

FREE TRADE AGREEMENT

Mauritius - China

Preamble:

The Free Trade Agreement (FTA) between China and Mauritius was signed on October 17th, 2019 which officially entered into force on the 1st of January, 2021. This is the first FTA China has signed with an African country and has paved the way for the removal of a number of restrictions such as for the grant of duty free access, for the phasing out of tariffs, etc. By positioning Mauritius as the medium between China and Mainland Africa, the FTA cements the pedigree of the country as a reputable International Finance Centre and a trading hub for economic cooperation.

The FTA further enhances the level of mutually beneficial co-operation and openness between the two countries among key levers pertaining to trade in goods, trade in services, investment and economic cooperation.

Commitments & Measures under the FTA:

(A) TRADE IN GOODS

- **Elimination of custom duties**
Each Party shall eliminate its customs duties on originating goods of the other Party in accordance with the terms and conditions and on the list of goods set out in its Schedule to Annex I.

- **Non-tariff measures**
Each Party shall not adopt or maintain any non-tariff measure on the importation of any good of the other Party or on the exportation of any good destined for the territory of the other Party, except in accordance with its rights and obligations under the WTO Agreement or this Agreement

- **Rules of Origin of goods**
It shall be considered as originating from a Party, goods produced from non-originating materials in a Party, provided that the goods conform to a regional value content of no less than 40%, except for the goods listed in the Annex II (Product Specific Rules of Origin) which must comply with the requirements specified therein.

- **Anti-dumping and Countervailing measures**
Each Party retains its rights and obligations under the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and the Agreement on Subsidies and Countervailing Measures contained in Annex 1A to the WTO Agreement.

(B) TRADE IN SERVICES

- **Market access & nation treatment measures**

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In the sectors inscribed in its Annex III (Schedule of Specific Commitments on Trade in Services), and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers.

Each Party shall accord services and service suppliers of the other Party treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in Annex III (Schedule of Specific Commitments on Trade in Services).

Additionally, as set out in Annex III, all foreign service suppliers are required to be incorporated or registered in Mauritius. This commitment refers to the commercial presence of Chinese companies using the Mauritian jurisdiction in one way or another.

▪ Financial services

Notwithstanding the Financial Services chapter of the agreement, the general provisions under the Economic Cooperation chapter (chapter 12, section B), it has been agreed between Mauritius and China that both Parties recognize the need to modernize and diversify the financial services industry in their respective economies and thereby to enhance collaboration in the following manner:

- (a) sharing of expertise in Fintech to promote innovation in financial services;
- (b) strengthening capacity building, including facilitating exchanges of professionals and experts;
- (c) reinforcing regulatory cooperation with the signature of Memorandum of Understanding between the regulators of Mauritius and China;
- (d) exploring further the possibility of cooperation in the implementation of best international standards in Anti-Money Laundering practices; and
- (e) promoting the development of a Renminbi clearing and settlement facility in the territory of Mauritius.

Amongst other service sectors, insurance, banking and financial services sector have been listed in Annex III of the FTA, being Schedules of specific commitments on trade in services to benefit from increasing market access for supply of services and relaxation of nation treatment / requirements. This aims at promoting supply of financial services in both countries with a relaxation of local requirements, for example, establishment of business, local presence, staffing, licensing and others.

The Parties recognise that transparent measures governing the activities of financial service suppliers are important in facilitating their ability to gain access to and operate in each other's market. Each Party shall ensure that measures of general application adopted or maintained by a Party are promptly published or otherwise made



publicly available. Each Party shall maintain or establish appropriate mechanisms for responding to inquiries from interested persons of the other Party regarding measures of general application to which this Annex applies.

(C) INVESTMENT

- **National treatment**
Each Party shall accord to investors / covered investment of the other Party treatment no less favourable than that it accords, in like circumstances, to its own investors with respect to the management, conduct, operation, and sale or other disposition of investments in its territory.

- **Protection from expropriation**
Neither Party may expropriate or nationalize a covered investment either directly or indirectly through measures equivalent to expropriation or nationalization except: (a) for a public purpose; (b) in a non-discriminatory manner; (c) on payment of compensation in accordance with this Article; and (d) in accordance with due process of law.

- **Compensation for losses**
Each Party shall accord to investors of the other Party, and to covered investments, non-discriminatory treatment with respect to measures it adopts or maintains relating to losses suffered by investments in its territory owing to armed conflict, a state of national emergency, or civil strike.

- **Senior Management**
Neither Party may require that an enterprise of that Party that is a covered investment appoint to senior management position natural persons of any particular nationality.

A Party may require that the board of directors, or any committee thereof, of an enterprise of that Party that is a covered investment, comprises a minimum number of persons resident in the territory of that Party, provided that the requirement does not materially impair the ability of the investor to exercise control over its investment.

(D) ECONOMIC COOPERATION

The Chapter on Economic Cooperation (Chapter 12) for the basis of negotiations in respect to key areas, such as agroindustry, innovation, financial services, etc. The Economic Cooperation chapter provides for the following objectives: (a) promoting economic and social development of the Parties; (b) strengthening the capacities of the Parties to maximize opportunities and benefits derived from this Agreement; (c) stimulating productive synergies and promoting competitiveness and innovation; (d) reinforcing collaboration and exchanges in areas of mutual interest; and (e) examining the opportunities of international cooperation through the Belt and Road Initiative in full respect of sovereignty and territorial integrity of all states, and the implementation of the 2030 Agenda for Sustainable Development.

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PRIVATE AND CONFIDENTIAL

Areas of cooperation include:

- Agro industry and food security;
- Innovation and Research & Development (R&D);
- Business cooperation;
- Financial services;
- Pharmaceuticals, medical services and cosmetics;
- Education;
- Film;
- Ocean economy;
- Tourism;
- Art, culture & sports.

Contact us:



Ms Vanessa Kong

A translator and an Interpreter, as well as a language teacher. Vanessa is well-versed in Mandarin. She is the one to bridge the gap between the native Chinese speakers and the non-Chinese speakers.

Vanessa may be contacted at vkong@juristax.com or on WeChat on +23059010601 for any query relating to our panopoly of services.



Dr Pawan Gopaul

Dr Gopaul has been living 9 years in China to become a trained doctor. Today he is promoting to a very big extent Chinese traditional medicine and Chinese culture in Mauritius. Dr Gopaul is also very at ease at speaking Mandarin.

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