TAX CARD 2021/22

Contents

Abbreviations

AC	Authorised Company
APS	Advance Payment System
ARC	Assessment Review Committee
ATDR	Alternative Tax Dispute Resolution
CBRIS	Companies and Businesses Registration Integrated System
CFC	Controlled Foreign Company
CIS	Collective Investment Scheme
CPS	Current Payment System
CSG	Contribution Sociale Generalisee
CSR	Corporate Social Responsibility
EDB	Economic Development Board
DG	Director General of the MRA
FA 2021	The Finance (Miscellaneous Provisions) Act 2021
FSA	Financial Services Act 2007
FSC	Financial Services Commission
GBL 1	Category 1 Global Business Licence
GBL 2	Category 2 Global Business Licence
GBC	Global Business Company
GRA	Gambling Regulatory Authority
HEC	Higher Education Commission
HRDC	Human Resource Development Council
IET	Income Exemption Threshold
ITA	Income Tax Act 1995
M	Million
MRA	Mauritius Revenue Authority
NSF	National Savings Fund
PAYE	Pay As You Earn
PCC	Protected Cell Company
PDS	Property Development Scheme
POEM	Place Of Effective Management
R&D	Research & Development
ROE	Return of Employee
Rs	Mauritian Rupee
SME	Small and Medium Enterprises
SMEDA	Small and Medium Enterprises Development Authority
TDS	Tax Deducted At Source
TRC	Tax Residence Certificate
VAAS	VAT annual accounting system
VAT	Value Added Tax

Income Tax

Individuals

Mauritius has a self-assessment tax system. An individual pays tax on income derived during the preceding year. The fiscal year runs from 1 July to 30 June.

Tax rate

The income tax rate for an individual who derives annual net income of up to Rs 650,000 is 10%. Where the annual net income exceeds Rs 650,000 the rate of tax is 15%. Income tax is calculated on chargeable income.

Chargeable income

The chargeable income of an individual is the amount remaining after deducting from the net income the Income Exemption Threshold ("IET") and other applicable reliefs to which the individual is entitled.

Taxable persons

Resident individuals are subject to income tax in Mauritius on income, other than exempt income, which is derived from Mauritius. Income derived by a resident individual from outside Mauritius is taxable in Mauritius on being remitted to Mauritius.

A non-resident individual will only be subject to income tax on income, other than exempt income, derived from or accruing in Mauritius.

Residence status for an individual

An individual is considered to be a tax resident of Mauritius in respect of an income year, where he:

- has his domicile in Mauritius unless his permanent place of abode is outside Mauritius;
- has been present in Mauritius for at least 183 days; or
- has been present in Mauritius in the current income year and the 2 preceding income years, for an aggregate period of at least 270 days.

Non-resident individual deriving income from property

Income derived by a non-resident individual from rent, royalty, premium or other income from property is taxed at 15%.

Taxation of premium visa holders

A premium visa holder may be subject to tax in Mauritius on income derived from Mauritius. Income derived for work performed remotely from Mauritius shall be deemed to be derived in Mauritius when it is remitted in Mauritius.

Money spent in Mauritius through the use of a foreign credit or debit card is not deemed to be income remitted in Mauritius. On the other hand, money deposited in a Mauritian bank account is considered as income remitted in Mauritius and is subject to tax in Mauritius, unless a declaration is made to the effect that the required tax has been paid in the country of origin or residence.

Tax Holidays

- A 10-year tax holiday is provided on income from registered employment, business, trade, profession or investment derived by a member of the Mauritian Diaspora under the Mauritian Diaspora Scheme.
- A 10-year tax holiday is provided on emoluments from employment with an FSC licensed company, provided that the employee manages an asset base of not less than USD 50M and is issued with an Asset Manager Certificate, Fund Manager Certificate, or Asset and Fund Manager Certificate on or after 1 September 2016.
- A 5-year tax holiday is provided on income derived by a non-citizen individual or a company wholly owned by a non-citizen who invests USD 25M or more on or after 1 September 2016 and complies with the terms and conditions of the EDB.

Benefits in Kind and Allowances

i. Car Benefit

Rating	Up to 1600 cc Per month Rs	1,601 cc to 2000 cc Per month Rs	Above 2,000 cc Per month Rs
Both private and business purposes	9,500	10,750	12,000

ii. Housing Benefit

	Unfurnished	Furnished
Property owned by the employer	10% of employee's total emoluments	15% of employee's total emoluments
Property rented by the employer	Actual rent paid	Actual rent paid

iii. Accommodation Benefit Provided by Hotels

a. Full Board and lodging

	Per month
Single	Rs 11,500
Married	Rs 15,700

b. Accommodation

For managing and supervisory staff	Rs 4,400
Other Staff	Rs 2,200

iv. Other Fringe Benefits

	Taxable benefits
Interest free loans or loans at reduced rates	Difference between the amount of interest for the month, calculated at 2% per annum above the repo rate, prevailing at the end of that month, and the amount of interest paid in that month
Tips received by an employee from a pool managed by the employer	Actual amount received in the month by the employee
Repayment or write-off of employees' debt by the employer	Amount of debt repaid or written off in the month
Domestic and private expenses borne by employer, including utilities, wages of housemaids, school fees of children, club membership fee and any other domestic and private expenses	Actual amount paid for the month
Tax paid by the employer	Tax benefit is arrived at by dividing the tax payable on the actual emoluments by a factor which varies according to the marginal tax rate applicable

Income Exemption Threshold

An individual, resident in Mauritius, is entitled to any one of the IET, based on the number of dependents.

	Year ended 30 June 2021 Rs	Year ending 30 June 2022 Rs
Category A (An individual with no dependent)	325,000	325,000
Category B (An individual with 1 dependent)	435,000	435,000
Category C (An individual with 2 dependents)	515,000	515,000
Category D (An individual with 3 dependents)	600,000	600,000
Category E (An individual with 4 or more dependents)	680,000	680,000

Retired individuals or disabled persons are entitled to an additional amount of Rs 50,000 in respect of each of the Categories A and B. A retired person is a person who attains the age of 60 during the income year and who is not in receipt of business income or emoluments exceeding Rs 50,000, other than retirement pension, in an income year.

IET cannot be claimed on a dependent who is deriving total income, including exempt income, exceeding the amount below:

	Year ended 30 June 2021 Rs	Year ending 30 June 2022 Rs
Category B : Income of first dependent	110,000	110,000
Category C: Income of second dependent	80,000	80,000
Category D: Income of third dependent	85,000	85,000
Category E: Income of fourth dependent	80,000	80,000

Additional Exemption for Dependent Child Attending Undergraduate Course

Where a person has claimed an IET in respect of Category B, C, D or E and the dependent is a child pursing a non-sponsored full-time undergraduate course, the person may claim an additional exemption of Rs 225,000, irrespective of the place of study and total income of the household.

Deduction for Bedridden Dependents

Where, in an income year, a person claims an IET in respect of Category B, C, D or E and the dependents in respect of whom he has claimed the deduction include a bedridden next of kin, the benefits derived by the bedridden next of kin under the National Pensions Act, in that income year, shall –

a. be excluded in the calculation of the net income and exempt income of the bedridden next of kin; and
b. not be included in the net income of the person claiming the deduction.

Tax Credit for Employees

An individual deriving a basic salary, including compensations, not exceeding Rs 50,000 in the first month of an income year and whose total net income during that year is below Rs 700,000 is entitled to a tax credit equivalent to 5% of his chargeable income attributable to net income arising from emoluments.

Since an individual earning not more than Rs 650,000 is taxed at 10%, the above credit will not apply for this income threshold category.

Investment in Rainwater Harvesting System

Investment by an individual in rainwater harvesting system can be claimed as a deduction from the individual's net income.

The deduction can be claimed by either of the spouses or shared equally between them.

Any unclaimed amount can be carried forward and deducted against net income of succeeding income years.

Expenditure Incurred by Artists

A member of the Mauritius Society of Authors can opt to claim a deduction of up to 50% of his gross income, from his artistic work (other than a literary work) provided that such gross income is not derived from employment and does not exceed Rs 500,000.

Income Tax on Winnings

The Mauritius National Lottery operator, a casino operator, a hotel casino operator or a gaming house operator, licensed under the GRA Act is required to deduct tax at 10% of the amount, exceeding Rs 100,000 of winnings paid to a winner.

The operator who deducts tax shall remit electronically to the DG the amount deducted not later than 20 days from the end of the month in which the deduction is made and at the same time submit a return as required by the DG.

Interest Relief on Secured Housing Loan

A person who has contracted a housing loan, which is secured by a mortgage or fixed charge on immoveable property and which is used exclusively for the purchase or construction of his house, may claim a relief in respect of the interest paid on the loan.

The relief may be claimed by either spouse or at the option of the spouses, be divided equally between them. The relief is not allowable where the person or his spouse:

i. is, at the time the loan is contracted, already the owner of a residential building;
ii. derives in the income year, total income (net income plus interest and dividends received) exceeding Rs 4M; or
iii. has benefited from any new housing scheme set up on or after 1 January 2011 by a prescribed competent authority.

Relief for Medical or Health Insurance Premium

An individual is entitled to deduct from his net income the actual amount of premium paid in that income year in respect of a medical or health insurance policy or contribution to an approved provident fund, for himself and his dependent in respect of whom he has claimed a deduction.

The maximum relief allowable is as follows:

	Year ended 30 June 2021 Rs	Year ending 30 June 2022 Rs
Self	15,000	20,000
1st dependent	15,000	20,000
2nd dependent	10,000	15,000
3rd dependent	10,000	15,000
4th dependent	10,000	15,000

No relief is allowable where the premium or contribution has been paid by the employer of the person or the premium is paid under a combined medical and life assurance scheme.

Deduction for Household Employees

Where a person employs one or more household employees, he may claim a deduction of the wages paid to the household employees up to a maximum of Rs 30,000, from his net income, provided he has duly paid the contributions payable under the National Pensions Act and the National Savings Fund Act. In the case of a couple, the deduction shall not, in the aggregate, exceed Rs 30,000.

Solar Energy Investment Allowance

An individual investing in a solar energy unit can claim an allowance for the amount invested from his net income. Where the allowance exceeds the net income, the excess can be carried forward for deduction from the net income of the succeeding years. This allowance can be claimed by either one spouse or at the option of the spouses be divided equally between them.

Donation to Charitable Institutions

An individual may deduct from his net income any donation made through electronic means to a charitable institution, subject to a maximum deduction of Rs 30,000.

Contribution to Approved Personal Pension Schemes

A person who has contributed to an individual pension scheme approved by the Financial Services Commission under the Insurance Act for the provision of a pension for himself, can claim the amount contributed not exceeding Rs 30,000.

Contribution to National COVID-19 Vaccination Programme Fund

Any amount contributed to the National COVID-19 Vaccination Programme Fund during the income year ended 30 June 2021 may be claimed as a relief against net income, after deduction for IET, household employees, donation to charitable institutions and contribution to approved personal pension schemes.

Any unrelieved amount may be carried forward and offset against the net income of the next 2 income years.

Exempt Person

An employee is considered to be an exempt person where his monthly emoluments do not exceed one thirteenth of the Category A IET. The emoluments of an exempt person are not subject to income tax under PAYE. However, this exemption does not apply to a director or a member of the Board, Council, Commission or Committee of a statutory body.

An exempt person or a person deriving pension may opt to receive his pension net of income tax. He has to make a request to his employer/person responsible for the payment of the pension to withhold income tax on the amount of pension paid.

Fees to Directors

Where fees are payable by a company to any of its directors or by a statutory body/Council/Committee to any member of its Board, tax shall be withheld from the fees at the flat rate of 15%. Where the director is a non-resident and does not derive any other gross income, the amount of tax withheld shall be the final amount of tax payable and no annual tax return is required to be filed.

Interest on Peer-to-Peer Lending

Business income includes any interest derived by a person from money lent through any Peer-to-Peer lending platform operated under a licence issued by the FSC.

Any bad debt arising from money lent may be deducted from interest income received from money lent through the same Peer-to-Peer lending platform. Any unrelieved bad debt can be carried forward and set off against interest received from money lent through the same Peer-To-Peer lending platform. The set off is not subject to any time limit.

80% of interest derived from Peer-to-Peer lending is tax exempt.

The income derived by a person from the operation of a Peer-To-Peer platform is exempted for a period of five years from the income year in which he starts operations provided:

i. operations start before 31 December 2020;

ii. the income derived is covered under the FSC licence; and

iii. the operator satisfies the “substance conditions” of the FSC.

No tax deducted at source (“TDS”) is applicable on the interest payable.

Unexplained Wealth

Where the MRA has reasonable ground to suspect that a person has acquired unexplained wealth of Rs 10M or more, MRA shall make a report to the Integrity Reporting Services Agency specifying the full name, address and the sum of the unexplained wealth of that person.

Where a report is made, the sum of the unexplained wealth is not liable to income tax.

The MRA shall issue an assessment if the sum specified in the report is not subject to confiscation (wholly or partly) following the directions from the Integrity Reporting Board to the Integrity Reporting Services Agency.

Statement of Assets and Liabilities

As from 1 July 2018, an individual who derives income (including exempt income) exceeding Rs 15M in a year or owns (together with his wife and dependent children) assets costing more than Rs 50M is required to submit a statement of assets and liabilities along with his return of income.

Submission of the statement of assets and liabilities is not applicable to an individual who has submitted his income tax return for the last five years.

A non-Mauritian citizen or a citizen who is not tax resident in Mauritius is not required to submit the statement of assets and liabilities.

Solidarity Levy

A resident individual who derives leviable income in excess of Rs 3M per annum is liable to a solidarity levy of 25% on the excess leviable income. However, the Solidarity Levy shall not exceed 10% of the sum of net income and dividend received from a resident company or a co-operative society and the share of dividends the individual would have been entitled as an associate of a resident société or heir in a succession, had the dividends been wholly distributed among the associates or heirs.

The leviable income includes chargeable income of the individual and any dividend received from a resident company or a co-operative society and the share of dividends the individual would have been entitled as an associate of a resident société or heir in a succession, had the dividends been wholly distributed among the associates or heirs.

Leviable income excludes any lump sum paid by way of commutation of pension or by way of death gratuity or as consolidated compensation for death or injury.

Solidarity Levy at the rate of 25% shall be withheld under the PAYE system on emoluments in excess of Rs 230,769 in a month provided that it does not exceed 10% of the total emoluments.

Current Payment System (“CPS”)

Under the CPS, an individual who derives gross income from business, profession or rent and in respect of the preceding income year, had a chargeable income, or the gross income (falling within the CPS system) of the preceding year exceeded Rs 4M shall submit electronically to the MRA a quarterly Statement of Income and pay the tax as computed for each of the CPS quarters electronically.

An individual whose tax payable for a CPS quarter is less than Rs 500, is not required to submit a CPS statement for that quarter.

An individual deriving gross income from the cultivation of sugar cane and/ or the growing of tobacco leaves is not required to submit CPS Statements of Income.

No CPS statement is to be submitted by a small enterprise engaged in activities qualifying for presumptive tax and whose gross income for the preceding year did not exceed Rs 10M.

Amended Tax Return

Where a person has submitted a return for a year of assessment and thereafter submits a new return for the same year of assessment, amending the previous return, he shall be deemed to have submitted the return for that year of assessment on the date of submission of the new return and he shall be liable to the penalty for late filing of return. An amended tax return is not allowed for periods beyond 3 years from the current year of assessment.

Companies

Tax Residency

A company is resident in Mauritius if it:

a. is incorporated in Mauritius; or

b. has its central management and control in Mauritius.

A company incorporated in Mauritius shall be treated as being non-resident if its central management and control is outside Mauritius.

Imposition of Tax

Resident companies are subject to tax in Mauritius on worldwide income whereas non-resident companies are subject to tax in Mauritius only on income derived from Mauritius.

Standard Tax Rate

Companies are normally subject to income tax at the rate of 15% on chargeable income.

Reduced Tax Rate

A reduced 3% tax rate is applicable on:

- Chargeable income attributable to export of goods. Export of goods includes international buying and selling of goods where the goods are being shipped directly from the exporting country to the importing country, without the goods being physically landed in Mauritius.
- Chargeable income derived by manufacturing companies engaged in medical, biotechnology or pharmaceutical sector and holding an Investment Certificate issued by the EDB, subject to conditions.
- Chargeable income derived by a higher education institution set up in Mauritius and registered under the Higher Education Act.

Tax Deduction at Source

TDS is applicable where payments are made by any person, other than an individual, as per the table below:

Source	Rate of tax %
1. Interest payable by any person, other than by a bank or non-bank deposit taking institution, to any person, other than a company resident in Mauritius. Interest payable by a GBC to a non-resident out of foreign source income is exempt from tax in Mauritius. (See (i) below)	15
2. Royalties payable to-	
a. a resident	10
b. a non-resident (see (ii) below)	15
There is no TDS on royalty paid by a company to a non-resident out of its foreign source income.	
3. Rent payable to- (see (iii) below)	
a. a resident	5
b. a non-resident	10
4. Payment to contractors and sub-contractors (see (iv) below)	0.75
5. Payment to providers of services (see (v) below)	3
6. Payment made by Ministry, Government department, local authority, statutory body, or the Rodrigues Regional Assembly on contracts, other than payments to contractors and sub-contractors and payments to providers of services (see (iv) & (v) below)	
a. for the procurement of goods and services under a single contract where the payment exceeds Rs 300,000	1
b. for the procurement of goods under a contract, where the payment exceeds Rs 100,000; or	1
c. for the procurement of services under a contract, other than telephone, postal, air travel and hotel services, where the payment exceeds Rs 30,000.	3
7. Payments in respect of rental or other consideration for board and lodging made to the owner of an immovable property or his agent, other than a hotel, by:	
a. a tour operator or travel agent, other than an individual;	5
b. an IRS/RES company or a provider of property management services;	5
c. any other agent, other than an individual, carrying on the business of providing services in respect of letting of properties.	5
8. Payments made by any person, other than an individual, to a non-resident for any services rendered in Mauritius, except where the payments are made to a person exempt from income tax by virtue of an enactment or any arrangement for relief from double taxation	10
9. Management fees payable to an individual by any corporate entity:	
a. resident	5
b. non-resident	10

Source	Rate of tax %
10. Payments to a non-resident entertainer or sportsperson	10
11. Commissions payable by any person other than an individual (see vi) below	3

i. The rate of TDS may be reduced under any applicable Double Taxation Agreement between Mauritius and the jurisdiction of the recipient.

ii. The rate of TDS may be reduced under any applicable Double Taxation Agreement between Mauritius and the jurisdiction of the recipient.

iii. TDS is applicable on rent payable by any person, other than an individual, to any person except a person exempt from income tax.

iv. "Contractor" means any person who enters into a contract for carrying out civil construction, mechanical or electrical work, including the supply of labour for carrying out civil construction works.

v. The following are considered as "providers of services":
   a. Accountant/ Accounting Firms
   b. Architect
   c. Attorney/solicitor
   d. Barrister
   e. Engineer
   f. Land surveyor
   g. Legal Consultant
   h. Medical service provider
   i. Project manager in construction industry
   j. Property valuer
   k. Quantity surveyor
   l. Tax advisor or his representative

vi. "Commission" includes any sum paid or payable to an agent in relation to a commercial transaction.

TDS is not applicable where the amount of tax to be deducted is less than Rs 500. A company/ Société/Succession having an annual turnover not exceeding Rs 6M is not required to operate TDS except if the company/Société/Succession awards contracts for construction work.

TDS will not be applicable on royalty payable to a Mauritian citizen in respect of an artistic or literary work where the payment is made by any person, other than an individual or GBC.

The following types of contracts are subject to TDS:

a. Civil construction including construction or repair of any building, road or other structure or execution of any works contract and includes mechanical or electrical works;

b. Supply of labour for carrying out works in respect of civil construction.

Partial Tax Exemption

80% partial tax exemption is applicable on the following streams of income, subject to satisfying certain conditions:

- foreign sourced dividend;
- interest;
- profit attributable to a foreign permanent establishment;
- income derived by a Collective Investment Scheme ("CIS"), closed-end fund, CIS manager, CIS administrator, Investment Adviser, Investment Dealer or Asset Manager licensed or approved by the FSC;
- income derived by a company engaged in the leasing of ships, aircrafts, locomotives and trains including rails leasing;
- income derived by a company from reinsurance and reinsurance brokering activities;
- income derived by a company from leasing and provision of international fibre capacity;
- income derived by a company from the sale, financing arrangement, asset management of aircraft and its spare parts and aviation advisory services related thereto; and
- interest derived by a person from money lent through a Peer-to-Peer Lending platform.

Authorised Company

A company that is licensed by the FSC as an AC, is a company incorporated in Mauritius but which is required to have its place of central management and control outside of Mauritius.

Small Company

A small company is a company which is incorporated under the Companies Act on or after 2 June 2015 and is registered with SME Mauritius Ltd (previously known as "SMEDA"). A small company is exempt from income tax for the first 8 income years and is not required to operate TDS.

Unrelieved tax losses incurred during the tax exemption period cannot be carried forward.

Small Enterprise

A Small Enterprise set up prior to 1 June 2015 and registered with SME Mauritius Ltd is granted a tax holiday of 4 years as from income year 2015/2016.

Small Enterprises and Co-Operative Societies registered with SME Mauritius Ltd on or after 2 June 2015 will benefit from an 8-years tax holiday.

Unrelieved tax losses of Small Enterprises shall not be carried forward after the 8 years exemption period.

Insurance companies

Life Insurance Business

The net income of a life insurance business is calculated as the difference between-

a. the income from investment held by the company in connection with its life insurance business but excluding that attributable to the general annuity business and pension business; and

b. the sum of all management expenses, commissions paid and allowable deductions.

Where the insurance company is a non-resident company, deduction can also be claimed for any agency fees incurred in Mauritius and a fair proportion of the expenses of the head office of the company.

Where a life insurance business receives premiums outside Mauritius, the net income of the company is calculated as the difference between –

a. that part of the total investment income which bears the same proportion to the total investment income as the premiums received in Mauritius bear to the total premiums received by the company; and

b. in the case of a resident company, the sum of all management expenses, commissions and allowable deductions;

c. in the case of a non-resident company, the sum of all management expenses, commissions paid in Mauritius, allowable deductions, any agency expenses incurred in Mauritius and a fair proportion of the expenses of the head office of the company.

However, effective from 1 July 2021, companies carrying out life insurance business will be liable to income tax at the higher of:

a. normal tax calculated as above; or

b. 10% of Relevant Profit, where Relevant Profit means profit attributable to shareholders adjusted for any capital gains or losses attributable to shareholders.

Insurance Business other than Life Insurance

The net income of insurance business other than life insurance is calculated as follows:

a. gross premiums and interest and other income minus premium returned to an insured and paid on re-insurance;

b. minus reserve for unexpired risks outstanding at end of the year;

c. add reserve for unexpired risks outstanding at start of the year; and

d. minus actual loss of the company less any amount recovered under re-insurance in respect of loss and minus all allowable deductions.

General Annuity Business and Pension Business

The net income of the company derived from the general annuity business and pension business shall, with respect to each class, be computed separately and shall be calculated -

a. by taking the liability of the company under its general annuity contracts or pension contracts, as the case may be, at the beginning of the income year, as assessed by an actuarial valuation;

b. by adding the premiums and considerations received and investment income as the case may be; and

c. by deducting annuities or pensions paid, as the case may be, surrendered policies and the liability of the company at the end of the income year as assessed by an actuarial valuation.

Solidarity Levy on Telephony Service Providers

Operators are subject to solidarity levy of 5% of book profit and 1.5% of turnover of the preceding year.

“book profit” means the profit derived by an operator from all its activities and computed in accordance with the International Financial Reporting Standards.

“turnover” means the gross receipts derived by the operator from all its activities.

The solidarity levy is not applicable where the company had a loss in the preceding year.

Controlled Foreign Company (“CFC”) Rules

A CFC is defined as:

- a company which is not resident in Mauritius;
- where more than 50% of its participation rights are held either directly or indirectly by a resident company or together with its associated enterprises; and
- includes a permanent establishment of the resident company.

Where the non-distributed profits of a CFC are deemed to have arisen from non-genuine arrangements which have been put in place for the main purpose of obtaining a tax benefit, that income shall be accounted as part of the chargeable income of the resident parent company.

Arrangements will be regarded as non-genuine if the CFC would not have owned the assets or would not have undertaken the risks associated with all or part of its income generation if it were not controlled by a company where the significant people functions, relevant to the assets and risks are carried out and are instrumental in generating the CFC’s income.

CFC rules will not apply in an income year where the:

- Accounting profits do not exceed EUR 750,000 and non-trading income is less than EUR 75,000;
- Accounting profits represent less than 10% of its operating costs for the tax period. Operating costs exclude the cost of goods sold outside the country where the foreign entity is tax resident and any payment to associated enterprises; or
- Tax rate in the country of residence of the CFC exceeds 50% of the Mauritian tax rate (ie where the headline income tax rate in the jurisdiction of the CFC exceeds 7.5%).

Application of Arm's Length Test

Mauritius does not have transfer pricing regulations. However the ITA provides for the application of the arm's length principles to any business or income generating activity carried in or from Mauritius.

Tax Holidays

Income derived by the following companies are tax exempt for a period of 8 years as from the income year in which they start their operations, subject to conditions:

i. Companies incorporated on or after 1 July 2017 and engaged in innovation-driven activities for intellectual property assets.

ii. Companies which have started operations on or before 8 June 2017 and involved in the manufacture of pharmaceutical products, medical services and high-tech products. This has been repealed as per FA 2021 and only companies which benefitted from this tax holiday before, will continue to be exempted from tax.

iii. Companies engaged in the exploitation and use of deep ocean water for providing air conditioning installations, facilities and services.

iv. Companies registered with the EDB and engaged in the manufacturing of automotive parts. This has been repealed as per FA 2021 and only companies which benefitted from this tax holiday before, will continue to be exempted from tax.

v. Companies which have started operations after 4 June 2020 and which are involved in inland aquaculture in Mauritius. This has been repealed as per FA 2021 and only companies which benefitted from this tax holiday before, will continue to be exempted from tax.

vi. Companies which have started operations after 4 June 2020 and which are approved as a branch campus by the Higher Education Commission ("HEC") and is part of an institution which ranks among the first 500 tertiary institutions worldwide. This has been repealed as per FA 2021 and only companies which benefitted from this tax holiday before, will continue to be exempted from tax.

vii. Companies which have started operations after 4 June 2020 and which are involved in the manufacturing of nutraceutical products. This has been repealed as per FA 2021 and only companies which benefitted from this tax holiday before, will continue to be exempted from tax.

viii. Companies registered with the EDB, which have started operations after 8 June 2017 and which are involved in food processing activities. This has been repealed as per FA 2021 and only companies which benefitted from this tax holiday before, will continue to be exempted from tax.

ix. Companies set up on or before 10 June 2019 and engaged in the development of a marina. This has been repealed as per FA 2021 and only companies which benefitted from this tax holiday before, will continue to be exempted from tax.

x. Companies incorporated on or after 1 July 2021 and holding an Investment Certificate issued by the EDB.

xi. Companies holding a Global Headquarters Administration Licence, issued on or after 1 September 2016.

xii. Companies incorporated on or after 1 September 2016 and which are approved as an industrial fishing company. This has been repealed as per FA 2021 and only companies which benefitted from this tax holiday before, will continue to be exempted from tax.

An 8-year tax holiday is provided on:

i. income derived by a person from any activity under the sheltered farming scheme.

ii. income derived by a person engaged in an approved bio farming project.

A 10-year tax holiday is provided on:

i. income derived by a person licensed under the Captive Insurance Act 2015.

ii. Income derived by a holder of a Family Office (Single) Licence.

iii. Income derived by a holder of a Family Office (Multiple) Licence.

A 5-year tax holiday is provided on:

i. income derived by a company from activities carried out as a project developer or project financing institution in collaboration with the Mauritius Africa Fund for the purpose of developing infrastructure in the Special Economic Zones.

ii. income derived by a company set up on or before 30 June 2025 from the operation of e-Commerce platform.

iii. income derived by a person from the operation of a Peer-to-Peer Lending platform.

iv. income derived by a company registered with the EDB as a company engaged in the provision of health services. This has been repealed as per FA 2021 and only companies which benefitted from this tax holiday before, will continue to be exempted from tax.

v. income derived by a company holding any of the following licences issued on or after 1 September 2016:
   - A Global Treasury Activities Licence
   - A Global Legal Advisory Services Licence

A 4-year tax holiday is provided on income derived by a company from bunkering of low Sulphur Heavy Fuel Oil from the income year ended 30 June 2019 or for a company set up after 1 July 2019, 4 succeeding years as from the income year in which that company starts its operations. This has been repealed as per FA 2021 and only companies which benefitted from this tax holiday before, will continue to be exempted from tax.

Tax Incentives

- Full deduction is allowed on capital expenditure on electronic, high precision or automated machinery or equipment incurred on or after 1 July 2020, provided no further deduction is claimed as annual allowance.
- Double tax deduction on medical R&D expenditure is allowed to companies engaged in medical R&D, provided the R&D is carried out in Mauritius. No further deduction can be claimed as annual allowance.

- Double tax deduction is allowed to companies on the acquisition cost of patents and franchises, including costs incurred to comply with international quality standards and norms. No further deduction can be claimed as annual allowance.
- Full deduction is allowed as additional investment allowance to companies affected by COVID-19 on capital expenditure on plant and machinery (excluding motor vehicles) made during the period 1 March 2020 to 30 June 2020, in addition to annual allowances claimed on the asset.
- Double tax deduction on expenditure for the acquisition of specialised software and systems is allowed. No further deduction can be claimed as annual allowance.
- An additional deduction of 10% is allowed on expenditure incurred by manufacturing companies whose annual turnover exceeds Rs 100M, on products manufactured locally by small enterprises.
- Double tax deduction can be claimed by a company registered as a health institution under the Private Health Institutions Act, for any direct expenditure relating to international accreditation.
- Double tax deduction is allowed to manufacturing companies for expenditure incurred on market research and product development for the African market. No further deduction can be claimed as annual allowance.
- Double tax deduction is allowed on qualifying research and development expenditure incurred during the period 1 July 2017 to 30 June 2027 and which is directly related to existing trade or business of a company, provided the research and development is carried out in Mauritius and no annual allowance has been claimed.

Tax Credits

a. Foreign Tax Credit

Under domestic law, a company is allowed to claim as credit, against its Mauritian tax liability arising on its foreign source income, the foreign tax suffered on that income. However, the tax credit cannot exceed the Mauritian tax payable and any excess is not refundable and cannot be carried forward to the next year.

b. Tax Sparing Credit

Where the DG is satisfied that provisions have been introduced in the law of a foreign country with a view to promoting industrial, commercial, scientific, educational or other development in that country and that under those provisions –

a. a lower rate of tax has been imposed in that country than would otherwise have been the case; or
b. income has been exempted from tax which would otherwise have been chargeable to foreign tax,

he shall allow a credit for the amount of foreign tax which would have been chargeable had those provisions not been enacted.

c. Tax Credit for Medical, Biotechnology or Pharmaceutical Companies

100% tax credit may be claimed on capital expenditure on the acquisition of patents, incurred by a manufacturing company engaged in medical, biotechnology or pharmaceutical sector. Any unutilised tax credit may be carried forward for 5 consecutive income years, subject to conditions.

d. Tax credit for Manufacturing Companies

15% tax credit may be claimed on the cost of the new plant and machinery incurred by a manufacturing company during the period 1 July 2020 to 30 June 2023, in the year of acquisition and in each of the 2 subsequent income years. Any unutilised tax credit may be carried forward for 10 consecutive income years.

e. Investment Tax Credit

5% tax credit is provided over three years in respect of investments made during the period 1 July 2018 to 30 June 2020 in new plant and machinery (excluding motor vehicles) by a company importing goods in semi knocked-down form.

The tax credit is available subject to a local value addition of at least 20%.

Presumptive Tax

A small enterprise may elect, by irrevocable notice, on or before the due date for the filing of its return, to pay a presumptive tax at the rate of 1% of its gross income.

A small enterprise is defined as a person -

- who is engaged in activities specified in the Thirteenth Schedule;
- whose gross income in an income year does not exceed Rs 10M; and
- whose gross income from sources, other than those specified in the Thirteenth Schedule of the ITA does not exceed Rs 400,000.

The activities specified in the mentioned Thirteenth Schedule are agriculture, forestry and fishing, manufacturing, excluding restaurants, wholesale of goods and retail of goods, including sale of food to be consumed off premises.

Protected Cell Company

The definition of a "Company" under the ITA includes a "cell of a protected cell company".

Where a protected cell company has made an election under the Companies Act to present separate financial statements in respect of each of its cells, every cell of that company shall be deemed to be an entity separate from the protected cell company and shall be liable to income tax in respect of its own income.

Where a cell of a protected cell company owes income tax, the MRA may have recourse to cellular assets and non-cellular assets of the protected cell company to recover the income tax due.

Exempt Income for Individuals and Companies

1. Dividends
   a. paid by a company resident in Mauritius; or
   b. paid by a co-operative society registered under the Co-operative Societies Act.
2. Interest payable on:
   a. a balance maintained in a bank by an individual who is not resident in Mauritius.
   b. a savings or fixed deposit account held by an individual, a Société or a Succession with any bank.
   c. Government securities, debentures and sukuks quoted on the Stock Exchange and Bank of Mauritius Bills held by an individual, a Société or a Succession.
   d. Bonds and sukuks quoted on the stock exchange held by a non-resident company.
3. Interest derived by individuals and companies from debentures, bonds or sukuks issued by a company to finance renewable energy projects, the issue of which has been approved by the DG on such terms and conditions as he may determine.
4. Interest payable to a non-resident, not carrying on any business in Mauritius, i. by a Global Business company; or ii. by a licensed bank insofar as the interest is paid out of gross income derived from its banking transactions with non-residents and corporations holding a Global Business Licence under the FSA.
5. Interest, rent, royalties, compensations and other amounts paid by a Special Purpose Fund to a non-resident.
6. Royalties payable to a non-resident by a company out of its foreign source income.
7. Interest payable by Air Mauritius Limited in respect of an agreement entered into by Air Mauritius Limited and a non-resident company or consortium of companies for the lease of an aircraft provided that the agreement has been signed in the year of 2019 and that Air Mauritius Limited is required as a condition of the agreement to bear the income tax payable by the lessor pursuant to that agreement.
8. Gains or profits derived from the sale of units, securities or debt obligations by a person.
9. Gains or profits derived from the sale of gold, silver or platinum, held for a continuous period of at least 6 months by a person.
10. Gains or profits derived from the sale of the items stored in a vault pursuant to item 3(n) of the Second Schedule to the Freeport Act or of the titles of ownership of those items.
11. Income derived by the registered owner of a foreign vessel from the operation of the vessel including any income derived from the chartering of such vessel.
12. Income derived by the registered owner of a local vessel registered in Mauritius provided the income is derived from deep sea international trade only.
13. Income from bunkering activities of Marine Residual Fuel Oil by an authorised firm, subject to conditions.
14. Income exempt from income tax by any other enactment.
15. Surplus income generated by a co-operative credit society whose members are registered with the Sugar Insurance Fund Board.
16. Income derived by a co-operative society from agricultural activities.
17. Income derived on the first 60 tonnes of sugar accruing to a planter who is an individual cultivating less than 15 hectares of land.
18. Gains derived by a planter, miller or service provider from the sale of land, provided that the proceeds are used exclusively for the implementation of the Voluntary Retirement Scheme or used exclusively by a miller in compliance with certain conditions, as the case may be.
19. Gains derived by any person from the sale of land previously acquired by him from a planter implementing the Voluntary Retirement Scheme.
20. Gains derived from the sale of land converted pursuant to section 29(1)(c)(ii)(B), or (f) of the Sugar Industry Efficiency Act, provided that the proceeds are used exclusively for the implementation of specified schemes.
21. The first Rs 2.5M of the aggregate amount received as lump sum by way of commutation of pension, death gratuity, retiring allowance, compensation negotiated under Section 42 of the Employment Rights Act and severance allowance, received in an income year and the four succeeding income years.
22. Any transport allowance, including petrol allowance and travel grant which is the lesser of Rs 11,500 or 25% of the monthly basic salary payable to an employee, provided that the employee makes use of the private car registered in his own name for attending duty and for the performance of the duties of his office or employment.
23. Passage Benefits provided under the contract of employment, not exceeding 6% of the basic salary.
24. Any retirement pension not exceeding the IET in respect of Category A payable to a citizen of Mauritius who is not resident in Mauritius.
25. Basic retirement pension paid by a pensioner to a charitable institution.
26. Invalid basic pension, contributory invalidity pension and carer's allowance payable under the National Pensions Act.
27. Alimony or maintenance allowance paid to a previous spouse whose marriage has been dissolved by a court of competent jurisdiction.
28. Maintenance allowance or other benefit in respect of attendance at an university, college, school or other educational institution in terms of a scholarship, bursary, exhibition or other education award.
29. Car allowance payable, in lieu of duty exemption on a car, to a public officer, an officer of a local authority or officer of a statutory body whose terms and conditions of service are governed by the 2013 Report of the Pay Research Bureau.
30. The first Rs 50,000 of the amount receivable by an individual in an income year from a Real Estate Investment Trust.
31. Income received by an athlete, including financial support he receives within the framework of a sponsorship contract, financial assistance he receives in relation to his preparation for, and participation in, a competition and a financial reward in respect of his performance.

32. Gains or profits, in money or money's worth, derived from the sale or transfer of undeveloped land made to a smart city company or smart city developer or the holding company a smart city company or smart city developer, to a PDS Company or the holding company of a PDS Company, subject to conditions.
33. Emoluments derived from the office of the President or Vice-President.
34. Any rent allowance payable to a person appointed to an office in the Police Force, Fire Services, Forests Division of the Ministry of Agriculture and Natural Resources, Prisons and Industrial School Service, Ministry of Fisheries, Department of Civil Aviation or Fire Unit of the Mauritius Marine Authority.
35. Housing allowance up to Rs 100 monthly payable by an employer to an employee.
36. Foreign service allowance, reimbursement of the cost or payment of personal and private expenses including medical expenses, to homebased staff of overseas mission.
37. Any advantage in money or in money's worth received as lump sum by an employee voluntarily terminating his contract of employment in the context of a factory closure pursuant to the Cane Planters and Millers Arbitration and Control Board Act or under the Voluntary Retirement Scheme under the Sugar Industry Efficiency Act 2001.
38. Medical expenses paid for an employee or his dependents by his employer under an approved scheme.
39. Emoluments of a non-citizen who holds office in Mauritius as an official of a foreign Government and is posted to Mauritius for that purpose.
40. Foreign service allowance payable under a contract of employment to staff of statutory bodies posted abroad.
41. Car allowance payable in lieu of duty exemption on a car, to a public officer, an officer of a local authority, or officer of a statutory body.
42. Salaries and emoluments derived by an employee who is a citizen of Mauritius or who holds a permanent residence permit from his employment with the Liaison Office located in Mauritius, of the Bank referred to in the International Financial Organisations Act.
43. Emoluments derived by a seafarer from his employment on a vessel registered in Mauritius or on a foreign vessel.

Tax Loss

Where a company satisfies the MRA that it has in an income year incurred a loss, it may deduct the loss in computing its net income for that income year.

Where the amount of loss cannot be fully relieved, the company may claim that the amount of unrelieved loss be carried forward and set off against its net income derived in the following 5 income years, provided that not less than 50% of the shares of the company were held by or on behalf of the same person at the end of each of those income years.

Manufacturing companies having more than 50% of change in shareholding may carry forward unrelieved tax losses provided that the change in shareholding is in the public interest and conditions relating to safeguard of employment are met as approved by the Minister.

Any amount of loss that is attributable to annual allowance claimed in respect of capital expenditure on or after 1 July 2006 can be carried forward indefinitely.

Capital Allowances

Capital Expenditure incurred on -	Rate of annual allowance Percentage of	
	Base Value	Cost
1. Industrial premises excluding hotels	-	5
2. Commercial premises	-	5
3. Hotels	30	-
4. Plant or Machinery -		
a. costing or having a base value of Rs 60,000 or less	-	100
b. costing more than Rs 60,000 -		
i. ships or aircrafts	20	-
ii. aircrafts and aircraft simulators leased by a company engaged in aircraft leasing	-	100
iii. motor vehicles (Restricted to Rs 3,000,000)	25	-
iv. electronic and high precision machinery or equipment, computer hardware and peripherals and computer software	50	-
v. furniture and fittings	20	-
vi. other	35	-
5. Improvement on agricultural land for agricultural purposes	25	-
6. Research and development, including innovation, improvement or development of a process, product or service		50
7. Golf courses	15	-
7A. Acquisition of patents	25	-
7B. Green technology equipment	-	50
7C. Landscaping and other earth works for embellishment purposes	-	50
7D. Acquisition of a solar energy unit	-	100
8. Acquisition or improvement of any other item of a capital nature which is subject to depreciation under the normal accounting principles	-	5

Emoluments Payable to Homeworkers

A deduction of 200% of the emoluments payable to a homeworker is allowed for the first two years, if during the period 1 July 2018 to 30 June 2020 a person employs a full-time homeworker.

An annual tax credit of 5% is allowed to employers on investments made on information technology systems for the purpose of employing homeworkers.

Contributions to COVID-19 Solidarity Fund

Tax deduction is available for contributions made to COVID-19 Solidarity Fund by individuals and companies during the income year commencing on 1 July 2019 or 1 July 2020. In the case of individuals, the tax deduction is provided after deduction of IET, interest relief, relief for medical or health insurance premium and deduction for household employees. Any unrelieved amount can be used to be set off against the net income for the two subsequent income years.

Investment in Creches

Where a company incurs capital expenditure on a crèche for the benefit of its employees, it may be allowed a deduction of twice the amount of this expenditure but will not be eligible for annual allowance in respect of the crèche.

Trusts and Foundations

Until 30 June 2021, Trusts and Foundations which made a declaration of non-residence were exempt from income tax. The FA 2021 abolished such exemption subject to grandfathering provisions. Trusts and Foundations set up before 30 June 2021 are grandfathered up until the year of assessment 2024-2025 and can still benefit from the income tax exemption, subject to renewing their declaration of non-residence, if required. The grandfathering provisions will not apply on income derived by a Trust or Foundation from certain intellectual property assets or such specific assets or projects.

Advance Payment System ("APS")

APS is applicable to companies, unit trust schemes, collective investment schemes, trusts (other than trusts having made a declaration of non-residence), non-resident Sociétés, cells of a protected cell company, Foundations, ACs and any Société holding a Global Business Licence which has opted to be liable to income tax.

A company is not required to submit an APS statement in respect of an APS quarter where in the accounting year immediately preceding the commencement of that APS quarter, the company's gross income did not exceed Rs 10M or it had no chargeable income.

A company having a return date of 30 June and having submitted an APS statement for the first three quarters may opt to submit an APS statement for the fourth quarter and this has to be submitted by 30 September following the end of the quarter.

Corporate Social Responsibility ("CSR")

Companies are required to set up every year a CSR Fund equivalent to 2% of their chargeable income of the preceding year. CSR, however, does not apply to a company holding a Global Business Licence, an IRS company, a non-resident Société, a Foundation, a Trust or a trustee of a Unit Trust Scheme, a bank in respect of its income derived from its banking transaction with non-residents or corporations holding a Global Business Licence, a company holding a certificate of Freeport operator or private Freeport developer and a company electing to pay presumptive tax.

CSR applies to a resident Société, other than a Société holding a company holding a Global Business Licence, as it applies to a company. The net income of the Société is deemed to be its chargeable income.

The table below shows the percentage of the CSR Fund which a company is required to remit to the MRA:

	To be remitted to the DG	To implement CSR program
CSR Fund set up on or after 1 January 2017 up to 31 December 2018	50%	50%
CSR Fund set up on or after 1 January 2019	75%	25%

Companies may continue to contribute 50% of CSR (instead of 75%) to the MRA provided they receive approval from the National CSR Foundation.

Companies benefiting from tax holidays are required to contribute to CSR.

Companies are not allowed to offset any unused tax credit against any amount of CSR payable.

The amount required to be remitted to the MRA is payable as follows

a. In the case of a company required to submit an APS statement.
   i. For the first three quarters, 25% of each of the quarters together with the APS Statement.
   ii. For the last quarter, 25% at the time the company submits its annual return.
b. In the case of a company which is not required to submit an APS Statement, 100% payable together with its annual return.

COVID-19 Levy

Employers who have benefitted from the Government Wage Assistance Scheme ("GWAS") must pay the COVID-19 Levy when submitting their income tax return for the years of assessment 2020-2021, 2021-2022 or 2022-2023, as the case may be.

For the first applicable year of assessment, the Levy is paid on the lower of:

- The amount received under the GWAS; and
- 15% of the tax adjusted profit for the year before deducting any tax loss brought forward.

For the second applicable year of assessment, the Levy is payable on the lower of:

- The amount received under the GWAS less the COVID-19 Levy paid for the first year of assessment; and
- 15% of the tax adjusted profit for the year before deducting any tax loss brought forward.

COVID-19 Levy payable in a year of assessment may be claimed as a tax deduction when calculating the chargeable income for levy purposes for the following year of assessment.

Basis of Assessment on Commencement of Business

The first annual income tax return can cover a period of up to 18 months ending with the financial year end of the company.

Resident Société

Every resident Société deriving gross income is required to submit its annual return of income not later than 30 September of each year.

The Société is also required to give to each associate a statement showing the share of income accruing to him, in respect of the preceding income year and at the same time submit to the MRA, in electronic form, a statement giving, in respect of the preceding income year, the particulars of the share of income accruing to each associate.

Limited Partnership/ Limited Liability Partnership

A limited partnership/limited liability partnership is subject to the same provisions of the Income Tax Act that apply to a Société. Hence, a limited partnership/limited liability partnership is not liable to income tax but the general partner and limited partner are liable to income tax on their share of income, whether distributed or not, from the limited partnership/limited liability partnership.

A limited partnership/limited liability partnership holding a Global Business Licence may, by notice in writing given simultaneously to the MRA and the FSC, opt to be liable to income tax at the rate of 15%. Distributions from such limited partnership/limited liability partnership are exempt from income tax.

Where a limited partnership/limited liability partnership holding a Global Business Licence has not opted to be liable to income tax, every partner of that partnership is liable to income tax on his share of income at the rate of 15%. A non-resident partner of a limited partnership/limited liability partnership is not liable to income tax on his share of foreign source income derived by the limited partnership/limited liability partnership.

Alternative Tax Dispute Resolution ("ATDR")

The ATDR panel deals with applications for review made by any person who has been assessed to income tax, VAT or Gaming Tax and who has objected to the assessment or lodged representations to the ARC or appealed to the Supreme Court or to the Judicial Committee of the Privy Council. The amount of tax claimed in the assessment should exceed Rs 10M.

The law has been amended to include assessments raised under the Gambling Regulatory Act whereby the MRA is bound to determine an objection within the statutory time limit of 4 months notwithstanding that an application for review before the ATDR panel is outstanding for this same assessment.

5% Payment on lodging Representations to Assessment Review Committee ("ARC")

Any person who makes representations to the ARC against a determination of objection in respect of an income tax assessment, a VAT assessment or a GRA assessment is required, as from 1 September 2018, to pay 5% of the amount of tax determined on lodging the representations.

Where the chairperson of the ARC is satisfied that any non-payment of the 5% is due to a reasonable cause, he may direct that the representations shall be accepted.

Social Contribution

As from 1 July 2021, the Contribution Sociale Généralisée ("CSG") has been renamed to Social Contribution. The contributions payable under the Social Contribution are as follows:

	Participant	Monthly Remuneration	Employee contribution on remuneration	Employer contribution on remuneration
A.i	Other than public sector employee	≤ Rs 50,000	1.5%	3%
A.ii		> Rs 50,000	3%	6%
B.i	Public sector employee	≤ Rs 50,000	N/A	4.5%
B.ii		> Rs 50,000	N/A	9%
C.	Employee in the domestic service[1]	≤ Rs 3,000 in total from one or more employers	N/A	3%

[1] *"domestic service" means employment in a private household and includes employment as a cook, driver, gardener, garde malade or maid.*

Participant	Monthly Remuneration	Employee contribution on remuneration	Employer contribution on remuneration
D.i Self-employed	net income ≤ 10,000	Rs 150 monthly	
D.ii Self-employed	10,000 < net income ≤ 50,000	1.35% of net income or Rs 150, whichever is higher	
D.iii Self-employed	net income > 50,000	2.7% of net income	
E. Employee + Self-employed	Same as under A or B (as applicable) and D		

Where an end of year bonus is paid to an employee, the employee and the employer shall, in respect of that additional month, pay the social contribution as per above table.

Contribution to the National Savings Fund ("NSF")

The minimum and maximum basic wage on which contributions to the NSF are payable with effect from 1 July 2021 are as follows:

	Minimum Wage	Maximum Insurable Wage	
Pay Period	For Private Household Employees Rs	For other Employees Rs	For all Employees Rs
Daily	80	126	818
Weekly	478	753	4,905
Fortnightly	955	1,507	9,810
Half Monthly	1,035	1,633	10,628
Monthly	2,070	3,265	21,255

Human Resource Development Council ("HRDC") Training Levy

Every employer is required to pay training levy at the rate of 1.5% of the total basic wage or salary of its employees other than a household worker.

For periods from July 2019 to June 2020, an employer is required to pay levy at the rate of 1% for employees whose total basic wage or salary does not exceed Rs 10,000.

For periods from 1 July 2020 to 30 June 2021, every employer shall, in respect of every employee, pay a training levy of 1%.

Registration Duties

Payable by Transferee

Description of transfer/deed	Rate
Transfer of immovable property[2]	5%
Transfer of shares in companies or partnership holding immovable property	5%
Transfer of shares in a company or issue of shares by a company or transfer of a part sociale in a Société which gives rise to a right to the ownership, occupation or usage of an immovable property or any part thereof to a person	5%
Deed containing creation of mortgage and Lease Agreement	
a. Not exceeding Rs 300,000	Rs 1,000
b. Exceeding Rs 300,000 but not exceeding Rs 500,000	Rs 3,000
c. Exceeding Rs 500,000 but not exceeding Rs 1,000,000	Rs 10,000
d. Exceeding Rs 1,000,000 but not exceeding Rs 5,000,000	Rs 30,000
e. Exceeding Rs 5,000,000	Rs 50,000

Registration Duties On Passenger Motor Vehicles

New motor vehicles	Reg. Duties Rs
Not exceeding 1,000 cc	16,300
From 1,001 cc to 1,250 cc	32,500
From 1,251 cc to 1,500 cc	52,000
From 1,501 cc to 1,600 cc	65,000
From 1,601 cc to 1,750 cc	78,000
From 1,751 cc to 2,000 cc	117,000
From 2,001 cc to 2,500 cc	156,000
Exceeding 2,500 cc	195,000

New electric motor vehicles	Reg. Duties Rs
Not exceeding 70.0 kW	8,100
From 70.01 kW to 95.0 kW	16,300
From 95.1 kW to 125.0 kW	26,000
From 125.1 kW to 150.0 kW	32,500
From 150.1 kW to 180.0 kW	39,000
Exceeding 180.0 kW	97,500

[2] *No registration duty shall be payable where a deed witnesses the purchase of immovable property by a purchaser, or lease of land to a lessee, provided that the purchaser or lessee uses the building or land to construct a building for use as a life science research centre.*

Excise Duties on Motor Vehicles (new and second hand)

	Conventional motor cars	Hybrid motor cars	Hybrid motor cars: capable of being charged by plugging to external source of electric power	Electric cars
	Excise Duty %			
Up to 550 cc	0		0	
From 551 cc to 1000 cc	45		10	
Up to 1600 cc		25		
From 1001 cc to 1600 cc	50		15	
From 1601 cc to 2000 cc	75	45	30	
Above 2000 cc	100	70		
From 2001 cc to 3000 cc			55	
Above 3000 cc			65	
Up to 180 kW				0
Above 180 kW				15

Extract from MRA's website: https://www.mra.mu/index.php/customs1/motor-vehicles

Land Duties and Taxes

a. Transfer at a nominal price of one rupee to an "*association foncière*" set up in accordance with articles 664-123 and 664-138 of the Code Civil Mauricien, in respect of an area occupied by common amenities in a morcellement	**Rs 50 in respect of every lot in the morcellement**
b. Transfer other than under paragraph (a)	**5%**

In addition to the exemptions from payment of duty or tax allowed under the Eighth Schedule to the Land (Duties and Taxes) Act, no land transfer tax shall apply where:

a. a deed witnesses a transfer of a portion of freehold land during the period from 1 July 2020 to 31 December 2020 to a company registered under section 161A(45) of the Income Tax Act during the period 1 July 2020 to 31 December 2020, for the construction of a housing estate thereon of at least 5 residential units.

b. the transfer or vente en état futur d'achèvement by a company under paragraph (a), of a housing unit forming part of a housing estate referred to in paragraph (a), the value of which –

   i. does not exceed Rs 2.5M, where the project was registered under section 161A(45) of the Income Tax Act during the year 2012;

   ii. does not exceed Rs 6M, where the project is registered under section 161A(45) of the Income Tax Act during the period 1 January 2013 to 30 June 2019; or

   iii. Rs 7M, where the project is registered under section 161A(45) of the Income Tax Act during the period 1 July 2020 to 31 December 2020,

   provided the sale is made to a citizen of Mauritius and the transfer is made:

   - on or before 30 June 2020 in respect of a housing unit falling under subparagraph (i) or (ii); or
   - on or before 30 June 2022, in respect of a housing unit falling under subparagraph (iii).

No registration duty shall not apply where a deed witnesses the purchase of a portion of freehold land by a company during the period 1 July 2020 to 31 December 2020 under the construction project of housing estates registered under section 161A(45) of the ITA the period 1 July 2020 to 31 December 2020 for the construction of at least 5 residential units, provided that the construction is completed by 31 December 2021.

Transfer of Shares (Not Applicable to GBCs and ACs)

Deed witnessing the transfer of shares in a company	**5%**

Transfer or Issue of Shares or Transfer of Part Sociale

a. Issue of shares by a company or transfer of part sociale in a société which gives right of ownership, occupation or usage in an immovable property or any part thereof	**5%**
b. Transfer of shares in a company or transfer of part sociale in a société which gives right of ownership, occupation or usage in an immovable property or any part thereof	**5%**

Value Added Tax

Scope of VAT

VAT is a tax on the value-added generated at each stage of the production-distribution chain. VAT is charged at a standard rate of 15% on the supply of taxable goods and services and on imports. However, there are certain goods and services which are in all respect treated as taxable supplies except that the rate applicable is 0%. These are referred to as zero-rated supplies. Supplies of goods or services made in Mauritius are subject to VAT if these supplies are made by a taxable person in the course or furtherance of any business, provided these supplies are not specifically exempted.

Supplies

A supply of goods means the transfer for a consideration of the right to dispose of the goods as the owner. A supply of services means the performance of services for a consideration. Anything which is not a supply of goods, but is done for consideration is a supply of services.

Value of Taxable Supplies

The value of taxable supplies shall be expressed in Mauritius currency and is determined as follows or as the DG may determine:

Consideration	Value of taxable supplies
Monetary	Consideration amount
Non-monetary	Open market value
A mix of monetary and non-monetary	Open market value
Not made in the course of an arm's length transaction	Open market value

Where a taxable supply is not the only matter to which a consideration in money relates, the supply shall be deemed to be for such part of the consideration as is properly attributable to it.

Digital and Electronic Services

Non-residents providing digital and electronic services through internet for consumption in Mauritius are subject to VAT.

Digital or electronic services are services which are supplied by a foreign supplier over the internet or an electronic network which is reliant on the internet or supplied by a foreign supplier and the supply is dependent on information technology.

A foreign supplier includes a person having no permanent establishment in Mauritius and who supplies (in the course of his business) digital or electronic services to a person in Mauritius.

Reverse Charge

Where a person who does not belong in Mauritius and is not VAT registered, makes a taxable supply of services which are performed or utilised in Mauritius, to a registered person, then all the same consequences shall follow as if the registered person had himself supplied the services in Mauritius and that supply were a taxable supply. The registered person may claim the tax on the supply of those services as input tax.

The Reverse Charge Mechanism has been simplified and applies when supply is made to VAT registered persons in Mauritius.

Input tax refers to VAT charged on the supply to a taxable person of any taxable goods or taxable services, as well as VAT paid on any taxable goods.

Output tax means VAT on the taxable supplies made in the course or furtherance of a taxable person's business.

A taxable person may take as a credit against his output tax the amount of input tax allowable to him in any taxable period provided VAT invoices issued by suppliers legally authorised to charge VAT are made available. However, no input tax will be allowed as credit for certain goods and services used in the production of an exempt supply. Credit for input tax can be claimed within a period of 36 months from the date the input tax ought to have been taken.

Items for which input tax cannot be claimed include the following:

1. Goods and services used to make an exempt supply;
2. Motor cars and other motor vehicles for the transport of not more than 9 persons including the driver, motorcycles and mopeds, for own use or consumption, and their spare parts and accessories;
3. Maintenance or repairs of motor cars and other vehicles specified above;
4. Petroleum oils (except those for resale and except gas oils & fuel oils for use in stationary engines and EDBlers);
5. Petroleum gas used for the running of motor cars and other vehicles specified in point 2 above; and
6. Accommodation or lodging, catering services, receptions, entertainment and rental or lease of vehicles specified in point 2 above.

Credit for Input VAT

Input VAT is allowed on quad bikes, golf cars and similar vehicles, motor vehicles/motor cars of less than 9 persons used for business.

Where the supplies of the business are accommodation or lodging, catering services, receptions and entertainment and input tax is incurred on accommodation or lodging, catering services, receptions and entertainment, the input VAT incurred is allowed as credit.

Registration

A person making taxable supplies of goods and/or services cannot charge VAT unless being registered. Registration is compulsory if the turnover of taxable supplies exceeds Rs 6M per annum.

VAT registration can be done through CBRIS.

Tax Liability Prior to Date of Registration

Where a person was required to register for VAT prior to the date of his registration, he must, not later than 30 days after the date of his registration, submit a return to the MRA for the period he ought to have been registered and the date of his registration provided that this period does not exceed 4 years.

Cancellation of Registration

A person who is deregistered from VAT is required to pay any tax due including any tax on capital goods exceeding Rs 100,000 except on motor cars/motor vehicles of less than 9 persons used for own consumption.

Charge to VAT

VAT on any taxable supply is a liability of the person making the supply and becomes due at the time of supply.

A supply of goods or services shall be deemed to take place:

i. at the time an invoice or a VAT invoice in respect of that supply is issued by the supplier

ii. or at the time payment for that supply is received by the supplier, whichever is the earlier.

Where services are provided to a Ministry, government department, local authority or the Rodrigues Regional Assembly under a construction works contract, the supply shall be deemed to take place at the time payment is received.

VAT Invoice

A registered person is required to issue "VAT invoice" to customers who are VAT registered as well as those who are non-VAT registered.

A VAT invoice issued by a registered person shall specify the following:

1. the words "VAT INVOICE" in a prominent place;
2. his name, business address and VAT Registration Number and Business Registration Number;
3. its serial number and date of issue;
4. the quantity and description of the goods or services;
5. the name, address and the VAT Registration Number and Business Registration Number of the purchaser; and
6. whether the value of supply is subject to VAT or not;
7. where the value of the supply is subject to VAT:
   i. the value of the supply; and
   ii. the amount of VAT chargeable and the rate applied.

Excess

Any unclaimed input tax can be carried forward to be set off against future output tax.

Exempt Goods and Services

Exempt goods and services include, among others:

Perishables	staple food item (e.g. wheat, cereal flours, vegetable oils, etc.), live animals used as, or yielding or producing, food for human consumption other than live poultry, common salt produced outside of Mauritius.
Financial	services provided by an insurance agent, insurance broker, certain financial services, services provided by a subsidiary of the Bank of Mauritius.
Import/Postal	re-imported goods in respect of which no refund was made on exportation, goods imported under transhipment procedure, postal services, goods amounting up to Rs 3,000 imported by post.
Medical	medical, hospital and dental services, certain medical equipments,anti-smoking items.
Telecommunication	the renting of fixed telephone lines, internet services up to Rs 100, certain subscription fees.
Transportation	buses and chassis for use as public transport, aircrafts, aircraft leasing, fishing vessels, factory ships and other vessels for processing or preserving fishery products, works of art and other collectibles, certain cargo handling services, motor car or double space cabin vehicles for use as taxi.
Property	the sale or transfer of an immovable property, residential renting for a continuous period exceeding 90 days, building or part of a building, apartment, flat or tenement, assignment or surrender of any interest in or right over land or of any licence to occupy land.
Personal belongings	passenger baggage, ships transporting persons and/or goods, household and personal effects.
Education	educational and training services, journals, periodicals
Entertainment	cinema/concert/shows/sports event entrance fees, and cinematographic films, including royalties.
Others	various agricultural inputs and equipments, burial, cremation services and coffin, certain precious metals, stones and pearls.

Zero rated Goods and Services

Zero rated goods and services will be subject to VAT at zero rate. As opposed to exempted goods and services however, this will enable registered persons to claim deduction of the relevant input tax.

The zero rate applies to the following inexhaustive list of goods and services:

1. Exported goods and services
2. Duty free goods supplied by a duty free shop situated at the port or airport

3. Goods and services supplied to a licensee in the Freeport zone
4. Services supplied by offshore management companies to offshore banks and companies holding a holding a Global Business Licence
5. Meat, fish, bread, milk, buttermilk, margarine, butter, edible oils, ghee, cheese and curd, honey, soya bean, tea, spices, sugar, sugar case, molasses, bagasse, vegetable burgers and sausages, fertilisers and rice
6. Animal feeding products other than prepared pet foods
7. Pharmaceutical products
8. Photovoltaic panels
9. Chilled deep sea water used for the provision of air conditioning services
10. Fees payable for examination of vehicles up to 30 June 2020
11. Burglar alarm systems, CCTV camera systems
12. Sanitary towels and tampons
13. Production of films for export
14. Sewing equipment and material
15. Printed books, booklets, brochures, pamphlet etc
16. Kerosene including kerosene jet type fuel
17. Common salt produced in Mauritius
18. Electricity and water supplied by the Central Electricity Board and Central Water Authority respectively, including the renting out of a meter
19. Transport of passengers by light rail
20. Transport of passengers and goods by sea or air
21. Breathing appliances and personal protective masks excluding those having neither mechanical parts nor replaceable filters
22. Hand sanitisers
23. Cooking gas in cylinders of up to 12 kg for domestic use
24. Live animals for training or breeding purposes
25. EDBled or steamed dumplings

Deferred Payment of VAT at Importation

Where capital goods, being plant and machinery, are imported by a VAT registered person, the payment of VAT at importation may be deferred.

The deferred VAT is payable on submission of the VAT return for the taxable period in which the VAT is deferred.

Where deferred VAT is not paid on submission of the VAT return, the deferred VAT together with applicable penalties, shall become due and payable under the Customs Act.

Electronic Fiscal Device and e-Invoicing System

The DG may require any person to use an electronic fiscal device or e-invoicing system to record transactions which may affect liability to tax.

Heavy penalties, including terms of imprisonment are provided for non-use of the electronic fiscal device/e-invoicing system, tampering with the device/e-invoicing system, or causing the device/e-invoicing system to work improperly.

Where a person is dissatisfied with any claim of penalties, he may object by stating the full grounds of objection.

Accounting for VAT on a Cash Basis

A business is classified as a “small enterprise” if its annual turnover does not exceed Rs 10M.

A small enterprise may apply to the MRA to operate the VAT accounting system on either the accrual basis or cash basis.

Under the cash basis, a supply is considered to have been made when payment for the supply is received.

A small enterprise may operate the VAT annual accounting system (“VAAS”).

Repayment of VAT

A registered person may, where his return shows an excess amount, make a claim for repayment:

i. in respect of input tax paid on capital goods and amounting to more than Rs 100,000;
ii. of part of the excess amount proportionate to the value of zero-rated supplies to the total of taxable supplies; or
iii. of the whole or part of the excess amount if he is mainly engaged in making zero-rated supplies; e.g. export of taxable supplies.

Repayment shall be made within 45 days from the date the documents requested by the MRA are submitted.

Any person may make an application for a refund of VAT on the construction of a residential building by a building contractor or the purchase of a residential apartment from a property developer up to a maximum of Rs 300,000. The scheme will cover housing unit not exceeding Rs 3M and the construction of the residential building or apartment should start in 2014 and should be completed by 2024 and in the period of 6 months ending 30 June 2025. The scheme will apply to household whose annual net income does not exceed Rs 1M. The refund is applicable on the construction or acquisition of a first residence only.

Tax Deadlines

Companies

Description	Deadline
Submission of annual returns and Payment of Tax Exception: Year ended 31 December Year ended 30 June (With tax payable) Year ended 30 June (No tax payable)	6 months after accounting year end 2 working days before 30 June 2 working days before 31 December 15 January
APS Returns Exception: Quarter ended 30 September Quarter ended 31 March	3 months after end of the month in which the APS quarter ends 2 working days before 30 June 2 working days before 31 December
Annual return of income for resident société Annual return of income of a deceased person's estate (succession)	30 September
Return of Dividends	15 August
Statement for Purchases of Goods & Services for the income year ending 30 June	31 August

Individuals

Description	Deadline
Submission of annual returns and Payment of Tax Non Electronic Submission: Electronic Submission:	 30 September 15 October
Simplified return for Self-employed	15 October
CPS Returns Exceptions: Quarter ended 30 September Quarter ended 31 March	3 months after end of the month in which the CPS quarter ends 2 working days before 30 June 2 working days before 31 December

Employment Tax

Description		Deadline
PAYE PAYE/Social Contribution/ NSF/HRDC Levy	Non-Electronic Submission Electronic Submission	20th of each month End of each month
Submission of ROE to MRA Statement of Emoluments to employees		 15 August

TDS

Description		Deadline
Return/Payment	Non-Electronic Submission Electronic Submission	20th of each month End of each month
Statement Of Amount Paid And Tax Deducted to Payee Annual TDS Return to MRA		 15 August

VAT

Description	Deadline
Monthly VAT return (Annual Turnover of Taxable Supplies> Rs 10M)	End of each month
Quarterly VAT return (Annual Turnover of Taxable Supplies ≤ Rs 10M)	1 month after end of quarter

Other Returns

Description		Deadline
Passenger Fee/ Passenger Solidarity Levy Environment Protection Fee Electronic Gaming Return, Amusement Machines	Non-Electronic Submission Electronic Submission	20th of each month End of each month
VAT Special Levy on Banks		5 months from the end of the accounting period
Statement of Financial Transactions Statement of Foreign Currency Transactions Statement of Life Insurance Premium Statement of Donation Received		15 August

Where the date for submission of any return and payment of tax falls on a Saturday, Sunday or public holiday, the return and the payment may be made on the following working day.

The above due dates may be subject to legislative changes or exceptional extensions granted in extraordinary circumstances at the discretion of the MRA.

Highlights of Mauritius Tax Treaties

	Country	Maximum tax rates applicable in the Source State		
		Dividends	Interest(i)	Royalties
1	Australia (Partial)	-	-	-
2	Barbados	5%	5%	5%
3	Belgium	5% & 10%	10%	Exempt
4	Botswana	5% & 10%	12%	12.5%
5	Cabo Verde	5%	10%	7.5%
6	China	5%	10%	10%
7	Congo	0% & 5%	5%	Exempt
8	Croatia	Exempt	Exempt	Exempt
9	Cyprus	Exempt	Exempt	Exempt
10	Egypt	5% & 10%	10%	12%
11	France	5% & 15%	same rate as under domestic law	15%
12	Germany (new)	5% & 15%	Exempt	10%
13	Ghana	7%	7%	8%
14	Guernsey	Exempt	Exempt	Exempt
15	India	5% & 15%	7.5%	15%
16	Italy	5% & 15%	same rate as under domestic law	15%
17	Jersey	Exempt	Exempt	Exempt
18	Kuwait	Exempt	Exempt	10%
19	Lesotho	10%	10%	10%
20	Luxembourg	5% & 10%	Exempt	Exempt
21	Madagascar	5% & 10%	10%	5%
22	Malaysia	5% & 15%	15%	15%
23	Malta	Exempt	Exempt	Exempt
24	Monaco	Exempt	Exempt	Exempt
25	Mozambique	8%, 10% & 15%	8%	5%
26	Namibia	5% & 10%	10%	5%
27	Nepal	5%, 10% & 15%	10% & 15%	15%

	Country	Maximum tax rates applicable in the Source State		
		Dividends	Interest(i)	Royalties
28	Oman	Exempt	Exempt	Exempt
29	Pakistan	10%	10%	12.5%
30	Rwanda	10%	10%	10%
31	People's Republic of Bangladesh	10%	normal rate	normal rate
32	Seychelles	Exempt	Exempt	Exempt
33	Singapore	Exempt	Exempt	Exempt
34	South Africa	5% & 10%	10%	5%
35	Sri Lanka	10% & 15%	10%	10%
36	State of Qatar	Exempt	Exempt	5%
37	Eswatini (*Previously known as "Swaziland"*)	7.5%	5%	7.5%
38	Sweden (New)	0% & 15%	Exempt	Exempt
39	Thailand	10%	10% & 15%	5% & 15%
40	Tunisia	Exempt	2.5%	2.5%
41	Uganda	10%	10%	10%
42	United Arab Emirates	Exempt	Exempt	Exempt
43	United Kingdom	Exempt & 15%	Same rate as under domestic law	15%
44	Zimbabwe	10% & 20 %	10%	15%

**The above table has been extracted from the MRA's website on 05th August 2021.*

i. where interest is taxable at rate provided in the domestic law of the State of source or at reduced treaty rate, provision is usually made in the treaty to exempt interest receivable by a Contracting State itself, its local authorities, its Central Bank/all banks carrying on bona fide banking business and any other financial institutions as may be agreed upon by both Contracting States.

ii. within any 12-month period

iii. within any 24-month period

iv. no specific provision made in respect of furnishing of services.

We Can Help

- Tax & VAT Advisory
- Tax & VAT Compliance
- Tax Controversy & Litigation
- FATCA & CRS
- Insolvency & Business Recovery
- Accounting & Related Services
- Tax Training

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Our Core Values

Best-In-Class

We aim to be the benchmark for quality in our industry and the standard by which other firms are measured.

Stewardship

We hire the best and the brightest and we invest in our people to ensure that legacy.

Seamless

Our firm is constructed as a global firm. We share an interest in providing the highest level of client services regardless of location.

Independence

Our platform allows us to objectively serve as our client's advocate; the only advice and solutions we offer are those that are in the best interest of our client.

Transparency

We value open communication, information sharing and inclusive decision making.