

Update on CIGA requirement

The Financial Services Commission has clarified that the Core Income Generating Activities (CIGA) requirement will only apply where global business companies are claiming 80% tax partial exemption. As such, global business companies which are not claiming the 80% tax partial exemption will not be required to meet the CIGA requirement.

As a reminder, important changes in the global business regime which were made in 2018 took effect as from July 2021. The main changes are as follows:



KPMG Views

The clarification from the FSC on the CIGA requirement is welcomed by the global business community and also bring along tax certainty. The changes made to the global business sector in 2018 were important to ensure that the jurisdiction is compliant with all the latest international tax norms and continue to be on the EU white list of non-cooperative tax jurisdiction.

How KPMG can assist you

- Assess the application of CIGA requirement on existing and new structures
- Assess the eligibility of tax partial exemption for your entity
- Identify any gaps in relation economic substance and provide recommendations

Contact Us

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



Wasoudeo Balloo
Partner, Head of Tax

T: (+230) 406 9891

E: wballoo@kpmg.mu



Kevin Mees
Senior Manager, Tax

T: (+230) 406 9768

E: kmees1@kpmg.mu

kpmg.com/mu

kpmg.com/socialmedia



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This document is based on our interpretation of the current tax laws and international tax principles. These laws and principles are subject to change occasioned by future legislative amendments and court decisions. You are therefore cautioned to keep abreast of such developments and are most welcome to consult us for this purpose.

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