

Tax Alert

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MRA clarification - Alternative Investment Fund

Introduction

On 01 July 2022, the Mauritius Revenue Authority (MRA) has issued a communiqué to clarify that Alternative Investment Fund (AIF) will be treated as tax transparent vehicles for income tax purposes in Mauritius.

This implies that income earned by Mauritius companies from AIFs will be subject to tax in Mauritius as if the income derived or received by AIF, are received directly at the level of the Mauritius investment funds. For example, income of capital nature earned by the AIF will be treated as of capital nature in Mauritius as well, and not as dividend.

Background

TR 235 ,..... following representation from Industry

KPMG Views

This is a positive development as income derived by the funds will be taxable in Mauritius.

This clarification from the MRA is welcomed by the financial services sector in Mauritius and also bring along tax certainty. This also consolidates Mauritius's position as one of the leading IFC for investment in India.

How the AIF regime works

An AIF is a fund established or incorporated in India which is a privately pooled investment vehicle which collects funds from sophisticated investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors.

We hope you find this tax alert useful. Feel free to contact us if you have any question.

Contact Us



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