

MAURITIUS KEY MEASURES OF FINANCE ACT 2025

FOLLOWING THE RECENT BUDGET SPEECH HELD BY THE MINISTER OF FINANCE OF MAURITIUS ON 05 JUNE 2025 AND ENACTMENT OF THE FINANCE ACT 2025, WE HAVE SUMMARISED BELOW SOME OF THE PERTINENT MEASURES APPLICABLE TO THE GLOBAL BUSINESS INDUSTRY.

TAX RELATED MEASURES

Changes to the Partial Exemption Rules (PER):

- > Income derived by Virtual Asset Service Providers, engaged in exchange, transfer, safekeeping and administration of virtual assets subject to meeting the prescribed substance requirements, can claim partial exemption of 80%.
- > It has been clarified that partial exemption on interest income shall be granted only where the relevant activity of the company generating the interest income satisfies the conditions relating to substance requirements.

We suggest that, where significant interest income is being derived by a global business corporation and partial exemption is expected to be claimed, an assessment is carried out on whether the substance requirements are being satisfied.

Fair Share Contribution (FSC) Applicable to the Income Years Starting 1 July 2025, 1 July 2026 and 1 July 2027

FSC Liability Applicable to Individuals

Individuals whose Fair Share Contribution Income Threshold exceeds MUR12 million in an income year shall be liable to pay a Fair Share Contribution at a rate of 15% of the leviable income in excess of MUR12 million.

The FSC Income Threshold is the sum of the net income of the individual, dividends paid to that individual by a resident company and a co-operative society and the share of dividends in a resident société or succession which the individual would have been entitled to if such dividends had been wholly distributed to the associates (or partners) of that société or heirs of the succession.

However, the threshold does not include

- > Dividends or distributions by a global business entity; and
- > Certain lump sum by way of commutation of pension or by way of death gratuity or as consolidated compensation for death or injury

FSC Liability Applicable to Corporations

Companies, foundations, trusts and non-resident sociétés (which includes limited partnerships) will be subject to a fair share contribution if they meet the following criteria:

- > They have supplies exceeding MUR 24 million in an accounting year or required to be registered under the Value Added Tax Act 1998; and
- > Chargeable income exceeding MUR 24 million in an accounting year.

However, the FSC will not be applicable to global business corporations, corporation exempt from tax under the Income Tax Act and corporations availing of tax holidays.

The FSC rate applicable on chargeable income of the impacted corporations shall be as follows:

- > Banks: 5% plus an additional 2.5% of its chargeable income arising from transactions with residents (other than GBCs)
- > Export companies: 2%
- > Domestic companies (other than export companies and banks): 5%

We suggest that individuals who are tax resident in Mauritius check with their tax advisors on the applicability of the FSC in relation to their tax obligations in Mauritius.

We also suggest, for corporations involved in export / trading activities which do not hold a global business licence and are not Authorised Companies, which are expected to have supplies or chargeable income meeting the above criteria, to arrange for a tax confirmation on the applicability of the FSC.

Qualified Domestic Minimum Top-up Tax (QDMTT):

- > QDMTT is applicable where a Mauritius entity is included in the consolidated financial statements of a Multinational Enterprise (MNE) whose annual turnover exceeds EUR 750 million in at least two of the four fiscal years immediately preceding the fiscal year in which the QDMTT is leviable.
- > Where the effective tax rate (ETR) of the ultimate parent company or member of the MNE incorporated in Mauritius falls below 15%, the QDMTT is expected to apply such that the Mauritius ETR is brought up to 15%. The QDMTT is calculated after reducing the group's payroll costs and tangible assets located in Mauritius.
- > Excluded entities from QDMTT are: investment fund, real estate investment vehicle, investment entity and other entities as may be prescribed.
- > Impacted groups are required to notify the MRA of the designated person (resident in Mauritius) responsible for filing the QDMTT return, within six months from the end of the fiscal year. Where the year-end of the consolidated financial statements of the ultimate parent entity is 31 March 2025, the Mauritius entity will need to notify the MRA by 30 September 2025.
- > QDMTT is payable in QDMTT return which needs to be filed 15 months from end of accounting period of the ultimate parent entity of the MNE.
- > Failure to file the QDMTT return and pay the tax will result in a penalty of 5% of unpaid tax and 0.25% interest per month or part of a month until the return is submitted.

While the Finance Act sets out the key applicability criteria and effective date, further details, including the formula for computing QDMTT, the definition of covered persons, and other administrative requirements, will be clarified through subsequent regulations.

While we have provided a quick brief above, the provisions included in the Finance Act 2025 are extensive and complex. We are also expecting further regulations to be published in relation to same. Once these regulations are issued, we suggest for corporations forming part of an MNE Group to initiate discussions with tax advisers to assess the impact of the QDMTT.

Alternative Minimum Tax (AMT)

- > AMT is applicable for companies with normal tax payable of less than 10% of their adjusted book profit, so that tax payable for that fiscal year is at a minimum 10%.
- > AMT is expected to be applicable to corporations operating in the sectors of Hotel, Insurance, Real estate, Telecommunication, Financial intermediation.
- > AMT shall not be applicable to global business corporations, corporation exempt from tax under the Income Tax Act and corporations availing of tax holidays.

Arm's Length Principle

In addition to the requirement for related party transactions to be at arm's length, a company which engages in a transaction between connected persons will have to prepare and maintain documentation in such a manner as may be prescribed.

The following have been defined:

- > Connected persons: Where one company controls the business or income earning activity of the other, in Mauritius or from Mauritius

- > Transaction: Any transaction or series of transactions, carried out directly or indirectly, between connected persons; and includes cross-border transactions

While the requirement to maintain documentation for related party transactions is now in effect, we recommend that corporations prepare to conduct an arm's length assessment once the detailed requirements are published.

VAT on Specified Digital or Electronic Services

Specified digital or electronic services provided by foreign suppliers will be subject to VAT. The supplier will also be required to submit a return and list of taxable supplies made after the end of every taxable period.

Tax Administration

Tax Assessments

Currently, the Director-General shall not, in a year of assessment, make an assessment in respect of a period beyond three years of assessment preceding the year of assessment. It is being proposed to reduce the three-year limit to two.

Value Added Tax

- > Currently, an assessment shall not be made in respect of a period beyond four years immediately following the last day of the taxable period in which a return or a statement is submitted.
- > It is being proposed to reduce the four-year limit to two years.

Registration of Tax Agents

No person shall be able to submit a tax return or represent a tax payer before the MRA or Tax Tribunal unless that person is a registered tax agent.

Fine and Penalties

The maximum penalties and interest charged cannot exceed 100% of the tax due, except for the following penalties

- > Failure to join electronic system for PAYE system
- > Late submission of Statement of Income for Current Payment System
- > Late submission for Tax on Winnings
- > Late submission of return of income
- > Failure to submit return of income by companies electronically
- > Loss over claimed by a person

50% reduction of penalties and interest on unpaid taxes under:

- > Advance Payment System
- > Current Payment System
- > Return of income by individuals
- > Return of income by companies
- > Return in respect of a trust or a resident société
- > Assessments by Director-General
- > Pay As You Earn Return by employer
- > Reduction of penalty from 5% to 2.5% on loss over claimed

[Tax Amnesty Schemes](#)

Renewal of Tax Arrears Payment Scheme (TASS) for an additional year

Full waiver of penalty and interest for tax debt and tax arrears outstanding as at 30 June 2025, provided that the taxpayer registers by 30 November 2025 and pays the tax amount in full by 31 March 2026.

Tax Dispute Settlement Scheme (TDSS)

Applies to cases under litigation as of 5 June 2025 and runs until 31 March 2026. Under TDSS, taxpayers who withdraw their cases from the Assessment Review Committee (ARC), the Supreme Court (SC) or the Privy Council (PC) and have outstanding tax claims will be granted a full waiver of penalties and interest.

- > Outstanding tax due to be paid by 31 March 2026 to benefit from the scheme.
- > No tax, penalty or interest paid will be refundable under this scheme, except where the case is before the SC and the tax has already been settled.

Voluntary Disclosure Settlement Scheme (VDSS)

- > Applies to taxpayers who have
 - > Undeclared or under-declared income in respect of year of assessment 2024/2025 or any preceding years; or
 - > Taxable supplies for taxable period ended 30 April 2025 or any preceding periods.
- > A taxpayer will benefit from a full waiver of penalties and interests. The VDSS will be available until 31 March 2026, with all payments required by that date.
- > A taxpayer may apply for the VDSS scheme in respect of an assessment raised after 5 June 2025, under ITA or Value Added Tax Act (VAT Act), if any of the following actions have been taken and the litigation is still pending as of 31 March 2026:
 - > Objection made;
 - > Representations lodged to the ARC (now replaced by the Revenue Tribunal); or
 - > Appeal to the SC or PC made.

[ADDITIONAL REQUIREMENTS FOR MAINTAINING BENEFICIAL OWNERSHIP INFORMATION FOR COMPANIES / LIMITED PARTNERSHIPS / LIMITED LIABILITY PARTNERSHIPS AND FOUNDATIONS](#)

With respect to the requirement for identifying beneficial owners and ultimate beneficial owners, as part of maintaining records of actions taken for such identification, a declaration from the beneficial owners / ultimate beneficial owners will have to be obtained and kept in the records of the corporation.

In case of any change in status of beneficial ownership, the latter will have the responsibility to notify the corporation of the change.

Such requirement will be applicable for all newly established corporations and, for those corporations already established prior to implementation of the new measure, the declaration will have to be obtained by 30 June 2026.

Failure to abide by the requirements set out above will constitute an offence and the officers of the corporation or its partners (in case of partnerships) will be liable, on conviction, to a fine not exceeding MUR 300,000.

[CHANGE IN REQUIREMENT FOR APPROVAL BY THE FINANCIAL SERVICES COMMISSION UPON ISSUE OR TRANSFER OF SHARES OR CHANGE IN LEGAL OR BENEFICIAL INTERESTS OF LICENSEES](#)

Licensees of the Financial Services Commission, holding an activity / financial services licence, are required to seek approval of the regulator for issue or transfer of shares or change in legal or beneficial interests. The approval is however not required where the change impacts less than 5% in the licensee unless the issue or transfer results in a change in control in the licensee. The approval is also not required for certain class of licensees subject to certain conditions.

The requirement is being updated such that, where there is an issue or transfer of shares / legal or beneficial interest to an existing shareholder and there is no change in control in the licensee, the approval from the regulator will not be required in that case as well.

CHANGES TO MANAGEMENT AND CONTROL CRITERIA CONSIDERED BY THE FINANCIAL SERVICES COMMISSION FOR GLOBAL BUSINESS CORPORATIONS

One of the criteria considered by the regulator when determining whether a global business corporation is managed and controlled from Mauritius was that the corporation must have “at least two directors, resident in Mauritius, of sufficient calibre to exercise independence of mind and judgement”. This requirement is being reinforced with being a condition to be met by such corporations, “at all times”.

A further requirement is being included in the Financial Services Act 2007 specifying that the regulator must be notified of any statutory filing or similar applicable document in relation to a change of directors within seven days of such filing, by the corporation.

NEW STATUTORY FEES FOR FOUNDATIONS

The new registration and renewal fees for foundations shall be as follows:

| FOR NEW REGISTRATIONS AND RE-DOMICILIATION | ON OR BEFORE DUE DATE | AFTER DUE DATE |
|--|-----------------------|----------------|
| AT TIME OF REGISTRATION | MUR 9,000 | N/A |
| IN RESPECT OF EVERY SUBSEQUENT YEAR FOR A CHARITABLE FOUNDATION | MUR 9,000 | MUR 3,000 |
| IN RESPECT OF EVERY SUBSEQUENT YEAR FOR A FOUNDATION, OTHER THAN A CHARITABLE FOUNDATION | MUR 18,000 | MUR 26,000 |

OCCUPATIONAL AND RESIDENCY

The criteria for eligibility for occupational and residence permit are being amended. Examples include:

Occupation Permit

- > Introduction of two classes of occupational permit for investors, with initial investments of either USD 50,000 or USD 100,000, and introduction of requirement to achieve turnover of MUR 1 million to MUR 1.5 million as from year one of registration with progressive growth to achieve a cumulative turnover of MUR 15 million to MUR 20 million by year five of registration (ranges are applicable to the relevant class).
- > For renewal of the permit, a minimum turnover of MUR 5 million as from year six of registration will be required.
- > Introduction of a Professional Pass with a basic monthly salary of at least MUR 50,000 and an Expert Pass with a basic monthly salary of MUR 250,000, as compared to the previous criteria of a monthly salary of MUR 30,000 for occupational permit for professionals in all sectors.
- > For self-employed, the initial investment has increased from USD 35,000 to USD 50,000 and a criteria for a minimum business income of MUR 750,000 as from year one of registration along with a progressive growth to achieve a cumulative turnover of MUR 6 million by year five of registration has been introduced.
- > For renewal, the minimum business income has changed from MUR 800,000 as from year three of registration to MUR 1.5 million as from year six of registration.

Residence Permit

- > There is now only one class for investors, for which the criteria are holding an occupation permit as investor for at least five years and a minimum turnover of at least MUR 15 million for five years preceding application or an aggregate turnover of MUR 75 million for a consecutive period of five years immediately preceding the application.
- > For professionals, the criteria has changed to holding an occupation permit as professional or valid work permit for at least five years and a monthly basic salary of at least MUR 400,000 for a consecutive period of five years immediately preceding the application;
- > Self-employed persons will need to be a holder of an occupation permit as self-employed for at least five years and an annual business income of at least MUR 3 million for a consecutive period of five years immediately preceding the application or an aggregate turnover of MUR 15 million for a consecutive period of five years immediately preceding the application.

AML/CFT COMPLIANCE

Other provisions noted relate to:

- > General strengthening of AML/CFT framework
- > Alignment with ESAAMLG Mutual Evaluation preparation
- > Deployment of financial intelligence software by the FIU for the real-time analysis of suspicious transactions
- > FSC's ability to conduct special investigations
- > Integration with Centralised KYC Repository

HOW WE CAN ASSIST

We will monitor the implementation of these measures closely and provide updates accordingly. For inquiries regarding these key measures, please contact our Mauritius Office at mauritius@tridenttrust.com.

- ▶ PEOPLE LED
- ▶ TECH ENABLED
- ▶ GLOBAL COVERAGE
- ▶ TAILORED SERVICE

- ▶ 1,100 STAFF
- ▶ 25 JURISDICTIONS
- ▶ 47,000 ENTITIES
- ▶ \$177BN AUA

- ▶ FUNDS
- ▶ PRIVATE CLIENTS
- ▶ CORPORATE CLIENTS
- ▶ MARITIME

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