
STATES OF JERSEY



ENTRY INTO FORCE OF THE PROTOCOL AMENDING THE JERSEY - MAURITIUS DOUBLE TAXATION AGREEMENT (2017)

**Presented to the States on 24th April 2025
by the Minister for External Relations**

STATES GREFFE

REPORT

This Report to the States Assembly provides an update following the signature of the Protocol amending the Double Taxation Agreement (“DTA”) concluded between Jersey and Mauritius in 2017 and notifies the Assembly of the impending entry into force of the Protocol.

Annexes

- **Annex I** – PROTOCOL BETWEEN MAURITIUS AND JERSEY AMENDING THE AGREEMENT OF 3 MARCH 2017 FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME
- **Annex II** – 2017 AGREEMENT BETWEEN MAURITIUS AND JERSEY FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

MINISTER FOR EXTERNAL RELATIONS

24 April 2025

EXECUTIVE SUMMARY

As part of the Island's efforts to maintain its alignment with global minimum standards and best practices regarding international tax and transparency, the Government of Jersey has undertaken negotiations to update a number of existing cross-border tax agreements.

This includes the DTA signed with Mauritius in 2017, which will be amended by a Protocol concluded with the Government of Mauritius in 2023. The Protocol is not expected to impact the majority of taxpayers, and no objections were raised by the multiple stakeholders engaged through the consultation process conducted prior to signature.

Following completion by both Jersey and Mauritius of the respective necessary procedures to bring the Protocol into force, the provisions of the Protocol will have effect from the 2026 tax year.

BACKGROUND

As an associate of the OECD's Inclusive Framework on Base Erosion and Profit Shifting ("BEPS"), Jersey is required to ensure that its network of DTAs are compliant with the minimum standards set out in BEPS Actions 6 and 14. These require jurisdictions to ensure that wording is included in their DTAs which prevents their use for abusive purposes (Action 6) and to improve the operation of the mutual agreement procedure (MAP), which provides recourse for taxpayers who believe that a DTA has not been properly applied in their case (Action 14).

The OECD developed model text for jurisdictions to use to amend their DTAs to bring them in line with BEPS. Jersey implemented these changes in the majority of our existing DTAs following the ratification by the States Assembly on 15th November 2017 of the multilateral legal instrument ("MLI"), which allowed jurisdictions to amend some types of bilateral DTAs on a multilateral basis.

As an early adopter of the MLI (Jersey was the third jurisdiction to ratify the MLI), Jersey did not include the Mauritius DTA in its list of agreements to be covered by the MLI as, at the time of ratification of the MLI, Jersey had not ratified the DTA with Mauritius. By the time Mauritius entered the MLI process in 2019, however, the DTA had been ratified (in October 2018) and Mauritius therefore included it in its list of covered agreements. The mismatch between the two lists meant that the MLI does not apply to the Jersey/Mauritius DTA.

To ensure that the agreement is compliant with the BEPS minimum standards, therefore, the two jurisdictions agreed to negotiate the necessary amending Protocol, with negotiations being conducted in March 2023.

NEGOTIATIONS

The intention of the negotiations was to ensure that Jersey's agreement with Mauritius is compliant with the BEPS minimum standards. The Protocol therefore reflects this position, with the following salient features:

- Changing the title of the agreement to include references to the 'elimination' of double taxation (where previously it referred to the 'avoidance' of double taxation) and to the prevention of tax evasion and avoidance (where previously it had referred only to fiscal evasion with respect to taxes on income).
- The replacement of the original preamble with an updated version stating the intention of the agreement is to preclude the use of the relevant agreement for tax evasion, tax avoidance, or treaty shopping.
- The replacement of the first paragraph of the MAP article, which introduces the ability of a qualifying taxpayer who believes he has not been treated in accordance with the provisions of the agreement to bring his case to the authorities of *either* Jersey or Mauritius, instead of only the jurisdiction of which he is resident.
- The inclusion of an article limiting the entitlement of a taxpayer to treaty benefits where a particular transaction was structured in such a way with the main purpose of obtaining a benefit under the treaty. Notwithstanding this, the Protocol permits a tax authority to grant treaty benefits even where this test is failed, if it considers that the benefits would have been available in the absence of the transaction.

Revenue Jersey has advised that the impact of the amendments under the Protocol will be relatively limited for most taxpayers, as the changes to the preamble and the insertion of the entitlement to benefits article are anti-abuse measures intended specifically to prevent the misuse of the agreements. The changes to the MAP article will, in theory, make it easier for taxpayers to obtain redress if needed, but in practice these articles have been very rarely invoked.

CONSULTATION AND SIGNATURE

In line with the process for concluding cross-border tax agreements:

1. The Economic and International Affairs Scrutiny Panel received a briefing on the Protocol and no issues were raised.
2. A consultation process was undertaken with the members of the Fiscal Strategy Group of Jersey Finance Limited, who did not raise any questions or concerns.
3. In line with the process set out in the 2019 Letter of Entrustment, whereby the UK confirmed the circumstances in which it is content for Jersey to negotiate tax agreements in its own name, the UK Ministry of Justice was consulted and indicated that the Protocol gave rise to no concerns on its part.

On this basis, the Minister for External Relations signed the Protocol on 8 July 2024 in Jersey. The Minister of Finance, Economic Planning and Development for the Government of Mauritius signed the Protocol in Mauritius on 9 August 2024.

NEXT STEPS

As stated in Article 5 of the Protocol, the agreement will enter into force upon confirmation by both Parties that the respective procedures for domestic approval of the Protocol have been concluded. The provisions of the Protocol will have effect from the tax year beginning the year following the year of entry into force.

Following this notification to the States Assembly the Minister for External Relations will seek to inform Mauritius of the completion of Jersey's domestic procedures by the end of the first week of May 2025. Jersey is yet to receive notification that Mauritius has completed its own domestic procedure.

**PROTOCOL
AMENDING THE AGREEMENT BETWEEN
THE GOVERNMENT OF JERSEY AND THE
GOVERNMENT OF THE REPUBLIC OF MAURITIUS
FOR THE AVOIDANCE OF DOUBLE TAXATION AND
THE PREVENTION OF FISCAL EVASION WITH
RESPECT TO TAXES ON INCOME SIGNED IN
LONDON ON 3 MARCH 2017**

The Government of Jersey and the Government of the Republic of Mauritius,

Desiring to amend the Agreement between the Government of Jersey and the Government of the Republic of Mauritius for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed in London on 3 March 2017 (hereinafter referred to as "the Agreement"),

Have agreed as follows:

ARTICLE 1

The title of the Agreement shall be deleted and replaced by the following:

"Agreement between the Government of Jersey and the Government of the Republic of Mauritius for the elimination of double taxation with respect to taxes on income and the prevention of tax evasion and avoidance."

ARTICLE 2

A preamble shall be added to the Agreement as follows:

"The Government of Jersey and the Government of the Republic of Mauritius,

Desiring to further develop their economic relationship and to enhance their co-operation in tax matters;

Intending to conclude an Agreement for the elimination of double taxation with respect to taxes on income without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Agreement for the indirect benefit of residents of third jurisdictions),

Have agreed as follows:"



ARTICLE 3

Article 24 (Mutual agreement procedure) of the Agreement shall be amended by deleting paragraph 1 and replacing it with the following:

“1. Where a person considers that the actions of one or both of the Contracting Parties result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those Parties, present his case to the competent authority of either Contracting Party. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.”

ARTICLE 4

The Agreement shall be amended by adding a new Article 25A after Article 25 (Exchange of Information) as follows:

“ARTICLE 25A ENTITLEMENT TO BENEFITS

1. Notwithstanding the other provisions of this Agreement, a benefit under this Agreement shall not be granted in respect of an item of income if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Agreement.

2. Where a benefit under this Agreement is denied to a person under paragraph 1, the competent authority of the Contracting Party that would otherwise have granted this benefit shall nevertheless treat that person as being entitled to this benefit, or to different benefits with respect to a specific item of income, if such competent authority, upon request from that person and after consideration of the relevant facts and circumstances, determines that such benefits would have been granted to that person in the absence of the transaction or arrangement referred to in paragraph 1. The competent authority of the Contracting Party to which the request has been made will consult with the competent authority of the other Party before rejecting a request made under this paragraph by a resident of that other Party.”

13.

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ARTICLE 5

ENTRY INTO FORCE


1. Each of the Contracting Parties shall notify to the other of the completion of the procedures required by its law for the bringing into force of this Protocol. This Protocol shall enter into force on the date of the later of these notifications.
2. The provisions of this Protocol shall thereupon have effect:
 - (a) in Jersey:
 - (i) in respect of taxes withheld at source, on income derived on or after the first day of January next following the date upon which the Protocol enters into force;
 - (ii) in respect of other taxes on income, for taxes chargeable for any fiscal year beginning on or after the first day of January next following the date upon which the Protocol enters into force.
 - (b) in Mauritius:
 - (i) in respect of taxes withheld at source, to amounts paid or credited on or after the first day of July next following the date upon which the Protocol enters into force;
 - (ii) in respect of other taxes on income, to income in any income year beginning on or after the first day of July next following the date upon which the Protocol enters into force.
3. This Protocol shall remain in force as long as the Agreement remains in force.

IN WITNESS WHEREOF the undersigned, duly authorised thereto, have signed this Protocol.

DONE at St Helier this...^{8th}... day of...JULY...of the year two thousand and twenty four and at Port Louis this...^{9th}... day of...August...of the year two thousand and twenty four in two originals, in the English language.


.....
Deputy Ian Gorst
Minister for External Relations

For the Government of
Jersey


.....
Dr. The Hon. Renganaden Padayachy
*Minister of Finance, Economic Planning
and Development*

For the Government of
the Republic of Mauritius

**AGREEMENT BETWEEN
THE GOVERNMENT OF JERSEY AND THE GOVERNMENT OF THE
REPUBLIC OF MAURITIUS
FOR THE AVOIDANCE OF DOUBLE TAXATION AND
THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME**

**ARTICLE 1
Persons covered**

This Agreement shall apply to persons who are residents of one or both of the Contracting Parties.

**ARTICLE 2
Taxes covered**

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting Party or its local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property.
3. The existing taxes to which this Agreement shall apply are in particular:
 - (a) in Jersey,
-- income tax;
(hereinafter referred to as "Jersey tax");
 - (b) in Mauritius,
-- the income tax;
(hereinafter referred to as "Mauritius tax").
4. This Agreement shall apply also to any identical or substantially similar taxes which are imposed by either Contracting Party after the date of signature of the Agreement in addition to, or in place of, the existing taxes.
5. The competent authorities of the Contracting Parties shall notify each other in writing of any significant changes which have been made in their respective taxation laws and if it seems desirable to amend any Article of this Agreement, without affecting the general principles thereof, the necessary amendments may be made by mutual consent of the Parties by means of an Exchange of Notes.

**ARTICLE 3
General definitions**

1. In this Agreement, unless the context otherwise requires:
 - (a) the term "Jersey" means the Bailiwick of Jersey, including its territorial sea;
 - (b) the term "Mauritius" means the Republic of Mauritius and includes:
 - (i) all the territories and islands which, in accordance with the laws of Mauritius, constitute the State of Mauritius;

- (ii) the territorial sea of Mauritius; and
 - (iii) any area outside the territorial sea of Mauritius which in accordance with international law has been or may hereafter be designated, under the laws of Mauritius, as an area, including the Continental Shelf, within which the rights of Mauritius with respect to the sea, the sea-bed and sub-soil and their natural resources may be exercised;
- (c) the term "business" includes the performance of professional services and of other activities of an independent character;
- (d) the terms "a Contracting Party" and "the other Contracting Party" mean Jersey or Mauritius, as the context requires;
- (e) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
- (f) the term "competent authority" means:
 - (i) in the case of Jersey, the Minister for Treasury and Resources or his authorised representative; and
 - (ii) in the case of Mauritius, the Minister to whom the responsibility for the subject of finance is assigned;
- (g) the term "enterprise" applies to the carrying on of a business;
- (h) the terms "enterprise of a Contracting Party" and "enterprise of the other Contracting Party" mean respectively an enterprise carried on by a resident of a Contracting Party and an enterprise carried on by a resident of the other Contracting Party;
- (i) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise which has its place of effective management in a Contracting Party, except when the ship or aircraft is operated solely between places in the other Contracting Party;
- (j) the term "national" means:
 - (i) in the case of Jersey, any individual who is resident in Jersey, and any legal person, partnership or association deriving its status as such from the laws in force in Jersey;
 - (ii) in the case of Mauritius, any individual having the citizenship of Mauritius and any legal person, partnership (société) or association deriving its status as such from the laws in force in Mauritius;
- (k) the term "person" includes an individual, a company, a trust and any other body of persons; and
- (l) the term "tax" means Jersey tax or Mauritius tax, as the context requires.

2. As regards the application of the Agreement at any time by a Contracting Party, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that Party for the purposes of the taxes to which the Agreement applies, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

ARTICLE 4

Resident

1. For the purposes of this Agreement, the term "resident of a Contracting Party" means any person who, under the laws of that Party, is liable to tax therein by reason of his domicile, residence, place of management, control or any other criterion of a similar nature and also includes that Party and any local authority thereof, and any pension fund or pension scheme recognised by that Party. This term, however, does not include any person who is liable to tax in that Party in respect only of income from sources in that Party.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting Parties, then his status shall be determined in accordance with the following rules:

- (a) he shall be deemed to be a resident only of the Party in which he has a permanent home available to him. If he has a permanent home available to him in both Parties, he shall be deemed to be a resident only of the Party with which his personal and economic relations are closer (centre of vital interests);
- (b) if the Party in which he has his centre of vital interests cannot be determined, or if he does not have a permanent home available to him in either Party, he shall be deemed to be a resident only of the Party in which he has an habitual abode;
- (c) if he has an habitual abode in both Parties or in neither of them, he shall be deemed to be a resident only of the Party of which he is a national;
- (d) if he is a national of both Parties or of neither of them, the competent authorities of the Contracting Parties shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting Parties, then it shall be deemed to be a resident only of the Party in which its place of effective management is situated.

ARTICLE 5

Permanent establishment

1. For the purposes of this Agreement, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2. The term "permanent establishment" shall include:

- (a) a place of management;
- (b) a branch;
- (c) an office;
- (d) a factory;

- (e) a workshop;
- (f) a warehouse, in relation to a person providing storage facilities for others;
- (g) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources; and
- (h) an installation or structure used for the exploration of natural resources.

3. The term "permanent establishment" likewise encompasses:

- (a) a building site or construction, installation or assembly project, or supervisory activities in connection therewith only if the site, project or activity lasts more than 12 months;
- (b) the furnishing of services including consultancy services by an enterprise of a Contracting Party through employees or other personnel engaged by the enterprise for such purpose in the other Contracting Party, provided that such activities continue for the same or a connected project for a period or periods aggregating to more than 9 months within any 12 month period.

4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:

- (a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;
- (b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;
- (c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
- (d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise, or for collecting information, for the enterprise;
- (e) the maintenance of a fixed place of business solely for the purpose of carrying on, for the enterprise, any other activity of a preparatory or auxiliary character; and
- (f) the maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs (a) to (e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character.



5. Notwithstanding the provisions of paragraphs 1 and 2, where a person – other than an agent of an independent status to whom paragraph 6 applies – is acting on behalf of an enterprise and has, and habitually exercises, in a Contracting Party an authority to conclude contracts in the name of the enterprise, that enterprise shall be deemed to have a permanent establishment in that Contracting Party in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6. An enterprise shall not be deemed to have a permanent establishment in a Contracting Party merely because it carries on business in that Party through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business.

7. The fact that a company which is a resident of a Contracting Party controls or is controlled by a company which is a resident of the other Contracting Party, or which carries on business in that other Party (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

ARTICLE 6

Income from immovable property

1. Income derived by a resident of a Contracting Party from immovable property, (including income from agriculture or forestry) situated in the other Contracting Party may be taxed in that other Party.

2. The term "immovable property" shall have the meaning which it has under the law of the Contracting Party in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources. Ships, boats and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting or use in any other form of immovable property.

4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise.

ARTICLE 7

Business profits

1. The profits of an enterprise of a Contracting Party shall be taxable only in that Party unless the enterprise carries on business in the other Contracting Party through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other Party but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting Party carries on business in the other Contracting Party through a permanent establishment situated therein, there shall in each Contracting Party be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

3. In determining the profits of a permanent establishment, there shall be allowed as deductions expenses which are incurred for the purposes of the permanent establishment including executive and general administrative expenses so incurred, whether in the Party in which the permanent establishment is situated or elsewhere.

4. In so far as it has been customary in a Contracting Party to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting Party from determining the profits to be taxed by such an apportionment as may be customary. The method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles contained in this Article.

5. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

6. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

7. Where profits include items of income which are dealt with separately in other Articles of this Agreement, then the provisions of those Articles shall not be affected by the provisions of this Article.

ARTICLE 8

Shipping and air transport

1. Profits of an enterprise from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting Party in which the place of effective management of the enterprise is situated.

2. If the place of effective management of a shipping enterprise is aboard a ship, then it shall be deemed to be situated in the Contracting Party in which the home harbour of the ship is situated, or, if there is no such home harbour, in the Contracting Party of which the operator of the ship is a resident.

3. For the purposes of this Article, profits derived from the operation in international traffic of ships and aircraft shall include profits:

- (a) derived from the rental on a bareboat basis of ships and aircraft if operated in international traffic; and
- (b) derived from the use, maintenance or rental of containers (including trailers and related equipment for the transport of containers) used for the transport of goods or merchandise, where such rental profits or profits from such use, maintenance or rental, as the case may be, are incidental to the profits described in paragraph 1.

4. The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

ARTICLE 9

Associated enterprises

1. Where:

- (a) an enterprise of a Contracting Party participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting Party; or
- (b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting Party and an enterprise of the other Contracting Party,

and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Contracting Party includes in the profits of an enterprise of that Party - and taxes accordingly - profits on which an enterprise of the other Contracting Party has been charged to tax in that other Party and the profits so included are profits which would have accrued to the enterprise of the first-mentioned Party if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other Party shall make an appropriate adjustment to the amount of the tax charged therein on those profits. In determining such adjustment, due regard shall be had to the other provisions of this Agreement and the competent authorities of the Contracting Parties shall if necessary consult each other.

ARTICLE 10

Dividends

1. Dividends paid by a company which is a resident of a Contracting Party to a resident of the other Contracting Party shall, if the recipient is the beneficial owner of the dividends, be taxable only in that other Party.

2. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the Contracting Party of which the company making the distribution is a resident.

3. The provisions of paragraph 1 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting Party, carries on business in the other Contracting Party of which the company paying the dividends is a resident through a permanent establishment situated therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment. In such a case, the provisions of Article 7 shall apply.

4. Where a company which is a resident of a Contracting Party derives profits or income from the other Contracting Party, that other Party may not impose any tax on the dividends paid by the company except in so far as such dividends are paid to a resident of that other

Party or in so far as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment situated in that other Party, nor subject the company's undistributed profits to a tax on undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other Party.

ARTICLE 11

Interest

1. Interest arising in a Contracting Party and paid to a resident of the other Contracting Party shall, if the recipient is the beneficial owner of the interest, be taxable only in that other Party.
2. The term "interest" as used in this Article means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures. Penalty charges for late payment shall not be regarded as interest for the purpose of this Article. The term "interest" shall not include any item which is treated as a dividend under the provisions of Article 10 of this Agreement.
3. The provisions of paragraph 1 shall not apply if the beneficial owner of the interest, being a resident of a Contracting Party, carries on business in the other Contracting Party in which the interest arises through a permanent establishment situated therein, and the debt-claim in respect of which the interest is paid is effectively connected with such permanent establishment. In such a case, the provisions of Article 7 shall apply.
4. Interest shall be deemed to arise in a Contracting Party when the payer is a resident of that Party. Where, however, the person paying the interest, whether he is a resident of a Party or not, has in a Party a permanent establishment in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment, then such interest shall be deemed to arise in the Party in which the permanent establishment is situated.
5. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest, having regard to the debt-claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such a case, the excess part of the payments shall remain taxable according to the laws of each Contracting Party, due regard being had to the other provisions of this Agreement.

ARTICLE 12

Royalties

1. Royalties arising in a Contracting Party and paid to a resident of the other Contracting Party shall, if the recipient is the beneficial owner of the royalties, be taxable only in that other Party.
2. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work (including cinematograph films and films, tapes or discs for radio or television broadcasting), any patent, trade mark, design or model, computer programme, plan, secret

formula or process, or for information concerning industrial, commercial or scientific experience.

3. The provisions of paragraph 1 shall not apply if the beneficial owner of the royalties, being a resident of a Contracting Party, carries on business in the other Contracting Party in which the royalties arise through a permanent establishment situated therein and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment. In such a case, the provisions of Article 7 shall apply.

4. Royalties shall be deemed to arise in a Contracting Party when the payer is a resident of that Party. Where, however, the person paying the royalties, whether he is a resident of a Party or not, has in a Party a permanent establishment in connection with which the liability to pay the royalties was incurred, and such royalties are borne by such permanent establishment, then such royalties shall be deemed to arise in the Party in which the permanent establishment is situated.

5. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties paid, having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In such a case, the excess part of the payments shall remain taxable according to the laws of each Contracting Party, due regard being had to the other provisions of this Agreement.

ARTICLE 13

Capital gains

1. Gains derived by a resident of a Contracting Party from the alienation of immovable property referred to in Article 6 and situated in the other Contracting Party may be taxed in that other Party.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting Party has in the other Contracting Party including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise), may be taxed in that other Party.

3. Gains from the alienation of ships or aircraft operated in international traffic or movable property pertaining to the operation of such ships or aircraft shall be taxable only in the Contracting Party in which the place of effective management of the enterprise is situated.

4. Gains from the alienation of any property other than that referred to in paragraphs 1, 2 and 3 shall be taxable only in the Contracting Party of which the alienator is a resident.

ARTICLE 14
Dependent personal services

1. Subject to the provisions of Articles 15, 17, 18 and 19, salaries, wages and other similar remuneration derived by a resident of a Contracting Party in respect of an employment shall be taxable only in that Party unless the employment is exercised in the other Contracting Party. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other Party.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting Party in respect of an employment exercised in the other Contracting Party shall be taxable only in the first-mentioned Party if:

- (a) the recipient is present in the other Party for a period or periods not exceeding in the aggregate 183 days in any 12-month period commencing or ending in the fiscal year concerned; and
- (b) the remuneration is paid by, or on behalf of an employer who is not a resident of the other Party; and
- (c) the remuneration is not borne by a permanent establishment which the employer has in the other Party.

3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic may be taxed in the Contracting Party in which the place of effective management of the enterprise is situated.

ARTICLE 15
Directors' fees

Directors' fees and other similar payments derived by a resident of a Contracting Party in his capacity as a member of the board of directors of a company which is a resident of the other Contracting Party may be taxed in that other Party.

ARTICLE 16
Entertainers and sportsmen

1. Notwithstanding the provisions of Articles 7 and 14, income derived by a resident of a Contracting Party as an entertainer such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting Party, may be taxed in that other Party.

2. Where income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to the entertainer or sportsman himself but to another person, that income may, notwithstanding the provisions of Articles 7 and 14, be taxed in the Contracting Party in which the activities of the entertainer or sportsman are exercised.

3. Notwithstanding the provisions of paragraphs 1 and 2, income derived by a resident of a Contracting Party from activities, referred to in paragraph 1 or 2, performed in the other Contracting Party shall be exempt from tax in the Contracting Party in which the activities are exercised if the visit to that Party is wholly or substantially supported by funds of either Contracting Party, a local authority or a public institution thereof.

ARTICLE 17

Pensions

Subject to the provisions of paragraph 2 of Article 18, pensions and other similar remuneration (including lump sum payments) paid to a resident of a Contracting Party in consideration of past employment, or self-employment and social security pensions, shall be taxable only in that Contracting Party. However, such pensions and other similar remuneration may also be taxed in the other Contracting Party if they arise in that Party.

ARTICLE 18

Government service

1. (a) Salaries, wages, and other similar remuneration, other than a pension, paid by a Contracting Party or a local authority or statutory body thereof to an individual in respect of services rendered to that Party or authority or body shall be taxable only in that Party.

(b) However, such salaries, wages and other similar remuneration shall be taxable only in the other Contracting Party if the services are rendered in that Party and the individual is a resident of that Party who:
 - (i) is a national of that Party; or
 - (ii) did not become a resident of that Party solely for the purpose of rendering the services.
2. (a) Any pension including a lump sum payment paid by, or out of funds created by, a Contracting Party or a local authority or statutory body thereof to an individual in respect of services rendered to that Party or authority or body shall be taxable only in that Party.

(b) However, such pension shall be taxable only in the other Contracting Party if the individual is a resident of, and a national of, that Party.
3. The provisions of Articles 14, 15, 16 and 17 shall apply to salaries, wages and other similar remuneration, and to pensions, in respect of services rendered in connection with a business carried on by a Contracting Party, or a local authority or statutory body thereof.

ARTICLE 19

Professors and teachers

1. Notwithstanding the provisions of Article 14, a professor or teacher who makes a temporary visit to one of the Contracting Parties for a period not exceeding two years for the purpose of teaching or carrying out research at a university, college, school or other educational institution in that Party and who is, or immediately before such visit was, a resident of the other Contracting Party shall, in respect of remuneration for such teaching or research, be exempt from tax in the firstmentioned Party, provided that such remuneration arises from sources outside that Party.
2. The provisions of this Article shall not apply to income from research if such research is undertaken not in the public interest but wholly or mainly for the private benefit of a specific person or persons.

ARTICLE 20

Students and business apprentices

A student or business apprentice who is present in a Contracting Party solely for the purpose of his education or training and who is, or immediately before being so present was, a resident of the other Contracting Party, shall be exempt from tax in the first-mentioned Party on payments arising from sources outside that first-mentioned Party for the purposes of his maintenance, education or training.

ARTICLE 21 Other income

1. Subject to the provisions of paragraph 2 of this Article, items of income of a resident of a Contracting Party, wherever arising, not dealt with in the foregoing Articles of this Agreement shall be taxable only in that Party.
2. The provisions of paragraph 1 shall not apply to income other than income from immovable property as defined in paragraph 2 of Article 6 if the recipient of such income, being a resident of a Contracting Party, carries on business in the other Contracting Party through a permanent establishment situated therein and the right or property in respect of which the income is paid is effectively connected with such permanent establishment. In such a case, the provisions of Article 7 shall apply.

ARTICLE 22 Elimination of double taxation

Double taxation shall be eliminated as follows:

1. In the case of Jersey:
 - (a) Where a resident of Jersey derives income which, in accordance with the provisions of this Agreement, may be taxed in Mauritius, Jersey shall allow as a deduction from the tax on the income of that resident, an amount equal to the income tax paid in Mauritius. Such deduction shall not, however, exceed that part of the income tax, as computed before the deduction is given, which is attributable to the income which may be taxed in Mauritius.
 - (b) When imposing tax on its residents Jersey may include in the basis upon which such taxes are imposed the items of income, which, according to the provisions of this Agreement, may be taxed in Mauritius.
2. In the case of Mauritius:
 - (a) Where a resident of Mauritius derives income from Jersey the amount of tax on that income payable in Jersey in accordance with the provisions of this Agreement may be credited against the Mauritius tax imposed on that resident.
 - (b) Where a company which is a resident of Jersey pays a dividend to a resident of Mauritius who controls, directly or indirectly, at least 5% of the capital of the company paying the dividend, the credit shall take into account (in addition to any Jersey tax for which credit may be allowed under the provisions of subparagraph (a)) the Jersey tax payable by the first-mentioned company in respect of the profits out of which such dividend is paid. Provided that any credit allowed under this paragraph shall not exceed the Mauritius tax (as computed before allowing any such credit), which is appropriate to the profits or income derived from sources within Jersey.

ARTICLE 23

Non-discrimination

1. Nationals of a Contracting Party shall not be subjected in the other Contracting Party to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which nationals of that other Party in the same circumstances in particular with respect to residence, are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting Parties.
2. The taxation on a permanent establishment which an enterprise of a Contracting Party has in the other Contracting Party shall not be less favourably levied in that other Party than the taxation levied on enterprises of that other Party carrying on the same activities. This provision shall not be construed as obliging a Contracting Party to grant to residents of the other Contracting Party any personal allowances, reliefs and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.
3. Except where the provisions of paragraph 1 of Article 9, paragraph 4 of Article 11, or paragraph 4 of Article 12, apply, interest, royalties and other disbursements paid by an enterprise of a Contracting Party to a resident of the other Contracting Party shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned Party. Similarly, any debts of an enterprise of a Contracting Party to a resident of the other Contracting Party shall, for the purpose of determining the taxable capital of such enterprise, be deductible under the same conditions as if they had been contracted to a resident of the first-mentioned Party.
4. Enterprises of a Contracting Party, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting Party, shall not be subjected in the first-mentioned Party to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar enterprises of that first-mentioned Party are or may be subjected.
5. The provisions of this Article shall, notwithstanding the provisions of Article 2, apply to taxes of every kind and description.

ARTICLE 24

Mutual agreement procedure

1. Where a person considers that the actions of one or both of the Contracting Parties result or will result for him in taxation not in accordance with the provisions of this Agreement, he may, irrespective of the remedies provided by the domestic law of those Parties, present his case to the competent authority of the Contracting Party of which he is a resident or, if his case comes under paragraph 1 of Article 23, to that of the Contracting Party of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Agreement.
2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at an appropriate solution, to resolve the case by mutual agreement with the competent authority of the other Contracting Party, with a view to the avoidance of taxation which is not in accordance with the Agreement. Any agreement reached shall be implemented notwithstanding any time limits in the domestic law of the Contracting Parties.

3. The competent authorities of the Contracting Parties shall endeavour to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Agreement. They may also consult together for the elimination of double taxation in cases not provided for in the Agreement.

4. The competent authorities of the Contracting Parties may communicate with each other directly, including through a joint commission consisting of themselves or their representatives, for the purpose of reaching an agreement in the sense of the preceding paragraphs.

ARTICLE 25

Exchange of information

1. The competent authorities of the Contracting Parties shall exchange such information as is foreseeably relevant for carrying out the provisions of this Agreement or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting Parties, or of their local authorities, insofar as the taxation thereunder is not contrary to the Agreement. The exchange of information is not restricted by Articles 1 and 2.

2. Any information received under paragraph 1 by a Contracting Party shall be treated as secret in the same manner as information obtained under the domestic laws of that Party and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. Notwithstanding the foregoing, information received by a Contracting Party may be used for other purposes when such information may be used for such other purposes under the laws of both Parties and the competent authority of the supplying Party authorises such use. For the avoidance of doubt, information shall not be disclosed to any third jurisdiction for any purpose.

3. In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a Contracting Party the obligation:

- (a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting Party;
- (b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting Party;
- (c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public).

4. If information is requested by a Contracting Party in accordance with this Article, the other Contracting Party shall use its information gathering measures to obtain the requested information, even though that other Party may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Contracting Party to decline to supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph 3 be construed to permit a Contracting Party to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

ARTICLE 26

Diplomatic agents and consular officers

Nothing in this Agreement shall affect the fiscal privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreements.

ARTICLE 27

Entry into force

1. Each of the Contracting Parties shall notify to the other in writing of the completion of the procedures required by its law for the entering into force of this Agreement. The Agreement shall enter into force on the date of the later of these notifications.
2. The provisions of this Agreement shall have effect:
 - (a) in Jersey:
 - (i) in respect of taxes withheld at source, on income derived on or after the first day of January next following the year in which the Agreement enters into force;
 - (ii) in respect of other taxes on income, for taxes chargeable for any fiscal year beginning on or after the first day of January next following the year in which the Agreement enters into force; and
 - (b) in Mauritius, in respect of income for any income year beginning on or after the first day of January next following the date upon which this Agreement enters into force.

ARTICLE 28

Termination

1. This Agreement shall remain in force indefinitely but either of the Contracting Parties may terminate the Agreement, through appropriate channels, by giving to the other Contracting Party written notice of termination not later than the 30 June of any calendar year starting five years after the year in which the Agreement entered into force.
2. In such event the Agreement shall cease to have effect:
 - (a) in Jersey:
 - (i) in respect of taxes withheld at source, on income derived on or after the first day of January next following the year in which the notice is given;
 - (ii) in respect of other taxes on income, for taxes chargeable for any taxation year beginning on or after the first day of January next following the year in which the notice is given; and

- (b) in Mauritius, in respect of income for any income year beginning on or after the first day of January next following the calendar year in which such notice is given.

IN WITNESS WHEREOF the undersigned, duly authorised thereto, have signed this Agreement in London on this 3rd day of March of the year 2017 in two originals, in the English language.



For the Government of Jersey



**For the Government of the Republic of
Mauritius**