

REBUILDING MAURITIUS: THE NEW FUTURE?

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ECONOMY AT A GLANCE

Economy at a glance

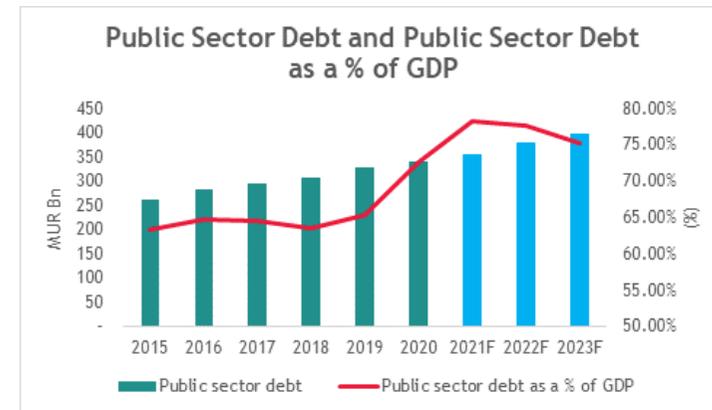
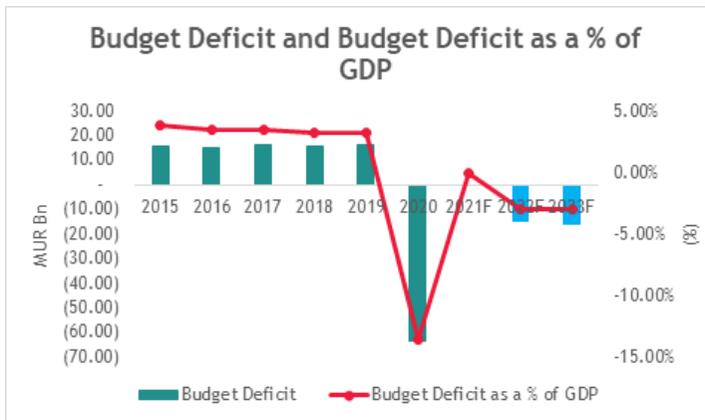
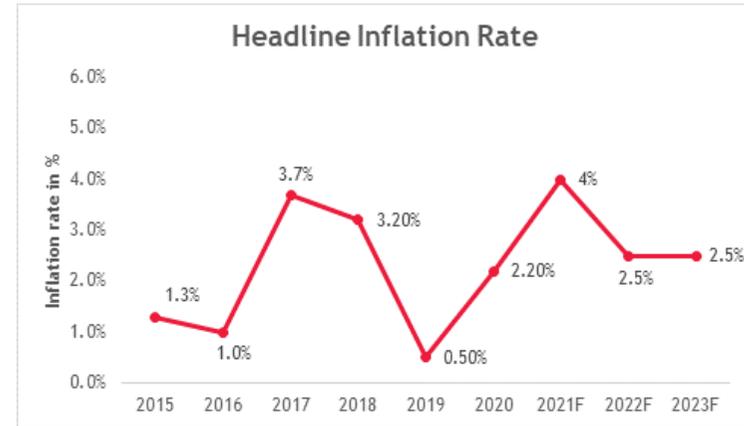
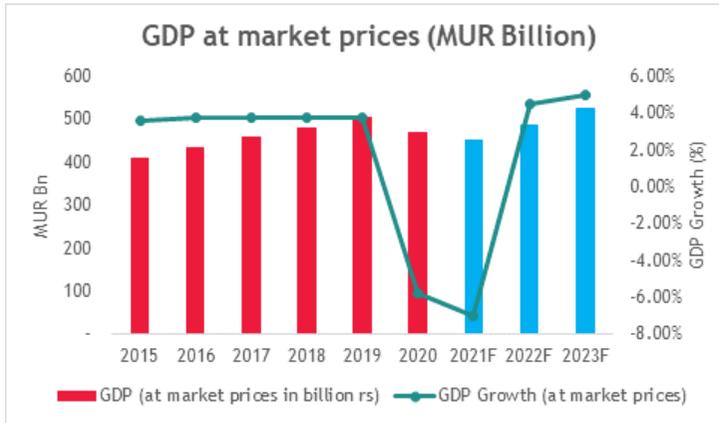
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ROLLING OUT THE 'PLAN DE RELANCE DE L'INVESTISSEMENT ET DE L'ECONOMIE'

CONSTRUCTION SECTOR

- ▶ Rs 12 billion for 12,000 social housing units.
- ▶ Rs 7.5 billion for Rivière des Anguilles dam.
- ▶ Rs 6 billion for Urban Terminals along the Port Louis - Curepipe corridor.
- ▶ Rs 5.2 billion for new roads and bridges.
- ▶ Rs 5 billion for Metro System from Rose Hill to Curepipe.
- ▶ Bus terminals modernisation programme.
- ▶ Rs 2.2 billion for a Breakwater, Fishing Port and the Cruise Terminal Building.
- ▶ Waiving fees related to the Building and Land Use Permit for construction of pharmaceutical manufacturing factories, food processing plants and warehouses.
- ▶ Public projects less than Rs 300 million opened for Mauritian companies only.



Agri-Business

AGRICULTURAL SECTOR

- ▶ Inception of a National Agri-Food Development Programme.
- ▶ Bring more land under cultivation.
- ▶ Centralised digital Land Bank of State and Private Agricultural Land - platform to match demand and supply for land that can be used for food production.
- ▶ Small planter can convert up to 10% of his land for residential or commercial purpose.

- ▶ 20,000 acres of abandoned land put on the platform for immediate use.
- ▶ The Food and Agricultural Research & Extension Institute (FAREI) to develop standards and norms for production, storage, transformation and commercialisation of superfoods.
- ▶ DBM to provide loans at 0.5% per annum to distressed companies.
- ▶ Guaranteed price of Rs 25,000 per ton for the first 60 tons of sugar for crop 2020.
- ▶ Insurance premium payable to the SIFB by planters producing up to 60 tons of sugar waived for Crop 2020.
- ▶ Customs duty on imported sugar increased from 80% to 100%.



Manufacturing

MANUFACTURING SECTOR

- ▶ Minimum shelf space of 10% for local goods in supermarkets.
- ▶ Minimum domestic content of 30% in purchases of goods for Ministries and Government.
- ▶ Financial support for companies producing hygienic goods.
- ▶ Investment tax credit of 15% over 3 years extended to all manufacturing companies.

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EXPORT SECTOR - A PARADIGM SHIFT

- ▶ Port dues and terminal handling charges for exports waived from July to December 2020 and reduced by 50% for the period January to June 2021.
- ▶ Extending the Freight Rebate Scheme for exports to Africa.
- ▶ Extending Trade Promotion and Marketing Scheme for exports to Japan, Australia, Canada and the Middle East.
- ▶ Export Credit Insurance Scheme to cover all exports.
- ▶ Government to support the first two years of operation of a “Made in Mauritius” warehouse set-up in Tanzania and Mozambique.
- ▶ 50% refund on the costs of certification, testing and accreditation of local laboratories.
- ▶ Exemption from the payment of registration duty and land transfer tax for the purchase of immovable property.



Tourism

SUPPORT TO OUR TOURISM SECTOR

- ▶ Support national carrier.
- ▶ New tourism branding strategy.
- ▶ Commercial partnership with the Liverpool Football Club for the promotion of the Mauritius destination.
- ▶ Hotels to convert part of their accommodation units into serviced apartments that can be sold individually.
- ▶ Invest Hotel Scheme will allow owners to occupy their units for a total period of 90 days in a year.
- ▶ Organisation of major international events.

- ▶ Exemption from payment of licence fee for two years for licensees of Tourism Authority and Beach Authority.
- ▶ Rental payment of state lands waived for the upcoming financial year.
- ▶ Hotel Reconstruction and Renovation Scheme rebate of 100% on rental of state lands for two years.
- ▶ Up to December 2021, companies operating under the Deferred Duty and Tax Scheme as well as the Mauritius Duty Free Paradise will be allowed to sell their goods on the local market.

FINANCIAL ACTION TASK FORCE (FATF) ACTION PLAN

- ▶ Risk-based supervisions.
- ▶ Programmes to promote understanding of money-laundering and terrorist financing risks.
- ▶ Increased reporting of suspicious transactions.
- ▶ Targeted financial sanctions.
- ▶ Timely access to beneficial ownership information.
- ▶ New AML/CFT (Miscellaneous Provisions) Bill.
- ▶ Set up of Financial Offences Court.



Financial Services

DIVERSIFYING OUR FINANCIAL SERVICES SECTOR

- ▶ Introduction of 5 new products in line with the recommendations of the 10 Year Blueprint to enhance competitiveness:
 1. The Central Bank Digital Currency
 2. An Insurance Wrapper
 3. Viable Capital Companies
 4. An inaugural Sukuk issuance by the Bank of Mauritius

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5. Green and Blue Bond frameworks by the Bank of Mauritius

 - ▶ New frameworks for digital banking and wealth management by the Bank of Mauritius.
 - ▶ Set up of a dedicated Venture Capital Market at the Stock Exchange of Mauritius for start-ups and SMEs.



Entertainment

CREATIVE AND CULTURAL SECTOR

- ▶ Financing allocations to expand opportunities for local artists:
- ▶ EDB and National Art Gallery will create an Online Fine Art Gallery to host exhibitions and facilitate sales to the public.

Activity	Allocation (RS)
COVID-19 action plan - support production of virtual concerts	19 M
Finance events under Calendrier Culturel	15 M
Preservation and rehabilitation of historical and cultural sites	35 M

PHARMACEUTICAL INDUSTRY

- ▶ Mauritius Investment Corporation will invest in production of pharmaceutical and medical related products.
- ▶ Introduction of Medical Products Regulatory Authority Bill to ensure conformity with international norms.
- ▶ Waiver of registration duty on the acquisition of immovable property in the life sciences sector.

- ▶ Benefits for Medical Research and Development centres:
 1. VAT exemption on construction of materials and specialized equipment
 2. Double deduction on R&D expenditures
- ▶ Proclamation of Human Tissue Act.
- ▶ Set up of regulatory framework for telemedicine platforms.



Blue Economy

BLUE ECONOMY

- ▶ Incentives under the inland aquaculture scheme:
 1. 8 year tax holiday
 2. Duty and VAT exemption on equipment
- ▶ Daily rate for bad weather allowance increased from Rs 365 to Rs 425 for fishermen.

AFRICA

- ▶ MIC earmarked Rs 10 Bn to invest in African projects.

FOSTERING ENTREPRENEURSHIP AND IDEAS

- ▶ Initiatives by the Development Bank of Mauritius:
 1. Bucket of 10 Bn to support distressed SMEs and Cooperative Societies
 2. Provide loans up to Rs 10 M per enterprise at 0.5% interest rate per annum.
 3. Loan facilities to taxi operators based at hotels.
 4. Campus Entrepreneur Challenge - first 10 best projects financed at interest rate of 0.5% for a maximum of Rs 500,000.

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- ▶ One-off grant towards certification under “Made in Moris” from Rs 5,000 to a maximum of Rs 50,000.
- ▶ SMEs holding “Made in Moris” label - benefit from Margin of Preference of 40% instead of 30%.
- ▶ Creation of Technology and Innovation Fund to invest up to Rs 2 M as equity.
- ▶ ISP Ltd to subsidise 50% of factoring fee per invoice for SMEs.
- ▶ Grant of 15% on cost of assets up to a maximum of Rs 150,000 for SMEs and Cooperative Societies.
- ▶ Grant up to Rs 50,000 to Cooperative Societies for purchase of livestock and acquisition of equipment involved in production of food items.

ENGAGING IN STRUCTURAL REFORMS

IMPROVING OUR DOING BUSINESS ENVIRONMENT

- ▶ Measures to facilitate business related public service delivery through e-services and the following will be introduced:
 1. An Integrated Single Window for trade.
 2. A Maritime Single Window.
 3. Corporate and Business Registration Department will become central repository for all business information and licences.
 4. Mauritius e-Registry System.
 5. Land Use and Valuation Information Management System.
 6. Online system for National Land Transport Authority.
 7. Centralised KYC project by Bank of Mauritius.
 8. MCIB will provide credit scores of potential borrowers.

- ▶ Cost for re-instating companies will decrease from Rs 15,000 to Rs 5,000.
- ▶ Building and Land Use Permit application fee waived.

OPENING TO THE WORLD

- ▶ Work permit and Residence permit combined into a single permit.
- ▶ Extension of validity of Occupational permit and Residence permit for retirees to 10 years.
- ▶ Minimum investment for obtaining Occupational Permit reduced from USD 100,000 to USD 50,000.
- ▶ The minimum turnover and investment requirement for Innovator Occupation Permit are being removed.
- ▶ Spouse of a holder of Occupational Permit does not need a permit to invest or work in Mauritius.
- ▶ Parents of a holder of Occupational Permit allowed to live in Mauritius.
- ▶ Professionals holding an Occupational Permit and foreign retirees holding a Residence Permit - able to invest in other ventures without shareholding restriction.
- ▶ Permanent Residence Permit extended from 10 to 20 years.

PUBLIC SECTOR TRANSFORMATION STRATEGY

- ▶ Reduction of recurrent expenditure, excluding social benefits by some 10% for next financial year.
- ▶ Reduction of overseas mission by 60%.
- ▶ Per-Diem allowances revised downwards.
- ▶ Ministers and Private Parliamentary Secretaries will renew their cars every 5 years instead of 4 years.

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SECURING SUSTAINABLE AND INCLUSIVE DEVELOPMENT

- ▶ Rs 100 billion to secure a greener and more inclusive development while preserving a strong social fabric.
- ▶ Transfer of Rs 2 billion to the National Environment Fund to cover exceptional expenditure incurred in connection with the COVID-19 pandemic address.
- ▶ Significant investments to address climate change challenges:
 - Rs 314 million for landslide stabilisation works on our roads.
 - Rs 215 million for the protection of our beaches, lagoons and coral reefs.
 - Rs 207 million for the Cleaning and Embellishment Programme of drains, roads, rivers and public sites including places of worship.

REDUCE, RE-USE, RECYCLE, RECOVER

- ▶ Eco-bins to be provided for the collection of plastic wastes.
- ▶ Setting up a network of Civic Amenity Centres (CAC) (déchetteries) at the 5 Transfer Stations.
- ▶ Ministry of Environment to encourage segregation of waste at source.
- ▶ Local Authorities to carry out composting of market waste.
- ▶ Feasibility study on the construction and operation of sorting units on a PPP basis at Forbach and La Chaumière for dry wastes.
- ▶ Encourage the recycling of waste tyres.

AIR QUALITY INDEX

- ▶ Introduction of the Air Quality Index to monitor the quality of air in Mauritius.

DRAINAGE INFRASTRUCTURE AND FLOOD MANAGEMENT

- ▶ Rs 1.2 billion to construct drainage infrastructure in high risk flood-prone areas.

ENERGY

- ▶ Share of local renewable energy in our energy mix to increase to 40% by 2030 to ensure energy security by:
 - Setting up of a 2 MW floating solar PV plant at Tamarind Falls reservoir.
 - Increasing the capacity of the solar PV farm at Henrietta from 2 MW to 10 MW.
 - Installing 1,000 solar panels on houses of low income families.
 - Commissioning a battery energy storage system of 14 MW.
- ▶ CEB to introduce the following schemes to encourage the use of renewable energy:
 - A Medium-Scale Distributed Generation (MSDG) Scheme, for a maximum of 10 MW, to enable beneficiaries to produce electricity for their own consumption and sell the excess to CEB.
 - Installation of 25 MW of rooftop solar PV to cater for public and residential buildings.
- ▶ CEB Renewable Energy Scheme for Religious Bodies to be extended to cover NGOs and Charitable Institutions.

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WASTEWATER

- ▶ Two wastewater projects at Grand Baie and Pailles Guibies to connect some 7,000 houses to the sewerage system.
- ▶ Provision to implement wastewater projects in Terre Rouge, Curepipe, St Paul, Dubreuil, Wooton and Pointe aux Sables.
- ▶ Feasibility study to be carried out for the implementation of waste water network in Port Mathurin, Rodrigues.

SOCIAL HOUSING

- ▶ Construction of 12,000 residential units over the next 3 years for Mauritian families with monthly income of up to Rs 60,000.
- ▶ Subsidy from 30% to 80% to families in different income group.
- ▶ Families to have the option to repay the remaining amount on a monthly basis over a period of up to 35 years.

COMMUNITY DEVELOPMENT

- ▶ Rs 1.3 billion allocated to Local Authorities and the National Development Unit.
- ▶ Some Rs 300 Million to be invested on a PPP basis for construction of an Integrated One Stop Centre at Beau Bassin and an integrated Market, Gymnasium and Sports amenities at Bassin, Quatre Bornes.

ACCESS TO WATER

- ▶ Improve the distribution of water, reducing water losses, and further increasing water storage and treatment facilities.
- ▶ Engage in major projects to improve our water storage and treatment facilities including inter alia construction of a dam at Rivière des Anguilles and rehabilitation of La Ferme Reservoir.
- ▶ To reduce water losses and improve the distribution of water.



Health | Safety

FOR AN ADVANCED HEALTHCARE SYSTEM

- ▶ Rs 12 billion to the health sector over the next fiscal year.
- ▶ New 5 year Strategic Plan 2020-2024.
- ▶ Setting up a National Centre for Disease Control and Prevention to control infectious diseases.
- ▶ Expand, diversify and modernise our public health infrastructure.
- ▶ Doubling the existing sugar tax of 3 cents per gram of sugar and coverage to be extended to a number of locally manufactured and imported non-staple sweetened products.

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Education

EDUCATION

- ▶ Rs 15 billion to the Ministry of Education, Tertiary Education, Science and Technology.
- ▶ Renovation, upgrading and refurbishment of over 70 primary and secondary schools.
- ▶ Invest some Rs 100 million in wireless local area network in 155 secondary schools in Mauritius and Rodrigues.
- ▶ National e-Learning Platform to be developed to connect educators of secondary schools with their students.
- ▶ DBM Ltd to provide financing facilities to households for acquisition of IT equipment for educational purpose.
- ▶ Top 500 worldwide institutions encouraged to set up branch campuses in Mauritius. They will benefit from:
 - Tax holiday for the first eight years of operation;
 - Exemption of tax on IT and IT related materials and equipment for the purpose of online education.
- ▶ Rs 138 million as grant-in-aid to NGOs running Special Education Needs (SEN) Schools.
- ▶ One-off grant of Rs 100,000 to each Special Education Needs (SEN) school run by NGOs.



Social Welfare

SOCIAL INTEGRATION AND SOCIAL SECURITY

- ▶ Medical domiciliary visits extended to bedridden and severe disability persons aged between 18 years and 59 years.
- ▶ Taxpayer to be allowed to claim as dependent a bedridden next of kin who is in his care.
- ▶ For better protection of the elderly, the number of anti-influenza vaccines increased from 75,000 to 150,000.
- ▶ A new Recreational Centre to become operational at Riambel by December 2020.
- ▶ A National Database for Vulnerable Groups will be set up.
- ▶ Some 2,570 tablets to be provided to students of Grades 10 to 13 for families in the existing SRM.
- ▶ Free broadband internet facilities to be extended to an additional 5,000 families under the existing SRM including 2,000 families in Rodrigues.
- ▶ National Social Inclusion Foundation to provide Rs 700 million to support NGOs.
- ▶ Public Collections Act to be amended to allow for collections of donations through online platform and by retail outlets for NGOs.
- ▶ Annual grant to religious bodies by increased from Rs 93 million to Rs 103 million.

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Law & Order

LAW AND ORDER

- ▶ Rs 8.4 billion to Police Force among others: expanding Safe City Project, advance Passenger Information System, new Forensic Science Laboratory construction, National Coast Guard to track illicit activities & New Automated Fingerprint Identification System.

JUDICIARY

- ▶ New Supreme Court to be operational in August 2020.
- ▶ Additional 50 posts in the Judiciary, including Puisne Judges, District Magistrates and Court Officers.



Gender Equality

GENDER AND FAMILY WELFARE

- ▶ Amendment of Protection against Domestic Violence Act to strengthen protection given to victims and make Perpetrators Rehabilitation Programme compulsory.
- ▶ Setting up of Gender Based Violence Observatory.
- ▶ DBM Ltd to provide Rs200m to Women Entrepreneurs at a rate of 0.5% p.a.
- ▶ New Child Protection Services to be set up in Grand-Port, Moka, Pamplemousses & Plaine Wilhems.
- ▶ Upgrading Cap Malheureux Relay Shelter for boys and Notre Dame Women Empowerment Centre converted into Relay Shelter for girls.
- ▶ Foster Care Programme extended to children above 10 years old.
- ▶ Upgrading of creches to enable them to be licensed.



Youth

YOUTH EMPOWERMENT, SPORTS AND RECREATION

- ▶ Local Active Mauritius Partnerships' (LAMPS) to be set up across 21 Constituencies.
- ▶ Rs 5 m and Rs 10 m for high level athletes' preparation for Tokyo Olympics and Paris Olympics respectively.
- ▶ Setting up of Sports Facilities Management Unit.

CONSUMER PROTECTION

- ▶ Mandatory labelling on vegetarian food products.
- ▶ Develop new consumer protection framework catering e-commerce.
- ▶ Rs 2 billion subsidy to maintain current price level of rice and flour.
- ▶ Price of 12 kg LPG cylinder decrease from Rs 210 to Rs 180.

RODRIGUES AND OUTER ISLANDS

- ▶ Finalisation of funding for a new runway at Plaine Corail Airport.
- ▶ Construction of new Technopark at Baladirou started.
- ▶ Higher bandwidth with MARS project boosting development of information technology and jobs creation.
- ▶ Set up of an Economic Development Board's office in Rodrigues.

CORPORATE TAX



Corporate Tax

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▶ Levy

- A company or group of companies having gross income exceeding Rs.500 million in an accounting year will be required to pay a Levy as follows:
 1. 0.3% of its annual gross income if an insurance company, financial institution, service provider or property holding company;
 2. 0.1% for any other company.
- This levy will not apply to a company operating in the tourism sector or which holds a Global Business Licence.
- A profitable company engaged in telephony service will pay 5% of its accounting profit and 1.5% of its turnover as Solidarity Levy whereas when it has losses will pay 1.5% of its turnover.

▶ Alternative Minimum Tax

- A company carrying on life insurance business will pay tax based on the existing tax system or under an alternative minimum tax, whichever is the higher. The alternative minimum tax will be computed at the rate of 10% of profit attributable to shareholders adjusted for capital gains and losses.

▶ Income tax holiday of 8 years

- Company under the Inland Aquaculture Scheme.
- Top 500 educational institutions worldwide which set up branch campuses in Mauritius.
- Company manufacturing nutraceutical products starting operations after 3 June 2020.

- Company manufacturing pharmaceutical products, medical devices or high-tech products as from 8 June 2017.

▶ Double deduction

- Manufacturing companies on acquisition of patents and franchises and costs incurred to comply with international quality standards and norms.
- Enterprises affected by COVID-19 on their investment in plant and machinery during the period 1 March 2020 to 30 June 2020.
- Medical R&D centres on research and development expenditure.

▶ Accelerated depreciation

- Capital expenditure incurred on electronic, high precision machinery or equipment and automated equipment will be allowed as a deduction in the year in which it is incurred instead of being amortised over more than two years.
- Green technology equipment, which is depreciated over two years, will now include equipment and machinery used for eliminating, reducing or transforming industrial wastes.

▶ Manufacturing companies

- All recycling activities will be classified as a manufacturing activity and will therefore benefit from the various fiscal and other incentive schemes.
- The investment tax credit of 15% over 3 years will be extended to all manufacturing companies

CORPORATE TAX

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- ▶ Partial Exemption Regime
 - For avoidance of doubt, it will be clarified that the partial exemption regime on interest income does not apply to:
 1. non-bank deposit taking institutions;
 2. money changers;
 3. foreign exchange dealers;
 4. insurance companies;
 5. leasing companies; and
 6. companies providing factoring, hire purchase facilities or credit sale facilities.

PERSONAL TAXATION



Tax

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- ▶ Income exemption threshold will increase as from 1 July 2020

	From	To
Individual without any dependent	Rs.310,000	Rs.325,000
Individual with 1 dependent	Rs.420,000	Rs.435,000
Individual with 2 dependents	Rs.500,000	Rs.515,000
Individual with 3 dependents	Rs.550,000	Rs.600,000
Individual with 4 or more dependents	Rs.600,000	Rs.680,000
Retired or disabled person without any dependent	Rs.360,000	Rs.375,000
Retired or disabled person with 1 or more dependents	Rs.470,000	Rs.485,000

- ▶ Other exemptions and reliefs
 - An individual can claim an annual deduction ranging from Rs.80,000 to Rs.110,000 for a bedridden next to kin under his care provided his total number of dependents does not exceed 4.

- ▶ Solidarity levy
 - As from the income year starting on 1 July 2020, the levy will be applicable on the chargeable income plus exempt dividends in excess of Rs.3 million of a Mauritian citizen instead of Rs.3.5 million previously.
 - The rate of the levy will be increased from 5% to 25%.
 - The Pay As You Earn (PAYE) system will apply.
- ▶ National Savings Fund
 - Amendment will be made to exempt a non-citizen employed by a non-citizen contractor from payment of contributions to the National Savings Fund.
- ▶ Contribution Sociale Generalises (CSG)
 - As from 1 September 2020, there will be a contributory, participative and collective system which will guarantee a monthly income to retired citizens above the age of 65 as from July 2023.
 - Employees earning up to Rs.50,000 monthly will contribute 1.5% and their employers 3% on monthly salary.
 - For employees earning more than Rs.50,000 monthly, the contribution will be 3% and that of employers 6% of their monthly salary.
 - A Service Employment Cheque will be introduced as from September 2020 to enable Mauritians working informally to access the contributory pension system and benefit from their years of service.

PERSONAL TAXATION



- An amount of Rs.150 will be paid by self-employed individuals to the CSG
 - Contributions to the National Pension Fund are being abolished but benefits will continue to be paid to those who have previously contributed to the NPF Fund.
- ▶ Tax Account Number
- Each citizen will automatically receive a Tax Account Number (TAN).

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VALUE ADDED TAX AND OTHER DUTIES



Value Added Tax

- ▶ Exempt
 - Exemption from VAT:
 1. Construction materials and specialised equipment used by Medical R&D centres.
 2. Equipment used for the inland aquaculture.
 3. IT and IT related materials and equipment for online education.
 4. First Rs.1,000 instead of Rs.3,000 of the value of an article imported by post or courier services.
- ▶ Exempt supplies to become zero-rated supplies
 - VAT at zero-rate to be applicable on:
 1. Unprocessed agricultural and horticultural produce.
 2. Live animals of a kind generally used as, or yielding or producing, food for human consumption.
 3. Transport of passengers by public service vehicles excluding contract buses for the transport of tourists and contract cars.
 4. Medical, hospital and dental services.
- ▶ VAT will be applicable on:
 - Digital and electronic services provided through internet by non-residents for consumption in Mauritius

- ▶ VAT payable by construction industry:
 - VAT will be paid to MRA at date of receipt instead of at date of invoice for Government construction contracts.

REGISTRATION DUTY

- ▶ Exemption
 - No registration duty
 1. Mauritian acquiring a newly-built dwelling costing not more than Rs.7 million until 30 June 2022.
 2. Promoter buying freehold bare land for constructing housing estate of at least 5 residential units costing not more than Rs.7 million each until 31 December 2020 provided construction is completed by 31 December 2021.
 3. First-time buyer of immovable property even if he or his spouse is already the owner or co-owner of an inherited area of land not exceeding 20 perches.
 4. Export company purchasing an immovable property.
 5. Operator in the life sciences sector purchasing an immovable property.

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LAND TRANSFER TAX

▶ Exemption

- No land transfer tax
 1. Sale of freehold bare land to promoter constructing housing estate of at least 5 residential units costing not more than Rs.7 million each until 31 December 2020 provided construction is completed by 31 December 2021.
 2. Sale of residential unit referred to in paragraph 1 to a Mauritian until 30 June 2022.

CUSTOMS AND EXCISE DUTY

1. Rate of customs duty on imported sugar will increase from 80% to 100%.
2. Duty free shops and deferred duty and tax scheme shops will be allowed to sell any quantity of goods on the local market with payment of duty and taxes until 31 December 2021.
3. Exemption on equipment for inland aquaculture.
4. Value of article imported by post or courier services not subject to customs duty is reduced from Rs.3,000 to Rs.1,000.
5. As from 5 June 2020, increase of sugar tax from 3 cents to 6 cents per gram on sugar sweetened beverages. This tax will also apply as from 1 November 2020 to the following locally manufactured and imported non-staple sweetened products:

Biscuits	Candies	Chocolates	Crispbreads
Fruit jellies	Ice creams	Jams and fruit jellies	Pastries
Rusks	Toasted breads	Whey	Yoghurts
Cereal products	Chewing gums	Food preparations of flour, groats and malt extract	Fruits preserved by sugar
Mixes and dough for bakers' ware	Waffles and wafers		

6. Rebate on duty payable on vehicles already in bonded warehouse before 5 June 2020 and cleared from Customs before 30 June 2021 as follows:

Motor vehicles	Customs/Excise duty rebate
Up to 1000 cc	40% of the excise duty payable or Rs.100,000, whichever the lower
1001 to 1600 cc	30% of the excise duty payable or Rs.125,000, whichever the lower
Buses, double/single space cabin vehicles and vans	30% of the customs/excise duty payable or Rs.125,000, whichever the lower

VALUE ADDED TAX AND OTHER DUTIES



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GAMBLING TAX

► Changes in gambling tax as follows:

	From	To
Bookmaker conducting fixed odds betting on local race at the race-course and -		
(a) where the bookmaker operates inside the stand	10% of gross stakes + Rs.24,000 in respect of each race meeting	12% of gross stakes
(b) where the bookmaker operates outside the stand	10% of gross stakes + Rs.16,000 in respect of each race meeting	12% of gross stakes
Bookmaker conducting fixed odds bet through remote communication	10% of gross stakes + Rs 24,000 per week	12% of gross stakes
Totalisator operator at the race-course, outside the race-course, operating bets through remote communication, conducting local race inter-totalisator betting or conducting foreign race inter-totalisator betting	10% of gross stakes	12% of gross stakes
Bookmaker conducting fixed odds betting on foreign football matches	10% of gross stakes + Rs.24,000 per week per place of business	12% of gross stakes
Sweepstake organizer	10% of gross proceeds	12% of gross proceeds
Limited pay out machine operator	10% of gross takings or Rs.500,000, whichever is the higher	12% of gross takings or Rs.1 million, whichever is the higher
Amusement machine operator	Rs 5,000	Rs 500 per machine

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TAX ADMINISTRATION

INCOME TAX

- The time limit to effect income tax refunds will be standardised to 60 days for all taxpayers and will run as from the date all necessary documentation pertaining to the application for refund is received by the MRA.
- The MRA will develop further its e-services platform to improve efficiency and transparency in service delivery to taxpayers

VALUE ADDED TAX

- Where a transaction is not at arm's length, the market value of the supply should be taken as the taxable value.
- Where a VAT-registered person supplying both taxable and exempt supplies is engaged in a project spanning over several years, he may apply for an alternative basis of apportionment for input tax instead of one for the usual one-year period. The MRA will be empowered to request a VAT-registered person to apply an alternative basis of apportionment for input tax.
- Where an administrator, executor, receiver or liquidator is appointed to manage or wind up the business of a taxable person, he will have to inform the MRA of his appointment within 15 days.
- To allow persons at the lower rung whose constructions span over a long period to benefit from the VAT refund in respect of a residential building, provision will be made to allow a claim of

less than Rs.25,000 to be entertained where the amount of VAT paid during a quarter and the preceding three quarters do not exceed Rs.25,000.

- To enhance tax compliance, a VAT e-invoicing system will be introduced at business level on a pilot basis.

CUSTOMS ACT

- Provision will be made for the Principal Officer of a private company to be liable for any taxes due by the company. As in the case of the VAT Act, the Principal Officer may be the executive director or any other person who is entitled to exercise the powers of the Board of directors.
- The time frame of 28 days to settle any underpayment will be extended to cover the following cases:
 1. default on deferred payment facilities;
 2. non-submission of cargo report for an aircraft or ship; and
 3. importation of selected prohibited goods.Any aggrieved importer/manufacturer will have the right to appeal against the claim of underpayment.
- Goods imported in multiple consignments or shipments to be assembled into a complete finished good, such as a photovoltaic system or a greenhouse, will be given the same tariff classification as the finished good.
- Any customs declaration (Bill of Entry) made in respect of imports will be deemed to be a self-assessment.
- Presently, a master, owner or duly authorised agent of an aircraft or ship failing to give a cargo is liable

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to a fine not exceeding Rs 50,000 rupees on conviction. Instead, a penalty of Rs 500 per day of non-compliance subject to a maximum of Rs 5,000 will be imposed. An aggrieved person will have a right of appeal against the penalty.

- Where MRA Customs suspends the clearance of imported goods or detains goods on the local market which are suspected of infringement of industrial property rights, whether following an application by the rights holder or on its own initiative, it will give public notice of its action
- Where MRA Customs suspends the clearance of imported goods or detains goods on the local market on grounds of suspected infringement of industrial property rights but the rights holder does not initiate legal proceedings for two consecutive cases during a period of 6 months, MRA Customs will not suspend/detain any similar future consignments unless and until the right holder initiates legal proceedings

MAURITIUS REVENUE ACT

- The case of an aggrieved party who repeatedly fails to attend or to be represented upon being convened before the Assessment Review Committee will be struck out if such failure is not due to illness or other reasonable cause.

CUSTOMS TARIFF ACT

- The rate of exchange to be used for valuation purposes will, henceforth, be posted on the website of the MRA

REGISTRAR-GENERAL'S DEPARTMENT

- A person who is registered on the Social Register of Mauritius will be exempted from the payment of registration duty on the acquisition of a residential unit from the National Empowerment Foundation.

SUPPORT FROM THE DEVELOPMENT BANK OF MAURITIUS

► Facilities offered to the agriculture sector:

1. New Agricultural Loan Scheme - up to Rs Rs 5 M.
2. Mechanisation Loan Scheme - up to Rs 1 M.
3. Seeds and Seedling Loan Scheme - up to Rs 1 M.
4. Agro-Industry Loan Scheme - up to Rs 5 M.
5. Backyard Gardening Loan Scheme - up to Rs 25,000.

► Facilities offered to the education sector:

1. Computer loans of up to Rs 50,000 for the purchase of equipment for online digital educational platforms.
2. Loans of up to Rs 1 M to private colleges for the upgrade of IT infrastructure.

► Facilities available for industrial space:

1. Acquisition of industrial buildings by Development Bank of Mauritius at Coromandel, Terre Rouge and Vallée des Prêtres.
2. Construction of new SME Parks at Plaine Magnien and Vuillemin.

OTHER BUDGETARY MEASURES



SME | Startup

BOOSTING SMES AND MMES

- ▶ Introduction of a new credit check to assess credit worthiness of SMEs and MMEs applying for funding under government-sponsored schemes and guarantees.
- ▶ Investment of SME Equity Fund Ltd through the crowd lending project up to Rs 200,000 per project.
- ▶ One-off grant towards certification under 'Made in Moris' label increase from Rs 5,000 to a maximum of Rs 50,000.

IMPROVING OUR DOING BUSINESS ENVIRONMENT

- ▶ Improving registration of property at the Registrar General's Department through more use of technology and efficiency.
- ▶ Easing of construction permits.
- ▶ Licensing of operators in the power sector during the next financial year.
- ▶ Alignment with international best practices.
- ▶ Amendment of Companies Act to define conducts deemed prejudicial to shareholders and engage Director's liability for prejudicial conduct.
- ▶ The Board of Directors of listed entities on the SEM should comprise at least 2 independent and non-executive directors.
- ▶ Registration of Ultimate Beneficial Owners of an enterprise as well as VAT registration at the time of the business registration and company incorporation.
- ▶ Temporary measures relating to extension of time limits in the Companies Act, Limited Liability Partnerships Act, Limited Partnerships Act, Foundations Act and Insolvency Act will be reviewed.

- ▶ Framework for contracting with Government will be made more efficient and transparent.
- ▶ Public sector agencies will establish and publish service level agreements for investors and business.
- ▶ Review of our regulatory framework by Economic Development Board in four key sectors of the economy - land use and construction, trade and logistics, tourism and healthcare and life sciences.
- ▶ Minimum investment amount for an investor to obtain the status of Permanent Resident or holder of an immovable property under the existing scheme to obtain the status of resident reduced from USD 500,000 to USD 375,000.
- ▶ Non-citizens holders of Residence Permit, Occupation Permit or Permanent Residence Permit allowed to acquire one plot of service land not exceeding 2,100 m² for residential purposes within smart cities.
- ▶ Minimum monthly salary of Rs 30,000 for ICT professionals to obtain an occupation permit will be extended to other specified sectors.
- ▶ Collaboration between Economic Development Board and Ministries and Public Sector agencies to review licenses issued by these institutions to facilitate business and investments.

DIGITAL TRANSFORMATION

- ▶ Electronic Document Management System (eDMS) to manage and exchange electronic documents.
- ▶ Video conferencing and online collaboration platform.
- ▶ Research and innovation projects in the domain of telemedicine, e-education, agri-tech solutions and digital platforms.
- ▶ Electronic queue management systems.
- ▶ Mobile payment technology.

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- ▶ At least 30% of document issued to citizens and businesses in a digitally signed online format.
- ▶ Digital Government Safe to safeguard citizens electronic signed documents.
- ▶ One-stop-shop facility for motor vehicles registration.
- ▶ Public Sector Transformation Scheme by Mauritius Research and innovation Council (MDTA) to encourage innovative and start ups to develop applications for the public sector.
- ▶ Central Informatics Bureau, Central Information Systems Division and the IT Security Unit will operate under the Mauritius Digital Transformation Agency (MDTA).

IMPROVING PUBLIC PROCUREMENT

- ▶ All public procurement exercises will have to be mandatorily carried out through the e-Procurement System.
- ▶ Reinforcement of the Procurement Policy Office.
- ▶ Set up of a Procurement committee to replace Departmental Bid Committee.

SUSTAINABLE DEVELOPMENT

- ▶ Coastal protection works.
- ▶ Site assessment for rehabilitation at eroded/degraded sites.
- ▶ Expansion of Mangrove propagation program.
- ▶ Cultivation of rare and threatened coral species.
- ▶ Include possession of plastic bags as an offence in the Environment Protection Regulations.
- ▶ Installation of eco-bins and nets in strategic location.

PORT CHARGES

- ▶ Increase the stevedoring and shore charges for all laden imports containers by 10% and import vehicles by 100% for the period Jan - Dec 2021.

OTHER LEGISLATIONS

- ▶ The Banking Act will be amended to:
 - encourage digital banking.
 - transfer the responsibility for supervision of money lenders from the Bank of Mauritius (BOM) to the Financial Services Commission (FSC).
 - allow the BOM the discretion to extend the time period for rotation of audit firm for an additional period of 2 years.
- ▶ The Sugar Insurance Fund Act will be amended to:
 - provide for the prolongation of cane harvest period, in any crop year, up to 30th April, so as to align with the deadline for finalization of general premium.
 - extend financial support given to small planters for Crop 2018 to a miller or a planter having total sugar accrued exceeding 60 tonnes.
- ▶ The Workers' Rights Act will be amended to:
 - harmonise the definition of earning with that specified in the Remuneration Regulations.
 - avoid double payment in respect of the Portable Retirement Gratuity Fund where severance allowance is paid.
 - provide a better income security to laid off workers by increasing the amount of Transition Unemployment Benefit payable in view of the impact of the COVID-19 pandemic on employment.

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ABOUT BDO (MAURITIUS)

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