REPUBLIC OF MAURITIUS

ANNEX

TO

BUDGET SPEECH

2025 - 2026

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Minister of Defence, Home Affairs and External Communications,
Minister of Finance,
Minister for Rodrigues and Outer Islands

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ACRONYMS

AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
AMT	Alternative Minimum Tax
ARC	Assessment Review Committee
BOM	Bank of Mauritius
CIA	Construction Industry Authority
EDB	Economic Development Board
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FCC	Financial Crimes Commission
FSAP	Financial Sector Assessment Program
FSC	Financial Services Commission
FY	Financial Year
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
MDIC	Mauritius Deposit Insurance Corporation Ltd
MRA	Mauritius Revenue Authority
NLTA	National Land Transport Authority
NSC	National Sanction Committee
PFM	Public Financial Management
PMT	Proxy Means Test
PSC	Passenger Service Charge
QDMTT	Qualified Domestic Minimum Top-Up Tax
ROSC	Report on the Observance of Standards and Codes
SMEs	Small and Medium Enterprises
TASS	Tax Arrears Settlement Scheme
TDS	Tax Deduction at Source
TDSS	Tax Dispute Settlement Scheme
TVET	Technical and Vocational Education and Training
UNSA	United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act
VAT	Value Added Tax
VDSS	Voluntary Disclosure Settlement Scheme

INTRODUCTION

This Annex to Budget Speech is a supplementary document that complements the budgetary measures announced in the 2025-2026 Budget Speech and the main policies and measures relating to the Budget. The document also provides for explanatory notes of the main legislative amendments to be included in the Finance (Miscellaneous Provisions) Bill 2025.

ECONOMIC RENEWAL

1. Enhancing Food Security

The Food and Agricultural Research and Extension Institute will facilitate access to artificial intelligence subscription to produce food, especially by small and medium enterprises (SMEs) so that they can monetise their operations to produce safe food.

2. Building a Resilient Banking and Financial Services Sector

(a) Expanding Financial Offerings and Innovation

The following initiatives will be taken to diversify the financial offerings, promote new areas of growth and tap new market opportunities:

(i) introduction of Bullion Banking as a new authorised private banking activity. Banks licensed to carry out exclusively private banking business will be allowed to, inter alia, buy, hold, store or sell gold and other precious metals, positioning Mauritius as a regional bullion and wealth management hub;

(ii) setting up of a dedicated licensing framework for Wealth Management and Family Offices to offer integrated services ranging from investment advisory to succession planning;

(iii) introduction of a new legislation to recognise electronic bills of exchange and trade documents. This will facilitate end-to-end digital trade finance and build Mauritius' reputation as a trusted regional trade hub; and

(iv) development of a new Africa Strategy for the financial services sector to reinforce Mauritius' role as a platform for Africa-bound investments.

(b) Embracing Transformative Innovations

The Financial Services Commission (FSC) will deploy a unified e-licensing platform integrated with the Centralised KYC Repository and "Known to the Commission" features. The platform will feature a real-time application tracking dashboard and an AI-powered virtual assistant to guide applicants on procedures, documentation, and status updates.

(c) Strengthening the AML/ CFT Framework

(i) A National Roadmap has been worked out in order to prepare the Mauritius International Financial Centre for the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Mutual Evaluation exercise scheduled in 2027. The Roadmap covers the following -

(A) implementation of the National Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Strategy and Action Plan;

(B) conduct of thematic risk assessments to identify and address sector-specific vulnerabilities;

(C) introduction of a legislation to address identified gaps; and

(D) deployment of an advanced financial intelligence software by the Financial Intelligence Unit to support real-time analysis and dissemination of suspicious transaction reports;

(ii) the Co-operatives Act will be amended to:

(A) strengthen the AML/CFT supervisory framework for credit unions by -

- empowering the Registrar of Co-operative Societies to –
  - request information from credit unions for AML/CFT compliance;
  - impose administrative sanctions;
  - issue binding directions; and
  - conduct on-site inspections and request records and documents for supervisory purposes;
- define the AML/CFT supervisory functions of the Registrar of Co-operative Societies, including information sharing with investigatory and supervisory authorities;
- introduce a risk-based approach to supervision of credit unions; and
- establish an appeal mechanism against decisions of the Registrar of Co-operative Societies;

(B) empower the Registrar of Co-operative Societies to:

- issue guidelines and impose administrative sanctions to enforce regulatory compliance within credit unions; and

- ensure adherence to AML/CFT standards and take prompt corrective actions in cases of non-compliance;

(C) define the supervisory responsibilities of the Registrar of Co-operative Societies, including regulatory guidance and cooperation with investigatory authorities; and

(D) provide for the Registrar of Co-operative Societies to request information, records, and documents from credit unions to enable effective supervision and investigation of potential breaches.

(d) Bridging Talent Gaps and Developing Financial Sector Capabilities

The following measures will be taken to address critical skills shortages and build capabilities in the financial services sector, namely -

(i) launching of specialised AML/CFT capacity-building programmes for public and private sector professionals; and

(ii) carrying out of a National Banking Skills Mapping Exercise to assess workforce strengths and forecast demand for specific skills manpower. A Centralised Banking Skills Database will be established.

(e) ***Financial Sector Assessment Program***

A formal request will be made to International Monetary Fund (IMF) and the World Bank for the conduct of a Financial Sector Assessment Program (FSAP). The FSAP will, -

(i) include a comprehensive evaluation of the soundness of the financial sector, the quality of the regulatory and supervisory framework; and

(ii) enhance the capacity of the authorities to manage financial crises. It will identify the reforms needed to ensure that the financial sector adheres to international best practices to support the broader economic agenda.

(f) ***FSC Annual Licence Fees***

The FSC will review its annual licence fees to reflect evolving market conditions.

(g) ***Effective Resolution Regime***

An effective resolution regime will be implemented by the Bank of Mauritius (BOM) in order to:

(i) bolster the stability and soundness of our financial system and shield the country from the fallouts of potential banking crises and failures; and

(ii) ensure orderly resolution of a bank that has failed without causing severe disruption across the banking system.

(h) Strengthening Banking and Financial Services Legislations

(i) *Bank of Mauritius Act*

The Bank of Mauritius Act will be amended to:

(A) empower the BOM to allow any KYC institution, licensed by the FSC, to become a participant in the Central KYC system or the Central Accounts Registry in order to enhance efficiency and improve financial transparency; and

(B) clarify the definitions of "account" and "customer" for interpreting the scope of the Central KYC System and the Central Accounts Registry.

(ii) *Banking Act*

The Banking Act will be amended to:

(A) broaden the regulatory scope of the BOM by including foreign exchange swaps and other transactions which may be construed as the buying and selling of foreign currency under the activities of licensed foreign exchange dealers; and

(B) align provisions of the Act, relating to powers and duties of conservator and powers of receiver, to offer the assets or shares of the financial institution for sale without the consent of a financial institution or any of its shareholders.

(iii) *Financial Services Act*

The Financial Services Act will be amended to:

(A) enable the FSC to conduct special investigations at the request of a foreign supervisory institution;

(B) empower the Chief Executive to refer a matter to the Settlement Committee as well as to enable an employee, duly appointed by the Board in the absence of an appointed Chief Executive, to refer matters to the Settlement Committee;

(C) enable the issuance or transfer of shares to existing shareholders, without requiring the approval of the FSC, provided that it does not result in a change in control;

(D) exempt licensees listed on securities exchanges, other than those in Mauritius, from the requirement to seek the approval of the FSC when there are transfer of shares which do not result in a change in control;

(E) enable the FSC to initiate an investigation against a person, who ought to have been licensed under the Financial Services Act or any other relevant Acts;

(F) enable the Chief Executive to give –

- written direction to any relevant person, in addition to its licensees, as he deems appropriate in the circumstances specified under the Act; and

- direction to a licensee, if necessary, for the orderly administration of the financial services;

(G) ensure that the holders of Global Business License have at least 2 directors at all times and the FSC be kept informed of any change in directors within 7 days; and

(H) provide that the oath of confidentiality, immunity and protection be extended to any other person assisting an appointed investigator by the FSC.

(iv) *<u>Mauritius Deposit Insurance Scheme Act</u>*

The Mauritius Deposit Insurance Scheme Act will be amended to:

(A) allow the Mauritius Deposit Insurance Corporation Ltd (MDIC) to invest or manage assets of the Deposit Insurance Fund;

(B) clarify that Board of Directors of the MDIC will be responsible for the oversight of the business and affairs of the MDIC;

(C) clarify the role and responsibilities of staff of the MDIC;

(D) allow for the use of the Deposit Insurance Fund to purchase an asset that the BOM has procured for the MDIC;

(E) clarify that the membership termination of a bank or non-bank deposit-taking institution occurs automatically upon the occurrence of the events set out under the Act;

(F) provide that, following the termination of the membership, the Board of the MDIC will have to publish a notice immediately on its website and, as soon as practicable, in the *Gazette* and two newspapers;

(G) empower the MDIC to impose administrative penalties of up Rs 50,000 per day for the submission of inaccurate or misleading information by member institutions during examinations; and

(H) clarify that officers of the MDIC will only be indemnified when they act in the proper discharge of their duties under the Act.

(v) *National Payment Systems Act*

The National Payment Systems Act will be amended to define "account information services", "money remittance", "payment account" and "payment initiation services" in order to support the licensing, supervision and regulation of payment service providers under the Act.

(vi) *Private Pension Schemes Act*

The Private Pension Schemes Act will be amended to empower the FSC to approve sponsoring employers joining existing private pension schemes.

3. Improving Ease of Doing Business

A series of measures will be implemented to create a business-friendly environment coupled with an appropriate regulatory environment that will facilitate business operations and attract both domestic and foreign investors. To this end, -

(a) the Lodging Accommodation Framework will be revamped to make it easier for employers to recruit foreign workers by allowing owners of lodging accommodations to hold a Lodging Accommodation Permit to lodge foreign workers of several employers centrally in their lodging accommodations;

(b) the Tourism Authority Act will be amended to extend the validity period of both the Tourist Accommodation Certificate and the Tourist Enterprise Licence from 1 year to 3 years to reduce administrative burdens and enhance ease of doing business;

(c) following a thorough assessment of its existing schemes, the Economic Development Board (EDB) will review some of the Schemes while new ones will be introduced to achieve the desired objectives and to attract foreign investments. Regarding the new Schemes, the EDB will come up with the appropriate framework including the eligibility criteria and incentives. These new schemes include the Innovative Mauritius Scheme, Women Entrepreneur Loan Scheme, Diaspora Scheme, Land Repurposing Scheme, Waste to wealth, New Investment Incentive Scheme, Heritage Stewardship Scheme, National Syndic Scheme and the Deposit Refund Scheme;

(d) the Economic Development Board Act will be amended to:

(i) review the administrative process for the application and approval of Occupation Permits through an electronic platform;

(ii) provide for two different categories of Occupation Permits for non-citizen professionals with a view to targeting highly qualified professionals based on revised salary thresholds and eligibility criteria. The duration of stay will depend on the category of professional Occupation Permits;

(iii) provide for two different categories of Occupation Permits for investors with criteria based on initial investment and specified turnover to attract higher-value investors and ensure sustained economic contribution;

(iv) review the criteria of Occupation Permit for self-employed based on initial investment, specified turnover and proof of local client engagement;

(v) revise the criteria for Residence Permit for a retired non-citizen so that an initial sum of at least USD 2,000 is transferred in a local bank within 60 days as from the issuance of the residence permit and thereafter transfer a sum of either USD 24,000 annually or USD 2,000 per month; and

(vi) revise the eligibility criteria for Permanent Residence Permits;

(e) the Immigration Act will be amended to:

(i) review the administrative process for the application and approval of Occupation Permits through an electronic platform;

(ii) reduce the duration of the retired non-citizen Residence Permits, and Occupation Permits for investor and self-employed from 10 to 5 years, with a possibility of renewal to ensure compliance;

(iii) introduce an age limit of up to 24 years for dependent children for all categories of permit holders;

(iv) make it mandatory for holders of retired non-citizen Residence Permits to stay in Mauritius for a minimum period of 180 days in a calendar year;

(v) prohibit a holder of retired non-citizen Residence Permit to be in gainful employment or to engage in any business activity;

(vi) reduce the duration of Occupation Permit for young professionals from 3 years to 2 years. Thereafter, a holder of Young Professional Occupation Permit will be able to apply for an Occupation Permit in the Professional category subject to the applicant meeting the requirements;

(vii) repeal provisions relating to Occupation Permit and Permanent Residence Permit introduced during the COVID-19 pandemic; and

(viii) remove the requirement for Companies to make a deposit with, or provide a bank guarantee in connection with the maintenance, support or removal of expatriate workers. An annual non-refundable fee per expatriate worker would be introduced;

(f) the Non-Citizens (Employment Restriction) Act will be amended to:

(i) provide for an application for a permit or for the renewal of a permit to be made to the Minister responsible for the subject of employment, through the National Electronic Licensing System (NELS), or any such digital platform as may be prescribed;

(ii) allow for a permit to be issued in an electronic or a paper-based version; and

(iii) issue a combined work and residence permit bearing a Unique Identification Number for the non-citizen;

4. Transforming the Land Transport System and Reducing Traffic Congestion

(a) With the objective of transforming the land transport system into one that is integrated, inclusive, safe and sustainable, -

(i) a Bus Service Bill will be introduced to regulate the service level of public bus transport, thereby ensuring safe, efficient, sustainable, reliable and quality bus operations;

(ii) the IT system of the National Land Transport Authority (NLTA) will be revamped and its services will be fully digitalised;

(iii) Vehicle Registration and Transfer Centres will be set up to decentralise the motor vehicle services offered by the NLTA and the Registrar General. The first decentralised centre will become operational by September 2025 at Phoenix;

(iv) the range of available old registration marks will be expanded to provide a wider variety of options to car owners. An annual retention fee will be charged to owners of motor vehicles who have opted to vary the registration mark of their vehicles from the current registration mark to an old or personalised registration mark. The process for the purchase of personalised registration marks will be fully digitalised to enhance accessibility;

(v) the eligibility criteria to benefit from the concessionary road motor vehicle license will be reviewed for micro, small and medium enterprises;

(vi) the age limit of public buses will be reviewed and the Bus Modernisation Scheme will be revamped to support renewal of the bus fleet;

(vii) 105 new electric buses of the National Transport Corporation will be operational by January 2026;

(viii) a Fleet Management System and a Cashless Ticketing System will be introduced to enhance public transport service by enabling commuters to track the location of buses. The system will also allow for an efficient management of the payment of subsidies including Free Travel Compensation and diesel subsidies;

(ix) the base price of diesel used in the computation of diesel subsidies to bus operators will be increased to Rs 40 per litre as from 01st September 2025, and financial assistance provided to bus operators in relation to wage relativity and salary compensation will be phased out over the next 2 years to ensure that the Bus Companies Recovery Account is financially sustainable;

(x) a new mechanism will be put in place to review the bus fare to ensure financial sustainability of the public transport system while ensuring affordability;

(xi) SMART bus shelters, with real-time information displays, will be constructed and maintained with the collaboration of the private sector; and

(xii) a Code of Conduct for bus drivers and conductors will be introduced to improve bus service delivery and ensure passenger safety, comfort and convenience.

(b) With a view to promoting sustainable development, providing safe and fast connectivity across the country while addressing traffic congestion -

(i) a new Strategic Road Network Masterplan, focusing on the construction of new roads and upgrading of existing ones to engineering standards, will be prepared;

(ii) an Adaptive Traffic Control System will be introduced to improve traffic flow, shorten travel time, cut vehicle emissions and ultimately reduce traffic congestion in towns and villages; and

(iii) parking rates and areas will be reviewed to discourage long-term occupancy;

(c) In order to safeguard and manage assets such as roads and bridges, the Roads Act will be amended to empower the Road Development Authority to weigh motor vehicles in presence of the Police.

(d) To ensure the timely implementation of traffic diversions and related works, the Road Traffic Act will be amended to -

(i) provide that traffic diversions will become in force with the approval of the Minister, responsible for the subject of transport and road traffic, rather than by way of regulations; and

(ii) allow the Minister, responsible for the subject of land transport and road traffic, to delegate his powers to the Road Development Authority to approve traffic diversions on classified roads to enable maintenance or reconstruction works thereto.

5. Implementing of the Digital Transformation Blueprint

In order to ensure that digital projects are delivered efficiently, securely and with maximum benefits to citizens and businesses, a National Digital Transformation Steering Committee will be set up at the Ministry of Information Technology, Communication and Innovation to oversee and guide the implementation of the Digital Transformation Blueprint (2025–2029).

6. Labour Reforms

To improve the framework governing employer-employee relationships and promote growth and productivity, -

(a) the Employment Relations Act will be amended to provide certainty regarding private sector remuneration systems; and

(b) the Workers' Rights Act will be amended to extend the current leave entitlement for workers to care for their spouse with health issues.

7. Climate Finance

A Climate Finance Unit will be set up within the Ministry of Finance to mobilise and coordinate climate finance to ensure that finance is targeted at national priorities. The Unit will also initiate the process to identify National Direct Access Entities that could pursue the accreditation process with the Climate Finance Institutions and support the implementation of Mauritius priorities.

8. Construction of Fish Sheds

Fish landing stations will be constructed at Bain des Dames and Pointe Aux Sables to assist registered fishers of these localities to store their outboard motors and for safe keeping of their fishing vessels during occurrence of natural calamities.

9. Promoting participation of SMEs

To promote the participation of small and medium enterprises, the following measures will be implemented-

(a) public contract for works costing above Rs 30 million and up to Rs 50 million will be reserved for Medium Enterprises; and

(b) accordingly, the threshold of Rs 30 million will be raised to Rs 50 million for an SME to benefit from the 30% margin of preference in respect of public works contracts.

10. "En Route Vers L'International"

A new "En Route Vers L'International" scheme will be launched in the form of a matching grant to help companies structure their export strategy.

NEW SOCIAL ORDER

11. Reviewing the Education System and Strengthening the Workforce

(a) With the aim of improving educational outcomes that fosters a more knowledge-oriented, inclusive and productive human resource base-

(i) a massive sensitization campaign on cyberbullying will be undertaken to empower students and instil values of respect, empathy, and ethical online behaviour;

(ii) two drug prevention programmes, namely, "Get Connected Programme" and "Rebound Programme" will be set up to intensify sensitisation campaigns against drug abuse in schools and establish a safer and healthier environment for students;

(iii) social and emotional well-being programmes will be implemented to help students manage their emotions and, where required, psychological tests will be conducted to determine the cause of mental health symptoms;

(iv) a comprehensive audit of all public primary and secondary schools infrastructure will be carried out, in collaboration with the Ministry of National Infrastructure, for judicious investment in infrastructural projects and optimised use of buildings;

(v) a school reading programme will be introduced in order to enhance a reading culture for learners in public pre-primary and primary schools; and

(vi) a STEM Education Programme, which integrates science, technology, engineering, and mathematics, will be set up to encourage pupils to become "young scientists" and trigger their engagement for science and technical subjects.

(b) In order to strengthen our workforce readiness and align training with industry needs, -

(i) the Career Guidance Unit will be revamped by integrating industry specialists directly into the process; and

(ii) a Technical and Vocational Education and Training (TVET) Strategy will be developed to –

(A) address the issue of skills mismatch;

(B) integrate TVET in the mainstream education; and

(C) ensure that training programmes being offered meet the requirements of the industry.

(c) The Higher Education Act will be amended to:

(i) allow for the recognition of micro–credentials by the Higher Education Commission;

(ii) repeal specific provisions of the Act which are no longer applicable given that higher education institutions operate autonomously; and

(iii) cater for changes following the creation of the Ministry of Tertiary Education, Science and Research.

12. Reforming the Health Sector

A number of measures will be implemented for a transformative improvement in healthcare delivery and patients' outcomes, -

(a) the Food Act will be amended to cater for onsite testing to ensure better food safety through a drastic reduction in the time taken for preliminary testing of food products, water or environment for contaminants;

(b) a discharge summary will be issued for in-patients which will contain, inter-alia, -

(i) a clear summary of the diagnosis and treatment received;

(ii) information on medications prescribed;

(iii) details of any procedures or tests performed; and

(iv) structured follow-up care plan, including appointments and warning signs to watch, and contact details for queries and emergencies;

(c) clinical audits of key hospital services will be carried out to ensure treatment and care are in line with set protocols;

(d) the current School Health Programme will be revamped to identify children with high health risks such as obesity and pre-diabetes, and to enter them into the “Path to Remission Programme”;

(e) a Patient Facilitation Desk will be set up in all hospitals with trained “patient navigators” to help patients with registration, appointment scheduling, and follow-up care;

(f) a Grievance Redressal System (hotline system) will be set up to manage complaints and feedbacks on hospital services in a transparent manner;

(g) a Family Communication System will be established to provide health update of an in-patient to a designated relative in dedicated face-to-face consultations with treating doctors;

(h) 5 diabetes centres will be set up in regional hospitals in a phased manner where individuals can get access to specialist doctors, specialised nurses, and dietitians, and tailored help with diet and lifestyle changes;

(i) an International Advisory Committee on diabetes and cardiovascular diseases will be set up to help in implementing evidence-based treatment tailored to the Mauritian’s health care system;

(j) a Breast-Screen Imaging Programme will be developed for women at high risks of developing breast cancer;

(k) colon cancer screening will be carried out, especially for persons aged 50 years and above;

(l) clinical trials for cardiac and cancer patients will be allowed to enable access to cutting-edge and precision medicines;

(m) advanced metabolic testing and non-invasive cardiac imaging technologies will be introduced to ensure early detection of metabolic and cardiac diseases;

(n) interventional radiology will be performed for minimally invasive procedures such as embolization, vascular stenting, and image-guided biopsies; and

(o) ophthalmology, cardiology and neurosurgery services will be set up at the Flacq hospital with a view of reducing waiting time for specialist care and treatment.

13. Payment of Pension to Beneficiaries Travelling Overseas

Basic pension beneficiaries travelling overseas for medical treatment for a duration that may exceed 6 months in aggregate in any period of 12 consecutive months, will continue to draw their pension subject to recommendations of the Medical Board of the Ministry of Health and Wellness.

14. Combatting Environmental Nuisances and Challenges

With a view to combatting environmental nuisances and challenges, -

(a) fixed penalty fines, ranging between Rs 1,000 to Rs 5,000, in relation to excessive noise and black smoke emissions from motor vehicles will be increased to Rs 10,000; and

(b) a Deposit Refund Scheme will be introduced in order to increase the recovery rate of plastic bottles being dumped in the environment. A deposit of Rs 5 will be charged from and refunded to a user of plastic bottle.

15. Heritage Stewardship Scheme

To foster a stronger heritage sector and enhance community engagement, a new Heritage Stewardship Scheme will be launched. The package of incentives and modalities of the Scheme will be devised in collaboration with relevant stakeholders.

FISCAL CONSOLIDATION

16. Optimising Government's Expenditure

In order ensure efficiency, effectiveness and fiscal discipline, the following measures will be taken:

(a) The free data package being provided to all Mauritian citizens, aged 18 to 25 years, will be extended for another year, that is up to 30th June 2026.

(b) Free internet connection will, in the first instance, be provided to households on the Social Register of Mauritius to foster the development of every family member.

(c) Proxy Means Test (PMT) is used as a tool for identifying households eligible for social assistance under the Social Register of Mauritius (SRM). The PMT will be updated given that the previous review was carried out in 2013.

(d) For sugar cane planters producing up to 60 tons of sugar, Government will pay the premium to the Sugar Insurance Fund Board for Crop 2025.

(e) The waiver on the application of the CESS levy will lapse on 30th June 2025. Accordingly, CESS levy will be applicable as from Crop 2025.

(f) Currently, the National Biomass Framework provides for a remuneration of Rs 3.50 per kWh to sugarcane planters and producers for bagasse. As from 01st July 2025, the cost relating to the remuneration of bagasse purchased for the production of electricity, under the National Biomass Framework, will be borne by the Central Electricity Board.

(g) The subsidy on seeds granted to potato and onion planters will be reduced from 75% to 50%. The maximum retail price of potato and onion will be adjusted in line with the recommendations of the National Potato Committee and the National Onion and Garlic Committee.

(h) In order to manage the number of fishers, prevent overfishing and ensure sustainability of resources, it will be mandatory for fishers aged 65 and above to return their fisher cards against a compensation of Rs 200,000.

(i) Since 1996, the Government has pursued the gradual phasing out of net fishing to promote sustainable fishing and protect the marine ecosystems. To further promote this initiative, it will be mandatory for fishers engaged in net fishing to surrender their fisher cards in exchange of a compensation of Rs 200,000 for individuals and Rs 300,000 for Cooperative Societies.

(j) The subsidy on air tickets provided for Mauritians and Rodriguans, under the Rodrigues Special Holiday Package Scheme, will be phased out over the next two years, that is by 33% reduction by June 2026 and 67% reduction by June 2027.

(k) The Passenger Service Charge (PSC) is charged to a passenger departing from Plaine Corail Airport. Since its introduction, in 2004, the PSC has remained unchanged. The PSC will be increased in a phased manner over the next 2 years. The new rates will be applicable to passengers travelling as from the dates specified below.

Passenger	**Passenger Service Charge Per Passenger (Rs)**				
	Domestic Flight			**International Flight**	
	Current	**01 January 2026**	**01 January 2027**	**Current**	**01 January 2026**
Below 2 years	Nil	Nil	Nil	Nil	Nil
2 years and above	150	500	1,000	500	1,000

(l) The Free Pre-Primary Education Scheme will be reviewed. As from January 2026, the grant-in-aid provided to private pre-primary schools will be set at Rs 2,750 per child monthly instead of the refund of the operational cost incurred by these schools.

(m) The Comprehensive Grant Formula will be reviewed to remove the minimum amount of Rs 1,000 granted to Private-Aided Secondary Schools. As from July 2025, the actual amount spent under the Variable Grant will be paid to Private-Aided Secondary Schools.

(n) The Free Tertiary Education Scheme will be reviewed to cover only full-time students as from academic year 2025-2026.

(o) The 50% waiver on port fees granted, as part of COVID-19 support measures, to exporters on containers will lapse on 30 June 2025.

(p) The subsidy provided on the examination fees for the School Certificate and Higher School Certificate will be reviewed as from academic year 2026. Students attempting these examinations, for the first time and meeting attendance requirement, will be fully subsidised. With regard to repeaters, the subsidy will be limited to households registered under the SRM and those whose parents are recipients of social assistance.

(q) The Trade Promotion and Marketing Scheme, Freight Rebate Scheme and Export Credit Guarantee Insurance Scheme which provide assistance to exporters will be phased out over the next 2 years.

(r) The sea freight rebate scheme for the transport of goods from Mauritius to Rodrigues is maintained.

17. Institutional Reforms

(a) With a view to securing the integrity of statistics in Mauritius, Government is currently working with the International Monetary Fund (IMF) to carry out an assessment of the extent to which institutions responsible for compiling and disseminating statistics in Mauritius, such as Statistics Mauritius and the BOM, are observing internationally recognised statistical standards and codes. The IMF is using the data module of the Report on the Observance of Standards and Codes (ROSC) based on the Data Quality Assessment Framework for the assessment.

The assessment will also cover the restructuring of Statistics Mauritius and review of the Statistics Act and other relevant legislations to empower the Director of Statistics to carry out its functions with greater independence and authority. The findings of the exercise will be examined and appropriate recommendations will be implemented.

(b) Government will implement reforms of public enterprises to ensure they are financially sustainable, efficient, and accountable, through a coordinated policy approach focused on strengthening governance and oversight, institutionalizing financial discipline, and reforming pricing and subsidy frameworks. The public enterprises include, amongst others, the Mauritius Post Ltd, Metro Express Ltd, National Transport Corporation, Mauritius Multi-sports Infrastructure Ltd, Polytechnics Mauritius Ltd, Central Water Authority, Waste Water Management Authority, Irrigation Authority, Agricultural Marketing Board, Central Electricity Board, State Investment Corporation, casinos and State Trading Corporation.

(c) In addition, to enhance the effectiveness and efficiency, the following reforms will be undertaken:

(i) The role and functions of the EDB will be reviewed so that it focusses on boosting productive investments and export promotion across all sectors of our economy.

(ii) Maurice Stratégie, the Mauritius Africa Fund Ltd, the Mauritius Institute of Biotechnology Ltd and the Regional Multidisciplinary Centre of Excellence and the Drains Infrastructure Construction Ltd will be closed. In this respect-

(A) the planning function of Maurice Stratégie will be carried out by the Ministry of Financial Services and Economic Planning and its other functions will be will be integrated within the EDB;

(B) the functions of the Mauritius Africa Fund Ltd and the Mauritius Institute of Biotechnology Ltd will be integrated within the EDB; and

(C) the projects implemented by the Drains Infrastructure Construction Ltd will be transferred to the National Development Unit;

(iii) The National Development Unit, including the Land Drainage Authority, will be transferred to the Ministry of Local Government to ensure that drains and other community-based projects are implemented in a consistent and coordinated manner across towns and villages.

(iv) The School of Nursing will be merged into the Mauritius Institute of Health for a more coordinated and interdisciplinary approach to training of healthcare professionals.

(v) The Ministry of Health and Wellness will coordinate with the Ministry of Social Integration, Social Security and National Solidarity (MSS) to ensure a more cohesive and coordinated healthcare delivery to the elderly and disabled persons and explore the possibility of transferring the Medical Unit of the MSS under the purview of the Ministry of Health and Wellness.

(vi) The Central Water Authority, Wastewater Management Authority and the Irrigation Authority will be merged into one institution that will enhance the efficiency and sustainability of our country's water resources management.

(d) In order to contribute to a more transparent, flexible, and accountable public financial management system, better aligned with the Government Programme’s fiscal discipline goals, the purpose of the various Special Funds has been assessed. In this respect, -

(i) the Prime Minister’s Children Fund, Poverty Reduction Fund, Treasury Foreign Currency Management Fund, National Arts Fund, Mauritius Archives Research and Publication Fund and the National Environment Fund will be closed given that, –

(A) they have fulfilled their primary purpose;

(B) their role has significantly diminished over time; or

(C) they have not been in operation for a long period of time;

(ii) the following 2 Special Funds have served their purposes and will, eventually, be closed in a phased manner until completion of existing projects and schemes:

(A) Projects Development Fund; and

(B) National Resilience Fund.

18. Improving the Management and Implementation of Capital Projects

With the aim of improving efficiency in the management and implementation of capital projects, -

(a) project coordinators will be assigned in Ministries to improve project management and contract administration;

(b) a Memorandum of Understanding will be signed with the Association of Consulting Engineers (Mauritius), representative for the International Federation of Consulting Engineers (FIDIC), to provide for capacity building and advisory services;

(c) a framework for facilities management will be developed for the maintenance of Government buildings and clear procurement procedures for maintenance contracts will be established;

(d) the Construction Industry Authority will publish a dynamic National Schedule of Rates. Public bodies will be required to use the Schedule to prepare cost estimates;

(e) Minimum Energy Efficiency Requirements will be introduced to ensure that buildings are designed, constructed and operated in a manner that minimises energy consumption. This will help to reduce our dependence on imported fossil fuels and lower the overall energy demand; and

(f) the Construction Industry Authority Act will be amended to:

    (i) review the current Contractor Grading System;

    (ii) empower the Construction Industry Authority (CIA) to impose sanctions on contractors for poor performance or non-compliance against contractual obligations;

    (iii) provide for the CIA to maintain a register of adjudicators given the complexity of contractual disputes; and

    (iv) align the date for the submission of the annual estimates of the revenue and expenditure of the CIA with that of the Statutory Bodies (Accounts and Audit) Act.

19. Financial Support to Employers

(a) Salary Compensation 2025

The Income Tax Act will be amended to implement the decision of Government to provide a monthly financial support for payment of the Salary Compensation 2025 as follows:

(i) Rs 610 monthly per eligible employee of a charitable institution, a non-government organisation, a religious body or a trade union; and

(ii) depending on the profitability of the enterprise, a maximum of Rs 610 or Rs 305 per eligible employee of:

(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.

This assistance will be payable during the period from January 2025 to June 2025.

(b) National Minimum Wage and Salary Compensation 2024

The Income Tax Act will be amended to implement the decision of Government to provide a monthly financial assistance to Export-Oriented Enterprises, irrespective of profitability, for payment of the National Minimum Wage and salary compensation 2024 in respect of:

(i) Employees earning national minimum wage

(A) Rs 2,333 per employee for the period January 2025 to December 2025, including a bonus in December 2025; and

(B) Rs 1,167 per employee for the period January 2026 to December 2026, including a bonus in December 2026.

(ii) 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

(B) maximum of Rs 667 per employee for the period January 2026 to December 2026, including a bonus in December 2026.

20. Schemes and Allowances

(a) The following allowances payable under the Social Contribution and Social Benefits Act which are ending on 30th June 2025 will be renewed for two years, i.e. up to 30th June 2027:

(i) Revenu Minimum Garantie Allowance; and

(ii) Equal Chance Allowance.

The amount of the allowance payable monthly will be as follows:

Allowance	Monthly Allowance	
	July 2025 to June 2026	July 2026 to June 2027
Revenu Minimum Garantie Allowance	Maximum of Rs 890	Maximum of Rs 1,890
Equal Chance Allowance	Rs 2,000	Rs 2,000

(b) The following allowances under the Social Contribution and Social Benefits Act which are ending on 30th June 2025 will be renewed and phased out over two years except for a member of a household who is a beneficiary under the Social Register of Mauritius:

(i) CSG Income Allowance;

(ii) CSG Child Allowance;

(iii) CSG School Allowance;

(iv) Pregnancy Care Allowance; and

(v) Maternity Allowance.

A member of a household who is a beneficiary under the Social Register of Mauritius will continue to benefit from the above allowances in full.

(c) The Housing Loan Relief Scheme under the Income Tax Act which is ending on 30th June 2025 will be renewed and phased out over two years.

(d) The amount payable monthly for the allowances which are being phased out will be as follows:

(i) CSG Income Allowance

Monthly income derived by an individual	**Monthly Allowance**	
	July 2025 to June 2026	**July 2026 to June 2027**
Not exceeding Rs 20,000	Rs 2,000	Rs 1,000
Above Rs 20,000 but not exceeding Rs 25,000	Rs 1,667	Rs 833
Above Rs 25,000 but not exceeding Rs 30,000	Rs 1,333	Rs 667
Above Rs 30,000 but not exceeding Rs 50,000	Rs 1,000	Rs 500

(ii) Other Allowances

Allowances	Monthly Allowance	
	July 2025 to June 2026	July 2026 to June 2027
CSG Child Allowance	Rs 1,667 per child	Rs 833 per child
CSG School Allowance	Rs 1,333 per child	Rs 667 per child
Housing Loan Relief Scheme	Rs 667	Rs 333
Maternity Allowance (9-months)	Rs 1,333	Rs 667
	One-off Allowance	
Pregnancy Care Allowance	Rs 2,000	Rs 1,000

(e) The payment of the Independence Allowance under the Social Contribution and Social Benefits Act will be stopped as from 01st July 2025. However, a household who is a beneficiary under the Social Register of Mauritius will continue to benefit from this allowance.

(f) The following schemes which are ending on 30th June 2025 will not be renewed:

(i) under the Income Tax Act - Prime à L'emploi Scheme

No new application will be entertained under the scheme after 05th June 2025. However, the Prime à L'emploi allowance will continue to be paid in respect of eligible employees approved by the Mauritius Revenue Authority (MRA) on or before 05th June 2025.

(ii) under the Registration Duty Act:

(A) Home Ownership Scheme; and

(B) Home Loan Payment Scheme.

21. Income Tax

(a) Review of Personal Income Tax Rates and Bands

Current tax rates and bands		New tax rates and bands	
Chargeable Income	**Rate (%)**	**Chargeable Income**	**Rate (%)**
First Rs 390,000	0	First Rs 500,000	0
Next Rs 40,000	2	Next Rs 500,000	10
Next Rs 40,000	4	Remainder	20
Next Rs 60,000	6		
Next Rs 60,000	8		
Next Rs 300,000	10		
Next Rs 300,000	12		
Next Rs 300,000	14		
Next Rs 400,000	16		
Next Rs 500,000	18		
Remainder	20		

The new income tax rates and bands will be effective as from income year starting on 01st July 2025, i.e., on income received by an individual as from 01st July 2025.

(b) Deduction for Dependent Child with a Disability

A taxpayer will be able to claim in respect of a child with a disability, the full deduction for a dependent child irrespective of any financial assistance provided to the child under the National Pensions Act or the Social Contribution and Social Benefits Act.

(c) *Fair Share Contribution on High-Income Earners*

An individual earning annual net income exceeding Rs 12 million, inclusive of dividend income, will be required to pay a Fair Share Contribution at the rate of 15% of his chargeable income after adding thereto any dividend income received during the year from domestic companies.

The contribution will be collected under the PAYE system on income received by an individual as from 01st July 2025 and it will be applicable for 3 consecutive income years, i.e., up to 30th June 2028.

(d) *Review of Taxation of Car Benefit*

The monetary values of fringe benefits to be included in the gross income of an employee provided with a company car are being reviewed as follows:

Car Benefit	Monthly Taxable Benefits (Rs)	
	From	**To**
Cylinder Capacity -		Car costing not more than Rs 3 million
▪ up to 1,600cc	9,500	12,000
▪ 1,601 to 2,000cc	10,750	13,500
▪ above 2,000cc	12,000	15,000
Electric Car	N/A	13,500
Car costing –		Car costing more than Rs 3 million
▪ more than Rs 3 million up to Rs 5 million	N/A	25,000
▪ more than Rs 5 million up to Rs 8 million	N/A	35,000
▪ more than Rs 8 million	N/A	50,000

(e) *Review of Personal Reliefs and Deductions*

The following personal reliefs and deductions will be removed as from income year starting on 01st July 2025:

(i) deduction of wage paid to a household employee;

(ii) donation to charitable institutions;

(iii) relief for adoption of animals; and

(iv) angel investor allowance.

(f) *Exempt Bodies*

(i) The National Guarantee Corporation Ltd will be exempted from income tax.

(ii) Where a project is financed to the extent of at least 50% from grants or concessionary financing, as approved by the Ministry of Finance, from a foreign State or a donor institution, the company implementing the project will be exempted from corporate tax and its expatriate employees from personal income tax. Consequential amendments will be made to the Public Procurement Regulations and the Value Added Tax Act.

(g) *Investment Tax Credit for Small Businesses*

A qualifying small business or service provider with annual turnover not exceeding Rs 10 million will be granted an investment tax credit of 5% over 3 years (i.e., 15% in total) on the cost of acquisition of new equipment not exceeding Rs 500,000 in a year. No tax credit will be granted in respect of acquisition of motor vehicles.

The tax credit will be granted on investment made during the period from 01st July 2025 to 30th June 2030.

Any unrelieved investment tax credit may be carried forward over 5 years.

(h) Corporate Social Responsibility

A corporate will be allowed to spend up to 50% of its CSR Fund instead of a maximum of 25% presently.

(i) Partial Exemption Regime

(i) A Virtual Asset Service Provider licensed by the FSC under the Virtual Asset and Initial Token Offering Services Act 2021, engaged in the exchange, transfer, safekeeping, and administration of virtual assets will be allowed to claim partial exemption of 80% on income derived from such activities, subject to compliance with substance requirements.

(ii) It will be clarified that it is the relevant activity of the company generating the income that has to satisfy the conditions related to substance requirements to enable the company to benefit from the partial exemption in respect of that income.

(iii) A bank will not be eligible to claim partial exemption on foreign source dividend.

(j) Alternative Minimum Tax on companies operating in specified sectors

An "Alternative Minimum Tax" (AMT) will be introduced on companies operating in certain sectors.

If the total tax payable by such a company as computed under the Income Tax Act, after availing of all eligible deductions but before deduction for tax credits, is less than 10% of its book profits, the company will be required to pay 10% of its book profits instead of normal tax.

The book profits that will be used for the computation of AMT will be adjusted for capital gains or losses and dividends received from resident companies.

The sectors which will be subject to the Alternative Minimum Tax will be as follows:

(i) hotels;

(ii) insurance companies;

(iii) companies engaged in financial intermediation activities;

(iv) companies engaged in real estate activities; and

(v) telecommunication companies.

The AMT will not be applicable to:

(i) companies holding a Global Business Licence; and

(ii) companies exempt from payment of income tax or which have been granted tax holidays.

Companies will not be allowed to offset any tax credits such as the foreign tax credit against the AMT payable.

(k) Qualified Domestic Minimum Top-Up Tax (QDMTT)

The OECD has developed the Global Anti-Base Erosion (GloBE) rules to ensure that Multinational Enterprises (MNEs) having annual consolidated revenue of Euro 750 million or more are taxed on their global income at a minimum rate of 15%.

If a resident subsidiary of such an MNE is being taxed at an effective rate of less than 15% in a jurisdiction, the application of the GloBE rules will imply that another tax jurisdiction, usually the jurisdiction where the multinational is headquartered will collect the difference in tax.

In order to prevent the headquartered jurisdiction from collecting additional tax, a qualified domestic minimum top-up tax (QDMTT) should be introduced in our domestic legislation.

A QDMTT will therefore be imposed on resident subsidiaries and holding companies of MNEs resident in Mauritius, on income derived as from 01st July 2025, by bringing necessary amendments to the Income Tax Act and its regulations.

(I) Fair Share Contribution on Corporates

Corporates having annual chargeable income above Rs 24 million will be required to pay a Fair Share Contribution at the rate of:

(i) 5% of chargeable income if they are subject to the standard tax rate of 15%;

(ii) 5% of chargeable income for banks including on income derived by banks from transactions with non-residents and Global Business Companies; and

(iii) 2% of chargeable income if they are subject to the reduced tax rate of 3%.

The contribution will not be applicable to:

(i) companies holding a Global Business Licence;

(ii) companies exempt from payment of income tax or which have been granted tax holidays; and

(iii) income exempted from income tax.

Corporates will not be allowed to offset any unused tax credits such as the foreign tax credit against the contribution payable.

The contribution will be applicable to income derived as from 01st July 2025 and will be imposed for 3 consecutive years, i.e., up to 30th June 2028.

It will be payable on a quarterly basis under a system similar to the Advance Payment System under corporate tax.

The contribution will be introduced under the Value Added Tax Act.

(m) Additional Fair Share Contribution on Banks

Banks will be required to make an additional contribution of 2.5% of their chargeable income from domestic operations, i.e., excluding income derived from transactions with non-residents and Global Business Companies.

The contribution will be applicable to income derived as from 01st July 2025 and will be imposed for 3 consecutive years, i.e., up to 30th June 2028.

The contribution will be payable on a quarterly basis under a system similar to the Advance Payment System under corporate tax.

Banks will not be allowed to offset any unused tax credits such as the foreign tax credit against the contribution payable.

The additional contribution will be introduced under the Value Added Tax Act.

(n) 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:

(i) providing professional services;

(ii) a tourism operator; or

(iii) a training institution.

(o) Review of Allowable Deductions for Companies

The following double or triple deductions will, as from 01st July 2025, be granted only to a small and medium company (i.e. having annual turnover not exceeding Rs 100 million):

(i) double deduction of emoluments and training costs paid in respect of an employee in Rodrigues and emoluments paid to a woman paid under the Prime à l'Emploi Scheme;

(ii) double deduction of expenditure on the cost of setting up a crèche or Child Day Care Centre for its employees;

(iii) double deduction of expenditure on acquisition of patents and franchises;

(iv) double deduction of expenditure on acquisition of specialised software and systems;

(v) double deduction of expenditure on financing, sponsorship, marketing or distribution costs of a film;

(vi) deduction of 150% of expenditure on filing fees in respect of an application to a recognised arbitration institution in Mauritius; and

(vii) triple deduction of donation, capped at Rs 1 million, to a charitable institution or NGO involved in specified activities.

22. Special Levy on Banks

Currently, the Special Levy on Banks is capped at 1.5 times of the levy paid by a bank in 2017/2018. This cap will be removed.

23. Smart City Scheme and other Schemes related to property acquisition

(a) Smart City Scheme

The Smart City Scheme will be reviewed as follows:

(i) *Removal of Fiscal incentives*

The fiscal incentives granted to smart city promoters and developers under the Smart City Scheme Regulations are being waived, except for a project relating to:

(A) the construction of a public transport station or terminal; or

(B) the National Regeneration Programme.

The main fiscal incentives being removed, include –

(A) exemption from value added tax (VAT) on buildings and infrastructure;

(B) 8-year income tax holiday on income derived from real estate activities within the Smart City;

(C) exemption from customs duty on import of machinery and materials for construction of buildings;

(D) exemption from registration duty and land transfer tax on the transfer of land into a Smart City Company;

(E) exemption from Morcellement fee, and

(F) exemption from land conversion tax.

A project issued with a Smart City Certificate and a developer with a registration certificate after 05th June 2025 will no longer benefit from the above fiscal incentives.

As regards any project where development has already started prior to 05th June 2025, there will be no further exemption from:

(A) land conversion tax under the Scheme; and

(B) customs duty on import on furniture and machinery and materials for construction of buildings.

Such projects will continue to benefit, in respect of components for which a Building and Land Use permit has been issued and where construction has started before 05th June 2025, from:

(A) recovery of VAT paid on buildings, capital goods and construction of public roads; and

(B) income tax holiday on income derived from real estate activities within the Smart City.

A Smart City project, although outside the purview of the Morcellement Act, will be required to pay a fee equivalent to the Morcellement fee.

(ii) *<u>Compliance to Sustainability Features</u>*

A project issued with a Smart City Certificate or a developer, with a registration certificate after 05th June 2025, will henceforth be required to incorporate sustainability features in their development. These sustainability features will be specified in guidelines issued by the EDB.

(b) Acquisition of Residential property under EDB Schemes

(i) *<u>Registration Duty</u>*

A non-citizen acquiring a residential property under the EDB Schemes will be liable to pay Registration Duty at the rate of 10% instead of 5% of the value of the property, at time of registration of the deed of transfer.

The schemes are as follows:

(A) Smart City Scheme;

(B) Property Development Scheme;

(C) Integrated Resort Scheme;

(D) Real Estate Scheme; and

(E) Invest Hotel Scheme.

The new rate will also apply in respect of acquisition of an apartment by a non-citizen in a building of at least 2 floors above ground floor.

(ii) *<u>Resale of residential property by a Non-Citizen</u>*

If a non-citizen is selling a residential property which was originally acquired under the EDB schemes or of an apartment in a building of at least 2 floors above ground floor, the land transfer tax will be the higher of 10% of the value of the property or 30% on the gain realised on the resale of the property. The gain will be computed as the difference between the resale value and the value at time of acquisition.

A non-citizen acquiring a residential property which was originally acquired under the EDB Schemes or an apartment in a building of at least 2 floors above ground floor will be liable to registration duty at the rate of 10% instead of 5% on the value of the property at time of registration of the deed of transfer.

The new rates for land transfer tax and registration duty in respect of acquisition of residences by non-citizens will apply on deeds registered as from the date of the publication of the Finance (Miscellaneous Provisions) Act 2025 in the *Gazette*, irrespective of whether the property was subject to a prior reservation.

(iii) Land Transfer Tax

A promoter selling a residential unit under the above-mentioned schemes, including the sale of an apartment in a building of at least 2 floors above ground floor, will be liable to pay land transfer tax at the rate of 10% instead of 5% of the value of the property, at time of registration of the deed of transfer.

24. Tax Administration

(a) Tax Administration: General

(i) Tax Dispute Settlement Scheme (TDSS)

The MRA will introduce a one-off TDSS to reduce the backlog of tax cases under dispute or litigation at the Assessment Review Committee, the Supreme Court or Privy Council.

Under this Scheme, a taxpayer who withdraws his case at the Assessment Review Committee, the Supreme Court or Privy Council and has a tax claim will benefit from a full (100%) waiver of penalties and interests.

The Scheme will be in operation up to 31st March 2026 and will apply to cases under litigation as at 05th June 2025. A tax payer will only benefit from the scheme if tax due is paid by 31st March 2026.

No amount of tax paid, including penalty and interest, shall be refundable under this scheme under any circumstances, except for cases which are at the Supreme Court where the tax due has already been paid.

(ii) *<u>Voluntary Disclosure Settlement Scheme (VDSS)</u>*

The second one-off scheme which will be operated by the MRA is the VDSS which will encourage tax payers who have not declared or under-declared income or taxable supplies in the past to come forward and regularise their tax affairs.

Under this Scheme, a taxpayer will benefit from a full (100%) waiver of penalties and interests.

The VDSS will be in operation up to 31st March 2026 and all payments should have been made by 31st March 2026.

For income tax purposes, the VDSS will relate to non-declaration and under-declaration of income for the Year of Assessment 2024/25 and prior years, excluding returns that are due in June 2025.

For VAT purposes, the VDSS will relate to non-declaration and under-declaration of taxable supplies for the taxable period ended 30th April 2025 and prior periods.

No amount of tax, including penalty and interest paid, shall be refundable under this Scheme under any circumstance.

(iii) *<u>Tax Arrears Settlement Scheme (TASS)</u>*

The Tax Arrears Settlement Scheme will be renewed to encourage taxpayers to settle their debts.

Under the Scheme, a tax payer having a tax debt, as at 30th June 2025, will benefit from a full (100%) waiver of penalties and interests.

Under the TASS, a taxpayer should register by 30th November 2025 and will have to settle the tax payments in full by 31st March 2026. It will apply to tax arrears outstanding as at 30th June 2025.

No amount of tax, including penalty and interest paid, shall be refundable under this Scheme under any circumstance.

The three schemes above shall not apply to any person who has been convicted, is under pending civil or criminal proceedings or is the subject matter of an enquiry relating to:

(A) drug trafficking under the Dangerous Drugs Act;

(B) arms trafficking;

(C) an offence related to terrorism under the Prevention of Terrorism Act;

(D) money laundering under the Financial Crimes Commission Act; or

(E) a corruption offence under the Financial Crimes Commission Act.

(iv) *Power to raise assessments*

The powers of the MRA to raise assessments in respect of past years will be restricted to only two years, except in exceptional circumstances.

(v) *Capping on penalty and interest*

(A) Penalty and interest will be capped up to 100% of the amount of tax due.

(B) The applicable penalties and interest charges for non-payment of tax will be halved where they do not relate to withholding taxes collected on behalf of Government.

(vi) *Registration of tax agents*

In order to pursue the efforts of modernising the tax administration and ensure the provision of professional services to tax payers, all tax agents will be required to register with the MRA. The law will provide for deemed registration in the case of a member of the Mauritius Institute of Professional Accountants or a law practitioner.

(vii) *Payment of tax in foreign currency*

All businesses which receive at least 50% of their annual turnover in foreign currency will be required to pay their tax in foreign currency.

(g) **Tax Administration: Income Tax**

(i) *Penalty for late submission of Statement of Income*

No penalty will apply where a person fails to submit a Statement of Income under the Current Payment System on the due date.

(ii) *Tax Deduction at Source (TDS)*

A company retaining the services of a non-resident entertainer or sportsperson to perform in Mauritius will be required to operate TDS irrespective of its level of turnover.

(iii) *Statement of Winnings*

An operator holding 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.

(iv) *Tax Ruling*

The fees payable for a tax ruling will be increased as follows:

(A) in the case of an individual, from Rs 2,000 to Rs 3,000; and

(B) in the case of company, from Rs 10,000 to Rs 50,000.

(v) *Charitable Institutions*

It will be clarified that the Director-General of the MRA may revoke the status of charitable institution conferred to an entity if the latter is no longer meeting its charitable objects.

(vi) *Application of arm's length test (transfer pricing)*

The scope and methodology of the application of the arm's length principle will be reviewed to provide greater certainty and protect our tax base.

(vii) *Collection of fees by MRA*

The MRA will work with the Corporate and Business Registration Department towards having a single payment and receipt window at the level of the MRA.

(b) Tax Administration: Customs Act

(i) Provision will be made to allow photographic evidence to be used for the purpose of enforcing Customs laws and for this evidence to be admissible in a court of law. The same provision already exists in the Fisheries Act.

(ii) Provision will be made to empower the Minister of Finance to make regulations for the implementation of any agreement relating to customs matters between MRA and any foreign customs administration or other competent authority.

(iii) Under the VAT system, a VAT-registered person pays VAT on the import of capital goods at customs and then claims a refund of the VAT paid in his VAT return. Presently, the Customs Act provides that a VAT-registered person is not required to pay VAT on the import of capital goods of a value of Rs 1 million or more. However, the VAT-registered person should declare the non-payment in his VAT return. To further ease the cash flow of businesses, the threshold for the import value of capital goods will be reduced to Rs 500,000 or more.

(iv) Where goods are ordered, shipped, imported or manufactured locally prior to the issue by MRA of a public notice of protection of Intellectual Property Rights for these goods and their authenticity and genuineness cannot be justified by the importer/manufacturer, MRA will be empowered to request the owner or authorised user to provide the justification. Where the latter cannot provide the justification within 5 working days, MRA will clear the goods.

(v) Where goods have been seized, MRA will have a time limit of 21 days from the date of seizure to notify the owner or his agent.

(vi) It will be clarified that a person who applies for authorisation to act as broker should have at least 5 years' working experience as a customs clerk and should hold a School Certificate or General School Certificate with credit in at least three subjects, or any other equivalent qualification acceptable to MRA.

(vii) Presently, an export Bill of Entry is cancelled within 14 days from the date of bill validation even if the good is exported after 14 days. This is unfair to the exporter who has to process another export Bill of Entry. Provision will be made for an export Bill of Entry to be cancelled 7 days from the date of submission of the outward manifest of the departing aircraft or ship listing its cargo and passengers.

(viii) Where a person is not agreeable to the amount of taxes due to MRA and makes an objection but he has not specified the detailed grounds of the objection, MRA will be empowered to consider that the objection has lapsed. The person will be given a right of appeal against the decision of MRA. This new provision will be included in the various customs laws in the following cases:

(A) payment of taxes under protest by the person;

(B) non-acceptance by MRA of a claim for refund of duty paid in excess made by the person;

(C) claim by MRA for an erroneous refund or reduction in taxes;

(D) claim for underpayment of taxes by MRA;

(E) claim for taxes due by MRA where a person sells goods on which exemption has been granted before the expiry of 4 years from the date of the exemption; and

(F) claim for excise duty unpaid following a stocktaking of excisable goods in a factory.

(ix) The Income Tax Act and VAT Act make provision for any aggrieved person lodging an objection at the Objection Directorate of MRA or an appeal at the Assessment Review Committee (ARC) to make a payment of 10% and 5% respectively of the amount of taxes underpaid. Similar provision will be made in the Customs Act, Customs Tariff Act and Excise Act to discourage frivolous objections and appeals with a view to delaying the payment of taxes due.

(x) Provision will be made for duty and taxes to be payable on a pleasure boat staying in Mauritius for more than a specified period of time.

(c) Tax Administration: Excise Act

(i) Provision will be made for the imposition of a penalty not exceeding 50 per cent and interest at the rate of 0.5 per cent per month on excise duty considered unpaid following a stocktaking of excisable goods in a factory.

(ii) Where a claim of taxes unpaid is issued by customs to a manufacturer following a stocktaking of excisable goods in a factory, an appeal can only be made by the manufacturer at the level of the Objection Directorate of MRA. As such, the existing provision allowing a manufacturer to provide justification for taxes unpaid to customs following the issue of a claim will be deleted.

(iii) It will be clarified that, where goods have been seized and the owner of the goods intends to enter an action against the seizure before the competent Court, he should notify MRA accordingly within 1 month from the date of seizure or issue of a notice of seizure by MRA.

(iv) Where goods have been seized and are the subject matter of criminal proceedings but are of a perishable nature, MRA will be empowered to sell the goods forthwith by public auction or public tender with the consent of the owner of the goods.

(v) A returning citizen of Mauritius who is coming back to settle in Mauritius is eligible to excise duty concession on a motor vehicle under certain conditions. One of them is that he has been residing outside Mauritius for a period of at least 5 years preceding the date of his return to Mauritius and he has been working outside Mauritius during that period or he has ceased to work on reaching retirement age. It will be clarified that, during that period of 5 years, he may have stayed in Mauritius for a maximum of 150 days in the aggregate.

(vi) Henceforth MRA will have the option to give public notice of the list of excise licences issued, renewed, transferred, cancelled or surrendered at the end of every year through publication in the Government Gazette, a newspaper or in electronic form.

(vii) It will be clarified that Ambassadors who have returned to Mauritius after a tour of service abroad and who have not availed of duty exemption facilities on the car purchased by them in the country of posting will be eligible to duty exemption facilities on a car once only after the expiry of their contract, subject to the approval of the High-Powered Committee.

(d) Tax Administration: Value Added Tax Act

(i) Suppliers having a turnover of more than Rs 100 million are in the process of connecting seamlessly with the MRA e-invoicing server. During financial year 2025-26, suppliers making a turnover of more than Rs 80 million will join the e-invoicing system.

(ii) It will be clarified that credit for input tax on rented parking is disallowed, except in respect of motor vehicles used in the furtherance of a business.

(iii) MRA will be empowered to use the best of its judgement when making an assessment of taxes due where it is not satisfied with the adequacy or correctness of records kept, as is the case under the Income Tax Act.

(iv) Provision will be made for an administrator, executor, receiver or liquidator appointed to manage or wind up the business of any company to be liable to pay the VAT due by the company in the order of priority of payments to preferential creditors set out under the Insolvency Act.

(v) It will be clarified that the reverse charge on supply of services received from abroad will apply to all VAT registered persons, including banks receiving services from a foreign supplier.

(vi) A person making vatable supplies may seek a ruling from MRA on the application of the VAT Act to his supplies. It will be clarified that a VAT ruling is binding on MRA only and not on the person seeking the ruling. As such, the latter has no right of representation against the ruling at the ARC. This will ensure that there are no unwarranted appeals against VAT rulings to the ARC. Consequential amendment will be made in the MRA Act.

(vii) It will be clarified that, 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.

(viii) A holder of a Pleasure Craft Licence issued by the Tourism Authority will be required to compulsorily register for VAT purposes irrespective of his turnover. This will be applicable to a pleasure craft used for commercial purposes.

(ix) The fees payable for a VAT ruling will be increased from:

(A) Rs 2,000 to Rs 3,000 for an individual; and

(B) Rs 10,000 to Rs 15,000 for any other person.

(x) Failure by a person to submit information requested by MRA on transactions effected will henceforth be an offence and the person will be liable, on conviction, to a fine not exceeding Rs 100,000 and to imprisonment not exceeding 3 years.

(xi) Failure by a person to give access to computers and other electronic devices requested by MRA to ascertain his tax liability or provide assistance will henceforth be an offence and the person will be liable, on conviction, to a fine not exceeding Rs 200,000 and to imprisonment not exceeding 5 years. The same penalty will apply to any person who obstructs MRA in the exercise of its functions.

(viii) The fine for offences relating to:

(A) making an incorrect return or statement relating to input and output tax;

(B) making an incorrect claim for repayment in respect of capital goods;

(C) giving incorrect information in respect of tax liability;

(D) a person claiming to be VAT registered when he is not; or

(E) obstructing an officer of MRA in his functions

will henceforth be an amount not exceeding Rs 500,000 instead of an amount not exceeding double the amount of tax involved.

Provision will also be made for any person convicted for any of these offences to be ordered by the court to pay an amount not exceeding double the amount of tax to which he is liable, in addition to any penalty imposed.

(ix) The fine for the following offences will be increased from Rs 50,000 to Rs 100,000:

(A) failure to keep records, produce books and records or provide any other information required by MRA for the purpose of ascertaining the tax liability of a person;

(B) failure of a VAT registered person to issue a VAT invoice;

(C) failure of a VAT registered person to change his taxable period from quarterly to monthly when his annual turnover exceeds Rs 10 million; and

(D) contravening any other provisions of the VAT Act/Regulations other than (1) a person claiming to be VAT registered or (2) obstructing an officer of MRA in his functions.

(x) The fine for:

(A) failure to register for VAT purposes;

(B) failure to submit a VAT return and pay any tax due; or

(C) submission of false returns, books, records, VAT invoices, documents or information with intent to evade VAT

will henceforth be an amount not exceeding Rs 1 million instead of an amount not exceeding treble the amount of tax involved.

Provision will also be made for any person convicted for any of these offences to be ordered by the court to pay an amount not exceeding double the amount of tax to which he is liable, in addition to any penalty imposed.

(e) Tax Administration: Registrar-General's Department

(i) Arrears Payment Scheme

The Arrears Payment Scheme under the Registrar-General's Department will be renewed for another year. The scheme will provide for full waiver of penalties and interests if a debtor settles any debt amount on or before 31st March 2026. This scheme will apply to tax arrears due as at 31st May 2025.

(ii) *Revision of fixed duty, minimum duty and administrative fee*

The fixed duty, minimum duty and administrative fee applicable for registration of deeds and documents will be increased as follows:

(A) fixed duty from Rs 300 to Rs 500;

(B) minimum duty from Rs 200 to Rs 500; and

(C) administrative fee from a minimum of Rs 100 to Rs 200.

(iii) *Addition of a property to a trust property*

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 be leviable.

(iv) *Registration of deeds and documents signed electronically*

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.

(v) *Time limit for objecting to a claim*

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.

(vi) *Leases of property*

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.

(vii) *Transfer of property*

(A) 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

(B) 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.

25. Social Contribution and Social Benefits Act

(a) Annual Social Contribution return

In order to provide additional time for the submission of the annual CSG return and effect payment of contribution, the deadline will be extended from 31st July to 15th October for:

(i) a self-employed individual; and

(ii) an individual employing a person in his domestic service.

(b) Other amendments

Relevant clarifications will be brought to the Social Contribution and Social Benefits Act to enable better and efficient administration of the payment of social benefits by the Ministry of Social Integration, Social Security and National Solidarity.

26. Regulatory Framework of Businesses

(a) The 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 not exceeding Rs 100 million or a charitable foundation.

(b) The requirements for a Debenture Holders' Representative under the Companies Act will be simplified to lower issuance costs and align with international best practices.

(c) It will be mandatory for a public interest entity to prepare an annual report.

(d) Companies, Partnerships and Foundations will now be required to keep a written declaration from their beneficial or ultimate beneficial owners confirming their status as same. These owners will also be responsible for updating the declaration if their status changes. Existing entities will have until 30th June 2026 to comply with this new requirement.

(e) The Registrar will be allowed to include any information as he may deem appropriate in a certificate of current standing, when issuing such a certificate for a Company, Partnership or Foundation.

(f) A person will be allowed to apply to the Registrar for a certificate of registration of any limited or limited liability partnership entity, by paying the prescribed fee.

(g) However, for a partnership holding a Global Business Licence, only a partner, officer, management company, or registered agent of that entity will be allowed to apply for the certificate. Any other person, by paying the prescribed fee, can obtain information such as the name and address of the partnership or its registered agent, the proof of registration, and legal form of the partnership.

(h) A person will not be able to request the Registrar for a certificate of current standing of a Limited Partnership holding a Global Business Licence, unless he is a partner, an officer of that entity or the FSC.

27. Excise Duty

(a) Alcoholic Products

Effective as from 06th June 2025, the following rates of excise duty on the main alcoholic products will be applicable –

Main Alcoholic Products	Current	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 of 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 1,229.80	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

(b) Tobacco Products

Effective as from 06th June 2025, the following rates of excise duty on tobacco products will be applicable –

Tobacco Products	Current	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

(c) Motor Vehicles

(i) *Excise*

The following rates of excise/customs duty on vehicles will be applicable with effect from 06th June 2025:

(A) Motor Cars

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%

(B) Electric Cars

Electric Cars	Rate of Excise Duty
Up to 180 kW	15%
Above 180 kW	25%

(C) Other Vehicles

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%

A transitional provision will be made whereby the previous rates of excise duty will continue to apply on a vehicle which, as at 05th 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 30th June 2025.

(ii) *Negative Excise Duty Scheme*

The Negative Excise Duty Scheme for electric vehicles will end on 30th June 2025 and will not be reconducted.

(iii) *Registration Duty*

With effect from 01st July 2025, the registration duty on vehicles will be:

(A) abolished on the sale and transfer of domestic pre-owned vehicles; and

(B) increased by 30% on first registration in Mauritius.

(iv) *Motor Vehicle Licence*

With effect from 01st July 2025, the Motor Vehicle Licence will be applicable as follows:

SN	Type of Vehicles	Annual Motor Vehicle Licence (Rs)			
		Mauritius		Rodrigues	
		Current	New	Current	New
1.	**Motor car/Dual-purpose vehicle/Double cab pickup**				
	Engine capacity:				
	1,250 cc and below	3,500	4,500	1,800	2,300
	1,251 cc - 1,600 cc	4,000	5,000	2,000	2,500
	1,601 cc - 1,850 cc	8,500	10,000	4,300	5,000
	1,851 cc - 2,250 cc	10,500	12,000	5,300	6,000
	Above 2,250 cc	13,000	15,000	6,500	7,500
2.	**Motor car/Dual-purpose vehicle/Double cab pickup registered on a company or a trade name**				
	Engine capacity:				
	1,250 cc and below	4,500	5,500	2,300	2,800
	1,251 cc - 1,600 cc	5,000	6,000	2,500	3,000
	1,601 cc - 1,850 cc	10,500	12,000	5,300	6,000
	1,851 cc - 2,250 cc	12,500	14,500	6,300	7,300
	Above 2,250 cc	15,000	17,500	7,500	8,800
3.	**Double cab pickup**				
	A double cab pickup owned by:				
	(a) a planter, tea grower, beekeeper, fisherman or cattle, goat, sheep or pig breeder operating on a small scale	4,000	5,000	2,000	2,500
	(b) a person carrying on a small enterprise or a handicraft enterprise	4,000	5,000	2,000	2,500
	(c) a trade union confederation	4,000	5,000	2,000	2,500
	(d) a food crop grower engaged in hydroponic aquiculture or sheltered farming	4,000	5,000	2,000	2,500
4.	**Classic/ Vintage motor car**	1,000	3,000	1,000	3,000

SN	Type of Vehicles	Annual Motor Vehicle Licence (Rs)			
		Mauritius		Rodrigues	
		Current	New	Current	New
5.	**Contract car**				
	Engine capacity:				
	1,250 cc and below	4,500	5,500	2,300	2,800
	1,251 cc - 1,600 cc	5,000	6,000	2,500	3,000
	1,601 cc - 1,850 cc	10,500	12,000	5,300	6,000
	1,851 cc - 2,250 cc	12,500	14,500	6,300	7,300
	Above 2,250 cc	15,000	17,500	7,500	8,800
6.	**Taxi**				
	Engine capacity:				
	1,600 cc and below	900	1,200	500	600
	1,601 cc and above	2,000	2,400	1,000	1,200
7.	**Heavy motor car**				
	Engine capacity:				
	3,000 cc and below	15,000	17,500	7,500	8,800
	3,001 cc and above	20,000	24,000	10,000	12,000
8.	**Motor cycle/3 Wheelers**				
	Engine capacity:				
	100 cc and below	600	800	300	400
	101 cc - 200 cc	700	1,000	350	500
	201 cc - 300 cc	800	1,200	400	600
	301 cc - 500 cc	900	1,400	450	700
	501 cc and above	1,000	1,600	500	800
9.	**Electric auto cycle/Motor cycle**				
	Power rating output:				
	AM (less than 4 kW)	-	-	-	-
	A1 (4 kW to 11 kW)	300	400	200	300
	A2 (11.1 kW to 35 kW)	400	600	200	300
	A (more than 35 kW)	500	800	300	400
10.	**Bus**				
	Engine capacity:				
	6,000 cc and below	3,000	4,000	1,500	2,000
	6,001 cc and above	4,500	6,000	2,300	3,000
11.	**Contract bus**				
	Seating capacity:				
	Up to 15 seats				
	School bus	2,000	2,400	1,000	1,200
	Other	3,000	4,000	1,500	2,000
	Between 16 seats and 35 seats	4,000	5,000	2,000	2,500
	More than 35 seats	5,000	6,000	2,500	3,000

SN	Type of Vehicles	Annual Motor Vehicle Licence (Rs)			
		Mauritius		Rodrigues	
		Current	New	Current	New
12.	**Motor tractor/Goods vehicle**				
	Maximum Gross Weight:				
	Up to 3.5 tonnes	3,000	3,500	1,500	1,800
	More than 3.5 tonnes but up to 10 tonnes	5,000	6,000	2,500	3,000
	More than 10 tonnes but up to 20 tonnes	9,000	11,000	4,500	5,500
	More than 20 tonnes	18,000	21,000	9,000	10,500
13.	**Trailer**				
	Maximum Gross Weight:				
	Up to 3.5 tonnes	1,500	1,800	750	900
	More than 3.5 tonnes but up to 10 tonnes	2,500	3,000	1,250	1,500
	More than 10 tonnes but up to 20 tonnes	4,500	5,500	2,250	2,800
	More than 20 tonnes	9,000	10,500	4,500	5,300
14.	**Locomotive**				
	Per tonne of weight unladen, to the nearest tonne	1,200	1,200	600	600
15.	**Motor car belonging to a visitor**				
	Any motor car belonging to a person on a temporary visit to Mauritius or Rodrigues of not less than one week	1,500 per month	3,000 per month	1,500 per month	3,000 per month
16.	**Motorcycle belonging to a visitor**				
	Any motorcycle belonging to a person on a temporary visit to Mauritius or Rodrigues of not less than one week	800 per month	1,600 per month	800 per month	1,600 per month
17.	**Motor tractor/Goods vehicle/Tractor used during crop season**				
	Maximum Gross Weight:				
	5 tonnes and below	1,200	1,200	-	-
	More than 5 tonnes but up to 10 tonnes	2,400	2,400	-	-
	More than 10 tonnes but up to 20 tonnes	5,000	5,000	-	-
	More than 20 tonnes	10,000	10,000	-	-

<table>
<tr><th rowspan="3">SN</th><th rowspan="3">Type of Vehicles</th><th colspan="4">Annual Motor Vehicle Licence
(Rs)</th></tr>
<tr><th colspan="2">Mauritius</th><th colspan="2">Rodrigues</th></tr>
<tr><th>Current</th><th>New</th><th>Current</th><th>New</th></tr>
<tr><td>18.</td><td>Hybrid vehicle</td><td>50% of the amount corresponding to the class of conventional vehicles</td><td>Amount corresponding to the class of conventional vehicles</td><td>50% of the amount corresponding to the class of conventional vehicles</td><td>Amount corresponding to the class of conventional vehicles</td></tr>
<tr><td rowspan="6">19.</td><td colspan="5">Electric motor vehicle</td></tr>
<tr><td>Not exceeding 40.0 kW
1,250 cc and below</td><td rowspan="5">50% of the amount corresponding to the class of conventional vehicles</td><td rowspan="5">Amount corresponding to the class of conventional vehicles</td><td rowspan="5">50% of the amount corresponding to the class of conventional vehicles</td><td rowspan="5">Amount corresponding to the class of conventional vehicles</td></tr>
<tr><td>40.1 kW - 57.5 kW
1,251cc - 1,600 cc</td></tr>
<tr><td>57.6 kW - 71.5 kW
1,601 cc - 1,850 cc</td></tr>
<tr><td>71.6 kW - 90.0 kW
1,851 cc - 2,250 cc</td></tr>
<tr><td>Exceeding 90.0 kW
Above 2,250 cc</td></tr>
</table>

The 50 percent concessionary rate of Motor Vehicle Licence applicable for hybrid and electric vehicles will be abolished. Henceforth, the quantum of Motor Vehicle Licence for hybrid and electric vehicles will be aligned to that of the corresponding class of conventional vehicles.

The 3-months and 6-months payment facility for the Motor Vehicle Licence will be maintained.

(d) Sugar Content of Sugar Sweetened Products

The excise duty on the sugar content of sugar sweetened products will be increased from 6 cents per gramme of sugar to 12 cents per gramme of sugar with effect from 06th June 2025.

Moreover, two additional products will be subject to the excise duty of 12 cents per gramme of sugar namely chocolates and ice cream with effect from 01st October 2025.

28. Value Added Tax

(a) The following products will be made zero-rated for VAT purposes:

(i) fruit and vegetable purées for infants;

(ii) canned vegetables such as tomatoes and mushroom;

(iii) frozen packed vegetables such as potatoes, beans, spinach and mixed vegetables; and

(iv) hairdressing services.

(b) Businesses will be required to compulsorily register for VAT purposes upon making a turnover of taxable supplies exceeding Rs 3 million instead of Rs 6 million with effect from 01st October 2025.

(c) Specified digital or electronic services provided by foreign suppliers will be subject to VAT with effect from 01st January 2026.

(d) VAT refund on harvesting services will be granted to planters under the VAT Refund Scheme for Small Planters.

(e) It will be clarified that cameras for CCTV systems are zero-rated for VAT purposes.

(f) The VAT Refund Scheme on the construction of a residential building or the purchase of a residential apartment or house from a property developer will end on 30th June 2025 and will not be reconducted.

29. Tourist Fee

A Tourist Fee of Euro 3 per night per tourist will be charged for stay in a designated establishment, namely a hotel, guesthouse, tourist residence or domaine, with effect from 01st October 2025. A tourist under the age of 12 years will be exempted from payment of the fee.

The fee will be collected by the designated establishments and remitted to MRA on a monthly basis.

30. Environment Protection Fee

The Environment Protection Fee will be increased for the following goods with effect from 01st July 2025:

Goods	Current	New
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		

31. Excise Licences Fees for Wholesale/Retail Sale of Alcoholic Products

(a) A processing fee of Rs 1,500 will be introduced on an application for the issue or transfer of an excise licence for the wholesale or retail sale of alcoholic products.

(b) The annual excise licence fee for the sale of alcoholic products will be increased as follows:

(i) wholesale dealer: from Rs 6,000 to Rs 12,000; and

(ii) retailer: from Rs 1,000 - Rs 6,000 to Rs 2,000 - Rs 12,000.

32. Processing Fee for Bill of Entry at Customs

A processing fee will be introduced for Bills of Entry submitted at customs to recover the cost of services provided:

Bill of Entry	Processing Fee Per Bill of Entry
For Imports/ Excisable Goods	Rs 140
For Export	Rs 70
For Amendment to Bill of Entry	Rs 50

33. Overtime and Other Charges Payable for Attendance of Customs Officers

The overtime fees payable to customs officers for additional services required by stakeholders, such as examination of goods at their premises or supervision of bottling of excisable goods, will be increased by Rs 100 per hour for special attendance and Rs 50 per hour for other cases.

The payment of a meal allowance of Rs 185 for the continued presence of a customs officer up to 18.00 hrs or beyond will also be introduced.

34. Duty Free Allowance on Alcoholic Products for Incoming Passengers

The duty-free allowance on alcoholic products for an incoming passenger, which is available in terms of three options, will be reviewed with effect from 01st September 2025 as follows:

Options for duty free purchase of alcoholic products	Current	New
Option 1	3 litres of whisky	2 litres of whisky
Option 2	6 litres of wine	4 litres of wine
Option 3	2 litres of whisky + 4 litres of wine	1 litre of whisky + 2 litres of wine

35. Reinforcing the Gambling Regulatory Framework

In order to reinforce and improve the Gambling Regulatory Framework, the Gambling Regulatory Authority Act will be amended, amongst others, to:

(a) spell out the roles and responsibilities of the Gambling Regulatory Authority Board, the Horse Racing Integrity Division (previously Horse Racing Division) and the Horse Racing Organiser;

(b) regulate the importation and local transfer of horse races;

(c) strengthen provisions regarding illegal betting and money laundering in the gaming industry;

(d) make it mandatory for horse racing operators to be connected to the Central Electronic Monitoring System;

(e) strengthen the regulatory and enforcement power to better control gaming activities; and

(f) increase the existing penalties for offences relating to tax evasion in the gambling sector.

(g) set the Gambling licence fees as per the Appendix.

36. Public Financial Management

Good public financial management, accountability, reporting, transparency and fiscal discipline is key to efficient use of resources and boosting economic growth. To this end, -

(a) the Performance-Based Budgeting system will also be re-introduced in Statutory Bodies, Local Authorities and the Rodrigues Regional Assembly as from financial year (FY) 2026-2027 to systematically link fundings with results and outcomes, help to reduce wastage and contribute towards increasing accountability. The Statutory Bodies (Accounts and Audit) Act, the Local Government Act and the Rodrigues Regional Assembly Act will be amended accordingly;

(b) the implementation of International Public Sector Accounting Standards (IPSAS) will be accelerated and the Finance and Audit Act will be amended to cater for the preparation and audit of the Consolidated Financial Statements for the Public Sector over and above the accounts of Government;

(c) a Public Financial Management (PFM) Kit will be prepared to consolidate all public financial management legislations, rules, procedures and Financial Instructions. The following Manuals and Financial Instructions will be issued:

(i) *Fees for Consultancy Services*

Financial Instructions will be issued to ensure that all public bodies, including state-owned enterprises and statutory bodies, do not include any provision for consultancy fees based on a percentage of the project value in their bidding documents, contracts and any framework agreements but rather on unit rates for each category of inputs.

(ii) *Post Completion Report for Projects*

Financial Instructions will be issued to require Public Bodies to prepare a Post-Completion Report for infrastructure projects above a specified threshold in order to, inter-alia, assess the outcomes of the projects and provide for the lessons learnt for future projects.

(iii) *Capital Projects Process Manual*

The Capital Projects Process Manual will be revamped. Capital projects appraisal will be carried out using the Five-Case Model framework namely, Strategic Case, Economic Case, Commercial Case, Financial Case and Management Case. The Finance and Audit Act will be amended accordingly.

(iv) *Public Financial Management Legal and Institutional Framework*

The Public Financial Management Legal and Institutional Framework will, inter-alia, clearly define the duties and responsibilities of Accounting Officers and all Public officers in the management of public finance.

(v) *Procurement Process*

To ensure that procurement processes in Ministries and Departments are carried out efficiently and effectively, instructions will be issued to set out the detailed operational procedures to be followed by Ministries and Departments.

(d) short tutorial videos will be devised and uploaded on the website of the Ministry of Finance to ensuring that all officers in the Public Sector grasp the fundamentals of financial operations, procurement and supply, and internal control;

(e) Annual Report on Performance of Ministries and Departments will, henceforth, be tabled at the National Assembly;

(f) the Office of Public Sector Governance (OPSG) will follow up on the recommendations made in the Reports of the Director of Audit and propose measures to address the weaknesses and shortcomings identified;

(g) the Finance and Audit Act, Statutory Bodies (Accounts and Audit) Act and Local Government Act will be amended to provide for the preparation and audit of Consolidated Financial Statements of the Public Sector on accrual basis;

(h) the Finance and Audit Act will be amended to require an Accounting Officer to ensure that –

(i) expenditure of its Ministry or entity falling under its purview is in accordance with its respective programme as appropriated by the National Assembly;

(ii) effective and appropriate steps are taken to prevent unauthorised, irregular and wasteful expenditure;

(iii) an adequate system is in place for the preparation, management and contract administration of capital projects;

(iv) all relevant financial considerations, including issues of propriety, regularity and value for money are taken into account when project proposals are put forward; and

(v) statutory bodies and Government-owned companies under the aegis of its Ministry do not enter into financial obligations in excess of their present and future financial capacity and which would lead to a contingent liability for Government;

(i) prior to proceeding with the implementation of a capital project, a public body including its Parent Ministry, where applicable, will have to ensure that financial clearance has been obtained;

(j) the Local Government Act will be amended to allow the Director of Audit to carry out compliance audit and report on the extent to which Local Authorities are complying to all rules, legislations, instructions, standards, directives and any other matters; and

(k) the National Transport Corporation Act, Land Drainage Authority Act and the Road Development Authority Act will be amended to align the date for the submission of the respective annual estimates of the revenue and expenditure of the National Transport Corporation, Land Drainage Authority and the Road Development Authority with that of the Statutory Bodies (Accounts and Audit) Act

37. Strengthening Public Debt Management

(a) In order to ensure prudent public debt management and that the debt strategy is in line with international best practices and standards, -

(i) consultations will be held with development partners to proceed with currency and interest rate conversions with a view to minimising the cost while maintaining risk of Government external debt portfolio at prudent level;

(ii) the number of primary dealers for Government securities will be increased to ensure a fair representation and improved competition;

(iii) regular meetings will be arranged with the primary dealers and other major investors in Government securities to enhance investor relations; and

(iv) switching operations, involving the swapping of debt securities with an average time to maturity not exceeding 2 years with longer term instruments at no cash considerations, will be pursued as part of its liability management operations and to minimise refinancing and liquidity risks.

(b) The Public Debt Management Act will be amended to:

(i) ensure that the debt figures that are compiled and disseminated are in line with international best practices and standards. Public sector gross debt will, henceforth, be our fiscal anchor;

(ii) discontinue with publication of public sector net debt, which does not give a true picture of the level of indebtedness of the public sector;

(iii) reinstate the provision that requires the Minister responsible for the subject of Finance to take the public debt ceiling into consideration prior to executing any Government guarantee and to limit the amount of guarantees to be given to any public sector entity in a fiscal year; and

(iv) review the timeline to bring down the public sector debt to GDP ratio.

OTHER LEGISLATIONS

38. Animal Welfare Act

The Animal Welfare Act will be amended to, inter-alia, –

(a) enhance the protection and welfare of domestic animals;

(b) ensure a coherent and effective framework for their control; and

(c) better regulate animal welfare organisations; and

(d) provide for better enforcement.

39. Central Water Authority Act

The Central Water Authority Act will be amended to provide for a representative of the Water Resources Commission to be a member of the Central Water Board.

40. Companies Act

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.

41. Consumer Protection (Price and Supplies Control) Act

The Consumer Protection (Price and Supplies Control) Act will be amended to:

(a) require online traders to affix the prices of goods and services offered for sale; and

(b) define “Consumer Protection Laws” in order to empower an authorised officer to swear an information and conduct prosecution in respect of an offence under consumer protection legislations.

42. Data Protection Act

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.

43. Declaration of Assets Act

The Declaration of Assets Act will be amended to introduce a uniform 30-day period for declarants, such as senior public officers, to submit fresh declarations following the expiry of the initial five-year period.

44. Financial Reporting Act

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

45. Fisheries Act

The Fisheries Act will be amended to:

(a) provide for the owners of a grounded vessel to remove wrecks so as to prevent pollution and threats to the marine ecosystems and navigation;

(b) require a person to hold a valid authorisation permit from the Ministry of Agro-Industry, Food Security, Blue Economy, and Fisheries (Blue Division) for -

  (i) import, possession, culture, sale or export of any genetically modified aquatic organism; and

  (ii) usage of any genetically modified aquatic organism in aquaculture or related activity;

(c) require an importer to produce a valid Health Certificate issued by the Competent Authority of the exporting country or country of origin for importation of fish and fish products;

(d) provide that the importer of any live fish adheres to the Conditions of Import of Live Ornamental fish;

(e) provide for an importer of ornamental fish to maintain a record of dead fish during the quarantine period and dispose of these dead fish in the presence of a fisheries control officer;

(f) include definition of Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);

(g) require a person to hold a CITES certificate for the export, re- export or transhipment of any prescribed CITES species;

(h) provide for a fixed penalty of Rs 10,000 for importation of fish without a valid Veterinary Health Certificate;

(i) extend the fixed penalty for offences in relation to prohibition to fish, store, land, sell, possess or do illegal activity with specific species of fish as follows:

   (i) Rs 10,000 for semi-industrial fishing vessels; and

   (ii) Rs 25,000 for industrial fishing vessels;

(j) harmonise the powers of fisheries officers across the fisheries protection cadre;

(k) clarify reporting requirements to the Fisheries Monitoring Centre;

(l) increase reporting frequency on the Vessel Monitoring System by fishing vessels for enhanced monitoring, control and surveillance;

(m) clarify that all data received by the electronic reporting system will be vested to the Government;

(n) provide for bycatch fish to be declared as a controlled product by way of regulations; and

(o) provide for establishment of Voluntary Marine Conservation Areas.

46. Food and Agricultural Research and Extension Institute Act

The Food and Agricultural Research and Extension Institute Act will be amended to review the composition of the Board of the Food and Agricultural Research and Extension Institute.

47. Forest and Reserve Act

The Forest and Reserve Act will be amended to support afforestation under the Mauritius Biomass Initiative of the National Biomass Framework.

48. National Assembly Allowances Act

The National Assembly Allowances Act will be amended to cater for the payment of allowances to Junior Ministers. The amendments will be deemed to be effective as from 22th November 2024.

49. Native Terrestrial Biodiversity and National Parks Act

The Native Terrestrial Biodiversity and National Parks Act will be amended to provide for a levy of $400 to be charged on each monkey exported from Mauritius. Out of this, $300 will be credited to the Consolidated Fund and $100 will be credited to the National Parks and Conservation Fund.

50. Non-Citizens (Property Restriction) Act

The Non-Citizens (Property Restriction) Act will be amended to:

(a) 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;

(b) 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;

(c) 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

(d) 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.

51. Ports Act

The Ports Act will be amended to increase the maximum fine applicable, from Rs 100,000 to Rs 500,000, for failure to comply with directions issued by the Port Master, relating to, amongst others, navigation safety in the port.

52. Real Estate Agent Authority Act

The Real Estate Agent Authority Act will be amended to provide for revenue accruing to the Real Estate Agent Authority to be remitted into the Consolidated Fund.

53. Small Farmers Welfare Fund Act

The Small Farmers Welfare Fund Act will be amended to:

(a) empower the Small Farmers Welfare Fund to determine and collect fees; and

(b) provide that every small farmer, who prior to the commencement of this amendment has contributed to the Fund, be deemed to be registered as a small farmer.

54. Statutory Bodies Pension Funds Act

The Statutory Bodies Pension Funds Act will be amended to reflect the actual appellation and status of 18 statutory bodies following reorganisations made in the past.

55. Sugar Industry and Efficiency Act

The Sugar Industry and Efficiency Act will be amended to:

(a) review the definition of "cultivation" to include food crops, fruits, medicinal and ornamental plants;

(b) classify the Rose Belle Sugar Estate Board as a specified entity to improve management and development of its land and other assets;

(c) allow for the sale of surplus plots of land found in ex-Sugar Camps to NGOs to allow them to continue their activity of worship;

(d) waive land transfer tax and registration duty on land allocated to employees of the sugar sector who have obtained land under an approved early retirement scheme, other than under the Voluntary Retirement Scheme, Early Retirement Scheme or Blue Print; and

(e) introduce new guiding principles of Land Conversion to prevent conversion of prime agricultural land.

56. United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act

The United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act (UNSA) will be amended to:

(a) make the National Sanction Committee (NSC) a body corporate;

(b) make it mandatory for the Financial Crimes Commission (FCC) to, manage, through its Asset Recovery and Management Division, the funds or other assets of listed and designated parties;

(c) allow FCC to apply, to a Designated Judge, for an order to realize the funds or other assets of a designated party; and

(d) include an additional resolution issued by the United Nations Security Council relating to Haiti which falls under the purview of the UNSA.

57. Water Resources Act

The Water Resources Act will be amended to provide for the Director, Water Resources, to exercise the roles, powers and functions under the Water Resources Act particularly, during period of emergency or acute water shortage, in order to mobilise additional water resources.

58. Miscellaneous

Some technical amendments will be brought to clarify, fine-tune, plug loopholes and harmonise various provisions in revenue laws and other enactments to provide for the implementation of measures announced in the Budget Speech as well as those contained in its Annex and for matters connected, consequential or incidental thereto.

Appendix - Gambling Licence Fees

Category of Licence	Annual Licence Fee	
	From (Rs)	**To (Rs)**
CATEGORY 1- Casino		
Casino Licence	3.5 million	5 million
Gaming Machine Licence (per gaming machine)	125,000	150,000
CATEGORY 2- Gaming House "A"		
Gaming House A	3.5 million	5 million
CATEGORY 3- Horse Racing		
Bookmaker licence for conducting fixed odd betting on local races – (a) at the racecourse	1 million	1.2 million
(b) outside racecourse	-	2 million
(c) through remote communication	3.5 million	5 million
(d) outlets	40,000	50,000
Totalisator operator licence – (a) for operating at the racecourse	1 million	2 million
(b) for conducting foreign race inter-totalisator betting	3.5 million	5 million
(c) Agent of a Totalisator Operator	-	500,000
(d) Equestrian Centre	-	15,000
(e) Trackwork Rider	-	500
(f) Apprentice Jockey	-	1,500
(g) Jockey	-	3,000
(h) Assistant Trainer	-	3,000
(i) Trainer		5,000
(j) Stable	-	5,000

Category of Licence		Annual Licence Fee	
		From (Rs)	To (Rs)
CATEGORY 4			
Bookmaker licence for conducting fixed odds betting on events and contingencies through remote communication			
(a)	Principal place of Business	3.5 million	5 million
(b)	Additional Place of business	40,000	50,000
(c)	For each event in addition to foreign Football	-	1 million
CATEGORY 5			
(a)	Operator of Mauritius National Lottery	5 million	6 million
(b)	Loterie Vert	500,000	1 million
CATEGORY 6- Miscellaneous			
(a)	Sweepstake organiser licence	15,000	30,000
(b)	Local Pool Promoter Licence	15,000	30,000
(c)	Agent of a Foreign Pool Promoter Licence	15,000	30,000
(d)	Lottery licence under Part XVII	15,000 in respect of each lottery organized	30,000 in respect of each lottery organized
(e) (f)	Dart Games licence	7,500 per dart board	8,000 per dart board
(g)	Ad Hoc Licence (licence fees per day)	15,000	30,000
(h)	Gaming House licence in respect of Gaming House "B" games	15,000	30,000
(i)	Limited payout machine operator licence	15,000	30,000
(j)	Limited payout machine licence	10,000	30,000
(k)	Amusement machine operator licence	15,000	30,000
(l)	Amusement machine licence	10,000	30,000