



# GUIDELINES

## MINOR PROCESSING ACTIVITIES

*(Item 3 (6) of the Second Schedule of the Freeport Act)*

## Mauritius Freeport

**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 Economic Development Board (EDB) in case of uncertainty or ambiguity encountered in reading this manual. The EDB shall, in no circumstances whatsoever, be held liable to any person arising from use of information contained herein.**

**1. GUIDELINE FOR THE ADMINISTRATION OF MINOR PROCESSING” UNDER ITEM 3 (6) OF THE SECOND SCHEDULE TO THE FREEPORT ACT.**

Minor processing is defined as:

- a) mere dilution with water or any other substance that does not materially alter the characteristics of the goods;
- b) cleaning, including removal of rust, grease, paint or any other coating;
- c) applying any preservative or decorative coating, including any lubricant, protective encapsulation, preservative or decorative paint, or metallic coating;
- d) trimming, filing or cutting off small amounts of excess material;
- e) unloading, reloading or any other operation necessary to maintain the goods in good condition;
- f) testing, marking, sorting or grading;
- g) repairs or alterations, washing, laundering or sterilizing;
- h) textile decorative processes incidental to the production of textile goods, other than apparel, such as edge pinking, whipping, folding and rolling, fringing and fringe knotting, piping, bordering, minor embroidery, hemstitching, embossing, dyeing and printing; or
- i) ornamental or finishing operations incidental to apparel assembly and designed to enhance the marketing appeal or the ease of care of the goods, such as embroidery, hemstitching and sewn appliqué work, stone or acid washing, printing and piece dyeing, preshrinking and permanent pressing, and the attachment of accessories, notions, trimmings and findings; (traitement mineur);
- j) Simple mixing and blending of products, whether or not of different kinds (the batch size shall not exceed 1 Ton;
- k) Sharpening, simple grinding or simple cutting;
- l) Husking, partial or total bleaching, polishing and glazing (cereals, rice etc);
- m) Peeling, stoning and sheeling (i.e fruits, nuts, vegetables etc)

**Note:**

1. Production means growing, mining, harvesting, fishing, trapping, hunting, manufacturing, processing or assembling goods (production);
2. Simple assembly means the fitting together of five or fewer parts, all of which are foreign parts, other than screws, bolts or other fasteners, by bolting, gluing, soldering, sewing or any other means without more than minor processing (montage simple);
3. Workings or processes shall be considered “simple” when inter-alia, neither special skills nor machines, apparatus or tools especially produced or installed for those operations are required for their performance.

**2. ASSESSMENT OF FREEPORT PROJECT UNDER MINOR PROCESSING CATEGORY**

The freeport project related to minor processing will be assessed by the Technical Committee including the EDB, MRA (Customs, Vat & Income Tax dept), Ministry of Commerce (Trade Division) based on the guidelines including the business plan and process flow chart to evaluate the category of activity prior to be issued a Freeport Certificate.

**3. BILATERAL / REGIONAL TRADE AGREEMENTS**

Preferential treatment granted under bilateral / regional trade agreements to which Mauritius is a party shall be subject to fulfillment of respective rules of origin requirements.

**4. DEFINITION OF MANUFACTURING**

With a view to differentiating between ‘minor processing’ and ‘manufacturing’, manufacturing is defined when the finished goods:

- (i) has the value added resulting from the process of production accounts for at least 35% of the ex-factory cost of the good; or
- (ii) are classified or become classifiable under a tariff heading from the process of production other than the tariff heading of the raw material used for the production.

provided that the manufacturing process under paragraph (i) goes beyond the processes specified under ‘minor processing’ as defined under paragraph 1 above

**This guideline is subject to dynamism based on strategic importance of the project under minor processing with such modifications, adaptations and exceptions.**

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