



# GUIDELINE

## **Operating Gold Trading/Processing Activities in Mauritius**

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## **1 Operating in the Freeport as Private Freeport Developer**

A Freeport is basically a delimited area near the port or airport whereby goods entering in the zone are duty free and VAT free and streamlined procedures for customs control. The activities of the Freeport are governed by the Freeport Act 2004.

### **1.1 Setting up a gold processing/trading unit in the Freeport**

- In the event that the process is qualified as “minor processing” or “trading activities”, there are no restriction on export markets and a maximum of 50% of the export turnover can be sold on the local market subject to normal taxation rate.
- If the proposed activity is qualified as “manufacturing”, at least 50% of the annual turnover must be exported to Africa with only 5% of the turnover eligible for sales on the local market upon approval of the Board of Investment.
- An import permit is normally required for the import of Gold by the Ministry of Commerce (Trade Division). This permit is unnecessary should operations be set up in a Freeport, with no intended sales to the local market.
- A Freeport company wishing to sell gold to the local market should be registered with the Assay Office. The purity of the gold must be certified by the Assay Office.
- Any domestic entity, whether an individual or company, wishing to purchase gold from a Freeport company will require an import permit from the Department of Commerce and must be a registered jeweller as per the provisions of the Jewellery Act.
- As per the Customs Tariff Schedule, Gold is exempted from duties and taxes (Excise Duty, Import Duty, VAT). Moreover, export duties on gold are not applicable in Mauritius.
- Private Freeport Developers and Freeport Operators are exempted from corporate tax, import duties and VAT as per the provisions of the Freeport Act.

### **1.2 Freeport activities of Private Freeport Developer**

The Freeport activities of Private Freeport Developer as per the provisions of item 1 of the Second Schedule of the Freeport Act is as follows. Gold processing and trading will fall under classified as Items 3 (f), (l) and (n).

1. Build, develop and manage its own infrastructural facilities, warehouses, cold storage, offices, exhibition centres, processing units, open storage, the carrying out of its own logistics services, marketing activities and holding of exhibitions, trade fairs and other events and its own Freeport activities referred to in item 3 as follows:

3. (a) Warehousing and storage;
- (b) Breaking bulk;
- (c) Sorting, grading, cleaning and mixing;
- (d) Labelling, packing, repacking and repackaging;
- (e) Light assembly;
- (f) Minor processing;
- (g) Ship building, repairs and maintenance of ships and aircrafts;
- (h) Storage, maintenance and repairs of empty containers;
- (i) Freight forwarding services;
- (j) Quality control and inspection services;
- (k) Export and re-export oriented airport and seaport based activities;
- (l) Any manufacturing activity, provided that –
  - (i) *the enterprise exports its manufactured goods to the extent of at least 95 per cent of its annual turnover, of which at least 50 per cent shall be exported to Africa; and*
  - (ii) *the remaining percentage may, upon approval by the Board of Investment, be put on the local market;*
- (m) Global trading, provided that the private freeport developer or freeport operator operates one or more activities referred to in sub-items (a) to (k);
- (n) (i) Vault services in respect of the items specified in subparagraph (ii);  
 (ii) Gold, silver, platinum, precious and semi-precious stones, precious metals, pearls, works of art and collectors' pieces and antiques;
- (o) Security, courier or assaying services, where relevant, wholly and exclusively for the items referred to in paragraph (n).
- (p) Providing Freeport related services outside Mauritius for advisory, marketing, engineering, project management, technical support and related services through a company incorporated in Mauritius.

**Note:** *For the purposes of –*

*(a) of item 1, “infrastructural facilities” means works relating to roads and the supply of water, electricity, water drains and facilities for sewerage disposal and any other related facilities;*

*(b) item (m) –*

*“Global trading” refers to international buying and selling of tradable commodities by a private freeport developer or freeport operator, in its own name, whereby the shipment of such commodities is made directly by the shipper in the original exporting country to the final importer in the importing country, without the commodities being physically landed in Mauritius.*

**Note: The details pertaining to the application for declaration of a Freeport zone is enclosed in the annex of this document.**

## **2 Operating outside the Freeport as domestic company**

A domestic company is registered with the Registrar of Companies and governed under the Companies Act 2001. A domestic company can be set up for various activities including Manufacturing, Trading, Investment Holding, and Consulting Services amongst others. The activities can be conducted with residents of Mauritius as well as with non-residents of Mauritius.

A domestic company in Mauritius can be wholly (100%) owned by a foreigner. It is however required that a Director of the company has residential rights in Mauritius. The Director can thus be a Mauritian or a foreigner who is already in possession of a valid permit to work and/or live in Mauritius.

### **Setup outside the Freeport**

- An import permit is required for the import of gold by the Department of Commerce.
- Sales of refined gold is only authorised to registered jewellers as per the provisions of the Jewellery Act. The purity of the refined gold must be certified by the Assay Office.
- As per the Customs Tariff Schedule, Gold is exempted from duties and taxes (Excise Duty, Import Duty, VAT). Moreover, export duties are not applicable in Mauritius.
- No restrictions on the export markets will apply.

### **Regulations for imports of Gold are under the Consumer Protection (Control of Imports) Regulations 1999 (GN 135)**

- (i) **The First Schedule (Part 1)** – List of Controlled Goods, stipulates that **an import permit** is required for the import of gold (including gold plated with platinum), whether unwrought, in semi-manufactured or powder forms classified under the customs tariff heading 71.08, as well as for waste and scrap of gold including metal clad with gold but excluding sweepings containing other precious metals, classified under the customs tariff heading 7112.10.

- (ii) **The Fourth Schedule** – Restrictions on Controlled Goods, stipulates that gold shall be imported only by jewellers holding the appropriate licences or certificates to manufacture goldwares.
  
- (iii) **The Fifth Schedule** stipulates that the import of fine gold for resale should be carried out in compliance with the following regulations:
  - (a) The importer should hold the appropriate Trading Licence issued under the Trade and Industries Classification Act and the Local Government Act giving him the right to manufacture and sell goldwares.
  
  - (b) The fine Gold should be sold to licensed jewellers only.
  
  - (c) A Certificate of fineness from overseas, attesting that the Gold is of 9, 14, 18, 20, 22 or 24 Kt, should be submitted to the Ministry prior to the clearance of the goods from the Customs.

### **3 Annex 1: Declaration of Freeport Zone**

#### **3.1 Submission of application for declaration of Freeport zone**

List of documents to be submitted:

1.	A detailed Business Plan (details of the promoters, proposed business, cost of project and financing, employment creation, forecast turnover and any other information to support the proposed project)	
2.	A copy of the certificate of incorporation of the company and Business Registration Card	
3.	Location and Site plan (final site boundaries, extent and coordinates as well as a survey report describing the final plot boundaries, extent and coordinates)	
4.	Architectural drawings	
5.	Lease Agreement or Title deed	
6.	Excision Permit (if applicable)	
7.	Outline Planning Permission (OPP) from Local Authority	
8.	MPA authorisation (if applicable in Port area)	
9.	AML authorisation (if applicable in Airport area)	

It will be the responsibility of the Company to obtain the relevant licences, authorisations, and permissions from the concerned authorities prior to the start of operations and ensure strict adherence to the Planning Policy Guidance.

Example:

- MRA Customs' authorisation for specification of perimeter fence;
- Warehouse Management Information System (WMIS);
- EIA License (if applicable)
- Building and Land use permit (include Fire clearance; CWA clearance; CEB clearance)
- DCCB permit for storage of dangerous cargo (if applicable)
- Health Certificate (Sanitary Clearance from Ministry of Health and Quality of Life)

#### **3.2 Submission of application for Freeport Certificate at Board of Investment**

Completed application forms must be submitted online through [www.eregulations.mu](http://www.eregulations.mu) to Board of Investment. All applications should be accompanied by the following supporting documents:

1. Certificate of Incorporation;
  2. Business Registration Card;
  3. Business plan (including proposed business, investment figures, employment creation, etc.);
  4. EIA License (if applicable);
- The Freeport Certificate shall be valid for a period of 12 months as from the date of approval.
  - The annual fee of MUR 200, 000 representing, cost of new Freeport Certificate or renewal of Freeport Certificate must be paid to Board of Investment by Private Freeport Developer, as per the Fourth Schedule of the Freeport Act.
  - Applicants are required to settle payment through company cheque drawn to the order of Board of Investment.
  - It is the sole responsibility of the Private Freeport Developer to renew their Freeport Certificate.
  - A penalty fee of MUR 100,000 is applicable after the due date of the Freeport Certificate for Private Freeport Developer.
  - Any change in company's name and shareholding structure or both should be communicated immediately to the Board of Investment.

Board of Investment  
10<sup>th</sup> floor, One Cathedral Square  
16 Jules Koenig St, Port Louis  
Tel: 203 3800      Fax: 208 1560  
Email: [manufacturing@investmauritius.com](mailto:manufacturing@investmauritius.com)