



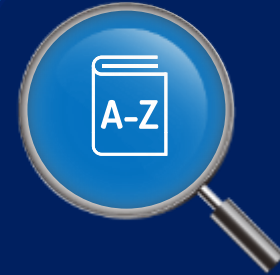
Foreword



**Economic
snapshots**



**Tax and Regulatory
Measures**



**Sectoral
measures**



Glossary



Contact



Tackling an unprecedented crisis

Mauritius Budget 2020–2021

4 June 2020

Bouncing back from the Great Lockdown

The Finance Minister, Dr the Honourable Renganaden Padayachy, has delivered his maiden Budget Speech, in an unprecedented economic and social environment marked by limited visibility and livelihood challenges. He has charted an ambitious project for the Mauritian economy to bounce back from the COVID-19 crisis, with a key role for construction activities, while maintaining due focus on inclusiveness and social cohesion.

The authorities have been pursuing a number of so-called unconventional policies to support corporates as well as workers. They have also approached international institutions for financial assistance, to counter expected severe economic contraction. With a view to safeguard financial stability and promote economic development the Bank of Mauritius (BOM) has since the start of the crisis, announced several measures – the latest being a USD 2 billion fund targeting investment in systemic corporates and a MUR 60 billion contribution to the government. Financing of the latter would be through issue of BOM securities on the domestic market and may, by mopping up excess liquidity of nearly MUR 50 billion, at least partially reconnect remarkably low market yields to the Key Repo Rate (KRR). Importantly, these two specific initiatives have the potential to be game changers in the prevailing circumstances, provided the right infrastructure and mechanism are set up for operationalisation, performance assessment, and governance.



According to the IMF, with the Great Lockdown, the global economy is projected to contract by 3 percent in 2020 (much lower than the 2008-09 financial crisis) and grow by 5.8 percent in 2021, with the help of policy support, should the pandemic fade in the second half of 2020. The risks for more severe outcomes are, however, substantial. The mounting geopolitical tensions between the US and China in relation to the coronavirus origin and outbreak, as well as reduced international travel and trade due to absence of a vaccine, may constitute important obstacles to an early global economic recovery. Leading central banks, such as the Fed and ECB, have implemented a set of funding, commercial, and liquidity facilities to mitigate the impact of the pandemic on their respective economies and citizens. Nonetheless, as of date, there is limited visibility on the future trajectory of the world economy.

On the domestic front, the pandemic is currently predicted to result into a contraction of 11 percent for the Mauritian economy in 2020 - driven by reduced aggregate consumption, investment, and exports demand, and by constrained aggregate supply through supply chain bottlenecks. The unemployment rate has constantly fallen, from 7.9 percent in 2015 to 6.7 percent in 2019. However, the rate could easily breach into the double-digit territory in the next few months, with potentially significant layoffs in the highly vulnerable tourism and manufacturing sectors. The continuously deteriorating merchandise trade deficit, from 15.8 percent of GDP in 2015 to 21.7 percent in 2019, confirms the growing weakness of goods trade and calls for structural policies, e.g., an implementable Industry 4.0 roadmap for Mauritius. Headline inflation, which has been on a downtrend since 2017, reached a 10-year low of 0.5 percent in 2019 and is now likely to reverse course with imported cost-push



pressures from rupee depreciation and higher freight costs. The budget deficit, which has evolved in a stable range of 3–3.5 percent of GDP since 2013, is estimated to explode to 13.6 percent in 2020, largely due to the COVID-19 crisis.

This budget proposes an ambitious MUR 100 billion roadmap for Mauritius to weather the ongoing economic storm and bounce back, through a plan to revive economic growth and private investment, fast-track construction and infrastructure projects, promote entrepreneurship, incentivise food security and import substitution through the domestic agro-processing and manufacturing. Export promotion strategies are being widened and deepened for the manufacturing and tourism sectors. To safeguard the soundness of the global business sector and the financial sector in general, the authorities have committed to take necessary measures to comply with international best practices, including action on FATF standards and risk-based supervision.

Some of the key fiscal measures in the budget include the following:

- Replacement of NPF contribution by pension contribution at 3 percent for employees and 6 percent for employers, with no upper limit, for those earning more than MUR 50,000 per month, resulting in increased costs to employers
- Increase of solidarity levy from 5 percent to 25 percent for Mauritius citizens on their annual chargeable income in excess of MUR 3 million
- Levy ranging from 0.1-0.3 percent on corporates with annual gross income of the company or the group exceeding MUR 500 million



This budget emphasises, amongst others, digital transformation, public health enhancement, social security deepening, female empowerment, child protection, housing construction for middle-income families, unemployment benefit for a defined period, and attraction of foreign talent. Ultimately, solidarity has to prevail to ensure that we come out of the prevailing ordeal stronger, as one people and one nation.



Economic snapshots



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures



Corporate tax



Personal tax



VAT



Other taxes



Tax administration



Regulatory



Sectoral Measures



Glossary



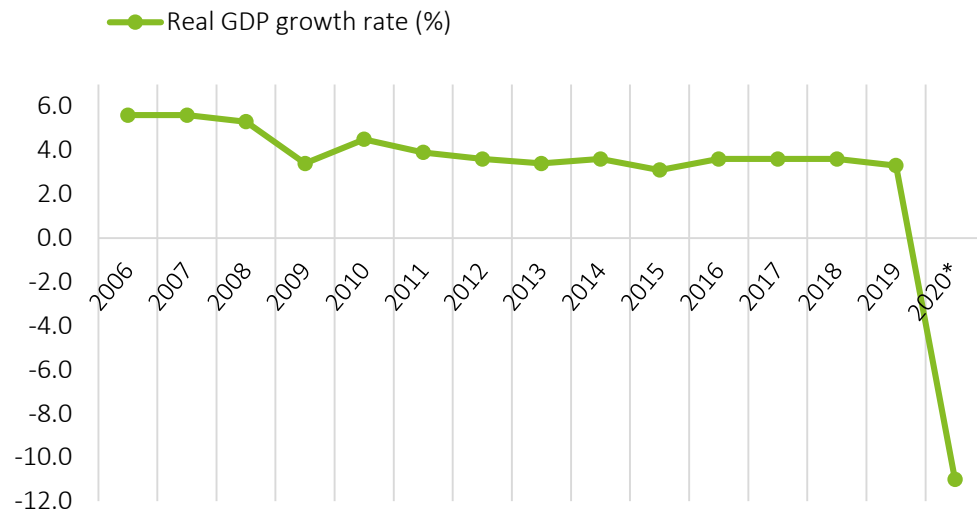
Contact



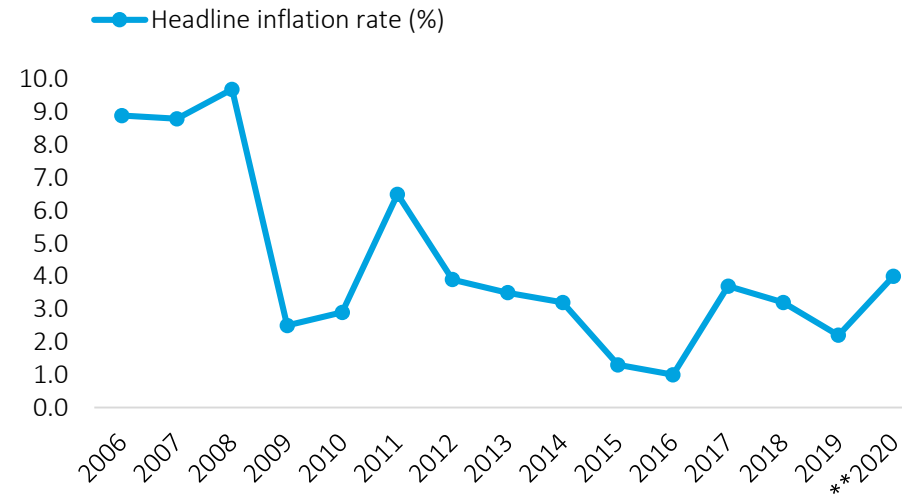
7



Real GDP growth (%) and inflation (%)















- Real GDP growth rate has been showing a declining trend since 2010
- With COVID-19, an economic contraction of 11 percent is expected in 2020



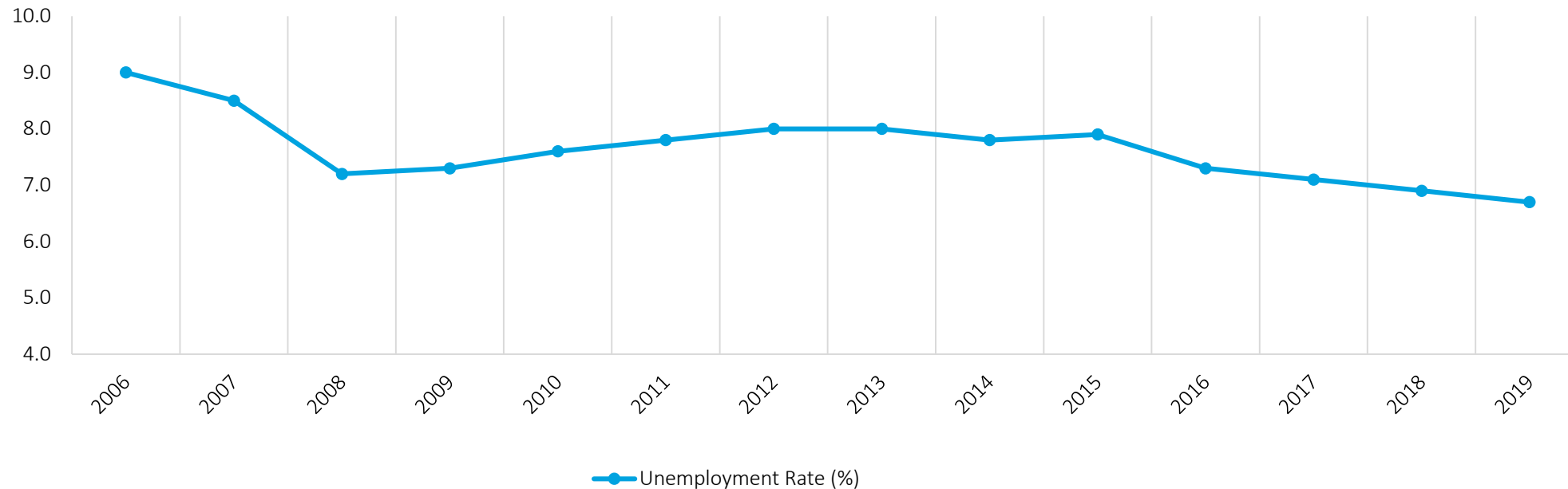
- Headline inflation has decreased constantly from 3.7 percent in 2017 to 0.5 percent in 2019
- Prices are expected to increase as a result of COVID-19, mainly due to cost-push pressures, with headline inflation of 4 percent projected for 2020-2021

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021

* Forecast for 2020 ** Forecast for 2020-2021

-  Foreword
-  Economic snapshots
-  Tax and Regulatory Measures
 -  Corporate tax
 -  Personal tax
 -  VAT
 -  Other taxes
 -  Tax administration
-  Regulatory
-  Sectoral Measures
-  Glossary
-  Contact

Unemployment rate (%)

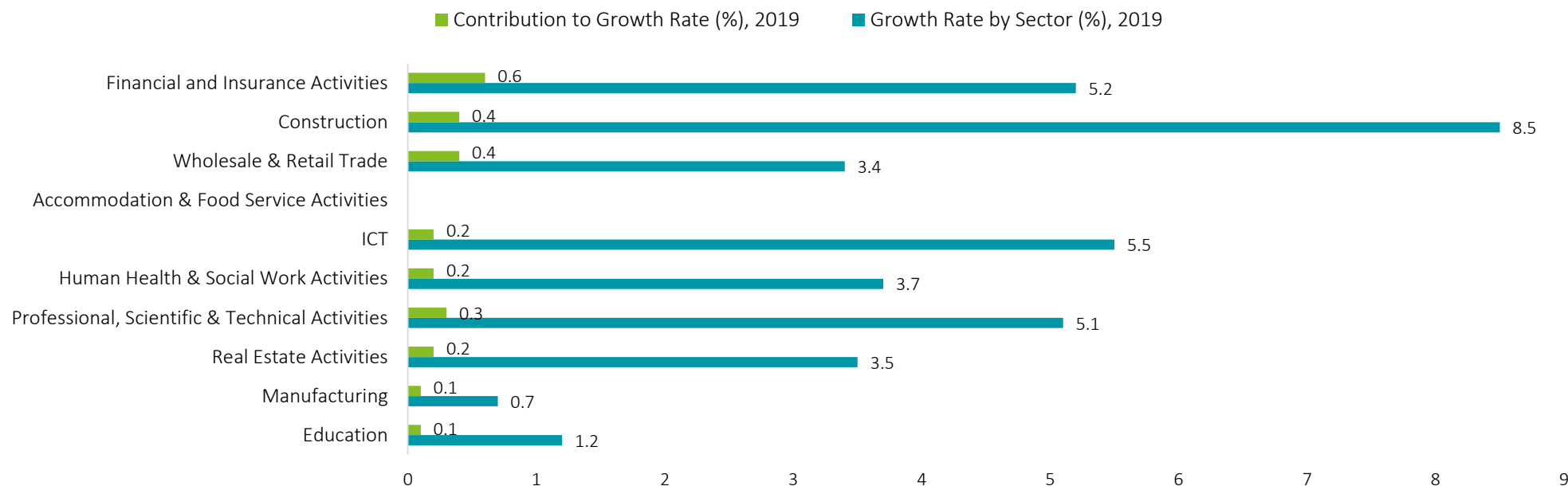


- Unemployment rate has been on a downtrend since 2015, reaching a 10-year low of 6.7 percent in 2019
- However, given vulnerabilities in tourism and manufacturing, unemployment rate could reach double-digit in the next few months

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021



Contribution to GVA (%) & Sectoral growth rate (%)



- Accommodation and food service activities already made no contribution to economic growth in 2019. The situation is unlikely to improve in 2020
- Financial and insurance activities remain the highest contributor to overall growth in Mauritius

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021



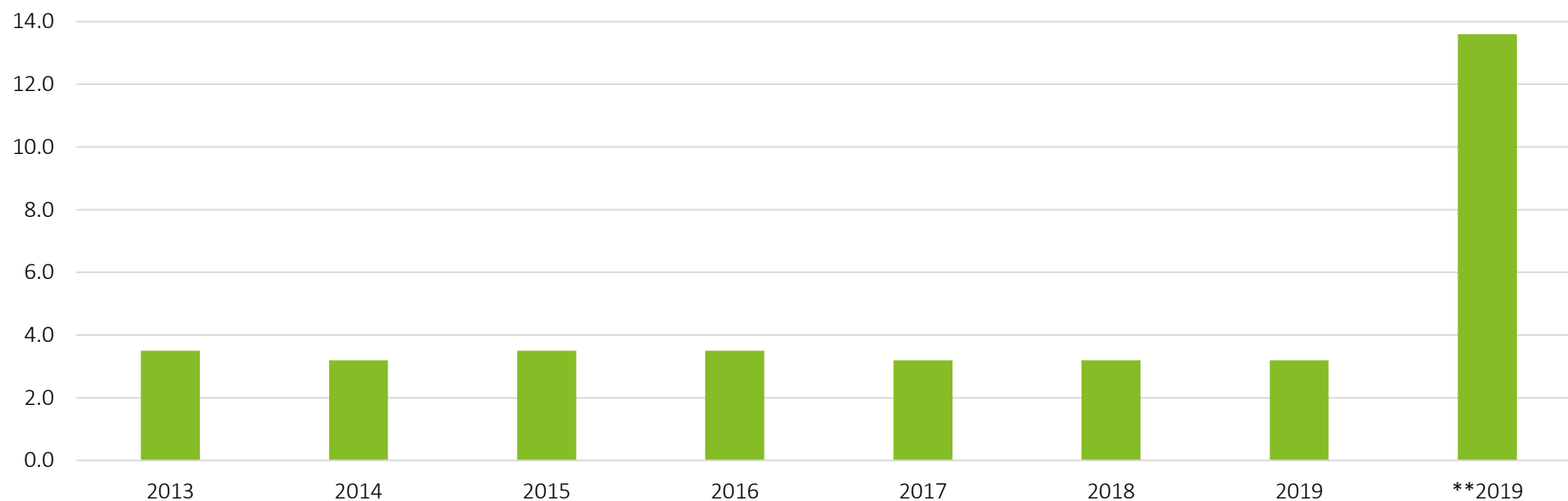
Current account balance (% of GDP)



- The current account balance has been persistently in deficit over the last decade
- The growing merchandise trade deficit, reaching a high of 21.7 percent of GDP in 2019, is striking

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021

Budget deficit (% of GDP)



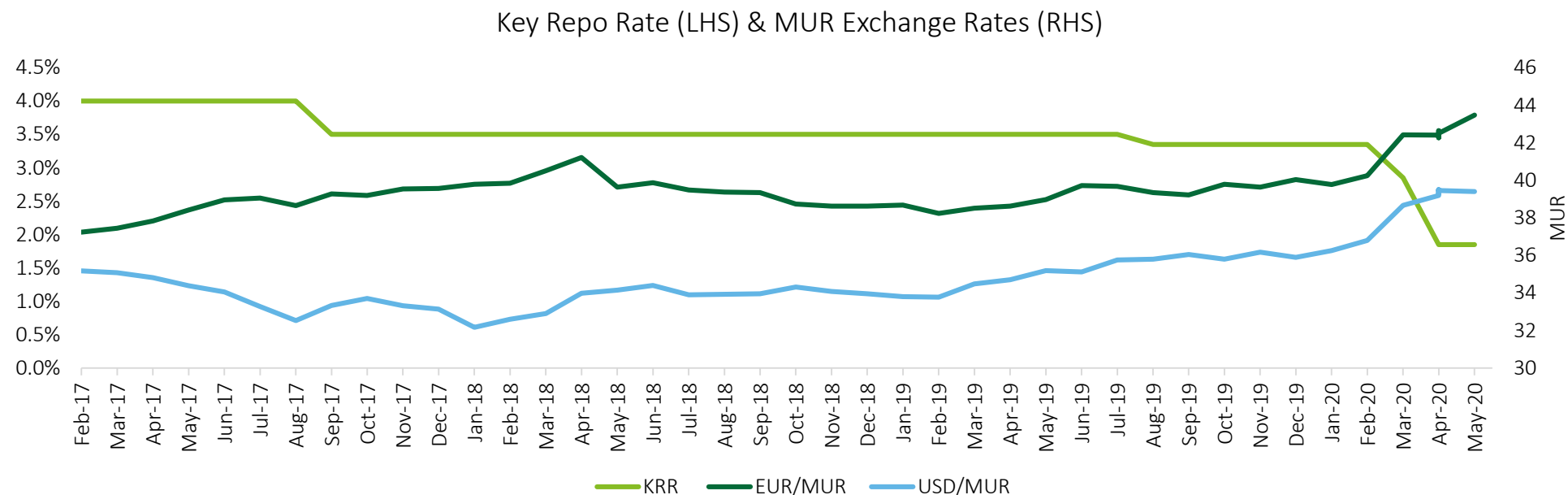
- The budget deficit has been evolving in a stable range of 3.0–3.5 percent of GDP until 2019
- The deficit is projected to explode to 13.6 percent of GDP in 2019-2020

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021

** Forecast for 2020-2021



Key Repo Rate (KRR) (%) and MUR Exchange Rates (MUR)

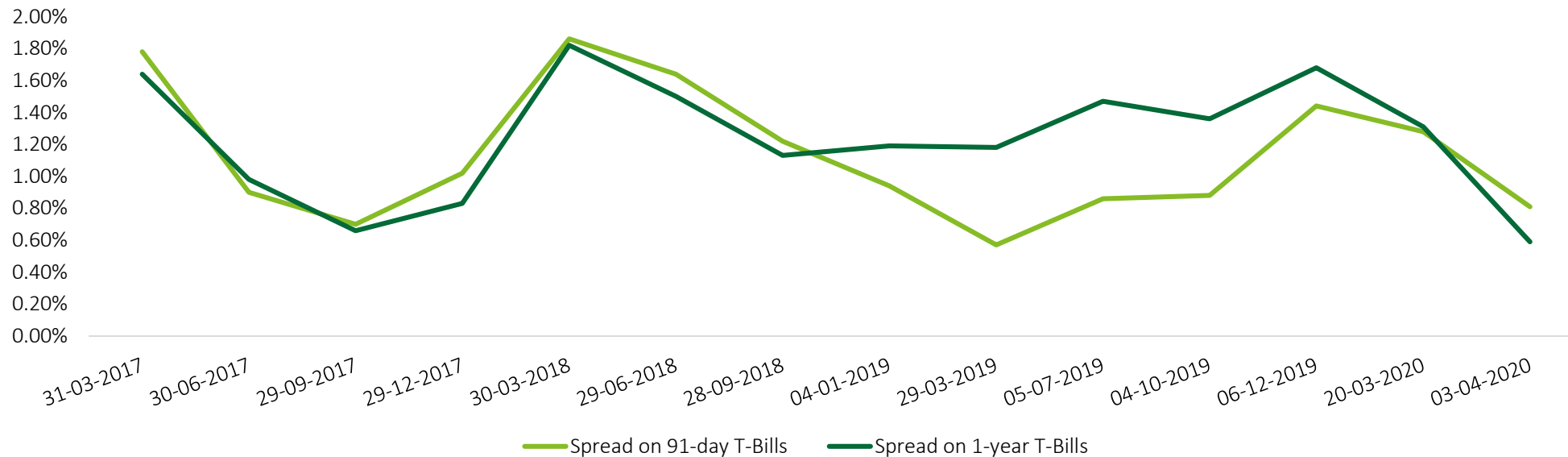


- KRR was reduced by 100 basis points on 16 April 2020 to mitigate the adverse effects of the COVID-19 crisis on the economic growth of Mauritius
- The Mauritian Rupee has experienced an accelerated depreciating trend since February 2020 – depreciation may continue in the next few months

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021













- Foreword
- Economic snapshots
- Tax and Regulatory Measures
 - Corporate tax
 - Personal tax
 - VAT
 - Other taxes
 - Tax administration
- Regulatory
- Sectoral Measures
- Glossary
- Contact

Spread on Mauritius and US T-Bills (%)



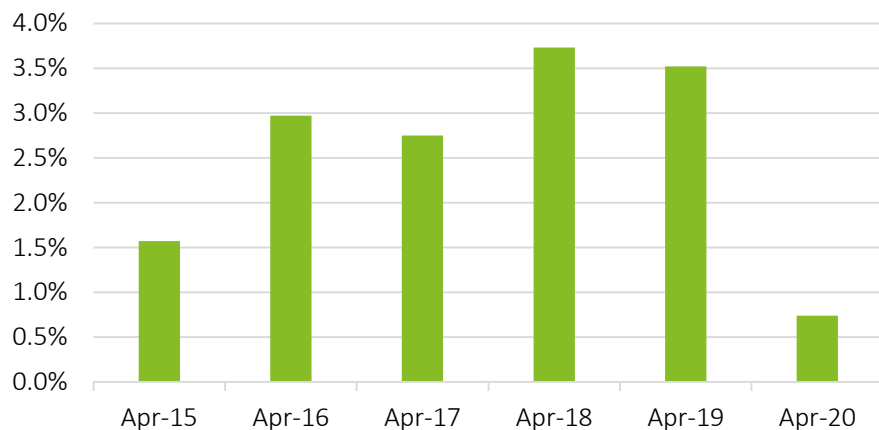
- The dive in the yield spreads between Mauritius and US T-Bills from December 2019 to April 2020 is worth noting, and may signal that Mauritius yields have lately been on the low side
- Further reduction in Mauritius yields, and more generally interest rates, may pose a threat in terms of capital outflows

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021

-  Foreword
-  Economic snapshots
-  Tax and Regulatory Measures
 -  Corporate tax
 -  Personal tax
 -  VAT
 -  Other taxes
 -  Tax administration
 -  Regulatory
-  Sectoral Measures
-  Glossary
-  Contact

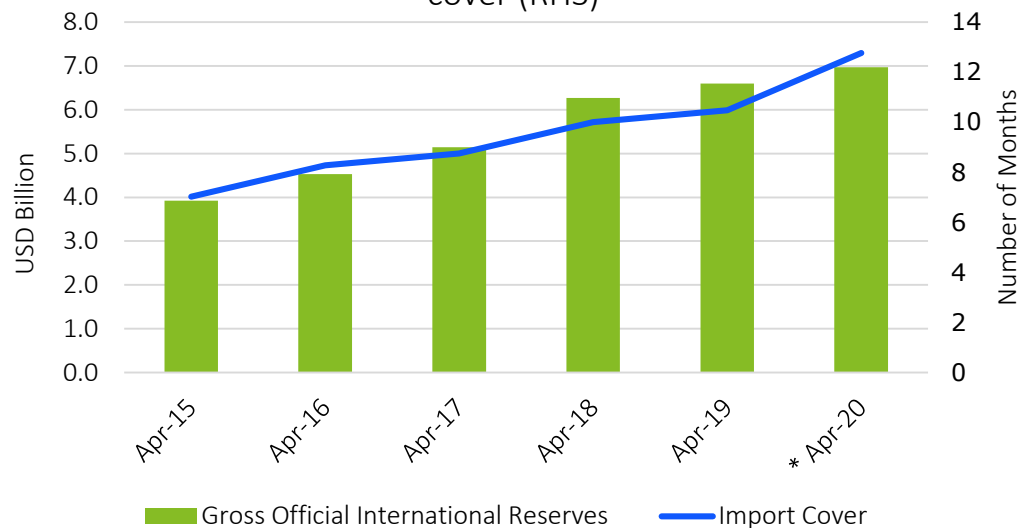
Weighted average yields on 1-year T-Bills and gross official international reserves

Weighted average yields on 1-year treasury bills (%)



- Weighted average yields on 1-year treasury bills have fallen from 3.52 percent to 0.74 percent within the last year

Gross official international reserves (LHS) and import cover (RHS)

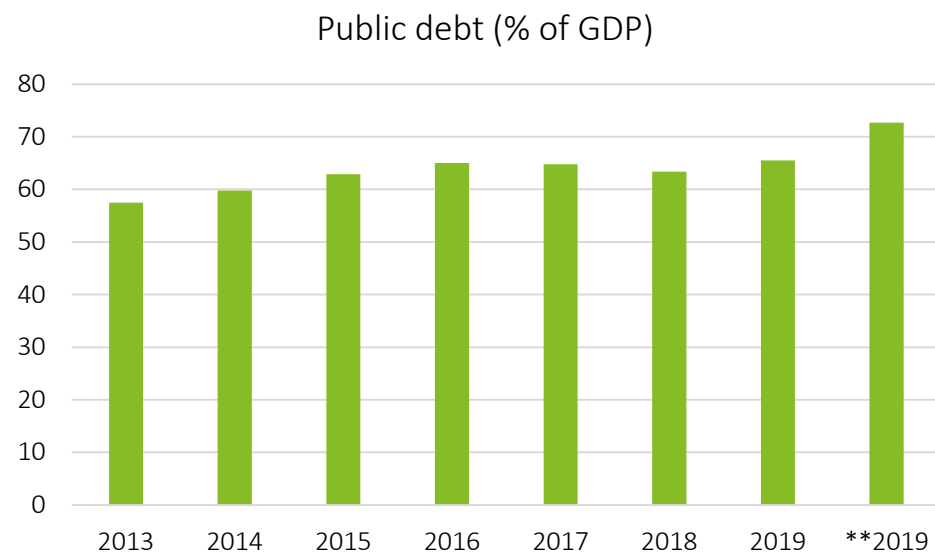


- Gross official international reserves have constantly increased to reach almost USD 7.0 billion, as of April 2020
- Similarly, import cover has increased to reach 12.76 months, as of April 2020

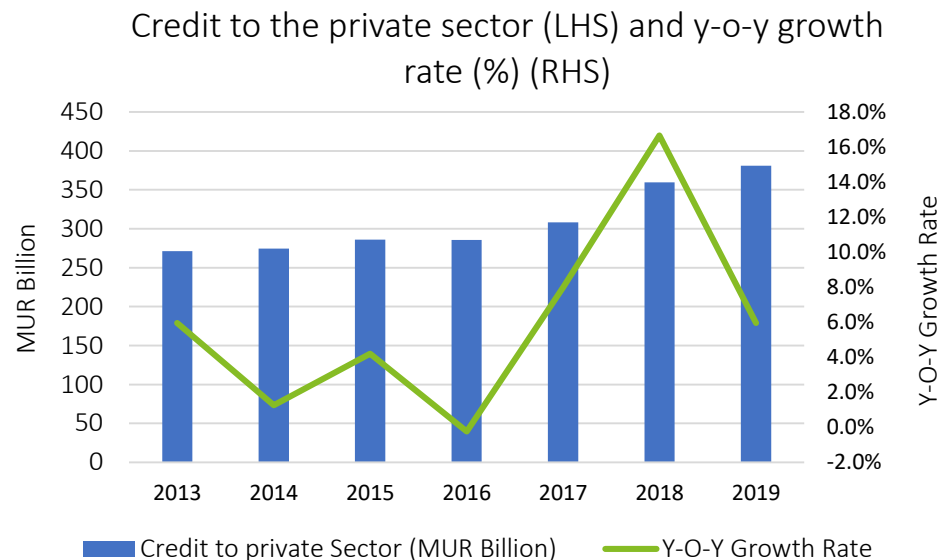
Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021

*Provisional

Public debt and credit to the private sector



- Public debt is projected to increase to 72.7 percent of GDP in 2019/20, and may remain under pressure given the ongoing economic crisis



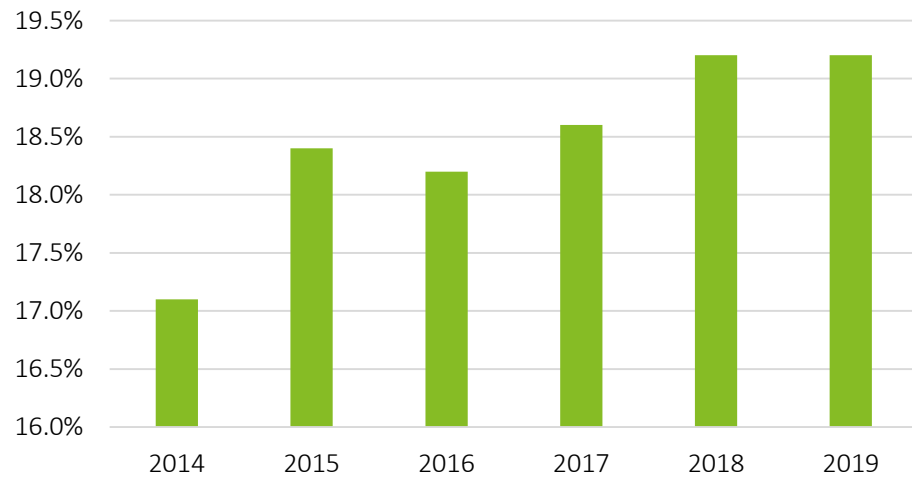
- Credit to the private sector has been on an uptrend, reaching MUR 381 billion in 2019
- However, credit growth fell from 16.7 percent in 2018 to 6 percent in 2019

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021

** Forecast for 2019/20

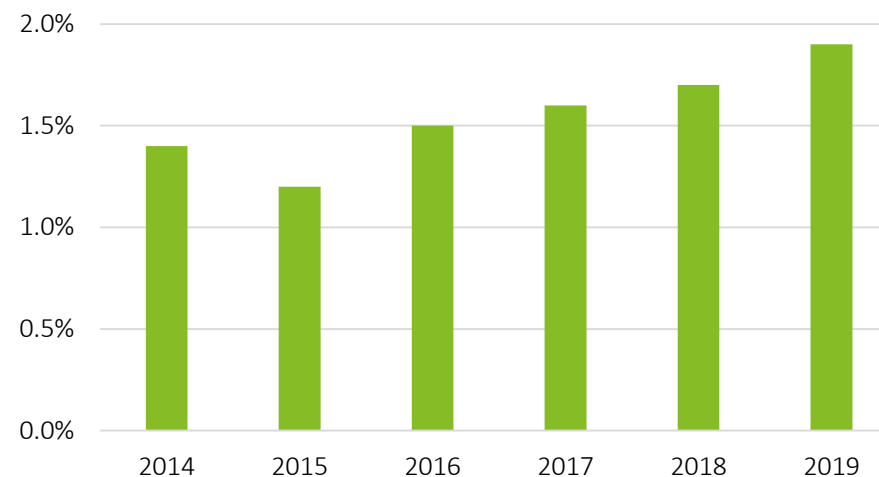
Capital-based and profitability

Regulatory capital to risk-weighted assets



- Regulatory capital to risk-weighted assets has in general been increasing, reaching 19.2 percent in 2018 and 2019

Return on assets



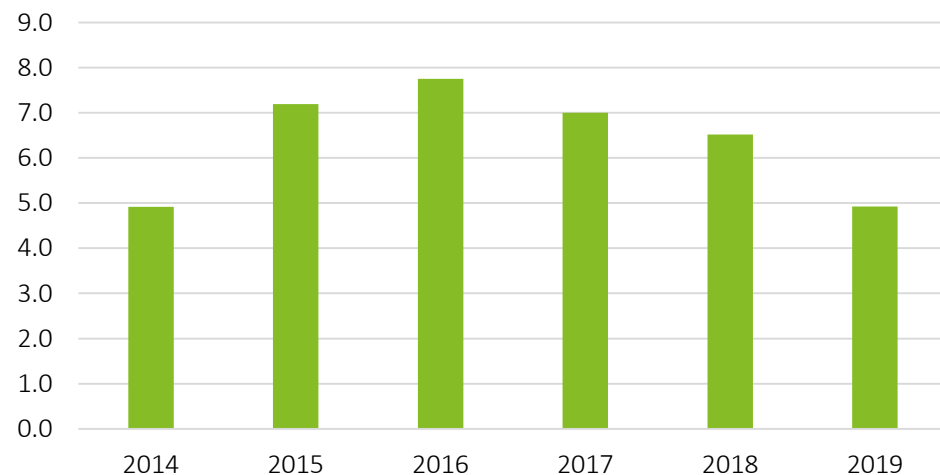
- Return on assets has increased steadily, from 1.2 percent in 2015 to 1.9 percent in 2019

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021



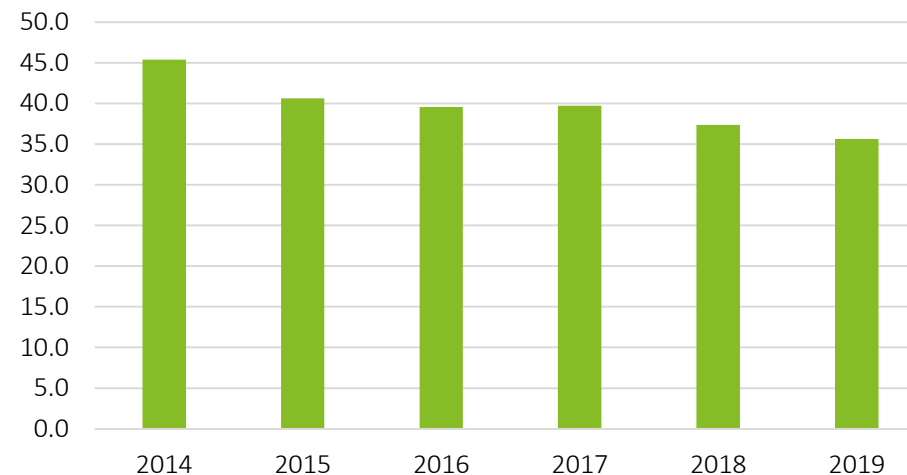
Asset quality

Non-performing loans to total loans (%)



- Non-performing loans to total loans have decreased from a high of 7.8 percent in 2016 to 4.9 percent in 2019

Non-residents loans to total loans (%)

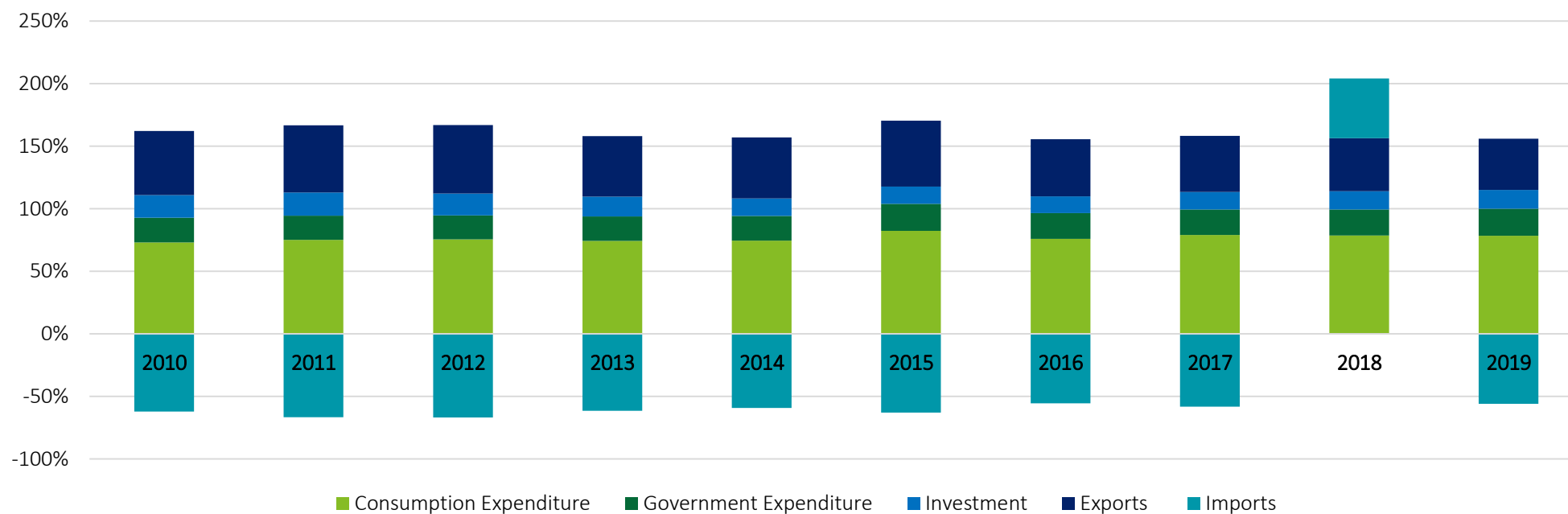


- Non-residents loans to total loans have decreased from 45.4 percent in 2014 to 35.6 percent in 2019

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021



Aggregate expenditure (% of GDP)

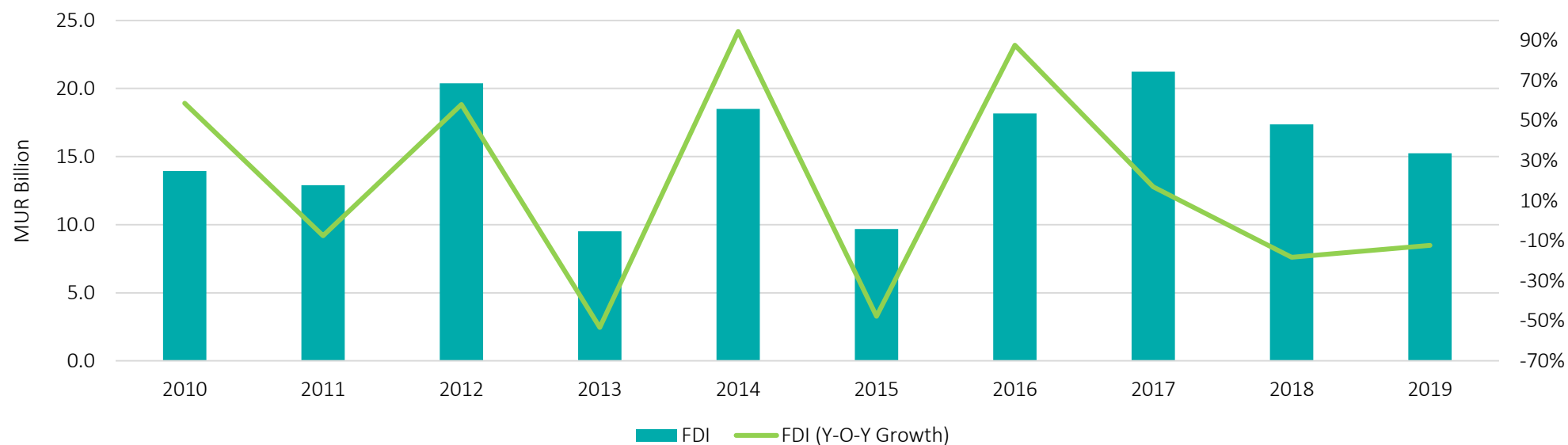


- There is a need to rebalance aggregate expenditure, from consumption to investment and exports

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021















FDI (LHS) and FDI y-o-y growth rate (RHS)



- Since 2017, FDI has decreased to reach MUR 15.2 billion in 2019, accompanied by subdued growth

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021













-  Foreword
-  Economic snapshots
-  Tax and Regulatory Measures
 -  Corporate tax
 -  Personal tax
 -  VAT
 -  Other taxes
 -  Tax administration
 -  Regulatory
-  Sectoral Measures
-  Glossary
-  Contact

Tourist arrivals in million (LHS) and tourism earnings in billion (RHS)



- Tourist arrivals and tourism earnings have been increasing since 2009
- However, in 2019, there has been a drop in both tourist arrivals and tourism earnings; these are not likely to improve in 2020

Sources: Statistics Mauritius, Bank of Mauritius, MoFEPD and Budget Speech 2020-2021

-  Foreword
-  Economic snapshots
-  Tax and Regulatory Measures
 -  Corporate tax
 -  Personal tax
 -  VAT
 -  Other taxes
 -  Tax administration
 -  Regulatory
-  Sectoral Measures
-  Glossary
-  Contact

Tax and Regulatory Measures

Corporate tax

Personal tax

VAT

Other taxes

Tax administration

Regulatory



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures

Corporate tax

Personal tax

VAT

Other taxes

Tax administration

Regulatory



Sectoral Measures



Glossary



Contact



22



Corporate tax



Levy on corporates

- Introduction of levy for a company with annual gross income exceeding MUR 500 million or forming part of a group with annual gross income exceeding MUR 500 million

	Levy rate
Insurance companies, financial institutions, service providers, and property holding companies	0.3%
Other companies	0.1%

- Levy not to apply for operators in the tourism sector and companies holding global business licence



Eight-year income tax holiday extended to cover

- Companies engaged in the manufacturing of nutraceutical products starting operation on or after 4 June 2020
- Companies engaged in the manufacturing of pharmaceutical products, medical devices, or high-tech products having started operation on or after 8 June 2017
- Persons registered under the newly introduced Inland Aquaculture Scheme
- Branch campuses of top 500 worldwide institutions set up in Mauritius

Partial exemption

Partial exemption regime on interest income clarified to exclude the following:

- Non-bank deposit taking institutions
- Money changers
- Foreign exchange dealers
- Insurance companies
- Leasing companies
- Companies providing factoring, hire purchase facilities or credit sale facilities



Reliefs and deductions

Investment tax credit

- Investment tax credit of 15 percent over 3 years extended to all manufacturing companies

Double deduction

Double deduction available on the following:

- Investment in plant and machinery made by enterprises affected by COVID-19 during period from 1 March 2020 to 30 June 2020
- Cost of acquisition of patents and franchises
- Costs incurred to comply with international quality standards and norms
- R&D expenditures by medical research and development centres

Accelerated allowances

- Full allowance in year of acquisition for capital expenditure on electronic, high precision machinery or equipment, and automated equipment
- Definition of green technology equipment qualifying for accelerated capital allowance extended to include equipment and machinery used for eliminating, reducing, or transforming industrial wastes



Other measures

Alternative Minimum Tax (AMT)

- AMT introduced for companies carrying on life insurance business
- Life insurance businesses to pay tax at the higher of:
 - Tax payable under existing system of taxation; or
 - 10 percent on profit attributable to shareholders adjusted for capital gains or losses

Solidarity levy on telephony service providers

- Solidarity levy for telephony service providers made permanent and applicable at 5 percent of accounting profit and 1.5 percent of turnover
- Loss-making companies subject to levy at 1.5 percent of turnover

Personal tax



Personal tax

Solidarity levy

- Solidarity levy increased from 5 percent to 25 percent for Mauritian citizens having chargeable income, including dividend, in excess of MUR 3 million (previously MUR 3.5 million)
- The PAYE system to be used for collection of the solidarity levy

Social security contributions

- Contribution to NPF abolished and replaced by the Contribution Sociale Généralisée (CSG) as from 1 September 2020
- Contribution to CSG to apply on monthly salary with no ceiling at the following rates:

Monthly salary	Employee contribution	Employer contribution
Up to MUR 50,000	1.5%	3%
Above MUR 50,000	3%	6%

- Self-employed individuals also subject to CSG



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures



Corporate tax



Personal tax



VAT



Other taxes



Tax administration



Regulatory



Sectoral Measures



Glossary

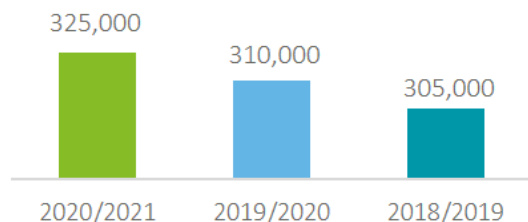


Contact

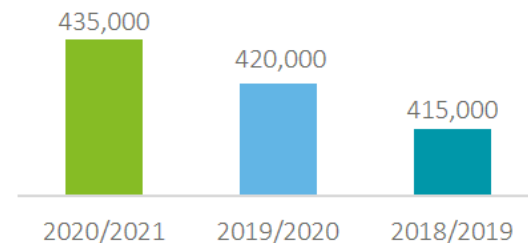


Increase in IET ranging from MUR 15,000 to MUR 80,000 as follows:

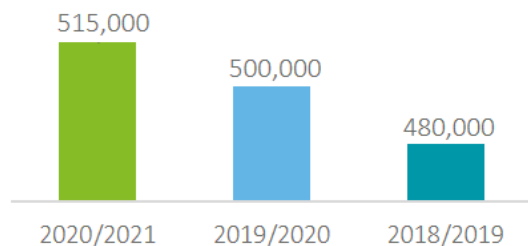
Individual with NO dependent



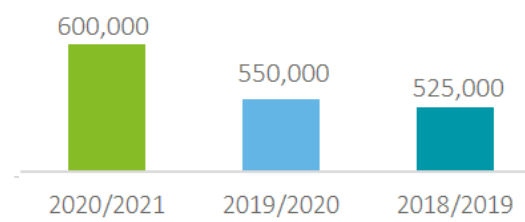
Individual with ONE dependent



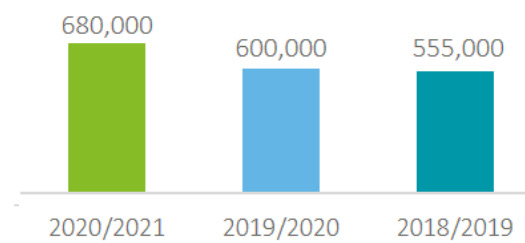
Individual with TWO dependents



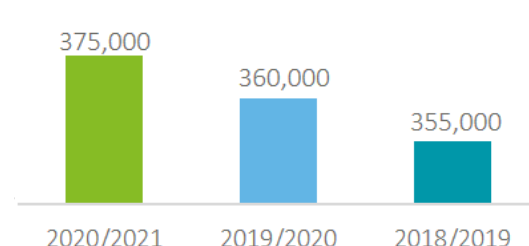
Individual with THREE dependents



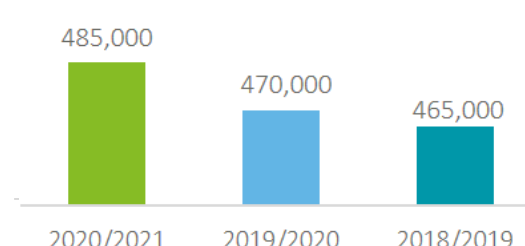
Individual with FOUR or MORE dependents



Retired/disabled individual with NO dependent



Retired/disabled individual with ONE dependent



Personal tax

Income Exemption Threshold (IET)

- Taxpayer allowed to claim as dependent a bedridden next of kin under his care, subject to a total of four dependents
- Additional annual deduction shall range between MUR 80,000 and MUR 110,000



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures



Corporate tax



Personal tax



VAT



Other taxes



Tax administration



Regulatory



Sectoral Measures



Glossary




Contact


VAT



 Contents

 Foreword

 Economic snapshots

 Tax and Regulatory Measures


 Corporate tax

 Personal tax

 VAT

 Other taxes

 Tax administration

 Regulatory

 Sectoral Measures

 Glossary

 Contact

Digital services

- VAT legislation to cater for digital and electronic services provided through internet by non-residents and consumed in Mauritius

VAT reporting and payment

- Reporting and payment of VAT for construction contracts with the government now allowed as per receipt date instead of invoice date

VAT exemption

- Medical research and development centres now exempt from payment of VAT on construction materials and specialised equipment
- VAT exemption on equipment under the newly introduced Inland Aquaculture Scheme
- Exemption threshold on value of articles imported by post or courier services reduced to MUR 1,000

Value of taxable supplies

- Market value of a supply to be deemed as taxable value where a transaction is not at arm`s length



Zero-rated supplies

Goods and services previously exempted now reclassified as zero-rated supplies:

- Unprocessed agricultural and horticultural produce
- Live animals used as, or yielding or producing goods for human consumption other than live poultry
- Transport of passengers by public service vehicles excluding contract buses for transport of tourists and contract cars
- Medical, hospital, and dental services

Apportionment of input tax

- Persons engaged in projects spanning over several years may apply for an alternative basis of apportionment covering the full project length
- MRA empowered to request such person for applying an alternative basis of apportionment

VAT refund on residential properties

- Claim of less than MUR 25,000 will be entertained where amount of VAT paid during a quarter and the preceding three quarters do not exceed MUR 25,000



Other taxes



Other taxes

Land transfer tax and registration duty

Newly-built dwelling

- Registration duty exemption on acquisition of newly built dwelling extended to 30 June 2022, with threshold value to qualify for exemption increased from MUR 6 million to MUR 7 million
- Exemption extended to cover dwelling purchased on the basis of a plan or during construction

Exemption from Land Transfer Tax to a promoter undertaking construction of housing projects for Mauritians

- Benefits to the scheme are as follows:
 - Land transfer tax and registration duty exemption on transfer of freehold bare land (used for construction of a housing estate project) made by 31 December 2020
 - Exemption of land transfer tax on sale of a residential unit made to a Mauritian buyer before 30 June 2022
- Conditions to qualify for above exemption under the scheme are mentioned below:
 - Registration of projects comprising at least 5 residential units with the MRA during period from 1 July 2020 to 31 December 2020
 - Construction to be completed before 31 December 2021
 - Maximum price of a residential unit set at MUR 7 million



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures



Corporate tax



Personal tax



VAT



Other taxes



Tax administration



Regulatory



Sectoral Measures



Glossary



Contact

Other taxes

Land transfer tax and registration duty

Life science sector

- Waiver of registration duty on acquisition of immovable property in the life sciences sector to promote research and development in Mauritius

Export sector

- Exemption from registration duty and land transfer tax on purchase of immovable property by companies engaged in export of textiles



Other taxes

Customs duty

- Threshold for exemption of customs and excise duty on goods imported by post or courier services decreased from MUR 3,000 to MUR 1,000
- Customs duty on import of sugar increased from 80 to 100 percent



Other taxes













Excise duty

- Sugar tax duty increased from 3 to 6 cent per gram from 5 June 2020
- Sugar tax duty extended to cover certain locally manufactured and imported non-staple sweetened products from 1 November 2020



Tax administration



-  Foreword
-  Economic snapshots
-  Tax and Regulatory Measures
 -  Corporate tax
 -  Personal tax
 -  VAT
 -  Other taxes
 -  Tax administration
 -  Regulatory
-  Sectoral Measures
-  Glossary
-  Contact

Income tax refund

- Time limit to process income tax refunds standardised to 60 days for all taxpayers

VAT

- Every administrator, executor, receiver, or liquidator appointed to manage or wind up the business of a taxable person now required to notify MRA of his appointment within 15 days
- Introduction of VAT e-invoicing system, on a pilot basis, at business level to enhance tax compliance

Customs Tariff Act

- Exchange rate used for valuation purposes to be posted on the MRA website

Assessment Review Committee (ARC)

- Recurring failure by an aggrieved party to attend or be represented before ARC for unreasonable cause to result in case being struck out



Regulatory



FATF action plan

Commitment to complete the five remaining recommendations under FATF by September 2020 through the following measures:

- Risk-based supervisions in accordance with FATF's recommendations
- Targeted outreach programmes to promote a clear understanding of money-laundering and terrorist financing risks
- Increased reporting of suspicious transactions
- Targeted financial sanctions in cases of terrorist financing
- Timely access to beneficial ownership information

AML/CFT framework

- Introduction of new AML/CFT (Miscellaneous) Provisions Bill to complement existing legislative framework to combat money laundering and terrorist financing

Financial offences

- Setting up of a Financial Offences Court



Additional requirement on business registration and company incorporation

- Registration of ultimate beneficial owners and VAT to be made at the time of incorporating a company or registering a business

Shareholder protection

Companies Act to be amended to cater for the following:

- Definition of conducts deemed prejudicial to shareholders
- Liability of directors for prejudicial conduct
- Minimum of two independent and non-executive directors on board of entities listed on SEM

Restoration of companies

- Fees for re-instating companies to be reduced from MUR 15,000 to MUR 5,000
- Notice for re-instatement to be given online

Proposed amendments to Financial Services Act

- FSC authorised to collect information on a conglomerate group, including unregulated entities, which would have an impact on the safety and soundness of the financial group
- Provision for flexibility regarding filing of annual financial statements during a curfew period or situation of emergency or natural disasters
- FSC empowered to exempt licensees from filing of annual financial statements
- Auditors of licensees of the FSC required to report irregularities to the Regulator




Sectoral measures



 Contents

 Foreword

 Economic snapshots

 Tax and Regulatory Measures

Corporate tax

Personal tax

VAT

Other taxes

Tax administration

Regulatory

 Sectoral Measures

 Glossary

 Contact

Sectoral Measures

Construction sector

- Provision of MUR 12 billion for the construction of 12,000 social housing units
- Construction of a dam, costing MUR 7.5 billion, at Rivière des Anguilles
- Provision of approximately MUR 18.4 billion towards the enhancement of infrastructures whereby:
 - MUR 6 billion for the construction of Main bus terminals along the Port Louis – Curepipe corridor
 - Additional MUR 5 billion for completing the Metro System from Rose Hill to Curepipe
 - MUR 5.2 billion for the construction of new roads and bridges
 - Investment of MUR 2.2 billion in a breakwater, fishing port and the cruise terminal building
- Extension of the bus terminals modernisation programme to Flacq, St. Pierre, Mahebourg and Rivière du Rempart, accompanied by MUR 3.2 billion investment from the private sector
- Setting up of a high level committee to speed up the approval of around 34 projects, to the tune of MUR 62 billion
- Waiving of Building and Land Use Permit (BLUP) fees for the construction of pharmaceutical factories, food processing plants, and warehouses
- Implementation of digital power of attorney to ease the purchase of immovable properties by foreigners
- Shortening of contractors' credit period from 56 to 28 days for government projects and full payment of any retention amount within 6 months, instead of 12 months
- Public projects costing less than MUR 300 million and where pre-qualification is not required by the Central Procurement Board, will be made available to Mauritian companies only



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures



Corporate tax



Personal tax



VAT



Other taxes



Tax administration



Regulatory



Sectoral Measures



Glossary



Contact

Sectoral Measures

Agricultural sector

- Setting up of a centralised digital Land Bank of State and Private Agricultural Land for food production
- 20,000 acres of abandoned land to be put for immediate use
- Loans at the concessional rate of 0.5 percent per annum to agricultural companies affected directly by the COVID-19 pandemic
- Allowing small planters owning up to 10 acres of agricultural land to convert up to 10 percent of their land for commercial or residential purpose
- Providing the Agricultural Marketing Board the ability to:
 - Establish a price guarantee mechanism for producers
 - Invest in regional storage facilities
 - Develop new crop varieties
 - Manage the National Wholesale Market for fruits and vegetables before the end of 2020
- Increasing the subsidy for the purchase of potato and onion seeds from MUR 5,000 per ton to MUR 25,000
- Granting of 50 percent of the cost of permanent netting structures to orchard owners
- Guaranteed price of MUR 25,000 per ton for the first 60 tons of sugar to each planter for the Crop 2020
- Waiving of the insurance premium payable to the Sugar Insurance Fund Board for planters producing up to 60 tons of sugar
- Imposition of customs duty of 100 percent on imported sugar



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures



Corporate tax



Personal tax



VAT



Other taxes



Tax administration



Regulatory



Sectoral Measures



Glossary



Contact

- Establishment of a protocol to ensure sanitary precautions from arrival to departure
- Provision of support to the national carrier
- Exemption from the payment of licence fee for the holders of Tourism Authority and Beach Authority licences for a period of two years
- Waiving of the rental payment of state lands for hotels for the upcoming financial year
- Increase to 100 percent rebate for two years up to 30 June 2022 on rental of state lands for hotels under the Hotel Reconstruction and Renovation Scheme
- Introduction of the Aparthotels Scheme enabling existing hotels to convert part of their accommodation units into serviced apartments
- Allowing owners under the Invest Hotel Scheme to occupy their units for a total period of 90 days, instead of 45 days in a year
- Allowing companies operating under the Deferred Duty and Tax Scheme and the Mauritius Duty Free Paradise to sell their goods locally up to 31 December 2021



Sectoral Measures

Manufacturing sector

- Provision of financial assistance to enterprises producing hygienic products
- Promotion of local entrepreneurship and industrial development through a provision of quotas on imported goods
- Imposition of a minimum shelf space of 10 percent in supermarkets for locally manufactured products
- Introduction of a minimum domestic content of 30 percent for ministries and government bodies in their purchases of goods



Sectoral Measures

Export sector

- Waiving of port dues and terminal handling charges for exports from July to December 2020 and a reduction by 50 percent for the period January to June 2021
- Introduction of a 50 percent refund on the costs of certification, testing, and accreditation of local laboratories
- Assistance by the government for 'Made in Mauritius' warehouse set-up in Tanzania and Mozambique for the first two years of operation
- Extension of the 'Freight Rebate Scheme' for exports to Africa
- Extension of the 'Trade Promotion and Marketing Scheme' for exports to Japan, Australia, Canada, and the Middle East
- Extension of the 'Export Credit Insurance Scheme' to cover exports



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures



Corporate tax



Personal tax



VAT



Other taxes



Tax administration



Regulatory



Sectoral Measures



Glossary



Contact

Sectoral Measures

Financial services sector

- Introduction of new products in line with the recommendations of the 10-year blueprint to enhance competitiveness of the financial services sector:
 - The Central Bank digital currency
 - An insurance wrapper
 - Variable capital companies
 - An inaugural Sukuk issuance by the BOM
 - Green and blue bond frameworks by the BOM
- Introduction of new frameworks for digital banking, private banking, and wealth management by the BOM
- Setting up of a dedicated Venture Capital Market at the SEM for start-ups and SMEs



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures



Corporate tax



Personal tax



VAT



Other taxes



Tax administration



Regulatory



Sectoral Measures



Glossary



Contact

Sectoral Measures

Creative and cultural sector

- Earmarking of MUR 34 million for support to local artists, and MUR 35 million for preservation and rehabilitation of historical and cultural sites



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures



Corporate tax



Personal tax



VAT



Other taxes



Tax administration



Regulatory



Sectoral Measures



Glossary



Contact

Sectoral Measures

Fostering entrepreneurship

- Provision of loans at an annual concessional rate of 0.5 percent by DBM Ltd to support distressed SMEs and cooperative societies with a maximum of MUR 10 million per enterprise
- Increased access to factoring facilities by Maubank Ltd to SMEs with a 50 percent subsidy on the factoring fee per invoice supported by ISP Ltd
- Provision of various grants to SMEs and cooperative societies:
 - 15 percent on cost of assets to a maximum of MUR 150,000 under the DBM Enterprise Modernisation Scheme
 - Up to MUR 50,000 for purchase of livestock and acquisition of equipment involved in production of food items
- Investment by MIC in the production of pharmaceutical products and medical devices
- Investment by MIC in fishing activities
- Creation of a Data Technology Park at Côte d’Or, including 12 highly skilled and specialised centres
- Earmarking of MUR 10 billion by MIC for investment in African projects



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures



Corporate tax



Personal tax



VAT



Other taxes



Tax administration



Regulatory



Sectoral Measures



Glossary



Contact

Sustainable pension system

- Introduction of a contributory, participative, and collective system, the CSG
- Abolishment of NPF
- Introduction of the Service Employment Cheque in Mauritius as from September 2020 to enable Mauritians working informally to benefit from CSG

Business facilitation

- Development of an integrated single window for trade to connect stakeholders within the port community
- Introduction of a maritime single window by the Mauritius Port Authority to ease vessel clearances and administrative bottlenecks
- Investment in a new land use and valuation information management system based on blockchain
- Development of a new online system for services delivered by the National Land Transport Authority
- Accelerating the implementation of a centralised-KYC project by the BOM
- Mandatory e-procurement system for public sector bodies
- Waiving the application fee for a building and land use permit
- Combination of the work permit and residence permit into one single permit
- Lengthening the validity of an occupation permit (OP) and a residence permit for retirees to 10 years renewable
- Extension of the permanent residence permit from 10 to 20 years



Sectoral Measures

Structural reforms

Business facilitation (Cont'd)

- Reduction of the minimum investment amount for obtaining an OP from USD 100,000 to USD 50,000
- Removal of the minimum turnover and investment requirement for the innovator occupation permit
- Non-citizens who have a residence permit under various real estate schemes will no longer require an occupation or work permit to invest and work in Mauritius
- Permanent residence permit applications are eligible for OP and residence permit holders if they have held the permit for three consecutive years

Public sector transformation strategy

- Reduction of recurrent expenditure, excluding social benefits, by some 10 percent, on an average, for the coming financial year
- Reduction by some 60 percent on overseas mission and downwards revision of per-diem and entertainment allowances
- Restructuring of various state-enterprises that will be led by a Mauritius Digital Transformation Agency
- Introduction of a new sandbox framework to facilitate the development of innovative technologies



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures



Corporate tax



Personal tax



VAT



Other taxes



Tax administration



Regulatory



Sectoral Measures



Glossary



Contact

Glossary



AML	Anti Money Laundering
AMT	Alternative Minimum Tax
ARC	Assessment Review Committee
BLUP	Building and Land Use Permit
BOM	Bank of Mauritius
CFT	Combating the Financing of Terrorism
CSG	Contribution Sociale Généralisée
DBM	Development Bank of Mauritius Limited
ECB	European Central Bank
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FED	Federal Reserve (US)
FSC	Financial Services Commission
GDP	Gross Domestic Product
IET	Income Exemption Threshold
IMF	International Monetary Fund



Contents



Foreword



Economic snapshots



Tax and Regulatory Measures

Corporate tax

Personal tax

VAT

Other taxes

Tax administration

Regulatory



Sectoral Measures



Glossary



Contact



ISP Ltd	Investment Support Programme Limited
KRR	Key Repo Rate
KYC	Know Your Customer
MIC	Mauritius Investment Corporation Limited
MoFEPD	Ministry of Finance, Economic Planning and Development
MRA	Mauritius Revenue Authority
MUR	Mauritian Rupees
NEF	National Empowerment Foundation
NPF	National Pension Fund
OP	Occupation Permit
R&D	Research and Development
SEM	Stock Exchange of Mauritius
SMEs	Small and Medium Enterprises
TAN	Tax Account Number
USD	United States Dollar
VAT	Value Added Tax



Contact



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-  Foreword
-  Economic snapshots
-  Tax and Regulatory Measures
 - Corporate tax
 - Personal tax
 - VAT
 - Other taxes
- Tax administration
- Regulatory
-  Sectoral Measures
-  Glossary
-  Contact



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