

## NEW MANDATORY REQUIREMENTS FOR NON-CITIZENS FAQs ACQUIRING A RESIDENTIAL PROPERTY UNDER THE IRS, RES, IHS, PDS AND SCS

### 1. When did the amendments to the IRS/RES/PDS/IHS/SCS regulations become effective?

The amended regulations came into force on 13 December 2024.

### 2. What are the key changes brought in the regulations relating to the acquisition of residential property by non-citizens?

The key changes brought are:

- **Mandatory currency requirements:** A non-citizen is required to effect payment of 85% of the purchase price in Mauritius rupee to the promoter and the remaining 15% in USD, EUR, any hard convertible foreign currency or Mauritius rupee.
- **Local loan financing** (applicable for property prices exceeding USD 750,000): a non-citizen should pay the first USD 750,000 from his own funds and may contract a loan for the remaining amount of the purchase price.

### 3. Do these amendments apply to both first sales and resales of properties under the IRS/RES/IHS/PDS/SCS?

The amendments apply only to a first sale by a non-citizen.

### 4. Do these amendments apply to the sale of apartments under the Ground+2 schemes?

The amendments **do not apply** to sale of apartment under the Ground+2 scheme.

### 5. Do these amendments apply to acquisitions made before 13 December 2024?

- The amendment (85% in Mauritius rupee and the remaining 15% in USD, EUR, any hard convertible foreign currency or Mauritius rupee) shall apply to:
  - a. All sales deeds signed as from 13 December 2024; and
  - b. All sales deeds signed before 13 December 2024, where ‘tranche’ payments under VEFA are due on or after 13 December 2024, **the above amendments shall NOT apply.**
  
- The local loan financing amendment (for property prices exceeding USD 750,000 instead of USD 500,000) applies to:
  - a. All letters of authorisation (LOAs) issued by EDB as from 13 December 2024; and
  - b. All valid LOAs issued by EDB before 13 December 2024 and where sales deeds have not been signed.

#### **6. Are property developers now required to price their properties in Mauritius rupee?**

Property developers may:

- (i) continue to market their properties in USD, EUR or any hard convertible foreign currency or in MUR; and
- (ii) sign presale agreements and deeds of sales in USD, EUR or any hard convertible foreign currency or MUR.

#### **7. Are non-citizens now required to transfer 85% of the purchase price from abroad in Mauritius rupees?**

No, non-citizens are required to transfer their funds from abroad in any hard convertible foreign currency.

#### **8. Who should ensure that 85% of the purchase price is paid in Mauritius rupees to the promoter?**

The Notary shall ensure that the purchase price or consideration related to the acquisition by a non-citizen be transferred to the IRS/RES/IHS/PDS/SCS company or smart city developer (promoter) as follows:

- a. 85% in Mauritius rupee (MUR) ; and
- b. The remaining 15% in USD, EUR, any hard convertible foreign currency or in MUR.

**9. What will be the exchange rate to be used at time of transfer of the 85% in Mauritius rupees?**

The bank shall use the exchange rate applicable on the date of transfer instructed by the notary and the promoter.

**10. In which currency shall the registration duty be paid by a non-citizen acquiring a property?**

The registration duty payable under the Registration Duty Act shall be in US dollars or in any other hard convertible foreign currency.

**11. How should non-citizens finance the acquisition if:**

**a. the property price is less than USD 750,000?**

The acquisition should be financed from the non-citizens' own funds transferred from abroad to Mauritius.

**b. the property price exceeds USD 750,000?**

The first USD 750,000 of the purchase price or its equivalent in any hard convertible foreign currency must be from own funds and transferred from abroad to Mauritius. The remaining amount may be financed through a bank loan.

**12. Can the loan be repaid in Mauritius rupees?**

No, the repayment of the loan must be made in any hard convertible foreign currency.

**13. Can a resident non-citizen use funds previously transferred from abroad to purchase property?**

A non-citizen residing in Mauritius and holder of an occupation permit/ retired permit or any other residence permit may use funds previously transferred from abroad into his/ her account to finance

acquisition of the property, upon submission of proof of transfer and a valid bank statement or any other relevant documents (subject to conditions).

**14. Can a non-citizen who has previously invested in Mauritius, derived income in Mauritius, use funds from such investments or dividends to purchase a property?**

The non-citizen is eligible to use funds from income derived/ investments from Mauritius to finance the acquisition of the property.

**15. Can a non-citizen finance the acquisition of a property through rental income or proceeds from resale of previous property in Mauritius?**

Yes, funds received from a previous sale or rental may be used to finance the acquisition of a new property.

**16. Do these amendments apply to non-citizens who already hold an Occupation Permit or Residence Permit in Mauritius? Are they required to route their funds through a foreign account first, or can they use their local salary, bonuses, or commissions to fund the purchase directly?**

Holders of an Occupation Permit or Residence Permit in Mauritius are allowed to purchase directly using their funds in Mauritius. The non-citizen working in Mauritius and deriving income in Mauritius in MUR, holding a MUR account in a local bank, may finance the whole acquisition in MUR.

**17. Can non-citizens holding an Occupation or Residence Permit contract a loan to finance the acquisition of a property?**

Yes, a non-citizen resident may contract a loan for the remaining amount of the acquisition price above USD 750,000 provided that:

- a. The first USD 750,000 is paid from their own funds; and
- b. The remaining balance may be financed through a loan contracted from a local bank and the repayment of the loan is effected in any hard convertible foreign currency.