

BUDGET BRIEF 2018-2019

14 June 2018



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Section 1: Foreword

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Foreword

Realist, with a hint of creativity

The Minister of Finance started his speech with some impressive figures: an expected GDP growth of 4.1% for the year 2018-2019, a decrease in the unemployment rate to 6.9% in 2018 and a forecasted inflation of 3.5% for the year. Although these figures seem to demonstrate that the Mauritian economy is more resilient than expected, the Budget could have been bolder in ensuring the survival of traditional activities such as the agricultural economy and the manufacturing sector. Nevertheless, measures to foster the import substitution industry, revive export-led production and equip our youth with the right skills are innovative in their unconventional approach.

Catering to the needs of the many is no easy task and a National Budget is indeed a balancing act which can sometimes be perilous. Against all odds, Pravind Jugnauth has succeeded, in his third Budget, in consolidating the fragile social fabric with several measures that target the low to middle income earners whilst at the same time

trying to envision economic prosperity based on the emergence of new fields. These new sectors should help the country realise its ambition to become a high-income economy by 2030.

One of the main areas of focus to achieve this is a new fiscal regime announced by the Finance Minister. Henceforth, individuals who earn Rs 305,000 to Rs 650,000 annually will benefit from a 10% income tax rate down from 15% previously. Such a provision will ensure that middle-income earners have more cash in hand to sustain their spending and increase their purchasing power.

The phasing out of the GBC 2 is another milestone in the quest to boost the country's potential as a reputable international financial centre. This removes the cloud which has been hanging over the jurisdiction and restores confidence in our global business sector.

The foray into new growth avenues laid out in this 2018-2019 Budget is also noteworthy. Mauritius has for long relied almost solely on traditional sectors which, without

Foreword (cont.)

the protective nets of yesteryears, are slowly dying a natural death. Sowing the seeds of the future on artificial intelligence, blockchain technologies and FinTech is indeed a bold move. If properly implemented, this can propel Mauritius further along its transformative journey.

As Pravind Jugnauth, the Minister of Finance, gears up for his last budget, it would have been surprising had he not delivered one with populist measures. Decreasing fuel and cooking gas prices, unchanged alcohol and cigarette prices and the status quo on the CWA are certainly all popular giveaways! Although it might not be obvious at first glance how revenue is being generated, this budget is delivered with a sense of realism, a hint of creativity and builds on past measures to sustain future growth.

The Government has laid down the foundations for Vision 2030 in the true spirit of “LAME DAN LAME”. It is up to all actors of the economy to rise up to the challenges and demonstrate their willingness to contribute to the country’s goal to reinvent its economic model.

Section 2: Key economic indicators for Mauritius

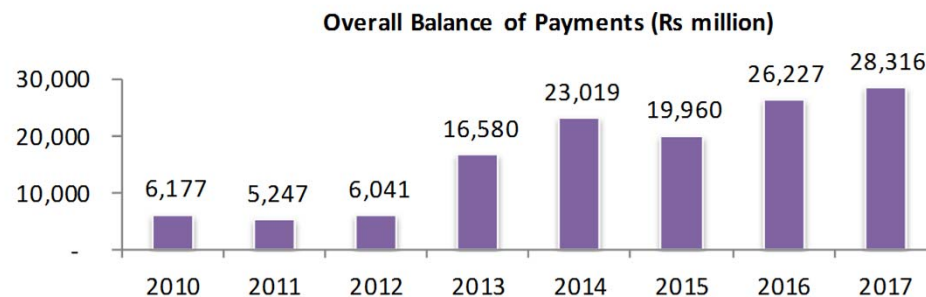
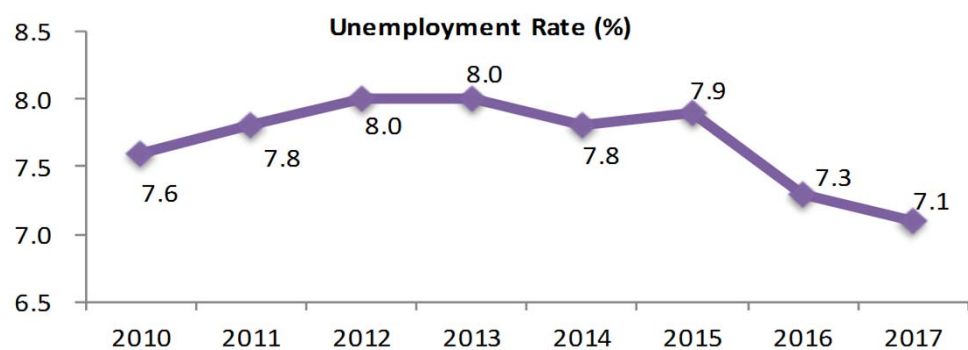
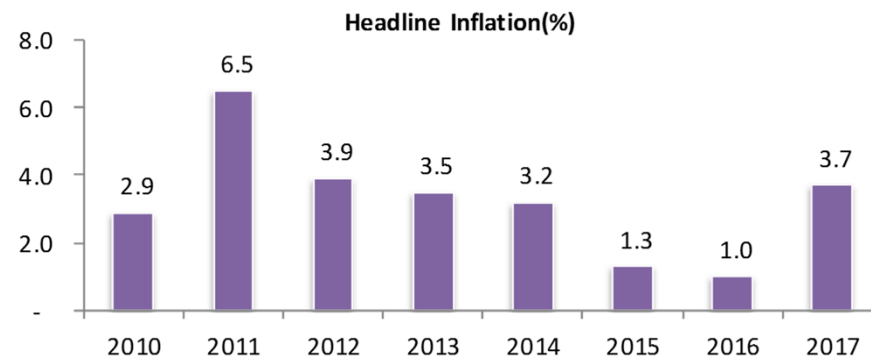
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Key economic indicators for Mauritius



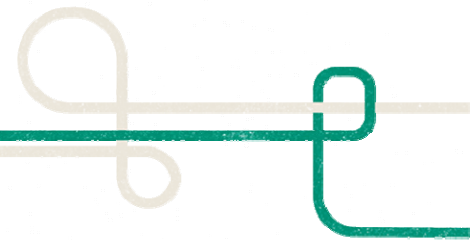
Source: Bank of Mauritius

Section 3: Key budgetary measures 2018-2019

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Personal tax



Annual Income Exemption Thresholds (IET)

- IET for each category of tax payer has been increased by Rs 5,000 with effect from 1st July 2018. The IET are detailed below:

| Income Exemption Threshold | 2017/18 | 2018/19 |
|--|------------------------------------|------------------------------------|
| Category | 1 July 2017 to 30 June 2018 | 1 July 2018 to 30 June 2019 |
| A. Individual with no dependent | Rs 300,000 | Rs 305,000 |
| B. Individual with one dependent | Rs 410,000 | Rs 415,000 |
| C. Individual with two dependents | Rs 475,000 | Rs 480,000 |
| D. Individual with three dependents | Rs 520,000 | Rs 525,000 |
| E. Individual with four or more dependents | Rs 550,000 | Rs 555,000 |
| F. Retired/disabled person with no dependent | Rs 350,000 | Rs 355,000 |
| G. Retired/disabled person with dependents | Rs 460,000 | Rs 465,000 |

Personal tax (cont.)



Introduction of a Tax Band of 10%

- An individual having annual net income of up to Rs 650,000 will be taxed at the rate of 10% instead of 15%

Other Exemptions and Reliefs

Additional exemption in respect of dependent child pursuing undergraduate course

- The additional deduction in respect of a dependent child who is pursuing tertiary studies will be raised as follows:
 - if abroad, from Rs 135,000 to Rs 200,000
 - if in Mauritius, from Rs 135,000 to a maximum amount of Rs 175,000

Income Exemption Threshold for a Retired Person

- A retired person who in an income year derives emoluments not exceeding Rs 50,000 will be eligible to the enhanced income exemption thresholds granted to retirees, under category F or G

Rain Harvesting Investment Allowance

- An individual investing in a rainwater harvesting system for his house will be allowed to deduct from his taxable income the total amount invested in such a system, including consultancy and design, earthworks, gutters and specialised water tanks

Personal tax (cont.)



Interest Relief

- The profit charge payable under an Islamic Financing Arrangement for the construction of a house will qualify for interest relief if the arrangement is secured on immovable property

Islamic Finance

- The income tax exemption granted on interest income received from debentures and bonds quoted on the stock exchange will be extended to returns from sukuks (Islamic Financial Certificate similar to a bond)

Exempt Income

- The exemption threshold on the lump sum received as severance allowance, pension or retiring allowance will be raised from Rs 2 million to Rs 2.5 million

Income Tax on Winnings

- A final withholding tax of 10% will be introduced on winning amounts exceeding Rs 100,000 obtained from the Mauritius National Lottery ('Lotto') and Government Lotteries ('Loterie Verte')
- The 10% tax will also apply to winnings in casinos and gaming houses in excess of Rs 100,000

Taxation of Artists

- A registered unsalaried Mauritian artist, with earnings of less than Rs 300,000 per year, can deduct 50% of earnings generated from his artistic work other than a literary work without having to document or specify his/her expenses
- An enterprise, not engaged in the business of buying and selling of artwork, will be allowed to deduct the cost of acquisition of artworks from a local artist up to a maximum of Rs 500,000 if certain conditions are met

Corporate tax



Taxation of Global Business Companies

Deemed Foreign Tax Credit abolishment

- The Deemed Foreign Tax Credit regime available to companies holding a Category 1 Global Business Licence will be abolished as from 31st December 2018

Partial exemption regime

- A partial exemption regime will be introduced whereby 80% of specified income will be exempted from income tax. The exemption will be **granted to all companies in Mauritius, except banks**, and shall apply to the following income:
 - foreign source dividends and profits attributable to a foreign permanent establishment
 - interest and royalties
 - income from provision of specified financial services
- Companies licensed by the Financial Services Commission (FSC), claiming the partial exemption, will have to satisfy pre-defined substantial activities requirement
- The existing credit system for relief of double taxation will continue to apply where partial exemption is not available

Corporate tax (cont.)



Taxation of Banks

Deemed Foreign Tax Credit

- The Deemed Foreign Tax Credit regime available to banks will be abolished as from 1st July 2019

New Tax Regime

- A new regime specific for banks will be introduced which will make no distinction between Segment A and Segment B income
- The tax rates will be as follows:
 - chargeable income up to Rs 1.5 billion will be taxed at 5%
 - chargeable income above Rs 1.5 billion will be taxed at 15%
- In addition, an incentive system will be introduced for banks having chargeable income exceeding Rs 1.5 billion. Under this system, any chargeable income in excess of the chargeable income for a set base year will be taxed at a reduced tax rate of 5% if pre-defined conditions are satisfied

Special Levy

- The Special Levy on banks is currently:
 - 10% of chargeable income for Segment A banking business; and
 - 3.4% on book profit and 1% on operating income for Segment B banking business



Corporate tax (cont.)

- The current formula which is scheduled to end by June 2018 will be maintained up to June 2019
- The Special Levy under the Income Tax Act will be removed with effect from 1st July 2019

Review of the Freeport Regime

- The Freeport Regime will be amended as follows:
 - the corporate tax exemption granted to freeport operators and private freeport developers on export of goods will be removed
 - freeport operators and private freeport developers will continue to be exempted from the Corporate Social Responsibility (CSR) contribution
 - the current tax regime will continue to apply until 30th June 2021 to companies which have been issued with a freeport certificate before 14th June 2018

The 3% reduced rate of corporate tax

- The corporate tax rate of 3% applied on profits derived by any company from export of goods will be extended to global trading activities effected by companies

Solidarity levy on telephony service providers

- The Solidarity levy on telephony service providers (5% of book profit + 1.5% of turnover) will be extended until June 2020. The requirement for book profit of a company to exceed 5% of its turnover to be liable to the levy is being removed



Corporate tax (cont.)

Corporate Social Responsibility

- Companies will not be allowed to offset any unused tax credit such as the foreign tax credit against CSR payable. Companies which have been granted tax holidays will be required to contribute to CSR

Tax Deduction at Source (TDS)

- TDS will be extended to 'commission payment' at the rate of 3%. The TDS rate applied on rent paid to a non-resident will be increased from 5% to 10%
- Further, TDS will not apply to director fees

Work@Home Scheme

Double deduction of wages and salaries

- Double deduction from tax for two years of the wage and salary costs of employees under the Work@Home Scheme

Annual tax credit

- Employers under the Work@Home Scheme will be granted an annual tax credit of 5% for 3 years on investment in the required IT system

Sheltered Farming Scheme

- All income derived from projects falling under the Sheltered Farming Scheme will be exempted from tax for the first 8 years

Corporate tax (cont.)



National Regeneration Scheme (NRS)

- A NRS will be introduced under the Smart City Regulations. The NRS is an initiative to regenerate and revitalise the central areas of our cities, towns and large villages
- A package of incentives will be provided to an approved project under the NRS as follows:
 - a property developer (subject to meeting the prescribed conditions) will be eligible to an investment income tax credit of 5% over 3 years over qualifying capital expenditure
 - a 5-year income tax holiday on income derived from smart parking solutions and other green initiatives
 - exemption from income tax over 2 years on newly rented space for cultural purposes or to artists as from the date the plan is approved
 - expenditure on approved renovation, embellishment works in the public realm by private companies as well as cleaning of public infrastructure will be deductible for income tax purposes

Mauritian companies collaborating with the Mauritius Africa Fund

- A 5-year tax holiday will be introduced for Mauritian companies collaborating with the Mauritius Africa Fund for the development of infrastructure in the Special Economic Zones (SEZ)
- The tax holiday will cover investments in SEZ infrastructure development and will benefit two eligible categories of firms: **project developers** and **project financing institutions**

Corporate tax (cont.)



Investment Tax Credit

- An investment tax credit of 5% over 3 years will be granted in respect of expenditure in new plant and machinery (excluding motor cars) by a company importing goods in semi knocked-down form on the condition that at least 20% local value addition is incorporated therein. The credit will be available in respect of investment made up to 30th June 2020

Value Added Tax (VAT)



Special Levy on Banks

- The Special levy under the Income Tax Act will be removed with effect from 1st July 2019 and replaced by a Special levy under the Value Added Tax Act. The Special levy will be charged on the net operating income derived by banks from their domestic operations

Recovery of VAT in Hospitality Sector

- It is being clarified that a VAT-registered person, whose main activity is the supply of accommodation, catering, entertainment or rental/lease of motor vehicles services, will be able to recover VAT paid on these activities

National Regeneration Scheme (NRS)

- A property developer (subject to meeting the prescribed conditions) engaged in approved projects under the NRS will be eligible to claim refund of VAT on buildings, capital goods, professional fees and fit-out works

VAT Refund Scheme – Planters

- The list of equipment under the VAT Refund Scheme for planters is being extended to include the following items:
 - branch chopper
 - earth auger
 - fogging machine
 - handy blower
 - irrigation hose
 - mini tiller, including blade

Value Added Tax (VAT) (cont.)



VAT Refund Scheme – Planters (cont.)

- In addition, a planter will also benefit from VAT refund on the following services:
 - land preparation works
 - rental of land leased for agricultural purposes

VAT Refund Scheme – Local artists

- Local artists registered with the Mauritius Society of Authors will benefit from refund of VAT paid on musical instruments including guitar, drum set, dhol, flute, and violin

Customs and other taxes



- Goods imported in semi knocked-down condition will be exempted from customs duty, provided there is at least 20% value addition domestically
- The 15% customs duty on acoustic doors and the 10% customs duty on iron bars will be abolished
- In addition to imported non-blended edible oil, customs duty at the rate of 10% will be applicable on imported blended oil
- The incentives available to projects falling under the National Regeneration Scheme are further extended to customs duty. A property developer (upon satisfying certain conditions) will benefit from customs duty on import of construction materials, machinery, equipment and other inputs including on furniture in semi knocked-down form on the condition that at least 20% local value addition is incorporated therein

Tax administration



Tax administration: General

Payment on objection

- Currently, a person dissatisfied with a tax assessment made by the MRA and the Registrar-General's Department pays 10% of the amount assessed prior to lodging an objection. Going forward he will be required to pay an additional 5% if he is still not satisfied with a determination at objection and intends to appeal before the Assessment Review Committee

Expeditious Dispute Resolution of Tax Scheme

- The Expeditious Dispute Resolution of Tax Scheme (EDRTS), targeting settlement of disputes of less than Rs 10 million, will be extended to assessments raised from 1st July 2015 to 30th June 2016

Tax administration: Personal Tax

Statement of Assets and Liabilities by High Net Worth Individuals

- An individual who derives net income and exempt income exceeding Rs 15 million in an income year or owns assets the cost of which exceed Rs 50 million, is required to submit a statement of assets and liabilities together with his income tax return.
- The Income Tax Act will be amended to ratify the decision taken to extend by one year the due date for submission of the statement, i.e. together with the income tax return for the income year starting on 1st July 2017 and due by the end of September 2018

Tax administration (cont.)



- Furthermore, an amendment will be made to specify that an individual, who has submitted his income tax returns during the last five years, will not be required to submit a statement of assets and liabilities, along with his/her income tax return

Tax Administration: Value Added Tax

- With regard to micro, small and medium sized enterprises (MSMEs), a VAT-registered person will not be required to pay VAT on import of capital goods in case the VAT payable exceeds Rs 150,000. However, the VAT-registered person will still have to declare the import in his VAT return
- A number of operators register voluntarily for VAT purposes solely for benefitting from VAT refund on capital goods, following which they de-register. Going forward the MRA will be empowered to claw back VAT refunded on capital goods exceeding Rs 100,000 (other than building) to avoid abuse of the system

Public infrastructure



- Investment of Rs 37 billion in transport infrastructure over the next 3 years
- Phase 1 of the Metro Express project (Port Louis to Rose Hill) will be operational in September 2019. And from Rose Hill to Curepipe in September 2021
- Expansion of the port facilities and improve its productivity

Environment



- Financial incentive to local manufacturers for recycling of used PET bottles has been increased from Rs 5 to Rs 15
- Auto cycles and motor cycles which emit high level of pollutants will be banned
- Total loss vehicles will no more be allowed on the roads
- Income eligibility threshold to benefit from the Water Tank Scheme will be increased from Rs 25,000 to Rs 30,000
- Individuals who are investing in rainwater harvesting system will be allowed to deduct the entire costs from their taxable income
- A fixed monthly charge of Rs 500 will be levied on individuals owning a swimming pool if their consumption exceeds 50 cubic metres
- Small-Scale Distributed Generation Scheme will be introduced for electricity distribution
- CEB will invest about Rs 1.2 billion over the next 3 years in underground cabling

Farming and agriculture



- Setting up of 100 farms over the next two years under a Sheltered Farming Scheme
- Promoting of micro gardens, vertical agriculture and roof top gardening through the Mini Sheltered Farming Scheme. A grant of up to Rs 10,000 will be given under that scheme to eligible families
- Provision of funds for the sensitisation and training of households in aquaponics for the production of water adaptive vegetables in freshwater ponds and basins
- Promoting a mix of agricultural and electricity production for small planters and cooperatives through a new scheme
- Increasing the subsidy on the production of onion and potato seeds
- Setting up a National Animal Identification System
- Providing of a monthly income support of 50 cents per kilo of tea leaves harvested by small planters during the 3 months winter period
- Setting up of a Ministerial Committee to assess the situation and to come up with an appropriate action plan for the cane industry to meet its challenges
- Increasing the customs duty on import of sugar from 15% to 80%

Ocean economy



- Setting up of an Ocean Economy Unit with the responsibility of preparing a National Ocean Policy Paper
- Merging of the Mauritius Oceanography Institute and the Albion Fisheries Research Centre into one single institution
- Developing of an Ocean Observatory e-platform to support the Marine Spatial Planning Initiative of Mauritius
- Introduction of a Group Life Insurance Scheme for registered fishermen to cover any accidents and losses at sea
- Allowing foreign industrial fishing companies to fish in our shallow water banks provided they sell all their catch on the local market
- Introduction of a grant of 60% of the cost of acquisition of outboard engines and fishing nets, by fishermen cooperatives, up to a maximum of Rs 60,000

Manufacturing and creative industries



- Setting up of new business parks across the island
- Setting up of New Grant Schemes under the National Arts Fund for encouraging emerging talents, production of art work and stimulating research in various fields of arts and culture
- Increasing the subsidy for the production of CDs from Rs 30,000 to Rs 40,000 and extending the VAT Refund Scheme to cover musical instruments purchased by local artists registered with the Mauritius Society of Authors

Opening up our economy and country



- Exemption from payment of customs duties on the import of personal effects up to a value of Rs 2 million for foreign retirees
- The Economic Development Board (EDB) will manage two schemes to attract High Net Worth individuals who satisfy defined criteria and after due diligence:
 - offering foreigners the opportunity to obtain Mauritian citizenship provided they make a non-refundable contribution of USD 1 million to a Mauritius Sovereign Fund. For their spouse and dependents, an additional contribution of USD 100,000 will be payable per member of family
 - offering foreigners the opportunity to obtain a Mauritian passport provided they make a contribution of USD 500,000 to the Mauritius Sovereign Fund. For their spouse and dependents, an additional contribution of USD 50,000 will be payable per passport
- The Mauritius Sovereign Fund will be managed by the Mauritius National Investment Authority. Any withdrawal from the Fund will be used to meet disbursements for new capital projects and public debt repayments
- The EDB will also operate a Foreign Manpower Scheme to attract foreign talents, particularly in emerging sectors such as artificial intelligence, biotechnology, smart agriculture and the ocean economy, amongst others

Small and medium enterprises (SMEs)



- Introduction of an SME Employment Scheme, as an incentive to employ graduates and under which each graduate will get a monthly stipend of Rs 14,000 over a period of two years of employment
- Special rate of electricity to accredited data centre operations having at least a Tier 3 infrastructure
- To boost SMEs, the following schemes will be implemented:
 - Certification Scheme will be introduced to provide technical assistance to SMEs and cooperatives for accreditation to international standards and certifications
 - an SME Productivity Improvement Programme will be launched to offer opportunities to SMEs to have access to technicians in order to review their operations for enhancing productivity and minimising waste
 - a Foreign Expertise and Technical Assistance Scheme will be set up to boost the Handicraft Sector

Small and medium enterprises (SMEs) (cont.)



- The Development Bank of Mauritius (DBM) will earmark an amount of Rs 1 billion to support micro, small and medium sized enterprises (MSMEs) through a set of schemes by offering the following:
 - loan facilities at the rate of 3 per cent for start-ups, young entrepreneurs and women entrepreneurs
 - loans up to Rs 3 million to planters engaging in sheltered farming at an interest rate of 3 per cent, with a moratorium on capital repayment in the first year
 - loan facilities up to a maximum of Rs 1 million to operators of organic farms with a moratorium of two years on capital repayment depending on their projects
 - DBM will operate an Enterprise Modernisation Scheme aimed at providing finance lease facilities to MSMEs with turnover up to Rs 10 million to modernize their plant and equipment
 - DBM will operate a factoring window aimed at providing quick working capital to MSMEs by discounting their invoices
 - to ease the cash flow of businesses, a VAT-registered person will henceforth not be required to pay VAT on import of machinery and equipment, if the amount payable is Rs 150,000 or more
- DBM will also provide non-financial support to the MSMEs through a new Hand-holding and Mentoring cell

Employment



- A Youth Service Programme will be launched to develop soft skills of 1,000 young adults in order to improve their employability
- Introduction of Work@Home Scheme. Under this Scheme, employers will be allowed a double deduction from tax of the salary costs of their employees for the first two years coupled with an annual tax credit of 5% for a period of three years on investment in the required IT system

Innovation



- Setting up of a National Regulatory Sandbox Licence Committee for issues relating to sandbox licensing for fintech activities
- Setting up of a Mauritius Artificial Intelligence Council to foster the development of a new growth pole
- New scholarship scheme in the areas of artificial intelligence and blockchain
- University of Mauritius will obtain special support to increase its intake of students in Computer Science and Software Engineering to 240

Social integration



- A Gender Equality Bill will be put forward for a strong and comprehensive legal framework for gender mainstreaming
- About 250 government officials across all ministries and departments will be trained to deal with gender issues
- Companies investing in a crèche will benefit from a double deduction under corporate tax
- The Employment Rights Act will be amended to allow payment of a remuneration for mothers reckoning less than 12 months of service
- A chapter on gender mainstreaming will be included in the 3 Year Rolling Strategic Plan
- A study will be carried out on the introduction of gender-based budgeting
- The current one-off grant under the Crèche scheme is increased from Rs 200,000 to Rs 500,000
- The monthly grant to employees of residential care homes and institutions is increased from Rs 6,071 to Rs 8,500

Enhancing consumer welfare

- Regulations under the Hire Purchase and Credit Sale Act will be amended to remove any surcharge on late payment
- To better protect consumers of banking and financial services the Ombudsperson for Financial Services Bill is being finalized
- Blood Glucose Strips will be placed on the list of controlled commodities which will result in a decrease of between Rs 40 and Rs 170 per pack of 50 strips

Social integration (cont.)



Enhancing consumer welfare (cont.)

- Stricter control will be put forward on the quality of consumer goods both locally produced and imported
- The price of Mogas will be reduced by Rs 2.35 per litre to Rs 49.65
- The price of diesel will be reduced by Rs 1.90 to Rs 40
- The price of a 12 kg cylinder of LPG will be reduced by Rs 30 to Rs 240

Consolidating welfare state

- Start-up tool kits will be offered to unemployed who are benefitting from training and placement opportunities
- A total provision of Rs 760 million is made in the budget for poverty alleviation
- The National CSR Foundation will be the central body to receive and allocate public funds to NGOs
- Private firms will have to remit 75% of their CSR contribution to MRA as from January 2019
- An additional amount of 25% may be retained, upon approval, by firms for CSR programmes which have already started
- Income threshold for persons to benefit from legal aid will be raised from Rs 10,000 to Rs 15,000
- The monthly carer's allowance to bed-ridden persons is raised from Rs 10,000 to Rs 15,000
- A full duty exemption is provided to disabled persons on the purchase of a motor car of engine capacity of up to 1,600 cc



Amendments to other legislations

Bank of Mauritius Act

Bank of Mauritius Act will be amended to:

- reinforce the powers of the Bank of Mauritius (BoM) with a view to counter money laundering and for the prevention of financing of terrorism
- increase the fine to Rs 1 million where a financial institution fails to comply with guidelines issued by the BoM

Banking Act

The Banking Act will be amended to, interalia:

- allow private banking business to import gold and other precious metals as part of managing their clients' investment portfolio and provide safety vault services
- allow the BoM to impose a fine of up to Rs 1 million where confidential information of bank customers has been disclosed
- clarify that a non-bank deposit taking institution has to maintain a minimum capital of Rs 200 million or such higher amount as may be prescribed, after deduction of the accumulated losses
- allow the BoM to revoke the appointment of auditors of a financial institution where the circumstances so warrant

Financial Intelligence and Anti-Money Laundering Act

Financial Intelligence and Anti-Money Laundering Act will be amended to allow for necessary sanctions to be imposed where a financial institution fails to comply with guidelines of the BoM for the prevention of money laundering and financing of terrorism

Amendments to other legislations (cont.)



Financial Services Act

The Financial Services Act will be amended to, interalia, allow the FSC to:

- give directions to any person to ensure compliance with licensing conditions
- take actions against a licensee which fails to comply with section 52 or section 52A of the Bank of Mauritius Act
- appoint an administrator in relation to the business activities of a person whose authorisation has been withdrawn
- extend the scope of the offence with respect to licensees who provide false and misleading information
- allow the FSC to regulate Custodian Services (Digital Asset) and Digital Asset Marketplace
- cease the issuance of Category 2 Global Business Licence as from 1st January 2019
- rename the Category 1 Global Business Licence as Global Business Licence
- remove all restrictions applicable to dealings in Mauritius
- provide that all resident companies and partnerships incorporated/registered under the laws of Mauritius whose majority shareholdings/parts are held by non-residents and which conduct business mostly outside Mauritius will be required to seek a Global Business Licence or an authorisation from the FSC, through a duly appointed management company
- provide for enhanced substance requirements for entities holding a Global Business Licence

Amendments to other legislations (cont.)



Economic Development Board Act

The Economic Development Board Act will be amended to, inter alia:

- provide for the establishment of the National Electronic Licensing System, which will be operated and managed by the EDB for the application processing and determination of a permit
- provide for the establishment of a Film Promotion Fund whose object is to contribute to the financing of Film Rebate Scheme
- allow the EDB to administer and manage the prescribed Film Rebate Scheme and to determine the refundable prescribed percentage of qualifying production expenditure incurred by film production companies

Financial Reporting Act

The Financial Reporting Act will be amended to provide for sanctions to Audit Firms, Licensed Auditors and Public Interest Entities who fail to comply with the requirements of the Act and any rule, code, guideline and standard issued by the Financial Reporting Council

- The Insolvency Act will be amended to:
 - allow for specific provision for the continuation of supply of essential goods to an insolvent company throughout the insolvency process

Amendments to other legislations (cont.)



Insolvency Act

The Insolvency Act will be amended to:

- allow for specific provision for the continuation of supply of essential goods to an insolvent company throughout the insolvency process
- allow for the filing of the declaration of solvency with the Director of Insolvency Service to be effected on the same date as the resolution for winding up of the company
- allow for the period for which a liquidator can keep records of a company from the date of dissolution of the company to be extended from 3 to 5 years
- allow for the FSC to make a petition to wind up a company which is a past licensee of the FSC to cater for situations where the licences have been terminated and the company is no longer a licensee
- review the order of payment to MRA in the context of a receivership or a winding up

Companies Act

The Companies Act will be amended to, amongst others:

- allow for disclosure and availability of Beneficial Ownership Information following enquiries related to AML/CFT
- allow for enhanced protection to minority shareholders
- allow for more transparency to shareholders

Other budget measures



- The Economic Development Board, which is already implementing the e-Licensing platform, will be the Single Licensing Agency for business permits and licenses
- The refund of training cost for employers contributing to the National Training Fund will be increased from 60% to 70%. For SMEs, the refund of training cost will be increased from 60% to 75%
- The scheme for hotel reconstruction and renovation, which is ending on 30th June 2018, will be renewed for 2 years that is covering renovation/reconstruction which starts in the financial years 2018-2019 or 2019-2020. Under the scheme, a hotel on State Lands that closes to undergo renovation or reconstruction is granted a reduction of 50% in its rental payable in respect of its lease for a maximum of one year provided that certain conditions are met

Outer islands development



- Rs 5 billion will be provided for the socio-economic development of Rodrigues
- A technology park will be constructed in Rodrigues
- A new runway at Plaine Corail will be constructed as from mid-2019 at a cost of Rs 3.2 billion
- Agalega will have internet connectivity through satellite bandwidth as from September 2018
- Fishing and seafood hubs will be developed in Agalega and other outer islands
- 50 housing units will be constructed in Agalega
- A new multipurpose cargo vessel with a capacity of 700 containers will be acquired by Mauritius Shipping Corporation Ltd

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