

# MAURITIUS NATIONAL BUDGET 2024 - 2025

ON 7 JUNE 2024, THE MAURITIUS MINISTER OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT, DELIVERED THE FIFTH AND FINAL NATIONAL BUDGET SPEECH UNDER THE CURRENT GOVERNMENT'S MANDATE FOR THE PERIOD 2024-2025. THE BUDGET, THEMED "TOMORROW IS OURS", AIMS TO SUSTAIN ECONOMIC GROWTH BY FOCUSING ON THREE MAIN OBJECTIVES: (A) FOSTERING ECONOMIC DYNAMISM; (B) WORKING TOWARDS A SUSTAINABLE AND INCLUSIVE COUNTRY; AND (C) BUILDING THE FUTURE.

In this memo, we summarize the announced measures that are relevant to and expected to impact the local financial services sector.

## 1. TAX-RELATED MEASURES

### 1.1. Partial Exemption Regime (PER)

An 80% partial exemption will be granted on income derived by:

- > Companies holding a Robotic and AI (Artificial Intelligence) Enabled Advisory Services licence, provided they comply with the existing substance requirements.
- > Closed-end funds from sale of money market instruments or debt instruments.
- > Payment Intermediary Services (PIS) Licence Holders.

It will be clarified that management companies are not eligible for partial exemption on income derived from CIS administrative services to a CIS licence holder.

### 1.2. Corporate Climate Responsibility (CCR) Levy

- > A CCR levy equivalent to 2% of a company's profits will be introduced.
- > Companies with a turnover of less than MUR 50m will be exempted from this levy.
- > The CCR will be used to support national initiatives to protect, manage, invest in and restore the country's natural ecosystem and combat the effects of climate change.

### 1.3. Tax Incentive

- > 100% tax exemption on gains on sale of virtual assets and virtual tokens
- > A 15% Investment Tax Credit over 3 years for investments in Artificial Intelligence and patents

### 1.4. Zero-Rated Supplies

- > Services provided by management companies to the following entities will now be considered zero-rated supplies:
  - > Trusts with non-resident settlor and beneficiaries
  - > Foundations with non-resident founder and beneficiaries

### 1.5. Renewal of Tax Arrears Payment Scheme (TASS)

- > Taxpayers registering under TASS by 31 December 2024 can benefit from waiver of penalties and interest on tax arrears due under the Income Tax Act, provided that the arrears are paid in full by 31 March 2025.

#### **1.6. Re-Introduction of Arrears Payment Scheme under Registrar-General's Department**

- > A full waiver of penalties and interest on tax arrears due as of 31 May 2024 will be granted if settlements are made on or before 31 March 2025.

#### **1.7. Transfer of an Immovable Property from a Shareholder to a Company**

- > When an immovable property is brought as equity participation in a company, registration duty will be levied on the difference between the value of the property transferred and the value of shares held in that company.

#### **1.8. E-Publication of Names of Companies for Non-Submission of Returns**

- > The provisions regarding the timeframe for publishing the names of companies that fail to submit returns will be revised.

#### **1.9. Amended Returns**

- > Amended returns will not be allowed if a taxpayer has filed an objection with the MRA against an assessment or lodged a representation with the Assessment Review Committee.

## **2. EASE OF DOING BUSINESS**

- > The information centre of the Companies and Business Registration Department will now operate 24/7, with onsite e-filing facilities available during working hours.
- > The Financial Services Commission (FSC) will simplify its licensing and permitting process to ensure that, once all requirements are met, approvals are granted within 10 working days.
- > Competent authorities are exploring the signing of a Strategic Partnership Agreement (SPA) with India and African countries to enhance business collaboration.
- > Professionals with a minimum of 10 years' experience will be eligible for a temporary Occupation Permit valid for 3 months, allowing them to work while awaiting full approval.
- > The maximum time limit to issue or renew a Work Permit will be set at 3 weeks.
- > A 10-year Expert Occupation Permit will be introduced to attract foreign talents in wealth management, family office, virtual assets, and virtual token.
- > The basic monthly salary threshold for professionals applying for an Occupation Permit will be reduced from Rs30,000 to Rs22,500.
- > Government gazettes and legislations will be issued electronically by December 2024.
- > E-Gate and e-Passport platforms will be implemented to facilitate business travel.
- > Centralised e-KYC will be extended to the global business sector to streamline compliance processes.
- > To promote the adoption of digital payments in Mauritius, the Bank of Mauritius will eliminate the fees associated with the use of the MAUCAS platform.

## **3. FINANCIAL SERVICES INDUSTRY**

- > The Fund and Asset Manager Certificate will be revised to require at least 2 qualified officers.
- > The Funds Regime will be reassessed to enhance the jurisdiction's competitiveness, taking into account emerging opportunities, challenges and threats.
- > Robotic and AI Enabled Advisory Services licence holders will be entitled to 80% partial exemption.
- > A blueprint will be created to establish Mauritius as a leading regional Fintech Hub.
- > Virtual asset service providers (VASPs) will be required to appoint a senior executive at all times, ensuring continuous oversight and compliance with regulatory standards.

#### 4. LEGISLATIVE AND REGULATORY UPDATES

- > The Captive Insurance Act, Financial Services Act, Insurance Act, and the Private Pension Schemes Act will be amended to enable the FSC to levy fees for post-licensing processes, including appointments of officers, directors, auditors, actuaries, new controllers, beneficial owners, Management Companies and Registered Agents.
- > The FSC will increase the Processing and Annual Fees for its licensees to enhance regulatory capabilities and oversight.
- > Instances where licensees jeopardize the integrity of Mauritius' financial system may be referred to the Enforcement Committee for resolution.
- > Authorised companies must submit financial summaries, accounts, financial statements or returns within six months after their financial year-end.
- > An administrator must be appointed for the winding up of a limited life company to comply with the Insolvency Act 2009.
- > Global Business Corporations seeking removal from the Register of Companies must obtain prior confirmation of no objection from the FSC.
- > Global Business Companies and Authorised Companies will benefit from provisions relating to (i) prejudiced shareholders; and (ii) alterations to the constitution ordered by the Bankruptcy Division of the Supreme Court.
- > The Freeport Act will be amended to allow a company to operate under both a Global Business Licence and a Freeport certificate, but it will not be entitled to the tax holiday granted to qualifying Freeport operators.
- > An effective change in ownership of a company will be deemed to have occurred where there is a change of more than 10% in its shareholding.
- > The Financial Crimes Commission can initiate new investigations into an offence committed under the POCA and FIAMLA before the FCC Act began.
- > Authorized Companies licensed by the FSC are excluded from the definition of Public Interest Entities (PIEs), due to amendments to the Financial Reporting Act.
- > The Companies Act will be amended to require immediate payment of fees to the Registrar of Companies upon document submission or request.

#### HOW WE CAN ASSIST

We will monitor the implementation of these measures closely and provide updates accordingly. For inquiries regarding these key measures or broader budget concerns, please contact our Mauritius Office at [mauritius@tridenttrust.com](mailto:mauritius@tridenttrust.com).

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