

# FISCAL MEASURES HIGHLIGHTS

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# **FOREWORD**

On 5 June 2025, Dr. the Hon Navinchandra RAMGOOLAM, GCSK, FRCP, Prime Minister, Minister of Defence, Home Affairs and External Communications, Minister of Finance, Minister for Rodrigues and Outer Islands, delivered the National Budget Speech for the financial year 2025/26. This important annual exercise provides a structured overview of the Government's strategic priorities and outlines the fiscal policy direction for the year ahead.

This Special Budget Highlight 2025, compiled by the Mauritius Revenue Authority (MRA), presents a summary of the key fiscal measures announced in the 2025/26 National Budget, together with other matters falling within the purview of MRA. This document is intended to serve as a comprehensive reference for taxpayers, businesses and stakeholders on fiscal matters.

In line with its mandate, MRA remains firmly committed to upholding transparency, fairness, and service excellence in the administration of the tax and Customs measures 2025/26.

We trust that this publication will provide useful insights.

Wishing you a pleasant and informative reading!

The information in this publication has been extracted from the budget speech delivered to the National Assembly, by Dr. the Hon Navinchandra RAMGOOLAM, GCSK, FRCP, Prime Minister, Minister of Defence, Home Affairs and External Communications, Minister of Finance, Minister for Rodrigues and Outer Islands, on 05 June 2025.

This publication provides an overview of fiscal measures for the FY 2025/26 and should not be used to determine tax liability for any individual or corporation.

ARC	Assessment Review Committee
ВоЕ	Bill of Entry
CSG	Contribution Sociale Généralisée
EDB	Economic Development Board
GRA	Gambling Regulatory Authority
MRA	Mauritius Revenue Authority

Rs	Mauritian Rupees
SRM	Social Register of Mauritius
TASS	Tax Arrears Settlement Scheme
TDSS	Tax Dispute Settlement Scheme
TDS	Tax Deduction at Source
VDSS	Voluntary Disclosure Settlement Scheme
VAT	Value Added Tax

# **GLOSSARY OF TERMS**







**INCOME TAX** 

#### FINANCIAL SUPPORT TO EMPLOYERS

#### **SALARY COMPENSATION 2025**

The Income Tax Act will be amended to implement the decision of Government to provide a monthly financial support for payment of the Salary Compensation 2025 as follows:

- (i) Rs 610 monthly per eligible employee of a charitable institution, a non-government organisation, a religious body or a trade union; and
- (ii) depending on the profitability of the enterprise, a maximum of Rs 610 or Rs 305 per eligible employee of:
  - (A) an SME, an Export-Oriented Enterprise, a bus operator or light rail operator providing public transport; and
  - (B) an enterprise operating in the Business Process Outsourcing, Security, Cleaning Services or Construction sectors, having a turnover not exceeding Rs 750 million in the year of assessment 2024-2023.

This assistance will be payable during the period from January 2025 to June 2025.

# NATIONAL MINIMUM WAGE AND SALARY COMPENSATION 2024

The Income Tax Act will be amended to implement the decision of Government to provide a monthly financial assistance to Export-Oriented Enterprises, irrespective of profitability, for payment of the National Minimum Wage and salary compensation 2024 in respect of:

- (i) Employees earning national minimum wage
  - (A) Rs 2,333 per employee for the period January 2025 to December 2025, including a bonus in December 2025; and
  - (B) Rs 1,167 per employee for the period January 2026 to December 2026, including a bonus in December 2026.
- (ii) Employees earning basic salary above the national minimum wage but not exceeding Rs 50,000 monthly:
  - a) maximum of Rs 1,333 per employee for the period January 2025 to December 2025, including a bonus in December 2025; and
  - b) maximum of Rs 667 per employee for the period January 2026 to December 2026, including a bonus in December 2026.



#### **PERSONAL INCOME TAX**

#### (a) Review of Personal Income Tax Rates and Bands

Current tax rates and bands		NEW tax rates and	d bands		
Chargeable Income	Rate (%)	Chargeable Income	Rate (%)		
First Rs 390,000	0	First Rs 500,000	0		
Next Rs 40,000	2	Next Rs 500,000	10		
Next Rs 40,000	4	Remainder	20		
Next Rs 60,000	6				
Next Rs 60,000	8	The new income tax ra			
Next Rs 300,000	10	and bands will be effective			
Next Rs 300,000	12	from income year starting 01st July 2025, i.e., on inco			
Next Rs 300,000	14	received by an individua from 01st July 2025.			
Next Rs 400,000	16				
Next Rs 500,000	18				
Remainder	20				

#### (b) Deduction for Dependent Child with a Disability

A taxpayer will be able to claim in respect of a child with a disability, the full deduction for a dependent child irrespective of any financial assistance provided to the child under the National Pensions Act or the Social Contribution and Social Benefits Act.

#### (c) Fair Share Contribution on High-Income Earners



A high-income earner, earning annual net income exceeding Rs. 12 million, inclusive of dividend income, will be required to pay a Fair Share Contribution at the rate of 15 percent of his chargeable income after adding thereto any dividend income received during the year from domestic companies.

The contribution will be collected under the PAYE system on income received by an individual as from 1 July 2025 and it will be applicable for 3 consecutive income years, i.e., up to 30 June 2028.

#### (d) Review of Taxation of Car Benefit

The monetary values of fringe benefits to be included in the gross income of an employee provided with a company car are being reviewed as follows:

Car Benefit	Monthly Taxable Benefits (Rs)		
	From	То	
Cylinder Capacity -		Car costing not more	
		than Rs 3 million	
up to 1,600cc	9,500	12,000	
1,601 to 2,000cc	10,750	13,500	
above 2,000cc	12,000	15,000	
Electric Car	N/A	13,500	
Car costing -		Car costin more than Rs 3 million	
more than Rs 3 million up to Rs 5 million	N/A	25,000	
more than Rs 5 million up to Rs 8 million	N/A	35,000	
more than Rs 8 million	N/A	50,000	

#### (e) Review of Personal Reliefs and Deductions

The following personal reliefs and deductions will be removed as from income year starting on 01<sup>st</sup> July 2025:

- (i) deduction of wage paid to a household employee;
- (ii) donation to charitable institutions;
- (iii) relief for adoption of animals; and
- (iv) angel investor allowance.



#### **CORPORATE TAX**

#### ALTERNATIVE MINIMUM TAX

An "Alternative Minimum Tax" (AMT) will be introduced on companies operating in certain profitable sectors in order to ensure fairness and equity given their low effective tax rate.

If the total tax payable by such a company as computed under the Income Tax Act, after availing of all eligible deductions but before deduction for tax credits, is less than 10% of its book profits, the company will be required to pay 10% of its book profits instead of normal tax.

The book profits that will be used for the computation of AMT will be adjusted for capital gains or losses and dividends received from resident companies.

The sectors which will be subject to the Alternative Minimum Tax will be as follows:

- i. hotels:
- ii. insurance companies;
- iii. companies engaged in financial intermediation activities;
- iv. companies engaged in real estate activities; and
- v. telecommunication companies.

#### The AMT will not be applicable to:

- (i) companies holding a Global Business Licence; and
- (ii) companies exempt from payment of income tax or which have been granted tax holidays.

Companies will not be allowed to offset any tax credits such as the foreign tax credit against the AMT payable.



#### QUALIFIED DOMESTIC MINIMUM TOP-UP TAX (QDMTT)

A Qualified Domestic Minimum Top-Up Tax will be imposed on a resident parent or subsidiary of a large Multinational Enterprise to raise their effective tax rate to 15 percent. Appropriate measures will be introduced to retain the competitiveness of the Mauritius International Financial Services Sector.

The OECD has developed the Global Anti-Base Erosion (GloBE) rules to ensure that Multinational Enterprises (MNEs) having annual

consolidated revenue of Euro 750 million or more are taxed on their global income at a minimum rate of 15%.

If a resident subsidiary of such an MNE is being taxed at an effective rate of less than 15% in a jurisdiction, the application of the GloBE rules will imply that another tax jurisdiction, usually the jurisdiction where the multinational is headquartered will collect the difference in tax.

In order to prevent the headquartered jurisdiction from collecting additional tax, a qualified domestic minimum top-up tax (QDMTT) should be introduced in our domestic legislation.

A QDMTT will therefore be imposed on resident subsidiaries and holding companies of MNEs resident in Mauritius, on income derived as from 01 st July 2025, by bringing necessary amendments to the Income Tax Act and its regulations.

#### FAIR SHARE CONTRIBUTION ON CORPORATES

Corporates having annual chargeable income above Rs. 24 million will be required to pay a Fair Share Contribution at the rate of:

- i. 5% of chargeable income if they are subject to the standard tax rate of 15%:
- ii. 5% of chargeable income for banks including on income derived by banks from transactions with non-residents and Global Business Companies; and
- iii. 2% of chargeable income if they are subject to the reduced tax rate of 3%.

The contribution will not be applicable to:

- i. companies holding a Global Business Licence;
- ii. companies exempt from payment of income tax or which have been granted tax holidays;
   and
- iii. income exempted from income tax.

Corporates will not be allowed to offset any unused tax credits such as the foreign tax credit against the contribution payable. The contribution will be applicable to income derived as from 01st July 2025 and will be imposed for 3 consecutive years, i.e., up to 30th June 2028.

It will be payable on a quarterly basis under a system similar to the Advance Payment System under corporate tax.

The contribution will be introduced under the Value Added Tax Act.

# ADDITIONAL FAIR SHARE CONTRIBUTION ON BANKS

Banks will be required to make an additional contribution of 2.5% of their chargeable income from domestic operations, i.e., excluding income derived from transactions with non-residents and Global Business Companies.

The contribution will be applicable to income derived as from 01st July 2025 and will be imposed for 3 consecutive years, i.e., up to 30th June 2028.

The contribution will be payable on a quarterly basis under a system similar to the Advance Payment System under corporate tax.

Banks will not be allowed to offset any unused tax credits such as the foreign tax credit against the contribution payable.

The additional contribution will be introduced under the Value Added Tax Act.



### INCOME TAX HOLIDAY FOR SMES

The 4-year income tax holiday granted to an SME on conversion from a sole trader or partnership into a company will no longer be allowed where the SME is:

- i. providing professional services;
- ii. a tourism operator; or
- iii. a training institution.

# REVIEW OF ALLOWABLE DEDUCTIONS FOR COMPANIES

The following double or triple deductions will, as from 01st July 2025, be granted only to a small and medium company (i.e. having annual turnover not exceeding Rs 100 million):

- i. double deduction of emoluments and training costs paid in respect of an employee in Rodrigues and emoluments paid to a woman paid under the Prime à l'Emploi Scheme;
- ii. double deduction of expenditure on the cost of setting up a crèche or Child Day Care Centre for its employees;
- iii. double deduction of expenditure on acquisition of patents and franchises;

iv. double deduction of expenditure on acquisition of specialised software and systems;

- v. double deduction of expenditure on financing, sponsorship, marketing or distribution costs of a film;
- vi. deduction of 150% of expenditure on filing fees in respect of an application to a recognised arbitration institution in Mauritius; and
- vii. triple deduction of donation, capped at Rs 1 million, to a charitable institution or NGO involved in specified activities.

#### SPECIAL LEVY ON BANKS

Currently, the Special Levy on Banks is capped at 1.5 times of the levy paid by a bank in 2017/2018. This cap will be removed.



# SMART CITY SCHEME AND OTHER SCHEMES RELATED TO PROPERTY ACQUISITION

The Smart City Scheme will be reviewed as follows:

#### Removal of fiscal incentives

The fiscal incentives granted to smart city promoters and developers under the Smart City Scheme Regulations are being waived, except for a project relating to:

- (A) the construction of a public transport station or terminal; or
- (B) the National Regeneration Programme.



# The main fiscal incentives being removed, include -

- (A) exemption from value added tax (VAT) on buildings and infrastructure;
- (B) 8-year income tax holiday on income derived from real estate activities within the Smart City;
- (C) exemption from Customs duty on import of machinery and materials for construction of buildings;
- (D) exemption from registration duty and land transfer tax on the transfer of land into a Smart City Company;
- (E) exemption from Morcellement fee, and
- (F) exemption from land conversion tax.

A project issued with a Smart City Certificate and a developer with a registration certificate after 05th June 2025 will no longer benefit from the above fiscal incentives.

As regards any project where development has already started prior to 05th June 2025, there will

be no further exemption from:

- (A) land conversion tax under the Scheme; and
- (B) Customs duty on import on furniture and machinery and materials for construction of buildings.

Such projects will continue to benefit, in respect of components for which a Building and Land Use permit has been issued and where construction has started before 05<sup>th</sup> June 2025, from:

- (A) recovery of VAT paid on buildings, capital goods and construction of public roads; and
- (B) income tax holiday on income derived from real estate activities within the Smart City.

#### Start-Ups and MSMEs

Start-Ups and MSMEs will be able to claim tax deduction on their investments in AI technologies up to an amount of Rs. 150,000.

#### **EXEMPT BODIES**

- (i) The National Guarantee Corporation Ltd will be exempted from income tax.
- (ii) Where a project is financed to the extent of at least 50% from grants or concessionary financing, as approved by the Ministry of Finance, from a foreign State or a donor institution, the company implementing the project will be exempted from corporate tax and its expatriate employees from personal income tax. Consequential amendments will be made to the Public Procurement Regulations and the Value Added Tax Act.

# INVESTMENT TAX CREDIT FOR SMALL BUSINESSES

A qualifying small business or service provider with annual turnover not exceeding Rs 10 million will be granted an investment tax credit of 5% over 3 years (i.e., 15% in total) on the cost of acquisition of new equipment not exceeding Rs 500,000 in a year. No tax credit will be granted in respect of acquisition of motor vehicles.

The tax credit will be granted on investment made during the period from 01<sup>st</sup> July 2025 to 30<sup>th</sup> June 2030.

Any unrelieved investment tax credit may be carried forward over 5 years.

# CORPORATE SOCIAL RESPONSIBILITY

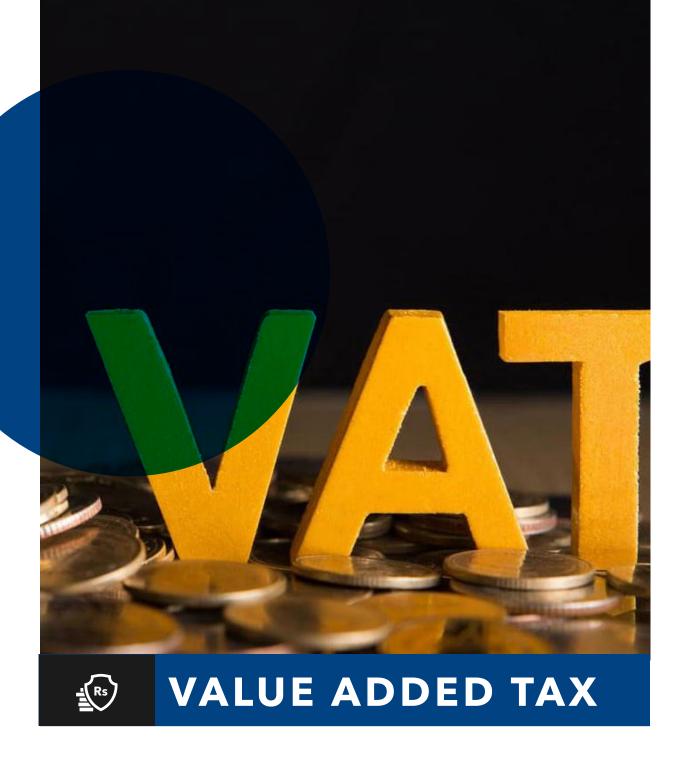
A corporate will be allowed to spend up to 50% of its CSR Fund instead of a maximum of 25% presently.

# PARTIAL EXEMPTION REGIME

- (i) A Virtual Asset Service Provider licensed by the FSC under the Virtual Asset and Initial Token Offering Services Act 2021, engaged in the exchange, transfer, safekeeping, and administration of virtual assets will be allowed to claim partial exemption of 80% on income derived from such activities, subject to compliance with substance requirements.
- (ii) It will be clarified that it is the relevant activity of the company generating the income that has to satisfy the conditions related to substance requirements to enable the company to benefit from the partial exemption in respect of that income

(iii) A bank will not be eligible to claim partial exemption on foreign source dividend.







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

- i. fruit and vegetable purées for infants:
- ii. canned vegetables such as tomatoes and mushroom;
- iii. frozen packed vegetables such as potatoes, beans, spinach and mixed vegetables; and
- iv. hairdressing services.

COMPULSORY REGISTRATION FOR VAT

Businesses will be required to compulsorily register for VAT purposes

Upon making a turnover of taxable supplies exceeding **Rs. 3 million** instead of **Rs. 6 million** with effect from 01st October 2025.

DIGITAL/
ELECTRONIC
SERVICES
PROVIDED
BY FOREIGN
SUPPLIERS

Specified digital or electronic services provided by foreign suppliers will be subject to VAT with effect from 01st January 2026.



VAT REFUND SCHEME FOR SMALL PLANTERS

**VAT refund on harvesting services** will be granted to planters under the VAT Refund Scheme for Small Planters.

ZERO-RATED CCTV SYSTEMS

It will be clarified that cameras for **CCTV systems are zero-rated** for VAT purposes.

VAT REFUND
ON THE
CONSTRUCTION
OF A RESIDENTIAL
BUILDING
DISCONTINUED

The VAT Refund Scheme on the construction of a residential building or the purchase of a residential apartment or house from a property developer will end on 30<sup>th</sup> June 2025 and will not be reconducted.

# e-invoicing system

# VAT ADMINISTRATION

- i. Suppliers having a turnover of more than Rs. 100 million are in the process of connecting seamlessly with the MRA e-invoicing server. During financial year 2025-26, suppliers making a turnover of more than Rs. 80 million will join the e-invoicing system.
- ii. It will be clarified that credit for input tax on rented parking is disallowed, except in respect of motor vehicles used in the furtherance of a business.
- iii. MRA will be empowered to use the best of its judgement when making an assessment of taxes due where it is not satisfied with the adequacy or correctness of records kept, as is the case under the Income Tax Act.
- iv. Provision will be made for an administrator. executor, receiver liquidator or appointed to manage or wind up the business of any company to be liable to pay the VAT due by the company in the order of priority of preferential payments to creditors set out under the Insolvency Act.

- v. It will be clarified that the reverse charge on supply of services received from abroad will apply to all VAT registered persons, including banks receiving services from a foreign supplier.
- vi. A person making vatable supplies may seek a ruling from MRA on the application of the VAT Act to his supplies. It will be clarified that a VAT ruling is binding on MRA only and not on the person seeking the ruling. As such, the latter has no right of representation against the ruling at the ARC. This will ensure that there are no unwarranted appeals against VAT rulings to the ARC. Consequential amendment will be made in the MRA Act.
- vii. It will be clarified that, where a supply is made to a foreigner who is outside Mauritius at the time the service is performed, VAT will be applicable if the service is utilised in Mauritius.

- viii. A holder of a Pleasure Craft Licence issued by the Tourism Authority will be required to compulsorily register for VAT purposes irrespective of his turnover. This will be applicable to a pleasure craft used for commercial purposes.
- ix. Failure by a person to submit information requested by MRA on transactions effected will henceforth be an offence and the person will be liable, on conviction, to a fine not exceeding Rs. 100,000 and to imprisonment not exceeding 3 years.
- x. Failure by a person to give access to computers and other electronic devices requested by MRA to ascertain his tax liability or provide assistance will henceforth be an offence and the person will be liable, on conviction, to a fine not exceeding Rs. 200,000 and to imprisonment not exceeding 5 years. The same penalty will apply to any person who obstructs MRA in the exercise of its functions.

- xi. The fine for offences relating to:
  - (A) making an incorrect return or statement relating to input and output tax;
  - (B) making an incorrect claim for repayment in respect of capital goods;
  - (C) giving incorrect information in respect of tax liability;
  - (D) a person claiming to be VAT registered when he is not;

or

(E) obstructing an officer of MRA in his functions

will henceforth be an amount not exceeding Rs. 500,000 instead of an amount not exceeding double the amount of tax involved.

Provision will also be made for any person convicted for any of these offences to be ordered by the court to pay an amount not exceeding double the amount of tax to which he is liable, in addition to any penalty imposed.

- xii. The fine for the following offences will be increased from **Rs. 50,000 to Rs. 100,000**:
  - (A) failure to keep records, produce books and records or provide any other information required by MRA for the purpose of ascertaining the tax liability of a person;
  - (B) failure of a VAT registered person to issue a VAT invoice:
  - (C) failure of a VAT registered person to change his taxable period from quarterly to monthly when his annual turnover exceeds Rs. 10 million; and
  - (D) contravening any other provisions of the VAT Act/ Regulations other than (1) a person claiming to be VAT registered or (2) obstructing an officer of MRA in his functions.

xiii. The fine for:

- (A) failure to register for VAT purposes;
- (B) failure to submit a VAT return and pay any tax due; or
- (C) submission of false returns, books, records, VAT invoices, documents or information with intent to evade VAT

will henceforth be an amount not exceeding Rs. 1 million instead of an amount not exceeding treble the amount of tax involved.

Provision will also be made for any person convicted for any of these offences to be ordered by the court to pay an amount not exceeding double the amount of tax to which he is liable, in addition to any penalty imposed.

- xiv.The fees payable for a VAT ruling will be increased from:
  - (A) Rs 2,000 to Rs 3,000 for an individual; and
  - (B) Rs 10,000 to Rs 15,000 for any other person





**CUSTOMS** 

### **CUSTOMS ACT**

- Provision will be made to allow photographic evidence to be used for the purpose of enforcing Customs laws and for this evidence to be admissible in a court of law. The same provision already exists in the Fisheries Act.
- ii. Provision will be made to empower the Minister of Finance to make regulations for the implementation of any agreement relating to Customs matters between MRA and any foreign Customs administration or other competent authority.
- iii. Under the VAT system, a VATregistered person pays VAT on the import of capital goods at Customs and then claims a refund of the VAT paid in his VAT return. Presently, the Customs Act provides that a VAT-registered person is not required to pay VAT on the import of capital goods of a value of Rs. 1 million or more. However, the VAT-registered person should declare the non-payment in his VAT return. To further ease the cash flow of businesses, the threshold for the import value of capital

- goods will be reduced to Rs. 500,000 or more.
- iv. Where goods are ordered, shipped, imported manufactured locally prior to the issue by MRA of a public of protection notice Intellectual Property Rights for aoods and their these authenticity and genuineness cannot be justified by the importer/manufacturer, MRA will be empowered to request the owner or authorised user to provide the justification. Where the latter cannot provide the justification within 5 working days, MRA will clear the goods.
- v. Where goods have been seized, MRA will have a time limit of 21 days from the date of seizure to notify the owner or his agent.
- vi. It will be clarified that a person who applies for authorisation to act as broker should have at least 5 years' working experience as a Customs clerk and should hold a School Certificate or General School Certificate with credit in at least three subjects, or any other equivalent qualification acceptable to MRA.

- vii. Presently, an export Bill of Entry is cancelled within 14 days from the date of bill validation even if the good is exported after 14 days. This is unfair to the exporter who has to process another export Bill of Entry. Provision will be made for an export Bill of Entry to be cancelled 7 days from the date of submission of the outward manifest of the departing aircraft or ship listing its cargo and passengers.
- viii. Where a person is not agreeable to the amount of taxes due to MRA and makes an objection but he has not specified the detailed grounds of the objection, MRA will he empowered to consider that the objection has lapsed. The person will be given a right of appeal against the decision of MRA. This new provision will be included in the various Customs laws in the following cases:
  - (A) payment of taxes under protest by the person;
  - (B) non-acceptance by MRA of a claim for refund of duty paid in excess made by the person;

## **EXCISE ACT**

- (C) claim by MRA for an erroneous refund or reduction in taxes;
- (D) claim for underpayment of taxes by MRA;
- (E) claim for taxes due by MRA where a person sells goods on which exemption has been granted before the expiry of 4 years from the date of the exemption; and
- (F) claim for excise duty unpaid following a stocktaking of excisable goods in a factory.
- ix. The Income Tax Act and VAT Act make provision for any aggrieved person lodging an objection at the Objection Directorate of MRA or an appeal at the Assessment Review Committee (ARC) to make a payment of 10% and 5% respectively of the amount of taxes underpaid. Similar provision will be made in the Customs Act. Customs Tariff Act and Excise Act to discourage frivolous objections and appeals with a view to delaying the payment of taxes due.
- x. Provision will be made for duty and taxes to be payable on a pleasure boat staying in Mauritius for more than a specified period of time.

- i. Provision will be made for the imposition of a penalty not exceeding 50 per cent and interest at the rate of 0.5 per cent per month on excise duty considered unpaid following a stocktaking of excisable goods in a factory.
- ii. Where a claim of taxes unpaid is issued by Customs to a manufacturer following a stocktaking of excisable goods in a factory, an appeal can only be made by the manufacturer at the level of the Objection Directorate of MRA. As such, the existing provision allowing a manufacturer to provide justification for taxes unpaid to Customs following the issue of a claim will be deleted.
- iii. It will be clarified that, where goods have been seized and the owner of the goods intends to enter an action against the seizure before the competent Court, he should notify MRA accordingly within 1 month from the date of seizure or issue of a notice of seizure by MRA.
- iv. Where goods have been seized and are the subject matter of criminal proceedings but are of a perishable nature, MRA will be empowered to sell the goods forthwith by public auction or public tender with the consent of the owner of the goods.

- v. A returning citizen of Mauritius who is coming back to settle in Mauritius is eligible to excise duty concession on a motor vehicle under certain conditions. One of them is that he has been residing outside Mauritius for a period of at least 5 years preceding the date of his return to Mauritius and he has been working outside Mauritius during that period or he has ceased to work on reaching retirement age. It will be clarified that, during that period of 5 years, he may have stayed in Mauritius for a maximum of 150 days in the aggregate.
- vi. Henceforth MRA will have the option to give public notice of the list of excise licences issued, renewed, transferred, cancelled or surrendered at the end of every year through publication in the Government Gazette, a newspaper or in electronic form.
- vii. It will be clarified that Ambassadors who have returned to Mauritius after a tour of service abroad and who have not availed of duty exemption facilities on the car purchased by them in the country of posting will be eligible to duty exemption facilities on a car once only after the expiry of their contract, subject to the approval of the High-Powered Committee.

## **EXCISE DUTY**

.02

#### **Tobacco Products**

Effective as from  $06^{th}$  June 2025, the following rates of excise duty on tobacco products will be applicable  $\blacktriangledown$ 

Tobacco Products	Current	New
Cigars (per kg)	Rs	Rs
Cigais (per kg)	23,510	25, 861
Cigarillos	Rs	Rs
(per thousand)	13,728	15,101
Cigarettes	D- 4 007	Rs
(per thousand)	Rs 6,807	7,488

Sugar Content of Sugar Sweetened Products ▼

The excise duty on the sugar content of sugar sweetened products will be increased from 6 cents per gramme of sugar to 12 cents per gramme of sugar with effect from 06<sup>th</sup> June 2025.

Moreover, two additional products will be subject to the excise duty of 12 cents per gramme of sugar namely chocolates and ice cream with effect from 01st October 2025.

.01

#### **Alcoholic Products**

Effective as from 06<sup>th</sup> June 2025, the following rates of excise duty on the main alcoholic products will be applicable ▼

Main Alcoholic Products	Current	New
Beer (per litre)		
Up to 9 degrees	Rs 52.80	Rs 58.10
Above 9 degrees	Rs 73.30	Rs 80.65
Spirit cooler (per litre)	Rs 68.85	Rs 75.75
Fruit wine (alcohol by volume/per litre)		
1.2% up to 8.5%	Rs 31.00	Rs 34.10
Above 8.5% up to 18%	Rs 42.75	Rs 47.05
Made wine (alcohol by volume/per litre)		
1.2% up to 8.5%	Rs 66.00	Rs 72.60
Above 8.5% up to 18%	Rs 91.65	Rs 100.80
Wine of grapes (alcohol by volume/per litr	e)	
In bulk for bottling purposes		
1.2% up to 8.5%	Rs 106.00	Rs 116.60
Above 8.5% up to 18%	Rs 147.40	Rs 162.15
In bottle		
1.2% up to 8.5%	Rs 186.00	Rs 204.60
Above 8.5% up to 18%	Rs 258.25	Rs 284.10
Champagne (per litre)	Rs 1,229.80	Rs 1,352.80
Rum (per litre of absolute alcohol)	Rs 724.10	Rs 796.50
Cane spirits (per litre of absolute alcohol)	Rs 724.10	Rs 796.50
Whisky (per litre of absolute alcohol)		
In bulk for bottling purposes	Rs 1,398.75	Rs 1,538.65
In bottle	Rs 2,236.10	Rs 2,459.70
Liqueur (per litre of absolute alcohol)	Rs 492.00	Rs 541.20

# .04

#### **Motor Vehicles**

#### A. Motor Cars

The following rates of excise/ Customs duty on vehicles will be applicable with effect from 06<sup>th</sup> June 2025 ▶

#### B. Electric Cars

#### B. Other Vehicles

A transitional provision will be made whereby the previous rates of excise duty will continue to apply on a vehicle which, as at 05<sup>th</sup> June 2025, is already in a bonded warehouse or has already been shipped or in respect of which an import permit has already been issued. However, the vehicle will have to be cleared from Customs on or before 30<sup>th</sup> June 2025.

Motor Cars	Conventional	Non-Plug-in Hybrid	Plug-in Hybrid
551 - 1,000 cc	45%	25%	15%
1,001 - 1,600 cc	55%	35%	25%
1,601 - 2,000 cc	75%	55%	35%
Above 2,000 cc	100%	75%	55%

Electric Cars	Rate of Excise Duty
Up to 180 kW	15 %
Above 180 kW	25%

Vehicles	Conventional	Non-Plug-in Hybrid	Plug-in Hybrid	Electric
Double Space Cabin Vehicles	30%	20%	15%	Up to 180 kW : 10% Above 180 kW : 15%
Single Space Cabin Vehicles	10%	5%	5%	5%
Vans	10%	5%	5%	5%
Private Buses	20%	15%	10%	5%

#### Negative Excise Duty Scheme

The Negative Excise Duty Scheme for electric vehicles will end on 30<sup>th</sup> June 2025 and will not be reconducted.

# .05

# **Environment Protection Fee**

The Environment Protection Fee will be increased for the following goods with effect from 01st July 2025 ▶

Goods	Current	New
Mobile phones having a value exceeding Rs 1,000	Rs 70 per unit	Rs 140 per unit
Batteries for vehicles *	Rs 50 per unit	Rs 100 per unit
Pneumatic tyres *	Rs 50 per unit	Rs 100 per unit
* excluding motorcycles, bicycles and wheelchairs		

.06

Excise Licences Fees for Wholesale/Retail Sale of Alcoholic Products ▶

- (a) A processing fee of Rs. 1,500 will be introduced on an application for the issue or transfer of an excise licence for the wholesale or retail sale of alcoholic products.
- (b) The annual excise licence fee for the sale of alcoholic products will be increased as follows:
  - (i) wholesale dealer: from Rs. 6,000 to Rs. 12,000; and
  - (ii) retailer: from Rs. 1,000 Rs. 6,000 to Rs. 2,000 Rs 12,000.

.07

# Processing Fee for Bill of Entry at Customs ▶

Bill of Entry	Processing Fee Per Bill of Entry
For Imports/ Excisable Goods	Rs 140
For Export	Rs 70
For Amendment to Bill of Entry	Rs 50

A processing fee will be introduced for Bills of Entry submitted at Customs to recover the cost of services provided.

.08

#### Duty Free Allowance on Alcoholic Products for Incoming Passengers

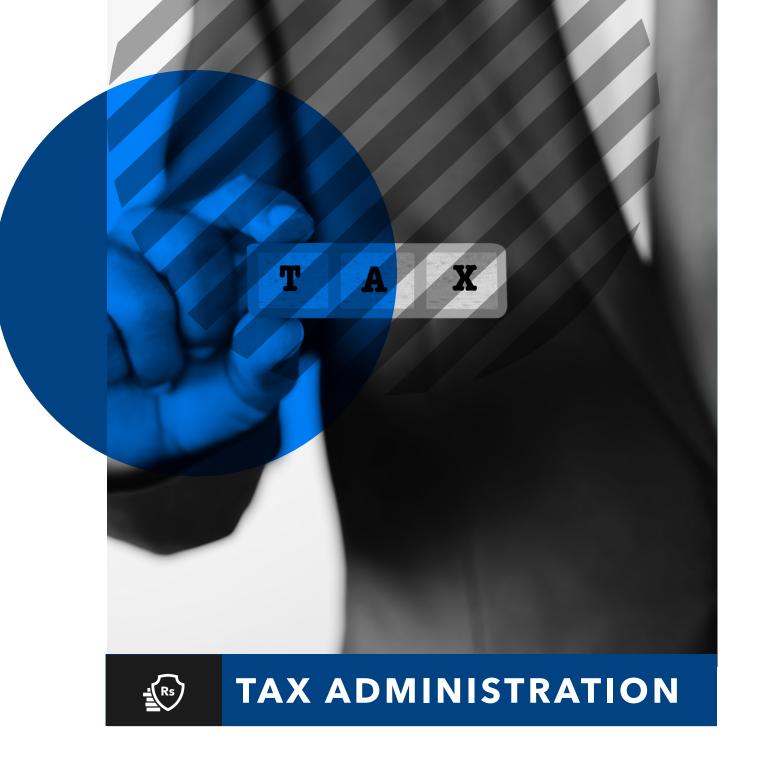
The duty-free allowance on alcoholic products for an incoming passenger, which is available in terms of three options, will be reviewed with effect from 01st September 2025 as follows

Options for duty free purchase of alcoholic products	Current	New
Option 1	3 litres of whisky	2 litres of whisky
Option 2	6 litres of wine	4 litres of wine
Option 3	2 litres of whisky + 4 litres of wine	1 litre of whisky + 2 litres of wine

#### Overtime and Other Charges Payable for Attendance of Customs Officers

The overtime fees payable to Customs officers for additional services required by stakeholders, such as examination of goods at their premises or supervision of bottling of excisable goods, will be increased by Rs. 100 per hour for special attendance and Rs. 50 per hour for other cases.

The payment of a meal allowance of Rs. 185 for the continued presence of a Customs officer up to 18.00 hrs or beyond will also be introduced.





The MRA will introduce a one-off TDSS to reduce the backlog of tax cases under dispute or litigation at the Assessment Review Committee, the Supreme Court or Privy Council.

Under this Scheme, a taxpayer who withdraws his case at the Assessment Review Committee, the Supreme Court or Privy Council and has a tax claim will benefit from a full (100%) waiver of penalties and interests.

The Scheme will be in operation up to 31st March 2026 and will apply to cases under litigation as at 05th June 2025. A tax payer will only benefit from the scheme if tax due is paid by 31st March 2026.

No amount of tax paid, including penalty and interest, shall be refundable under this scheme under any circumstances, except for cases which are at the Supreme Court where the tax due has already been paid.



The second one-off scheme which will be operated by the MRA is the VDSS which will encourage tax payers who have not declared or under-declared income or taxable supplies in the past to come forward and regularise their tax affairs.

Under this Scheme, a taxpayer will benefit from a full (100%) waiver of penalties and interests. The VDSS will be in operation up to 31st March 2026 and all payments should have been made by 31st March 2026

For income tax purposes, the VDSS will relate to non-declaration and under-declaration of income for the Year of Assessment 2024/25 and prior years, excluding returns that are due in June 2025.

For VAT purposes, the VDSS will relate to non-declaration and under-declaration of taxable supplies for the taxable period ended 30th April 2025 and prior periods.

No amount of tax, including penalty and interest paid, shall be refundable under this Scheme under any circumstance.



The Tax Arrears Settlement Scheme will be renewed to encourage taxpayers to settle their debts.

Under the Scheme, a tax payer having a tax debt, as at 30<sup>th</sup> June 2025, will benefit from a full (100%) waiver of penalties and interests.

Under the TASS, a taxpayer should register by 30<sup>th</sup> November 2025 and will have to settle the tax payments in full by 31<sup>st</sup> March 2026. It will apply to tax arrears outstanding as at 30<sup>th</sup> June 2025.

No amount of tax, including penalty and interest paid, shall be refundable under this Scheme under any circumstance. The three schemes above shall not apply to any person who has been convicted, is under pending civil or criminal proceedings or is the subject matter of an enquiry relating to:

- (A) drug trafficking under the Dangerous Drugs Act;
- (B) arms trafficking;
- (C) an offence related to terrorism under the Prevention of Terrorism Act;
- (D) money laundering under the Financial Crimes Commission Act; or
- (E) a corruption offence under the Financial Crimes Commission Act.







### POWER TO RAISE ASSESSMENTS

The powers of the MRA to raise assessments in respect of past years will be restricted to only two years, except in exceptional circumstances

# PENALTY FOR LATE SUBMISSION OF STATEMENT OF INCOME

No penalty will apply where a person fails to submit a Statement of Income under the Current Payment System on the due date.

### CHARITABLE INSTITUTIONS

It will be clarified that the Director-General of the MRA may revoke the status of charitable institution conferred to an entity if the latter is no longer meeting its charitable objects.

### CAPPING ON PENALTY AND INTEREST

- (A) Penalty and interest will be capped up to 100% of the amount of tax due.
- (B) The applicable penalties and interest charges for nonpayment of tax will be halved where they do not relate to withholding taxes collected on behalf of Government.

# TAX DEDUCTION AT SOURCE (TDS)

A company retaining the services of a non-resident entertainer or sportsperson to perform in Mauritius will be required to operate TDS irrespective of its level of turnover.

#### COLLECTION OF FEES BY MRA

The MRA will work with the Corporate and Business Registration Department towards having a single payment and receipt window at the level of the MRA.

## REGISTRATION OF TAX AGENTS

In order to pursue the efforts of modernising the tax administration and ensure the provision of professional services to tax payers, all tax agents will be required to register with the MRA. The law will provide for deemed registration in the case of a member of the Mauritius Institute of Professional Accountants or a law practitioner.

### STATEMENT OF WINNINGS

An operator holding a licence from the Gambling Regulatory Authority will be required to provide the receipt or ticket number of a winning ticket in the statement of winnings

### PAYMENT OF TAX IN FOREIGN CURRENCY

All businesses which receive at least 50% of their annual turnover in foreign currency will be required to pay their tax in foreign currency.

#### **TAX RULING**

The fees payable for a tax ruling will be increased as follows:

(A) in the case of an individual, from Rs 2,000 to Rs 3,000;

and

(B) in the case of company, from Rs 10,000 to Rs 50,000.

#### APPLICATION OF ARM'S LENGTH TEST (TRANSFER PRICING)

The scope and methodology of the application of the arm's length principle will be reviewed to provide greater certainty and protect our tax base.



# .01

#### Revenu Minimum Garantie Allowance; and Equal Chance Allowance

The above allowances payable under the **Social Contribution and Social Benefits Act** which are ending on 30<sup>th</sup> June 2025 will be renewed for two years, i.e. up to 30<sup>th</sup> June 2027.

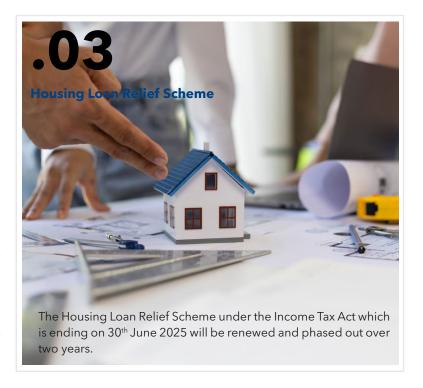
Allowance	Monthly Allowance		
	July 2025 to June 2026	July 2026 to June 2027	
Revenu Minimum Garantie Allowance	Maximum of Rs. 890	Maximum of Rs. 1,890	
Equal Chance Allowance	Rs. 2,000	Rs. 2,000	

# .02

#### CSG Income Allowance; CSG Child Allowance; CSG School Allowance; Pregnancy Care Allowance; and Maternity Allowance

The above allowances under the **Social Contribution and Social Benefits Act** which are ending on 30<sup>th</sup> June 2025 will be renewed and phased out over two years except for a member of a household who is a beneficiary under the Social Register of Mauritius.

A member of a household who is a beneficiary under the Social Register of Mauritius will continue to benefit from the above allowances in full.





.04

# ALLOWANCES WHICH ARE BEING PHASED OUT

CSG INCOME ALLOWANCE

Monthly income derived by an individual	Monthly Allowance		
	July 2025 to June 2026	July 2026 to June 2027	
Not exceeding Rs 20,000	Rs 2,000	Rs 1,000	
Above Rs 20,000 but not exceeding Rs 25,000	Rs 1,667	Rs 833	
Above Rs 25,000 but not exceeding Rs 30,000	Rs 1,333	Rs 667	
Above Rs 30,000 but not exceeding Rs 50,000	Rs 1,000	Rs 500	

#### **OTHER ALLOWANCES**



.05

#### **INDEPENDENCE ALLOWANCE**

The payment of the Independence Allowance under the Social Contribution and Social Benefits Act will be stopped as from 01st July 2025.

However, a household who is a beneficiary under the Social Register of Mauritius will continue to benefit from this allowance.

Allowances	Monthly Allowance			
	July 2025 to June 2026	July 2026 to June 2027		
CSG Child Allowance	Rs 1,667 per child	Rs 833 per child		
CSG School Allowance	Rs 1,333 per child	Rs 667 per child		
Housing Loan Relief Scheme	Rs 667	Rs 333		
Maternity Allowance (9-months)	Rs 1,333	Rs 667		
One-off Allowance				
Pregnancy Care Allowance	Rs 2,000	Rs 1,000		

• 06
PRIME À L'EMPLOI

No new application will be entertained under the scheme after 05<sup>th</sup> June 2025. However, the Prime à L'emploi allowance will continue to be paid in respect of eligible employees approved by the Mauritius Revenue Authority (MRA) on or before 05<sup>th</sup> June 2025.





OTHER BUDGETARY MEASURES

#### **SOCIAL CONTRIBUTION AND SOCIAL BENEFITS ACT**

#### **ANNUAL SOCIAL CONTRIBUTION RETURN**

In order to provide additional time for the submission of the annual CSG return and effect payment of contribution, the deadline will be extended from 31st July to 15th October for:

- (i) a self-employed individual; and
- (ii) an individual employing a person in his domestic service.

#### **OTHER AMENDMENTS**

Relevant clarifications will be brought to the Social Contribution and Social Benefits Act to enable better and efficient administration of the payment of social benefits by the Ministry of Social Integration, Social Security and National Solidarity

#### REINFORCING THE GAMBLING REGULATORY FRAMEWORK

In order to reinforce and improve the Gambling Regulatory Framework, the Gambling Regulatory Authority Act will be amended, amongst others, to:

- (a) spell out the roles and responsibilities of the Gambling Regulatory Authority Board, the Horse Racing Integrity Division (previously Horse Racing Division) and the Horse Racing Organiser;
- (b) regulate the importation and local transfer of horse races;
- (c) strengthen provisions regarding illegal betting and money laundering in the gaming industry;

- (d) make it mandatory for horse racing operators to be connected to the Central Electronic Monitoring System;
- (e) strengthen the regulatory and enforcement power to better control gaming activities; and
- (f) increase the existing penalties for offences relating to tax evasion in the gambling sector.
- (g) set the Gambling licence fees as per the following:



#### **GAMBLING LICENCE FEES**

Category of Licence	Annual Licence Fee	
	From (Rs)	To (Rs)
CATEGORY 1- Casino		
Casino Licence	3.5 million	5 million
Gaming Machine Licence (per gaming machine)	125,000	150,000
CATEGORY 2- Gaming House "A"		
Gaming House A	3.5 million	5 million
CATEGORY 3- Horse Racing		
Bookmaker licence for conducting fixed odd betting on local races:		
(a) at the racecourse	1 million	1.2 million
(b) outside racecourse	-	2 million
(c) through remote communication	3.5 million	5 million
(d) outlets	40,000	50,000
Totalisator operator licence -		
(a) for operating at the racecourse	1 million	2 million
(b) for conducting foreign race inter-totalisator betting	3.5 million	5 million
(c) Agent of a Totalisator Operator	-	500,000
(d) Equestrian Centre	-	15,000
(e) Trackwork Rider	-	500
(f) Apprentice Jockey	-	1,500
(g) Jockey	-	3,000
(h) Assistant Trainer	-	3,000
(i) Trainer	-	5,000
(j) Stable	-	5,000





Category of Licence	Annual Licence Fee		
	From (Rs)	To (Rs)	
CATEGORY 4			
Bookmaker licence for conducting fixed odds betting on events and contingencies through remote communication			
(a) Principal place of Business	3.5 million	5 million	
(b) Additional Place of business	40,000	50,000	
(c) For each event in addition to foreign Football	-	1 million	
CATEGORY 5			
(a) Operator of Mauritius National Lottery	5 million	6 million	
(b) Loterie Vert	500,000	1 million	
CATEGORY 6 - Miscellaneous			
(a) Sweepstake organiser licence	15,000	30,000	
(b) Local Pool Promoter Licence	15,000	30,000	
(c) Agent of a Foreign Pool Promoter Licence	15,000	30,000	
(d) Lottery licence under Part XVII	15,000 in respect of each lottery organized	30,000 in respect of each lottery organized	
(e) Dart Games licence	7,500 per dart board	8,000 per dart board	
(f) Ad Hoc Licence (licence fees per day)	15,000	30,000	
(g) Gaming House licence in respect of Gaming House "B" games	15,000	30,000	
(h) Limited payout machine operator licence	15,000	30,000	
(i) Limited payout machine licence	10,000	30,000	
(j) Amusement machine operator licence	15,000	30,000	
(k) Amusement machine licence	10,000	30,000	

#### **DECLARATION OF ASSETS ACT**

The Declaration of Assets Act will be amended to introduce a uniform 30-day period for declarants, such as senior public officers, to submit fresh declarations following the expiry of the initial five-year period.





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