DTAA – enthusiasm subdued, say tax professionals

Tax professionals averred yesterday that Mauritius has no other way but to make the most of the arrangements under the Double Taxation Avoidance Agreement (DTAA) between Mauritius and India until next year and even beyond 2017 up to 2019, a period during which all investments made from Mauritius to India would be 'grandfathered'.

Girish Vanvari, National Head of Tax and Head of PE Tax at KPMG India, said at a 'Tax Conversation' organised by KPMG Mauritius on Wednesday that Mauritius still does have an advantage compared to Singapore and Cyprus, the two main destinations from where Foreign Direct Investment (FDI) is injected into India.

Mustapha Mosafeer, former director at the Mauritius Revenue Authority, Girish Vanvari of KPMG India, Wasoudeo Balloo of KPMG Mauritius, Richard Ndungu of KPMG East Africa and Sujit Ghosh of Advaita Legal.

Finance professionals were gathered to discuss the evolving global tax landscape, particularly at a moment when the Mauritian global business sector witnessed a major setback owing to the DTAA between Mauritius and India being amended, thus giving more advantage to India now.

John Chung, managing partner at KPMG Mauritius, said in his remarks that the enthusiasm in the local business climate, more precisely in the global business sector, has been subdued with the sudden announcement last week.

"We wonder if ever there is any silver lining in this situation," said Chung.

KPMG's Tax Conversation centered particularly on the Mauritius-India DTAA but also touched upon the changing fiscal landscape on the African continent. ■