

REAL ESTATE SCHEME (RES)

What is RES?

The RES is a program that allows the development of residential properties of international standing on the island for sale mainly to non-citizens.

Eligibility

Only a small land-owner or a group of small land-owners who own freehold land of an extent of at least 1 arpent but not exceeding 10 hectares (23.69 arpents) for at least 5 consecutive years shall be allowed to implement a project under the RES.

The RES project shall be implemented by a company incorporated in Mauritius where the land-owners shall be shareholders in the RES company equivalent to at least the value of land brought in the RES company.

The land-owners shall retain shares in the RES company until at least 1 year after delivery of residential units to buyers.

Benefits to buyers?

- (a) no authorisation from Prime Minister's Office required for acquisition of immovable property by non-citizens or companies registered as foreign companies under Companies Act
- (b) buyer pays fixed rate registration duty of USD 25,000 (or sum equivalent in MUR if natives or a local company)
- (c) entitles a non-citizen buyer automatically to an occupational permit in Mauritius

Who can buy a residential unit from an RES company?

- (a) a non-citizen of Mauritius
- (b) a citizen of Mauritius
- (c) a company registered as a foreign company under the Companies Act 2001
- (d) a company incorporated under the Companies Act 2001
- (e) a société, where its deed of formation is deposited with the Registrar of Companies

- (f) a trust, where the trusteeship services are provided by a qualified trustee licensed by the Financial Services Commission

Facilities

The following services must be provided as part of an RES project:

- (a) commercial facilities and leisure amenities luxury villa with attending services and amenities
- (b) day to day management services to the residents such as security, maintenance, gardening, solid waste disposal and household services

Cost of residential property

There is no restriction on the minimum amount of investment in the acquisition of a residential property under RES.

Acquisition of residential property

An immovable property for residence under RES may be acquired off plan, during construction phase or when construction is completed.

In accordance with the provisions of the 'Code Civil' the price of a residential property is payable in instalments as follows: 25% upon signature of deed; 10% on completion of foundation works; 35% upon completion of roofed-in phase; 25% upon completion and 5% upon availability of premises.

- (a) application in prescribed form to Board of Investment
- (b) non-refundable processing fee of Rs 10,000 to be paid for each application
- (c) RES Company shall carry out a due diligence through a reputable bank and open an escrow account for the client
- (d) potential buyer shall deposit at most 5% of the amount of investment in the acquisition of property in the bank

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- (e) non-citizens to provide duly authenticated copies of the following documents: passport and bank's KYC clearance (or in the case of companies, trusts or société relevant documents).

accepted for errors or opinions contained therein.

Benefits to land-owner/RES company?

- (a) transfer of land in the RES company is exempted from land transfer tax/registration duty if the value of shares held by the land-owner in the RES company is at least equivalent to the value of land
- (b) dividends out of profits from RES company is exempt from income tax
- (c) land transferred into the RES company is exempted from 'Morcellement Tax' where relevant

Land Transfer Tax

Land Transfer Tax at 5% of the value of property sold is payable by the RES company.

Residency in Mauritius

Unlike the Integrated Resort Scheme (IRS), acquisition of a property under the RES does not grant Mauritian residency status to the buyer.

More information

More information on IRS can be obtained on the web site of the Board of Investment: www.investmauritius.com

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