

NEWS With
Nicky Combrinck

Hello,

Having recently returned from living and working within the international fiduciary field in Mauritius, I am looking forward to assisting South African clients with their international fiduciary needs and wealth planning considerations.

Following the disrupting events of this year, an increasing number of South African residents are looking towards international solutions for both their business affairs as well as solutions to safeguard their wealth. In this regard, this newsletter introduces 2 recent developments that will undoubtedly be of interest to South African residents.

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We have noted a growing interest and curiosity of our South African partners to learn more about two specific aspects of the Mauritian-South African relationship namely, the Mauritius Premium Visa for foreign nationals and the abrupt turnaround from SARB through an exchange control circular no 15/2020 dated 29th October 2020.



Mauritius Premium Visa

With an increasing number of South African clients looking to externalise their affairs and wealth from South Africa, we have seen a lot of interest in Mauritius.

Indeed, Mauritius offers highly attractive advantages to the South African community, including a brand-new category of visa called the Premium Visa, introduced this year and targeting foreign nationals wishing to live in Mauritius for a period of up to 1 year. This permit is issued for a period of 10 years and may be activated at any time within that period. Once activated, the holder is entitled to reside in Mauritius for a period of 1 year. Hence, the premium visa provides flexibility as to the date when the period of 1 year is activated.

As we entered the “new normal” with working remotely becoming a popular trend, we have seen the demand for visa applications increase in countries such as Mauritius.

This long stay visa is for foreigners who are either retirees, professionals or tourists wanting to stay in Mauritius for more than 180 days in a calendar year, up to 1 year and renewable thereafter. This permit is ideal for persons who are either considering Mauritius as a final destination but want to experience island life before committing or as a jurisdiction where the second stage of financial planning may take place after tax emigration from South Africa but before taking up tax residence in another jurisdiction.

Should you, during the course of your stay in Mauritius, intend to work and invest in Mauritius you can also apply for an Occupational permit.

The requirements to qualify for the Premium Visa are as follows:

- 1) Proof of accommodation, long stay plans, and purpose of visit must be documented
- 2) Travel and Health Insurance to cover the period of stay
- 3) Source of income, place of business and/or profits should be from a source outside of Mauritius
- 4) The applicant is not allowed to enter the labour market in Mauritius
- 5) Other regular immigration requirements

For more information on this, please feel free to contact me.

Wealth building for South African clients and Exchange Control Update



The relaxation and easing of exchange control restrictions in November this year saw some sweeping changes and in particular, changes which allowed the investor to gain greater access and exposure to offshore investments in relation to their South African retirement products.

The South African Reserve Bank's circular 15/2020 dated 29th October 2020 effectively amended the provisions of Regulation 28, which sets out the offshore allocation available in respect of South African retirement plans. However, in a spectacular turn-around, SARB has retracted the circular, which caused quite a stir in the wealth management industry in South Africa. This issue is far from being over and we shall keep you updated on the developments in this industry.

With the above advancements and shocking retraction from SARB, we have continued to assist our South African clients with wealth and investment structures in order to gain the full benefits of building a truly international wealth portfolio.

Further interesting changes include the relaxation on restrictions of loop structures from January 2021. Briefly, this means that a South African resident for exchange control purposes with a foreign structure will be permitted under certain circumstances to invest back into South African assets. This is an exciting change with the possibility for South Africa to increase inward investment into its economy. We are, however, still awaiting the final Regulations in this regard, and, as the saying goes, the devil is in the detail.

This year has surely been an interesting year on many fronts but perhaps most importantly, when considering all the headwinds we faced in South Africa, there is a strong focus by clients to secure their wealth and business planning opportunities from an international perspective.

Next year we will be running a series of Webinars to discuss the changes we are experiencing, offer various solutions available and touch upon other topics of interest. We look forward to hosting you so please keep an eye out for your invitation coming soon!

The JurisTax team wishes you a lovely festive season with family and friends! See you in 2021!