Starting Business Guide (Individuals)

January 2026

Introduction

This leaflet is intended to give an individual taxpayer who is starting a business in his own name an insight of his tax obligations and also the necessary records he has to keep.

The content of this guide relates to Trade, Business, Vocation and Profession, whether full time or part time carried on by Individuals or Sociétés or Partnerships.

The notes in this guide are informative only and have no legal force.

Things to do right at the start

Hereunder are the steps which an individual wishing to start a business in his own name has to follow in order to be compliant with regards to his fiscal obligations.

1. First, you will have to apply for a Business Registration Number (BRN) from the Companies and Business Registration Department.
2. Upon receiving your BRN, you will automatically be registered as a taxpayer with the MRA
3. For the purpose of fulfilling your fiscal obligations, MRA will provide you the required login and password to file your necessary returns.

As a taxpayer, you will have to furnish the following returns:

1. CSG return and pay the necessary contributions

As a newly registered self-employed, you have to submit a monthly CSG return and pay your CSG contributions as per the table below:

Net Income of the self-employed for the month	Social Contribution payable for the month
Not Exceeding Rs. 10,000	Rs. 150
Exceeding Rs. 10,000 but not exceeding Rs. 50,000	1.5% of 90% of the net income for the month Minimum payable – Rs. 150
Exceeding Rs. 50,000	3% of 90% of the net income for the month

However, for self-employed individual already in business, they have the option to submit their CSG returns either on a monthly basis or annual basis as per the table below:

Monthly	Annually
Compute their net income with respect to a month on the basis of one twelfth of the net income of the preceding financial year, provided that the self-employed has been operating during the corresponding 12 months and pay CSG as per the prescribe rate.	The Annual Social Contribution return together with the necessary payment is required to be made in advance at the start of the Financial Year by 31 August. The contribution payable will depend on the annual net income of preceding year. For example, if a self-employed individual's net income for preceding year was Rs. 120,000 the amount of CSG payable is calculated as follows: • 90% of the Rs. 120,000 = Rs. 108,000 • divide by 12 = Rs. 9,000 (<Rs. 10,000) • Therefore, Annual CSG payable will be Rs. 1,800 (Rs. 150 x 12 months) as per prescribe rate.

How to submit your CSG return:

a. Go to the website of MRA on **www.mra.mu**
b. Click on **e-Services**
c. Under File and Pay, Click on **Individual**
d. Click on **Registration and Submission of CSG / Social Contribution return for Self-Employed**
e. Choose your return type (either Monthly CSG return or Annual CSG return).
f. Insert your National Identification Number and Mobile Phone Number to log in. Follow the necessary instructions to file the return.

2. Obligations for Submission of CPS

A CPS Statement should be submitted quarterly to the Director -General by every self-employed taxpayer deriving business income (including income from Profession, Vocation or Occupation) and rental income where:

i. the gross income falling under CPS for the preceding income year exceeded Rs. 4 million, and had a chargeable income in respect of that preceding income year.

A CPS Statement shall **NOT** be submitted where:

i. CPS is being computed by reference to the chargeable income of the preceding income year and tax payable does not exceed Rs. 500; and

ii. the self-employed taxpayer is engaged in activitites specified in the Thirteenth Schedule and his gross income for the preceding year does not exceed Rs. 10 million.

Note:

CPS does not apply to an individual in respect of gross income derived from the cultivation of sugar cane or the growing of tobacco.

Due Dates

The Current Payment System (CPS) Statement of Income should be submitted as follows:

In respect of CPS quarter	Due date for submission of CPS Statement and payment of tax
1 Jul to 30 Sept	2 days excluding Saturdays and public holidays before the end of December
1 Oct to 31 Dec	31 March
1 Jan to 31 March	2 days, excluding Saturdays and public holidays, before the end of June

No need to submit for the 4th quarter, since a taxpayer is required to submit Annual Return by 15 October.

,3. Annual Income Tax Return

As a self-employed, you will be also required to submit an Annual Income Tax return electronically by 15 October every year.

Moreover, every individual who:

- derives:
  - a total net income exceeding Rs. 500,000;
  - gross income from any business exceeding Rs. 2 million;
  - emoluments in respect of which tax has been withheld under pay-as-you-earn (PAYE);
  - income that has been subject to Tax Deduction at Source, or
- has a chargeable income, has to submit an income tax return and pay tax, if any, electronically to the MRA.

4. Value Added Tax (VAT)

As a self-employed, you will have to register for VAT if your turnover of taxable supplies exceeds Rs. 3 million per year, except for those who are listed under the 10th Schedule of the VAT Act, they should register for VAT irrespective of their turnover. Both submission of returns and payment, if any, should be made electronically to the MRA.

Once a person is registered for VAT, he will have to charge VAT at the rate of 15% on all taxable supplies other than zero-rated supplies made to his customers and you will have to issue VAT invoices in accordance with the VAT Act as well as request VAT invoices from your suppliers in order to enable you to claim input tax on your purchases and expenses.

A Monthly VAT Return where taxable supplies (Turnover) exceeds **Rs. 10 million** or Quarterly VAT Return where taxable supplies does not exceeds Rs. 10 million per year has to be submitted.

5. As an Employer

If you employ someone in a business, you must register yourself as an employer within 14 days with the MRA and subsequently you will be allocated an **Employer Registration Number (ERN)**.

As an employer, you may have to deduct income tax under **PAYE (Pay As You Earn)** and pay **CSG/NSF/ Training Levy** in respect of that employee.

To remit the PAYE and CSG witheld, you will have to submit a:

- **Monthly PAYE/CSG/NSF/LEVY Returns**; and
- **Return of Employees (ROE)** by 15 August each year,

using your ERN and Password.

At the end of the financial year, as an employer, you will have to:

- **Submit a Return of Employee (ROE) by 15 August;** and
- **Issue a Statement of Emoluments to each employee by 15 August.**

What to do at the end of the year?

At the end of the tax year (30 June 2026), a self-employed individual has to submit, electronically, an Income Tax Return duly completed by **15 October 2026**.

The tax rates applicable for the fiscal year 2025/26 are as follows:

Chargeable Income (Rs)	Rate of Income tax
First 500,000	0%
Next 500,000	10%
On the remainder	20%

Reliefs, deductions and allowances applicable for year 2024/25

1. Who is a Resident?

"Resident" means an individual who has been present in Mauritius in the income year ended 30 June 2026 for a period of or an aggregate period of 183 days or more; or who has been present in Mauritius during that income year and the 2 preceding income years for an aggregate period of 270 days or more; or who has his domicile in Mauritius unless his permanent place of abode is outside Mauritius.

2. Who is a Dependent?

Dependent means either a spouse, a bedridden next of kin under his care, a child under the age of 18 or a child over the age of 18 and who is pursuing full-time education or training or who cannot earn a living because of a physical or mental disability.

Deduction for dependents is available separately and is as shown in the Table below:

Dependent	Amount of Deduction (Rs.)
1 dependent	110,000
2 dependents	190,000
3 dependents	275,000
4 dependents	355,000

3. Who is a Bedridden next of kin?

'Bedridden next of kin' in respect of a person, means the bedridden spouse, father, mother, grandfather, grandmother, brother or sister of that person or of his spouse, provided the bedridden next of kin is -

a. eligible to the carer's allowance payable under the National Pensions Act; and

b. under the care of that person.

In case the dependent in respect of whom a deduction has been claimed includes a bedridden next of kin, the net income and exempt income of that dependent shall exclude the benefits derived by the bedridden next of kin under the National Pensions Act.

4. Who is a Child?

a. An unmarried child, stepchild or adopted child of a person;

b. An unmarried child whose guardianship or custody is entrusted to the person by virtue of any other enactment or of an order of a court of competent jurisdiction;

c. An unmarried child placed in foster care of the person by virtue of an order of a court of competent jurisdiction.

Note:

Where for the income year ending 30 June 2026, a person claims deduction for dependents, the spouse of that person is not entitled to claim any deduction for dependents.

5. Who is a Retired Person?

"Retired person" means a person who attains the age of 60 at any time prior to 01 July 2025 and who, during the income year ending 30 June 2026, is not in receipt of any business income or emoluments exceeding Rs. 50,000 other than retirement pension.

6. Who is a Disabled Person?

"Disabled person" means a person suffering from permanent disablement.

7. Additional deduction in respect of dependent child pursuing undergraduate or postgraduate course

a. Where a person has claimed an additional deduction and the dependent is a child pursuing a non-sponsored full-time undergraduate or postgraduate course at an institution recognised by the tertiary Education Commission established under the Tertiary Education Commission Act or at a recognized tertiary educational institution, outside Mauritius, the person may claim an additional deduction in respect of that child pursuing tertiary education of Rs. 500,000.

b. The additional exemption is not allowable:-

   i. in respect of the same dependent for more than 6 years;

   ii. where the tuition fees, excluding administration and student union fees, are less than Rs. 34,800 for a child following an undergraduate course in Mauritius;.

8. Interest relief on secured housing loan

a. 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 or profit charge paid on the loan (under the Islamic financing arrangement).

b. The relief to be claimed in the EDF is the amount of interest payable or profit charge payable in the income year ending 30 June 2026. In the case of a couple where neither spouse is a dependent spouse, the relief may be claimed by either spouse or at their option, divide the claim equally between them.

c. **The loan must have been contracted from:-**

   i. a bank, a non-bank deposit taking institution, an insurance company, or the Sugar Industry Pension Fund;

   ii. the Development Bank of Mauritius by its employees;

   iii. the Statutory Bodies Family Protection Fund by its members; or

   iv. an Islamic Financing Arrangement.

d. **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 ending 30 June 2026, total income (net income plus interest and dividends received) exceeds Rs. 4 million;

iii. has benefitted from any new housing scheme set up on or after 01 January 2011 by a prescribed competent authority.

9. Relief for Medical Insurance Premium or Contribution

A person may claim relief for premium or contribution payable for himself or his dependents in respect of whom deduction for dependents has been claimed:

a. on a medical or health insurance policy; or

b. to an approved provident fund which has its main object to provide for medical expenses.

The relief is limited to the aggregate amount of premium or contribution paid for the income year up to a maximum of:

- **Rs. 25,000 for self**
- **Rs. 25,000 for first dependent**
- **Rs. 20,000 for second dependent**
- **Rs. 20,000 for third dependent**
- **Rs. 20,000 for fourth dependent**

No relief should be claimed where the premium or contribution has been paid by the employer or under a combined medical or life insurance scheme.

10. Deduction for Solar Energy Investment Allowance

An individual will be allowed to deduct the total amount invested in a solar energy unit during the income year. In the case of a couple where neither spouse is a dependent spouse, the relief may be claimed by either spouse or at their option, divide the claim equally between them.

11. Deduction for Rainwater Harvesting Investment Allowance

An individual who has invested in a rainwater harvesting system during the income year ending 30 June 2026 may deduct the amount invested from his net income. In the case of a couple where neither spouse is a dependent spouse, the relief may be claimed by either spouse or at their option, divide the claim equally between them.

12. Deduction for fast charger investment allowance in respect of electric car

An individual will be allowed to deduct the total investment in the acquisition of a fast charger for an electric car during the income year ending 30 June 2026.

13. Deduction for donation to approved charitable institutions

An individual will be allowed to deduct from its net income the amount donated electronically to approved charitable institutions up to an amount of Rs. 100,000 in the income year commencing on 1 July 2024.

The list of approved charitable institutions is available on MRA website: www.mra.mu

14. Deduction for contribution made to approved personal pension schemes

An individual will be allowed to deduct from his net income the amount contributed in respect of an individual pension scheme, an amount of up to Rs. 50,000, in the income year commencing on 1 July 2025.

15. Deduction for fee-paying private schools

Where a dependent in respect of whom a deduction is claimed is attending a fee-paying private primary or secondary school registered under the Education Act, the person shall, in addition to the deduction he is entitled to, be eligible to an additional deduction of the amount of the fees paid or Rs. 60,000, whichever is the lower.

16. Deduction for the employment of a carer

Where, in an income year, an individual employs one or more carers in respect of whom he has paid the contributions payable under the Social Contribution and Benefits Act 2021 and the National Savings Fund Act, he shall be entitled to deduct from his net income for that income year the wages paid to the carers or Rs. 30,000, whichever is lower.

17. Fair Share Contribution

An individual is liable to pay, in addition to his income tax liability, a Fair Share Contribution where, in an income year, his **Fair Share Contribution Income Threshold** exceeds 12 million rupees.

Fair Share Contribution Income Threshold means –

a. the net income;
b. the dividends derived from a resident company and a co-operative society; and
c. the share of dividend deemed to have been received from a resident société or succession.

The Fair Share Contribution payable is calculated at the rate of **15 per cent** of the **leviable income** in excess of 12 million rupees and is applicable for the income year starting on 1 July and the subsequent two income years.

Leviable Income means –

a. the chargeable income;
b. the dividends derived from a resident company and a co-operative society; and
c. the share of dividend deemed to have been received from a resident société or succession.

Both the **Fair Share Contribution Income Threshold** and the **Leviable Income** excludes –

a. dividends and distribution made by a global business entity; and
b. any lump sum by way of commutation of pension or by way of death gratuity or as consolidated compensation for death or injury and paid by virtue of any enactment or from a superannuation fund or under a personal pension scheme approved by the Director-General.

For the purposes of deducting tax under the PAYE system for **Fair Share Contribution (FSC)** the monthly **Cumulative FSC Income Threshold** for each of the months of July to June is given in the table below. The employer is required to apply PAYE at the rate of 15% on the portion of the Cumulative Chargeable Income (excluding any lump sum) that **exceeds** the Cumulative FSC Threshold.

Month	Cumulative FSC Income threshold
July	923,077
August	1,846,154
September	2,769,231
October	3,692,308
November	4,615,385
Prescribed end of year bonus	5,538,562
December	6,461,538
January	7,384,615
February	8,307,692
March	9,230,769
April	10,153,846
May	11,076,923
June	12,000,000

Income Tax Profits

Two important rules are:

i. Capital expenditure is not an allowable deduction in working out the profits for Income Tax purposes.

ii. The only expenses which are deductible are those which are exclusively incurred in the production of gross income.

Capital Expenditure means money paid for the purchase of a fixed asset that will be used in the day-to-day running of a business. In other words, it is not purchased for re-sale.

Example: Cost of business premises, plant & machinery, vehicles etc.

Revenue Expenditure are those expenditures incurred to generate revenues. These are also termed as Profit & Loss items.

Example: Accountancy fees, wages, rent, rates repairs, electricity bills, etc.

Although cost of business, plant & machinery and vehicles cannot be claimed as a deduction when computing profits, there are however specials allowances known as capital allowances for these expenditures.

Assessment, Objection & Appeal

If you fail to submit your Income Tax return and a copy of your accounts or your VAT Returns on time or if the MRA is not satisfied with your returns, the MRA will make an estimate of your tax liability. When you receive the notice of assessment, you must decide whether to pay or to object to the assessment within 28 days of the date of the notice of the assessment.

In case you object to the amount of tax assessed, you will have to pay 10% of the tax claimed in the assessment in order to consider your objection. The MRA is under an obligation to determine your objection within 4 months.

If you are still dissatisfied with the determination of the objection, you may make representations to the Assessment Review Committee (ARC), and if you are still dissatisfied with the decision of the ARC, you may make an appeal to the Supreme Court and the Privy Council.

Penalty for late submission of return

Every person who is required to electronically submit a return and who fails to do so, shall be liable to pay a penalty of Rs. 2,000 per month until the time the return is submitted, up to a maximum of Rs. 20,000. However, where the person is a small enterprise having an annual turnover not exceeding 10 million rupees or an individual who is not in business, the maximum penalty is Rs. 5,000.

Penalty for late payment of tax

A penalty of 5% of the amount of tax is payable in case of late payment. However, where the person is a small enterprise having an annual turnover not exceeding 10 million rupees or an individual who is not in business, the rate of penalty is 2%.

Interest on late payment of tax

In case of late payment, an interest rate of 0.5% is charged against the balance of tax payable for each month or part of the month during which the tax remains unpaid after the due date.

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