PLAN

### 6.2 Local Banker(s)

Bank Name \_\_\_\_\_  
Address \_\_\_\_\_

Bank Name \_\_\_\_\_  
Address \_\_\_\_\_

### 6.3 Implementation Schedule

	Dates
Detailed design	
Application of EIA	
Application for Building and Land Use Permit	
Appointment of contractor	
Construction starts	
Construction finishes	
Operation starts	

### 6.4 Check List

**Have you attached the following?**

*Tick as appropriate*

1	Detailed business plan containing: i. Background of promoters ii. Project components and description iii. Marketing iv. Work programme and implementation schedule v. Detailed financial structure of project vi. Capital structure	
2	Site location plan by sworn surveyor	
3	Title deed or presale agreement (promesse de vente) or letter of reservation, letter of intent or lease agreement	
4	Hotel master plan	
5	Bank documents showing proof of funds	
6	Architecture and drawings	
7	Outline Planning Permission	
8	Letter of Intent from Tourism Authority	
9	Specimen copy of the deed of sale for transfer of a unit	
10	Specimen copy of lease back agreement	

## 6.5 Statutory Declaration

It is hereby declared by the undersigned applicant(s) that:

- (a) all the particulars furnished in this application and in the documents and particulars attached hereto, are true and correct and that I/We have not suppressed any material fact,
- (b) any estimates given in this application have been made in good faith and with all due care, and
- (c) no director of the company has ever been convicted in a Court of Law for a criminal offence, penalised, sanctioned or is currently or has ever been under investigation for professional negligence or malpractice by any regulatory authority in any country.

I/We further undertake to abide the provisions of the Investment Promotion Act 2000 and the regulations made thereunder and all relevant and applicable laws of the Republic of Mauritius.

Name of Director 1:.....

Position:.....

Date:..... Signature:.....

Name of Director 2:.....

Position:.....

Date:..... Signature:.....