



# BUDGET BRIEF 2019 / 2020



—AAA—  
GLOBAL SERVICES



## Foreword

The Honourable Pravind Jugnauth presented the National Budget for the fiscal year 2019 – 2020 on 10 June 2019, his fourth and last Budget presentation before the forthcoming General Elections.

The Hon. Minister of Finance presented a social Budget with a wave of measures to strengthen his electoral support. Themed as **“Embracing a brighter future together as a nation”**, this Budget is a continuation of the previous year’s Budget, with an intensification of social measures targeting a wide cross section of the population, from public servants to workers at large. The Hon. Minister of Finance, however, justifiably resisted to the temptation of matching pension with minimum wage level, a measure which was passionately debated by the civil society ahead of Budget Day.

This year’s Budget was presented amidst mounting tension between the United States and China, the regained popularity of right-wing and nationalist parties in several parts of the world and the stuttering process for the implementation of Brexit in the United Kingdom. Latest data show that the world economic upswing of recent years has decelerated in 2018 to 3.6 percent. Last April, the IMF has forecast a global growth rate of 3.3 percent for 2019, and last week the World Bank predicted a global growth rate of only 2.6 percent for 2019.

At a domestic level, certain economic indicators, such as inflation and unemployment rates appear to be within control. The country’s reserves stood at a very healthy rate of 11.2 months of import cover. However, the Government had a number of aims to meet, foremost of which is managing public debt, which stood at 64.5% of GDP as at December 2018, and which must be brought down to 60% of GDP by 30 June 2021, as per the Public Debt Management Act. The Hon. Minister of Finance announced that he plans to plan to reach this target much earlier by making early repayment of public sector debt by using part of the accumulated undistributed surplus held at the Bank of Mauritius.

From a financial services / business perspective, some of the salient measures announced in this year’s Budget are:

- further move to paperless administration (e.g. e-signatures and e-licences).
- new framework for fund administration and fund management.
- Mauritian licensed funds and management companies recognised and qualified to operate in the Gujarat jurisdiction.
- ‘umbrella licence’ for wealth management activities.
- new rules and an attractive tax regime to promote REITs.
- scheme for headquartering of ‘e-commerce’ activities.
- framework for Green Finance in line with the ‘Marrakech Pledge’.
- regime for Robotics and AI enabled financial advisory services.
- new licence for Fintech service providers.
- crowd funding as a new licensable activity.
- new category of enterprises, namely the Mid-Market Enterprises (annual turnover Rs 50 million - Rs 250 million).
- new trading platform at the Stock Exchange of Mauritius to allow medium sized profitable enterprises to raise capital and trade their shares.
- a ‘single-window system’ at the FSC to allow for submission of documents for financial services and global business applications.
- promoting gender equality – Public Companies and Statutory Bodies to have at least one woman on their board of directors.



- new Workers' Rights Bill and introduction of Portable Retirement Gratuity Fund.
- financial data handling code of conduct to address cyber risks.
- new Financial Crime Commission.

For his fourth Budget Speech, the Hon. Minister of Finance, unlike in the previous year, did not announce any significant fiscal changes. Several amendments will be made to the revenue laws to improve tax compliance and administration, tax transparency and streamline certain provisions.

The main measures of this year's National Budget have been highlighted in this brief for your good reading.

Best wishes

***Tax Team***  
***AAA Global Services Ltd***



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## KEY FACTS and FIGURES

For the first time in over 5 years, real GDP growth rate is forecasted to reach the 4% mark by June 2020.

Mauritius has posted a Debt-to-GDP ratio of 65% for 2018/19 with a target of nearing 60% within the next 2 years.

Unemployment rate stands at 6.9%, its lowest since 2001.

Foreign exchange reserves increased by 94% to now reach MUR 241 billion.

Mauritius is forecasting an inflation rate of 1.5% for 2019.



**In 2019, Mauritius is expecting total investment as a ratio of GDP to rise to 20.5%, breaking the MUR 100 billion mark for the first time.**

Foreign Direct Investments (FDI) amounted to MUR 70.5 billion for the period 2015 – 2018.

The overall budget deficit for 2019-2020 is estimated to be MUR 16.9 billion, that is 3.2% of GDP.



## Financial Services

- Establish a new framework for Fund administration and Fund management.
- Revamp the existing Special Purpose Fund regime to ease access to new markets.
- Enter into an agreement with the Gujarat International Finance Tec-City for Mauritian licensed Funds and Management Companies to operate in the Gujarat jurisdiction.
- Promote the development of Real Estate Investment Trusts (REITs) through new rules and attractive tax regime.
- Introduce an ‘umbrella licence’ for wealth management activities.
- Introduce new scheme for headquartering of ‘e-commerce’ activities.
- Introduce a framework for Green Finance in line with the ‘Marrakech Pledge’.
- Introduce a new trading platform at the Stock Exchange of Mauritius for enterprises that do not qualify for listing on the official and DEM markets to raise capital and trade their shares.
- Setting up of a ‘single-window system’ to allow for submission of documents for financial services and global business applications.
- Establishment of Central KYC Registry in collaboration with Bank of Mauritius and the FSC.
- Setting up of Financial Crime Commission to ensure coordination with investigative agencies (ICAC, FIU, enforcement department of the FSC).
- A licensed auditor or an audit firm may be fined up to MUR 5 million in case of breach of the Financial Reporting Act or any rule, code, guidelines or standards relating to auditing issued by the Financial Reporting Council.
- The BoM, FIU and FSC will introduce industry-wide Practice Notes with respect to handling clients’ requests.

## Fintech Hub

- Establish a regime for Robotics and AI enabled financial advisory services.
- Introduce a new licence for Fintech Service providers.
- Encourage self-regulation for Fintech activities in consultation with the United Nations Office on Drugs and Crime.
- Introduce the use of e-signatures and e-licences on a pilot basis.



- Crowdfunding to become a new licensable activity.
- Upgrade the Regulatory Sandbox Licensing Framework for Fintech Activities.
- Sandbox Licence to enable interested parties to develop a licensing programme that would include the elaboration of an appropriate legal framework, the choice of latest software solutions for real-time tax deduction at source for every online betting transaction and exploring risk-assessed Blockchain and Crypto Currency initiatives.
- FSC will develop a financial data handling code of conduct to address cyber risks.

### Other Sectorial Measures

#### Innovation Eco-System

- Set up of the National Innovation and Research Fund in which seed capital of MUR 100 million will be injected.

#### Tourism

- MUR 160 million to dynamize the Shanghai and Kenya routes.
- Construction of a Passenger Cruise Terminal building with shopping and other facilities to cater for approximately 4,000 Cruise and Inter-Island passengers.
- Incentivise the development of marinas by:
  - introducing regulations for the operations of commercial marinas and a yacht code.
  - Granting an 8-year income tax holiday to newly set-up companies developing a marina.
  - VAT exemption will be provided on the construction of marinas.
- Revival of the Special Incentive Scheme which provides grants of up to MUR 200,000 to Meetings Incentives Conferences and Exhibitions (MICE) promoters and wedding planners.
- Introduction of a VAT refund scheme on accommodation costs for events with at least 100 foreign attendees staying for a minimum of 3 nights. This includes business meetings, conferences and weddings.
- Deduction of 150 percent of the expenditure incurred by hotels on cleaning, renovation and embellishment works in the public realm, from their taxable income.
- Development of 200km walkable and cycling trails over the Island.



## **Manufacturing**

- Extension of the “Support for Trade Promotion & Marketing” scheme by another year to maintain the export competitiveness to Europe.
- The Investment Support Programme Committee will be converted into a company, ISP Limited, the object of which will be to:
  - collaborate with other relevant public sector bodies for the development of the new eco-system;
  - support enterprises in the adoption of the most appropriate modern technologies; and
  - arrange for financial support towards modernisation of processes.

Approximately MUR 1 billion will be available for the ISP Limited to achieve the objectives.

- EDB will seek investors and strategic partners, with the support of the ISP Ltd, to re-engineer and re-capitalise to prevent companies from having to close down.
- Existing manufacturing companies issued with a Freeport certificate will have to meet the following substance criteria:
  - employ a minimum of 5 employees; and
  - incur an annual expenditure exceeding MUR 3.5 million.

## **Micro Enterprises**

- Maximum loan amount under the existing DBM Micro Credit Loan Scheme will be increased from MUR 250,000 to MUR 500,000.

## **Small and Medium Enterprises**

- The SME Financing Scheme will be extended for another 3 years.
- The annual interest rate under LEMS I and SME Factoring Scheme will be reduced from 5.5 percent to 3.9 percent.
- The cost of financing under the SME Equity Fund will be reduced from 8 percent to 6 percent as from 1st July 2019.
- Extension of the suspension of trade fees of up to MUR 5,000 for another 3 years.
- Extension of the grant of MUR 5,000 to SMEs operating under the label ‘Made in for another year.
- One-off grant of MUR 3,000 to SMEs for subscription to the e-Commerce Platform of the MCCI.





- Margin of Preference for contract under Public Procurement for locally manufactured products by SMEs, from 20 percent to 30 percent, if they have the 'Made in Moris' label.
- Setting up of a Design Centre for Leather Products by SME Mauritius to provide assistance to SMEs on 3D technologies.
- The SME Employment Scheme which was applicable to graduates only will now be applicable to diploma holders also and the Scheme is extended to enterprises with turnover of up to MUR 100 million.

### **Mid-Market Enterprises**

- Creation of new category of enterprises, namely the Mid-Market Enterprises (MMEs) whose annual turnover shall be between MUR 50 million and MUR 250 million.
- Introduction of MME Financing Scheme under which MME will benefit from concessionary interest rate on new loans from commercial banks.
- Introduction of a line of credit facility in USD and EUR for export factoring services for the MMEs.
- Extending the LEMS II to the MMEs and reduction of the annual interest rate under that scheme from 6 percent to 4.25 percent.
- The MMEs will also be eligible to financing under the SME Equity Fund.

### **Africa Strategy**

- Build on the agreement with Mozambique towards the setting up of a regional value chain for Liquefied Natural Gas (LNG).
- Develop a Textile City on the 80 hectares of land in Moramanga, Madagascar which has been allocated to Mauritius by the Malagasy Government.
- Develop projects to take advantage of the Industrial and Technology Park in Naivasha, Kenya.
- Consolidate initiatives in the Special Economic Zones in Senegal, Côte d'Ivoire and Ghana.
- The Mauritius-Africa Fund will expand its strategic partnerships with Pan-African and international multilateral development financial institutions to mobilize project finance for the benefit of Mauritian enterprises willing to expand in Africa.



### **Ocean Economy**

- Investment of MUR 12 billion to construct a breakwater to reduce downtime at the port during bad weather conditions.
- Investment of MUR 2.2 billion in breakwater at Fort William to allow for the safe mooring of approximately 120 ocean-going fishing vessels – creating a fully functional fishing port.
- The navigational channel will be dredged further to a depth of 18 metres to make Port Louis the deepest port in the region.
- 60 hectares of land will be used to create an Island Terminal of containers that will more than double the stacking capacity.
- Setting up of an online and physical fish auction market to act as an interface between local fishermen, fishing companies and buyers both local and international.
- Granting of four-year tax holiday on income derived from bunkering of low Sulphur Heavy Fuel Oil.
- Existing storage facilities will be refurbished to cater for low Sulphur Heavy Fuel Oil.
- Ship-to-ship bunkering will be allowed.

### **Renewable Energy**

- Setting up of New Renewable Energy Generation Schemes to encourage smart cities, small and medium scale power producers and public sector entities to generate electricity from solar photovoltaic (PV).
- New scheme to encourage religious bodies to produce electricity from solar PV under a net billing scheme.

### **Public Infrastructure**

- Construction of a new terminal building of about 50,000 square metres to cater for a total of 8 million passengers.
- Aircraft parking capabilities will be increased to accommodate 22 wide-bodied aircrafts simultaneously.
- New infrastructure to enable training for pilots and Licensed Aircraft Maintenance Engineers.
- Extension of the Cargo and Freeport area at the airport to accommodate light industries.
- New fully-fledged cargo terminal.
- MUR 200 million for the second phase of the renovation of the Port Louis Waterfront.



- MUR 1.5 billion for continuation of multiple road projects, MUR 1.5 billion for new road projects and MUR 500 million for construction and upgrading of secondary roads across the island.

### **Business facilitation**

- Development of an e-Registration Platform to allow consultants and contractors to apply for registration online and also to effect payment of fees electronically.
- Online application facilities for import and export permit through TradeNet.

### **Protection to Minority Investors**

- The Securities Act will be amended to ensure immediate disclosure to the public if the transaction has a value of at least 10% of the Company's assets.
- The Companies Act will be amended such that individual compensation of directors are disclosed in the annual report.
- The Companies Act will be amended such that dividend declared by the Board is paid within a maximum period of 15 months subject to solvency test.
- The Companies Act will also allow disqualification of a director upon a successful claim by shareholders.
- The Listing Rules will be reviewed to provide for the requirement of obtaining shareholders' approval for Related Party Transactions, where the percentage ratios as specified in the Rules, represent 10% or more.

### **Gender Equality**

- Public Companies and Statutory Bodies will therefore be required to have at least one woman on their board of directors.

### **Work and Live in Mauritius**

- The Non- Citizens (Employment Restriction) Act will be amended to introduce strict timelines for assessment of completeness of application, obtaining clearances from other authorities and determination of an application.
- The process for issuing Occupation Permit will be reviewed making provisions for clearly defined eligibility criteria and introduction of guidelines.
- Introduce a Post-Study Work Visa to allow international students to work for 3 years in Mauritius after completion of undergraduate studies in sectors where there is scarcity of skills such as ICT, Fintech, AI and Biotechnology.
- The capital outlay requirement of USD 40,000 under the Innovator Occupation Permit for start-ups which will be mentored by an accredited incubator will be waived.



## Personal Taxation

### Income Exemption Threshold

Effective from 1 July 2019, the income exemption thresholds (“IETs”) for all categories of individuals have been increased, with changes ranging between MUR 5,000 and MUR 45,000. Another change with respect to the IETs was the change in terminology for one of the categories, ‘Retired / disabled person with one dependent’, which has been changed to ‘Retired / disabled person with dependents’.

	2018/19 MUR	2019/20 MUR
Individual with no dependent	305,000	310,000
Individual with one dependent	415,000	420,000
Individual with two dependents	480,000	500,000
Individual with three dependents	525,000	550,000
Individual with four or more dependents	555,000	600,000
Retired / disabled person with no dependent	355,000	360,000
Retired / disabled person with dependents	465,000	470,000

Additional exemptions:

- The additional deduction in respect of a dependent child who is pursuing tertiary studies will now be available for a maximum of 4 dependents instead of 3 dependents.
- An individual will be allowed to claim up to MUR 10,000 as relief in respect of medical insurance premium paid for a fourth dependent.

### Reduced Income Tax Rate

The applicability of the reduced 10% has been extended to employees whose income do not exceed MUR 700,000. This will be in the form of a 5% tax credit on chargeable income at time of submission of income tax return.

### Negative Income Tax

In a view to enable the MRA better capture information on household employees eligible to the Negative Income Tax Allowance or Special Allowance, household employers will be given the choice of either paying the NPF/NSF contribution on a monthly basis or continuing to pay NPF/NSF contribution at the end of the year but submitting quarterly statements to the MRA. The National Pensions Act will be amended accordingly.

Furthermore, all employers will be required to submit their returns to MRA electronically and pay via e-payment.



### Peer-to-Peer Lending

Interest income received by an individual from Peer-to-Peer lending will be subject to income tax at the rate of 3%. Any bad debt and fees payable to the Peer-to-Peer operator will be deductible from the taxable interest income, and no tax deduction at source will be applied to Peer-to-Peer interest income.

### Acquisition of Fast Chargers

An individual will be allowed to deduct from his taxable income the total investment in the acquisition of a fast charger for an electric car.

### Solidarity Levy

A Solidarity Levy was introduced in the 2017/18 Budget, applicable to individuals whose leviable income exceeds MUR 3.5 million in an income year, and charged at the rate of 5% on the leviable income in excess of MUR 3.5 million.

It has now been announced that lump sum income received by a person by way of commutation of pension, death gratuity or as compensation for death or injury will be excluded from the computation of the Solidarity Levy. This change will be backdated to take effect as from 1<sup>st</sup> July 2017.

The law will also be amended to clarify that an individual's share of income in a société or succession will be taken into account in the computation of the Solidarity Levy.

## Corporate Taxation

### Partial Exemption Regime

To address the deficiencies identified by the EU in our partial exemption regimes, the following reforms will be implemented:

The Income Tax Regulations 1996 will be amended to:

- define the detailed substance requirements that must be met in order for a taxpayer to enjoy the partial exemption benefit; and
- lay down the conditions that must be satisfied where a company outsources its core income generating activities, namely:
  - the company must be able to demonstrate adequate monitoring of the outsourced activities;
  - the outsourced activities must be conducted in Mauritius; and
  - the economic substance of service providers must not be counted multiple times by multiple companies when evidencing their own substance in Mauritius.





Consequential amendments will be made to Section 71 of the Financial Services Act.

### **Controlled Foreign Company**

As part of the BEPS Action Plan, the Income Tax Act will be amended to set out rules on controlled foreign company (“CFC”).

### **Income Tax Holidays**

#### Bunkering of Low-Sulphur Heavy Fuel Oil

A four-year tax holiday will be granted on income derived from bunkering of low Sulphur Heavy Fuel Oil.

#### Development of Marinas

An 8-year income tax holiday will be granted to a newly set-up company developing a marina; and VAT exemption will be provided on the construction of marinas.

#### Innovation Box Regime

A newly set-up company involved in innovation-driven activities will benefit from a tax holiday of 8 years on income derived from its intellectual property assets developed in Mauritius.

Existing companies will, henceforth, benefit from the 8-year income tax holiday on income derived from intellectual property assets developed in Mauritius after 10th June 2019.

In order to benefit from the income tax holiday, companies will have to satisfy pre-defined substantial activities requirement in compliance with the BEPS Action 5 report.

#### E-Commerce Platform

A 5-year tax holiday will be introduced for a company setting up an e-commerce platform provided the company is incorporated in Mauritius before 30th June 2025. The Economic Development Board Act will be amended to allow for the issuance of e-Commerce Scheme Certificate.

#### Peer-to-Peer Lending

A 5-year tax holiday will be granted to a Peer-to-Peer lending operator provided the company starts its operation prior to 31st December 2020.



### **Enterprises with an annual turnover less than MUR 10 million**

Enterprises having annual turnover not exceeding Rs 10 million and engaged in specific activities such as manufacturing or trading of goods will be given the option to pay 1 percent of their turnover as final income tax on their business income or file the normal income tax return.

### **Acquisition of Fast Chargers by Businesses**

Businesses will be able to deduct twice the amount invested in a fast charger from its taxable income.

### **Accelerated Depreciation**

Presently, capital expenditure incurred on plant or machinery may be fully expensed in the year incurred if the amount does not exceed MUR 30,000. The threshold will be raised to MUR 60,000.

### **Arm's Length Transaction**

The legal provision relating to the arm's length test will be fine-tuned to remove any doubt or uncertainty about its application.

### **Freeport Regime**

A freeport operator engaged in manufacturing activities in the Freeport will be allowed to apply as private freeport developer to build, develop and manage its own infrastructural activities provided that it carries out the same manufacturing activity.

A freeport operator or private freeport developer engaged in the manufacture of goods will be liable to income tax at the rate of 3% on profits derived from the sale of goods on the local market. Existing manufacturing companies issued with a Freeport certificate will have to meet the following substance criteria:

- employ a minimum of 5 employees; and
- incur an annual expenditure exceeding Rs 3.5 million.

Freeport Operators will be liable to pay Corporate Social Responsibility (CSR) on sale of goods on the local market.

### **Carry Forward of Unrelieved Tax Losses**

The accumulated losses of a company presently lapse if there is a change in the ownership of the company. However, in the case of a manufacturing company, the Minister may allow the carry forward of the losses if he is satisfied that it is in the public interest to do so and provided conditions relating to safeguard of employment are complied with. This derogation will be extended to any company facing financial difficulty and which is taken over by another shareholder provided conditions imposed by the Minister are met. This amendment will be deemed to be effective as from 1st July 2018.



## Property Tax

- Registration duty, land transfer tax and tax on transfer of leasehold rights in State land will not be leviable on the transfer of immovable property between a statutory body, a company where Government holds directly at least 90% of its shareholding or a wholly owned subsidiary of that company.
- It will be clarified that transfer of a movable property between spouses will be registered free.
- A descendant returning back to an ascendant a property donated by the latter is exempted from payment of registration dues. This exemption will, henceforth, apply equally to the spouse of the descendant if the donated property was jointly owned by the spouses.
- In the context of ease of doing business, the Stamp Duty Act 1990 will be repealed. The Registration Duty Act will be amended to introduce an administrative fee which shall not exceed the amount of stamp duty. Consequential amendments will be made in the Transcription and Mortgage Act.
- The Arrears Payment Scheme under the Registrar-General's Department will be re-introduced for another year. The scheme will provide for full waiver of penalties and interest if a debtor of the Department settles any debt amount on or before 31st March 2020. This scheme will apply to tax arrears due as at 10th June 2019.
- No claim for additional duty or tax will be issued by the Registrar-General for an amount of less than MUR 5,000 following a re-assessment of the value of an immovable property.
- A notice issued by the Registrar-General for additional duty or tax pursuant to a reassessment of the value of an immovable property will now be accompanied by a concise version of the valuation report giving the reasons for the assessment, the basis of assessment, valuation methodology and comparable transactions used, if applicable.
- The right of pre-emption (droit de préemption) in favour of the State under the Registration Duty Act will be repealed.
- The objection and appeal process for a person who is dissatisfied with a decision of the Registrar-General to levy additional duty or tax on the transfer of shares in a company will be reviewed to improve our ease of doing business environment.
- An aggrieved party who agrees to a settlement at the level of the objection unit will not be allowed to subsequently lodge a representation with the ARC. In addition, it will be specified in law that the value of immovable property agreed at the objection unit cannot be automatically used as a precedent or a reference for other appeal cases.
- Presently, a person who is dissatisfied with an assessment of the Registrar-General may have recourse to the objection unit and the ARC against that decision. This right of objection and appeal will be extended to certain other decisions of the Registrar-General.
- The Registrar-General will amend its IT system to enable the publication on its website of information on transfers of immovable property which have been registered, giving inter alia particulars of the property, its location, the declared value for land/buildings but excluding the name of the parties.
- It will be made mandatory for information regarding the spouse of a party to be provided to the Registrar-General for certain specific transactions in order to enable accurate updating of the registry.



- A person who has not benefitted from an exemption from registration duty or land transfer tax to which he was eligible may, within 3 years from the date the deed was registered, apply to the Committee chaired by the Registrar-General to examine his case for a refund. The time limit for an application is currently one year.

## Value Added Tax

- It has been clarified that where a local company supplies services to a foreign company which is outside Mauritius, the services will be zero-rated for VAT purposes provided the foreign company does not in turn supply these same services to another local company.
- VAT exemption on payment of subscription fees, which is currently applicable for trade unions, statutory bodies and associations under the Registration of Association Act, will be extended to cover prescribed professional bodies.
- It has been clarified that, where there is a splitting of a business entity into different entities to avoid registration for VAT purposes, each entity will be required to be compulsorily registered for VAT.
- Where a VAT invoice is issued to a non VAT-registered person in business, his name, business address and Business Registration Number will have to be stated.
- It has been clarified that the management of insurance schemes is exempted from VAT.
- Presently, a VAT-registered person may claim repayment of input tax in respect of capital goods such as building, plant, machinery or equipment. Provision will be made to allow repayment of VAT paid on:
  - a. goodwill on acquisition of a business; and
  - b. the acquisition of intangible assets such as software, patents or franchise agreements.
- With a view to expediting the processing of VAT refunds, all VAT-registered persons will have to file their VAT return and pay VAT electronically as from 1st March 2020.

## Tax Administration

### Expediting Dispute Resolutions

The Income Tax Act will be amended such that parties attempting a mediation or a conciliation or an arbitration be allowed a deduction from taxable income of an amount equivalent to 150% of the case filing fee.

### Assessment Review Committee – Filing of Statement of Case

An aggrieved taxpayer will be given sufficient time to file his statement of case and other relevant documents to the Assessment Review Committee (“ARC”). Furthermore, if the Chairperson or the Vice-Chairperson of the ARC is satisfied that failure to submit the required statement of case or other documents is due to a reasonable cause, the ARC will proceed with the hearing of the appeal.



### **Voluntary Disclosure of Income Scheme - Foreign Assets**

Since September 2018, the MRA is receiving information from overseas financial institutions regarding financial assets held by Mauritians abroad under the CRS. Before the MRA embarks on a tax audit of suspected cases of tax avoidance or evasion, a scheme will be introduced to allow a voluntary disclosure of previously undeclared income held in a bank account overseas or used to purchase foreign assets.

A person making a voluntary disclosure on or before 31st March 2020 under the scheme will be subject to tax on the disclosed chargeable income at the rate of 15 % free from any penalty and interest. A person involved in drugs trafficking, corruption, terrorism activities or money laundering will not qualify for the scheme.

### **Voluntary Disclosure of Income Scheme – SMEs**

Small and medium enterprises, that is enterprises having turnover not exceeding MUR 50 million, will be given the opportunity to regularise any undeclared or under-declared income with the MRA free from penalty and interest.

### **Arrears Payment Scheme – SMEs**

A small and medium enterprise will be allowed to pay arrears of tax owed to the MRA as at 10th June 2019 free from penalty and interest provided payment is made on or before 31st March 2020.

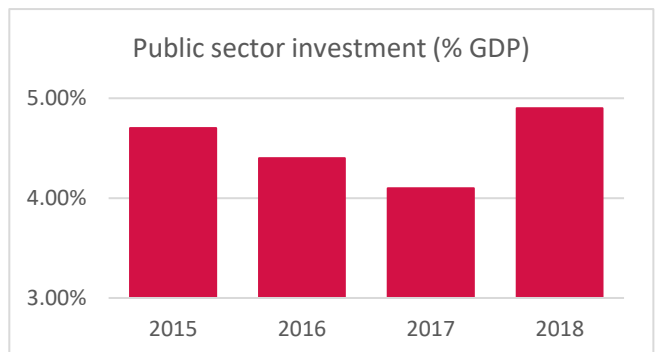
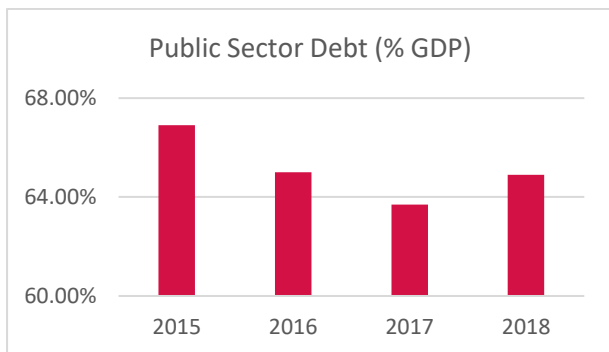
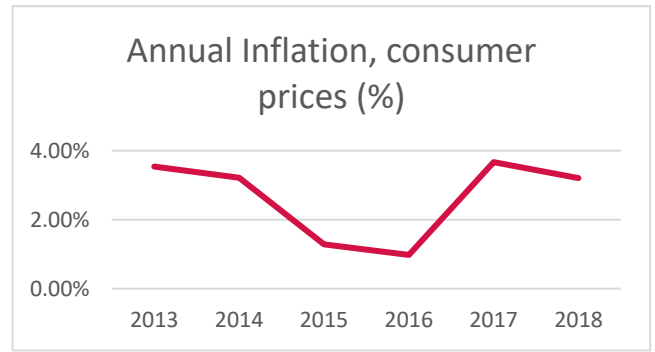
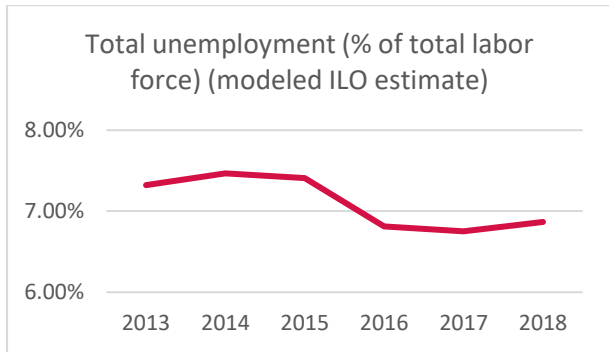
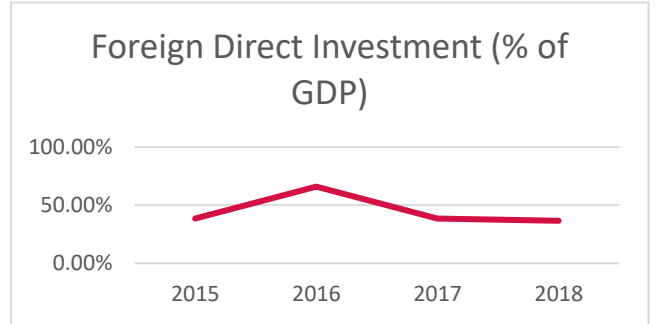
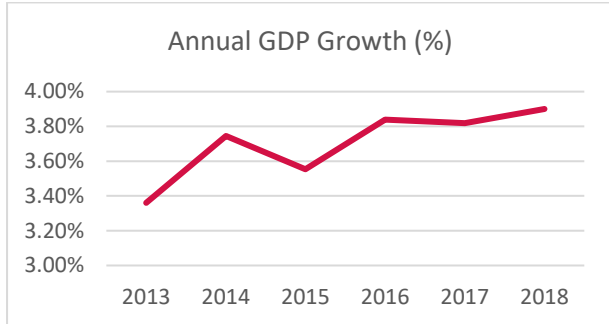
### **Corporate Social Responsibility Assessment**

A company which does not spend its CSR funds as per the law is required to remit any unspent amount to the MRA for onward remittance to the NCSR Foundation. The MRA will be allowed to raise an assessment on a company which has neither spent the CSR fund nor remitted same to the MRA.



## Main Economic Indicators

In order to help you get a better overview of the current economic climate in Mauritius, we have compiled a few core economic indicators<sup>1</sup>, which we have illustrated below:



<sup>1</sup> Sources: World Bank, IMF and MCB Focus



*Excellence you trust*

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