



NATIONAL BUDGET 2024/25

FISCAL MEASURES HIGHLIGHTS

June 2024

A vibrant, stylized illustration of a tropical beach scene. In the foreground, a sandy beach is populated with many small figures of people. The turquoise ocean has a few boats, including a larger white boat with a red stripe. In the background, a modern city skyline with various skyscrapers is visible under a bright, colorful sky with stylized clouds and a large sun. The entire scene is rendered in a bright, saturated color palette.

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*TOMORROW
IS OURS*
”



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The information in this publication has been extracted from the budget speech delivered by Dr. the Hon. Renganaden Padayachy, Minister of Finance, Economic Planning and Development, to the National Assembly on 07 June 2024.

Budget proposals regarding the recent fiscal measures will be effective once the Finance Act has been enacted.

This publication provides an overview of fiscal and financial assistance measures for the FY 2024/25 and should not be used to determine tax liability for any individual or corporation.

FOREWORD

This special budget bulletin aims at highlighting the major fiscal and financial assistance measures announced by Dr. the Hon. Renganaden Padayachy, Minister of Finance, Economic Planning and Development, during his budget speech 2024/25 on June 7th, 2024. Over the years, MRA has evolved from a traditional revenue collection organization into a key provider of financial assistance schemes benefiting the population.

The Mauritius Revenue Authority has been entrusted the responsibility to pay various financial assistance schemes, such as the CSG Income Allowance, CSG Child Allowance, Prime à L'Emploi Scheme, Diesel Financial Support, Financial Assistance to Employers, amongst others.

One key measure announced in this budget is the monthly minimum guaranteed income which has been brought to Rs. 20,000 starting July 1st, 2024.

We wish you a pleasant reading.



GLOSSARY OF TERMS



ARC	Assessment Review Committee
Rs.	Mauritian currency (rupee)
GRA	Gambling Regulatory Authority
MRA	Mauritius Revenue Authority
TASS	Tax Arrears Settlement Scheme
VAT	Value Added Tax
CSG	Contribution Sociale Généralisée

FINANCIAL ASSISTANCE TO INDIVIDUALS



MINIMUM GUARANTEED INCOME

As from **1st of July 2024**, individuals in full-time employment will have a **monthly minimum guaranteed income of Rs. 20,000**.

For all those with a basic wage, pension and any CSG Income Allowance not exceeding Rs. 20,000, they will benefit from a **top-up allowance of up to Rs. 500** to achieve the Minimum Guaranteed Income of Rs. 20,000.

CSG INCOME ALLOWANCE

Initially set at Rs. 1,000 per month for those (employees and self-employed individuals) earning up to Rs. 50,000 monthly. The allowance was increased to Rs. 2,000 last year for individuals earning up to Rs. 25,000 monthly.

Henceforth, the CSG Income Allowance will be:

- a. **Rs. 3,000** for some 110,000 employees and self-employed earning **less than Rs. 20,000**;
- b. **Rs. 2,500** for some 55,000 individuals earning **less than Rs. 25,000**;
- c. **Rs. 2,000** for some 50,000 individuals earning **less than Rs. 30,000**; and
- d. **Rs. 1,500** for some 105,000 individuals earning less than **Rs. 50,000**.

Eligible individuals will be granted up to 12 months to provide their bank details to enable the Mauritius Revenue Authority (MRA) to credit their bank account.

CSG CHILD ALLOWANCE

The CSG Child Allowance for children from birth up to the age of three years will be increased from Rs. 2,000 to **Rs. 2,500** monthly, irrespective of the number of children. This will take effect as from 01st July 2024.

The time frame for a beneficiary to submit his bank details will be increased from 3 months to 12 months.

The time limit to entertain an application will be extended to **31 December 2025**.

SCHOOL ALLOWANCE

As from the 1st of July 2024, a School Allowance of **Rs. 2,000 monthly** to all children aged 3 years up to 10 years, will be introduced.

INDEPENDENCE ALLOWANCE: A ONE-OFF GRANT OF RS 20,000 AT THE AGE OF MAJORITY

The time limit to submit an application, for the Independence Allowance, will be extended from 3 months to **12 months** from the date an eligible youth attains the age of 18 years.



PRIME À L'EMPLOI SCHEME

As from 17 November 2023, the minimum unemployment period for a person to qualify under the Prime à L'Emploi Scheme has been reduced from one year to 3 months. Employers joining the scheme are required to safeguard employment of an employee for a period of at least three years. An employer who lays off an employee is required to wait at least 3 months prior to making an application under the Scheme.

The Prime à L'Emploi Scheme for unemployed women and disabled individuals will be continued. **A sum of Rs. 7,500 monthly will be contributed for 20-hours of work in a week for women and disabled individuals willing to work on a part-time basis.**

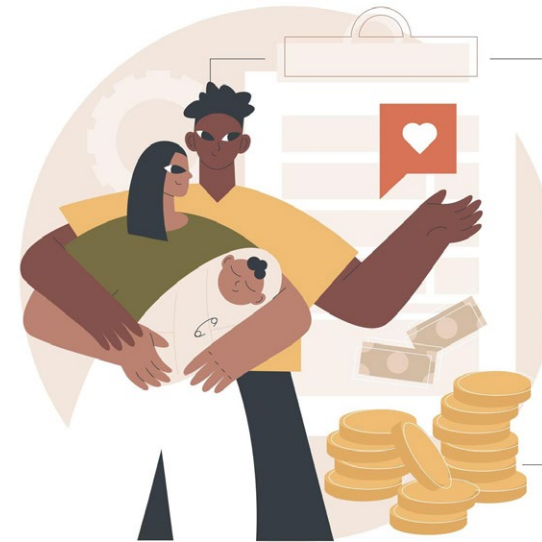
PREGNANCY CARE ALLOWANCE

Expecting mothers who complete the six mandatory medical checkups during their pregnancy will receive a **one-off grant of Rs. 3,000.**

Expecting mothers will receive a **maternity allowance of Rs. 2,000 for nine months**, starting from the 3rd trimester of pregnancy.

ALLOCATION ÉGALITÉ DES CHANCES

An Allocation Égalité des Chances to provide financial assistance to households earning less than Rs. 20,000 monthly will be introduced. **Each eligible household will receive a monthly allowance of Rs. 2,000.**



FINANCIAL ASSISTANCE TO BUSINESSES



DIESEL FINANCIAL SUPPORT

A financial assistance of **Rs. 5 per litre of diesel** consumed will be provided to certain categories of businesses.

FINANCIAL ASSISTANCE TO EMPLOYERS

The Income Tax Act will be amended to implement the decision of Government to provide a monthly financial assistance for payment of the National Minimum Wage and salary compensation for 2024. This includes a 10% increase of basic salary with a maximum of Rs. 2,000 for employees earning the national minimum wage.

a. Financial assistance for employees earning national minimum wage

- i. **Rs. 3,500** per employee of an Export Oriented Enterprise (EOE);
- ii. **Rs. 3,500 or Rs. 1,750** per employee of a manufacturing enterprise with annual turnover not exceeding Rs. 100 million, depending on the profitability of the enterprise;
- iii. **Rs. 2,500 or Rs. 1,250** per employee of a Small and Medium Enterprise (SME) or a manufacturing enterprise with annual turnover between 100 million and Rs. 500 million, depending on the profitability of the enterprise;
- iv. **Rs. 1,250 or Rs. 625** per employee of other enterprises facing difficulties, depending on the profitability of the enterprise; and
- v. **Rs. 2,500** per employee of a registered charitable institution or a registered religious body.

- b. **Financial assistance for employees earning basic salary above the national minimum wage but not exceeding Rs. 50,000 monthly**
- i. **Maximum of Rs. 2,000** per employee of an EOE;
 - ii. **Maximum of Rs. 2,000 or Rs. 1,000** per employee of an SME or a manufacturing enterprise with annual turnover not exceeding Rs. 500 million, depending on the profitability of the enterprise;
 - iii. **Maximum of Rs. 1,000 or Rs. 500** per employee of other enterprises facing difficulties, depending on the profitability of the enterprise; and
 - iv. **Maximum of Rs. 2,000** per employee of a registered charitable institution or a registered religious body.

c. **Duration of Assistance**

This assistance will be payable -

- i. for the period from January 2024 to December 2024 to EOE, SMEs, manufacturing enterprises, registered charitable institutions and registered religious bodies; and
- ii. for other enterprises facing difficulties, the period of assistance may be extended as approved by the Ministry of Finance, Economic Planning and Development, up to December 2024.



MANUFACTURING SECTOR

The investment tax credit of 15% over 3 years will henceforth include AI and patents.

FINANCIAL SERVICES

The Government has decided to extend the benefits of the Partial Exemption Regime to holders of Payment Intermediary Services (PIS) licences.

SUPPORT TO ARTISTS

Companies supporting a registered professional in the arts will benefit from a double deduction on the costs incurred.

Private investment in the development of the creative industry, including concert venues and theatres will be eligible for a Premium Investor Certificate which provides various incentives on taxation, utilities, labour, infrastructure amongst others.

BUS INDUSTRY

Compensation for the additional remuneration 2024 for the bus industry will be paid to maintain the price of bus fare.

TAXIS

The once-in a lifetime VAT exemption on purchase of a car for taxi operators will be increased by 20% to Rs. 120,000.

COMPANIES INVESTING IN NURSERIES

Companies investing in corporate nurseries will benefit from a tax credit of 25% on the cost of the investment.

NGOS

A triple deduction on the costs incurred for companies donating to NGOs involved in the combat against drug abuse, gender-based violence, poverty alleviation and protection of animals will be provided.

The income tax deduction will be increased from **Rs. 50,000 to Rs. 100,000** for individuals donating to other NGOs and charitable institutions. This also extends to companies making such donations.

BAKERIES

The following will be provided:

- a. **Subsidy on flour**
Rs. 540 of subsidy on a pack of 25 kg of flour to bakers to maintain its price at Rs. 109; and
- b. **Refund on gas oil**
Rs. 5 of refund per litre of gas oil to bakeries as from October 2023.
- c. **Subsidy increase for 'pain maison'**
The subsidy will be increased by 167% per "pain maison" to 24 cents to maintain the price at Rs. 2.60 instead of Rs. 4.80 without subsidy.

INCOME TAX



DEDUCTION FOR FEE PAYING PRIVATE SCHOOLS

All parents having children in full-time education in fee-paying private schools will be eligible for an income tax deduction of up to **Rs. 60,000 per child** per annum.

DEDUCTION FOR ELDERLY

An individual will be allowed to deduct **Rs. 30,000** for the employment of a carer to cater for his parents or grandparents.

OTHER EXEMPTIONS AND RELIEFS - EXEMPT INCOME

- i. The **exemption threshold on lump sum** received as pension, retiring allowance or severance allowance will be raised from Rs. 2.5 million to **Rs. 3 million**.
- ii. Interest income derived from a bond issued by a public sector company to finance infrastructure projects will be exempted, provided the exemption is approved by the Minister of Finance, Economic Planning and Development.
- iii. Compensation payable, as from 01 January 2024, by Government or a public sector body for losses directly or indirectly suffered as a result of a natural disaster.
- iv. An allowance paid by Government to an individual under a financial assistance scheme.
- v. The exemption granted in respect of income derived from the sale of securities will be extended to cover sale of virtual assets and virtual tokens.

CORPORATE CLIMATE RESPONSIBILITY

A Corporate Climate Responsibility (CCR) levy, equivalent to 2% of the company's profits will be introduced.

Companies with a turnover of less than **Rs. 50 million** will be exempted from this levy.

MEDICAL, BIOTECHNOLOGY OR PHARMACEUTICAL SECTOR

Income derived from intellectual property assets by a manufacturing company engaged in medical, biotechnology or pharmaceutical sector will be taxed at the rate of 15% instead of 3% in order to comply with international norms, and ensure the country's tax practices align with global standards.

DEDUCTION FOR DEPENDENTS

A typo in the Finance (Miscellaneous Provisions) Act 2023 will be corrected in Section 27(4) of the Income Tax Act in relation to deduction for a dependent child with effect as from 01 July 2023.

AMENDED RETURN

A taxpayer will not be allowed to submit an amended return if an objection has been made with MRA against an assessment or a representation has been lodged with the ARC.

CAPTIVE INSURANCE

The **8-year income tax holiday** granted to a captive insurer in Mauritius will apply as from the date the company has started its activities.

STATEMENTS OF FINANCIAL TRANSACTIONS

A bank will be required to include, in the statement of financial transactions submitted to MRA, information pertaining to deposits made by a bank account holder into his credit card or prepaid card accounts.

PARTIAL EXEMPTION

- A company holding a Robotic and Artificial Intelligence Enabled Advisory Services licence issued by the Financial Services Commission (FSC) will be eligible to claim an 80% partial exemption on such income, provided it conforms with the substance requirements.
- The 80% partial exemption granted to a licensed closed-end fund will be extended to cover income from sale of money market instruments or debt instruments.
- It will be clarified that the 80% partial exemption granted to a licensed Collective Investment Scheme (CIS) Administrator will not apply to income derived from the provision of administrative services by a management company to a CIS licence holder.

VALUE ADDED TAX



Value Added Tax (VAT), Customs duty and excise duty on the procurement of goods and services for a project will be exempted if the project is funded by a donor organisation to the tune of at least 50% grant or concessionary loan.

The following products will be made **zero-rated for VAT purposes** -

- i. vegetable seeds, fruit and flower seeds, bulbs and plants used for sowing or planting;
- ii. seedling trays;
- iii. plant pots;
- iv. agricultural sprayers;
- v. roasted coffee; and
- vi. baby lotions.

The services provided by a Management Company to:

- i. trusts whose settlor and beneficiaries are non-residents or
- ii. foundations whose founder and beneficiaries are non-residents,

will be made **zero-rated for VAT purposes**.

- The entrance fee to digital art galleries will be exempted from VAT.
- Provision will be made to allow diplomatic missions and agents to benefit from VAT exemption or refund on services.
- The VAT exemption granted on the construction of a purpose-built building for the provision of primary, secondary and tertiary education will be extended to pre-primary and Technical and Vocational Education and Training (TVET) with retrospective effect.

- Provision will be made to grant VAT exemption on motor vehicles, linked to construction, to approved contractors engaged in the construction of social housing units under a contract with the New Social Living Development (NSLD) Ltd. This measure will be applied with retrospective effect.
- It will be clarified that a person who has voluntarily registered for VAT purposes can claim, against his output tax, the input tax charged to him or paid by him on goods and services acquired as from the date of his voluntary registration.
- Where a supplier issues a VAT invoice stating the value of supply in foreign currency, he will be required to specify the conversion rate into rupees.
- It will be clarified that the time limit for MRA to require a person to furnish information or to produce books or records for the purpose of examining a return submitted by that person will be 4 years following the taxable period in which the return is submitted.
- MRA will be empowered to assess tax payable over a maximum of 4 years prior to the taxable period in which a return is submitted instead of 4 years prior to the taxable period in which the liability to pay tax arose to provide for sufficient time to examine a return which was submitted late.
- Where an application for refund of VAT paid on imported equipment is made by a non-VAT registered person under the VAT Refund Scheme, a statement from a freight forwarding agent or a Customs house broker certifying the amount of VAT paid will have to be submitted.

TAX ADMINISTRATION



SHARING OF INFORMATION

MRA will be allowed to share information –

- i. pertaining to financial assistance schemes with the Ministry of Finance, Economic Planning and Development; and
- ii. on emoluments and income, in an anonymised form, to Maurice Stratégie to enable the latter to carry out research on inequality and poverty for Mauritius.

e-PUBLICATION OF NAMES OF COMPANIES

The provisions relating to the timeframe for publication of names of companies not submitting returns will be fine-tuned.

TAX ARREARS PAYMENT SCHEME

The Tax Arrears Payment Scheme will be extended for another year. This incentive aims at facilitating the settlement of tax arrears under the Income Tax Act, the Value Added Tax Act and the Gambling Regulatory Authority Act. Under this scheme, taxpayers who settle their outstanding tax arrears in full by **31 March 2025**, will benefit from a complete waiver of penalties and interest.

To qualify for this scheme, taxpayers must register by 31 December 2024.

A Tax Arrears Settlement Scheme and a Contribution Arrears Settlement Scheme will be implemented up to June 2025, with a full waiver of penalties.

COMMUNICATION TO e-TAX ACCOUNT

Where a notice has been sent by MRA to the e-tax account of a person, the notice will be deemed to have been served on the date it was sent provided that the person has been informed of this communication, both through an SMS and an email.

CUSTOMS



NEGATIVE EXCISE DUTY SCHEME

The Negative Excise Duty Scheme, aimed at promoting the purchase of electric vehicles, will be extended for an additional year, up to 30 June 2025. Under this Scheme -

- a. an individual purchasing an electric vehicle irrespective of the electric motor power; and
 - b. a non-individual purchasing an electric vehicle of up to 180 kilowatt,
- will be eligible for a refund of **Rs. 200,000**.

DUTY FREE FACILITIES

a. **Tea growers**

Tea growers occupying a minimum of 1 arpent of land will benefit from duty free facilities on the purchase of a double cab.

b. **Artisanal fishers**

Duty free facilities will be provided to registered artisanal fishers for the acquisition of a 4 by 4 vehicle.

c. **NGOs and private hospitals**

NGOs and private hospitals will be provided with duty free facilities for the purchase of ambulances.

d. **Registered Priests**

Duty free facilities for the purchase of motor cars will be provided to all registered priests of all religions every 7 years.

e. **Parents of children aged below 18 years of age with disability**

For parents of all children aged below 18 years of age with a disability, duty free concession shall be provided on a motor vehicle.

PROMOTING CIRCULAR ECONOMY BY ENCOURAGING RECYCLING AND RE-USE OF PRODUCTS BY -

- a. Implementing extended producer responsibility for electronic and electrical wastes;
- b. Enabling the import of used tyres solely for the purpose of re-treading for exports.

PROJECT FUNDED BY DONOR ORGANISATION

Value Added Tax (VAT), Customs duty and excise duty on the procurement of goods and services for a project will be exempted where that project is funded by a donor organisation to the tune of at least 50 per cent grant or concessionary loan.

MOTOR VEHICLES - EXCISE/CUSTOMS DUTY ON CONVENTIONAL PETROL/DIESEL DRIVEN VEHICLES

The current Excise/Customs Duty Rebate Scheme, wherein a rebate of 45% or 55% was granted on motor vehicles, will end on 30 June 2024. With effect from 01 July 2024, the rebate rates will be incorporated in the statutory excise and Customs duty rates on conventional petrol and diesel driven vehicles. The statutory excise and Customs duty rates will be permanently reduced by the amount of the rebates.

FISCAL MEASURES 2024/25 HIGHLIGHTS: **CUSTOMS**

TAX ADMINISTRATION

A. Tax Administration: Customs Act

- i. The applicable 15% Customs duty will be abolished on milk beverages obtained from nuts, such as walnut and chestnut, to be at par with similar milk beverages such as almond milk, oat milk and soya milk.
- ii. An importer who imports goods on behalf of another person entitled to tax exemption should submit required documents within the statutory timeframe. Delayed submission of the documents will entail payment of taxes due on the goods as well as a penalty. However, if the delay is due to a reasonable cause, the taxes and penalty will not be payable.
- iii. The penalty provision for failure (i) to submit a Bill of Entry for the clearance of goods or (ii) to make necessary amendments to ensure the accuracy of a manifest within 5 working days after the time an aircraft has landed or a vessel has been berthed will be further deferred until 30 June 2026.

B. Tax Administration: Customs Tariff Act

- i. Provision will be made, with retrospective effect, to allow waiving of the remaining proportionate duties and taxes on a duty exempted motor vehicle which is considered a total loss in a declared natural disaster.
- ii. A beneficiary of a duty exempted motor vehicle will be allowed to benefit from another duty exempted motor vehicle within the same duty exemption period provided that the remaining proportionate duties and taxes exempted on the current motor vehicle is reimbursed.

C. Tax Administration: Excise Act

- i. Alcoholic Products

A new category of wine, called wine cooler, with alcoholic strength between 1.2 per cent and 8.5 per cent of alcohol by volume will be introduced for specified categories of wine. Consequential amendment will accordingly be made to the definition of these specified categories of wine.

The following rates of excise duty will be applicable for wine coolers -

Product	Rate of Excise Duty per litre (Rs.)
Wine cooler	186
Admixed wine cooler	80
Fruit wine cooler	31
Island wine cooler	31
Made-wine cooler	66
Sparkling wine cooler (other than champagne)	186

The existing excise duty of **Rs. 2** per unit on cans will be applicable on wine coolers in can.



- ii. A new Excise Licence will be introduced for the storage and maturation of alcoholic products meant for export or transfer to another excise licensee. The licence fee will be Rs. 25,000.
- iii. Plastic bottles made from plant-based materials will be exempted from the Rs. 2 excise duty per unit on plastic bottles used in the beverages industry.
- iv. Legislative framework will be introduced for the following -
 - a. anti-forestalling measures on the import of cigarettes to combat tax avoidance through the practice of clearing excess quantities of cigarettes from Customs during a period prior to an anticipated increase in taxes with a view to avoid paying higher taxes when the tax increase becomes effective; and
 - b. the local manufacture of golden rum, golden local rum and agricultural rum. Golden rums will be defined as rums placed in wooden casks for a period of less than 2 years.
- v. A definition of “can”, in relation to the Rs 2 excise duty per unit on beverages in cans, will be introduced to cover all metal cans.
- vi. Provision will be made to allow MRA to issue a Certificate of Age in respect of imported matured rum which has undergone further maturation locally for at least one year.
- vii. The restriction that matured rum should be bottled in containers not exceeding one litre will be removed.
- viii. An allowance for deficit during the process of bottling of up to one per cent will be granted for imported alcoholic products.
- ix. Provision will be made to allow a purchaser of an imported electric motor vehicle to make a claim for a refund of Rs 200,000 after the statutory time frame of 30 days provided the delay in making the claim is due to a reasonable cause.

x. Where a person has benefited through error from a remission, exemption, refund or reduction of excise duty, he will be required to pay it back within 28 days instead 30 days of the notice of claim issued by MRA to bring consistency in remittance timeframe in Customs laws.

xi. Manufacturers of alcoholic products and sugar sweetened products will be required to carry out a physical stocktaking of all excisable goods in their factory within one month after the end of a 12 months period. A statement of that stock duly certified by a qualified auditor will have to be submitted to MRA.

Excise



FREEPORT ACT

The Freeport Act will be amended to -

- a. 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
- b. provide for the extension of the maximum period during which goods may be warehoused in a freeport zone by 3 years; and
- c. authorise a Fulfillment Centre as a Freeport activity, provided that it does not include any -
 - i. manufacturing activity; or
 - ii. activity which does not involve physical movement of goods in the Freeport.

ROAD TRAFFIC ACT

The Road Traffic Act will be amended to -

- a. define a "classic or vintage motor car" as a car aged 40 years or more from its date of original registration in or outside Mauritius; and
- b. allow for the licensing of Electric Vehicle Charging Station.

OTHER BUDGETARY MEASURES



PASSENGER SOLIDARITY FEE

As from 01 January 2025, the Passenger Solidarity Fee for passengers departing from Mauritius and travelling by **First Class** and **Business Class** will be as follows:

Passengers	Destinations	
	Reunion, Madagascar, Seychelles or Comoros	Other countries
	\$	\$
Children aged 2 and above but below 12 years	25	50
Passengers aged 12 years and above	50	100

GAMBLING REGULATORY AUTHORITY ACT

The GRA Act will be amended to make it mandatory for a gaming machine operator, limited pay-out machine operator and hotel casino operator to keep all its gaming machines, limited pay-out machines, jackpot system powered on a 24/7 basis, to allow continuous online connection with the Central Electronic Monitoring System, except for maintenance purposes, with prior approval from GRA.

ASSESSMENT REVIEW COMMITTEE

The ARC will be able to postpone hearings on specified grounds only and determine cases within a specified time frame.



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