



The Mauritius Freeport

Guidelines for Minting and Refining of Precious Metals

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1. Introduction

The purpose of this guideline is to provide guidance to promoters who wish to conduct activities related to Minting and Refining of precious metals in a freeport zone. It describes the above-mentioned activities to be carried out in a Freeport zone including other authorized activities, fiscal regime and customs procedures as applicable.

Following amendments brought to the Freeport Act through the Finance (Miscellaneous Provisions) Act 2023, Minting and Refining of precious metals are considered as freeport activities as per the provisions of items 3(16) and 3(17) of the Second Schedule to the Freeport Act.

The above activities have been included in the Freeport Act to further develop the Mauritius Freeport and attract new investors to use Mauritius as their preferred logistics and value-added platform to trade with precious metals in the region. The aim is to further increase trade and investment in the Mauritius Freeport.

The guideline stipulates the procedures required to be followed by promoters in line with requirements under the Freeport Act and Customs laws and provide a comprehensive and user-friendly guide and reference document to assist investors to submit projects for Minting and Refining of precious metals. Detailed technical aspects will be discussed in the Technical Committee with Operators and Private Freeport Developers planning to undertake precious metals minting and refining activities.

2. Activities related to Minting and Refining of Precious Metals

Precious metal is defined with reference to the interpretation in the Financial Intelligence and Anti-Money Laundering Act 2002.

3. Types of Freeport Activities relating to Minting and Refining of Precious Metals

i. Private Freeport Developer

Building, developing and managing by the enterprise of its own infrastructural facilities, warehouses, cold storage, offices, exhibition centres, processing units and open storage, the carrying out of its own logistics services, marketing activities and holding exhibitions, trade fairs and other relevant events and its own freeport activities referred in item 3 as extracted from Second Schedule to the Freeport Act as mentioned below.

ii. Freeport Operator

A freeport operator may be authorized to carry out any of the freeport activities associated with minting and refining of precious metals specified in item 3 as follows:

- a) Warehousing and storage.
- b) Breaking bulk.
- c) Sorting, grading, cleaning and mixing.
- d) Labelling, packing, repacking and repackaging.
- e) Quality control and inspection services.

- f) Export and re-export oriented airport and seaport based activities.
- g) Vault for keeping gold, silver, platinum, precious and semi-precious stones, precious metals, pearls, works of art collectors' pieces or antiques.
- h) Security, courier or assaying services or exhibition area, as the case may be, used wholly and exclusively.
- i) Minting of precious metals.
- j) Refining of precious metals.
- k) Fullfillment Centre provided that it does not include any
 - manufacturing activity; or
 - international buying and selling of tradable commodities, in its own name, whereby the shipment of such commodities is made directly by the shipper in the original exporting country to the final importer in the importing country, without the commodities being physically landed in Mauritius.

4. Application Process

I. Submitting an application

An application for a Freeport Certificate must be submitted to the Economic Development Board through the online Freeport Licensing System (FLS), <http://fls.edbmauritius.org>.

- (a) Applicant should first register on the system for a username and password.
- (b) He should then fill in the application form and upload all supporting documents as defined below. All documents must be submitted via the FLS.

II. Documents to be uploaded.

- a) The applicant should submit an electronic version of the following documents listed below at the time of his application on the online FLS.

Private Freeport Developer	<ul style="list-style-type: none"> a) Certificate of Incorporation of the company (issued by CBRD) and Business Registration Card. b) Shareholding structure. c) Passport of promoter and shareholders. d) A detailed Business Plan including details of the promoters, proposed business, cost of project and financing, employment creation, 3-year financial forecast, and any other relevant information to support the proposed project. e) Process flow chart detailing the chemical and materials to be used (if applicable).
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	<p>f) Location and site plan (final site boundaries, extent and coordinates as well as a survey report describing the final plot boundaries, extent and coordinates).</p> <p>g) Architectural drawings.</p> <p>h) Lease Agreement or Title Deed.</p> <p>i) Building and Land Use Permit (BLUP) or Outline Planning Permission (OPP) from Local Authority (Note: OPP is requested at time of application of Freeport Certificate and BLUP before starting construction).</p> <p>j) Excision Permit (if applicable).</p> <p>k) Parcel Identification Number (PIN) from Ministry of Housing and Land Use Planning (relating to construction).</p> <p>l) Environment Impact Assessment (EIA) from the Ministry of Environment, Solid Waste Management and Climate Change (if applicable).</p>
<p>Freeport Operator</p>	<p>a) Certificate of Incorporation of the company issued by CRBD and Business Registration Card.</p> <p>b) Shareholding structure.</p> <p>c) Passport of promoter and shareholders.</p> <p>d) A detailed Business Plan including details of the promoters, proposed business, cost of project and financing, employment creation, 3-year financial forecast, and any other relevant information to support the proposed project.</p> <p>e) Process flow chart detailing the chemical and materials to be used (if applicable).</p> <p>f) Environment Impact Assessment (EIA) from the Ministry of Environment, Solid Waste Management and Climate Change (if applicable depending on the location).</p> <p>g) Assay Office-Registration under the Jewellery Act 2007:</p> <p>h) Persons dealing in jewellery, precious metals and precious/semi-precious stones meant exclusively for export are exempt from registration as per the Jewellery Act.</p>

- b) Persons dealing in jewellery, precious metals and precious/semi-precious **stones meant for sale on the local market require registration from the Assay Office.** The application for registration is a 3 steps process.

(i) The following documents must be submitted in original at time of application for company, société or other corporate body:

- Certificate of incorporation or registration of the Company/Entity;
- Business Registration Card issued under Section 8(2) of the Business Registration Act 2002 – to deal in jewellery; where applicable, Receipt of payment for amended Business Registration Card;
- Trade Fee Receipt issued by the Corporate and Business Registration Department– to deal in jewellery, where applicable; and
- Extract/Summary of File at incorporation.

(ii) “Fit and Proper” person assessment.

The following documents must be submitted for the company/entity:

- Audited/Management account.
- Bank Reference Letter.
- For each director, shareholder and beneficial owner:
 - Bank Reference Letter;
 - Qualifications and experience, including inter alia certificates, CV and reference letters;
 - Certificate of character (not more than 3 months);
 - NIC/Passport for Mauritian Citizen; and
 - For Non-Citizen –
 - Passport; and
 - Letter from relevant authorities in Mauritius for Work Permit/Occupational Permit/Residence Permit.

(iii) Payment of Registration Fee upon Notification.

For more information, consult the Assay Office website on <http://assayoffice.org>.

III. The process

- (a) The applicant will receive an acknowledgement email at the time of submission of the application. The email will also include a reference number of the applicant’s file.
- (b) The Economic Development Board will verify the application. In case of missing/ incomplete information, the EDB will revert for additional information and clarifications.
- (c) A due diligence exercise will be conducted by the relevant institutions.

- (d) A Technical Committee comprising of Economic Development Board, Mauritius Revenue Authority (Customs and Medium and Small Taxpayers Department), Assay office and any other relevant authorities as may be required after which the Economic Development Board Freeport Dept will recommend issuing the Freeport Certificate.
- (e) The applicant will be notified through the EDB online Freeport Licensing System whether the application has been approved or rejected.

5. Annual fees to be paid for Private Freeport Developer and Freeport Operator

- The Freeport Certificate shall be valid for a period of 12 months as from the date of issuance.
- The companies referred in Item 2 and 3(16) and 3(17) of the Second schedule of the Freeport Act are to be granted a Freeport Certificate as Private Freeport Developer and Freeport Operator respectively.
- The annual fee of MUR 200,000 and 20,000 representing, cost of new Freeport Certificate or renewal of Freeport Certificate must be paid to Economic Development Board by Private Freeport Developer and Freeport Operator, as per the Third Schedule of the Freeport Act.
- Applicants are required to settle payment through company cheque drawn to the order of Economic Development Board.
- It is the sole responsibility of the Private Freeport Developer and Freeport Operator to renew their Freeport Certificate.
- A penalty fee of MUR 100,000 and 10,000 is applicable after the due date of the Freeport Certificate for Private Freeport Developer and Freeport Operator respectively.
- Any change in company's name and shareholding structure or both should be communicated immediately to the Economic Development Board.

6. Customs Procedures

6.1 Import Procedures

Freeport Developers/Operators shall submit electronically an import Bill of Entry (BOE) together with the following documents:

- Bill of lading/Airway Bill, the essential shipment documentation;
- Commercial Invoice, providing comprehensive information on the precious metals being shipped;
- Document from a competent authority in the country of export/ origin certifying that these precious metals are legitimate and are not proceeds of crime;
- Assay Certificate confirming the purity level of the precious metal (from country of origin/ country of export);

- Packing list for precise inventory management;
- Passenger's/Carrier's travel documents for hand-carried goods; and
- Any other documents specific to the imported goods to ensure comprehensive record-keeping.

6.2 Inter-Zone Transfers

For transfers within a Freeport zone or between Freeport zones, Freeport Developers/Operators must process a transfer BOE.

6.3 Export Procedures

To facilitate exports, Freeport Developers/Operators should submit electronically an export bill of entry together with the following documents:

- Commercial Invoice detailing the type of precious metals exported;
- Bill of lading/Airway Bill;
- Packing list;
- Passenger's/Carrier's travel documents for hand-carried goods;
- Assay Certificate verifying the precious metal's purity; and
- Any other documents specific to the exported goods to ensure comprehensive record-keeping.

6.4 Import of Goods onto the Local Market from Freeport

When importing precious metals from a Freeport Zone to the local market, the local importer shall submit electronically an Import Bill of Entry, while the Freeport Developer/Operator simultaneously submits electronically a corresponding Export Bill of Entry from the Freeport together with the following documents:

- Commercial Invoice specifying the type of precious metals being imported;
- Assay certificate confirming precious metal purity;
- Packing list; and
- Any permits or authorisations from Government Agencies.

Any other documents specific to the imported/exported goods to ensure comprehensive record-keeping

6.5 Report on Input-Output Balance

Freeport operators/ private freeport developers have the obligation to furnish a report on Input-Output Balance detailing materials used in the refining/minting process and an inventory of materials.

6.6 Material Mix and Yield Variances

- **Material Quantity Report:** For finished products derived from multiple input materials, a report must specify the quantity of each input material.

- **Yield Report:** This report quantifies the quantity of finished goods produced as output.

6.7 Material Loss Report

Any material losses, waste, scrap, defects, or spoilage should be diligently documented and reported.

All freeport operators or freeport developers under this measure, should comply with the duty and obligation of a freeport operator or freeport developer as provided in the Freeport Act and any other provision of the customs laws related to freeport activities.

6.8 Development of a Stakeholders Manual

A customized Statement of Practice will be developed to suit the specific Freeport activity and the various processes involved in the import/transfer/export and sale on the local market under items 3(16) and 3(17) of the second schedule of the Freeport Act.

7. Fiscal Regime

a) Freeport

Companies conducting refining and minting of precious metals will be subject to 3% corporate income tax on export of goods.

b) Customs

All the goods imported into a Freeport zone are exempt from Customs duty, Excise duty and VAT.

c) VAT

- Activities related to Minting and Refining of precious metals shall be exempt from VAT.
- In case the holders of the Freeport Operator require goods and services on the local market, they will have to acquire the goods and services from VAT registered persons to obtain the supplies free from VAT (section 16(2) of the Freeport Act).

d) Income Tax

- An 8-year income tax holiday will be granted to a Freeport Operator or Private Freeport Developer, in respect of every subsequent year of assessment, provided it:
 - Starts its operations on or after 1 July 2022;
 - Invests at least Rs 50 million in its operations; and
 - Satisfies such conditions relating to the substance of its activities as provided in the Freeport Regulations 2005.
- If the promoter is not eligible to 8-year income tax holiday, the Freeport Certificate holder as Freeport Operator or Private Freeport Developer relating to minting and refining of precious metals as per the Second Schedule of the Freeport Act will be subject to 3% corporate tax on export of goods.

8. AML/CFT Framework

Dealers in jewellery, precious stones or precious metals (DPMS) are subject to anti-money laundering and combatting the financing of terrorism and proliferation ('AML/CFT') regime under the Financial Intelligence and Anti-Money Laundering Act 2002 (FIAMLA¹) and those who are engaged in prescribed activities under Part II of First schedule of FIAMLA, classify as reporting persons.

All DPMS, who are classified as reporting persons, must comply with the:-

- FIAMLA and its Regulations; and
- United Nations Sanctions Act (Financial Prohibitions, Travel Ban and Arms Embargo) Act 2019.

Pursuant to First schedule Part 1 of FIAMLA, the FIU is the current AML/CFT regulatory body of the DPMS sector and has published, on its website, guidance documents including guidelines to assist reporting persons, in better understanding and fulfilling their AML/CFT obligations.

The FIU website² may be consulted at: <https://www.fiumauritius.org/fiu/>.

Under the FIAMLA, the following definitions are provided:

- A DPMS is defined as *"a dealer in jewellery, precious stones or precious metals who engages in any transaction of at least 500,000 rupees in total, whether the transaction is executed in a single operation or in several operations which appear to be linked."*
- Under the Interpretation section of the FIAMLA, the term 'Dealers in jewellery, precious stones or precious metals' means: a person who deals in jewellery, precious stones or precious metals and includes a person who;
 - Manufactures, processes, buys, sells, imports or export jewellery or supplies jewellery for sale;
 - Processes, buys, sells or imports precious metals or exports melted precious;
 - Or, processes, buys, sells or imports precious stones.
- 'Jewellery' means any article made of precious metal or it's alloy, and which exceeds one gramme.
- 'Precious metal' means gold, silver, platinum or palladium; and includes any object which is composed of gold, silver, platinum or palladium 'Precious stone' means diamond, sapphire, ruby, emerald, alexandrite or tanzanite.

¹FIAMLA:

<https://www.fiumauritius.org/fiu/wp-content/uploads/2023/02/financial-intelligence-and-anti-money-laundering-act-2002.pdf>

²FIU website: https://www.fiumauritius.org/fiu/?page_id=2192

Contact Us

Freeport Department -Economic Development Board

Ground Floor, 7 Exchange Square, Wall Street, Ebene,
72201, Republic of Mauritius

Tel: (230) 203 3800

Fax (230) 208 2924

Email: freeport@edbmauritius.org

www.edbmauritius.org

Mauritius Revenue Authority- Customs (Port)

Custom House, Mer Rouge, Port Louis- Mauritius

Tel: +230 202 0500/ 01

Fax: +230 216 9567

Email: customs@mra.mu

www.mra.mu

Mauritius Revenue Authority- Customs (Airport Cargo Operations Section)

Integrated Customs Clearance Centre

Le Chaland, Plaine Magnien- Mauritius

Tel:6379700

Email: aircargo.Customs@mra.mu

www.mra.mu

Mauritius Revenue Authority- Taxation

Ehram Court, Cnr Mgr. Gonin & Sir Virgil Naz Streets,

Port Louis- Mauritius

Tel: +230 207 6000

Fax: +230 211 8099

Email: Taxpayerservices@mra.mu

www.mra.mu

Assay Office

11th & 12th Floor - Ken Lee Tower
Corner St Georges & Barracks Streets

Port Louis-Mauritius

Tel: +230 211 0612/13/14

Fax +230 211 0617

Email : assay@govmu.org

www.assayoffice.org

ECONOMIC DEVELOPMENT BOARD

Ground Floor, 7 Exchange Square, Wall Street, Ebene, 72201,
Republic of Mauritius

Tel: +230 203 3800

<http://www.edbmauritius.org/>



Disclaimer

This guideline may be subject to changes and should not, in any circumstances, be treated as final. Any other information or document not listed above may be requested depending on the application.

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

Compliance with these guidelines and the provision of precise and comprehensive documentation are pivotal for legally sound import and export processes. Businesses are strongly encouraged to collaborate closely with relevant competent authorities to ensure seamless operations and strict adherence to regulations.