

Leasing rolling stock into Africa from a Mauritius base – the tax issues

March 2017

Agenda

1 *Rolling Stock – Tax Issues*

2 *Asset Based Lending*

3 *Lease Financing*



4 *Concluding Remarks*

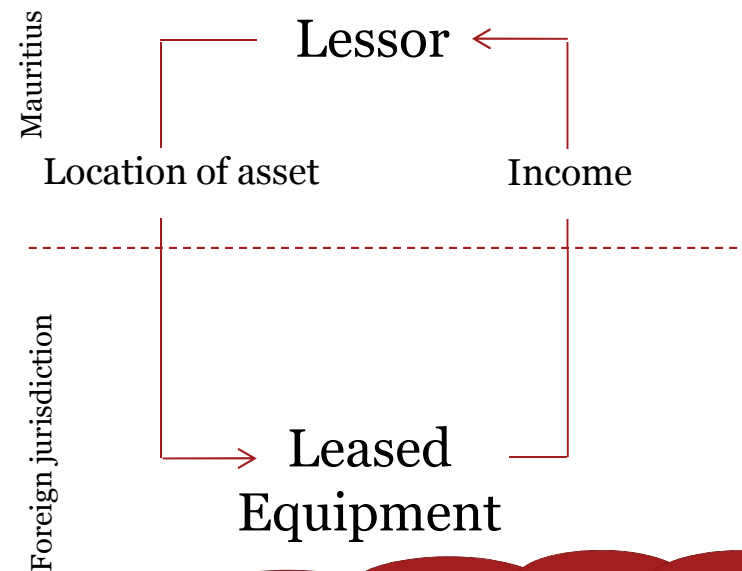
Rolling Stock – Tax Issues

1

Rolling Stock – Tax Issues

1

*Permanent Establishment/
Income Sourced from Foreign
Jurisdiction*



**Income being sourced from
foreign country – subject to
foreign tax**

Rolling Stock – Tax Issues

- 1** *Permanent Establishment/
Income Sourced from Foreign
Jurisdiction*
- 2** *Operating Lease versus
Finance Lease*

Beneficial Ownership

	Operating Lease	Finance Lease
Lessor	✓	✗
Lessee	✗	✓

Annual Allowance

Lessor perspective

- **Plant & Machinery – Other 35%**
- **Aircraft leased by a company engaged in aircraft leasing – 100%**

Rolling Stock – Tax Issues

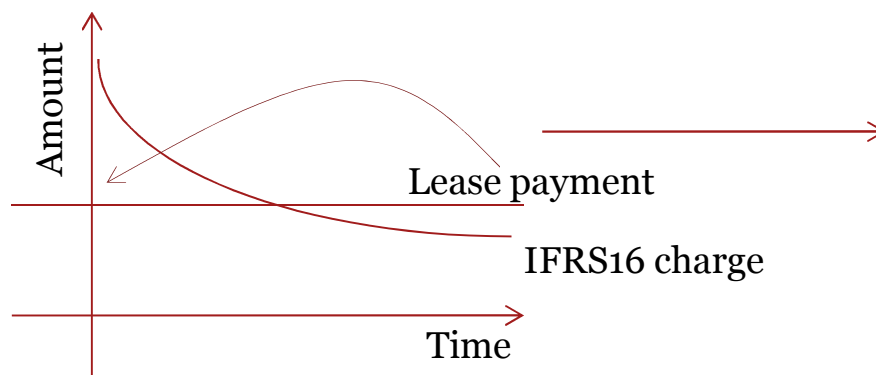
1 *Permanent Establishment/
Income Sourced from Foreign
Jurisdiction*

2 *Operating Lease versus
Finance Lease*

3 *IFRS16 – Leases*

- Operating lease will no longer exist, 1 January 2019
- No impact on lessor
- Lessee perspective

Income Statement



Balance Sheet

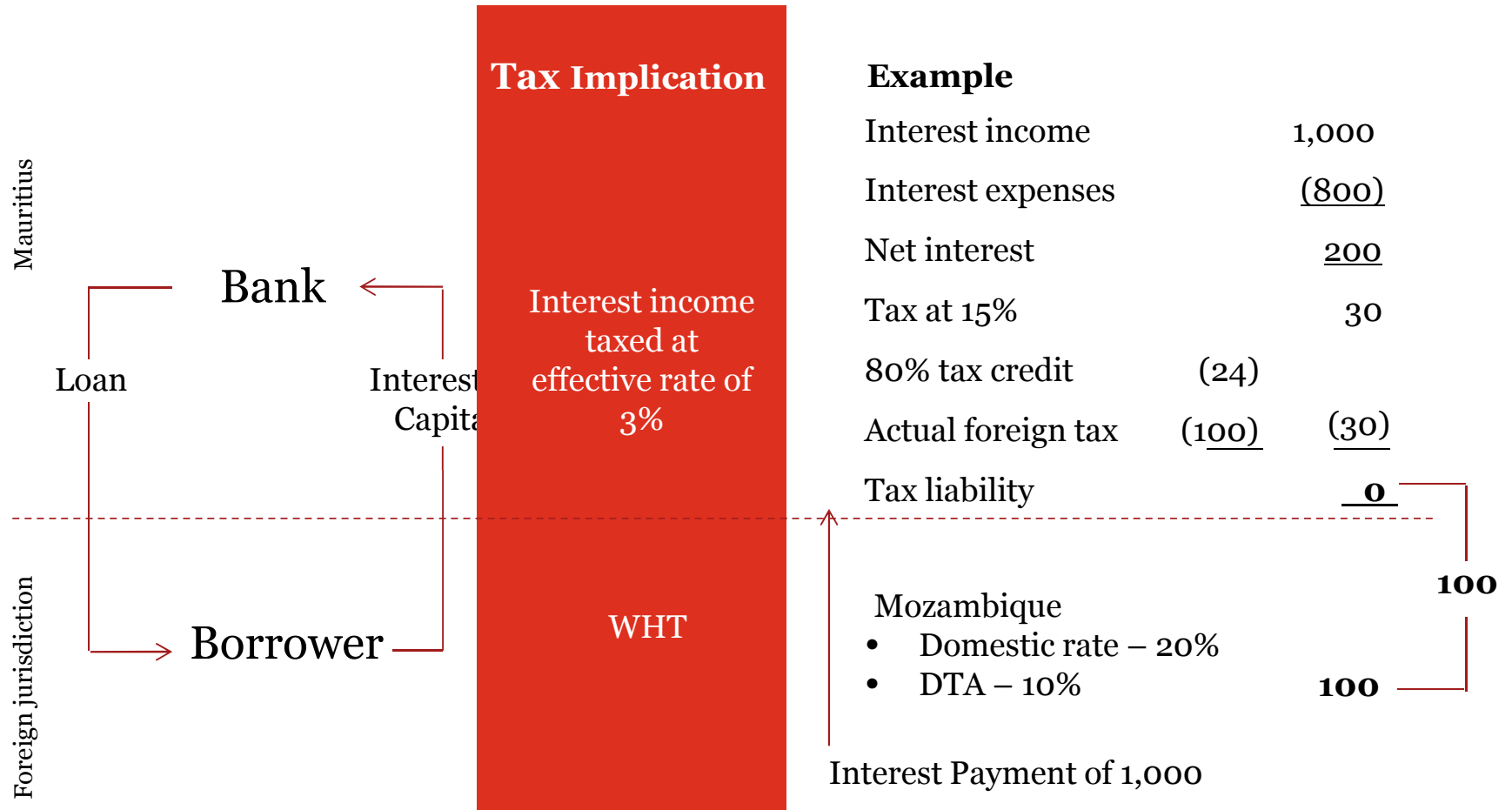
Right of use asset

Financial liability

Asset Based Lending

2

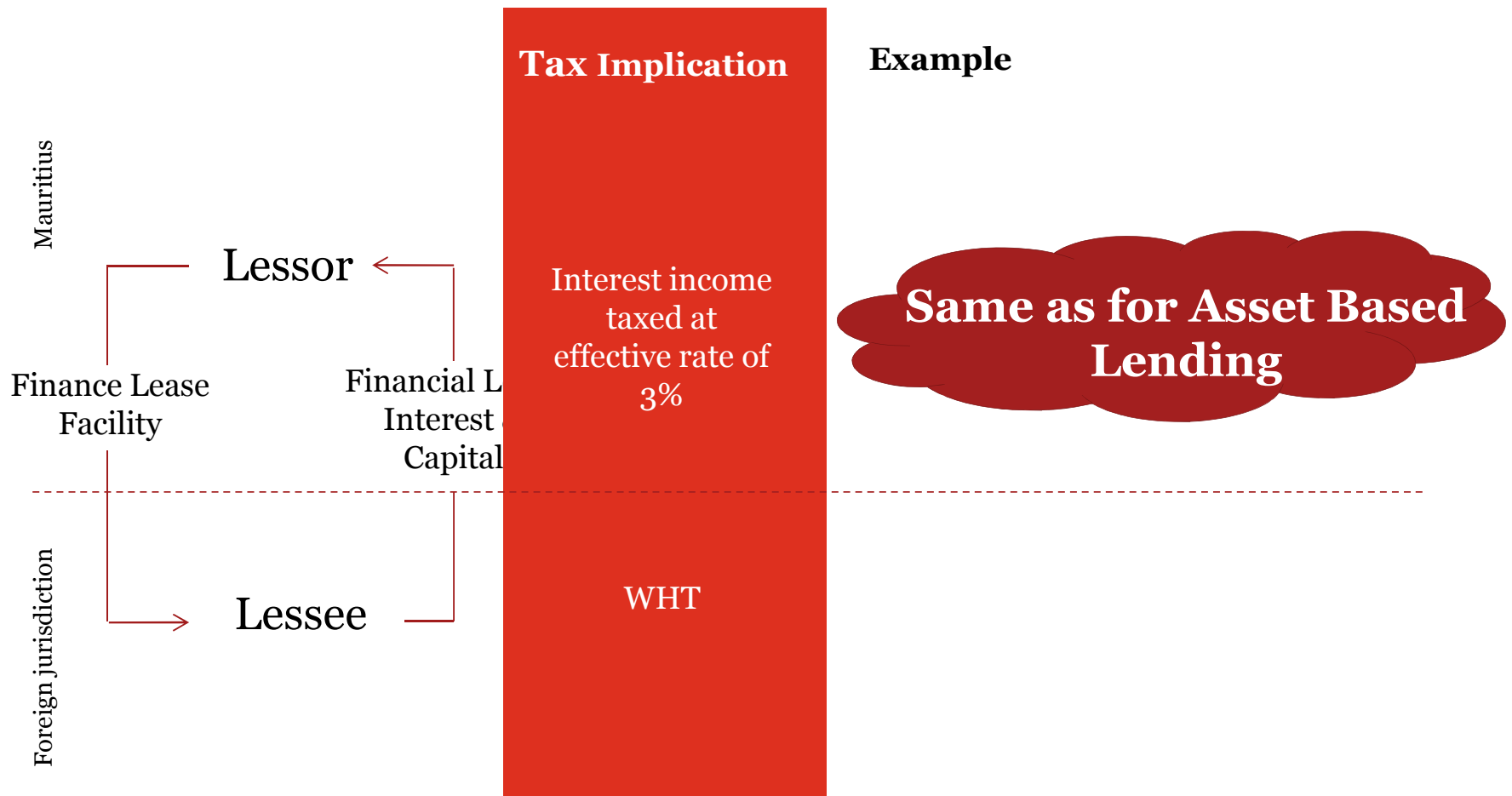
Asset Based Lending



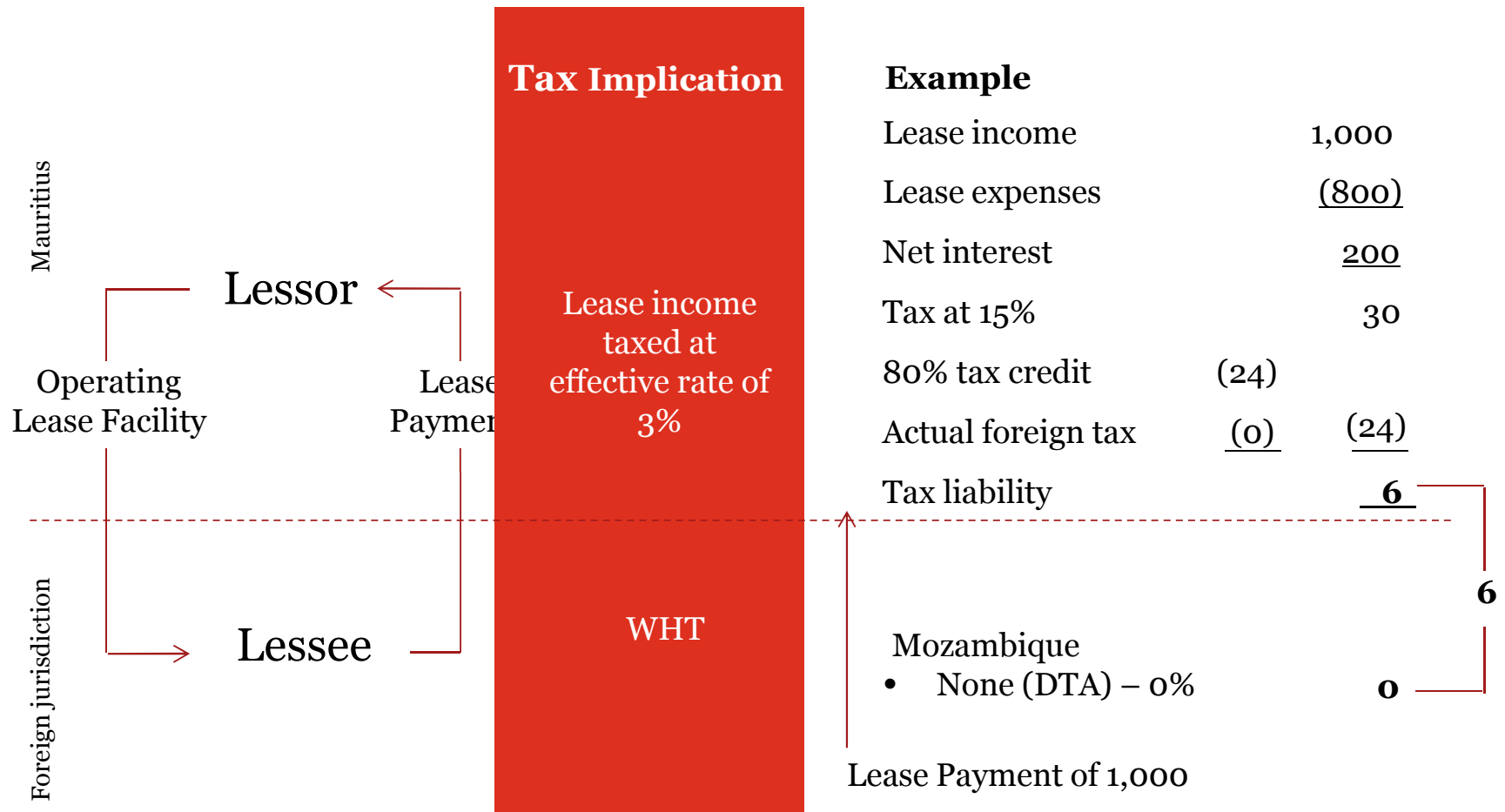
Lease Financing

3

Lease Financing – finance lease



Lease Financing – operating lease



Concluding remarks

*Established Tax
Framework*

*Mauritius – Good
Opportunities*

*Operating leases –
Preferred Route*

Talk to Us

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