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GLOBAL SERVICES



BUDGET BRIEF 2021 / 2022



Foreword

2020 was a very difficult year for the whole world, and Mauritius was no exception. The first local Covid-19 cases were registered in March 2020 which prompted a total lockdown for about 10 weeks. This hard and painful lockdown was successful at stopping the spread of the virus and for about 8 months Mauritius remained Covid-free, or Covid-safe. During this period, businesses were able to operate but, with the imposition of draconian measures on arriving passengers, certain sectors such as the tourism sector were badly hit. The country unfortunately witnessed a new outbreak in March 2021 and as a result, a second lockdown, though with less stringent restrictions compared to the first, was imposed for 7 weeks.

In the aftermath of these two lockdowns and their adverse effects on the economy, The Honourable Dr Renganaden Padayachy, Minister of Finance, Economic Planning and Development presented his second Budget for the fiscal year 2021/22 on Friday 11th June 2021. With a contraction in GDP estimated at 14.9%^[1] for 2020-21, the Government has had to dig deep into the state's coffers to assist employees, self-employed persons and businesses affected by the lockdowns and reduced commercial activity. The Minister's room for manoeuvre was expected to be extremely limited and it was feared that an increase in certain tax rates and /or the introduction of new taxes were unavoidable.

Rather than focusing on a balanced Budget and decreasing public debt, the 2021/22 Budget surprisingly saw the Minister opting for a no tax budget and announcing a plethora of measures intended to boost the economy. As such, the Minister outlined three main pillars on which his budget would rely on, namely: "Giving an Exceptional Boost to Investment; Shaping A New Economic Architecture and Restoring Confidence." In line with his previous budget, the Minister announced an extensive list of upcoming infrastructure projects all around the island.

Recognising that all the announced measures would only work if the economy is allowed to operate, the Minister reiterated the Government's aim of vaccinating a majority of the population and reaching herd immunity. Motorists will thus be required to foot the bill of acquiring the required vaccines by paying an extra Rs 2 more per litre of petrol. The decision to reopen our borders to vaccinated tourists as from the 15th July 2021 remained the most cheered move but, similar to all countries, the uncertainties surrounding international travel remain.

The business community was pleased to hear the various measures to attract foreign investors and talent through the occupation permit system, improvements of the ease of doing business and tax incentives for certain sectors. However, the increase in public debt, although "understandable" in the Covid-19 era, is a major concern.

Best wishes

Tax Team
AAA Global Services Ltd

^[1] https://statsmauritius.govmu.org/Pages/Statistics/ESI/National_Accounts/QNA/QNA_4Qtr20.aspx



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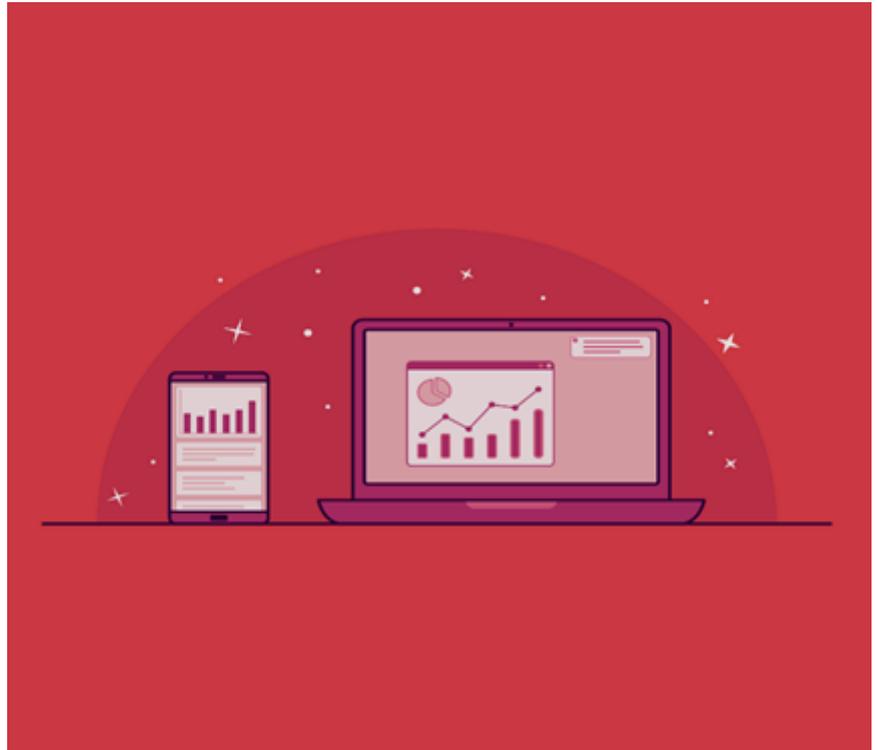
KEY FACTS and FIGURES

Another lockdown in 2021 after that of 2020

GDP contraction estimated at 14.9% for 2020

COVID-response amounting to 32% of GDP, 4th largest in the world

Budget deficit contained to 5% of GDP



Unemployment contained to 9.2% as opposed to an estimated 20% loss of jobs without the Government's various assistance schemes

Expected GDP growth of 9% for the fiscal year 2021-2022



Corporate Tax Measures

Partial Exemption Regime

- The partial exemption tax regime will be extended to holders of Investment Dealer licences and activities relating to the leasing of locomotives and train including rails leasing.

Tax Incentives

- Tax incentive for employees of companies holding an Asset Manager Certificate or a Fund Manager Certificate or an Asset and Fund Manager Certificate, on or after 1 September 2016, and managing an asset base of USD 50 Million or above.
- 3% income tax on export of goods for companies registered with the EDB as holders of an Export Development Certificate (more details on page 14).
- 3% income tax for companies engaged in the medical, biotechnology and pharmaceutical.
- Developers of purpose-built factories for manufacturing of pharmaceutical products and medical devices as well as for clinical and pre-clinical trials will be able to benefit from exemption on:
 - Registration duty and land transfer tax;
 - Land conversion tax; and
 - VAT on construction.
- 3% corporate tax rate to private universities set-up in Mauritius.

Tax Holidays

- A 5-year tax holiday will be granted on emoluments of an asset manager, a fund manager or asset and fund manager who manages an asset base of not less than USD 100 million and who has been issued with a certificate on or after 1 September 2016. Holders of a certificate issued on or after 1 September 2016 will be exempted from tax on their emoluments for an additional 5 years while new certificate holders will be eligible to a tax holiday of 10 years.
- The tax holiday for Family Offices as well as Fund and Asset Managers will be extended from 5 to 10 years.
- 8-year tax holiday for a new company registered with the EDB as a holder of an Investment Certificate (more details on page 13).



Non-Residents

- Dividend paid by a non-resident to another non-resident will not be taxable in Mauritius.
- Foreign limited partnerships which are non-tax resident shall not need to submit a return of dividend.

Foundations and Trusts

- Amendments to the Income Tax Act were announced to ensure that foundations and trusts benefitting from a preferential tax regime comply with the OECD standards, including substantial activity requirements.

Training Levy under the Human Resource Development Act

- Surcharges payable in respect of the Training Levy will be reduced by 80% provided that an application for the reduction is made to the MRA on or before 30 June 2021 and the outstanding Training Levy together with the balance of surcharges is paid on or before 31 March 2022.
- Eligible SMEs will be allowed to use their unutilised contribution of training levy with the Human Resource Development Council (HRDC) to finance external business advisory services up to a maximum amount of Rs 50,000 per annum. This measure will apply for a period of 2 years starting as from 1 July 2021.

Tax Deductions

- Manufacturing companies will be entitled to a double tax deduction in respect of expenditure incurred for market research and product development targeting the African market.
- Enterprises contributing to the COVID-19 Vaccination Programme Fund will be allowed to deduct the amount contributed from their taxable income at the time of submission of their income tax return.
- A 110% deduction will be allowed on the taxable income for the direct expenditure incurred on the purchase of products manufactured locally by small and medium enterprises (“SMEs”) in order to encourage large manufacturers to procure from SMEs.

Tax Credits

- Any unrelieved investment tax credit of a manufacturing company may be carried forward for 10 years.
- 5% Tax credit over 3 years in respect of capital expenditure incurred on new plant and machinery (manufacturing company only) until 30 June 2023 for a company registered with the EDB as a holder of an Investment Certificate (more details on page 13).
- Biotechnology and pharmaceutical companies allowed a full tax credit on the costs of acquisition of patents



- The Research and Development tax incentive scheme expiring in June 2022 has been extended by 5 years, that is, to June 2027.

Small Enterprise paying Presumptive Tax

- A small enterprise is eligible, at its option, to pay a presumptive tax of 1% of its turnover and is not required to declare its chargeable income. Such an enterprise will be exempted from Corporate Social Responsibility (CSR) obligation.

Corporate Social Responsibility

- A company is allowed to use 25% of its CSR Funds to implement a CSR Programme or finance a non-governmental organisation implementing a CSR Programme in the specified priority areas of intervention. The list of priority areas of intervention will be extended to include the restoration of a building designated as a national heritage under the National Heritage Fund Act 2003.

Levies

- The Levy paid by gambling operators as per Section 114 of the Gambling Regulatory Authority Act will not be allowed as a deduction for income tax purposes.
- An additional levy of Rs 2 per litre of Mogas and Gas Oil will be applied as from 1 July 2021 to finance the cost of COVID-19 vaccines.

Tax Administration

- The method for computing tax liability of companies under the Advance Payment System will be amended to cater for companies which are subject to corporate tax at a lower rate than the 15% standard tax rate.
- The method for computing tax liability of a self-employed individual under the Current Payment System will be amended to cater for those persons who are subject to tax at the lower rate of 10%.
- Income tax liability of companies under the Advance Payment System due in November 2020 up to May 2021, to be deferred until 30 June 2021.
- Advance payment of personal income tax by self-employed individuals under the Current Payment System in the income year 2020/2021 to be deferred up to October 2021, that is at time of submission of their income tax return.



- The Tax Arrears Payment Scheme has been re-introduced. This scheme provides for the full waiver of penalties and interest where tax arrears, outstanding as at 31 October 2020 under the Income Tax Act, the VAT Act and the Gambling Regulatory Authority Act, are paid in full by 31 December 2021 and provided the taxpayer registers under the said scheme by 30 June 2021.

Taxpayers having assessments pending before the Assessment Review Committee, the Supreme Court or Judicial Committee of the Privy Council, and who wish to take advantage of the scheme, may do so by withdrawing the case before these institutions.

As regard SMEs, the scheme will remain open to them up to December 2021.

- The Arm's Length Test as provided for in the Income Tax Act applies to both domestic companies and Global Business Companies..
- A self-employed individual whose income does not exceed the Income Exemption Threshold will be required to file a simplified tax return.
- It will be possible for MRA to request information from taxpayers to be provided electronically. MRA will also be allowed to conduct virtual meetings with taxpayers through a teleconferencing device.
- The time limit of 30 days for MRA to issue a tax ruling shall run as from the date additional information sought by the MRA is received from the applicant.
- The types of records that a person in business should keep at its premises and make available for audit purposes to the MRA shall be stipulated in regulations.
- In order to improve exchange of information with Treaty partners, penalties will be introduced for companies which fail to comply with MRA requests relating to exchange of information.

Value-Added Tax Measures

- For companies registered with the EDB as holders of an Investment Certificate (more details on page 13), the payment of VAT on Plant, machinery, and equipment & Construction of purpose-built building and plant and equipment (excluding vehicles) for research and development:
 - Zero-rated for provision of healthcare, nursing and residential care services
 - Exempt for others
- VAT is payable on the transfer of a commercial or industrial building. It will be clarified that land duties and taxes will be levied on the value of the immovable excluding any VAT payable. This amendment will be backdated to take effect as from 1 January 2021.
- The time limit of 30 days for MRA to give ruling on VAT issues will run as from the date of submission of all documents and information requested by MRA.



- Provision will be made to allow a taxpayer to submit electronically any information requested by MRA.

Personal Tax Measures

Deductions

- It will be clarified that any financial assistance provided to a bedridden person under the National Pensions Act such as basic retirement pension, basic invalidity pension, carer's allowance and contributory invalidity pension will not be taken into account in determining his eligibility as a dependent.
- Individuals contributing to the COVID-19 Vaccination Programme Fund will be allowed to deduct the amount contributed from their taxable income at the time of submission of their income tax return. An individual may carry forward any unrelieved deduction in an income year for a maximum period of two successive income years.

Tax on Winnings

- The 10% tax imposed on winnings will cover also winners of Lotterie Vert.

Property Tax Measures

- It will be clarified that the tax on transfer of leasehold rights in State land payable on the transfer of shares in a company which holds such rights will be computed by reference to the percentage of shares transferred.

Financial Services Sector

- The Minister reiterated the Government's commitment to be fully compliant on AML/CFT matters and declared that the "Government is sparing no efforts to complete the implementation of the Financial Action Task Force ("FATF") Action Plan for an early exit of the FATF list of jurisdictions under increased monitoring". In this view, he announced that the AML/CFT Core Group will be given legal force under the Financial Intelligence and Anti-Money Laundering Act. A Financial Crime Commission will also be established, as well as a new Bank of Mauritius ("BOM") Bill and Banking Bill.
- The EDB will establish a dedicated commission for financial services to devise and monitor an effective and timely promotional and reputation management strategy for Mauritius as an International Financial Centre.
- Certificates of Good Standing, which are usually issued for Global Business Companies, will now also be issued for legal advisers and accounting firms.
- Licensees will be allowed to issue shares of less than 5% without the approval of the FSC unless such issue results in a change in control in the licensee.



- A Securitisation Bill will be introduced.
- A new Securities Bill will be introduced.
- A new legislation for virtual assets will be enacted.
- The BOM and the Financial Services Commission (“FSC”) will set up respectively an Open-Lab for banking and payment Solutions and a FinTech Innovation Lab to encourage an entrepreneurship culture.
- The FSC will also implement a digital centralised information exchange system to facilitate motor insurance claim recoveries.
- The FSC One platform will be launched as an online licensing portal as from 1st July 2021.
- The Stock Exchange of Mauritius will introduce rules for the setting up of Special Purpose Acquisition Companies.
- The BOM and the FSC will launch a one-year training programme on AML and related matters for a minimum of 100 graduates with a monthly stipend of Rs 15,000.
- It shall no longer be required to apply for Global Business licences when setting-up Family Offices.
- The Insurance Act will be amended to:
 - Allow the FSC to exempt, on specified conditions, a person categorised as a small private company from its reporting obligations and extend the time period for doing an act or thing required under the law.
 - Allow individuals and insurance agents categorised as small private companies to file their financial summaries in a specified format.
 - Require an insurer to ensure that its insurance agents are at all times in good standing in terms of fees and reporting obligations.
 - Cater for licensing and regulatory requirements for Third-Party Administrators.
 - Provide for the establishment of the National Insurance Claims Database for the purpose of promoting confidence in the insurance industry and ensuring the fair treatment of policy holders.
 - Require any Insurer providing motor insurance business to furnish information required by the FSC.



- The BOM and the FSC will:
 - Issue Regulatory Sandbox Licenses for activities falling under their respective purviews;
 - Set up a common platform for fitness and propriety of investors and professionals operating in the sector;
 - Revamp the existing framework for investment banking activities; and
 - Set up a single desk for all FinTech related applications

Measures for Doing Business

The Companies Act

- The definitions of “FIU” and “Suspicious Transaction Report” will be aligned with those of the Financial Intelligence and Anti-Money Laundering Act.
- In order to comply with the requirements of the FATF regarding the protection of companies from terrorist financing abuse, the following will be done:
 - introducing grounds on which the Registrar of Companies may refuse registration or serve a notice of intention to remove a company from the Register;
 - monitoring of company service providers and reporting of suspicious transactions;
 - sharing of information with law enforcement agencies and institutions involved in the prevention of money laundering, combating of terrorism financing and proliferation financing in Mauritius and abroad;
 - conducting outreach and educational programs;
 - effective supervision on all entities falling under the purview of the Registrar of Companies through the application of proportionate and dissuasive sanctions; and
 - protection of companies limited by guarantee from terrorist financing abuse by, amongst others:
 - a. authorising the Registrar of Companies to issue guidelines;
 - b. empowering the Registrar of Companies to conduct examinations and investigations; and
 - c. providing for sanctions for non-compliance and offences committed under the Companies Act.
- The requirement for a company to include certain information in relation to its subsidiaries in its annual report in line with the Code of Good Governance where disclosure is only for holding companies will be removed.



- A public company having not more than 50 members will be able to convert into a private company.
- Other categories of persons, including a representative of the company or any person qualified to act as company secretary under Section 165 of the Companies Act, will be allowed to request a current standing certificate.
- The restriction on companies limited by guarantee to not have more than 50 members will be removed.

The Foundations Act

The following amendments will be made to the Foundations Act in order to comply with the requirements of the FATF on:

- Protecting Non-Profit Organisations from being misused by terrorist organisations, by, amongst others:
 - Authorising the Registrar of Companies to issue guidelines;
 - Empowering the Registrar of Companies to conduct examinations and investigations; and
 - Providing for sanctions for non-compliance and offences committed under the Foundations Act;
- The grounds for removal of a foundation from the register kept by the Registrar of Companies non-filing of an amended Charter;
- The opportunity for foundations to take remedial actions when they have failed to meet disclosure requirements of beneficial ownership information;
- Undertaking of outreach and educational programs; and
- Sharing of information with law enforcement agencies and institutions involved in the prevention of money laundering and combating of terrorism financing and proliferation financing, in Mauritius or abroad.

Limited Liability Partnerships (“LLP”) Act and Limited Partnerships (“LP”) Act

- The above acts will be amended to provide that an LLP or LP may be removed from the register in case appropriate beneficial ownership information has not been provided to the Registrar.

Protected Cell Companies Act

- The Protected Cell Companies Act will be amended to extend the use of the Protected Cell structure to domestic companies and to include such other activities as may be prescribed.



The Financial Reporting Act

- The scope of sanctions against auditors will be extended and the fine increase to Rs 1 million and imprisonment to 5 years.
- An audit firm will be restricted from auditing the accounts of a listed company for a period of more than 7 years over an aggregated period of 10 years. Provision will be made to cater for an auditor who is already engaged with a listed company and for sanctions in case of non-compliance.
- The Financial Reporting Council will be empowered to compound offences with the consent of the Director of Public Prosecutions.
- The fine will be increased to Rs 500,000 for:
 - Failing to submit financial statements, annual report and report on corporate governance; and
 - Providing professional services while not being registered as a member firm.

Ease of Doing Business

- In order to build up on the significant progress made in recent years in terms of ease of doing business, the Minister announced the introduction of a Regulatory Impact Assessment (“RIA”) Bill. This legislation will require regulatory bodies, amongst others, to submit an impact of upcoming regulations on the business environment and an RIA Office will be established to oversee and monitor the quality of assessments. The ‘silence is consent’ principle may also be applied to certain licenses and permits.
- The Business Registration Act will be amended to cater for an electronic Business Registration Card.
- The EDB Act, the Business Registration Act and the Mauritius Revenue Authority Act will be amended to facilitate sharing of information between these agencies.
- The Mauritius Fire and Rescue Service (Fire Safety Plan and Fire Certificate) Regulations 2018 will be amended to review the types of premises and nature of business that should hold a fire certificate.
- Trade fee will no more be tagged to date of start of business but become due two Financial Years after registration of the business. Part of a Financial Year will be considered as one Financial Year. The Local Government Act will be amended so that trade fees payable with respect to classified trades do not apply to any person holding a Tourist Enterprise License and Global Business Companies not having a physical office in Mauritius.
- A notice-based registry for movable collaterals will be created and the legal framework to facilitate access to finance through movable assets will be reviewed.



- A Business Regulatory Review Council (BRRC) will be set up under the aegis of the Ministry of Finance, Economic Planning and Development (“MOFEPD”). Assisted by the EDB as its executive arm, the Council will have the mandate to address regulatory and administrative reform needs, advise Government on regulatory policy, and will have the power to recommend and instruct regulatory bodies for implementation.
- A Trusted Trader Programme will be introduced where importers with a good history of compliance will be able to register for a Certificate allowing them to import goods without the need for permits for each import.

Incentives

- Introduction of new incentives:

Investment Certificate	
Incentives	<ul style="list-style-type: none"> • 8-year tax holiday (New Companies) • Exemption from payment of Registration Duty and Land Transfer Tax for the purchase of immovable property for business purposes (New Companies) • Payment of VAT on Plant, machinery, and equipment & Construction of purpose-built building and plant and equipment (excluding vehicles) for research and development: <ul style="list-style-type: none"> ○ Zero-rated for provision of healthcare, nursing and residential care services ○ Exempt for others • 5% tax credit over 3 years in respect of capital expenditure incurred on new plant and machinery (manufacturing company only) until 30 June 2023. • Eligibility for schemes and services offered by the Industrial Financial Institution (Leasing)
Sectors / Activities Concerned	<ul style="list-style-type: none"> • Aquaculture • Industrial fishing • Seafood processing • High tech Manufacturing • Pharmaceutical Research and Manufacturing • Agro Processing • Food Processing • Healthcare, Biotechnology and Lifesciences • Nursing and Residential Care • Digital Technology and Innovation • Marina • Tertiary education • Seeds production • Others, as may be approved by the EDB



Export Development Certificate

Incentives	<ul style="list-style-type: none"> • 3% income tax on export of goods • Freight Rebate Scheme • Trade Promotion and Marketing Scheme • Subsidy on the cost of Credit Guarantee Insurance Premium • Preferential Port and Handling Charges
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Premium Investor Certificate

Incentives	<ul style="list-style-type: none"> • To be negotiated with EDB, recommended by Technical Committee and approved by the Minister of Finance on: <ul style="list-style-type: none"> ○ Land and Buildings ○ Infrastructure and public facilities ○ Supply of utilities and telecommunications facilities ○ Fiscal incentives ○ Other taxes, duties, fees, charges and levies ○ Labour requirements, including foreign labour ○ Permits and licenses ○ Training grants
Sectors / Activities Concerned	Minimum investment of Rs 500 million, except for pharmaceuticals.

- The eligibility criteria for the Export Credit Insurance Scheme will be extended to Freeport Operators heavily impacted by COVID-19. This proposal shall be effective up to June 2022.

Regulatory Sandbox licence

- The CEO of the EDB will be empowered to monitor businesses holding a Regulatory Sandbox licence to ensure that the licensee is complying with the terms and conditions of the licence.
- The monitoring and supervision of a licensee may be referred to such regulatory or other competent authority as may be determined by the technical committee.

Manufacturing

- A Trade Development and Intelligence Cell will be set up at the level of the EDB which will operate as a one stop desk for all trade related matters.
- The EDB will also introduce an Export Development Programme to improve export readiness of enterprises to tap into the potential under the new trade agreements.
- The Freight Rebate Scheme is being extended until June 2022.
- The maximum refund has been increased from 0.2 to 0.5% under the Export Credit Guarantee Scheme up to June 2022.
- The 50% reduction in port dues and terminal handling charges for export will be extended for 2 more years.



- Vessels calling at outer anchorage solely for bunkering services will be granted a 75% reduction in anchorage dues for the first 24 hours and 50% reduction for the next 48 hours.
- The cap on Gross Tonnage for computing vessel fees calling at anchorage will be reduced from 100,000 tonnes to 35,000 tonnes.
- The EDB will launch an e-export Directory to display to the world products manufactured by Mauritian entrepreneurs. The directory will be a matchmaking platform to facilitate movement of goods between Mauritius, Africa and Asia
- Third party freeport developers will be authorised to rent space to an enterprise outside the Freeport zone for manufacturing and storage of goods.
- Display showrooms will be added to the list of authorised Freeport activities.
- The minimum shelf space for locally manufactured products will be increased from 10% to 40% within a period of one year.
- In terms of procurement, the government shall also favour locally produced goods by increasing the bid price preference of 20% to 30% for products such as tea, fruit juices, margarine and medical gas produced locally and adopting a Mauritius First policy for the procurement of sanitisers, masks, PPEs, medical devices and medical gas, amongst others.

Assistance to SMEs

- The Income Tax Act will be amended to cater for the decision of Government to refund to an SME the salary compensation paid to its employees, that is a maximum of Rs 375 per employee monthly, for the period January to June 2021. The amendment will be effective as from 1 January 2021.
- The exemption on trade fees not exceeding Rs 5,000 will be extended for an additional 5 years.
- An amnesty on trade fees and related penalties and interests that were due before 1st January 2020 will be granted.
- An SME which is an export-oriented enterprise will be refunded a maximum of Rs 235 per employee monthly.
- The maximum salary compensation of Rs 375 will be extended for the period 1 July 2021 to 30 June 2022.
- This assistance is not payable to an SME for a particular month if it has benefitted from the Wage Assistance Scheme in that month.



- The DBM Ltd will:
 - Provide a rebate of up to 30% on the annual rental of industrial space to SMEs engaged in the manufacturing sector over the next 3 years.
 - Construct an SME Industrial Park of 5,000 square metres at Solferino in addition to Plaine Magnien and Vuillemin.
 - Allocate 20% of spaces in these upcoming parks rent-free to start-ups for the first three years of operation.
- SMEs will also be eligible to the following loan schemes from the DBM:
 - Rs 100,000 interest free loan for cashflow issues; and
 - A 0.5% COVID-19 Special Support Scheme of up to Rs 1 million.
- The DBM will earmark an amount of Rs 1 billion to provide loan facilities of up to Rs 5 million to retailers with turnover of up to Rs 250 million at a concessional rate of 3.5% per annum.
- The EDB will set-up an online marketplace for start-ups to showcase their products and services.

Other Measures

- The Business Registration Act will be amended to provide for the payment of a fee for amendments to a business registration card.
- The Food Act will be amended to cater for the recognition of private food testing laboratories, accredited either by MAURITAS or international accrediting bodies, to perform analysis of food or microbiological examinations of food, in order to determine the fitness of food.

Occupation Permits, Permanent Residence Permits, Work Permits and Premium Visa

Occupation Permits

- The validity period for OPs for Professionals is being extended from 3 years to 10 years.
- Spouses of OP holders wishing to invest or work in Mauritius will be exempted from applying for an OP or a work permit.
- The maximum age limit of 24 years for dependents will be waived.
- A new category of OP will also be introduced, namely the 10-Year Family Occupation Permit for those contributing USD 250,000 to the COVID-19 Projects Development Fund.
- The EDB will set up a dedicated concierge service to provide a seamless experience to investors and retirees entering Mauritius.



- A privilege club scheme will be implemented providing a range of incentives to OP holders and retirees, ranging from privilege access to hotels, golf courses, restaurants, private medical institutions, amongst others.
- A Smart Card will replace the current paper-based Occupation Permit.
- The EDB will partner with an international firm with expertise in residency planning to promote and attract more High Net Worth Individuals to Mauritius, including investors, professionals, and retirees.
- EDB will develop a dedicated website for marketing the different residency schemes available for non-citizens, fitted with systems for applying relevant residency permits.
- Non-citizens holding an Occupation Permit as a Professional will be given the flexibility to switch job without having to submit a new application provided the minimum criteria are met.
- Non-citizens holding an OP as self-employed will be allowed to incorporate a one-man company and employ administrative staff.
- The criteria for young professional Occupation Permit will be reviewed and the list of qualifying activities will be removed.
- Where an application for an Occupation Permit requires views and recommendations of a ministry or public sector agency, the latter shall within 5 working days from the date of a request from EDB submit its views or recommendations to the EDB. Where no reply is received within the set timeframe, it shall be considered there is no-objection from the Ministry or public sector agency. The Economic Development Board Act will be amended accordingly.
- The monthly salary applicable for an Occupation for professionals in financial services will be brought down to Rs 30,000. However, this will be limited only for fund accounting and compliance services by a company holding a license from the FSC, and the professional will need to have at least 3 years relevant work experience.
- The requirement for OP applicants to arrive in Mauritius on a business visa to be issued with a permit be waived. A non-citizen will be eligible for an OP irrespective of his visa category when he arrived in Mauritius.
- A non-citizen who purchases or otherwise acquires an apartment used, or available for use, as residence, in a building of at least 2 floors above ground floor, provided the purchase price is not less than USD 375,000 will be issued with a residence permit, including for his dependents, and exempted from the requirement of a work or occupation permit.
- The Economic Development Board Act will be amended to finetune its registration and deregistration process. Consequential amendments will be made to the Immigration Act and other relevant legislations.



Permanent Residence Visas

- Holders of a 10-Year Permanent Residence Permit will have the validity automatically extended to cover a 20-Year period.
- Holders of a Permanent Residence Permit will be able to renew their permits and they will be given the flexibility to switch category between investor, professional and retired.

Work Visa

- The Work Permit will be extended allowing Mauritians and non-citizen residents to bring foreign carers and maids to work in Mauritius.
- The legislative framework will be amended to include MOFEPD in the delivery process of work permits.

Premium Visa

- It was clarified that, effective from 1 November 2020, holders of a Premium Visa spending 183 days or more in the Republic of Mauritius, will be subject to income tax as follows:
 - the Mauritian-sourced income of a Premium Visa Holder (e.g. emoluments for work performed remotely in Mauritius) will be taxed on a remittance basis, that is in the same manner as foreign-sourced income;
 - money spent in Mauritius through the use of foreign credit or debit cards by the holder of a Premium Visa will not be deemed to have been remitted to Mauritius; and
 - income brought and deposited in a bank account in Mauritius will be liable to tax except if a declaration is made by the holder of a Premium Visa that the required tax has been paid thereon in his country of origin or residence.

International Students

- International students enrolled in a recognised educational institution in Mauritius will benefit automatically from:
 - A 20 hours per week work permit; and
 - A 10-Year renewable Young Professional Occupation Permit upon graduation.



Other Measures

Environmental Measures

- The Minister announced the development of a new economic growth pole - the Green Energy Industry.
- The Minister announced the Government's intention to produce 60% of the country's energy needs from green sources by 2030 and that the use of coal will be totally phased out before 2030.
- The Central Electricity Board shall invest about Rs 5.3 billion over the next 3 years in the development of green energy power production.
- The 5% excise duty on electric vans of up to 180kW used solely for the transport of goods will be abolished.
- A motor vehicle with an internal combustion engine and electric assistance for propulsion, other than one charged by plugging to an external source, will be subject to the same rate of excise duty as a hybrid motor vehicle.
- Owners of electric vehicles, be it households or businesses, will be allowed to install a photovoltaic system not exceeding 10 kW to charge their vehicles and export any surplus to the grid.
- Waiver of 50% registration duty payable to the Registrar-General's Department on the first registration of an electric autocytle/motorcycle purchased before 31 March 2021.
- Improved subsidies were introduced for the purchase of electric buses and 25 electric buses will be acquired by the national bus operator.
- A scheme to encourage private investment in fast charging infrastructure points across the island will be set-up.
- Importation of non-inverter type air conditioners will be banned in a phased manner by 2024, starting with those with capacity of at least 36,000 BTU as from January 2022.
- The Energy Efficiency Management Office will issue guidelines for the proper installation and maintenance of air conditioners.
- The existing ban on importation of incandescent light bulbs of at least 75 watts will be extended to all incandescent light bulbs used for general lighting.
- All public institutions will be required to reduce their electricity consumption by at least 5% of its current electricity consumption.



- Guidelines will be established under the Environment Protection Act for better management of electronic and electrical wastes in close partnership with private sector organisations

Banking Sector

- The monetary thresholds for submission of information by banks, non-bank deposit taking institutions, insurance companies and money changers to the MRA through a statement of financial transactions will be reduced by half.
Thus, a bank or a non-bank deposit taking institution shall report to the MRA a deposit made by an individual, a société or succession exceeding Rs 250,000 or deposits exceeding in the aggregate Rs 2 million in a year. As regards a corporate, the threshold will be Rs 500,000 and Rs 4 million respectively.
A money changer or an exchange dealer shall report any foreign currency transaction equivalent to Rs 100,000 or more. An insurance company, on its part, shall disclose to the MRA, insurance premium exceeding Rs 250,000 paid in respect of a person.
- The BOM will enlist the services of an international consulting firm to chart the strategy for the 'Future of Banking' in and from Mauritius.
- The BOM will roll-out a Central Bank Digital Currency – The Digital Rupee - on a pilot basis.
- The BOM will introduce a dedicated QR Code at national level to facilitate digital payments.
- The BOM guidelines allowing the setting up of regional offices by international banks will be revamped in line with latest international trends.
- The Mauritius Credit Information Bureau will be empowered to provide credit scoring as a value-added service.
- The BOM will be authorised to regulate and supervise financial institutions or start-ups providing relevant services under the FinTech Regulatory Sandbox licence issued by the BOM.
- The BOM will be authorised to open accounts for persons licensed under the National Payment Systems Act or for such other persons as may be required.
- The Bank of Mauritius will:
 - issue a new guideline in respect of the usage of Application Programming Interface (APIs) to support open banking initiatives;
 - establish a Climate Change Centre under its Sustainability Agenda in line with latest practices at foreign Central Banks;
 - have the mandate of the Macro-Prudential Authority of Mauritius; and
 - be empowered to set up a centralised bank account holders registry so as to facilitate investigations into serious financial crimes.



Inter-Agency Exchange of Information

- Various amendments will be made to different laws to allow for exchange of information between different agencies / supervisory bodies.

Hotel Industry

- As from the 15th of July 2021, Mauritius will be open to all vaccinated visitors for resort tourism. A tourist will be allowed to leave the hotel after 14 days with a negative PCR test. As from the 1st of October 2021, subject to preconditions being met, all vaccinated tourists with a negative PCR test will be allowed on the Mauritian territory without any restrictions.
- The limit for the sale of units in an approved hotel development under the Invest Hotel Scheme will be increased from 60% to 80% of the total number of units in the hotel. The Invest Hotel Scheme will allow owners to occupy their units for a total period of 180 days instead of 90 days in a year. In the case of owners holding a Premium Visa, there will be no restriction in terms of the number of days that they can occupy their units.
- Extension of the Wage Assistance and Self-Employed Assistance Scheme to tourism-related companies for the three-month period up to September 2021.
- Deferred payment of lease on state lands to June 2022.
- The rate of tax on transfer of leasehold rights will be halved for hotels built on State lands and in financial distress. Thus, the current tax rate of 20% payable equally by the buyer (10%) and the seller (10%) will be reduced to 5% each. This reduction will apply for a period of 2 years starting as from 1 July 2021.
- Waiving of the rental fee of counters by hotels and operators at the airport for the period April to September 2021.
- Reduction of the registration tax on transfer of lease of state lands from 20% to 10% for hotels for a two-year period.
- The Development Bank of Mauritius will introduce a Tourism Business Continuity loan for SMEs at a rate of 0.5% per annum.

Property Acquisition Schemes

- Registration duty on the sale of an IRS or RES residential property will be levied at the rate of 5% or USD 70,000 whichever is the lower. Certain provisions of the repealed IRS and RES regulations will also be reinstated to enable sale of remaining immovable property in those projects.
- The sale of a residential unit in a project developed on State land relating to senior living under the PDS will be exempted from the payment of tax on transfer of leasehold rights in State lands.



- The promoter of a project under the Smart City Scheme is presently allowed to sell one plot of serviced land not exceeding 2,100 m² to a non-citizen holder of Occupation permits, Permanent Residence Permit or a Residence Permit. The time limit will be extended up to 30 June 2024 instead of 30 June 2022. This measure will also be extended to the PDS. The non-citizen will have to complete the construction of a residential building within a period of 5 years. The total area of all plots of serviced land for sale should not exceed 25% of the land area planned for the construction of residential properties.

Home Ownership

- A Home Ownership Refund Scheme will be introduced whereby a Mauritian Citizen acquiring, in financial year (FY) 2021-2022, a house, an apartment or bare land to construct a residential unit will be eligible to a payment representing 5% of the declared value of the immovable property up to a maximum of Rs 500,000 per property acquired.
- Those contracting a home loan to construct their residence will benefit from a refund of 5% of the loan, up to a maximum of Rs 500,000.
- The exemption of registration duty for first time buyers shall apply on the first Rs 5 million of the cost of a built-up residential property.
- The construction of 12,000 social housing units was also announced.
- Government will work with commercial banks to introduce a mortgage scheme to cover:
 - 80% of housing loans for Self-Employed individuals and contractual employees; and
 - 100% of housing loans for other individuals.

ICT Sector

- A Digital Industries Academy will be set up by the EDB. Trainees will benefit from a total stipend of up to Rs 15,000 equally shared between HRDC and the private sector.
- Digital transformation initiatives and business advisory services will be eligible activities under the training fund of the Human Resources Development Council.
- Government will introduce mobile and contactless payment systems, starting with the Registrar-General, NLTA and the Companies Division.



Construction Sector

- The grading structure and grade ceilings for contractors will be reviewed to a 3-tier grading structure, from Small to Large to allow contractors to venture into bidding for higher value projects. The revised grading designation and value of contract which a contractor is allowed to undertake will be as follows:

Grading Designation	Value of contract which a contractor is allowed to undertake (Exclusive of VAT)
Large	Up to any amount above Rs 500 million
Medium	Up to Rs 500 million
Small	Up to Rs 10 million

Blue Economy

- The Mauritius Oceanography Institute will launch an expression of interest in collaboration with the EDB for strategic alliance in the field of marine exploration, characterisation and commercialisation. A partnership framework will be devised to ensure protection of Intellectual Property and genetic assets in Mauritius.
- Various measures were announced by the Minister to aid fishermen and attract new operators in the sector.

Infrastructure Developments

- An impressive list of infrastructure developments was announced by the Minister for a total investment of about Rs 65 billion over the next 3 years, as follows:
 - Rs 11.7 billion for a National Flood Management Programme;
 - Rs 12 billion for the Construction of 12,000 Social Housing Units;
 - Rs 4 billion for projects under the Economic Recovery Programme;
 - Rs 9.4 billion for the construction of Rivière des Anguilles Dam and its Treatment Plant;
 - Rs 5.7 billion for Community Development Projects; and
 - Rs 22 billion for land transport projects including roads and the Metro Express.

Education

- An envelope of Rs 17 billion was allocated to the education sector to allow for the construction, embellishment and upgrading of schools and the recruitment of additional officers.

Healthcare

- Rs 14.5 billion were earmarked for the public health budget for the construction of new hospitals and other health care centres and the acquisition of medical equipment.



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