

GLOBAL BUSINESS

PROTECTED CELL COMPANY

M A U R I T I U S

Protected Cell Company (“PCC”) is governed by the Protected Cell Companies Act 1999 and is regulated by the Financial Services Commission (“FSC”). A PCC is a corporate structure in which a single legal entity consists of a core linked to separate cells. Each cell has separate assets & liabilities and is independent of one another including the core. The main objectives of a PCC are the segregation of business risks and to protect individual cell’s assets & liabilities from the threat of contamination by the failure of another cell.

CHARACTERISTICS AND MAIN ADVANTAGES OF A PCC

1

A PCC is normally structured through a Global Business Licence (“GBL”) entity.

2

In the event of insolvency of one cell, creditors only have recourse to the assets of that particular cell and not to any other One.

4

A PCC is governed by a single board of directors that oversees the entire legal entity. Each cell is managed by a committee or group authorized by the board.

3

A PCC may carry out either of the following qualified global business activities: Assets holding; Investment funds; Insurance/ Re-Insurance business and Structured finance businesses.

6

A PCC may be directly incorporated or may be registered by way of continuation provided that the incorporation and registration requirements prescribed in the Companies Act 2001 and the PCC Act 1999 are satisfied.

5

A PCC may pay dividend on a cellular basis only by reference to the profits made by each individual cell.

8

A PCC normally issues two classes of shares: (i) Ordinary shares with voting rights which control the Core;(ii) Cellular shares with no voting rights, which are attributable to individual cells and which will be distinct and separate from all other cells and from the core.

7

Cells within a PCC are formed under the authority of the board of directors, who are typically able to create new cells as business needs arise.

TAXATION

A PCC is liable to Mauritius income tax at the rate of 15% which may be reduced to 3% after application of the partial exemption regime of 80% to certain categories of income which qualify for such exemption. There is no withholding tax on dividends, capital gains and interests.

A PCC is qualified as a Mauritian tax resident entity & thus can avail benefits under the vast ‘Double Tax Treaty’ (“DTT”) network and ‘International Promotion and Protection Agreements’ (“IPPAs”) which Mauritius has signed with various countries including more than 20 countries in Continental Africa.



COMPLIANCE REQUIREMENTS

- No minimum capital requirement is imposed on a PCC or the cell/s except in the case of insurance/re-insurance businesses whereby the minimum capital required are as follows:

(i) Captive insurance	USD100,000
(ii) Long-term insurance	USD250,000
(iii) General insurance	USD200,000
(iv) Re-insurance	USD300,000

- A PCC is required to submit annual audited accounts to the FSC and to the Mauritius Revenue Authority. Accounts should be prepared in accordance with International Financial Reporting Standards ("IFRS"). If a PCC elects to present separate audited accounts in respect of each of its cells or is required to present separate consolidated financial statements for each cell under the Companies Act 2001, each cell shall be liable for its own non-compliance.
- A PCC must always have a qualified Company secretary, 2 resident directors and have its registered office address in Mauritius (those services are provided by AIL).

OUR SERVICES

Our range of services under this head includes the following:

- Advice on the structuring of the PCC
- Drafting of constitutive documents
- Incorporation and licensing of the PCC.
- Provision of local directors of appropriate calibre
- Act as Company Secretary
- Coordinating and holding Board meetings
- Provision of the registered office address
- Nominee Shareholding by our qualified Nominee Company
- Arrangement for the creation of additional cells
- Provision of accounting and administration services
- Advising on the local regulatory, legal and tax framework.

APPAVOO INTERNATIONAL LTD Global Business

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