



CONTINUITY AND GROWTH FOR ALL

Budget Brief
2024-2025

	Pages
▶ Editorial	1
▶ Economic highlights	2
▶ Business & economic measures at a glance	3 - 5
▶ Taxation	6 - 10
▶ Other budgetary measures	11 - 12

CONTINUITY AND GROWTH FOR ALL

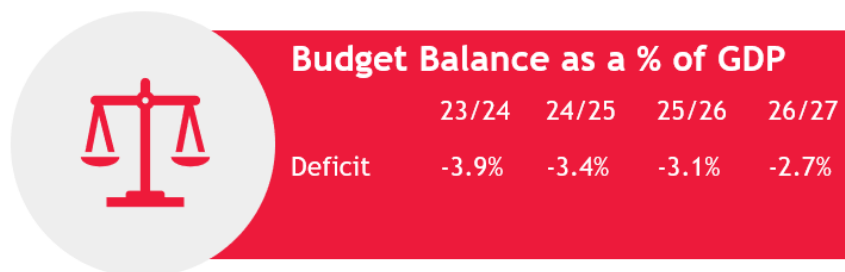
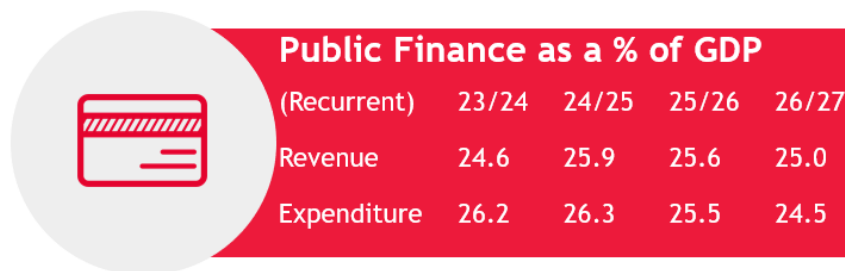
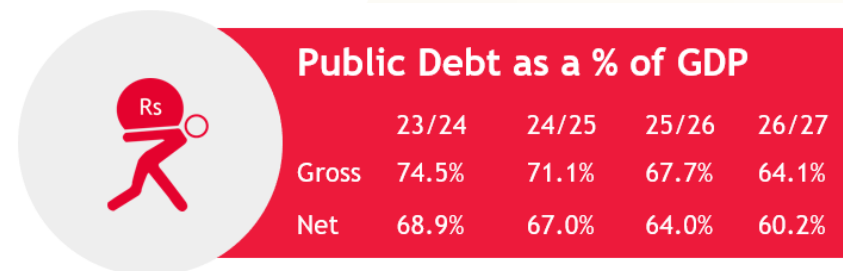
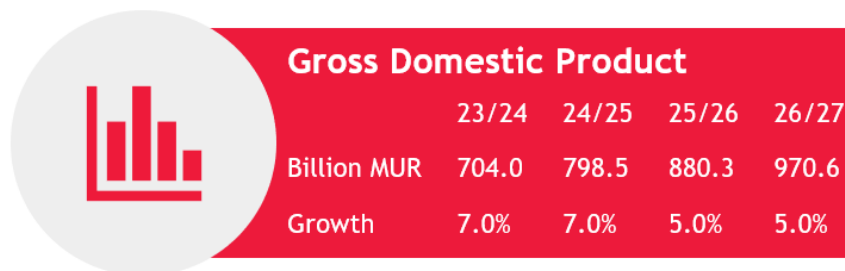
The budget is a continuity of measures implemented in the previous years aiming at furthering a resilient growth (GDP forecast to rise from Rs 704bn in 2023/24 to Rs 798.5bn in 2024/25 and to Rs 1 trillion by 2030) and fostering inclusivity. The usual support is being extended to all economic sectors. Business measures that are the most acclaimed are the efforts being geared at attracting further investment such as the streamlining of licences and permits. To address and alleviate the shortage of labour, the recruitment of foreign labour will definitely bring comfort to our local industries.

Huge emphasis has been placed on the necessity to cope with climate change. A wide number of measures and incentives have been announced to reduce the carbon footprint and embrace sustainability further including the introduction of Corporate Climate Responsibility levy of 2% imposable on companies' profits (whose annual turnover exceed Rs 50m) to support the Climate and Sustainability Fund projected at Rs 3.2bn. Technology is moreover poised as a non-circumventable tool with a much expected potential for enhancing productivity and opening new opportunities for our economy.

There are heavy expectations on the agro-industrial sector to improve food security and to sustain a sector that has historically been the backbone of our development. Entrepreneurs will moreover have to be constantly groundbreaking in the highly competitive global manufacturing sector.

A budget which focuses on investing in the population through a myriad of measures for continuous socio-economic development.

BDO Team



Growth rate at constant market prices | GDP value at current market prices

Fostering Economic Dynamism

Improving the ease of doing business

- ▶ Companies/Business Registration information centre operational 24/7.
- ▶ New Consulate in Réunion Island and Embassy in Japan.
- ▶ The EDB will work with various authorities to double the number of licences delivered.

Labour force

- ▶ Temporary Occupation permit of 3 months for professionals.
- ▶ Foreign workers:
 - Recruitment in agricultural sector.
 - Removal of quotas in the manufacturing, jewelry, freeport and ICT/BPO sectors.
 - Delivery and renewal of Work Permit within 3 weeks.
- ▶ No additional Work permit required for non-citizens holding a Retired Residence Permit.
- ▶ Introduction of 10 year expert occupation permit to attract foreign talents in wealth management, family office, virtual assets & virtual tokens.

SMEs and Entrepreneurship

- ▶ Promote entrepreneurship
 - 10% rebate on DBM rental for SMEs.
 - Writing off loans of more than 20 years and of deceased micro entrepreneurs.
- ▶ Empower cooperatives to grow through different schemes.

Crop & Livestock sector and Blue economy

- ▶ Boost the local production of foodcrops through grants and subsidies.
- ▶ Subsidy of 50% on green certification of sugar production is maintained.
- ▶ Measures for planters producing up to 60 tons of sugar:
 - Subsidies and financial assistance on fertilisers and drip irrigation.
 - Minimum guaranteed sugar revenue of Rs30k per ton of sugar for Crop year 2024.
- ▶ Purchase of Mobile veterinary clinic.
- ▶ DBM will extend the write off of long outstanding loans >20 years and loans of deceased.
- ▶ Payment of Rs 200k to the heirs of a deceased fisher in case of sudden death.

Manufacturing

- ▶ Introduction of an 'Industrie du Futur' programme for 100 SMEs.
- ▶ Facilitate the distribution network of "Made in Moris" products.
- ▶ Introduce Export Manufacturing Regulations under the EDB Act.
- ▶ Prolonging the Africa Warehousing Scheme up to 2027.

Construction

- ▶ Harmonize the fees for Building and Land Use Permits (BLUP).
- ▶ Extend the validity period of BLUP to 3 years.

Financial Services

- ▶ Signature of a Strategic Partnership Agreement with India and African Countries.
- ▶ Centralised e-KYC will be extended to Global Business Sector.
- ▶ New framework for the secondary trading of Government bonds will be established on the SEM.

Tourism

- ▶ Objective for 2024 to reach 1.4m tourist arrival with Rs 100bn of tourist receipts.
- ▶ Implementation of the e-Gate and the e-Passport.

Working towards an inclusive and sustainable Mauritius

Energy

- ▶ Government Support Agreement to unlock over Rs 15bn of private sector investment in renewable energy projects for next 2 years.
- ▶ Installation of 3,500 solar PV Kits for households and NGO's.
- ▶ DBM is increasing maximum loan amount for purchase of solar kits and batteries by households to Rs 350k.
- ▶ Implementation of an Energy Efficiency Loan Scheme by DBM for energy-saving measures.
- ▶ Negative Excise Duty of Rs 200k for purchase of electric vehicles renewed up to June 2025.

Access to Public Transport

- ▶ Extension of Metro Express Project to La Vigie, Saint Pierre, Côte d'Or and Immigration Terminal.

Education

- ▶ Provision of Rs 2.1bn towards free education, school infrastructure and revamping of the Scholarship scheme.

Health

- ▶ Provision of Rs 17.2bn towards health infrastructure including New Flacq Teaching Hospital and new pediatric intensive care unit at the New ENT Hospital.
- ▶ Rolled out of E-health system in all public health institutions as from November 2024.
- ▶ 16 weeks for maternity leaves and 4 weeks for paternity leaves.

Rodrigues

- ▶ New runway at Plaine Corail at a cost of Rs 7.9bn.
- ▶ Rs 540m is being invested for the construction of a desalination plant at Pointe Coton.

Building our future

Youth and Child Welfare

- ▶ Free monthly data package for all citizens aged 18 to 25 years.
- ▶ DBM to introduce a 0% loan on IT equipment for those aged 18 to 25 years.
- ▶ Monthly School Allowance of Rs 2k to all children aged 3 to 10 years.

For the Elderly

▶ Monthly Pension

	01 Jul to 31 Dec 2024 (Rs k)	> 01 Jan 2025 (Rs k)
Basic Pension	14.0	15.0
65>age<75	15.0	16.0
75>age<90	16.5	17.5
90>age<99	24.2	25.2
Centenary	29.2	30.2

- ▶ Monthly Basic Widow’s Pension, Basic Invalid’s Pension and Basic Orphan’s Pension will increase to Rs 14k.
- ▶ Increase in monthly rent allowance to beneficiaries of basic pensions living alone from Rs 2.3k to Rs 3.5k.

For the Disabled

- ▶ Basic Invalid’s Pension to rise to Rs 14k in July 2024 and to Rs 15k in January 2025.
- ▶ Taxi fares to be refunded to all students attending integrated units and special education needs resource and development centres.
- ▶ Duty-free concession on a motor vehicle for parents of all children aged below 18 years of age with a disability.
- ▶ Additional monthly allowance of Rs 3k for disabled children < 18 years.

Consumer Protection

- ▶ Price of subsidised 12 kg cylinder of cooking gas to decrease from Rs 240 to Rs 190.

Supporting Income

- ▶ Increase in “Revenu Minimum Garanti” to Rs 20k.
- ▶ Monthly CSG Income Allowance

	CSG Income Allowance(Rs)
Employees and self-employed earning < Rs 20k	3.0k
Individuals earning < Rs 25k	2.5k
Individuals earning < Rs 30k	2.0k
Individuals earning < Rs 50k	1.5k

- ▶ Launching of the Mauritius Savings Bond at a guaranteed minimum rate of 3.5% annually.

Allocation Égalité des Chances

- ▶ Monthly allowance of Rs 2k to households earning less than Rs 20k per month.

Corporate tax

Corporate Climate Responsibility (CCR) Levy

- ▶ All profitable companies having a turnover exceeding Rs.50m will be required to pay a CCR levy equivalent to 2% of their profits.

Medical, Biotechnology or Pharmaceutical sector

- ▶ The income from intellectual property assets by a manufacturing company in the medical, biotechnology or pharmaceutical sector will be taxable at the rate of 15% instead of the actual 3%.

Captive Insurance

- ▶ The 8-year income tax holiday granted to a captive insurer takes effect as from the date the company has started its operations.

Freeport licence

- ▶ A company will be allowed to operate under both a Global Business licence and a Freeport certificate, however it will not be entitled to the 8-year tax holiday granted to qualifying Freeport operators.

Creative industry

- ▶ Investors in the development of the creative industry, including concert venues and theatres, will qualify for a Premium Investor Certificate with incentives on taxation, utilities, labour, infrastructure amongst others.

Manufacturing

- ▶ Recycling will be classified as a manufacturing activity thus allowing the companies to benefit from the incentives available to manufacturing companies.

Partial Exemption of 80%

- ▶ Income derived by a company holding a Robotic and Artificial Intelligence Enabled Advisory Services licence issued by the Financial Services Commission (FSC) provided it satisfies the substance requirements.
- ▶ Income from the sale of money market instruments or debt instruments when licensed by the FSC.
- ▶ Income derived by Payment Intermediary Services (PIS) licence holders.
- ▶ Does not apply to income generated from the provision of administrative services by a management company holding a CIS Administrator licence to a CIS licence holder.

Investment tax credit

- ▶ The investment tax credit of 15% over three years will also apply to AI and patents.
- ▶ Companies setting up nurseries will be entitled to 25% investment tax credit.

Deduction of expenditure

- ▶ Double deduction on expenditure incurred in respect of registered professionals in the arts by companies.

- ▶ Triple deduction for companies donating to NGOs involved in the combat against drug abuse, gender-based violence, poverty alleviation and protection of animals.
- ▶ Companies donating to other NGOs will be allowed to claim a deduction.

Amended return

- ▶ An amended return cannot be submitted by a taxpayer who has objected to an assessment or has filed a representation with the Assessment Review Committee.

Individual tax

Exempt income

- ▶ The lump sum exemption threshold received by way of pension, retiring allowance or severance allowance will be increased from Rs 2.5m to Rs 3m.
- ▶ Interest income from bonds issued by public sector companies to finance infrastructure projects provided the exemption is approved by the Minister of Finance, Economic Planning and Development.
- ▶ Compensations paid as from 1 January 2024 by the Government or a public sector body for losses arising from natural disasters.
- ▶ Allowances paid by the Government to individuals under a financial assistance scheme.
- ▶ The exemption granted in respect of gains derived from the sale of securities will be extended to the sale of virtual assets and virtual tokens.

Allowable deductions

- ▶ The maximum deduction for donations made to charitable institutions will be increased from Rs.50,000 to Rs.100,000.
- ▶ Parents with children studying full-time in private schools will be allowed to deduct fees paid up to a maximum of Rs.60,000 annually per student.
- ▶ An individual will be allowed a deduction of Rs.30,000 for the employment of a carer to cater for his parents or grandparents.

Value Added Tax

Exemption

- ▶ Goods and services required for a project where it is funded by a donor organization to the extent of 50% grant or concessionary loan.
- ▶ Entrance fees to digital art galleries.
- ▶ Diplomatic missions and agents on purchase of services.
- ▶ Construction of pre-primary and Technical and Vocational Education and Training with retrospective effect.
- ▶ Purchase of a motor car by taxi owners up to Rs.120,000 of VAT.
- ▶ Motor vehicles linked to construction purchased by approved contractors engaged in the construction of social housing units under a contract with New Social Living Development Ltd with retrospective effect.

Zero-rating

- ▶ Services provided by Management Companies to:
 - trusts whose settlor and beneficiaries are non-residents;
 - foundations whose founder and beneficiaries are non-residents.
- ▶ The following products previously exempt:

Vegetable seeds, fruit and flower seeds, bulbs and plants used for sowing or planting		
Seeding trays	Plant pots	Roasted coffee
Agricultural sprayers	Baby lotions	

Excise duty

- ▶ The following rates of excise duty will be applicable for wine coolers, which is a new category of wine with alcoholic strength between 1.2 per cent and 8.5 per cent of alcohol by volume:

Product	Rate of excise duty per litre (Rs.)
Wine cooler	186.00
Admixed wine cooler	80.00
Fruit wine cooler	31.00
Island wine cooler	31.00
Made-wine cooler	66.00
Sparkling wine cooler (other than champagne)	186.00

- ▶ Existing excise duty of Rs.2 per unit on cans will be applicable to wine coolers in can.
- ▶ Plastic bottles made from plant-based materials will be exempted from the Rs.2 excise duty per unit on plastic bottles used in the beverages industry.
- ▶ As from 1 July 2024, the current excise/customs duty rebate of 45% or 55% granted on motor vehicles will be incorporated in the statutory excise and customs duty rates on conventional petrol and diesel driven vehicles.
- ▶ Negative excise duty of Rs.200,000 for purchase of electric vehicles extended to June 2025.
- ▶ Duty free facilities on purchase of:
 - a double cab by tea growers occupying a minimum of 1 arpent of land and registered artisanal fishermen.
 - a motor car by registered priests of any religion every 7 years.
 - an ambulance by private hospitals and NGOs.

Custom duty

- ▶ The customs duty of 15% will be abolished on milk beverages obtained from nuts, such as walnut and chestnut.

Home ownership and loan payment scheme

- ▶ Under the Home Ownership Scheme, 5% refund on the cost of the purchase of a property, up to a maximum of Rs.500,000 has been extended up to 30 June 2025 for the following:
 - a property acquired under VEFA;
 - a property which has been the subject of a reservation in the prescribed manner;
 - a property acquired under a *vente à terme*.

- ▶ The Home Loan Payment Scheme, which provides for a refund of 5% of the amount borrowed under a secured housing loan up to a maximum of Rs.500,000, has been extended for amount of loans disbursed up to 30 June 2025.

Passenger solidarity fee

As from 1 January 2025, the Passenger Solidarity Fee for a category of passengers will be as follows:

Passengers	Passengers departing from Mauritius and travelling by First Class and Business Class to the following destinations:	
	Reunion, Madagascar, Seychelles or Comoros \$	Other Countries \$
Children aged 2 and above but below 12 years.	25	50
Passengers aged 12 years and above.	50	100

Tax administration

General

- ▶ The Tax Arrears Payment Scheme has been renewed for an additional year for payment of tax in full by 31 March 2025. Full waiver of penalties and interest where tax arrears, outstanding under the Income Tax Act, the Value Added Tax Act and Gambling Regulatory Authority

Act will be provided to taxpayers who register by 31 December 2024.

- ▶ The Contribution Arrears Settlement Scheme has been introduced with a full waiver of penalties.
- ▶ When the MRA sends a notice to an individual's e-tax account, it will be considered officially delivered on the date of dispatch, provided he has been notified of this correspondence via both SMS and email.
- ▶ A bank will be required to give in the statement of financial transactions to be submitted to the MRA, information pertaining to deposits made by a bank account holder in his credit cards or prepaid cards account.
- ▶ The ARC will be able to postpone hearings on specified grounds only and determine cases within a prescribed time frame.

Value Added Tax

- ▶ Individuals who have voluntarily registered for VAT can offset the input tax they were charged or paid on goods and services acquired from the date of their voluntary registration against their output tax.
- ▶ The time frame within which the MRA can request an individual to provide information or produce books or records for examining a submitted return will be four years from the taxable period in which the return is submitted.
- ▶ The MRA will have the authority to assess the tax payable for up to four years before the taxable period in which a return is submitted, rather than four years before the taxable period in which the tax liability arose. This adjustment allows adequate time to examine returns submitted after the deadline.

Excise duty

- ▶ The restriction on bottling matured rum in containers not exceeding one litre will be lifted.
- ▶ An allowance of up to 1% for deficits during the bottling process will be permitted for imported alcoholic products.
- ▶ Provisions will be established to enable a purchaser of an imported electric motor vehicle to request a refund of Rs 200,000 even after the statutory 30-day period, provided that the delay in making the claim is justified by a reasonable cause.
- ▶ If an individual has mistakenly benefited from a remission, exemption, refund, or reduction of excise duty, they will now be obligated to repay it within 28 days from the notice of claim issued by the MRA, instead of 30-day period to ensure consistency in the timeframe for remittance across customs laws.
- ▶ Producers of alcoholic products and sugar-sweetened items will need to conduct a physical inventory of all excisable goods in their factories within one month following the end of a 12-month period. A certified statement of this inventory, validated by a qualified auditor, must be submitted to the MRA.

Registrar-General

- ▶ The Arrears Payment Scheme has been re-introduced for another year for payment of duty in full by 31 March 2025. Full waiver of penalties and interest will apply to arrears outstanding as at 31 May 2024.
- ▶ When an immovable property is brought as equity participation in a company, registration duty is imposed on the difference between the value of the property transferred and value of shares held in that company.

- ▶ An effective change in ownership of a company will be deemed to have occurred where there is a change of more than 10% in its shareholding.

Improving the Doing Business Environment

- ▶ The Corporate and Business Registration Department will offer onsite e-filing facilities during working hours.
- ▶ FSC will:
 - implement a new mechanism to reduce the turn-around time to better respond to queries from investors and process applications for licenses.
 - establish a time frame for processing specific licences. Once the established time frame is nearing expiry, application will be channeled to a fast-track Sub Committee for issuance of the license.
- ▶ Revise ratio of foreign to local workers in the motor vehicle repair and maintenance sector from one foreign worker for every two local workers to three foreign workers for every one local worker.
- ▶ Foreign workers operating in sectors for which the current maximum period of stay is 4 years, will be allowed to stay up to 8 years, with an optional break in between.
- ▶ Foreign entity will be allowed to hold an immovable property by virtue of a non-renewable lease agreement for industrial or commercial purposes for a term not exceeding 30 years.

Re-Engineering the Tourism Sector

- ▶ Review the importation and sale of switch and flavoured tobacco products.
- ▶ Sale of minted gold coins and bars to tourists and travelling passengers will be allowed and operators in the field of gold coins and bars manufacturing will be able to sell their products at airport and port duty free shops.

Banking Act

- ▶ Review terms of appointment of auditors for branches or subsidiaries of a foreign bank as may be determined by BOM.
- ▶ Director or senior officer or employee of any financial institution cannot, at the same time, be a director or senior officer or an employee of a licensee under the National Payment Systems Act, except with approval of the BOM.
- ▶ Remove time frame of at least 24 hours within which a financial institution has to give notice to the public before the day on which it proposes to transact business with the public when that day is a bank holiday or a public holiday.

Captive Insurance Act, Financial Services Act, Insurance Act and Private Pension Schemes Act

- ▶ FSC to levy fees for post-licensing processes.

Companies Act

- ▶ To define duties of a company secretary nominated by a one person company.
- ▶ Board to notify the ROC on resignation of a director or that of the secretary.
- ▶ To obtain the prior no objection from FSC upon request for removal of a company, holding a global business licence from the Register of Companies.

Financial Reporting Act

- ▶ Exclude authorised companies, licensed under the Financial Services Act, from the definition of PIE.

- ▶ To provide for renewal of membership for registered professional accountants.
- ▶ PIE will pay an annual subscription fee to the National Committee on Corporate Governance.

Financial Services Act

- ▶ Set timeframe of 6 months after closure of its financial year for an authorized company to file with the FSC its financial summary, accounts, financial statements or returns.

Freeport Act

- ▶ Allow a company to operate under both a Global Business licence and a Freeport certificate but it will not be entitled to the tax holiday granted to qualifying Freeport operators.
- ▶ To provide for extension of the maximum period during which goods may be warehoused in a freeport zone by 3 years.

Workers' Rights Act

- ▶ Refund of vacation leave with a view to not penalizing workers who are not granted their vacation leave due to exigencies of duty and at the same time to ensure a more flexible working arrangements so as not to jeopardise the smooth operation of enterprises.



▶ **YACOOB RAMTOOLA**
Chairman - BDO Mauritius
+230 202 3112
+230 5727 5112
yacooB.ramtoola@bdo.mu



▶ **GEORGES CHUNG**
Managing Partner - BDO Financial Services
+230 202 3121
+230 5498 3121
georges.chung@bdo.mu



▶ **AMEENAH RAMDIN**
Managing Partner - BDO & Co
+230 202 9534
+230 5498 3223
ameenah.ramdin@bdo.mu



▶ **GILBERT SEEYAVE**
Tax Partner - BDO Financial Services
+230 202 9548
+230 5250 6843
gilbert.seeYave@bdo.mu

CONTACT INFORMATION

BDO MAURITIUS
10, Frère Félix de Valois Street
Port Louis
MAURITIUS
Tel: +230 202 3000
e-mail: bdo@bdo.mu
www.bdo.mu

DISCLAIMER

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO Mauritius to discuss these matters in the context of your particular circumstances.

BDO Mauritius, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

ABOUT BDO MAURITIUS

BDO Mauritius, is represented by a number of firms duly licensed to use the BDO name, namely BDO LLP, BDO FINANCIAL SERVICES LTD, BDO SOLUTIONS LTD and BDO IT CONSULTING LTD. BDO Mauritius, on the present website, is an umbrella term used to refer to any or all of the aforementioned entities. The above-mentioned firms are members of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO member firms.

BDO Mauritius © 2024. All Rights Reserved