

BUDGET HIGHLIGHTS 2023 - 2024



FOREWORD

TO DARE & TO CARE

*The Honourable Minister of Finance, Economic Planning and Development
has presented his fourth budget on 2 June 2023.*

*We are pleased to share with you the key measures proposed in the Budget
Speech.*

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CORPORATE



CORPORATE

- A unique identification number will be introduced for companies to be used by all government agencies.
- Amendment to the Companies Act to clarify that the service address has to be in Mauritius.
- Shareholders of a company will be required to appoint new directors within one month from the date of resignation or death of the last remaining director. Failure to fulfill this obligation will result in the Registrar of Companies taking action to remove the company from the Register of Companies.
- Companies will be required to send their annual report to shareholders at least 21 days, instead of 14 days, prior to the annual meeting.
- Recognition of certifications including DocuSign and adobe sign in order to encourage the adoption of E-signatures.

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FINANCIAL SERVICES



FINANCIAL SERVICES

- Variable Capital Companies to be extended to family offices and wealth management.
- The Securities Act to be amended to allow Funds to invest in loans or similar debt instruments.
- Introduction of a wealth manager and family offices license under private banking.
- Introduction of a new framework to support the licensing and creation of electronic money institutions.

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BANKING



BANKING

- Exemption of interest income derived from bonds to finance renewable energy projects to be extended to all sustainable projects.
- Introduction of the digital Rupee in November on a pilot basis.
- Development of a carbon trading framework for blue and green credits.
- The Bank of Mauritius to operationalise the Mauritius Deposit Insurance Scheme and the Deposit Insurance Company to further protect depositors.

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AML/CFT



AML/CFT

- Introduction of a Whistleblowing Act.
- The FSC to be empowered to take enforcement actions in case of breach of AML/CFT legislation.
- Undertaking of a national risk assessment of money laundering and terrorism financing with the assistance of the World Bank.
- Commissioning of an independent assessment of the effectiveness of the AML CFT system base ahead of the ESAAMLG mutual evaluation in 2025.

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NON - CITIZENS

- The minimum value of a residential property acquired by a non-resident citizen outside the existing schemes is now increased to USD 500,000. An additional registration duty of 10% will be applicable.
- Retired non-citizens applying for a residence permit will no longer be required to open a local bank account in the initial stage. Instead, they can submit a certified bank statement from their country of origin or residence, demonstrating proof of funds. Additionally, they will need to provide a written undertaking to open a local bank account within two months.
- The threshold for obtaining an occupation permit for professionals will be reduced to MUR 30,000.

NON - CITIZENS

- Applicants for an occupation permit will be granted a business visa for 120 days without needing to leave Mauritius.
- The requirement of having a local bank account will no longer be mandatory for obtaining an occupation permit.
- The process for obtaining a work permit will be streamlined, and all work permit applications will be exclusively made through national e-licensing platforms.

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TAXATION

General Tax

- Extension of the Tax Arrears Settlement Scheme (TASS) for a period of one year, with a full waiver of penalties.
- Extension of the investment tax credit to all manufacturing companies for the next 3 years.
- Companies manufacturing medical devices will be taxed at 3%.



TAXATION

Individuals

- Introduction of progressive tax regime and abolishment of the solidarity levy.
- Maximum income tax rate applicable to an individual is capped at 20%.
- Decrease of maximum marginal tax rate from 40% to 20%.
- Maximum effective tax rate will reduce from 25% to less than 20%.

TAXATION

- Individual's annual chargeable income will be taxed as follows:
 - 0 % on the first MUR 390,000;
 - 2 % for income between MUR 390,001 and MUR 430,000;
 - 4 % for income between MUR 430,001 and MUR 470,000;
 - 6 % for income between MUR 470,001 and MUR 530,000;
 - 8 % for income between MUR 530,001 and MUR 590,000;
 - 10 % for income between MUR 590,001 and MUR 890,000;
 - 12 % for income between MUR 890,001 and MUR 1,190,000;
 - 14 % for income between MUR 1,190,001 and MUR 1,490,000;
 - 16 % for income between MUR 1,490,001 and MUR 1,890,000;
 - 18 % for income between MUR 1,890,001 and MUR 2,390,000; and
 - 20 % on income above MUR 2,390,000.



TAXATION

- Individual with no dependent with a chargeable income up to MUR 30,000 monthly, that is MUR 390,000 annually will not pay any income tax as from 1st July 2023.
- Individual with no dependent with a chargeable income up to MUR 50,000 monthly will save MUR 1,175 monthly under this new regime.
- Individual with two dependents with a chargeable income of MUR 50,000 will not pay any tax.
- Worker with a chargeable income of MUR 75,000 monthly will save at least MUR 2,300 monthly which means that he will pay two thirds less taxes than currently.

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EMPLOYMENT

EMPLOYMENT

- Increase of the « Revenue Minimum Garanti » to MUR 15,000.

Inclusive measures for women:

- Compulsory provision of childcare facilities for all companies employing more than 250 employees.
- Incentives for the setup of more childcare facilities by
 - allowing a double deduction on the cost of setting up a childcare centre;
 - increasing the grant by 30% to MUR 650,000 for child day care centres to undertake upgrading works;
 - making it mandatory for all new shopping malls, office buildings and hotels to have a nursing room for women;
 - encouraging the setting up of public childcare centres in main areas under a Public Private Partnership Model.

EMPLOYMENT

- Listed companies will be required to have a minimum of 25% of women on their boards.
- Women-owned SMEs will benefit from a 10% increase in the margin of preference for public procurement of goods.
- Monthly contribution of MUR 15,000 by the Government for a period of two years for newly employed women (who have been unemployed for at least a year under the Prime à L'Emploi Scheme).

Persons with disabilities

- Prime à L'Emploi Scheme will be extended to persons with disabilities.

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SMEs

- The maximum grant provided under the SME Support Scheme will be increased from MUR 200,000 to MUR 250,000.
- The Development Bank of Mauritius (DBM) will extend the SME interest free loan scheme and the Covid-19 Special Support Scheme up to June 2024.
- The Government will continue to pay up to MUR 500 of salary compensation for SMEs.
- The SME Employment Scheme will be extended for another year.
- The DBM will write-off long outstanding loans of more than 20 years and loans of deceased micro entrepreneurs.



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