



Board of Investment
Mauritius

Guidelines

Exemption from payment of Registration Duty and Land Transfer Tax for Warehousing Purposes

November 2017

Preface

This publication contains guidance for promoters who are interested to conduct warehousing activities. These guidelines are based on provisions of the Investment Promotion Act, Land (Duties and Taxes) Act 1984 and the Registration Duty Act 1804 as amended through the Business Facilitation Act 2017.

Legal basis

- Section 45A(3) and Eighth Schedule of the Land (Duties and Taxes) Act 1984 stipulates that a transaction witnessing the transfer of –

- (i) land, provided that the purchaser uses the land to construct a building for use primarily as a warehouse; or
- (ii) land on which there is a building, provided that the purchaser uses the building primarily as a warehouse,

as the Board of Investment may certify, shall be exempt from payment of the duty and taxes leviable under Part II, Part III and Part V of the Act and the duty leviable under the Transcription and Mortgage Act.

- Part III of the First Schedule of the Registration Duty Act 1804 provides for

Any deed witnessing the lease of –

- (a) land, provided that the lessee uses the land to construct a building for use primarily as a warehouse; or
- (b) land on which there is a building, provided that the lessee uses the building primarily as a warehouse, as the Board of Investment may certify.

Eligibility Criteria

- a) A warehouse is defined as an enclosed building or structure in which goods are stored. The warehouse may have more than one storage room and more than one floor.
- b) Office space, lunchrooms, restrooms, and other space within the warehouse and necessary for the operation of the warehouse are considered part of the warehouse as are loading docks and other such space attached to the building.
- c) A storage yard is not a warehouse.

- d) The company shall not conduct any activities other than warehousing for which the property has been exempted from payment of registration duty and land transfer tax.

Application

- a) A promoter willing to avail of the above incentive should apply to the Board of Investment on the prescribed form
- b) The application should be accompanied by the following supporting documents:
 - i. Project brief including background information on the promoters, expected date of start of construction if applicable and expected commencement date of operation;
 - ii. A pre-sale or lease agreement (as applicable);
- c) A letter shall be issued by the Board of Investment to eligible promoters certifying that the warehousing project will be exempted from payment of registration duty and land transfer tax.

Repayment of duties and taxes to the Registrar General

Where a beneficiary of exemption from Registration Duty and Land Transfer Tax no more satisfies the eligibility criteria set out in this guideline and the Land (Duties and Taxes) Act, the beneficiary may be subject to repayment of duties and taxes to the Registrar General.

Section 39(1A) of the Land (Duties and Taxes) Act states that:

“Where the Board of Investment notifies the Registrar-General that a purchaser has failed to satisfy any of the requirements referred to in item (zf) of the Eighth Schedule, the Registrar-General shall, by written notice, make an assessment of the amount of duty or tax that would otherwise be payable and claim such amount from the parties to the transaction”.

- a) Any change in the ultimate beneficial ownership, shareholding structure, purpose or working principle of the company shall be notified in writing forthwith to the Board of Investment.
- b) Where the beneficiary sells or otherwise disposes of the property, it shall forthwith notify the Board of Investment.

- c) Where the beneficiary fails to satisfy the requirements or no more satisfies the requirements, the Board of Investment shall notify the Registrar-General and on assessment of the amount of duty or tax that would otherwise be payable, the Registrar-General shall claim such amount from the parties to the transaction.

- d) The beneficiary shall on an annual basis notify the Board of Investment if the facilities exempted are being used primarily for warehousing activities, failing which it may be deemed that warehousing activities have ceased, and requirements are no longer satisfied.

Disclaimer

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 for any matter arising from use of information contained herein.

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