

BUDGET BRIEF

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25% 50% 75%



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HIGHLIGHTS



For 2023-2024, GDP is expected to grow robustly by 8%, similar to 2022-2023



Total expenditure will amount to MUR200bn whilst total revenue will be of MUR179bn



A budget deficit of 2.9% of GDP, 1% lower than the 3.9% last year, and 2.7% below the 5.6% deficit registered in 2021-2022



Public sector debt is expected to go down from 86.1% in June 2022 to 79% by June 2023 and 71.5% by end of June 2024

SOCIAL

- Basic Retirement Pension increased to MUR 11,000;
- Minimum wage increased to MUR 15,000;
- Abolishment of VAT on 15 key items of everyday consumption mainly relating to new-born and children;
- Maintaining CSG Income Allowance of Rs 1,000 to all those earning up to Rs 50,000 monthly;
- Every one reaching 18 years will be provided with a grant of Rs 20,000.



Basic Retirement
Pension



Minimum Wage



Value added Tax



Relief



FINANCIAL SECTOR

The Financial Sector is the second largest contributor of the economy. To ensure that the highest levels of international standards and best practices is in place in the country, the following have been introduced:

- a new set of legislative amendments to reinforce the existing AML/CFT legal framework and a Whistleblowing Act to sustain the fight against corruption
- Commission an independent assessment of the effectiveness of our AML/CFT system ahead of the ESAAMLG mutual evaluation in 2025

To position Mauritius an attractive International Financial Centre, the Finance Minister has:

- Extended the scope of the Variable Capital Companies to allow their use for family offices and wealth management;
- Introduced a Wealth Manager and Family Officer licence under Private Banking.





FINANCIAL SECTOR

FINANCIAL SERVICES ACT

- Empower the FSC to take enforcement actions in case of breach of AML/CFT legislation
- Provide that licensees will be under an obligation to submit independent compliance reports to the FSC;
- enhance the role of Management Companies with respect to ensuring compliance of their clients with relevant laws;
- clarify that the issuance of a certificate of good standing is also applicable to Authorised Companies;

BANKING ACT

The Banking Act will be amended to replace the term “Repo Rate” by “Key Rate” in the context of the implementation of the new monetary policy framework by the Bank of Mauritius.

SECURITIES ACT

The Securities Act will be amended to enhance the attractiveness of Mauritius as a Fund domicile by allowing Funds to invest in loans or similar debt instruments.



FINANCIAL SECTOR

Income Tax

Other Exemptions and Reliefs – Exempt Income

- The partial exemption granted in respect of interest earned by a Collective Investment Scheme or a Closed End Fund established in Mauritius will be increased from 80% to 95%.
- Interest income derived from bonds, debentures or sukuks issued by an overseas entity to finance renewable energy projects (“Green Bonds”) approved by the Director-General of the Mauritius Revenue Authority (MRA) will be exempted.

Tax Deduction at Source – Exemptions Tax Deduction at Source will not apply on fees paid to

- a Management Company licensed by the Financial Services Commission (FSC); and
- an Investment Adviser licenced by the FSC.

Tax Administration

Protected Cell Company and Variable Capital Company The MRA will not recover tax owed by a cell of a protected cell company by having recourse to assets of other cells or non-cellular assets of the protected cell company. Likewise, each sub-fund or special purpose vehicle of a variable capital company will be treated as a separate entity for the purpose of recovery of tax.

IMPROVING THE EASE OF DOING BUSINESS

- A unique identification number, be it for company, business registration, VAT, tax or employee number will be introduced;
- A B-Ready Coordination Committee to coordinate and ensure implementation of reforms in line with the recommendations of the World Bank;
- The DBM will extend the SME interest free loan scheme and the Covid-19 Special Support Scheme up to June 2024



Reforms



Identification



Support

SME

With the aim of strengthening the resilience of SMEs and Startups, an appropriate ecosystem will be put in place. As such, the following measures will be implemented:

- Industrial Finance Corporation of Mauritius (Equity) Ltd will provide equity financing including preferential shares to SMEs so as to make them bankable for credit finance by commercial banks;
- the Ministry of Industrial Development, SMEs and Cooperatives will implement a handholding programme to support some 120 SMEs over the next 3 years towards the certification under the 'Made in Moris' label; and
- the Procurement Policy Office will, in its Annual Report, also publish the number of contracts awarded, by public bodies, to local companies labelled 'Made in Moris'.
- DBM Ltd will extend its loan of up to MUR25m at a concessional rate of 3.5% per annum

TOURISM SECTOR

Objective of transforming Mauritius into a Green-Certified Destination by 2030

- To improve the visibility of the hospitality industry, the government is increasing the amount under the Participation in International Fairs SME Refund Scheme by 25 percent to Rs 250,000.
- To further the development of medical tourism and the silver economy: - (a) Medical patients and retirees as well as up to two accompanying caretakers will be eligible for a premium visa; (b) A foreign patient or retiree will not need to open a bank account in Mauritius; and (c) Foreign retirees above 60 years old will have access to medical insurance.
- With a view to boosting the tourism sector, ensuring its security and fostering the development of sustainable tourism, - the mandate of the Tourism Authority will be strengthened and transformed from being mainly a licensing authority to an agency that promotes quality control and quality assurance



STRENGTHENING THE FOUNDATIONS OF THE COUNTRY

Mauritius as a destination to work and live. The government will remove obstacles to investment, address labour shortages, and further strengthen our economy.

- For the recruitment of foreign labour under a work permit, a streamlined process will be put in place for companies with a good track record
- Removal of the ratio of foreign to local employees for specific sectors
- Allowing non-citizens on a tourist or business visa to apply for a Work Permit
- Allowing the acquisition of a residential property of a minimum value of USD350k by a resident non-citizen outside of existing schemes, subject to the payment of an additional registration duty of 10%. Only one property may be acquired by the main holder of a resident permit and not his or her spouse or children

STRENGTHENING THE FOUNDATIONS OF THE COUNTRY

- Granting of residence permit to a retired non-citizen and his family on the acquisition of a property in a Property Development Scheme project relating to senior living provided that the acquisition price exceeds USD200k the non-citizen is aged above 50 years old. The validity of the Residency Permit will be applicable as long as the buyer holds the property;
- Allowing a non-citizen and his family to be granted a residence permit on the acquisition of property of a minimum price of USD375k under the Sustainable City Scheme. The status of resident will remain valid as long as the buyer holds the property



OTHER MEASURES

Energy: Provide 50% waiver on the increase of electricity prices for the next two years for companies moving towards 100% renewable energy; Provide incentives under the Premium Investor Certificate for investments linked to production of materials for renewable energy technologies; Provide 75% subsidy for the conduct of energy audits

Manufacturing: Update the existing legal framework on industrial development to cater for the setting up of Special Economic Zones to effectively position Mauritius as a gateway for the African Market

Mitigation against Climate Change: Earmark MUR1.6bn under the National Environment and Climate Change Fund (NECCF) for projects to address climate change



TAXATION PERSONAL

Adoption of a graduated progressive tax system

Chargeable Income	Income Tax Rate
Up to MUR390,0000	0%
Between MUR390,001 and MUR430,000	2%
Between MUR430,001 and MUR470,000	4%
Between MUR470,001 and MUR530,000	6%
Between MUR530,001 and MUR590,000	8%
Between MUR590,001 and MUR890,000	10%
Between MUR890,001 and MUR1,190,000	12%
Between MUR1,190,001 and MUR1,490,000	14%
Between MUR1,490,001 and MUR1,890,000	16%
Between MUR1,890,001 and MUR2,390,000	18%
Above MUR2,390,000	20%



TAXATION CORPORATE

- Companies manufacturing medical devices will be taxed at 3%;
- Investment tax credit of 15% over 3 years granted to manufacturing companies in respect of expenditure incurred on new plants and machinery (excluding motor cars);
- Any unrelieved investment tax credit may be carried forward over 10 years
- Introduction of TDS of 3% on payment of fees made by insurance companies to panel beaters and spray painters for repairs of motor vehicles of policy holders
- Re-introduction of the Tax Arrears Settlement Scheme (TASS) for waiver of penalties and interest
- No recourse to assets of other cells or non-cellular cells of PCCs with respect to recovery of tax
- Sub Fund or Special Purpose Vehicle of a VCC treated as a separate entity with respect to recovery of tax



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