

BUDGET BRIEF

2026-2027



EDUCATION

Investing in skills and future generations



HEALTHCARE

Building a healthier nation



NATIONAL BUDGET MAURITIUS



TRANSPORT

Building better connections



ECONOMIC GROWTH

Creating jobs and opportunities



ENVIRONMENT

Protecting our natural heritage



SOCIAL SECURITY

Supporting families and communities



DIGITAL TRANSFORMATION

Innovating for a smart Mauritius

DISCIPLINE TO MEET AMBITIONS

The FY2026/27 Budget seeks to balance fiscal consolidation with a future-ready growth agenda, set against external shocks, geopolitical uncertainty, climate risks and demographic pressures. Built around the guiding principles of responsibility, solidarity, economic efficiency and social justice, the Budget strategy is framed around AI and digitisation, start-ups and SMEs, expansion of economic space, modernisation of core sectors, development of the blue economy and easing of investment constraints.

The economy enters the year with positive momentum. In 2025, GDP expanded by 3.2%, inflation fell to 3.7%, unemployment declined to 5.7%, gross official foreign currency reserves reached USD 10.3 billion, tourist arrivals exceeded 1.4 million, and tourism earnings reached Rs.103.4 billion.

The fiscal position remains the binding constraint. The FY2025/26 deficit is estimated at 6.0% of GDP, public sector debt at 87.8% of GDP, and interest payments at Rs 26.9 billion, representing 10.7% of total Government expenditure. The Budget projects a deficit of 3.7% of GDP in FY2026/27, public sector debt of 85.5% of GDP by end-June 2027, and a debt ratio below 80% of GDP by June 2029.

The defining structural reform is pensions. The Speech states that the existing system had become a major component of Government expenditure, accounting for nearly 25% of expenditure in FY2024/25, while the worker-to-pensioner ratio declined from 16 in 1962 to 4.7 in 2025, with further projected declines. The reform introduces the State Age Pension, a means-tested structure and a revamped contributory retirement framework.

Alongside consolidation, the Budget retains household-facing measures, including the Purchasing Power Shield, food security, access to water, energy security, unchanged VAT rate, and additional support for vulnerable groups. The Budget therefore sets out a reform path built around fiscal repair, economic modernisation and social protection. Its effectiveness will depend on implementation discipline, institutional capacity and the ability to sustain reforms as trade-offs become more visible.

4 ECONOMIC HIGHLIGHTS

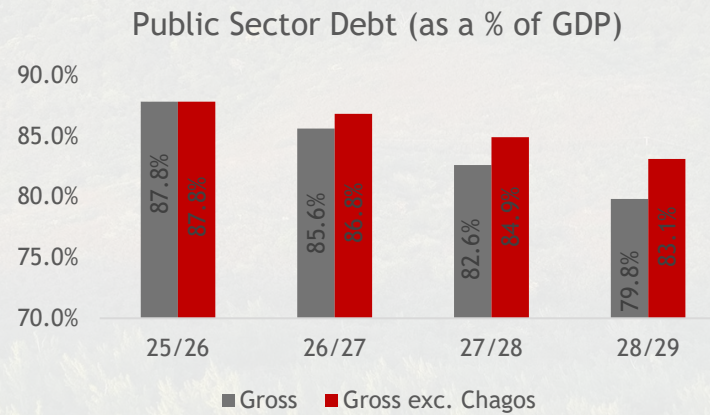
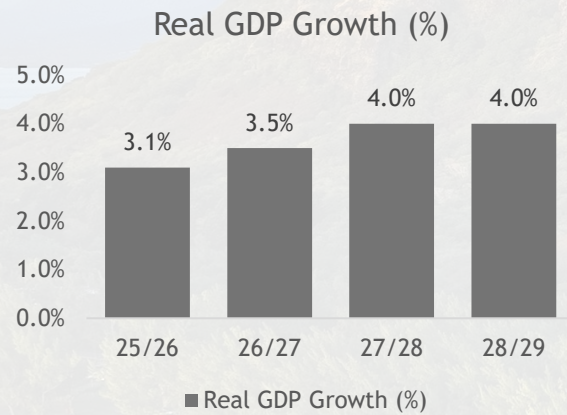
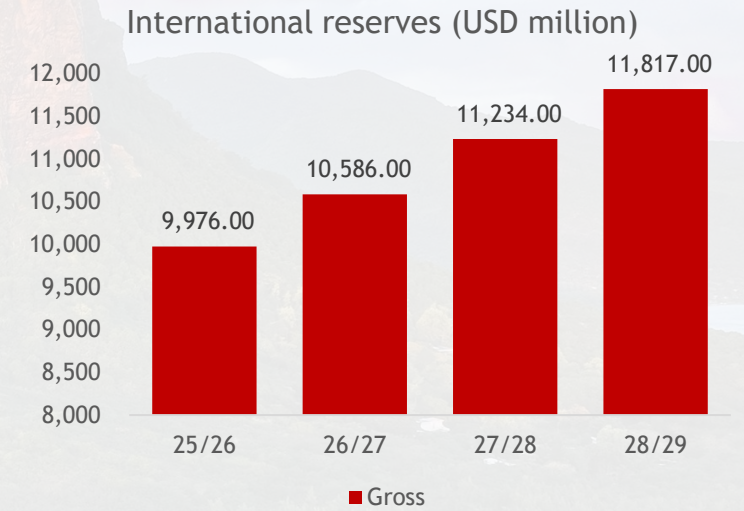
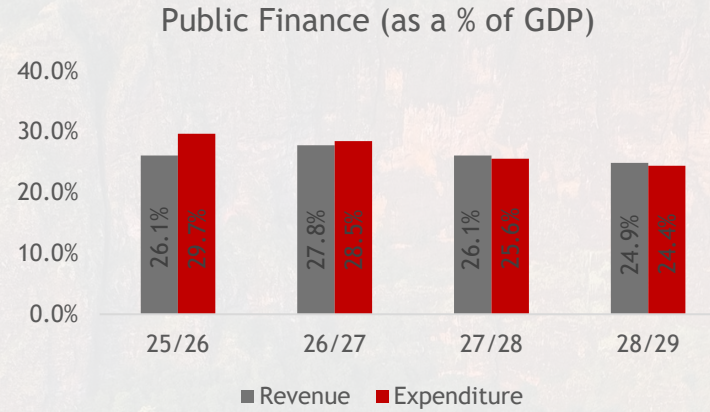
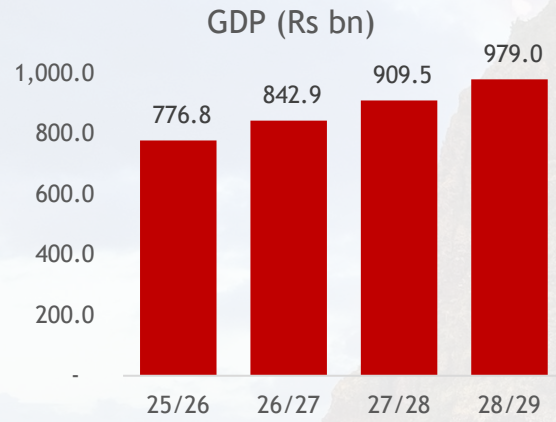
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[BDO Budget 2026-2027 AI Navigator](#)





GROSS DOMESTIC PRODUCT
(Rs.842.9 billion - 2026/2027)

INFLATION
(4.2% - May 2026)

The Budget in numbers

Rs 203.6bn

FY 2025/26 revenue

Rs 250.1bn

FY 2025/26 expenditure

6.0%

FY 2025/26 deficit (% of GDP)

Rs 235.5bn

FY 2026/27 revenue

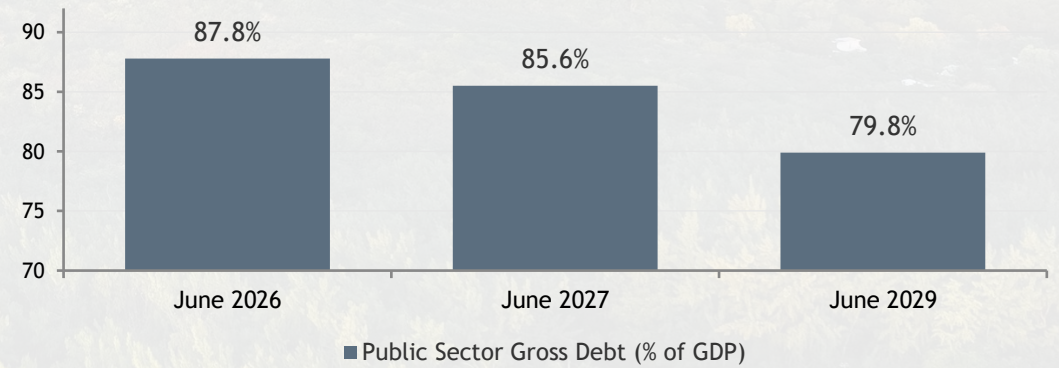
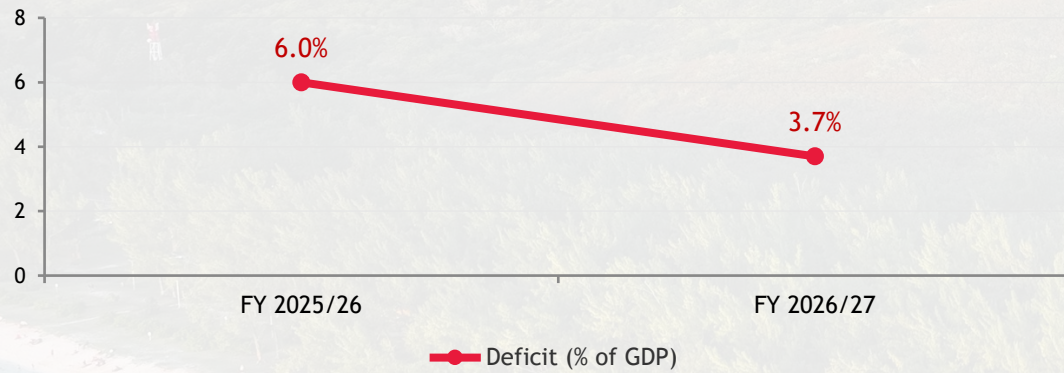
Rs 266.7bn

FY 2026/27 expenditure

3.7%

FY 2026/27 deficit (% of GDP)

Fiscal path – deficit & public debt (% of GDP)



Source: Budget Speech 2026-2027 & Budget Annex 2026-2027. June 2029 debt shown as <80% target.

Future Ready Economy

Pillar 1 - Leveraging AI and Digitalisation

- ▶ AI Infrastructure and Connectivity
 - Participation in Google's America-India Connect subsea connectivity initiative.
 - Strengthening digital connectivity with routes towards South Africa, India, and Singapore.
 - Engagement with American and European AI and cloud companies to explore opportunities for AI infrastructure and AI-enabled services.
- ▶ AI in Education
 - Training and AI tool access for 8,000 secondary school teachers.
 - AI-enabled learning tools for 12,000 Grade 9 students.
- ▶ AI Skills Development
 - Training 25,000 Mauritians in practical AI skills.
 - Training 5,000 public officers in responsible AI use.
 - Total of 50,000 Mauritians to be trained or enabled in AI within one year.
- ▶ Champion of AI Programme
 - Launch of an AI programme with support from India.
 - Develop AI leaders to promote responsible AI adoption and transformation.
- ▶ AI Learning and Innovation
 - Rs.25 million allocated for a National AI Learning Platform.
 - AI training, certification, and innovation start-up support.
 - Upgrading of the Digital Interactive Virtual Assistant platform.
- ▶ Responsible AI and Cybersecurity
 - National AI Guidelines for higher education and civil service.
 - Rs.13 million allocated for:
 - Cyber Forensic Laboratory.
 - National Cybersecurity Survey.
 - Government Information Security Management Systems.

Pillar 2 - Unleashing a Start-Up Revolution and SMEs' Potential

- ▶ Regulatory and Institutional Support
 - Introduction of a Start-Up Act.
 - Creation of a Start-Up Hub in the Côte d'Or Special Economic Zone.
 - Establishment of a public-private Start-Up Council.
 - EDB Accelerator Scheme.
 - Digital patent management system.
 - Dedicated start-up labour framework.
 - Fiscal Incentives.
 - 10-year income tax holiday for start-ups.
 - Innovation Scholarship.
 - Seed funding of up to Rs.500,000 for 10 university students.
- ▶ SME Support
 - Introduction of an SME Bill.
 - Extension of customs duty exemption on eligible utility vehicles.
 - Creation of a single digital platform providing information on grants, tax incentives, financing facilities and support schemes.

Pillar 3 - Expanding and Modernising Economic Space

- ▶ Côte d'Or High-Tech SEZ
 - Development of an 83-arpent high-tech SEZ.
 - Target to double exports from USD 1.5 billion to USD 3 billion within five years.
- ▶ Port Development
 - USD 1 billion Island Container Terminal Project under India-Mauritius cooperation.
 - Second licence for an international operator in container handling, bunkering and transshipment.
 - Additional port projects worth approximately Rs.7 billion.

- ▶ **Airport Modernisation**
 - Rs.2.7 billion investment in airport expansion and modernisation.
 - Introduction of biometric e-Gates.
- ▶ **Road Infrastructure**
 - Rs.2 billion for the M4 Motorway linking Forbach to the airport.
- ▶ **Circular Economy: Waste-to-Wealth Strategy**
 - Rs.150 million for enhanced waste management.
 - Introduction of a Circular Economy Bill.
 - Regulatory framework for waste-to-wealth activities.

Pillar 4 - Re-Engineering Major Existing Sectors

- ▶ **Manufacturing**
 - Introduction of an Industry Bill to provide for a modern legislative infrastructure.
- ▶ **Agriculture: Sugar Industry**
 - Rs.100 million annually for three years to rehabilitate 500 hectares of land.
 - Target sugar production of 250,000 tons by 2030.
- ▶ **Agriculture: Tea Industry**
 - 50% grant for tea replantation costs (up to Rs.25,000 per arpent).
 - Target 50% increase in tea production by 2029.
- ▶ **Agriculture: Agroforestry**
 - Implementation of an agroforestry project to strengthen food security.
- ▶ **Livestock: Investment Measures**
 - Rs.45 million for breeding and reproduction farms.
 - Rs.75 million subsidy on purchase of animal feed.
 - Rs.27 million incentive for purchase of animals and equipment.
 - Rs.50 million for a modern veterinary hospital.

- ▶ **Banking and Financial Services**
 - Establishment of a National Crime Agency.
 - Enhanced financial crime and virtual asset investigations.
 - National cyber fraud reporting mechanism through CERT-MU.
 - Cybersecurity Threat Intelligence Sharing Platform for banks.
- ▶ **Banking Reform**
 - Introduction of Bank of Mauritius Bill, Banking Bill and Resolution Regime.
- ▶ **Construction Industry**
 - Amendment of legislation to enforce a Green Building Code.
 - Promotion of power-producing buildings.
- ▶ **Tourism**
 - Implementation of tourism diversification and sustainability blueprint.
 - Focus on nature-based tourism, cultural tourism, wellness tourism and community tourism.
 - Enhancement of Rodrigues as a destination through a new runway.
 - Encourage development of Eco-Integrated Tourism Villages.
 - Rs.1 billion allocated to reposition Mauritius as a diverse year-round destination.
 - Revamp of École Hôtelière Sir Gaëtan Duval.
 - Introduction of an E-Visa application system.
- ▶ **Creative Industries: Support for Artists**
 - Legal recognition of artists as cultural workers.
 - Establishment of an Artistic and Cultural Hub.
 - Rs.30 million to launch a Creative Arts Programme.
 - Preparation for Biennale de l'Océan Indien 2027.
 - Rs.100 million for rehabilitation of National History Museum.
 - Rs.124 million for upliftment of Le Morne Cultural Landscape.
 - Creation of a dedicated heritage management vehicle.
 - Revamp of the National Heritage Fund.

Pillar 5 - Unleashing the Potential of the Blue Economy

- ▶ **Oceanic Research: Research and Innovation**
 - Establishment of the International Centre for Ocean Studies (ICOS) at the University of Mauritius.
 - Development of a hydrography regulatory framework.
 - Creation of a Mauritius Ocean Technology Incubator.
- ▶ **Fisheries and Aquaculture**
 - Support for artisanal fishers.
 - Development of 28 fish farming zones and 6 barachois.
 - Consideration of a new fishing port with modern facilities.
- ▶ **Food Security Measures**
 - Incentives for bank fishing, semi-industrial fleets, smart fish aggregating devices and tuna fisheries.
- ▶ **Production Targets**
 - Increase local fish production from 5,000 tons to 15,000 tons within three years.
- ▶ **Aquaculture Support**
 - Programme for high-value aquaculture species and seaweed farming.
 - 30% freight rebate on approved aquaculture feeds.
 - Rs.41 million for two high-capacity hatcheries at Albion Fisheries Research Centre.

Pillar 6 - Addressing Investment Constraints

- ▶ **Ease of Doing Business**
 - Comprehensive review of licensing and permit procedures.
 - Introduction of a Business Facilitation Bill.
 - Adoption of the principle of silent agreement.
- ▶ **AI-Driven Investment Services**
 - AI-powered multilingual chatbot on the National Electronic Licensing System.
 - AI support tools at the Financial Services Commission.
- ▶ **Labour Market Strategy**
 - Comprehensive migration policy to attract foreign talent and address labour shortages.
 - Creation of a National E-Diaspora Platform.
 - Public procurement reforms to engage diaspora experts.
 - Integration into the National Qualifications Framework.
 - HRDC Skills-Interface Platform linking employers, trainers, and government.
 - Sectoral and national skills intelligence studies.
 - National Skills Development Programme stipend increased from Rs.8,000 to Rs.10,000.
 - Graduate Training for Employment Skills support increased from Rs.100,000 to Rs.120,000 and monthly stipend cap increased from Rs.10,000 to Rs.12,000.

Four priority national flagship projects for future Mauritius

Flagship 1 - Purchasing Power Shield

- ▶ STC will purchase essential consumer goods in bulk which will be sold at controlled profit margins to achieve price reductions.
- ▶ Uplift of Rs.2 billion to the existing Price Stabilisation Fund to reach Rs.12 billion.
- ▶ Extended subsidies on consumer goods to achieve lower prices e.g. Corned Mutton, Corned Beef, Canned Tuna, Infant Food, Macaroni, Black Lentils, Red Lentils, Red Beans and Luncheon Meat will be subject to extended subsidies.
- ▶ Laws, Framework / Review of Framework:
 - New law on Abusive Pricing.
 - New framework for Parallel Import.
 - Retail sector Framework will be reviewed.
 - Introduction of an e-commerce Bill.

Flagship 2 - The 25by35 Food Security Project

- ▶ Aim to produce at least 25% of Mauritius food requirements through local production by 2035.
- ▶ Amendment of the Food and Agricultural Research and Extension Institute Act 2013 for better implementation of the Food Security Project.
- ▶ Introduction of Food Security and Nutrition Bill.
- ▶ Land allocated to food production be increased to 25,000 arpents by 2035.
- ▶ Fast-track the recruitment of foreign skilled labour in agriculture.
- ▶ Investment in a National Food Reserve Storage Facility.

Flagship 3 - Improve Access to Water for All

- ▶ Rs.175 million allocated to 11,000 households to support continuous water supply.
- ▶ Rs.6.4 billion allocated to expand water catchment capacity:
 - Construction of Riviere des Anguilles dam.
 - Drilling of 20 more boreholes.
 - Pipe replacement.
 - Construction of 15 more containerized pressure filtration units.

Flagship 4 - Building Energy Secure Mauritius

- ▶ Objective is to achieve 60% renewable energy mix by 2035.
- ▶ Beneficiary households to benefit from 100% of electricity generated from Solar PV kits instead of 50%.
- ▶ Feed in tariff for export to the grid will increase by 15% (Rs.4.20 to Rs.4.83 per unit).
- ▶ Upon installation of battery paired Solar PV systems, households will benefit from a grant of 25% of the cost of investment up to a maximum of Rs.75,000.

Strengthening the Social Compact for a Future Ready Mauritius

Inclusive Education

- ▶ Increase in budget of the Ministry of Education and Human Resources and Ministry of Tertiary Education, Science and Research by Rs.2.6 billion.
- ▶ Rs.133m for the acquisition of textbooks and learning materials and setting up of 3 new MITD multi-sector Training centres.
- ▶ Basic Literacy and Numeracy Programme for Grades 1 and 2.
- ▶ Introduction of Technical Education Applied Pathway in Grades 10 & 11, to provide practical, competency-based subject, aligned with Labour Market needs.
- ▶ Rs.10m for anti-bullying campaign in schools.
- ▶ New framework for world class universities to operate domestically.
- ▶ Centralised “Study in Mauritius” Portal.
- ▶ Foreign students to take up part-time employment for up to 30 hours a week instead of 20.
- ▶ Post-study work visas for foreign graduates to address skills gap.
- ▶ Organisation of higher education fairs in collaboration with EDB.
- ▶ Online Student Visa to be developed on the existing National Electronic Licensing System.
- ▶ Rs.824m for improvement and expansion of infrastructure and amenities in schools from pre-primary to tertiary.

Healthcare Investing in Wellbeing and Better Services

- ▶ Recruitment of 2,220 medical and paramedical staff.
- ▶ Visiting Doctor Scheme - Rs.40m to enable international high calibre consultants/specialists to work in public healthcare services.
- ▶ Training of medical practitioners in Anaesthesia, Reanimation, Radiology, Emergency Medicine, Medical Technologists and nurses.
- ▶ Comprehensive Health Literacy Programme to be implemented in schools.
- ▶ National Programme to promote healthy nutrition, physical activity and stress management.

- ▶ Rs.40m to re-engineer Diabetes Prevention and Treatment.
- ▶ Scale up production and release of sterile mosquitoes from 100,000 to 400,000 weekly.
- ▶ Fixed penalties for illegal or improper disposal and storage of wastes.
- ▶ Rs.1.5bn to modernize and expand healthcare infrastructure.
- ▶ Centre of Excellence in Cardiometabolic Care and Research will be established to tackle obesity, diabetes and cardiovascular diseases.
- ▶ Healthcare Innovation and Artificial Intelligence Unit to implement new technologies, improve efficiency and strengthen healthcare delivery.

Housing for Low and Middle-Income Families

- ▶ Rs.2bn for off-site infrastructure under Phase one of the 8,000 social housing project.
- ▶ Partnership with the private sector to deliver mixed-income housing projects.
- ▶ 1,000 Housing units for middle-income families on state lands.
- ▶ Rs.150m for implementation of 100 serviced plots with essential infrastructure
- ▶ First time buyer exemption on registration duty increased by Rs.500,000 on acquisition of bare land and Rs.1m on acquisition of a house or apartment. Exemption extended to agricultural land.
- ▶ No leases granted authorizing sale of apartments on state lands and Pas Géométriques under G+2 Scheme.

Ageing with Dignity

- ▶ Introduction of a Retirement Savings Bond with interest up to 6%.
- ▶ Rs.10m to improve infrastructure and facilities in Recreation Centres.
- ▶ 2 geriatric wards in each regional hospital dedicated for acute care of the elderly.

Poverty Reduction

- ▶ Threshold for eligibility under the SRM system to increase from Rs.14,000 to Rs.16,400 in July 2026 and Rs.17,500 in July 2027.
- ▶ Re-establishment of National Initiative for Civic Education (NICE).

Strengthening The Nation Through Sport

- ▶ Rs.110.5m for athletes to participate in 4 major international games.
- ▶ 2 new swimming pools at Triolet and Flacq and upgrading of 2 stadiums.

Upgrading Public Services

- ▶ Rs.10m for assessment to enhance access to public services.

Law and Order

- ▶ Rs.14.2bn to uphold law and order.
- ▶ Rs.125m to modernize fleet of vehicles and Rs.531m for acquisition of equipment to strengthen operational capacity of the Mauritius Police Force.
- ▶ Rs.200m to set up National Crime Agency.
- ▶ Restructuring of Community Policing.
- ▶ Intensification of preventive patrols, expansion of Safe City surveillance and targeted operations.
- ▶ Comprehensive awareness campaigns on cyber-related crimes.
- ▶ Rs.80m for National Agency for Drug Control (NADC) for a national awareness campaign, introduction of an Early Warning system and provision of information and intelligence to Government.

- ▶ Rs.50m to each Ministry for fight against drug trafficking and substance abuse.
- ▶ Criminalisation of a broader range of synthetic drugs.
- ▶ Island-wide consultation for use of cannabis undertaken by NADC.
- ▶ Rs.436m to revamp the ADSU.
- ▶ Strengthening of financial intelligence and use of advanced analytics to track suspicious financial flows, by ADSU.
- ▶ Ad-hoc allowance to ADSU officers increase from Rs.2,000 to Rs.5,000.
- ▶ Rs.85m for advanced drug analysis equipment to strengthen capacity of the Forensic Science Laboratory.
- ▶ Rs.72.5m for acquisition of fast interceptor boat and vehicle scanning machine.
- ▶ Roll out of National Prevention and Rehabilitation Programme by NADC.
- ▶ Conversion of a wing of the old Flacq hospital into a rehabilitation centre.
- ▶ 24/7 National Drug Hotline to be established under NADC.
- ▶ Rs.15m for appointment of additional court officers, administrative and technical staff.
- ▶ Former Supreme Court building will be revamped and will house new Court of Appeal.
- ▶ New procedures for early disposal of minor criminal matters.
- ▶ Setting up of criminal court to expedite hearings when defendant has pleaded guilty.
- ▶ Set up of e-judiciary platform.
- ▶ Set up of National Maritime Information Sharing Centre in collaboration of Government of India.
- ▶ Rs.2.3 billion is being provided to enhance maritime surveillance and reinforce our territorial integrity and economic security.
- ▶ Coastal Surveillance Radar System, an Offshore Patrol Vessel, four heavy-duty boats and four light utility helicopters will be acquired for the Police Force.

Gender Equality, Empowerment And Child Protection

- ▶ Extension of National Gender Policy across all sectors.
- ▶ Rs.5m for incubator for Women under the SME scheme.
- ▶ Legislation for a minimum 25% female representation on boards of parastatal bodies.
- ▶ Women applying for loan will not longer need spousal consent.
- ▶ She-Invents Programme to be set up for further promote women in research and innovation.
- ▶ New Domestic Abuse Bill to strengthen protection orders.
- ▶ Gender-Based Violence Coordination Committee will be set up to ensure rapid, multi-agency response.
- ▶ New National Adoption Bill to establish a modern legal framework for adopting children.
- ▶ Reinforcement of the Foster Care Advisory Unit.
- ▶ Rs.10m for new shelters, specialized caregiver training and half-way home.

Environment Enhancement

- ▶ Rs.4bn for Coastal Erosion Adaptation Programme.
- ▶ Rehabilitation of more than 11.5kms of severely eroded shoreline over next 5 years.
- ▶ Nature based solutions including reforestation programmes, wetland conservation, dune restoration and the rehabilitation of coastal vegetation.
- ▶ Development of National Shoreline Management Strategy.
- ▶ Revival of the Maurice Ile Durable project.

FOSTERING THE DEVELOPMENT OF RODRIGUES AND OUTER ISLANDS

- ▶ Allocation of Rs.5.5 billion for recurrent expenditure and Rs.825 million for capital expenditure for the Rodrigues Regional Assembly.
- ▶ Total Government expenditure for Rodrigues will reach Rs.11.2 billion.

PENSION REFORMS - BALANCING FAIRNESS AND SUSTAINABILITY

Regulation and Administration

- ▶ Establishment of a unified Independent Pensions Regulatory Authority which will decide on general and specific pensions policy.
- ▶ A Central Pensions Administration Bureau will regroup all state sponsored schemes into one place to digitalise and facilitate service to members and pensioners.

State Non-Contributory Pensions

- ▶ The Basic Retirement Pension will be reformed into the State Age Pension (SAP) from 1 January 2027.
- ▶ CSG pension allowances will be consolidated into SAP.
- ▶ The pension reform of the previous year, i.e. gradual increase in BRP eligibility age from 60 to 65, will be discontinued from 31 December 2026, while the transitional period for persons reaching age 60 from 1 September 2026 to 31 August 2029 will continue to apply for SAP.
- ▶ A universal means test will apply individually to eligible beneficiaries based on their taxable income above a threshold of Rs.14,000.
- ▶ Every eligible individual with income below the threshold of Rs.14,000 will receive their full SAP.
- ▶ SAP will act as a top-up and phase out gradually as income rises above the threshold of Rs.14,000 until the cut-off amount of Rs.50,000.

- ▶ A couple both aged 60 and above, with total monthly taxable income below Rs.100,000, will receive some SAP. A reduction of up to 25% of combined SAP will apply, subject to a combined means test.
- ▶ Any eligible person who, on 31 December 2026, is deriving the BRP will continue to derive a monthly pension under the SAP, subject to the means test.

Flexible Eligibility Age for State Pensions

- ▶ Eligibility to SAP from age 60 is restored electively to all citizens, subject to income calibration and actuarial adjustments.
- ▶ Drawing SAP may be postponed up to age 70, with actuarially augmented SAP.
- ▶ Any person who opts to obtain his SAP before the age of 65 will be eligible for an adjusted SAP. The SAP payable at the age of 65 will be discounted by 0.5% per month for every month that the person opts to receive his SAP before the age of 65, i.e. a reduction of 6% per year.
- ▶ Likewise, an eligible person may also opt to postpone the receipt of the SAP beyond the age of 65 and consequently benefit from an actuarially augmented SAP. The SAP will be increased by 0.75% per month for each month that the SAP is postponed beyond the age of 65, i.e. a 9% increase per year.

Payment and Pension Increases

- ▶ A bonus SAP will be paid in the month of December, i.e. same as for the BRP.
- ▶ The SAP will be increased by Rs.1,500 at the age of 75, by Rs.7,995 at the age of 90 and Rs.5,185 at the age of 100 as was the case for the BRP.
- ▶ A person currently below the age of 65 and deriving a BRP of Rs.15,555 will benefit from an increase of Rs.1,000 under the SAP upon reaching the age of 65.
- ▶ The base SAP will be increased by any rate that Government may grant in the future.
- ▶ The widow's pension or invalidity pension will continue to be paid until the individual reaches the age of 65 and becomes eligible for the SAP.

Residency Eligibility Criteria

- ▶ In order to benefit from the SAP, an eligible person should be residing in Mauritius.
- ▶ A temporary absence from Mauritius not exceeding 6 months shall be disregarded, i.e. similar conditions as for the BRP.
- ▶ A different residency condition will be applied for the SAP. In order to become eligible, a person should have resided in Mauritius for at least 15 years in aggregate since attaining the age of 40, 3 of those 15 years being immediately before the claim being made. This condition will be effective as from 1 January 2027.

National Contributory Retirement Scheme

- ▶ The National Pension Fund will be renamed the National Pension and Provident Fund (NPPF).
- ▶ From 1 July 2027, the NPPF will operate with individual accounts and eventually subsume the National Savings Fund and Portable Retirement Gratuity Fund. The new pension scheme will operate on a defined-contribution basis.
- ▶ Employees earning up to Rs.50,000 per month will contribute 1.5% of their basic salary, while employers will contribute 7.5%.
- ▶ For employees earning more than Rs.50,000 and up to eight times the median earnings, currently Rs.225,000, the employee and employer contribution rates will be 3.0% and 10.5% respectively.
- ▶ The initial contribution rates will be reviewed periodically by the Pensions Regulator to assess their adequacy with the aim of targeting a pre-retirement salary replacement ratio between 40% and 50%.
- ▶ The fund will pay out a monthly pension and an optional lump sum at retirement.
- ▶ For pensions already in payment, the existing arrangements shall continue under the NPPF. Similarly, the individual accounts of active members shall be transferred to the new NPF.

- ▶ As consequential amendments:
 - the Worker's Rights Act will be amended to abolish contributions to the Portable Retirement Gratuity Fund with effect from June 2027; and
 - the Social Contributions and Social Benefits Act will be amended to discontinue the payment of retirement benefits and the collection of social contributions with effect from June 2027.

Pensions of Civil Service, Statutory Bodies and Public Officials

- ▶ Members of the National Assembly will contribute to individual accounts in the NPPF, and their standard pension payment age will be 65.
- ▶ Public officials' pensions will be limited to a maximum of two-thirds of their highest salary, less private pensions and contributory state pensions, if any.
- ▶ From 1 July 2026, emoluments of the serving President and Vice-President, pensions of retiring Presidents and Vice-Presidents, and where applicable surviving spouses' pensions, will become fully taxable.
- ▶ Out of 263,200 currently eligible pensioners, over 90% will still benefit from SAP, including over 75% receiving full pension.

Additional Measures to Protect the Vulnerable

- ▶ Monthly Carer's Allowance will increase from Rs.3,500 to Rs.4,250.
- ▶ Government will refund taxi fares for children with disabilities attending registered pre-primary schools.
- ▶ The budget for Special Education Needs learners will increase from Rs.562 million to Rs.619 million.
- ▶ Government will recruit 15 more psychologists for hospitals to offer more regular services to children suffering from dyslexia and similar disabilities.
- ▶ Domiciliary medical visits, currently available to those aged 90 and above, will be extended to individuals aged 85 and above.
- ▶ Elderly persons aged 80 and above will be eligible, on request, for once-a-month visits by a social worker.
- ▶ Maternity leave will be extended to 12 months. The first 6 months will be paid at full salary and the remaining 6 months will be optional at half pay.
- ▶ Paternity leave will be extended from 4 to 6 weeks.
- ▶ Where a public holiday falls on a Sunday, the immediately following Monday will be declared a public holiday.
- ▶ Two additional scholarships will be introduced for students in the vocational stream.

Corporate Tax

Fair Share Contribution on Corporates

- ▶ Fair Share Contribution will only be payable by companies having a chargeable income exceeding Rs.24 million without the criteria of having supplies above Rs.24 million or are liable for VAT registration.

Corporate Climate Responsibility Levy

- ▶ The levy will no longer be reduced by tax credits, including foreign tax credits.
- ▶ will be payable quarterly under the Advance Payment System (APS) phased as follows:
 - 25% in FY 2026/27
 - 50% in FY 2027/28
 - 75% in FY 2028/29
 - 100% in FY 2029/30

Rate of Corporate Tax

- ▶ The reduced corporate tax rate of 3% will no longer be applicable to profits arising from the export of live animals.

Qualified Domestic Minimum Top-Up Tax (QDMTT)

- ▶ As from 1 July 2025, an investment fund or a real estate investment vehicle which is the parent entity of a Multinational Enterprise (MNE) will be exempted from QDMTT.
- ▶ Adjustments for intra-group transactions will be permitted in calculating net income or loss.
- ▶ The fiscal year of an MNE will align with the accounting period used by its ultimate parent entity for consolidated financial statements, provided they comply with acceptable accounting standards.
- ▶ QDMTT returns must be filed within 15 months after the end of the month in which the fiscal year ends.

- ▶ A taxpayer may amend a QDMTT return within 3 years of filing instead of 2 years.
- ▶ The penalty for non-payment of QDMTT will be reduced from 5% to 2.5%.

Revision of Allowable Deductions for Companies

- ▶ As from 1 July 2026, the following deductions will be abolished:
 - 150% deduction by hotels on cleaning, renovation, and embellishment works.
 - Double deduction for Joint Tertiary Education contract with African universities.

Investment Tax Credit

- ▶ The investment tax credit of 15% over 3 years claimed by manufacturing companies on the purchase of new plant and machinery, artificial intelligence solutions and patents will be extended by 3 years until 30 June 2029.

Income Tax Holiday

- ▶ The 10-year tax holiday available to captive insurance companies will be extended by an additional five years for captives licensed before 19 June 2026.
- ▶ Start-ups will benefit from a 10-year tax holiday.

Hotels

- ▶ The annual allowance rate on the construction or improvement of a hotel will be reduced from 30% to 15%.

Global business entity

- ▶ A Global Business Entity will not include:
 - a trust where the settlor or any beneficiary is resident in Mauritius.
 - a foundation where the founder or any beneficiary is resident in Mauritius.

ICT Service Providers

- ▶ Non-resident companies providing software, software licences, software application, software maintenance services, distance maintenance of programmes and ICT equipment will be subject to income tax in Mauritius.

Corporate Social Responsibility

- ▶ Corporates will be allowed to spend only 25% instead of 50% of their CSR Fund and must remit at least 75% to the National Social Inclusion Foundation via the MRA.

Partial exemption regime

- ▶ The scope of core income-generating activities for Investment Advisers and Asset Managers will include management of non-securities instruments such as loan receivables, mortgage-backed exposures, and invoice financing portfolios.

Investment Certificate

- ▶ The effective date of the tax exemption granted under an EDB-issued Investment Certificate will be the operational start date of the company instead of its date of incorporation.

Tax Deduction at Source

- ▶ Companies will have to deduct tax at source when making:
 - payments above Rs.300,000 under a single contract at the rate of 1% on the purchase of software, software licences, software applications, software maintenance services, distance maintenance of programmes and equipment from a resident or non-resident supplier.
 - payments to persons providing advertising, promotional, endorsement, digital content or marketing services through social media platforms or other similar electronic means at the rate of 5%.

Individual Tax

Personal Income Tax Rates and Bands

- ▶ As from 1st July 2026, the tax bands will be as follows:

Rate	Bands
0%	First Rs.500,000
10%	Next Rs.500,000
20%	Above Rs.1 million up to Rs.12 million
35%	Above Rs.12 million

Fair Share Contribution on High-Income Earners

- ▶ The Fair Share Contribution will be replaced by the top rate of income tax.

Income Tax Exemptions

- ▶ Qualifying expatriate employees in solar PV manufacturing companies will benefit from a 4-year income tax exemption.
- ▶ Exemption threshold for pension lump-sum, retiring allowance or severance allowance will increase from Rs.3 million to Rs.3.5 million.
- ▶ Disturbance allowance for public officers on service in Rodrigues or the Outer Islands will be tax exempt.
- ▶ As from 1 July 2026, emoluments of Presidents and Vice-Presidents and pensions of retiring Presidents and Vice-Presidents including surviving spouse’s pensions will be fully taxable.

Income Support to Persons not Eligible for the Basic Retirement Pension

- ▶ As from 1 January 2026, the monthly income support will increase from Rs.10,000 to Rs.10,370 for eligible persons aged 60+ not receiving the basic retirement pension.
- ▶ Income Support for persons not eligible to the basic retirement pension will be abolished.

Golden Visa Scheme

- ▶ A Golden Visa is granted to an applicant investing at least USD 1 million in high-value sectors such as FinTech, global treasury, artificial intelligence, biotechnology and renewable energy during his first year of stay in Mauritius. The visa holder is allowed to stay for 2 years with possibility of renewal. Once the investment is made, he may apply for permanent residence, and the work permit of his domestic workers will be processed within 5 days. The tax benefits are as follows:
 - Taxed on foreign employment income only if remitted to Mauritius.
 - No deemed remittance of foreign income when using foreign credit/debit cards locally.
 - No tax on funds deposited in a bank in Mauritius with declaration that taxes have been paid abroad.

Value Added Tax

Digital or Electronic Services

- ▶ A foreign supplier of digital or electronic services will not be required to:
 - register for VAT if he makes taxable supplies exclusively to a VAT registered person as VAT will be accounted for by the recipient under the reverse charge mechanism.
 - appoint a tax representative for the submission of return and remittance of VAT.
 - compulsorily register for VAT purposes in case his annual turnover of taxable supplies is less than Rs.3 million.

- provide details of the person to whom taxable supplies are made in Mauritius that would not be in conformity with the confidentiality requirements in his own jurisdiction.

- ▶ Online marketplaces and digital platforms are included in the scope of digital and electronic services.

Exempt from VAT

- ▶ The services provided by the holder of a management licence issued by the Financial Services Commission (FSC) to the following entities will change from being zero-rated to exempt from VAT:
 - corporations holding a Global Business Licence;
 - trusts whose settlor and the majority of the beneficiaries are non-residents; or
 - foundations whose founder and the majority of the beneficiaries are non-residents.
- ▶ Electronic books.
- ▶ Goods received as donations from abroad which are related to the normal activities of a Non-Governmental or Non-Profit Organisation receiving funding from the National Social Inclusion Foundation under Funding Instrument 1.
- ▶ Accommodation for international sports events (excluding championships or leagues organised by regional or international sports federations) and international television and cinema awards events.
- ▶ Entrance fees to a sport event of any discipline under the responsibility of a National Sports Federation.
- ▶ Goods related to sports activities received as donation from abroad by a National Sports Federation.

Zero-rated VAT

- ▶ Payment services supplied to corporations holding a Global Business Licence by a holder of a payment service provider licence issued by the Bank of Mauritius (BOM).
- ▶ Imported common salt.
- ▶ Postal services.
- ▶ Photovoltaic system, including its components, such as photovoltaic generators, photovoltaic panels, photovoltaic batteries and photovoltaic inverters.

Input Tax

- ▶ The time limit to claim input tax will be reduced from 36 months to 24 months from the date it should have been claimed.
- ▶ Investors will be eligible to recover VAT incurred on buildings and capital goods as an incentive for the Special Economic Zone (SEZ) at Côte d'Or.

Payment of VAT in Foreign Currency

- ▶ A VAT-registered person providing accommodation services in a hotel or tourist residence will be required to remit 50% of his VAT liability in foreign currency.

Time of Supply

- ▶ Currently the time of supply is the earlier of the date the invoice is issued or payment is received. If neither occurs, it will be deemed to arise 3 months after the delivery of the goods or performance of services.

VAT Ruling Fees

- ▶ The fees payable for a VAT ruling will increase as follows:
 - From Rs.3,000 to Rs.5,000 for an individual.
 - From Rs.15,000 to Rs.75,000 for any other person.

Excise Duty

Changes in rates

As from 20 June 2026, the rates of duty are increased by 10% as follows:

Alcoholic product	Previous	New
Rum (per litre of absolute alcohol)	Rs 796.50	Rs.876.15
Cane spirits (per litre of absolute alcohol)	Rs 796.50	Rs.876.15
Whisky (per litre of absolute alcohol)		
In bulk for bottling purposes	Rs.1,538.65	Rs.1,692.50
In bottle	Rs.2,459.70	Rs.2,705.70
Liqueur (per litre of absolute alcohol)	Rs.541.20	Rs.876.15
Tobacco product	Previous	New
Cigars (per kg)	Rs.25,861	Rs.28,447
Cigarillos (per thousand)	Rs.15,101	Rs.16,611
Cigarettes (per thousand)	Rs.7,488	Rs.8,237

Plastic bottles

- ▶ As from 1 October 2026, the excise duty of Rs.2 on PET bottles used for beverages will be extended to all plastic bottles containing any product.

Sugar Content of Sugar Sweetened Products

- ▶ As from 20 June 2026, the excise duty on sugar sweetened products is increased from 12 cents to 15 cents per gramme of sugar.
- ▶ As from 1 October 2026, this duty will also apply to sweets, fruit jellies, jams, crystallised fruits, biscuits, waffles, wafers and chewing gums.
- ▶ Exemption on import in small quantities for personal use or gifts received through courier services or in the accompanying luggage of a passenger.

Other measures

- ▶ Duty exemption for SMEs in transformative sectors on acquisition of eligible utility vehicles.
- ▶ Parents or legal guardian of a disabled person who has attained the age of 18 and receiving a permanent carer's allowance will qualify for an excise duty exemption on a motor vehicle.
- ▶ Motor Vehicle Licence renewals will be conditional upon the payment of any outstanding traffic fines.

Customs Duty

- ▶ As from 20 June 2026, the 15% customs duty on quartz slabs used for countertops will be removed.
- ▶ The customs duty exemption for goods imported in semi-knocked down form for further processing locally with at least 20% value addition will be discontinued.
- ▶ Manufacturers of alcoholic products will be exempt from paying customs duty on imported wine used as an input in producing excisable goods.
- ▶ As from 1 September 2026, a processing fee of Rs.150 will be charged for each Simplified Customs Assessment Form for clearing of parcels imported through the post or courier services.

Registration Duty

Residential Property

- ▶ A first-time buyer, irrespective of whether he owns an agricultural land, will be exempted from Registration Duty on the acquisition of the following:
 - bare land - on the first Rs.3 million of the value of the property instead of the first Rs.2.5 million.
 - an apartment or house - on the first Rs.6 million of the acquisition price instead of the first 5 million.

Motor Vehicles Registration Mark

- ▶ Motor vehicle owners who choose to retain an old registration mark or opt for a personalised registration number instead of the standard assigned number will now be required to pay an annual fee as follows:

Registration Mark	Annual Fee Rs.
Old Registration Mark	
Any number between 1 and 10000	
(i) Only 1 Number	10,000
(ii) Any number between 10 and 10000	5,000
Any combination of:	
(i) a letter from A to Z followed by a number between 1 and 9999	2,000
(ii) 2 letters from AA to ZZ followed by a number between 1 and 9999	3,000
Personalised Registration Mark	
Any combination of:	
(i) 3 letters followed by any number between 1 and 9999	5,000
(ii) 4 letters followed by any number between 1 and 9999	7,500
(iii) 5 letters followed by any number between 1 and 9999	10,000
(iv) 6 letters followed by any number between 1 and 999	12,500
(v) 7 letters followed by any number between 1 and 99	15,000
(vi) 8 letters followed by any number between 1 and 9	17,500
Grouping of alphabets up to 9 letters	25,000

- ▶ Vehicle owners will be permitted to keep an old or personalised registration mark upon payment of a prescribed fee even where the registration mark has not been assigned to another vehicle.

- ▶ An individual will be allowed to reserve and purchase old or personalised registration mark online for himself or his spouse, next-of-kin, ascendants or descendants.
- ▶ A reduced fee will apply for the transfer of old or personalised registration mark to a spouse, next-of-kin, ascendants or descendants.

Insurance Premium Tax

- ▶ As from 1 January 2027, an insurance premium tax of 5% will be applicable on new and renewed policies of short-term general insurance.

Tax Administration

General

- ▶ Power to raise assessments
 - The MRA may also issue or amend assessments beyond statutory limits in cases of willful neglect.
- ▶ Stay of assessment
 - The provision allowing MRA to stay an assessment for referral to Law enforcement agencies will also cover cases of unremitted Tourist Fees.
 - MRA will have up to 2 years instead of 1 to issue assessments or claims after an enquiry, investigation or criminal proceedings is discontinued or a Court decision is obtained.
- ▶ Compliance Agreements
 - The MRA will introduce a new Compliance Agreement option to help resolve tax issues early before a formal tax assessment is issued.
 - Under this arrangement, the MRA and the taxpayer can sign a written agreement that sets out the tax issues that have been agreed upon, the amount of tax and interest to be paid and the terms of payment.
 - Upon signature, the agreement is binding on both parties, and the taxpayer cannot later object to or appeal against the matters covered by the agreement.
 - If the taxpayer has fully cooperated during the audit, the Director-General may reduce or waive any penalties related to the agreed issues.
 - If the taxpayer does not comply with the terms of the agreement or failed to disclose important information, it will no longer be binding on the MRA.

Income Tax

- ▶ The Central Water Authority and the Central Electricity Authority must report electronically to MRA details of all customers with payments exceeding Rs.100,000 annually.
- ▶ Insurers must report annually to MRA the value and policyholder details where a motor vehicle is insured for more than Rs.2 million.
- ▶ It will be made clear that the MRA will have electronic access to Civil Status and Central Population databases.
- ▶ The MRA may obtain data from crypto-asset service providers for automatic exchange with foreign tax authorities under OECD reporting standards.
- ▶ The service fees for the issuance of a Tax Residence Certificate will increase as follows:
 - from USD 1,000 to USD 2,000 for a collective investment scheme.
 - from Rs.1,000 to Rs.2,000 for an individual.
 - from USD 200 to USD 500 for any other applicants.

Value Added Tax

- ▶ Offences and penalties:
 - Failure to provide information to MRA: fine up to Rs.100,000 and maximum 2 years imprisonment.
 - Failure to produce records or obstruction: fine up to Rs.500,000.
 - Failure to issue fiscal invoice: Rs.5,000 per day, capped to Rs.1,000,000 payable within 28 days.
 - Failure to use e-invoicing: fine up to Rs.500,000 and maximum 2 years imprisonment.

Customs

- ▶ A VAT-registered person may elect to defer VAT on imported capital goods with a value of more than Rs.500,000, provided the amount is declared in the relevant VAT return. Failure to declare will result in a Rs.10,000 penalty and continued non-declaration will lead to recovery of the unpaid VAT by MRA.
- ▶ MRA may assess unpaid taxes for an entire consignment based on results from a tested or verified sample.
- ▶ Penalties will increase for offences (e.g. tampering, drawback breaches, smuggling, unspecified offences):
 - Fvalue of goods is less than Rs.1,500: fine up to Rs.100,000.
 - value of goods is more Rs.1,500: three times amount of duties/taxes or Rs.200,000 whichever is the higher.
 - compounded offences: penalty up to 50% and 0.5% monthly interest.
- ▶ Penalties for failing to submit a Bill of Entry or amend a manifest within 5 working days are deferred to 30 June 2028.
- ▶ Ruling fee will be increased from Rs.500 to Rs.1,000.
- ▶ Electronic seal fee will be increased from Rs.150 to Rs.350.
- ▶ Processing fee collection responsibility lies with the TradeNet user with remittance to MRA within 30 working days after month-end.

Customs Tariff

- ▶ It will be clarified that MRA may recover VAT exemptions if conditions are breached and a new duty-exempt vehicle may be purchased only after the exemption period has expired, in line with the Pay Research Bureau Report 2026.

Excise

- ▶ The stocktaking of bottled water will be carried out at intervals decided by the MRA, instead of every quarter as is currently required for sugar-sweetened beverages.

Registrar-General's Department

- ▶ The minimum amount for fixed penalties has been increased to Rs.500 under the Registration Duty Act.
- ▶ Recommendations for duty remission/refunds now require Ministry of Finance approval.
- ▶ Attorneys must submit deeds/documents electronically via the Registrar-General system.
- ▶ The Registrar-General may reclaim exemptions on first property acquisition if obtained through false or misleading declarations.

Revenue Tribunal

- ▶ Amount payable on appeal to the Revenue Tribunal will be 5% of the disputed amount or Rs.5 million, whichever is lower.

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