



International tax

Mauritius Highlights 2012

Investment basics:

Currency – Mauritian Rupee (MUR)

Foreign exchange control – No

Accounting principles/financial statements – IAS/IFRS. Financial statements must be filed annually.

Principal business entities – These are the private and public limited liability company, sole proprietorship, branch of a foreign company and sociétée.

Corporate taxation:

Residence – A company is resident if it is incorporated in Mauritius or its central management and control is in Mauritius.

Basis – Residents are taxed on worldwide income; nonresidents are taxed only on Mauritius-source income.

Taxable income – Income tax is imposed on a company's profits, which consist of business/trading profits and passive income. Normal business expenses are deductible in computing taxable income.

Taxation of dividends – Dividends paid by a Mauritius-resident company are exempt from income tax. Foreign dividends are taxable but a credit for underlying and withholding tax can be claimed.

Capital gains – No tax is imposed on capital gains in Mauritius.

Losses – Losses may be carried forward for 5 years, except for losses arising from annual allowances on capital expenditure incurred after 1 July 2006. The carryback of losses is not permitted.

Rate – 15%

Surtax – No

Alternative minimum tax – An alternative minimum tax equal to the lower of 7.5% of accounting profits or 10% of dividends declared for the relevant year is imposed.

Foreign tax credit – Foreign tax paid may be credited against Mauritius tax on the same income

Participation exemption – No

Holding company regime – No

Incentives – No

Withholding tax:

Dividends – Mauritius does not levy withholding tax on dividends.

Interest – A 10% withholding tax generally applies, unless it is specifically exempted.

Royalties – The general rate of withholding on royalties is 15%, although a 0% rate applies to specified nonresidents.

Technical service fees – A 10% withholding tax is generally levied on technical service fees, unless specifically exempted.

Branch remittance tax – No

Other – No

Other taxes on corporations:

Capital duty – No

Payroll tax – No

Real property tax – No

Social security – The employer is required to make pay-related social security contributions equal to 6% of the monthly basic salary (capped).

Stamp duty – No

Transfer tax – No

Other – No

Anti-avoidance rules:

Transfer pricing – No

Thin capitalization – No

Controlled foreign companies – No

Other – No

Disclosure requirements – No

Administration and compliance:

Tax year – The calendar year to 31 December, or the accounting year end, which may not exceed 12 months, may be used.

Consolidated returns – Consolidated returns are not permitted; each company must file a separate return. There is no relief for group losses.

Filing requirements – Mauritius operates a self-assessment regime. Quarterly tax payments on account are required. Annual tax returns must be filed and the balance of tax paid within 6 months of a company's year end.

Penalties – Penalties are imposed for the late submission of a tax return and interest is charged for the late payment of tax.

Rulings – Taxpayers may request a ruling on the tax consequences of transactions.

Personal taxation:

Basis – Mauritius residents are taxed on Mauritius-source income and foreign income remitted to Mauritius. Nonresidents are taxed only on Mauritius-source income.

Residence – An individual is resident if he/she is domiciled in Mauritius, spends more than 6 months of the tax year in Mauritius or has a combined presence of at least 270 days in that tax year and the 2 preceding tax years.

Filing status – Separate assessment is compulsory for a married couple. Joint income can be declared in any proportion.

Taxable income – Taxable income includes employment income, pensions, profits from a trade and profession, rents and interest.

Capital gains – No tax is levied on capital gains in Mauritius.

Deductions and allowances – A single deduction, called the "Income Exemption Threshold," is granted.

Rates – 15%

Other taxes on individuals:

Capital duty – No

Stamp duty – No

Capital acquisitions tax – No

Real property tax – No

Inheritance/estate tax – No

Net wealth/net worth tax – No

Social security – The employee must make pay-related social security contributions)

equal to 3% of the monthly basic salary (capped).

Administration and compliance:

Tax year – Calendar year to 31 December.

Filing and payment – Tax on employment income is withheld monthly by the employer under the PAYE system and remitted directly to the tax authorities. Income not subject to PAYE is self-assessed, and the individual must make quarterly payments and file a tax return by 31 March.

Penalties – Penalties apply for late filing and interest is imposed for late payment of tax liability.

Value added tax:

Taxable transactions – VAT is levied on the supply of goods and the provision of services.

Rates – 15%

Registration – The registration threshold is MUR 2 million.

Filing and payment – Filing and payment is made on a monthly or quarterly basis.

Source of tax law: Income Tax Act 1995 and annual Finance Acts

Tax treaties: Mauritius has concluded more than 30 tax treaties.

Tax authorities: Mauritius Revenue Authority

International organizations: WTO, SADC, COMESA

Deloitte contact

William Chung

E-mail: wichung@deloitte.com

Security | Legal | Privacy

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see <http://www.deloitte.com/about> for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's approximately 182,000 professionals are committed to becoming the standard of excellence.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.