



Tax Notes 2021

Income Tax

1 Medical, Biotechnology or Pharmaceutical Sector

As from the year of assessment 2022/23, a manufacturing company holding an Investment Certificate issued by the Economic Development Board to carry out activities in the medical, biotechnology or pharmaceutical sector is liable to income tax at the rate of 3%. The company must, however, satisfy any conditions which may be prescribed for the substance of its activities and not claim partial exemption in respect of its income. However, income derived from the manufacture of pharmaceutical products, medical devices and high-tech products by a company which has started its operations on or after 8 June 2017 will continue to be exempt during a period of 8 income years starting from the income year in which the company has started its operations.

As from 1 July 2021, a manufacturing company liable to tax at the rate of 3% can claim as tax credit the amount spent on the acquisition of patents provided it has not claimed a double deduction of the amount spent. However, annual allowance can be claimed on the cost of the patents. Where the tax credit exceeds the income tax payable, the excess can be carried forward for set off against the tax payable for the next 5 years. If the company ceases to carry out the qualifying activity or the patent is sold, it will be required to pay back the tax credit claimed in the previous 5 years.

2 Higher Education Institution

As from the year of assessment 2022/23, a higher education institution set up in Mauritius and registered under the Higher Education Act is liable to income tax at the rate of 3%.

For institutions where operations in Mauritius started on or after 4 June 2020 and which have been approved by the Higher Education Commission as a branch campus of an institution ranking among the first 500 tertiary institutions worldwide at the time of registration will continue to be exempt for a period of 8 successive income years starting from the income year in which the institutions started their operations. At the end of their tax holiday, they will become liable to an income tax rate of 3%.

3 Trusts

As from 1 July 2021, a trust can no longer deposit a declaration of non-residence with the Mauritius Revenue Authority to be exempt from income tax under the following circumstances:

- It is set up after 30 June 2021
- Intellectual property assets are acquired from a related or unrelated party after 30 June 2021
- Intellectual property assets are newly created after 30 June 2021
- Income is derived from such specific assets as the Mauritius Revenue Authority may determine and acquired after 30 June 2021
- Income is derived from projects as the Mauritius Revenue Authority may determine and starting after 30 June 2021.

Income Tax cont'd

3 Trusts (Cont'd)

Any trust not caught by the above conditions and which can deposit a declaration of non-residence with the Mauritius Revenue Authority will continue to be exempt from income tax until the year of assessment commencing on 1 July 2024.

4 Foundations

As from 1 July 2021, a foundation is no longer exempt from income tax if its founder and the beneficiaries are non-resident or hold a Global Business Licence under the following circumstances:

- It is set up after 30 June 2021
- Intellectual property assets are acquired from a related or unrelated party after 30 June 2021
- Intellectual property assets are newly created after 30 June 2021
- Income is derived from such specific assets as the Mauritius Revenue Authority may determine and acquired after 30 June 2021
- Income is derived from projects as the Mauritius Revenue Authority may determine and starting after 30 June 2021.

Any foundation not caught by the above conditions and which can deposit a declaration of non-residence with the Mauritius Revenue Authority will continue to be exempt from income tax until the year of assessment commencing on 1 July 2024.

5 Tax Credit on New Plant and Machinery

A manufacturing company can claim a tax credit of 15% on the cost of new plant and machinery, other than motor cars, purchased during the period 1 July 2020 to 30 June 2023. Where the tax credit exceeds the income tax payable, the excess can be carried forward to set off against the tax payable for the next 10 years.

6 Contribution to National COVID-19 Vaccination Programme Fund

As from the year of assessment 2021/22, a company can claim a deduction for the amount contributed to the National COVID-19 Vaccination Programme Fund during the income year ended 30 June 2021. Where the company incurs a tax loss, any unrelieved contribution can be carried forward to be claimed in the next 2 years of assessment. Any unrelieved contribution cannot increase the tax loss of the company.

7 Double Deduction of Expenditure

As from 1 July 2021, double deduction of expenditure is available to:

- 1 A company acquiring specialised software and systems provided it does not claim annual allowance. Regulations will be issued to define specialised software and systems.

Income Tax cont'd

- 2 A company registered as a health institution under the Private Health Institutions Act in respect of any direct expenditure incurred relating to international accreditation.
- 3 A manufacturing company incurring expenditure on market research and product development for the African market provided annual allowance is not claimed.

8 Research and Development

There is an extension to 30 June 2027 whereby a person incurring qualifying expenditure on research and development carried out in Mauritius and which is:

- Directly related to his existing trade or business may claim a double deduction of the expenditure incurred provided no annual allowance is being claimed.
- Not directly related to his existing trade or business may claim a deduction of the expenditure incurred.

The qualifying expenditure are:

- any expenditure relating to research and development
- expenditure incurred on innovation, improvement or development of a process, product or service
- staff costs, consumable items, computer software directly used in research and development and subcontracted research and development.

9 Locally Manufactured Products

As from 1 July 2021, when a manufacturing company having an annual turnover in excess of Rs.100 million directly purchases products manufactured locally by a small and medium enterprise whose turnover does not exceed Rs.50 million, it can claim an additional deduction of 10% of the expenditure incurred.

10 Levy under Gambling Regulatory Authority Act

The levy of 2% of gross gambling yield net of the amount payable under the CSR Fund set up by a licensee under the Gambling Regulatory Authority Act is not an allowable deduction.

11 Corporate Social Responsibility

As from the income year commencing on 1 July 2020, a company which has elected to be taxed under the presumptive tax method is not required to pay Corporate Social Responsibility.

The priority areas of intervention under a CSR Programme now includes the restoration of a building designated as a national heritage.



Income Tax cont'd

12 Exempt Income

- 80% of income derived by an investment dealer as from 1 July 2021.
- 80% of income derived by a company engaged in locomotives and trains including rail leasing as from the year of assessment commencing on 1 July 2022.

The above two exemptions apply provided the company carries out its core income generating activities in Mauritius and satisfies the conditions relating to the substance of its activities. It must employ directly or indirectly an adequate number of suitably qualified persons to conduct its core income generating activities in Mauritius and incur a minimum expenditure proportionate to its level of activities. It may outsource any relevant activities to third party service providers provided it is able to demonstrate adequate monitoring of the outsourced activities which are conducted in Mauritius and the economic substance of the service providers is not counted multiple times by multiple companies when evidencing their own substance in Mauritius.

- The 80% exemption applicable to interest income does not apply to a bank, non-bank deposit taking institution, money changer, foreign exchange dealer, insurance company, leasing company and company providing factoring, hire purchase facilities or credit sales facilities.
- The time limit to start operations to benefit from the 5-year exemption for income from the operation of a Peer-to-Peer Lending platform has been extended from 31 December 2020 to 31 December 2021.
- The income derived by a company incorporated on or after 1 July 2021 and holding an Investment Certificate issued by the Economic Development Board for a period of 8 years from incorporation.

13 Family Office

The 5-year exemption from income tax of income derived by a Family Office (Single) Licence or a Family Office (Multiple) Licence issued by the Financial Services Commission after 31 August 2016 has been amended by extending the period of exemption to 10 years as from the income year in which the company was granted its licence. The exemption applies provided the income is derived from activities covered under the licence and the Family Office satisfies the minimum employment criteria and substance of its activities.

14 Return of Dividends by Companies

A company is not required to include dividends paid to a limited partnership or limited liability partnership incorporated outside Mauritius in its return of dividends.

15 Application of Arm's Length Test

The arm's length test is being extended to any business or other income earning activity carried on from Mauritius. This amendment is made to apply retrospectively as from the commencement of the Income Tax Act that is the year of assessment commencing on 1 July 1996.

Income Tax cont'd

16 Request for Information or Making Assessment

The Mauritius Revenue Authority can request information or make an assessment for a year of assessment which is more than 3 years of assessment preceding the current one in the event an income tax return has not been submitted for that year of assessment or in the case of fraud. Previously, an application should have been made ex parte to obtain the authorisation from the Independent Tax Panel of the Assessment Review Committee to do so.

17 Keeping of Books and Records

Every person carrying on business or deriving income other than emoluments must keep at all times such books and records as may be prescribed.

18 Rulings

The Mauritius Revenue Authority may request additional information or documents within 30 days after receiving a request for a ruling. It subsequently has 30 days after the submission of the requested information or documents to give its ruling.

19 Statement of Financial Transactions by Banks and Non-Bank Deposit Taking Institutions

As from the income year commencing on 1 July 2021, the thresholds for including information in the statement submitted by every bank or non-bank deposit taking institution are as follows:

- An individual, societe or succession has made a deposit exceeding Rs.250,000 or deposits exceeding Rs.2 million in aggregate
- a person, other than an individual, societe or succession, has made a deposit exceeding Rs.500,000 or deposits exceeding Rs.4 million in aggregate.

20 Statement of Financial Transactions by Banks and Money Changers

As from the income year commencing on 1 July 2021, the threshold for including information in the statement submitted by every bank or person holding a money changer licence or exchange dealer licence when in a year a person has bought, sold or transferred foreign currency is of at least Rs.100,000 per transaction.

21 Statement on Life Insurance

As from the income year commencing on 1 July 2021, the threshold for including information in the statement submitted by every life insurance company when in a year a person has paid life insurance premium is an amount exceeding Rs.250,000.



Income Tax cont'd

22 Statement of Winnings

The threshold for including information in the statement submitted by every casino operator, hotel casino operator, gaming house operator, bookmaker, totalisator, operator of the Mauritius National Lottery, operator of the Loterie Vert and an agent of a foreign pool is winnings of more than Rs.20,000.

23 Statement of Donation Received

As from the income year commencing on 1 July 2021, every charitable institution approved by the Mauritius Revenue Authority which receives donations from any person has to file electronically by 15 August following the end of the income year a statement disclosing the following:

- The name of the person making the donation
- The National Identity Card number if an individual or Business Registration Number in any other case
- The amount donated.

24 Self-Employed Assistance Scheme

The Mauritius Revenue Authority may refuse to pay any allowance under the Self-Employed Assistance Scheme to a self-employed as defined in the Income Tax Act where with respect to the month, the self-employed has carried out an income earning activity but has not paid CSG or social contribution for that month or has not submitted its tax return for the income year ended 30 June immediately preceding that month.

25 Financial Assistance for Payment of Salary Compensation 2021

The Mauritius Revenue Authority may in respect of an eligible employee pay to his employer an allowance equivalent to Rs.235 where the employer is an export enterprise or Rs.375 in any other case for each month beginning January 2021 to the end of June 2022.

An eligible employee is one whose basic salary does not exceed Rs.50,325 where the employer is an export enterprise or Rs.50,375 when paid by any other employer. In addition, he must be employed on a full-time basis by an SME deriving gross income from business.

The above excludes an employee who is a non-citizen employed by an export enterprise.

Income Tax cont'd

26 Tax Arrears Settlement Scheme for SME

An SME, whose annual turnover does not exceed Rs.50 million, with tax arrears outstanding as at 11 June 2021 under the Income Tax Act, the Value Added Tax and the Gambling Regulatory Authority Act can submit an application before 31 December 2021 to benefit from the waiving of penalties and interest. The payment of the outstanding arrears should be made not later than 28 June 2022.

27 Income Exemption Threshold

There has been no change in the income exemption thresholds and dependent income level below.

Category		Income exemption threshold	Net income and exempt income
A	Individual without any dependent	Rs.325,000	
B	Individual with 1 dependent	Rs.435,000	Rs.110,000
C	Individual with 2 dependents	Rs.515,000	Rs.80,000
D	Individual with 3 dependents	Rs.600,000	Rs.85,000
E	Individual with 4 or more dependents	Rs.680,000	Rs.80,000

To qualify as a dependent, the latter must not have net and exempt income which exceed the amount stated in the above table and if this is the case his income should be added to those of the taxpayer claiming him as a dependent. If his net and exempt income exceed the above threshold he does not qualify as a dependent and must submit an income tax return in his own name.

A dependent can now be a bedridden next of kin eligible to the carer's allowance paid under the National Pensions Act. The next of kin can be the father, mother, grandfather, grandmother, brother or sister of the taxpayer or his spouse under his care. The next of kin can only be claimed as a dependent by one taxpayer. To determine whether a bedridden next of kin is qualified as a dependent, the benefits derived by him under the National Pensions Act should not be included in his net income or exempt income. In addition, those benefits are not included in the net income of the taxpayer claiming a deduction for his bedridden next of kin.

28 Deduction for Tertiary Education

As from the income year commencing on 1 July 2021, an individual irrespective of the amount of income derived by him can claim a deduction of Rs.225,000 in respect of a dependent child who is pursuing a non-sponsored full-time undergraduate course at a recognised tertiary educational institution in or outside Mauritius. For a dependent child studying in Mauritius, tuition fees of at least Rs.34,800 should be paid. The deduction cannot be claimed for more than 6 consecutive years for the same dependent.

Income Tax cont'd

29 Medical or Health Insurance Premium Relief

As from the income year commencing on 1 July 2021, the maximum relief for premium paid for a medical or health insurance policy contracted is increased from Rs.15,000 to Rs.20,000 for a taxpayer. If he is claiming for dependents, the relief is the lower of the premium paid or the following amounts:

Category claimed as income exemption threshold	Premium allowable for dependent
Category B (one dependent)	Rs.20,000
Category C (two dependents)	Rs.20,000 for first and Rs.15,000 for second dependent
Category D (three dependents)	Rs.20,000 for first and Rs.15,000 for each other dependents
Category E (four dependents)	Rs.20,000 for first and Rs.15,000 for each other dependents

30 Donation to Charitable Institutions

As from the income year commencing on 1 July 2021, an individual can claim a deduction for the amount donated through electronic means to a charitable institution approved by the Mauritius Revenue Authority. The deduction is limited to Rs.30,000. The individual may be required to provide evidence that the donation has been made in case the charitable institution fails to submit a statement of donation received.

31 Contribution to Personal Pension Schemes

As from the income year commencing on 1 July 2021, an individual can claim a deduction for the amount contributed to an individual pension scheme approved by the Financial Services Commission for his future pension. The deduction is limited to Rs.30,000.

32 Contribution to National COVID-19 Vaccination Programme Fund

As from the year of assessment 2021/22, an individual can claim a deduction for the amount contributed to the National COVID-19 Vaccination Programme Fund during the year ended 30 June 2021. Where his total deductions exceed his net income, any unrelieved contribution can be claimed in the next 2 years of assessment.

Income Tax cont'd

33 Exempt Emoluments

The 5-year exemption from income tax of emoluments derived by an employee holding either an Asset Manager Certificate or a Fund Manager Certificate or an Assets and Fund Manager Certificate for the management of an asset base of not less than USD 100 million and employed by a corporation licensed by the Financial Services Commission introduced on 31 October 2016 has been amended as from the income year commencing on 1 July 2021 in respect of the following:

- The period of exemption has been extended to 10 years
- The asset base has been reduced to USD 50 million.

34 Premium Visa

As from 1 November 2020, income derived by an individual holding a premium visa for work performed remotely from Mauritius is taxable in Mauritius when it is remitted in a bank account in Mauritius unless a declaration is made that such income has already been taxed in his country of residence or in the country of source of the income. He is also not taxed on the amount spent in Mauritius through the use of foreign credit or debit cards. The premium visa is a visa issued by the passport officer on the recommendation of the Economic Development Board to a non-citizen.

35 Simplified Income Tax Return

As from the year of assessment 2021/22, a self-employed individual is required to submit a simplified income tax return:

- When he does not have to submit an annual income tax return because his total net income does not exceed the Category A Income Exemption Threshold (currently Rs.325,000); or
- His annual gross income from his business does not exceed Rs.2 million and does not have a chargeable income.

Once a simplified income tax return has been submitted, the self-employed individual must continue to file the return in the following years until authorised by the Mauritius Revenue Authority to stop filing. If he ceases business, he can apply to the Mauritius Revenue Authority to waive his obligation to submit the simplified income tax return.

There is a penalty of Rs.2,000 per month or part of a month, limited to Rs.20,000, for late filing of the simplified income tax return. The limit of Rs.20,000 is unfair as the limit for a small enterprise having a turnover not exceeding Rs.10 million is Rs.5,000.

The Director-General of the Mauritius Revenue Authority may issue an assessment if he is not satisfied with the simplified income tax return submitted.



Value Added Tax

1 Exempt Persons

- Any person who holds an Investment Certificate issued by the Economic Development Board (EDB) is exempted from the payment of VAT on the construction of a purpose-built building and at the time of setting up or expansion as approved by the EDB for the purchase of plant and machinery other than office equipment, furniture and vehicles for the exclusive use for the activity listed in its Investment Certificate.
- Any person is exempted from the payment of VAT on the construction of a purpose-built building to be leased exclusively for the activity listed in the Investment Certificate issued by the Economic Development Board and held by the lessee.
- Any person engaged in the provision of tertiary education who had been approved by the Higher Education Commission to be exempt from the payment of VAT on the construction of a purpose-built building is now required to hold an Investment Certificate issued by the Economic Development Board to benefit from the same VAT exemption. The purchase of approved information technology system and information related materials, equipment for online education and plant and machinery other than office equipment, furniture and vehicles for the exclusive use in the provision of tertiary education also benefit from the VAT exemption.
- National Empowerment Foundation and New Social Living Development Ltd are exempted from the payment of VAT on the construction of social housing.

2 Exempt Supplies Becoming Zero-Rated Supplies

Residential care services are now zero-rated instead of being exempt from VAT.

3 Zero-Rated Supplies

- Live animals used for training or breeding purposes.
- Boiled or steamed dumplings made up of meat, fish, squid, crab, chicken, vegetables or milk, whether cooked or uncooked, prepared and supplied to final consumers.

4 VAT Refund on Residential Building, House or Apartment

The maximum amount of VAT that a qualifying person can claim as refund on the construction of a residential building by a contractor or purchase of an apartment or house from a property developer has been reduced from Rs.500,000 to Rs.300,000 as from 12 June 2021. The cost of construction or purchase price of the first residence must not exceed Rs.3 million. The aggregate annual net income as determined for income tax purposes of the qualifying person and his spouse must not exceed Rs.1 million.

Value Added Tax cont'd

5 Request for Information or Making Assessment

The Mauritius Revenue Authority can request information or make an assessment for a taxable period which is more than 4 years preceding the last day of the current taxable period if in the opinion of the Director-General of the Mauritius Revenue Authority a person has:

- Demonstrated fraudulent conduct;
- Wilfully neglected to comply with the VAT legislation;
- Not submitted a VAT return ; or
- Been registered for VAT after the date he ought to have been registered.

Previously, an application should have been made ex parte to obtain the authorisation from the Independent Tax Panel of the Assessment Review Committee to do so.

6 Rulings

The Mauritius Revenue Authority may request additional information or documents within 30 days after receiving a request for a ruling. It subsequently has 30 days after the submission of the requested information or documents to give its ruling.

Social Contribution

1 Social Contribution

The Contribution Sociale Generalisée is being replaced by Social Contribution as from 1 September 2021. Every employer of a participant, participant and self-employed must pay social contribution monthly or annually to the Mauritius Revenue Authority. The social contribution is credited to the Consolidated Fund.

2 Employer

An employer is a person who employs a participant and is responsible for the payment of his remuneration. An employer can be an individual, a job contractor, a person who shares the profit or gross earnings of a share worker or a person who employs a participant in domestic service.

3 Participant

A participant is a person who enters into or works under an agreement or a contract of apprenticeship whether by way of casual work, manual labour, clerical work or otherwise and however remunerated. It can be a person employed on a part-time or full-time basis of a permanent nature or on a contract of fixed duration.

The following is considered to be a participant:

- A public sector employee.
- A share worker being a person remunerated, wholly or partly, by a share in the profits of the enterprise for which he works or gross earnings of an enterprise obtained from the work done by him but who is not the owner of the main equipment, premises and materials used in the enterprise.
- A non-citizen employee.
- A person employed in domestic service in a private household who can be a cook, driver, gardener, garde malade or maid.
- A person aged 65 and above.
- A person performing atypical work being a person not employed on a standard agreement and can be a homemaker, an online platform worker or someone who works for one or more employers at the same time and who chooses when, where and how to work.
- An executive director of a company.
- A self-employed.



Social Contribution cont'd

3 Participant (cont'd)

The following is not considered to be a participant:

- The holder of a contract of apprenticeship regulated under the Mauritius Institute of Training and Development Act.
- A non-citizen employee employed by an export manufacturing enterprise who has resided in Mauritius for a continuous period of less than 2 years, including any period of absence which does not exceed 9 consecutive weeks or during which he maintains a residence in Mauritius.
- A non-citizen holding a work permit and working for a foreign contractor engaged in the implementation of a project which is funded by a foreign state up to not less than 50% of the estimated project value, from grant or concessional financing, as the Minister may determine.
- A person taking part in a training scheme set up by the Government or under a joint public-private initiative to facilitate the placement of jobseekers in gainful employment.
- A non-executive director of a company.
- A non-citizen employee who is not resident for tax purposes in Mauritius.

4 Self-Employed

A self-employed is an individual working on his own account who is a professional such as an accountant, an architect, an attorney, a solicitor, a barrister, an engineer, a land surveyor, a legal consultant, a medical service provider, a project manager, a property valuer, a quantity surveyor, a tax adviser or any other individual carrying out similar type of activity. He can also be an individual in business or a trade person carrying out activities such as mason, cabinet maker, plumber, hairdresser, artist or other similar activities. A self-employed can be a non-citizen but does not include an individual deriving exclusively passive income being income from rent, dividends or interest.

5 Rates of Social Contribution

The rates of social contribution are as follows:

	Public sector employee	Others
Remuneration not exceeding Rs.50,000 in a month		
Payable by employee		1.5%
Payable by employer	4.5%	3%
Remuneration exceeding Rs.50,000 in a month		
Payable by employee		3%
Payable by employer	9%	6%

Social Contribution cont'd

5 Rates of Social Contribution (cont'd)

The employer of an employee in domestic service whose remuneration does not exceed Rs.3,000 in aggregate in a month, whether from one or more employers, pays social contribution at the rate of 3%. When an employee in domestic service earns more than Rs.3,000 in aggregate in a month from more than one employer, he must inform every employer accordingly.

The employer must aggregate all remuneration paid to an employee during a month to determine the rate of social contribution applicable to the total remuneration for that month.

The social contribution payable by a self-employed are as follows:

Net income in a month	Social contribution
Not exceeding Rs.10,000	Rs.150
Between Rs.10,000 and Rs.50,000	Higher of Rs.150 or 1.5% of 90% of net income
Exceeding Rs.50,000	3% of 90% of net income

Net income is the difference between income derived and the allowable expenses incurred to derive that income. Net income does not include passive income such as dividends, interest and rent. A self-employed has the option when calculating his social contribution to choose between his actual net income for the month or one twelfth of his net income of the preceding financial year. The latter can only be chosen in case the self-employed has worked during all twelve months of that preceding financial year. The method chosen to calculate the net income for a month or a year cannot be changed for that month or year once the monthly or annual return has been submitted.

A participant who is an employee and also a self-employed has to pay social contribution on his remuneration and on his net income respectively

6 Remuneration

Social contribution is payable on the basic wage or salary of an employee. It is also payable on the prescribed end of year bonus which is treated as remuneration for an additional month.

Where the terms and conditions of employment of an employee are governed by Remuneration Regulations or Wages Regulations, an arbitral award or an agreement, the basic wage or salary is the one prescribed in the corresponding Remuneration Regulations or Wages Regulations, award or agreement. However, it can be higher if the employee is paid a higher wage or salary. The basic wage or salary does not include overtime or allowance by whatever name called whether paid in cash or in kind.

Social Contribution cont'd

6 Remuneration (Cont'd)

For any other employees, the basic wage or salary is the emoluments received by the employee excluding overtime or allowance by whatever name called. Emoluments means any payment in money or money's worth which is salary, wages, leave pay, fee, perquisite, bonus, gratuity, commission or other reward or remuneration by whatever name called in relation to the office or employment of the employee.

7 Deduction of Social Contribution by Employer

Every employer is required to deduct social contribution payable by an employee from the remuneration at the time it is paid to the employee. An employer cannot deduct the social contribution he is required to pay from the remuneration of an employee.

Where wages or salary is paid to a participant by an agency or third party, the latter may be deemed to be the employer and has to pay social contribution.

8 Monthly Return and Payment

Every employer must submit electronically to the Mauritius Revenue Authority a monthly return and at the same time pay electronically the social contribution by the end of the month following the month for which the social contribution is payable. The following information for each employee must be included in the monthly return:

- Full name, pay period, remuneration, social contribution rate, social contribution payable by the employer, social contribution payable by the employee and total social contribution payable.
- National Identity Card number or the identification number issued by an immigration officer for a non-citizen.
- Such other particulars as the Mauritius Revenue Authority may require.

Where the employee is a seaman whose remuneration is computed by reference to a portage bill, the employer has one month and 20 days after the end of the month for which the social contribution is payable to pay it to the Mauritius Revenue Authority.

A self-employed must pay electronically his monthly social contribution by the end of the month following the month for which social contribution is payable. He must also submit a monthly return specifying the following:

- Full name, net income, social contribution rate and social contribution payable.
- Business registration number or National Identity Card number or the identification number issued by an immigration officer for a non-citizen.
- Such other particulars as the Mauritius Revenue Authority may require.

Social Contribution cont'd

8 Monthly Return and Payment (Cont'd)

The social contribution payable for the month of May and November must be paid at least 2 days, excluding Saturdays and public holidays, before the end of June and December respectively.

9 Annual Return and Payment

An individual employing a participant in domestic service or a self-employed can elect to submit the return annually instead of on a monthly basis. The return containing the same information as the monthly return must be submitted electronically not later than 31 July every year. In addition, a quarterly statement must also be submitted within one month after the end of each quarter. When an employer or a self-employed has already submitted a monthly return, he cannot elect to submit the annual return for the same financial year.

An individual employing a participant in domestic service has to electronically submit the annual return and pay the social contribution for a financial year within one month after the end of that financial year.

A self-employed has to electronically submit an annual return and pay his social contribution for a financial year in advance by 31 July in that financial year.

10 Assessment on Employers and Participants

An assessment may be issued by the Mauritius Revenue Authority at any time to an employer or a participant to claim any amount of social contribution not appropriately paid. When an assessment is made, the assessing penalty is limited to 25% of the additional amount of social contribution payable. The employer or participant assessed has 28 days as from the date of the notice of assessment to either pay the amount claimed or object against the assessment. If an objection is lodged against the assessment, 10% of the amount claimed must be paid.

An employer which has been assessed to pay any arrears of social contribution, penalty and interest is not entitled to recover any amount from the participant.

11 Penalty and Interest

When an employer fails to pay social contribution by the due date, he is liable to a penalty of 10% and interest at the rate of 1% per month or part of a month of the amount of social contribution outstanding. The employer cannot recover any penalty and interest from any employee.

The Director-General of the Mauritius Revenue Authority may waive any amount of penalty or interest where he is satisfied that the failure to comply with the legislation is attributable to a just and reasonable cause.

Social Contribution cont'd

12 Anti-Avoidance

The Mauritius Revenue Authority may disregard any transaction entered solely or with the dominant purpose of avoiding the payment of social contribution.

13 Cessation of Business

When an employer becomes aware that he will cease to carry on any trade, business or occupation whether voluntarily or otherwise, he must write to the Mauritius Revenue Authority specifying the date of cessation. He must submit his monthly or annual return and pay any social contribution or penalty payable within 15 days after the date of cessation. The same condition applies when an administrator, an executor, a receiver or a liquidator is appointed.

14 Social Benefit in Respect of Social Contribution

As from 1 July 2023, a retirement benefit of Rs.4,500 is payable to an eligible person who attains the age of 65 after having resided in Mauritius for at least 20 years in aggregate since his eighteenth birthday.

An eligible person suffering from an industrial injury or a prescribed disease is entitled to be paid industrial injury benefit.

15 Contribution Sociale Generalisée

Any contribution made under the Contribution Sociale Generalisée is deemed to be social contribution.

**For further information about how BDO can assist you and your organisation,
please get in touch with one of our key contacts listed below:**

GILBERT SEEYAVE

Partner/Tax

T: +230 202 9548

M: +230 5250 6843

E: gilbert.seeyave@bdo.mu

LYNN YU

Experienced Manager/Tax

T: +230 202 9643

M: +230 5762 9788

E: lynn.yu@bdo.mu

SIDICQ BAUHADOOR

Experienced Manager/Tax

T: +230 202 9810

M: +230 5497 9810

E: sidicq.bauhadoor@bdo.mu

NAUSHEEN NUJJOO

Manager/Tax

T: +230 202 9786

M: +230 5708 7927

E: nausheen.nujjoo@bdo.mu

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact us to discuss these matters in the context of your particular circumstances. BDO, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO Financial Services Ltd
10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O. Box 799

Tel: +230 202 3000
Fax: +230 202 9902
www.bdo.mu

