



Board of Investment
Mauritius

Smart City Scheme Guidelines



people **Intelligent** **connected** **Internet** **Intelligence**

Creative Sustainable objects Visitors buildings Urban People
Investors Entrepreneurs Technology Machines development
Social Services tech development Employees Citizens better
service Tourists quality Innovation life Knowledge Businessmen
Tourists quality Innovation life Knowledge Businessmen
Systems Infrastructure Industries networks

BOARD OF INVESTMENT

June 2015

Preface

This publication contains guidance for promoters who want to engage in a project under the Smart City Scheme, developers who want to acquire land and develop a component of a Smart City project and any person intending to acquire an immovable property including residential property under the Scheme.

These guidelines are based on provisions of the Investment Promotion Act and Investment Promotion (Smart City Scheme) Regulations 2015. They are designed to provide information and assist decision-making. They are neither intended to replace the provisions of the laws and should not be construed as one nor should they be interpreted as prescribing an exclusive course of management.

Whilst care has been taken to ensure that the information provided herein is accurate and correct at the time of publication, users of this publication are advised to seek guidance from the Board of Investment in case of uncertainty or ambiguity encountered in reading. The Board of Investment shall, in no circumstances whatsoever, be held liable to any person arising from use of information contained herein.

This publication aims to:

- 1) define procedures required to be followed by promoters in line with requirements under the Investment Promotion (Smart City Scheme) Regulations 2015;*
- 2) provide a comprehensive and user-friendly guide and reference document to assist investors to submit projects under the Scheme;*
- 3) avoid any misunderstanding in the interpretation, application or implementation of agreed procedures, rulings and regulations and ensure that the implementation of all Smart City projects is always in pursuance of and are consistent with the Regulations.*

More specifically, this set of guidelines will:

- 4) facilitate the submission and processing of applications for new projects through a clear, streamlined and more transparent project development, evaluation, approval and implementation process; and*
- 5) ensure the application of the provisions of the Investment Promotion Act and the Investment Promotion (Smart City Scheme) Regulations 2015.*

Guidelines issued under regulation 24 of the Investment Promotion (Smart City Scheme) Regulations 2015.

22 June 2015

Board of Investment

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Chapter 1: The Smart City Scheme



1.1 The Vision

The **Smart Mauritius** is an ambitious economic development programme to consolidate Mauritius into a full-fledged international business and financial hub with ideal conditions for working, living and spurring investment through the development of Smart Cities across the island.

These Smart Cities have to be developed using the latest advancements in urban planning and digitalised technologies.

When completed, the Smart Cities will make Mauritius a global smart country, a center of excellence for international business and knowledge development that will create a sustainable circle economy and high quality of life.

1.2 The objectives of the Smart City Scheme

The thrust of a smart city project is to create working, living and leisure space that will be

environment-friendly; aim at generating its own resources in terms of energy and water; provide for state of the art connectivity; provide smart modern transportation; and reduce traffic congestion.

The objectives of the Smart City Scheme are:

- (a) the creation of smart cities across Mauritius which shall be mixed use development comprising office, business, residential and entertainment components all integrated in a coherent Master Plan focusing on innovation, sustainability, efficiency and quality of life
- (b) the creation of an environment-friendly working, living and leisure space aiming at generating its own resources in terms of energy and other utilities and providing for state-of-the-art connectivity, smart modern

transportation and reducing traffic congestion

- (c) the promotion and co-ordination of the orderly and economic use and development of land
- (d) the proper management, development and conservation of natural and man-made resources for the purposes of promoting the social and economic welfare of the community and a better environment



- (e) ecologically sustainable development
- (f) the promotion of targeted economic activities resulting to an increase in foreign direct investment and export to rapidly growing economies, while at the same time strengthening the industrial and service base and an economic diversification path.

1.3 Legal Basis

The Smart City Scheme is set up under the Investment Promotion Act.

The Investment Promotion (Smart City Scheme) Regulations 2015 sets out the more detailed requirements for companies that

intends to develop a project under the Smart City Scheme.

1.4 Administration of Scheme

The Smart City Scheme is administered by the Board of Investment.

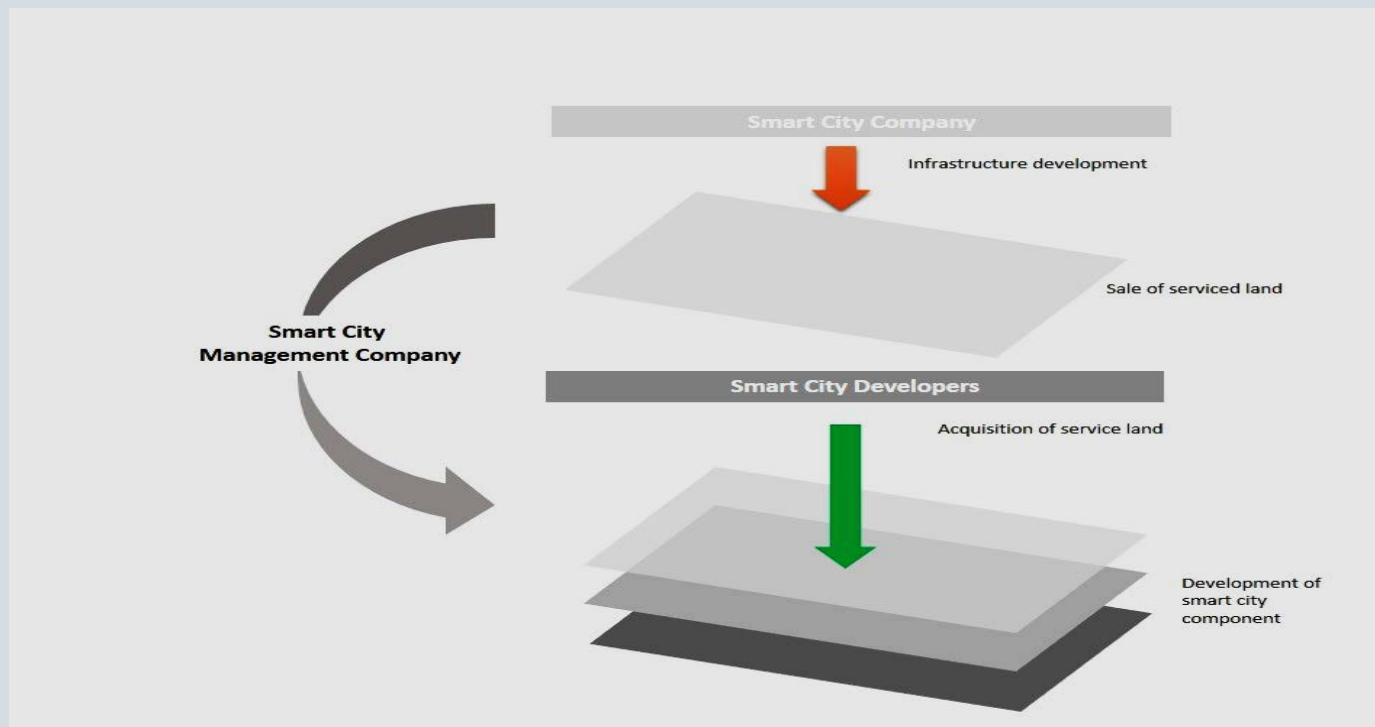
1.5 Project under the Smart City Scheme

Under the Smart City Scheme (SCS), a project, other than a *technopole* project, should:

- (1) be developed on land of an extent of **at least 21.105 hectares (50 arpents)**
- (2) adhere to the **live, work and play concept** and provide for a majority of the residential population to live and work in the same location
- (3) incorporate within the development a mix of **compatible land use including commercial, leisure and residential** and consisting of a combination of office, light industrial, hotel, retail, public entertainment and housing so that the inclusive development achieves physical and functional integration and creates a pedestrian oriented urban environment
- (4) have **at least 25 percent of the residential properties** sold to citizens of Mauritius or members of the Mauritian Diaspora registered with the Board of Investment under the Mauritian Diaspora Scheme

A smart city project, other than a technopole project, must include:

- (i) **business facilities**, with a mandatory innovation cluster



- (ii) **residential properties** on the condition that the land area planned for the construction of residential properties does not exceed 50 percent of the total land area
- (iii) **affordable housing units** for middle-income earners
- (iv) **civic centres and leisure amenities**
- (v) **high-quality public spaces** that help promote social interaction and a sense of community, including but not limited to gardens, open plazas, cycle routes and pedestrian precincts
- (vi) **day-to-day management services**
- (vii) use of **information and communication technology** to sense, analyse and integrate the key information to provide intelligent urban management and services
- (viii) the use technology products or practices resulting in substantial operational cost savings through **reduced energy consumption** and utility costs
- (ix) measures which to the extent possible –
 - i. generate their own energy requirements through eco-friendly mechanisms such as solar plants and wind farms
 - ii. produce their own water needs; and
 - iii. are autonomous in their waste management systems.
- (x) **Social programmes** and obligations

1.6 Existing site or projects

An existing site or project may be redeveloped under a Smart City Scheme provided it meets the set criteria and requirements of the Scheme.

The **smart city company** is the landlord developer which will:

-
- A word cloud visualization representing concepts related to smart cities and urban development. The words are arranged in a circular pattern, with size indicating frequency or importance. Key terms include:
- Primary Words (Largest):** data, cities, smart city, new.
 - Secondary Words:** different, European, network, mobility, models, systems, information, social time, urban, development, science transport, focus, functions networks spatial, planning, technologies, research, might ways, ICT many using services key also way Fig, forms New, Fig, ways, use.
 - Tertiary Words:** mining, much, problems need, FuturICT, issues, one, access, real, ICT, many, using, services, key, also, way, Fig, forms, New, Fig, ways, use.

- (a) acquires a portion of land from the smart city company to develop one or more component of the smart city
- (b) acts in concert with the smart city company
- (c) executes the specific component of the project.

Chapter 2: Application for Smart City Scheme Certificate – The SCS certificate



2.1 The SCS certificate

A company issued with a SCS certificate:

- (a) must, at all times, be responsible for the proper implementation of all the components of the smart city project
- (b) is answerable to the Board of Investment for the proper and timely implementation of the smart city project as approved
- (c) must develop the bare land into serviced land and then may sell serviced land
- (d) is provided with a package of fiscal and non-fiscal incentives
- (e) is allowed to sell at most **75 per cent** of the residential properties to non-citizens
- (f) is exempted from the provision of the Morcellement Tax.

2.2 Stages followed prior to the issue of SCS certificate

Stage 1: Submission of development proposal

Stage 2: Technical appraisal

Stage 3: Issue of Letter of Comfort

Stage 4: Application by a company for a SCS certificate

Stage 5: Detailed technical appraisal

Stage 6: Issue of letter of intent

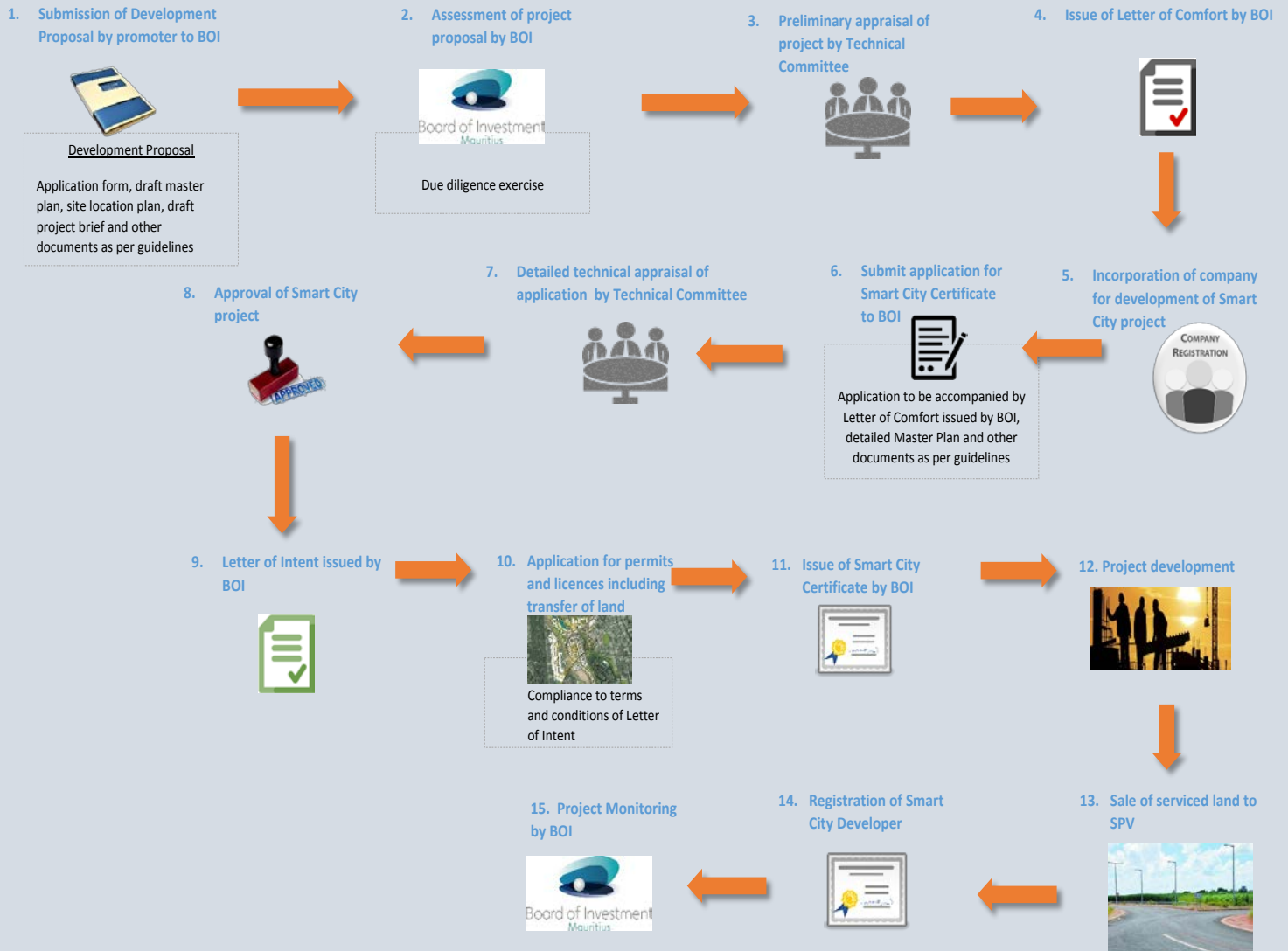
Stage 7: Obtention of permits and licences from relevant authorities through BOI one-stop-shop

Stage 8: Issue of SCS certificate

Stage 9: Project development

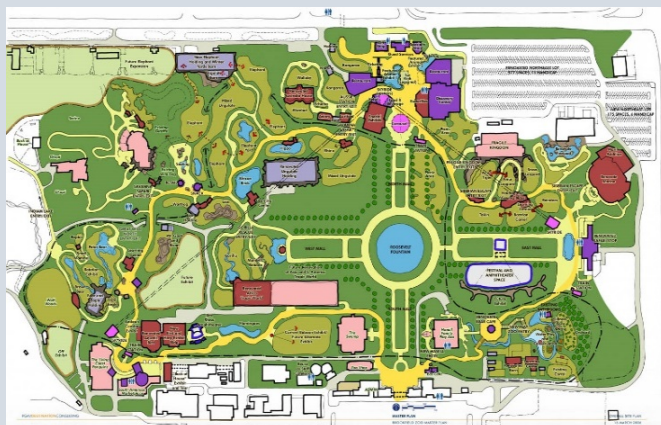
A promoter may decide to submit an application without going through the submission of development proposal and a letter of comfort.

Roadmap for the obtention of a SCS Certificate



2.2.1 Stage 1: Submission of a development proposal

- (1) A project promoter intending to develop a project under the Smart City Scheme may submit a development proposal to the Board of Investment.
- (2) The duly completed application form must be submitted with the following mandatory documents:
 - a. A brief on the background of promoters and investors
 - b. Site location plan showing the land extent and a context map of a scale (1:25,000) or other appropriate scales. Photographs and/ or satellite images may also be submitted
 - c. Document providing the existing land use and constraints (present land use, type of ground cover, vegetation etc.), existing rivers, canals, natural drain and drainage patterns
 - d. Draft master plan showing all the components of the project



- e. Draft project brief providing the project concept, components with land use of each component, plot coverage, maximum height of

buildings, and a general description on how the project fits under the Smart City Scheme

- f. Proof of ownership of land by way of an extract of deed certified by notary expressing his opinion as to the ownership of the land; or
 - where the applicant is not the owner of the land, a written permission of the owner of the land accompanied by a certificate issued by a notary expressing his opinion as to the owner's title; or
 - lease agreement or a letter of authorization clearly indicating the owner's consent to the project.

2.2.2 Stage 2: Technical appraisal

- The first technical appraisal is a flexible process that has the main purpose to deal with the complexity and the diversity of the different components of smart city project with all the concerned stakeholders and to advise the promoters whether the project may be eventually considered prior to them embarking into costly project planning.
- The smart city technical committee meetings is a forum for the exchange of differing views and interpretation of information.
- Prior to the submission of a development proposal, the project promoter may meet the Board of Investment or through the Board of Investment, members of the smart city technical committee for advice.
- On receipt of an application with a development proposal with all

documents, the technical committee members will conduct a site visit.

- The applicant will be invited to participate in the smart city technical committee meetings and to make a presentation of the project. The promoters are required to highlight in particular:
 - a. the project details
 - b. the issues that may hinder the realisation of the project
 - c. areas requiring BOI and other authorities involvement.

- The smart city technical committee may request the promoter to review, modify and adjust the project proposal. The members of the smart city technical committee are mainly representatives of the relevant public sector agencies.

2.2.3 Stage 3: Issue of Letter of Comfort

- A letter of comfort is a go-ahead letter issued by the Board of Investment for a promoter to start the detailed design and planning of a project.
- A letter of comfort will be issued by the Board of Investment where:
 - (1) the project proposal meets the general criteria of the Smart City Scheme
 - (2) the Ministry of Agro-Industry is in principle agreeable to the conversion of the agricultural land for the project
 - (3) the smart city technical committee gives a favourable report and recommends the project for consideration under the Smart City Scheme

- The letter of comfort will specify the modifications or adjustments required for the project to meet all the requirements of a smart city project and shall include terms and conditions that the project promoter should meet to enable the issuance of a letter of intent which shall include, inter alia,:

1. incorporation of a company in Mauritius for the purpose of developing a project under the Smart City Scheme
2. submission of an application for a SCS certificate with all documents, information and particulars

A promoter issued with a letter of comfort **cannot** enter into any presale agreement to sell any portion of land within the proposed smart city project.

The letter of comfort will be valid and binding between the parties for a period of one year.



2.2.4 Stage 4: Application by a company for SCS certificate

- Any person intending to develop a project under the Smart City Scheme must apply for a SCS certificate.
- The duly completed application form must be submitted with the following mandatory documents:
 1. A certificate of incorporation together with the register of shareholders of the company that will develop the smart city project
 2. A board resolution nominating the 'Director' who will act on behalf the company
 3. Detailed business plan containing the background of promoters and investors, project components and description, marketing plans, detailed financial structure and financing model and proposed construction schedule



4. A subdivision plan, drawn up in an appropriate scale and be as per Cadastral Survey Act 2011, prepared and signed by a land surveyor, delineating the external

boundaries of the land to be divided in accordance with a memorandum of survey under the Land Surveyors Act

5. Detailed master plan for the whole project that describes with a map the overall development concept
6. House architecture and drawings showing the artistic impressions of the residential components
7. Financing model with relevant documents showing the ability of the investors/shareholders to finance the project development
8. Report on:
 - use of high-performance energy efficiency measures which reduce energy consumption and be, to the extent possible, autonomous in energy requirements, water needs and waste management systems in the project
 - use of information and communication technology to sense, analyse and integrate the key information to provide intelligent urban management and services
9. A social impact assessment report providing an appraisal of the impacts on the day-to-day quality of life of the immediate communities whose environment is affected by the proposed project.

Note 1: the subdivision plan prepared by the land surveyor must show:

- (i) the roads required to give access directly or indirectly to any public road as well as any road required for purposes of internal access to all the lots comprised in the proposed smart city project**
- (ii) the constructional character of the works to be done as well as any connection with existing roads, sewers or other works and the lines and levels of such works, supported by a statement describing generally the works, including the infrastructural works, to be done containing specifications of the foundation, form, thickness and dimensions of the works**
- (iii) the extent of all lots and green areas**
- (iv) width of proposed roads and road reserve and the kerb radii**
- (v) any river, rivulet, feeder, canal or man-made drainage system crossing or adjoining the site indicating the reserve as appropriate as per the Forests and Reserves Act**
- (vi) any Environmental Sensitive Areas (ESA's) located within 200m of the site**
- (vii) any existing development on site**
- (viii) any bad neighbor development such as stone crushing plant, poultry farm, etc.**

Note 2: The Board of Investment reserves the right to request for any additional information or documents for determination of the application.

Note 3: An application shall be considered as ready for processing by the Board of Investment at the date by which all the information, particulars and documents have been duly submitted and considered as complete by BOI. Document (9) may be submitted at any time prior to the issue of the SCS certificate.

2.2.5 Stage 5: Detailed technical appraisal

The Board of Investment will carry out a full appraisal of the project which covers four major aspects of the project:

- Regulatory
- Financial
- Economic
- Technical

Regulatory appraisal is concerned with assessing whether the project meets the requirements of the regulations and the guidelines made thereunder. The regulations are thus the first yardsticks for the selection/rejection of projects.

The **financial appraisal** is concerned with issues on the adequacy of funds (own funds, borrowed capital and deposit monies under off-plan sales) to undertake the project, the financial viability of the project, the borrower's ability to service debt, the operating costs, and, ultimately, does the project return a profit.

The **economic appraisal** addresses the issue of whether a project is worthwhile from the broader point of view of its contribution to aggregate or national economic and social

welfare. Factors that are taken into account are:

- employment creation,
- revenue to government,
- FDI and
- stream of revenue (currency inflow)



The **technical appraisal** will be carried out by the smart city technical committee.

The smart city technical committee will assess the application based on the following:

1. the proposed development should comply with the relevant policies of the National Development Strategy, Planning Policy Guidance 1 on Design and the relevant Outline Planning Scheme
2. the Technical Sheets included in PPG 1
3. all infrastructural details provided, namely turning radii, junction details with main roads, drains, pavement structures, road reserves, footpaths and culverts
4. the suitability of the site for development
5. the impact of the project on the economy in terms of job creation, business opportunities to small entrepreneurs, investment and export earnings

On the basis of such assessment, a judgment will be reached by the smart city technical

committee as to whether the project is technically sound, financially justified and viable from the point of view of the economy as a whole prior to submission of a report to the Minister of Finance and Economic Development for approval.

2.2.6 Stage 6: Issue of letter of intent

A letter of intent is issued by the Board of Investment to the company that has made the application where the project has been favourably considered by the smart city technical committee and approval thereof has been obtained from the Minister of Finance and Economic Development.

The letter of intent entitles the smart city company to benefit from exemption from the Morcellement Act, registration duty and land transfer tax.

The letter of intent enables the smart city company to:

- sign a presale agreement with a smart city developer respect of a bare land
- sign a 'contrat préliminaire en état future d'achèvement' with the purchasers of residential buildings.

The letter of intent is valid for a period of 18 months from the date of the letter.

The letter of intent stipulates all the conditions that should be met for the issue of the SCS certificate to the company and may include the following:

- a. obtention of the land conversion permit from the Ministry responsible for the subject of agriculture, if applicable
- b. obtention of the EIA Licence from the Ministry responsible for Environment and Sustainable Development

- c. obtention of the Building and Land Use Permit from the District or Municipal council
- d. a written undertaking to the Board of Investment that the benefits of the development of the project under the Scheme will accrue to the neighbouring community and to small entrepreneurs generally, in terms of employment and business opportunities.
- e. a letter from an insurance company agreeing to provide a property damage insurance policy to purchasers of a residential unit.

2.2.7 Stage 7: Obtention of permits and licences from relevant authorities through BOI one-stop-shop

The procedures to apply for the relevant permits and licences are fully described in the next chapter.

2.2.8 Stage 8: Issue of SCS certificate

An SCS Certificate is issued where all the terms and conditions of the letter of intent have been met and after:

- 1. submission to the Board of Investment of the title deed duly registered and transcribed that witnesses the transfer of land to the company holding the letter of intent for the purposes of the smart city project
- 2. obtention of the EIA Licence and the Building and Land Use Permit from the District or Municipal council

- 3. submission to the BOI of a written undertaking is entered by the promoter with the Board of Investment that the benefits of the development of the project under the Scheme shall accrue to the neighbouring community and to small entrepreneurs generally, in terms of employment and business opportunities.

An SCS Certificate will be issued with terms and condition



Chapter 3: Application for permits and licences



3.1 Application for Land Conversion Permit

A company issued with a letter of intent must apply for a land conversion permit where the project is planned for development on agricultural land.

The Ministry of Agro Industry and Food Security grants the authorisation for the conversion of agricultural land to non-agricultural use in accordance with section 28 of the Sugar Industry Efficiency (SIE) Act 2001, as amended.

Definition of agricultural land

“Agricultural land” means-

- i. land which is, or has been, under cultivation;
- ii. land which declared to be an irrigation area under the Irrigation Authority Act; or
- iii. land subdivided for agricultural purposes.

Procedure and guidelines for submission of application

An application for land conversion permit must be submitted to the Ministry of Agro-Industry and Food Security through the BOI One-Stop-Shop.

The application should be made in the name of the owner/s and should be signed by the latter or any person legally entitled to do so.

Documents to be submitted at time of application

The duly filled in original application form should be accompanied by the following documents:

- 1 copy of title deed;
- 2 original copies of a certified and precise site and location plan drawn up by a Sworn Land Surveyor clearly indicating identifiable landmarks such as a building, a major intersection etc;
- photocopy of the National Identity Card/s of applicant/s/owners; and

- photocopy of Affidavit of Succession, if applicable, or any other documents as may be required.

While submitting applications for a Land Conversion Permit, applicants should ensure the following:

- the forms have been properly filled;
- the relevant documents e.g title deed, site/location plan, identity card, affidavit etc, are in conformity with those requested for; and
- relevant/important information on the owner of the land, the purpose of the conversion, the size of land, etc have been provided.

Additional information on site/location plan

The site/location plan drawn by the sworn Land Surveyor must be as per relevant provision of existing legislation and should include the following:

- all boundary dimensions in metres to two decimal places;
- areas of land parcels or units in squares metres to two decimal places or in hectares and square metres to two decimal places;
- ownership details of the subject site;
- a precise indication of the point of the landmarks or road junctions from which the measurements were taken for the purpose of locating the subject;
- indicate the extent of land earmarked for residential development;
- the location of principal buildings within the parcels if any;
- the PIN certificate reference (PCR NO, delivered by the Ministry of Housing and Lands);
- site/location plans must be drawn accurately to a scale that will allow all

details and annotations to be read clearly and shall include a North arrow (generally pointing upwards);

- text should be typewritten, clear and readable ; and
- roads, streets and lanes names should be in accordance with the relevant Local Authority nomenclature or as on site.



Timeframe to develop land after obtention of land conversion permit

According to paragraph 8 of the Twelfth Schedule of the SIE Act 2001, as amended, any applicant, receiving a land conversion permit shall:

- endeavour to obtain all necessary clearances and permits including any Building and Land Use Permit, within a period of 2 years after having been granted authority for land conversion;
- start the conversion of the land within a period of 6 months from the date on which he obtained the last clearance or permit required for the proposed conversion, failing which the authority shall lapse automatically; and
- complete the project in the manner specified in the authority granted within a period of 5 years from the date on which he obtained the last clearance or permit

required for the conversion, failing which the authority shall lapse automatically.

Note

1. The Ministry of Agro-Industry and Food Security reserves the right to request for any additional information for the determination of the application.
2. Land conversion tax under the Sugar Industry Efficiency Act shall, in respect of the land area earmarked for:
 - i. residential development, be payable;
 - ii. Other purposes, not be payable.

3.2 Application for an EIA Licence

EIA is a study that predicts the environmental consequences of a proposed development. It evaluates the expected effects on the natural environment, human health and on property. The study requires a multi-disciplinary approach.

The list of undertakings requiring an EIA licence are listed in Part B of the First Schedule of the EPA 2002.

A smart city project would require an EIA licence.

Procedure and guidelines for submission of application for EIA Licence

A proponent applying for an EIA Licence must submit, in **electronic form, and in 18 printed copies**, an EIA report to the Department of Environment through the BOI One-Stop-Shop.

The EIA report must indicate the tentative date of commencement of work along with the following documents:

1. Ownership of land
2. site and location plans drawn to scale and duly certified by a Sworn Land Surveyor

Key elements to be included in an EIA Report

1. Non-Technical Summary
2. Introduction
3. Site and project description
 - a. site description
 - b. ownership of land
 - c. present Zoning of site as per approved Outline Scheme authorities)
 - d. plans and policies with which the project conforms
 - e. site characteristics in terms of site location, landform; present and past land use (if known), accessibility to site, flora and fauna, etc.
 - f. certified and comprehensive site and location plans drawn to scale and duly certified by a Sworn Land Surveyor
 - g. surrounding environment indicating adjacent residential areas/built-up environment, environmentally sensitive areas, watercourses, and designated sites of interest.
 - i. other attributes of the area e.g. amenities, recreational and agricultural values. - Indication of other similar projects in the surroundings
4. Project Description:
 - Project initiator
 - Type of project and associated activities to be carried out.

- Need and justification of project.
- The design, size and scale of the project.
- Detailed site/layout plan drawn to scale of 1:500 indicating site boundaries (as per title deeds) and showing all structures proposed to be put up on site with setbacks from boundaries.
- Detailed plans including elevations, plot coverage and gross Floor Area.
- Description of project in terms of raw materials, processes, mass balance, equipment, work force, products, type and amount of wastes/effluent produced and its disposal etc.
- Training requirements of the project.
- The technical, economic and environmental features essential to the project.
- Diagrams, sketches or landscape architect's impression of the project in the receiving environment. - Proposed schedule for implementation.
- Power of Attorney / Owner's consent
- Copy of I.D Card
- Business Registration Number
- Approved PER / EIA licence
- Newspapers publications
- Plate notification certificate
- CEB clearance
- CWA clearance
- General Rate Receipt (where applicable)
- WWMA Clearance (where applicable)
- Application form (Parts A, B & C) filled in Neighbour's consent
- Affidavit for Hardship case & MORC



Documents to be submitted for Residential Development

3.3 Application for a Building and Land Use Permit (BLUP)

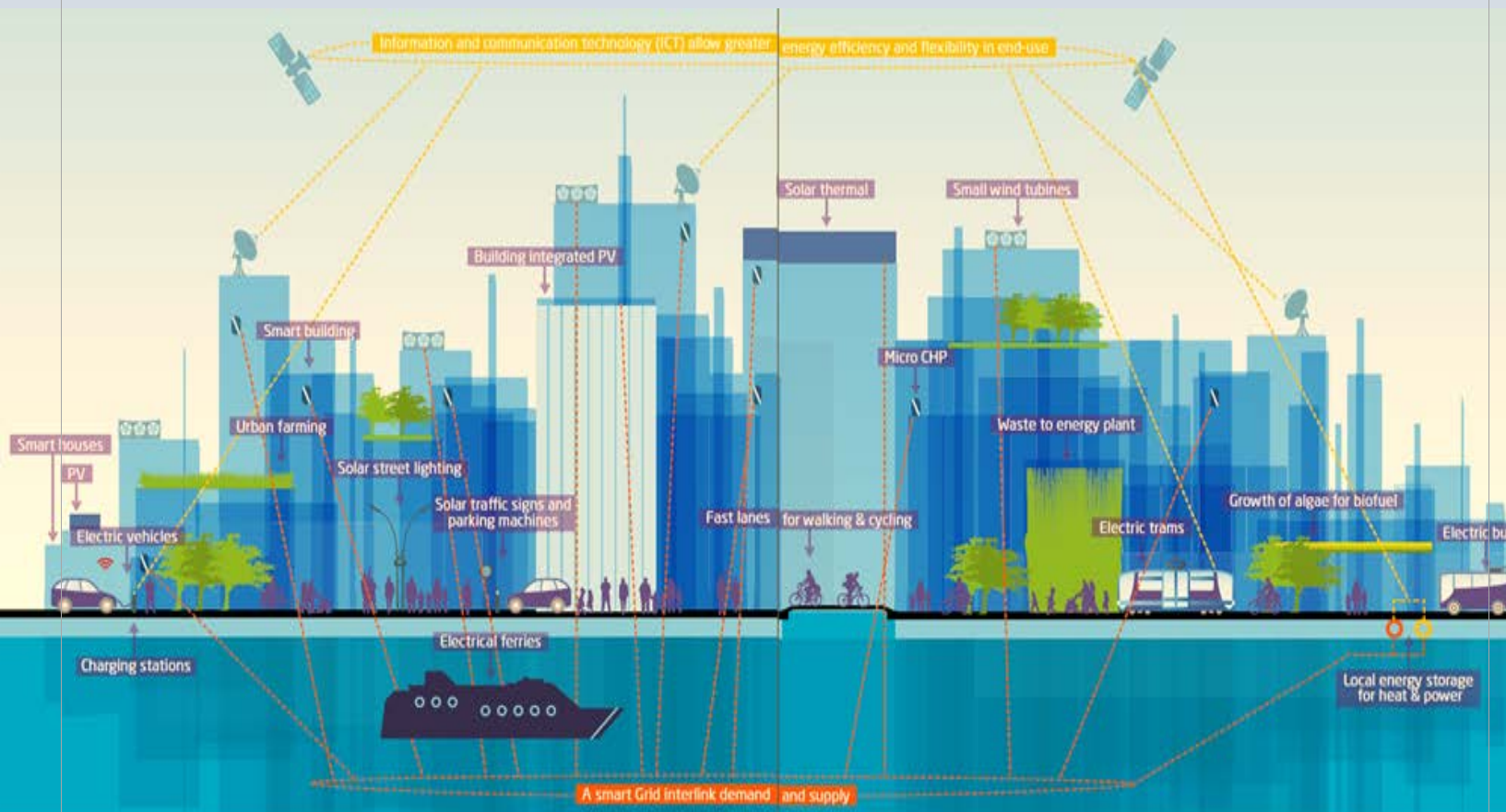
Documents to be submitted for Commercial development:

- Title Deed / Lease & Planning clearance
- 3 sets of plan
- Location Plan
- Site Plan
- Layout Plans
- Elevations Sections
- Structural details
- Legal Notice

- (a) Copy of Title Deed or copy of lease agreement for development proposed on State land;
- (b) Planning clearance from Ministry of Housing and Lands except for building site approved by Ministry of Housing and Lands.
- (c) 3 sets of plans comprising site/ location plan, layout plans, elevations and sections, drawn to standard metric scale preferably on A4 or A3 Size and floor

area of proposed building in m2 and structural details comprising foundation and columns details, beams details, slab details, staircase and basement details (if any), septic tank or other waste water disposal system details. In instances of vertical and/ or horizontal extension to an

existing building, copy of all structural and architectural details of existing structure to be submitted along with the details of the proposed extension. The total floor area is to be indicated on the site plan and the floor



Chapter 4: The Smart City Developer



4.1 The Smart City Developer

The smart city developer is a company:

- (a) registered with the Board of Investment for the purpose of developing a component within a smart city project already approved by the Board of Investment
- (b) that has acquired a portion of land from a smart city company to develop a specific project of the approved master plan

The smart city developer must, at all times, be responsible for the execution of specific projects in a smart city and be answerable to the Board of Investment for their proper implementation.

4.2 Registration of a Smart City Developer

A company that acquired a plot of serviced land for the purposes of developing a component of the smart city project must apply to the Board of Investment for a registration certificate.

The registration certificate (Smart City Developer) is issued pursuant to section 12(1C)(c) of the Investment Promotion Act.

4.3 Application for Registration Certificate (Smart City Developer)

An application for registration certificate (Smart City Developer) must be submitted to the Board of Investment.

The duly filled in application must be accompanied by:

- (a) a copy of the certificate of incorporation of the company along with the register of shareholders
- (b) a brief of the project with financial details and financing model
- (c) an implementation schedule
- (d) the deed of sale evidencing the transfer of land

Additional documents where the company intends to sell residential lots

(e) A subdivision plan in respect of the land acquired, drawn up in an appropriate scale and be as per Cadastral Survey Act 2011, prepared and signed by a land surveyor, delineating the external boundaries of the land to be divided in accordance with a memorandum of survey under the Land Surveyors Act

(f) The subdivision plan must be accompanied by documents showing:

(i) the roads required to give access directly or indirectly to any public road as well as any road required for purposes of internal access to all the lots comprised in the proposed smart city project

(ii) the constructional character of the works to be done as well as any connection with existing roads, sewers or other works and the lines and levels of such works, supported by a statement describing generally the works, including the infrastructural works, to be done containing specifications of the foundation, form, thickness and dimensions of the works

(iii) the extent of all lots and green areas

(iv) width of proposed roads and road

(v) reserve and the kerb radii

(vi) any river, rivulet, feeder, canal or man-made drainage system crossing or adjoining the site indicating the reserve as appropriate as per the Forests and Reserves Act

Additional documents where the company intends to develop and sell residential units

(g) House architecture and drawings showing the artistic impressions of the residential components

(h) a master plan in respect of the plot of land acquired

(i) a planning brief.

4.4 Summary of procedures

For a company to get the status of a smart city developer, the procedures involved are as follows:

(a) the smart city company (vendor) has to submit a notice to the Board of Investment. The notice must not be more than 30 days prior to the sale of the land.

(b) in case the buyer is a non-citizen (i.e. a company having at least one of the shareholders who is a non-citizen), the buyer (company) has to submit an application to the Board of Investment for an authorization to acquire the immovable property

(c) registration of the deed of sale with the Registrar-General (Notary's responsibility)

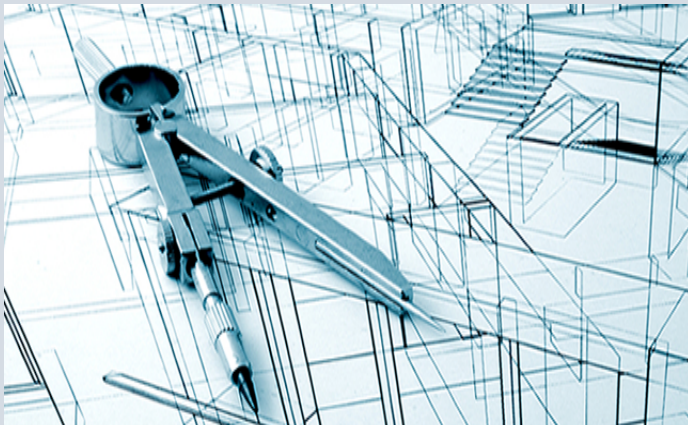
(d) application to the Board of Investment for a registration certificate (Smart City Developer)

4.5 Obligations of a Smart City Developer

The smart city developer issued with a registration certificate:

(a) is responsible for the execution of the specific project(s) and is answerable to the Board of Investment for its/their proper implementation

- (b) must not develop the land it has acquired for any purpose other than the one approved by the Board of Investment unless the smart city developer obtains the written authorization from the Board of Investment
- (c) must apply through the BOI One-Stop-Shop, for all the necessary permits, licences and clearances including the EIA licence (if applicable) and the Building and Land Use Permit
- (d) must submit at least once every quarter a report on the work progress and the general implementation of the project.



4.6 Obligations of a Smart City Developer engaging in the sale of residential properties

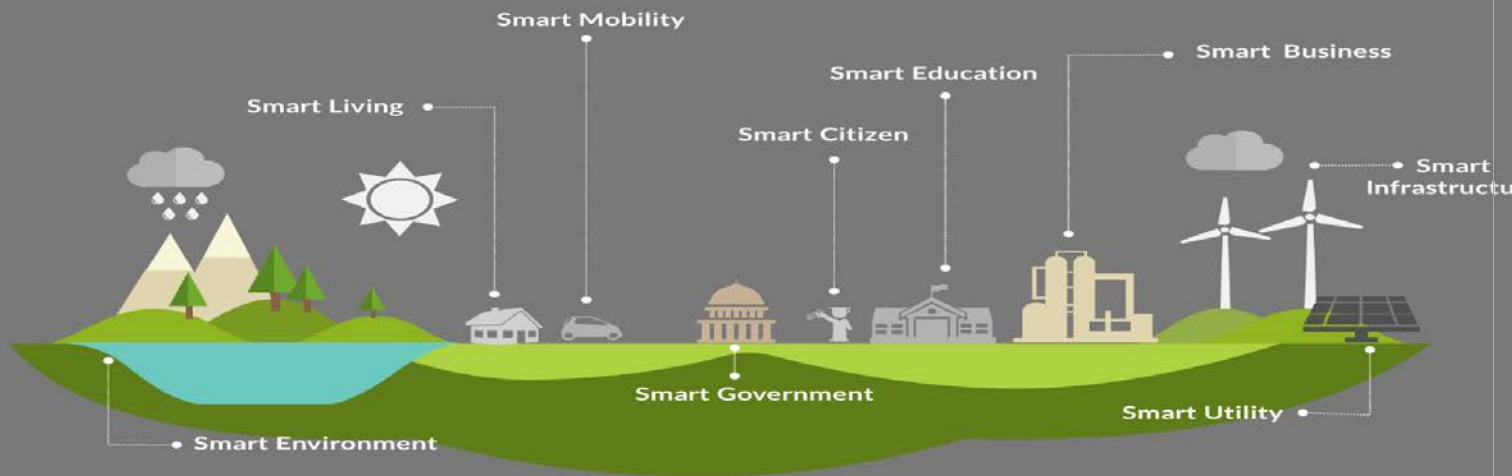
The smart city developer:

- (a) involved in the sale of residential units, life rights or residential serviced land, must submit, every quarter a report on sales made to Mauritians and members of the Mauritian Diaspora (name, age and profession)
- (b) must appoint an independent quality assurance contractor to ensure that construction works conform with the standards set out in the deed of sale.

The contractor should also submit a clearance certificate to a buyer at the time of delivery of an immovable property stating that the construction works conform with the standards set out in the deed of sales.

- (c) must, at time of delivery of a residential unit,:
 - a. obtain from the **builder a property damage insurance in respect of that residential property to guarantee for a period of 1 year from the delivery of the residential property payment of compensation for any property damage;**
 - b. subscribe in respect of that residential property a property damage insurance policy in favour of the buyer to guarantee for a period of 2 years against any property damage caused by defects affecting non-structural elements of the property; and
 - c. subscribe in respect of that residential unit a property damage insurance policy in favour of buyer(s) to guarantee for a period of 10 years against any property damage caused by defects affecting the structural elements of the property.

Chapter 5: Obligations of a Smart City Company



5.1 Obligations of a company issued with a letter of intent

For the purposes of the Investment Promotion Act, a company gets the status of a smart city company from the date of issuance of the letter of intent.

Pursuant to provisions of the Investment Promotion (Smart City Scheme) Regulations 2015, the obligations of a smart city company issued with a letter of intent are:

1. the submission to the Board of Investment, within one month after the end of every quarter, starting from the first quarter immediately following the date of issue of the letter of intent, a progress report on the implementation of the project
2. to apply and obtain the land conversion permit
3. to obtain within the validity period of the letter of intent, all secondary permits and

licences including the submission of the EIA report, Social Impact Assessment and detailed project design for the Building and Land Use Permit

4. to transfer the whole of the land area earmarked for the smart city project to the smart city company
5. to incorporate and set up a smart city management company
6. to comply with the terms and conditions of the letter of intent

5.2 Obligations of a company issued with an SCS certificate

A company issued with the SCS certificate must:

1. submit to the Board of Investment, within one month after the end of every quarter, starting from the first quarter immediately following the

date of issue of the SCS certificate, a progress report on the implementation of the project

2. develop and implement the project in accordance with the approval granted by BOI and cannot change the use to which each component has been approved, without the prior approval of BOI
3. develop the bare land into serviced land prior to the sale of plot of land to another company
4. provide all infrastructural works, including those relating to roads, walls, drains, landscaping and utility services
5. engage in building, developing and managing infrastructure within the smart city project
6. give a notice to the Board of Investment within 30 days prior to the sale on a parcel of land to company that will act as smart city developer

5.3 Obligations of a Smart City Company engaging in the sale of residential properties

The smart city company:

- (a) involved in the sale of residential units, life rights or residential serviced land, must submit, every quarter a report on sales made to Mauritians and members of the Mauritian Diaspora (name, age and profession)
- (b) must appoint an independent quality assurance contractor to ensure that construction works conform with the standards set out in the deed of sale. The contractor should also submit a clearance certificate to a buyer at the time of delivery of an immovable

property stating that the construction works conform to the standards set out in the deed of sales.

- (c) must, at time of delivery of a residential unit,:
 - i. obtain from the **builder a property damage insurance in respect of that residential property to guarantee for a period of 1 year from the delivery of the residential property payment of compensation for any property damage;**
 - ii. subscribe in respect of that residential property a property damage insurance policy in favour of the buyer to guarantee for a period of 2 years against any property damage caused by defects affecting non-structural elements of the property; and
 - iii. subscribe in respect of that residential unit a property damage insurance policy in favour of buyer(s) to guarantee for a period of 10 years against any property damage caused by defects affecting the structural elements of the property.

Chapter 6: Sale of serviced land for business purpose



6.1 Sale of serviced land for business purposes

A company issued with a SCS certificate may sell serviced land to another company to develop one or more component(s) of the smart city project.

The smart city company may only sell a portion of land as serviced land where all infrastructural works including roads, walls, landscaping and utility services have been completed in respect of that area.

6.2 Sale agreement with respect to serviced land

Prior to entering into any agreement with respect to a parcel of serviced land for business purpose, the following stages must be followed:

1. Signature of a pre-sale agreement between the smart city company and the buyer

2. Submission of a notice to the Board of Investment within 30 days from the signature of the deed of sale
3. Where the buyer is a non-citizen company (the company has at least one of the shareholders as non-citizen), authorization from the Board of Investment under the Non-citizens (Property Restriction) Act

6.3 Signature of a presale agreement

The Preliminary Contract is considered as the most important stage of the purchase process. This document sets out the terms and conditions of the sale and is fully binding.

There are two kinds of contract: a "promesse de vente" and a "compromis de vente".

In a "**promesse de vente**", the purchaser acquires an option to purchase the property within a certain time period (usually two to three months). A deposit of 5-10% of the purchase price is usually taken in consideration of this option. The deposit is forfeited if the purchaser fails to exercise the option for any reason other than the non-

fulfilment of certain Conditions Precedent (above). If the purchaser does decide to exercise the option, the 10% deposit will be treated as a part-payment of the purchase price.

The "**compromis de vente**" irrevocably binds the seller and the purchaser, subject only to fulfilment of the conditions precedent. Should any one of the conditions precedent not be fulfilled, both parties are free to walk away from the contract. However, unlike a "promesse de vente", once all the Conditions Precedent are satisfied, the purchaser does not have the option to withdraw from the acquisition merely by forfeiting his deposit. The vendor can enforce the sale by taking legal proceedings.

6.4 Notice to the BOI

The notice to the Board of Investment must be submitted by the smart city company with a copy of the pre-sale agreement and details of buyer (name of company and its shareholders).

The notice will be followed by an acknowledgement letter from the Board of Investment.

6.5 Acquisition of property for business purposes

A company having a non-citizen must submit an application for an authorization to acquire an immovable property under the Non-Citizens (Property Restriction) Act.

The following documents must be submitted by the person making the application;

- (a) an application form duly filled in and signed by the director of the company making the application
- (b) certificate of incorporation and register of shareholders
- (c) business plan with full details on:

- a. background of shareholders / promoters
- b. the project and implementation schedule
- c. project financing

- (d) a site plan from a sworn land surveyor showing the extent and precise location of the property
- (e) valuation report of the immovable property from a valuation surveyor
- (f) a presale agreement (compromis de vente) between the vendor and buyer drawn up by a Notary Public in Mauritius or a letter of reservation in case of lease of property
- (g) proof of funds emanating from a bank for the:
 - a. acquisition of the property
 - b. implementation of the project



- (h) Where there shall be construction works, Outline Planning Permission from the local authority
- (i) Where an application is submitted by a third party (consultant), a Power of Attorney or a mandate letter given by the applicant to the third party
- (j) In case of touristic activities such as hotel development, operation of pleasure crafts, restaurant, tour operators, etc, a Letter of Intent from the Tourism Authority.

Chapter 7: Sale of serviced land for residential purpose



7.1 Sale of serviced land for residential purpose

A smart city company or a smart city developer may sell plots of serviced land for the construction of residential properties provided that the leisure amenities under the project are available.

7.2 Person who are eligible to acquire residential plots

The following two categories of persons may acquire a plot of land to build an individual house:

- (a) a Mauritian either in his/her own name or through an entity
- (b) a member of the Mauritian Diaspora registered under the Mauritian Diaspora Scheme

Non-citizens are **NOT** allowed to acquire a plot of land to build an individual house on their own.

7.3 Conditions for the sale of serviced land for residential purpose

A smart city company or smart city developer has to:

- (a) complete the infrastructural works, including those relating to roads, walls, drains, landscaping and utility services in respect of the area where plots of serviced land are being sold
- (b) ensure that the total area of all plots of serviced land does not exceed 25 per cent of the land area planned for the construction of residential properties
- (c) subdivide that land where each plot of serviced land should not exceed 2,100 square metres in area

7.4 Obligation of the person acquiring a plot of serviced land

The buyer should build a residential property on the land within 5 years from the date of its acquisition in accordance with the architectural guidelines issued by the smart city company or smart city developer.

The buyer of a serviced plot cannot sell or transfer the plot of serviced land he has acquired unless the construction of the residential property is completed on the plot.

Chapter 8: Sale of built residential properties



8.1 Type of residential properties

Built-up residential properties comprising villas, houses, townhouses, apartments and duplexes can be developed under the Smart City Scheme.

This section deals with the sale of built-up residential properties including sales made under the provisions of a vente en l'état futur d'achèvement (VEFA).

8.1.2 Eligibility for acquisition of residential property

The following persons may acquire a residential property from a Smart City Company:

- a) a citizen of Mauritius
- b) a non-citizen
- c) a member of the Mauritian Diaspora
- d) a company incorporated or registered under the Companies Act

- e) a société, where its deed of formation is deposited with the registrar of companies
- f) a limited partnership under the Limited Partnerships Act
- g) a trust, where the trusteeship services are provided by a qualified trustee
- h) a Foundation.

8.1.3 Basis of sale of a residential property

1. A residential property under the SCS may be sold either on the basis of a plan, during the construction phase or when the construction is completed.
2. Where the acquisition of an immovable property is made on the basis of a plan or during the construction phase, the contract shall be governed by the provisions of a "vente à terme" or vente en l'état futur d'achèvement (VEFA)", as the case may be, in accordance with

provisions of articles 1601-1 to 1601-45 of the Code Civil Mauricien.

8.1.4 Financing of residential property

3. A sale for future delivery is the contract by which the seller undertakes to deliver the building on its completion, and the buyer undertakes to take delivery of it and to pay the price of it at the date of delivery. The transfer of ownership is achieved by operation of law by the acknowledgement of the completion of the building through an authentic instrument; it is effective retroactively on the day of the sale.
 4. A sale in a future state of completion is the contract by which a seller transfers at once to the buyer his rights in the ground as well as the ownership of the existing structures. The works to come become the property of the buyer as they proceed; the buyer is bound to pay the price of them as the work proceeds.
 5. In accordance with the provisions of Article 1601-30 of the Code Civil, the price of a residential unit when sold under "vente en l'état futur d'achèvement" is payable in instalments as the work progresses, as follows:
 - a. Upon signing of the deed: 25%
 - b. Upon completion of the foundation works: 10%
 - c. Upon completion of roofed-in phase: 35%
 - d. Upon completion: 25%
 - e. Upon availability of premises: 5%
 6. A smart city company or smart city developer shall sell at least 25 per cent of its residential properties to a citizen of Mauritius or member of the Mauritian Diaspora registered under the Mauritian Diaspora Scheme.
 7. The remaining 75 per cent may be sold to non-citizens of Mauritius.
1. Where a residential property is acquired by a non-citizen or a company whose shareholders are non-citizens or a trust whose beneficiaries are non-citizens or the associates of a société are non-citizens or limited partners of a limited partnership are non-citizens or beneficiaries of a foundation are non-citizens, the payment can be made in US dollars or its equivalent in any other freely convertible foreign currency.
 2. Where a residential property is acquired by a non-citizen, the investment in the acquisition of that residential property must be financed by the purchaser from funds outside Mauritius and transferred to Mauritius through any reputable bank listed in the Banking Almanach recognized by the Bank of Mauritius.
 3. Where a loan is contracted in Mauritius currency with a bank in Mauritius, the first 500,000 US dollars must be paid in USD or its equivalent in any other freely convertible foreign currency; and the repayment of the loan must be effected in any freely convertible foreign currency.



8.2 Obligations of a Smart City Company or Smart City Developer

At time of delivery of a residential unit (first sale), provisions should be made in the deed of sale, for the vendor to:

- obtain from the **builder a property damage insurance in respect of that residential property to guarantee for a period of 1 year from the delivery of the residential property payment of compensation for any property damage;**
- **subscribe in respect of that residential property a property damage insurance policy in favour of the buyer to guarantee for a period of 2 years against any property damage caused by defects affecting non-structural elements of the property; and**
- **subscribe in respect of that residential unit a property damage insurance policy in favour of buyer(s) to guarantee for a period of 10 years against any property damage caused by defects affecting the structural elements of the property.**



Documents to be submitted prior to sale of residential property

The Smart City Company or the Smart City Developer must submit to BOI prior to the sale of any residential property under the SCS, final specimen copies of the following documents:

- **contrat de vente en état future d'achèvement d'une maison individuelle**"-The contract of sale between the SCS Company and the buyer. This contract is governed by the provisions of the Code Civil Mauricien;
- **guarantee of due completion by way of surety conformably to article 1601-34(b) of the Code Civil Mauricien**- A formal agreement that the PDS company has entered into with a banking institution in Mauritius to ensure the financing and implementation of the villa. The banking institution should be listed on the Banking Almanach recognized the Bank of Mauritius;
- **"Reglement de co-propriete" et "Cahier de Charge"**- These are defined in the sales contract under vente en état future d'achèvement.

8.3 Application to acquire property under SCS

A non-citizen, company, société, trust, foundation or limited partnership wishing to acquire property under the scheme shall make an application to the Board of Investment.

No application for acquisition of immovable property by non-citizens, companies, société, trusts, foundation or limited partnership will be considered by the Board of Investment if the above documents have not been duly submitted to the BOI.

The application should be accompanied by a non-refundable processing fee of 10,000 rupees payable through cheque by the smart city company or smart city developer and drawn to the order of the Board of Investment.

An application shall be considered as ready for processing by the BOI at the date by which all the information, particulars and documents have been duly submitted and considered as complete by BOI.

8.3.1 Screening of application

1. The SCS Company shall carry out due diligence exercise through a reputable bank for all applications received prior to submission of same to the Board of Investment. The SCS Company's bank shall carry a Know Your Client (KYC) exercise and open a bank account for the client called the "Escrow Account".
2. The SCS company may sign the "Contrat de réservation préliminaire a une vente en etat future d'achevement" for the plot. The potential buyer shall deposit at most 25% of the amount of investment in the acquisition of the property in the bank

8.3.2 Documents to be submitted at the time of application

In the case of a non-citizen, the following documents must be submitted to the BOI:

- duly authenticated copy of first 5 pages of passport
- letter from the bank certifying the KYC exercise for the client

In the case of Company:

- certificate of incorporation under the Companies Act 2001 or Certificate of registration evidencing the company is registered as a foreign company as may be the case:
- register of shareholders

- duly authenticated copy of first 5 pages of passport of each shareholder
- letter from the bank certifying the KYC exercise for the client

In the case of Société:

- evidence of the Société having a file number with the Registrar of Companies and deed of formation deposited with the Registrar of Companies.
- status of the Société
- duly authenticated copy of first 5 pages of passport of each member
- letter from the bank certifying the KYC exercise for the client

In the case of Limited Partnership:

- partnership agreement
- registration certificate of the Limited Partnership by the Registrar of Companies
- duly authenticated copy of first 5 pages of passport of each limited partner
- letter from the bank certifying the KYC exercise for the client

In the case of Foundation:

- the charter of Foundation
- registration certificate of the Foundation by the Registrar of Companies
- details of the beneficiary, founder, secretary and council
- duly authenticated copy of first 5 pages of passport of each beneficiary
- Letter from the bank certifying the KYC exercise for the client

In the case of Trust:

- The trust deed

- Evidence from the Financial Services Commission that the trustee is a qualified trustee under the Trust Act 2001
- Details of the beneficiary, trustee and settlor
- Letter from the bank certifying the KYC exercise for the client

Citizens of Mauritius

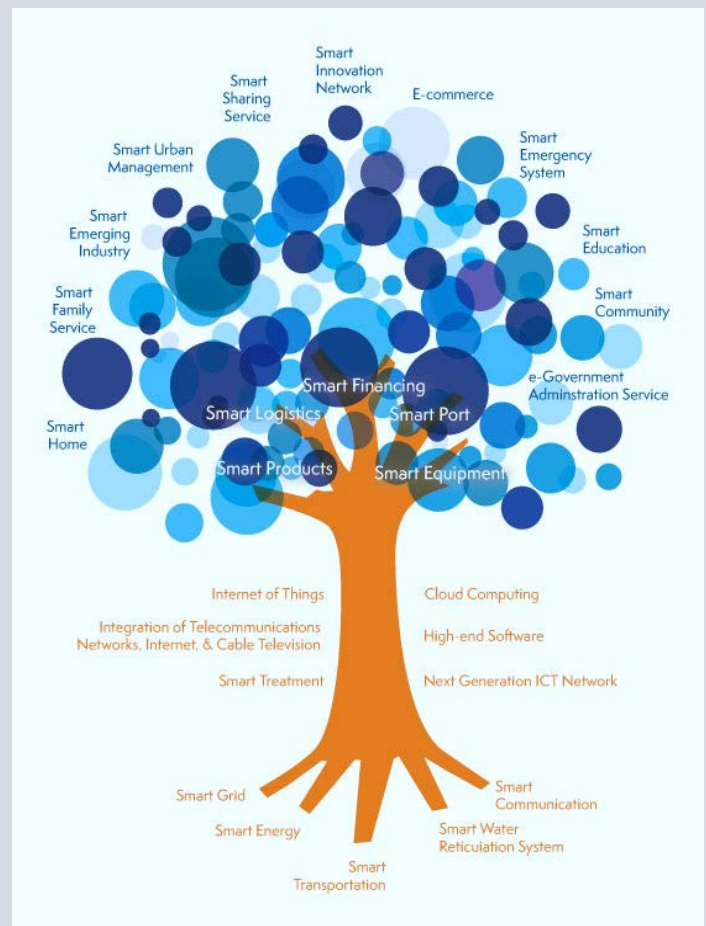
No authorisation is required for citizens of Mauritius.

8.4 Residency in Mauritius

1. Pursuant to Regulations 21 of the Investment Promotion (Smart City Scheme) Regulations 2015, a residence permit under the Immigration Act is granted to the non-citizen upon acquisition of a residential property not less than USD 500,000 or its equivalent in any other freely convertible foreign or Mauritian currencies. The residential property is deemed to be acquired on its registration and payment of the fixed duty of 5% the value of property to the registrar general.
2. Notwithstanding the above, a non-citizen who acquires a plot of serviced land shall not be eligible to apply for a residence permit unless the construction of a residential property has been completed on that plot.
3. The SCS Company or SCS Developer must inform BOI by way of a letter addressed to the Managing Director on registration of the immovable property and submit a certificate from the Notary to the effect that the deed drawn has been duly registered and transcribed.

The residence permit granted to the non-citizen remains in force until such time the non-citizen shall hold the residential property under the scheme or where the person nominated by the company's secretary, director, gerant or qualified trustee, general

partner and council of the entity, as the case may be, informs the Board of Investment to terminate the residency.



8.5 Documents to be submitted at time of application for residence permit

Documents	Non-citizen	Company	Société	Trust	Foundation	Limited Partnership
Duly filled in 'application form to enter Mauritius'	√	√	√	√	√	√
First 5 pages of each applicant/dependent passport	√	√	√	√	√	√
Medical Certificate	√	√	√	√	√	√
Morality Certificate	√	√	√	√	√	√
Notary Certificate	√	√	√	√	√	√
A board resolution from the company's secretary or director nominating a non-citizen (shareholder, Chief Executive Officer or Director)to reside in the residential property and entitled to residence permit	N/A	√	N/A	N/A	N/A	N/A
A letter from the gerant nominating a non-citizen (active associate) to reside in the residential property and be entitled to residence permit	N/A	N/A	√	N/A	N/A	N/A
A letter from the qualified trustee nominating a non-citizen (beneficiary of the trust) to reside in the residential property and be entitled to residence permit	N/A	N/A	N/A	√	N/A	N/A
A letter from the Council nominating a non-citizen (beneficiary of the Foundation) to reside in the residential property and be entitled to residence permit	N/A	N/A	N/A	N/A	√	N/A
A letter from the general partner nominating a non-citizen (limited partner) to reside in the residential property and be entitled to residence permit	N/A	N/A	N/A	N/A	N/A	√

8.6 Rental of a residential property by a purchaser

The owner of a residential property under the SCS may rent his/her property through the Smart City Management Company or a service provider appointed by the Smart City Management Company to provide property management services.

The Smart City Management Company must inform the Board of Investment of the service provider that has been appointed.

8.7 Resale of residential property

The owner of a residential property is allowed to resell or transfer the property or any shares, rights or interest acquired under the scheme.

Where the owner of a residential property intends to sell or transfer the property, he/she is required within 30 days prior to sale, give notice in writing to the Managing Director of BOI. A copy of the notice shall be given to the SCS Company or the SCS Developer.

The sale or transfer of the residential property can only be made to:

- a) a natural person, whether a citizen of Mauritius, a non-citizen or a member of the Mauritian Diaspora;
- b) a company incorporated or registered under the Companies Act;
- c) a société, where its deed of formation is deposited with the registrar of companies;
- d) a limited partnership under the Limited Partnerships Act;
- e) a trust, where the trusteeship services are provided by a qualified trustee; or
- f) a Foundation.

The person acquiring the residential property is required to submit an application as per these guidelines. The application must be accompanied by an attestation of opening a bank account through which money for payment shall be transferred and a non-refundable fee of 10, 000 rupees paid by mode of a cheque drawn to the order of the Board of Investment.

8.8 Sale of property other than residential property

A smart city company or smart city developer is allowed to sell any part or whole of an immovable property other than a residential property.

The person acquiring any part or whole of an immovable property other than a residential property must submit an application under the Non-Citizens (Property Restriction) Act

Chapter 9: Sale of life rights



9.1 Life rights for retirement living

A smart city company or smart city developer may develop for retirees (non-citizens) and the Mauritian expat community who are looking for a lifestyle living and to retire in Mauritius, frail care facilities, retirement complexes and retirement villages.

In a development under the life-rights concept, the developer remains the sole owner of the property as this concept is essentially a rental.

The developer, i.e. the vendor of life rights in respect of a residential property, carries the responsibility of management, maintenance and upkeep of the village and healthcare facilities.

9.2 Acquisition of life rights

A person acquiring a life right in respect of a residential property has the right to live in a unit for the rest of his life, free of rent. There is no transfer of property. Ownership is retained by the smart city company or smart city developer.

The life right terminates upon the death of the occupant or if the occupant decides to terminate the agreement. The occupant (i.e. the person who has acquired a life right) cannot leave the property to somebody in his will.

The occupant (with its heirs, administrators, executor and assigns) may not sell the right whether by way of exchange, donation, testamentary disposition, or as a consequence of intestate succession, dispose of the life rights to any other person. *[Refer to article 1717 of the code civil - Le preneur a le droit de sous-louer, et même de*

céder son bail à un autre, si cette faculté ne lui a pas été interdite.]

9.3 Termination of life rights and refund of investment

On termination of a life right unit or on death of the occupant, the outgoing occupant or the deceased heir receives an amount of the initial investment mutually agreed between the parties.

On termination of the life right, the developer may elect to submit the right of occupation for re-grant to another occupant or to retain such right for its own purposes.

Should the developer elect to submit the said right for re-grant, it will do whatever is reasonably necessary to obtain the highest possible new Occupation Consideration from a new Occupant. The new Occupation Consideration will always be within the sole and absolute discretion of the developer whose decision thereon shall be final and neither the Occupant nor his heirs shall have any claim whatsoever against the developer arising out of it having accepted or fixed any particular amount as the new Occupation



Consideration.

Should the developer elect to not submit the right for re-grant but to retain the same for its

own benefit or use, the market value of such right of occupancy has to be agreed between the developer and the Occupant or his heirs, as the case may be. Failing such agreement, then a value as determined by a sworn valuer (the costs whereof shall be met by the developer) will, be regarded as the new Occupation Consideration.

The developer will obtain such valuation within 60 days of the Termination Date.

In circumstances envisaged above, in the event of a re-grant, upon payment in full of the new Occupation Consideration which the developer undertakes shall not be more than 12 months after the Termination Date or in the event of the developer electing not to submit for re-grant, then upon the determination of the value of the Life Right, the Occupant, or his heirs, as the case may be shall be paid an amount **equivalent to the lesser of:**

- the original Occupation Consideration paid by the outgoing occupant less any amounts due to the developer (maintenance levy and others)

or

- the new Occupation Consideration paid by the new Occupant (or valuation) less any amounts due to the developer (maintenance levy and others)

Maintenance of the scheme

The occupant may be required to pay a monthly maintenance levy, frail care levy or fees to the Syndic or any management company appointed by the smart city company or developer of the retirement project as the case may be.

Chapter 10: Incentives



10.1 Incentives to Smart City Company

(a) A smart city company (holder of SCS Certificate) is **EXEMPTED** from the payment of:

- (i) **income tax for a period of 8 years** from the issue of the SCS Certificate provided that the income is derived from an activity pertaining to the development and sale, rental or management of immovable property other than an activity in respect of the supply of goods and services
- (ii) **land transfer tax and registration duty** on transfer of land into the Smart City Company for the development of the Smart City project, provided that the transferor holds shares, in the Smart City Company, equivalent to the value of the land transferred

Note: In case where the transferor holds shares in the Smart City Company, the value of which is less than the value of the immovable

property transferred, the land transfer tax and registration duty is levied on the difference between the value of the immovable property transferred and value of shares held by transferor in the Smart City Company

- (iii) **land transfer tax and registration duty** on the transfer of land from a Smart City Company to a Special Purpose Vehicle (SPV) set up to develop a component of the smart city project, provided that the Smart City Company holds shares in the SPV, equivalent to at least the value of land transferred
- (iv) **land conversion tax in respect of the land earmarked for the development of non-residential components** (office and business parks, ICT and innovation clusters, tourist, leisure and entertainment facilities including hotels and golf courses, renewable energy and green initiatives);

- (v) **valued added tax** in respect of buildings and capital goods
- (vi) **customs duty** on the import or purchase of any dutiable goods, other than furniture, to be used in the infrastructure works and construction of buildings under the smart city scheme
- (vii) **morcellement tax** for the subdivision of land



- (b) A smart city company issued with a SCS Certificate is granted **accelerated annual allowance at a rate of 50%** of the costs in respect of capital expenditure incurred on:

- (i) renewable energy
- (ii) energy-efficient equipment or noise control device;
- (iii) water-efficient plant and machinery and rainwater harvesting equipment and system
- (iv) pollution control equipment or device, including wastewater recycling equipment
- (v) an effective chemical hazard control device
- (vi) a desalination plant
- (vii) composting equipment
- (viii) equipment for shredding, sorting and compacting plastic and paper for recycling.

- (c) The Smart City Company may sell serviced land to another company to develop a component of the smart city project.
- (d) Application for the permits and licenses submitted by the Smart City Company will be facilitated through the BOI One-Stop-Shop and fast tracked through the Investment Projects Fast-Track Committee
- (e) Sale of immovable property can be made by way of 'Vente en Etat Futur d'Achevement' (VEFA) or 'Vente a Terme'
- (f) Land transfer tax for immovable property sold on VEFA is payable in four 6-monthly instalments

10.2 Incentives to Smart City Developer

- (a) Companies issued with a registration certificate as a smart city developer is **EXEMPTED** from the payment of:
 - (i) **income tax for a period of 8 years** from the issue of the registration certificate provided that the income is derived from an activity pertaining to the development and sale, rental or management of immovable property other than an activity in respect of the supply of goods and services
 - (ii) **land transfer tax and registration duty** on the transfer of land from a Smart City Developer to a Special Purpose Vehicle (SPV) set up to develop a component of the smart city project, provided that the Smart City Developer holds shares in

- the SPV, equivalent to at least the value of land transferred
- (iii) **valued added tax** in respect of buildings and capital goods
- (iv) **customs duty** on the import or purchase of any dutiable goods, other than furniture, to be used in the infrastructure works and construction of buildings under the Scheme
- (v) **morcellement tax** for the subdivision of land
- (v) an effective chemical hazard control device
- (vi) a desalination plant
- (vii) composting equipment
- (viii) equipment for shredding, sorting and compacting plastic and paper for recycling.
- (c) Application for the permits and licenses submitted by the Smart City Developer will be facilitated through the BOI One-Stop-Shop and fast tracked through the Investment Projects Fast-Track Committee



- (b) A smart cities developers is granted accelerated annual allowance that will be granted at a rate of 50% of the costs in respect of capital expenditure incurred on:
 - (i) renewable energy
 - (ii) energy-efficient equipment or noise control device;
 - (iii) water-efficient plant and machinery and rainwater harvesting equipment and system
 - (iv) pollution control equipment or device, including wastewater recycling equipment
 - (d) Sale of immovable property can be made by way of 'Vente en Etat Futur d'Achevement' (VEFA) or 'Vente a Terme'
 - (e) Land transfer tax for immovable property sold on VEFA is payable in four 6-monthly instalments

10.3 Incentives to Smart City Management Company

Companies issued with a registration certificate as a smart city management company will be exempted from the payment of income tax for a period of 8 years from the issue of the SCS Certificate provided that the income is derived from an activity pertaining to the activities of:

- (a) syndic
- (b) providing security, maintenance, gardening, solid waste disposal and other services
- (c) maintaining and managing open public spaces;
- (d) providing an intelligent response to different kinds of needs, including daily livelihood, environmental protection, public safety and city services, industrial and commercial activities;

- (e) implementing and managing a real-time sensor network system that automatically monitors and detect changes in the status of public infrastructure to ensure the quick and appropriate provision of services; and
- (f) the use of smart energy management technologies to help suppliers of utility services and distributors to forecast and manage energy loads.

10.4 Incentives to purchaser of a residential unit

- a. Any person including a non-citizen may acquire a built-up residential property
- b. An entity including domestic or foreign companies, societe, foundation, limited partnership and trusts can acquire a built-up residential property
- c. No minimum price for the acquisition of a residential unit
- d. First time Mauritian buyers are exempted up to Rs 200,000 from payment of registration duty on acquisition of a residential unit under the scheme
- e. Members registered under the Mauritian Diaspora Scheme are exempted from the payment of registration duty on acquisition of a residential unit under the scheme
- f. Any non-citizen acquiring a residential property for a sum exceeding USD 500,000 (or its equivalent in any hard

convertible foreign currency) is eligible to apply for a residence permit. The residence permit is issued to the applicant's:

- (i) spouse or common law partner;
 - (ii) child, stepchild or lawfully adopted child under the age of 24; and
 - (iii) wholly dependent next of kin, where is unmarried, provided that the number of dependents does not exceed 3
- g. No restrictions on the rental or resale of residential units.
 - h. Possibility to acquire life rights under the Scheme.

10.5 Incentives to non-citizen investors

A non-citizen having held a residence permit



for a continuous period of 2 years, and having invested over USD 5 million or its equivalent in Mauritius, is eligible to apply for registration/naturalization as a citizen of Mauritius

Chapter 11: Project Design



11.1 Project design

The design of a smart city project requires a combination of smart efforts to improve inhabitants' quality of life, promote economic growth and protect the environment from degradation.

A promoter is required to plan the spatial development of a smart city project taking into consideration the:

- i. economic development
- ii. sustainability; and
- iii. high quality of life.

11.2 Design objectives

A Smart City project has to bring together people, infrastructure, technology, information, and management services into a coherent programme of urban and service improvements and achieve the following goals:

- a smart economy
- a smart environment
- smart governance
- smart mobility
- smart people
- smart living





11.3 Smart Economy

Smart Economy refers to factors related to economic competitiveness of the Smart City. These factors include:

- integration in the national and global market
- fostering entrepreneurship and innovation (business incubators and accelerators)
- E-services (e-banking, e-shopping etc.)
- modern, ergonomic and energy efficient business spaces
- the penetration of ICT use in businesses



11.4 Smart Environment

A vital pillar of a Smart City project rests in its ability to increase sustainability and better manage natural resources through the use of smart policies and smart applications.



To the extent possible, a smart city project should be able to generate its own energy requirements through eco-friendly mechanisms such as solar plants and wind farms.

Achieving a Smart Environment requires:

- ICT-enabled energy grids and smart metering
- Technology, products and practices that result in reduced energy consumption
- Pollution control and monitoring systems
- Green buildings
- Waste management and recycling systems

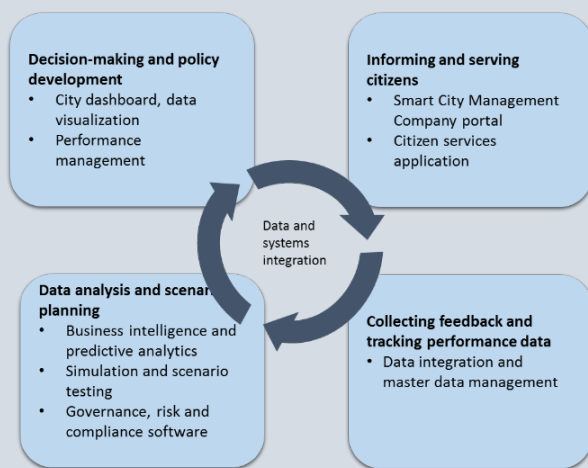
As a whole, the Smart Environment elements shape the sustainability and livability of Smart Cities.

11.5 Smart Governance

For a smart city project to function efficiently and effectively, service providers together with relevant public, private, civil, region and national organisations should be linked and share data.

ICT plays a major role in achieving Smart Governance. At the design level, consideration should be given for the implementation of a robust ICT infrastructure enabled by intelligent processes and interoperability.

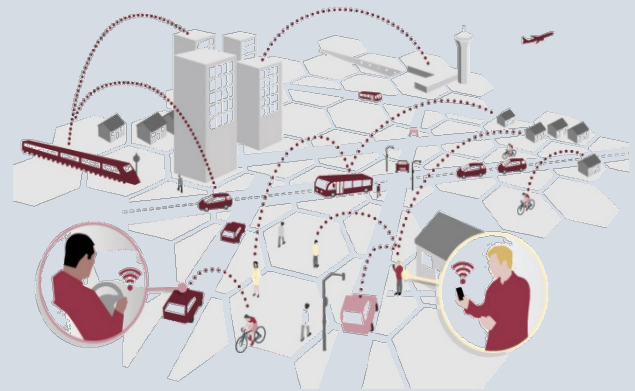
Connected governance bodies, including the Smart City Management Company, should be able to collect and share public data with the citizens of the smart city and promote transparency and participatory decision-making.



11.6 Smart Mobility

Smart Mobility entails the use of energy efficient transportation systems and ICT technologies to support and integrate transport and logistical systems in order to achieve a more efficient and fluid mobility. Components of Smart Mobility that Smart City companies are required to make provisions for:

- Traffic management systems
- Optimized route planning solutions based on real-time information
- free parking space detection system
- promote the use of energy efficient transportation system



Adopting a design that would promote smart mobility will facilitate a safe, efficient and clean transportation system that does away with traffic problems, provides better parking systems, helps reduce CO₂ emissions and provides real time information to its citizens.

11.7 Smart People

Despite an efficient design of a Smart City project in terms of infrastructure, technologies and well planned operational components, unless the citizen is well aware of his environment and has a sense of responsibility and commitment, the smart city project can be short lived.

Facilities should be present in a smart city



project that enable its citizens to acquire e-skills, have access to education and training, improves creativity and fosters innovations. Citizens of the smart city should be

empowered to use, manipulate and personalise data for their decision making through mobile apps, dashboards and other data analytic tools.

11.8 Smart Living

The overarching aim of a Smart City is to improve the quality of life of its citizens. An enhanced lifestyle in a Smart City may be achieved through ICT enabled devices, software and sensors that capture, process and analyse the Internet of Things (IoT).

IoT is the network of physical objects embedded with electronics, software, sensors and connectivity that communicate and interact with its users and its environment. From being able to manage home appliances to accessing health records remotely to traffic information, IoT can provide for an enriched lifestyle for the smart city citizens.

Smart living is also about including components pertaining to healthcare, safety, diverse cultural facilities, good quality housing and accommodation facilities for the creation of a vibrant smart city.



11.9 Innovation clusters

Every smart city project is required to make provisions for business facilities with a mandatory cluster.

An innovation cluster can consist of start-ups, SMEs as well research based organisations. The goal of the innovation clusters is to stimulate innovative activities by promoting intensive interactions, sharing of facilities and exchange of knowledge and expertise and by contributing effectively to technology transfer, networking and information dissemination between startups, SMEs and the business community

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