BUDGET BRIEF

2025 - 2026

BDO

BRIDGE TO BOOSTING ECONOMIC GROWTH

This year's budget presented by the Prime Minister and Minister of Finance outlines an ambitious strategy for Mauritius to tackle various economic challenges. It lays out a structured framework anchored on **1) economic renewal, 2) social order** and **3) fiscal consolidation** that acknowledges the need for systemic change. On several occasions, the inheritance of a dire if not a wrecked economy was repeated as well as misstated public finance data.

The timeline for adjusting the economy and bringing it back to a stronger foundation is a prudent one, it will not happen in one year. While the existing manufacturing, tourism, agricultural and financial services sectors will be consolidated, we will retain in particular the strong emphasis on Investment in Innovation and Artificial Intelligence. Deeper integration of sustainability initiatives into economic policies, beyond renewables and food security, could strengthen resilience against environmental challenges.

In its quest for social stability, Government emphasizes heavily on inclusiveness and social welfare in order to protect the vulnerable, to support education reforms, and to address consumer protection. Some social welfare measures will however phase out over time.

To reduce public deficits and to stabilise debt, it goes through soaring taxes imposed mainly on large businesses, high income professionals as well as foreign real estate investors. This fiscal consolidation will hopefully bring down the red flags.

The current Government seeks to get rid of inefficiencies in the public sector, a mammoth task that will also entail the responsibility of managing the Chagos Fund which will contribute to debt reduction in the next three years and will then thereafter be allocated to create wealth in key economic sectors for the future. The target to curb public debt from Rs 642 billion (representing 90% of GDP in 2024/25) to 79.7% by 2027/28 is a bold one.

Ultimately, this budget sets the stage for a gradual yet necessary transformation, balancing economic renewal, fiscal discipline, and social stability to steer Mauritius towards a more resilient and sustainable future.

The Prime Minster poignantly concluded his speech by quoting the former Secretary General of the United Nations, Mr Dag Hammarskjöld, "*I don't promise to take you to heaven, but I shall certainly prevent you from going to hell*".

BDO TEAM

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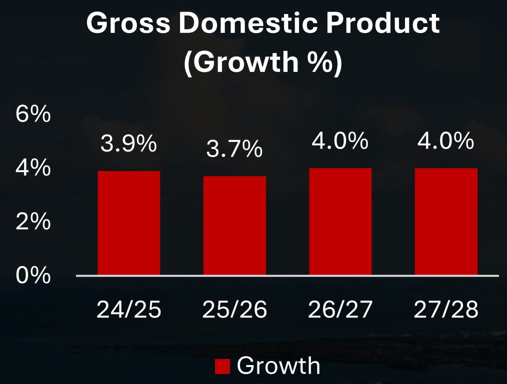

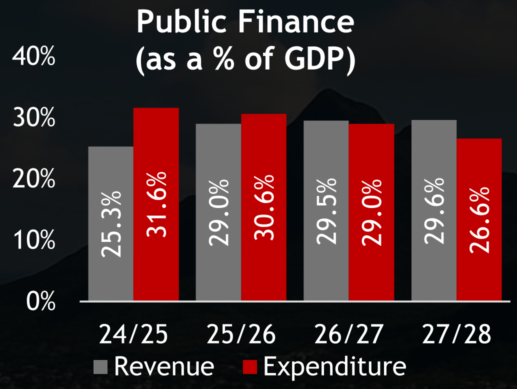

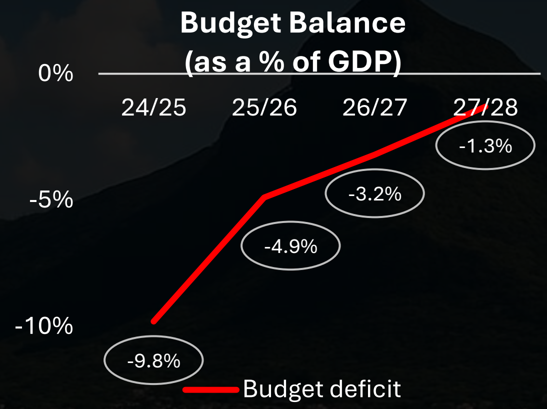

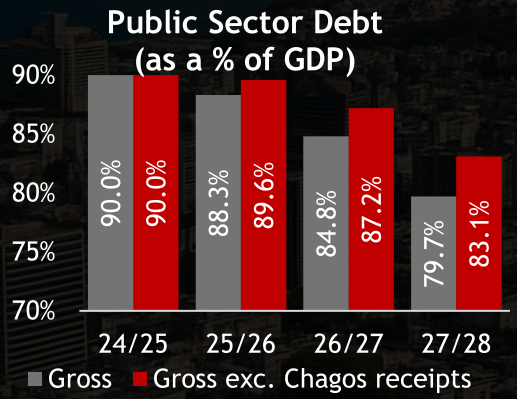

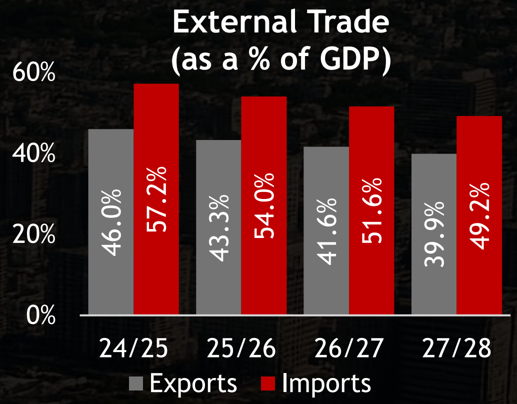

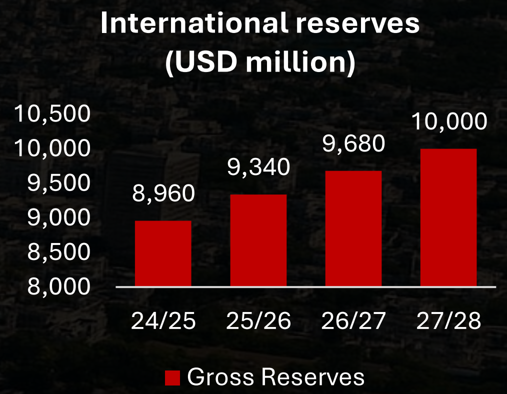

GROSS DOMESTIC PRODUCT
(2025/2026)

Rs 769.6 billion

INFLATION
(April 2025)

2.6 %

ECONOMIC RENEWAL: SHAPING INNOVATIVE MAURITIUS

Unlocking Innovation with R&D and Artificial Intelligence

- Establishment of a National Research and Innovation Institute (NRII).
- Rs 200m to various Ministries to finance research that results in policy innovation.
- Parastatal organisations and State-Owned Enterprises to prepare R&D and innovation plan.
- High-Level Steering Committee to monitor progress on the Innovative Mauritius mission.
- Implementation of ICT Sector blueprint on digitalisation.
- Capacity building for Statistics Mauritius to implement open and big data.
- Rs 70m for Tier IV Government Data Centre for disaster recovery.
- Alignment of Data Protection and Cybersecurity laws with international norms.
- Incentives to attract foreign research laboratories in Mauritius.
- Launch of the “Innovative Mauritius Scheme” to promote R&D and innovation.
- AI Innovation Start-Up Programme.
- Rs 25m for a Public Sector AI Programme.
- AI to be embedded in education and public sector.

Resource Repurposing to boost Productivity

- Support for women in the workforce: flexible work arrangement, enhanced DBM loans, Non-financial support, gig and digital platform economy.
- Fast-track and simplified rules-based work permit system for recruitment of foreign labour by the Economic Development Board (EDB).
- Rs 550m for training, reskilling and upskilling.
- Revamping of diaspora scheme and creation of Diaspora Advisory Council.
- Review of National Development Strategy for Land Use Planning and launch of Digital Twin Mauritius Project.
- Expansion of land database at Landscope.
- Land Repurposing Scheme with permit exemptions on conversion for owners of small agricultural plots.
- Establishment of an Industrial Policy Coordination Committee to increase capital productivity.

Shifting Focus: Building Growth through Transformative Investment

- Shift from consumption-led to investment-driven growth via four 'Pôles de Croissance':
  - Rs 30bn investment in renewable energy over next 3 years.
  - Creation of ‘Waste-to-Wealth Scheme’.
  - Blue Economy Blueprint on six strategic ocean economy sectors.
  - Creative arts sector uplift with the setting up of the National Open Arts Commission and Freeport Art Trading.
- Art Trading as a new export activity.
- Rs 900m allocated to the Ministry of Tourism with a new strategy blueprint.
- E-gates to be introduced on arrival at airport.
- Rs 800m for food resilience schemes and support for farmers, planters and breeders.
- Access to Artificial Intelligence for producers of food.
- Conduct of a Financial Sector Assessment by the IMF and World Bank.
- Financial Services Commission to deploy a unified e-licensing platforms.
- Bank of Mauritius to launch bullion banking for private banking activity licensees (gold and other precious metals).

- Review of the Bank of Mauritius Act and the Banking Act to increase its independence.
- Implementation of an effective resolution regime to ensure orderly resolution of a failed bank.
- Introduction of Electronic Trade Documents Bill to recognise digital bills of exchange and trade documents.
- Secured electronic signatures to be accepted for registration and transcription purposes.
- Streamlining licensing for wealth management and family offices.
- Restructuring EDB and promotion of the ‘Innovative Mauritius’ brand.
- Rs 128bn budgeted investments in infrastructure development, including housing, transport, water, wastewater, solid waste, land drainage and electricity over the next 5 years.
- Implementation of the Motorway M4 project in two phases (Forbach-Pont Blanc-Bel Air).
- Implementation of Ring Road Phase 2 project.
- Investment of Rs 5.4bn by Mauritius Ports Authority on jetties and expansion of Mauritius Container Terminal.
- Construction of the Riviere des Anguilles Dam.
- Major overhaul of the Cargo Handling Corporation.
- Establishment of a Price Stabilisation Fund of Rs 10bn with Rs 2bn contribution in the current budget.
- Investment of Rs 1.5bn in a modern centralised warehousing facility by the State Trading Corporation.
- Removal of VAT on some infant foods, canned vegetables and frozen packed vegetables.
- Investment in a Price Monitoring Information System (PMIS).
- Setting up of a High-Level Steering Committee for a ‘Parallel Import’ framework to lower medicine prices.

SOCIAL ORDER

Education

- Introduction of a blueprint.
- Rs 20m for Special Education Needs (SEN).
- Rs 438m for education infrastructure from pre-primary to tertiary.
- Construction of a Hall of Residence to accommodate students.
- Promoting 'Study Mauritius' brand to make Mauritius an education hub.

Health

- Total budget allocated to healthcare - Rs 18.5bn.
- Rs 47m for Path to Remission programme for diabetic and prediabetic patients.
- Presence of qualified emergency physicians in Accident and Emergency departments.
- Digital health systems and infrastructure to reduce delays.
- Rs 24m for mosquito control via Sterile Insect Technique.
- Recruitment of 5 professional managers for hospitals.
- Budget for training and capacity building increased to Rs 44m.
- Recruitment:
  - 1,000 student nurses.
  - 50 trainee midwives & health officers.
  - 30 specialists.
- Food safety - Rs 20m for purchase of rapid testing kits.

Social security

- Rs 1.1bn for social aid beneficiaries.
- Rs 660m for 7,000 Social Register of Mauritius households.

- Rs 67.5m for ongoing social housing schemes.
- Rs 184m for implementation of e-Social Security system.
- Rs 1.3bn for National Social Inclusion Foundation.
- Basic retirement pensions increase by Rs 1,000.
- Rs 68bn for basic pensions & other allowances.
- Rs 90bn for social protection sector.

Homes for all

- Set up of a Housing Policy Roadmap.
- Social housing eligibility raised from income household of Rs 40,000 to Rs 48,000.
- Rs 40m for NHDC maintenance.

Environment

- Rs 3.3bn allocated to the Ministry of Environment, Solid Waste Management and Climate Change.
- Rs 164m for habitat restoration, beach protection, and marine pollution control.
- Climate Finance Unit to be established.

Law and order

- Rs 19.7bn for law and order.
- Rs 200m for Disciplined Forces Academy.
- Rs 2.2bn to protect maritime space.

Combatting drugs

- Rs 70m for National Agency for Drug Control.
- Rs 3.5m for a structured drug rehabilitation centre in Petit Verger.
- Upgrade of drug screening facilities at airport and seeport.
- Construction of New Forensic Laboratory.

Justice for all

- E-judiciary, digital court systems and National Crime/Prosecution agencies.
- Court renovations and digital payment systems supported.

Safer roads

- Rs 205m to improve road safety.
- Points-based licence system.
- Set up of a Road Safety Fund.
- Extension of Safe City Cameras.

Sports development

- Rs 1.1bn allocated to Ministry of Youth and Sports.
- Seven new sports academies to be set up.
- Feasibility study for a rally circuit.

Civil service

- Public Sector Reform Bill to enhance governance.
- Civil Service College in operation.
- Reforms and Innovation Units in ministries.

Outer islands development

- Rs 5.785bn for development of Rodrigues, including a new runway at Plaine Corail.
- Rs 25m for Agalega Masterplan to boost sustainable development.

FISCAL CONSOLIDATION FOR A RESILIENT, INCLUSIVE MAURITIUS

Removing Wastage and Inefficiencies in our Expenditure System

- Savings of Rs 5bn are expected over a 3-year period as a result of reduction in inefficiencies, cut waste and rationalise parastatals.
- To ensure greater transparency in the management of public finances, a process to integrate Special Funds in the Consolidated Fund will be started.

Securing Long-Term Stability of our Pension System

- Revamp of the NPF to replace the CSG.
- Guarantee of a monthly income of Rs 20,000 for full-time employees. "Revenu Minimum Garantie" Allowance to top up the difference between actual wages and Rs 20,000.
- Maintain the Equal Chance Allowance of Rs 2,000 per month for households earning less than Rs 20,000 monthly.
- All beneficiaries of Social Register of Mauritius (SRM) will continue to benefit from CSG allowances that they are currently drawing.
- CSG Income Allowance, CSG Child Allowance, CSG School Allowance, Pregnancy Care Allowance, Maternity Allowance and Housing Loan Relief Scheme will be phased out gradually until 2027.
- Beneficiaries of CSG allowances earning less than Rs 20,000 monthly will be covered by another scheme under social security.
- The age eligibility for Basic Retirement Pension (BRP) is being increased to 65 years. The increase will be phased over a period of 5 years.
- Beneficiaries of the Basic Widows Pension and Basic Invalid Pension will continue to receive their pensions until they reach the BRP eligibility age.

CORPORATE TAX

Fair Share Contribution on Corporates

- Companies having an annual chargeable income above Rs.24 million are required to pay Fair Share Contribution at the following rates:
  - 5% of chargeable income if they are subject to the standard tax rate of 15%.
  - 5% of chargeable income for banks including income derived by banks from transactions with non-residents and Global Business Companies.
  - 2% of chargeable income if they are subject to the reduced tax rate of 3%.
- It is applicable to income derived from 1 July 2025 until 30 June 2028. Tax credit cannot be offset against the contribution payable. The contribution is payable on a quarterly basis under the Value Added Tax Act like the Advance Payment System under Corporate Tax.
- The contribution is not applicable to:
  - companies holding a Global Business Licence.
  - companies exempt from payment of income tax or which have been granted tax holidays.
  - income exempted from income tax.

Additional Fair Share Contribution on Banks

- Banks are required to make an additional contribution of 2.5% of their chargeable income from domestic operations.
- It is applicable to income derived from 1 July 2025 until 30 June 2028. Tax credit cannot be offset against the contribution payable. The contribution is payable on a quarterly basis under the Value Added Tax Act like the Advance Payment System under Corporate Tax.

Alternative Minimum Tax on Companies Operating in Specified Sectors

- Alternative Minimum Tax (AMT) at the rate of 10% of book profit will be payable by certain companies where their tax payable computed under the normal basis after availing of all eligible deductions but before deduction of tax credits is less than 10% of their book profits. The latter will be adjusted for dividends from resident companies and capital gains or losses. Tax credits cannot be offset against the AMT payable.
- Sectors subject to AMT:
  - hotels.
  - insurance companies.
  - companies engaged in financial intermediation activities.
  - companies engaged in real estate activities.
  - telecommunication companies.
- AMT not applicable to:
  - companies holding a Global Business Licence.
  - companies exempt from payment of income tax or which have been granted tax holidays.

Qualified Domestic Minimum Top-Up Tax (QDMTT)

- QDMTT will be imposed on subsidiaries and holding companies of Multinational Entreprises (MNEs) resident in Mauritius on income derived as from 01 July 2025 where their effective tax rate is less than 15%. This is in line with the development of the Global Anti-Base Erosion (GloBE) rules by the OECD to ensure that MNEs having annual consolidated revenue of EUR 750 million or more are taxed on their global income at a minimum rate of 15%.

Revision of Allowable Deductions for Companies

- As from 1 July 2025, the following deductions will be available exclusively to small and medium enterprises (companies with an annual turnover not exceeding Rs.100 million):
  - Double deduction for emoluments and training costs related to employees based in Rodrigues, and for emoluments paid to women employed under the Prime à l'Emploi Scheme.
  - Double deduction for expenses incurred in establishing a crèche or Child Day Care Centre for employees.
  - Double deduction for costs associated with acquiring patents and franchises.
  - Double deduction for expenditure on acquiring specialised software and systems.
  - Double deduction for expenses related to financing, sponsorship, marketing, or distribution of a film.
  - 150% deduction on filing fees for applications submitted to a recognised arbitration institution in Mauritius; and
  - Triple deduction, up to a maximum of Rs 1 million, for donations made to charitable institutions or NGOs engaged in specified activities.

Investment Tax Credit for Small Businesses

- Investment tax credit of 5% will be granted for 3 years to a qualifying small business or service provider with annual turnover not exceeding Rs.10 million for the cost of purchase not exceeding Rs.500,000 in a year of new equipment other than motor vehicles during the period 1 July 2025 to 30 June 2030. Any unrelieved investment tax credit may be carried forward over 5 years.

Income Tax Holiday for SMEs

- The 4-year income tax holiday granted to an SME on conversion from a sole trader or partnership into a company will no longer be allowed where the SME is:
  - providing professional services.
  - a tourism operator.
  - a training institution.

Investment in AI Technologies

- Start-ups, micro, small and medium enterprises will be allowed to claim a tax deduction on their investments in AI technologies up to a maximum of Rs.150,000.

Corporate Social Responsibility

- A company will be able to spend 50% of its CSR Fund instead of 25% currently.

Partial exemption regime

- A Virtual Asset Service Provider licensed by the FSC and engaged in the exchange, transfer, safekeeping, and administration of virtual assets will be allowed to claim partial exemption of 80% on its income derived from such activities provided the conditions related to substance requirements are satisfied.
- Banks will not be allowed to claim partial exemption on foreign dividends.
- Clarification will be made in respect of the relevant activity that a company has to carry out to claim partial exemption after satisfying the substance requirements.

Smart City Scheme

- Fiscal incentives will no more be available to the holder of a Smart City Certificate or any developer issued with a registration certificate after 5 June 2025 except for projects related to:
  - (A) the construction of a public transport station or terminal.
  - (B) the National Regeneration Programme.
- For any project where development commenced before 5 June 2025, no further exemption will be granted for the following under the Scheme:
  - (A) Land conversion tax.
  - (B) Customs duty on imported furniture, machinery, and building materials.

- However, such projects will still be eligible for the following benefits provided a Building and Land Use Permit has been issued and construction began before 5 June 2025:
  - (A) Refund of VAT paid on buildings, capital goods, and public road construction.
  - (B) Income tax holiday on income generated from real estate activities within the Smart City.
- Although Smart City projects fall outside the scope of the Morcellement Act, they will be required to pay a fee equivalent to the morcellement fee.

Exempt bodies

- The National Guarantee Corporation Ltd will be exempted from income tax.
- Companies implementing projects which are financed to the extent of at least 50% from grants or concessionary financing from a foreign state or a donor institution, as approved by the Ministry of Finance, will be exempted from the payment of income tax as well as for its expatriate employees.

INDIVIDUAL TAX

Personal Income Tax Rates and Bands

- As from 1st July 2025, there will be a new tax regime with different tax rates and bands as follows:

Rate	Bands
0%	First Rs 500,000
10%	Next Rs 500,000
20%	Remainder

- Comparison of tax payable in 2026 compared to 2025.

Chargeable income Rs.	Tax payable in 2025 Rs.	Tax payable in 2026 Rs.	Savings/ (Additional tax) Rs.
500,000	4,200	0	4,200
600,000	11,800	10,000	1,800
700,000	21,800	20,000	1,800
800,000	31,800	30,000	1,800
900,000	42,000	40,000	2,000
1,000,000	54,000	50,000	4,000
1,050,000	60,000	60,000	0
1,100,000	66,000	70,000	(4,000)
1,200,000	78,200	90,000	(11,800)
1,300,000	92,200	110,000	(17,800)
1,400,000	106,200	130,000	(23,800)
1,500,000	120,400	150,000	(29,600)
1,600,000	136,400	170,000	(33,600)
1,700,000	152,400	190,000	(37,600)
1,800,000	168,400	210,000	(41,600)
1,900,000	184,600	230,000	(45,400)
2,000,000	202,600	250,000	(47,400)
2,100,000	220,600	270,000	(49,400)
2,200,000	238,600	290,000	(51,400)
2,300,000	256,600	310,000	(53,400)
2,400,000	274,800	330,000	(55,200)
2,500,000	294,800	350,000	(55,200)
2,600,000	314,800	370,000	(55,200)

Fair Share Contribution on High-Income Earners

- A Fair Share Contribution with rates ranging from 10% to 20% will be introduced on chargeable income and dividend income from domestic companies applicable as from 1 July 2025 until 30 June 2028. This contribution will be collected through the PAYE system.

	Rate
Chargeable income and dividend income from domestic companies exceeding Rs.12 million	**15%**
Chargeable income exceeding Rs.12 million up to Rs.24 million	**10%**
Chargeable income exceeding Rs.24 million	**20%**

Tax Exemption for Individuals Aged Between 18 and 28 Years

- As from the income year starting on 1 July 2025, individuals aged between 18 and 28 years earning up to Rs 1 million annually will be exempt from income tax on their emoluments or business income.

Personal Reliefs and Deductions

- The following personal reliefs and deductions will be discontinued starting from the income year beginning on 1 July 2025:
  - wages paid to a household employee.
  - donations to charitable institutions.
  - adoption of animals.
  - angel investor allowance.

Deduction for Dependent Child with a Disability

- A taxpayer will be entitled to claim the deduction for a dependent child with a disability, regardless of any financial assistance the child receives under the National Pensions Act or the Social Contribution and Social Benefits Act.

Taxation of Car Benefit

- The monetary value of the monthly fringe benefits to be included in an employee's gross income for the provision of a company car are being revised as follows:

Car Benefit	Actual	Future
Car costing not more than Rs.3 million with Cylinder Capacity		
Up to 1,600 cc	9,500	12,000
1,601 to 2,000 cc	10,750	13,500
Above 2,000 cc	12,000	15,000
Electric car		
<= 57.5 kW	8,500	13,500
57.5 - 78.4 kW	10,750	13,500
> 78.4 kW	12,000	13,500
Car costing		
more than Rs 3 million up to Rs 5 million		25,000
more than Rs 5 million up to Rs 8 million		35,000
more than Rs 8 million		50,000

Prime à L'emploi Scheme

- No new application will be accepted after 5 June 2025. However, the Prime à l'Emploi allowance will continue to be paid for eligible employees who have been approved by the Mauritius Revenue Authority until 5 June 2025.

National Minimum Wage and Salary Compensation 2024

- Financial assistance to Export-Oriented Enterprises, for payment of the National Minimum Wage and salary compensation 2024 in respect of:
  - Employees earning national minimum wage.
  - Rs.2,333 per employee for the period January 2025 to December 2025, including a bonus in December 2025 and Rs.1,167 per employee for the period January 2026 to December 2026, including a bonus in December 2026.
  - Employees earning basic salary above the national minimum wage but not exceeding Rs.50,000 monthly.
  - A maximum of Rs.1,333 per employee for the period January 2025 to December 2025, including a bonus in December 2025; and a maximum of Rs.667 per employee for the period January 2026 to December 2026, including a bonus in December 2026.

Salary Compensation 2025

- Financial support for payment of the monthly Salary Compensation 2025 for the period from January 2025 to June 2025 as follows:
  - Rs 610 monthly per eligible employee of a charitable institution, a non-government organisation, a religious body or a trade union.
  - a maximum of Rs 610 or Rs 305 per eligible employee depending on the profitability of an enterprise which is:

(A) an SME, an Export-Oriented Enterprise, a bus operator or light rail operator providing public transport and

(B) an enterprise operating in the business process outsourcing, security, cleaning services or construction sectors having a turnover not exceeding Rs 750 million in the year of assessment 2023-2024.

VALUE ADDED TAX

Registration

- As from 1 October 2025, the registration threshold is reduced from annual turnover of taxable supplies of Rs.6 million to Rs.3 million.

Subject to VAT

- Specified digital or electronic services provided by foreign suppliers as from 1 January 2026.

Zero-rated VAT

- Fruit and vegetable purées for infants.
- Canned vegetables such as tomatoes and mushroom.
- Frozen packed vegetables such as potatoes, beans, spinach and mixed vegetables.
- Hairdressing services.
- Cameras for CCTV systems.

VAT Refund Scheme

- Small planters will benefit from VAT refund on harvesting services.
- VAT refund on the construction of a residential building or the purchase of a residential apartment or house from a property developer will terminate on 30 June 2025.

Special Levy on Banks

- The current cap on the Special Levy on Banks, which limits the levy to 1.5 times the amount paid by a bank in the 2017/2018 financial year, will be removed.

EXCISE DUTY

Changes in rates

- As from 6 June 2025, the rates of duty are as follows:

Alcoholic product	Previous	New
Beer (per litre)		
Up to 9 degrees	Rs.52.80	Rs.58.10
Above 9 degrees	Rs.73.30	Rs.80.65
Spirit cooler (per litre)	Rs.68.85	Rs.75.75
Fruit wine (alcohol by volume/per litre)		
1.2% up to 8.5%	Rs.31.00	Rs.34.10
Above 8.5% up to 18%	Rs.42.75	Rs.47.05
Made wine (alcohol by volume/per litre)		
1.2% up to 8.5%	Rs.66.00	Rs.72.60
Above 8.5% up to 18%	Rs.91.65	Rs.100.80
Wine grapes (alcohol by volume/per litre)		
In bulk for bottling purposes		
1.2% up to 8.5%	Rs.106.00	Rs.116.60
Above 8.5% up to 18%	Rs.147.40	Rs.162.15
In bottle		
1.2% up to 8.5%	Rs.186.00	Rs.204.60
Above 8.5% up to 18%	Rs.258.25	Rs.284.10
Champagne (per litre)	Rs.1,229.00	Rs.1,352.80
Rum (per litre of absolute alcohol)	Rs 724.10	Rs 796.50
Cane spirits (per litre of absolute alcohol)	Rs 724.10	Rs 796.50
Whisky (per litre of absolute alcohol)		
In bulk for bottling purposes	Rs.1.398.75	Rs.1,538.65
In bottle	Rs.2,236.10	Rs.2,459.70
Liqueur (per litre of absolute alcohol)	Rs.492.00	Rs.541.20

Changes in rates (Contd.)

- As from 6 June 2025, the rates of duty are as follows:

Tobacco product	Previous	New
Cigars (per kg)	Rs.23,510	Rs.25,861
Cigarillos (per thousand)	Rs.13,728	Rs.15,101
Cigarettes (per thousand)	Rs.6,807	Rs.7,488

Motor cars	Conventional	Non-Plug-in Hybrid	Plug-in Hybrid
551 - 1,000 cc	45%	25%	15%
1,001 - 1,600 cc	55%	35%	25%
1,601 - 2,000 cc	75%	55%	35%
Above 2,000 cc	100%	75%	55%

Electric cars	Rate of excise duty
Up to 180kW	15%
Above 180kW	25%

Vehicles	Conventional	Non-Plug-in Hybrid	Plug-in Hybrid	Electric
Double space cabin vehicles	30%	20%	15%	Up to 180 kW - 10% Above 180 kW - 15%
Single space cabin vehicles	10%	5%	5%	5%
Vans	10%	5%	5%	5%
Private buses	20%	15%	10%	5%

- The previous rates of excise duty will continue to apply on a vehicle which, as at 5 June 2025, is already in a bonded warehouse or has already been shipped or in respect of which an import permit has already been issued. However, the vehicle will have to be cleared from customs on or before 30 June 2025.
- The Negative Excise Duty Scheme for electric vehicles will end on 30 June 2025.

Sugar Content of Sugar Sweetened Products

- As from 6 June 2025, the excise duty on the sugar content of sugar sweetened products is increased from 6 cents to 12 cents per gramme of sugar. Chocolates and ice cream will be subject to 12 cents per gramme of sugar as from 1 October 2025.

REGISTRATION DUTY AND LAND TRANSFER TAX

Motor vehicles

- As from 1 July 2025, the duty will increase by 30% on first registration of a motor vehicle.
- The duty is abolished on the sale and transfer of domestic pre-owned vehicles.

Residential Property under EDB Scheme

- A non-citizen will be liable to pay registration duty of 10% instead of 5% of the value of the property, at time of registration of the deed of transfer upon acquisition of an apartment in a building of at least 2 floors above ground floor or a residential property under the following schemes:
  - Smart City Scheme.
  - Property Development Scheme.
  - Integrated Resort Scheme.
  - Real Estate Scheme.
  - Invest Hotel Scheme.

- On the sale of the above property, the land transfer tax payable is the higher of 10% of the value of the property or 30% on the gain realised (difference between the resale value and the value at time of acquisition of the property) as from the date the Finance (Miscellaneous Provisions) Act is published on the Government Gazette.

- A promoter selling the above property will pay land transfer tax at the rate of 10% instead of 5% of the value of the property.

Passenger Service Charge

- As from 01 January 2026, the Passenger Service Charge payable by a passenger departing from Plaine Corail Airport will be increased as follows:

Passengers	Domestic Flight			International Flight	
	Current	01 January 2026	01 January 2027	Current	01 January 2027
Below 2 years	Nil	Nil	Nil	Nil	Nil
2 years and above	Rs. 150	Rs. 500	Rs. 1,000	Rs. 500	Rs. 1,000

Tourist Fee

- As from 1 October 2025, a Tourist fee of Euro 3 per night per tourist will be charged for stay in a hotel, guesthouse, tourist residence or domaine. A tourist under the age of 12 years will be exempted from the payment of the fee. The fee will be collected by the designated establishments and remitted to MRA on a monthly basis.

Environment Protection Fee

- With effect from 1 July 2025, there will be an increase on the Environment Protection Fee for the following goods:

Mobile phones having a value exceeding Rs 1,000	Rs.70 per unit	Rs.140 per unit
Batteries for vehicles *	Rs.50 per unit	Rs.100 per unit
Pneumatic tyres *	Rs.50 per unit	Rs.100 per unit

* excluding motorcycles, bicycles and wheelchairs

TAX ADMINISTRATION

General

- Tax Dispute Settlement Scheme
  - A Tax Dispute Settlement Scheme will be introduced whereby a taxpayer who has a tax claim and who withdraws his case at the Assessment Review Committee, the Supreme Court or Privy Council, will benefit from a full waiver of penalties and interest.
  - This scheme will apply to cases under litigation as at 5 June 2025 for taxpayers who pay the tax due by 31 March 2026, which is also the date on which this one-off scheme will end.
  - There will be no refund for tax paid, including penalty and interest, under this scheme except for Supreme court cases where tax due has already been paid.

- Voluntary Disclosure Settlement Scheme
  - A one-off scheme will be set up for taxpayers who have in previous years not declared or under-declared their income or taxable supplies.
  - Under this scheme, taxpayers will benefit from full waiver of penalties and interest provided that all payments are made by 31 March 2026, until when this scheme will operate.
  - For income tax purposes, the VDSS will relate to income not declared or under-declared for the year of assessment 2024/25 and prior years, excluding returns due in June 2025.
  - For VAT purposes, the VDSS will relate to taxable supplies not declared or under-declared for the taxable period ended 30 April 2025 and prior periods.
  - There will be no refund of tax paid, including penalty and interest under this scheme.

- Tax Arrears Settlement Scheme (TASS)
  - The TASS scheme will be renewed to motivate taxpayers to settle their dues.
  - Taxpayers having a debt as at 30 June 2025 will benefit from a full waiver of penalties and interest provided that they register by 30 November 2025 and settle their payments by 31 March 2026. The scheme will apply to tax arrears which are outstanding as at 30 June 2025.
  - There will be no refund of tax paid, including penalty and interest under this scheme.

- Limitation of above schemes
  - These schemes will not apply to persons who have been convicted or are under civil and criminal proceedings or are subject to enquiries relating to drug trafficking, arms trafficking, offences related to terrorism, money laundering or a corruption offence under the Financial Crimes Commission Act.

- Power to raise assessments
  - The MRA will be able to raise assessments only in respect of two years, except in exceptional circumstances.

- Capping on penalty and interest
  - The amount of penalty and interest will be limited to the amount of tax due.
  - Penalties and interest arising on non-payment of tax, not related to tax withheld on behalf of the Government, will be reduced by 50%.

- Registration of tax agents
  - All tax agents will have to be registered with the MRA.
  - Where the agent is a member of the Mauritius Institute of Professional Accountants, or a law practitioner, he will be deemed to have been registered.

- Payment of tax in foreign currency
  - Businesses which receive a minimum of 50% of their annual turnover in foreign currency will have to pay their tax in foreign currency.

Income Tax

- Penalty will not apply where a person does not submit a statement of income under the Current Payment System on the due date.
- Tax deducted at source will apply when a company retains the services of a non-resident entertainer or sportsperson to perform in Mauritius, irrespective of its level of turnover.
- An operator which holds a licence from the Gambling Regulatory Authority will be required to provide the receipt or ticket number of a winning ticket in the statement of winnings.
- The fees payable for a tax ruling will increase from Rs.2,000 to Rs.3,000 for individuals and from Rs.10,000 to Rs.50,000 for companies.
- The Director-General may revoke the status of charitable institution given to an entity if it is no longer meeting its charitable objectives.
- The scope and methodology of application of arm's length principle will be reviewed to provide greater certainty and protect our tax base.
- The MRA will collaborate with the Corporate and Business Registration Department to come up with a single payment and receipt platform at the level of the MRA.

Value Added Tax

- The MRA e-invoicing will now be applicable to suppliers making a turnover of more than Rs.80 million.
- It will be clarified that credit for input VAT on rented parking is disallowed except if motor vehicles are used in the furtherance of the business.
- Provision will be made so that VAT due by a company will be in the order of priority of payments to preferential creditors set out under the Insolvency Act.
- It will be clarified that reverse charge on supply of services from abroad will apply to all VAT registered persons including bank receiving services from a foreign supplier.
- Where a supply is made to a foreigner who is outside Mauritius at the time the service is performed, VAT will be applicable if the service is utilised in Mauritius.
- Where a pleasure craft is used for commercial purposes, the holder of the Pleasure Craft licence will be required to register for VAT.
- Fees payable for a VAT ruling will increase from Rs.2,000 to Rs.3,000 for an individual and Rs.10,000 to Rs.15,000 for any other person.
- Fine for making an incorrect return or making an incorrect claim for repayment in respect of capital goods will henceforth be an amount not exceeding Rs.500,000.
- Failure to keep records, to issue VAT invoice, to change taxable period from quarterly to monthly will be liable to a fine of Rs.100,000.
- Failure to register for VAT, to submit a VAT return and pay any tax due will be liable to a fine up to Rs.1 million.

Customs Act

- Provisions will be introduced to allow photographic evidence to be used in enforcing Customs laws, with such evidence being admissible in court. This is in line with existing provisions under the Fisheries Act.
- The Minister of Finance will be empowered to make regulations for the implementation of any customs-related agreements between the Mauritius Revenue Authority (MRA) and foreign customs administrations or other competent authorities.
- Under the VAT system, VAT-registered persons currently pay VAT on imported capital goods and later claim a refund in their VAT return. At present, the Customs Act allows VAT-registered persons to forgo VAT payment at importation for capital goods valued at Rs.1 million or more, provided the non-payment is declared in their VAT return. To further support business cash flow, this threshold will be lowered to Rs.500,000.

- In cases where goods are ordered, shipped, imported, or manufactured before a public notice of Intellectual Property Rights protection is issued by MRA, and the importer or manufacturer cannot justify the authenticity of the goods, MRA will be authorised to request such justification from the intellectual property owner or authorised user. If justification is not provided within 5 working days, the goods will be cleared by MRA.
- When goods are seized, MRA will be required to notify the owner or their representative within 21 days from the date of seizure.
- It will be clarified that individuals applying for authorisation to act as customs brokers must have at least five years of experience as a customs clerk and must hold a School Certificate or General Certificate of Education with credit in at least three subjects or possess an equivalent qualification acceptable to MRA.
- Currently, an export Bill of Entry is cancelled 14 days after validation, regardless of the actual export date. To address this, the Bill of Entry will now be cancelled 7 days after submission of the outward manifest of the departing aircraft or ship.
- If a person objects to the amount of taxes claimed by MRA but fails to specify detailed grounds for the objection, MRA will have the authority to consider the objection as lapsed. However, the person will retain the right to appeal the decision. This provision will apply to the following cases under the customs laws:
  - Taxes paid under protest.
  - MRA's rejection of a refund claim for excess duty paid.
  - MRA's claim for erroneous refunds or tax reductions.
  - MRA's claim for underpaid taxes.
  - Tax claims arising from early sale (within four years) of goods granted exemption.
  - Excise duty claims based on stocktaking in factories.
- To deter frivolous objections and appeals intended to delay tax payments, provisions similar to those in the Income Tax Act (10%) and VAT Act (5%) will be introduced in the Customs Act, Customs Tariff Act, and Excise Act requiring partial payment of the underpaid tax when lodging an objection or appeal.
- Duty and taxes will become payable on pleasure boats remaining in Mauritius beyond a specified duration.

Excise Duty

- A penalty of up to 50% and interest at a rate of 0.5% per month will be applicable on any excise duty deemed unpaid following the stocktaking of excisable goods in a factory.
- Where Customs issues a tax claim to a manufacturer after such a stocktaking, the manufacturer will only be allowed to lodge an appeal with the MRA's Objection Directorate. Accordingly, the current provision permitting the manufacturer to submit justifications directly to Customs will be removed.
- It will be clarified that if the owner of seized goods wishes to contest the seizure in court, they must notify the MRA within one month from the date of seizure or the issuance of the seizure notice.
- For seized goods involved in criminal proceedings that are perishable, the MRA will be authorised to sell them immediately via public auction or tender, with the owner's consent.
- Returning Mauritian citizens who wish to claim an excise duty concession on a motor vehicle must have lived abroad for at least five years before returning. It will be clarified that they may have spent up to a total of 150 days in Mauritius during that five-year period.
- The MRA will be allowed to publish, either in the Government Gazette, a newspaper, or online, an annual list of excise licences that have been issued, renewed, transferred, cancelled, or surrendered.
- Ambassadors returning to Mauritius after a foreign posting, who did not receive a duty exemption on a vehicle purchased while abroad, will be eligible for a one-time duty exemption on a vehicle after the end of their contract. This will be subject to approval by the High-Powered Committee.

Registrar-General

- The Arrears Payment scheme will be renewed for an additional year and will provide full waiver of penalties and interest if a debtor settles his debts on or before 31 March 2026. This scheme will apply to tax arrears due as at 31 May 2025.

- Administrative fees for registration of deeds and documents will increase as per below:
  - Fixed duty from Rs.300 to Rs.500.
  - Minimum duty from Rs.200 to Rs.500.
  - Administrative fees range from a minimum of Rs.100 to Rs.200.

- A fixed duty will only be levied on the addition of an immovable property to a trust property if it is being transferred from the settlor or a beneficiary of the trust. Where such transfer is made by a third party, the standard rate of registration duty of 5% will apply.

- The Registrar-General will accept certain deeds or documents for registration, transcription or inscription originating from regulated entities where they have been signed by one or more parties using a secure electronic signature as per the Electronic Transactions Act, provided that there is a declaration to that effect in the deed or document.

- The time limit for objecting to a claim from the Registrar-General in relation to a transfer of shares will be 28 days from the date of notice of the claim instead of 28 days from the date of receipt of the notice, to align with the provision of the Land (Duties and Taxes) Act. However, a person will be given additional time to object to a claim if the delay is due to illness or other reasonable cause.

- It will be clarified that a fixed duty applies on the return (rétrocession) of a leased property and does not apply on the cession of a leased property.

- Transfer of property
  - If in a deed relating to the transfer of both movable and immovable property, a valuation of each item of the movable property has not been made, land transfer tax will be levied at the rate of 5% on the aggregate value of all properties; and
  - It will be clarified that the exemption from land duties and taxes granted on the transfer of land as equity investment in a company will only be allowed if ordinary shares of at least the value of the land are held in the company by the transferor.

REGULATORY FRAMEWORK OF BUSINESSES

- Annual registration fees applicable to companies, sociétés commerciales, partnerships and foundations will be doubled. This increase will not apply to a small private company with annual turnover < Rs 100m or a charitable foundation.

OTHER LEGISLATIONS

- The Companies Act will be amended to clarify that all Public Interest Entities will have to prepare an annual report, irrespective of their turnover, within 6 months after their balance sheet date.

- The Financial Reporting Act will be amended to align the definition of public interest entity with international best practices.

- The Data Protection Act will be amended to fully align its provisions with international and regional standards including that of the Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data and the European Union General Data Protection Regulation.

- The Non-Citizens (Property Restriction) Act will be amended to:
  - cater for a non-citizen or a person not resident in Mauritius to deal with shares or other securities on a securities exchange established under the Securities Act, and thereby removing reference to the Stock Exchange Act which has been repealed;
  - prohibit the disposal or acquisition of an apartment in a building of at least 2 floors above ground floor which has been constructed on State Land or Pas Géométriques by a non-citizen or a person not resident in Mauritius;
  - discontinue the scheme introduced in 2023, which allows non-citizens to acquire residential properties, including bare land, anywhere in Mauritius provided the property price exceeds USD 500,000; and
  - remove the provision relating to the powers of the Minister, responsible for the subject of internal affairs, to approve an acquisition of immovable property by a non-citizen after the deed of transfer has been registered. Consequential amendments will be made to the Registration Duty Act, the Companies Act and other relevant legislations to ensure such situations do not occur.

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