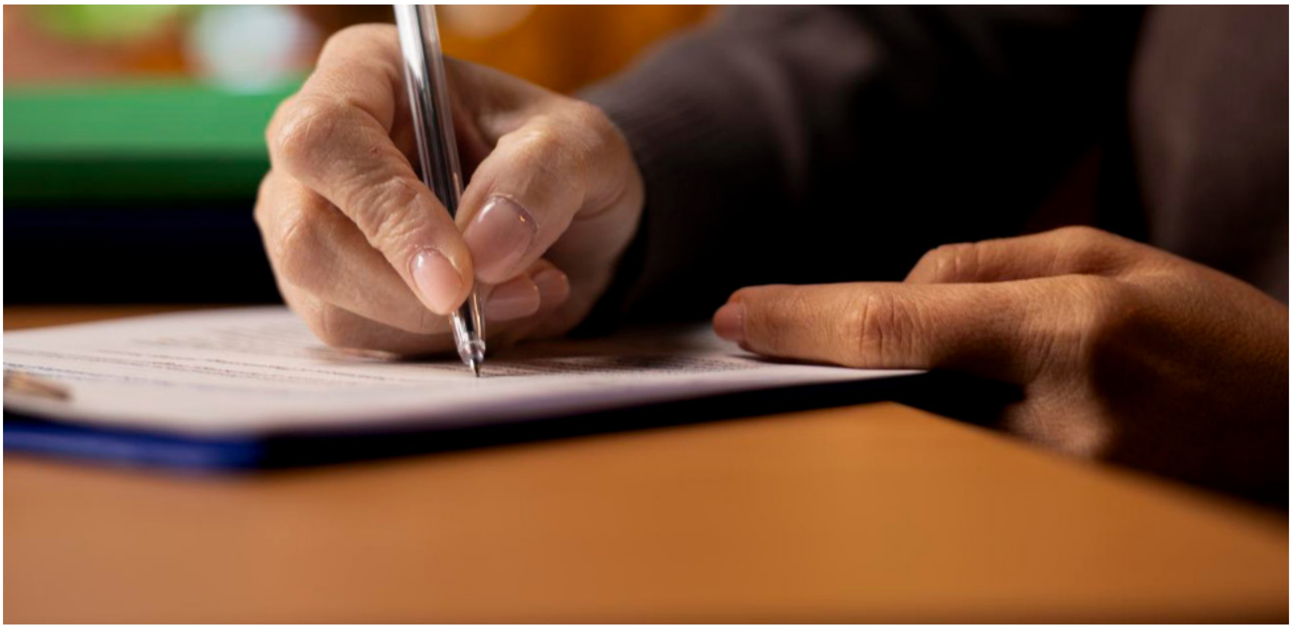
GUIDE ON

QUALIFIED DOMESTIC MINIMUM TOP-UP TAX (QDMTT)

September 2026

LIST OF ABBREVIATIONS

BEPS	Base Erosion and Profit Shifting
ETR	Effective Tax Rate
IIR	Income Inclusion Rule
IF	Inclusive Framework
GloBE	Global Anti-Base Erosion
GIR	GloBE Information Return
MNE	Multinational Enterprise
OECD	Organisation for Economic Co-operation and Development
QDMTT	Qualified Domestic Minimum Top-Up Tax
SBIE	Substance-Based Income Exclusion
UPE	Ultimate Parent Entity
UTPR	Undertaxed Profits Rule



The contents in this guide are for information purpose only.

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1.0 INTRODUCTION

This guide provides a brief overview of the QDMTT and is intended to assist stakeholders in understanding its key features and application.

The guide explains the main principles of the QDMTT, including its scope, applicability, computation of the top-up tax, filing and payment requirements, and other relevant compliance obligations. It also includes Frequently Asked Questions (FAQs) and illustrative examples to provide practical guidance on the application of the QDMTT.

The information contained in this guide is intended to provide general guidance and should be read in conjunction with the relevant provisions of the Income Tax Act and QDMTT regulations, OECD Pillar Two Guidance as defined in the QDMTT Regulations and guidance notes issued by this office.

2.0 BACKGROUND OF GLOBE RULES

Under the OECD/G20 Pillar Two GloBE Rules, large MNE groups are subject to a 15% global minimum effective tax rate on a jurisdictional basis.

Building on the work undertaken under BEPS Action 1, the GloBE Rules were developed by the IF to address the tax challenges arising from the digitalisation and globalisation of the economy. The GloBE Rules seek to ensure that large multinational enterprises pay a minimum level of tax on their income in each jurisdiction where they operate, thereby reducing incentives for profit shifting and establishing a global minimum level of taxation.

2.1 QDMTT IN MAURITIUS

In October 2021, over 135 jurisdictions, including Mauritius, joined a two-pillar solution to reform the international taxation rules and ensure that multinational enterprises pay a fair share of tax wherever they operate and generate profits.

Where the ETR is below 15%, the rules require the MNE Group to pay a top-up tax that will bring the total amount of tax on the MNE Group's excess profits in that low-tax jurisdiction up to the 15% rate. This top-up tax is either collected by the low-tax jurisdiction itself, under QDMTT, or, where no QDMTT applies, by another implementing jurisdiction through the imposition of either:

a. an IIR which imposes top-up tax on a parent entity in respect of the low taxed income of a constituent entity; or

b. a UTPR which denies deductions or requires an equivalent adjustment in a subsidiary jurisdiction in order to produce an equivalent incremental increase on the taxes paid by the MNE Group.

Mauritius has introduced the main provisions of QDMTT under Sub-Part AF of Part IV of the Income Tax Act on 09 August 2025 and applies from the Year of assessment commencing 01 July 2025, that is, in respect of fiscal years ending on or after 01 January 2025.

To supplement the legislative provisions of the QDMTT framework and for its effective implementation, the QDMTT Regulations were promulgated on 08 August 2026.

3. CORE PROVISIONS OF THE GLOBE RULES

Step 1	Determine whether the MNE Group is within scope
Step 2	Allocate income of Covered Persons on a Jurisdictional Basis
Step 3	Calculate the GloBE Income
Step 4	Determine Adjusted Covered taxes
Step 5	Compute the Effective Tax Rate and the Top-up Tax percentage
Step 6	Calculate excess profit by adjusting for Substance Based Income Exclusion and compute Top-up amount

3.1 Sources of Information

Sources of information to be used for the application of the QDMTT:

a. The Income Tax Act 1995 – Sub-Part AF
b. Income Tax (Qualified Domestic Minimum Top-up Tax) Regulations 2026
c. MRA Guidance Notes for Completion of Domestic Minimum Top-Up Tax (DMTT) Return

4.0 FREQUENTLY ASKED QUESTIONS

4.1 Scope and threshold

4.1.1 Who should perform a QDMT Tax scope assessment?

Every company in Mauritius that is part of a large MNE group should assess its group status, revenue threshold, entity classification and applicable exclusions.

4.1.2 Does the EUR 750 million test apply to Mauritius turnover?

No. It is a group-level consolidated revenue test under the applicable rules. For the purpose of the threshold test, the revenue of excluded entities is also taken into account.

4.1.3 Is the threshold tested only for the current year?

No. An MNE group is in-scope for QDMTT if it has annual revenue of €750 million or more in the consolidated financial statements of the UPE in at least two of the four fiscal years immediately preceding the relevant fiscal year. The group should therefore review the relevant historical consolidated revenue.

Illustration:

Determining if an MNE Group is in-scope for QDMTT for the Year of Assessment 2025/2026 based on the UPE's annual revenue as per the consolidated financial statements:

UPE's annual revenue as per its consolidated financial statements as at:					IN-SCOPE?
Fiscal year end	**30 June 2021**	**30 June 2022**	**30 June 2023**	**30 June 2024**	**30 June 2025**
	Year 1	*Year 2*	*Year 3*	*Year 4*	
Figures in '000	**Euro**	**Euro**	**Euro**	**Euro**	
Scenario 1	**800,000**	**750,000**	500,000	400,000	**YES**
Scenario 2	400,000	500,000	600,000	**1,000,000**	NO
Scenario 3	200,000	300,000	**750,000**	**750,000**	**YES**
Scenario 4	**1,000,000**	**800,000**	500,000	400,000	**YES**

4.1.4 Is QDMTT applicable for entities leaving the group?

Yes. An entity of an in-scope MNE group that leaves the group during the fiscal year is subject to QDMTT for the relevant period of the fiscal year based on its GloBE income and covered taxes taken into account in the consolidated financial statement of the UPE.

4.1.5 Is QDMTT applicable for entities joining the group?

Yes. Where an entity joins an MNE group during a fiscal year, the entity is treated as a member for QDMT tax purposes provided that any portion of its assets, liabilities, income, expenses or cash flows is included on a line-by-line basis in the consolidated financial statements of the UPE in the acquisition year.

4.1.6 Does QDMTT apply only for resident companies in Mauritius?

The application of QDMTT is based on the location of the entity rather than being limited to companies that are resident in Mauritius. If an entity is a tax resident in a jurisdiction based on its place of management, place of creation or similar criteria, it shall be located in that jurisdiction. In other cases, it shall be located in the jurisdiction in which it was created.

4.1.7 Is QDMTT also applicable for UPEs in Mauritius?

Yes. UPEs in Mauritius forming part of an in-scope MNE are also subject to QDMTT.

4.2 UPE and Fiscal year

4.2.1 Why in-scope entities in Mauritius need to have information on their respective UPEs?

The historic financial data of the UPE will be used to determine whether an entity is in-scope for QDMTT. Further, the fiscal year end of the UPE determines the due date of the filing obligations of the covered persons.

4.2.2 What is the fiscal year for QDMT Tax?

"Fiscal year" means an accounting period with respect to which the UPE of the MNE group prepares its consolidated financial statements or, where applicable, the calendar year, in accordance with section 50P of the Income Tax Act.

4.2.3 Can an in-scope entity's year-end be different from the UPE year-end?

Yes. In this case, the UPE's year-end will determine the filing obligations of the covered person in Mauritius.

Illustration

XYZ Holdings is a UPE located in South Africa. Its accounting year end is 31 March 2025 and it also prepares the group consolidated financial statements for that period. XYZ Holdings is also the parent entity of four other entities resident in Mauritius and therefore are in-scope for QDMTT applicable as from year of assessment 2025/2026.

The fiscal year end of each entity in Mauritius is as per the Table below.

Covered Person	Accounting year end of covered person
A	28 February 2025
B	30 June 2025
C	30 September 2025
D	31 December 2025

The accounting year end of each resident entity in Mauritius is different and also differs from the accounting year end of the UPE. The fiscal year end, for the purposes of the QDMTT, in this example is 31 March 2025, being the period with respect to which the UPE prepares the consolidated financial statements for the group.

4.3 Excluded entities and other types of entities

4.3.1 Which entities are excluded for QDMTT purposes?

- a Governmental entity;
- an international organisation;
- a non-profit organisation;
- a pension fund;
- an investment fund that is an Ultimate Parent Entity;
- an insurance investment entity;
- a real estate investment vehicle that is an Ultimate Parent Entity;
- an entity;
  a. where at least 95% of the value of the entity is owned by one or more excluded entities and where that entity:
     i. operates exclusively or almost exclusively to hold assets or invest funds for the benefit of the excluded person or persons; or

ii. only carries out activities that are ancillary to those carried out by the excluded person or persons; or

b. at least 85% of the value of the entity is owned, directly or through a chain of excluded persons, by one or more excluded persons provided that substantially all of the entity's income is excluded dividends or excluded equity gain or loss that is excluded from the computation of GloBE income or GloBE loss.

4.3.2 Are all real estate investment vehicles excluded?

No. Only a real estate investment vehicle that is a UPE is excluded.

A real estate investment vehicle means an entity the taxation of which achieves a single level of taxation either in its hands or in the hands of its interest holders, with a deferral of at most one year, provided that that person holds predominantly immovable property and is itself widely held.

4.3.3 Are all investment funds excluded?

No. Only an investment fund that is a UPE is excluded.

Investment Fund means an entity that meets all the criteria set out in paragraphs (a) to (g) below:

a. it is designed to pool assets (which may be financial and non-financial) from a number of investors (some of which are not connected);

b. it invests in accordance with a defined investment policy;

c. it allows investors to reduce transaction, research, and analytical costs, or to spread risk collectively;

d. it is primarily designed to generate investment income or gains, or protection against a particular or general event or outcome;

e. investors have a right to return from the assets of the fund or income earned on those assets, based on the contributions made by those investors;

f. the Entity or its management is subject to a regulatory regime in the jurisdiction in which it is established or managed (including appropriate anti-money laundering and investor protection regulation); and

g. it is managed by investment fund management professionals on behalf of the investors

4.3.4 How are joint ventures treated for QDMTT purposes?

Joint ventures are covered persons for QDMTT purposes.

But, the GloBE income or GloBE loss and the adjusted covered taxes of a joint venture are to be computed as if they were members of a separate multinational enterprise group.

4.3.5 How are permanent establishments treated for QDMTT purposes?

Permanent establishments (PEs) are treated as separate covered persons for QDMT tax purposes and are located in the jurisdiction in which the perm*anent establishment is situated, subject to the applicable rules.*

The GloBE income or loss and adjusted covered taxes attributable to the PE are taken into account in determining the effective tax rate and any QDMT tax liability for the jurisdiction in which the PE is located.

The income or loss attributable to the PE is generally excluded from the GloBE income or loss of its main entity, so that the same income is not taken twice.

If there is a loss in a PE, this will be treated as an expense of the main entity to the extent that the loss of the PE is treated as an expense for domestic tax purposes.

The tax expense in respect to the income or loss of a PE included in the financial accounts of a main entity will not be taken into account when calculating the covered tax expense of the main entity.

4.3.6 How are Investment entities treated for QDMTT purposes?

An investment entity that is a member of an MNE group shall calculate the effective tax rate separately from other members of the MNE group.

ETR for the investment entity is equal to its adjusted covered taxes divided by the MNE group's allocable share of its GloBE income.

4.4 GloBE income

4.4.1 What is GloBE income or GloBE loss?

The GloBE income or GloBE loss of a covered person is its financial accounting net income or loss for the fiscal year, as per the figures of the consolidated financial statements, after taking into account prescribed adjustments.

4.4.2 Is GloBE income or GloBE loss same as accounting profit or accounting loss?

No. GloBE income/GloBE loss starts from accounting profit/loss but is not necessarily identical because prescribed GloBE adjustments apply.

4.4.3 Is GloBE income the same as Mauritius chargeable income?

No. Chargeable income is net income less allowable expenses as per the provisions of the Income Tax Act but GloBE income is accounting profit or loss less prescribed adjustments.

For example, capital gains are not taxable in Mauritius but for QDMT tax purposes, gains relating to a portfolio shareholding are not excluded from GloBE income merely because they are not taxable under the Mauritius income tax rules.

4.4.4 In which currency GloBE Income is reported in DMTT return?

The currency in which the GloBE income/ GloBE loss is reported is the presentation currency used in the consolidated financial statements of the UPE.

4.5 Covered Taxes

4.5.1 What are covered taxes?

Covered taxes are taxes included within the definition of "covered taxes" under section 50P of the Income Tax Act, including taxes recorded in the financial accounts of a covered person with respect to its income or profits and certain taxes imposed in lieu of a generally applicable corporate income tax.

Taxes on income such as Fair Share Contribution, solidarity levy and CCR levy are also covered taxes, subject to the applicable GloBE rules and adjustments.

4.5.2 Is every tax paid by the company a covered tax?

No. Taxes must be tested against the GloBE covered-tax definition.

4.5.3 In which currency covered taxes are reported in DMTT return?

The currency in which covered taxes is reported is the presentation currency used in the consolidated financial statements of the UPE.

4.6 ETR

4.6.1 What is the combined ETR?

The combined ETR is the jurisdictional ETR, that is, it is the adjusted covered taxes of all the covered persons of an in-scope MNE Group located in a jurisdiction divided by the Net Globe income of all covered persons of the MNE Group. It is used to determine whether Mauritian entities forming part of in-scope MNE Group have been taxed at a minimum rate of 15% in a fiscal year. It is calculated as follows:

Example: Computation of ETR

W, X, Y and Z are covered persons in Mauritius. Their combined ETR is calculated as follows:

Covered person	Net GloBE income/ (loss)	Covered taxes	ETR
	Euro	Euro	
W	700,000	25,000	
Y	(25,000)	-	
Z	800,000	75,000	
Jurisdictional total	**1,475,000**	**100,000**	**6.8%**

ETR = Sum of covered taxes / Net jurisdictional GloBE income

ETR = 100,000 / 1,475,000 = 6.8%

4.6.2 What if the ETR is 12%?

The top-up percentage will be 3%, that is, the global minimum tax of 15% less ETR of 12%.

4.6.3 Can deferred tax matter?

Yes. Deferred tax treatment is relevant under the GloBE covered-tax rules and should be taken into account for computing covered taxes.

4.7 SBIE and Top-Up Tax Amount

4.7.1 What is the SBIE?

The SBIE is an amount of income that is excluded from calculation of top up tax. It is intended to provide a reduction for the portion of a covered person's income that is attributable to substantive activities in Mauritius.

4.7.2 How is SBIE computed?

The SBIE is calculated annually as a cumulative percentage of two distinct "carve-outs":

- **Eligible Payroll Costs:** A percentage of the payroll expenses for employees who physically perform work for the MNE group within Mauritius.
- **Eligible Tangible Assets:** A percentage of the financial carrying value of physical, tangible assets (such as real estate, machinery, and equipment) located in Mauritius.

4.7.3 Does SBIE reduce the ETR?

No. It reduces excess profit used in the top-up tax calculation.

4.7.4 What is the rate to be used for SBIE?

Fiscal year beginning in	Payroll carve-out rate	Tangible asset carve-out rate
2024	9.8 per cent	7.8 per cent
2025	9.6 per cent	7.6 per cent
2026	9.4 per cent	7.4 per cent
2027	9.2 per cent	7.4 per cent
2028	9.0 per cent	7.0 per cent
2029	8.2 per cent	6.6 per cent
2030	7.4 per cent	6.2 per cent
2031	6.6 per cent	5.8 per cent
2032	5.8 per cent	5.4 per cent

4.7.5 What is the Top-Up tax amount?

The top-up tax amount is the additional tax covered persons must pay in Mauritius to bring the combined effective tax rate to the global minimum of 15%.

4.7.6 How is Top-up tax amount computed?

Top-up tax amount = (Net GloBE income – SBIE) × Top-up tax percentage

where Top-up tax percentage = 15% – ETR

4.7.7 Is there Top-up Tax when there is a GloBE loss?

Generally No. There is no Top-up tax payable in cases where there is GloBE loss in a fiscal year, except in cases where there is negative adjusted covered taxes.

4.7.8 What happens when there is a negative covered tax?

Where the adjusted covered tax of the covered persons in an MNE Group is **negative** but the MNE Group has **GloBE income** for Mauritius, the top-up tax percentage exceeds the global minimum rate of 15% due to a negative amount of adjusted covered taxes and therefore the MNE Group shall apply the Negative Tax Expense administrative procedure.

An MNE Group that applies the Negative Tax Expense administrative procedure shall exclude the negative tax expense from its aggregate adjusted covered taxes computed for the fiscal year and establish an excess negative tax expense carry-forward. The Excess Negative Tax Expense Carry-forward must be utilised in all relevant subsequent computations of the jurisdictional ETR.

When there are **negative** adjusted covered taxes in a fiscal year in which there is also a **GloBe Loss**, the MNE group must pay an additional top-up tax pursuant to section 50T(3) of the Income Tax Act to the extent that the negative adjusted taxes are less than 15% of the GloBE Loss determined for the year.

4.8 Safe Harbours

4.8.1 What is a safe harbour?

A prescribed simplification that can reduce the need for a full QDMTT calculation where the relevant conditions are satisfied.

4.8.2 Does QDMTT legislation provide for a safe harbour in Mauritius?

Yes. The transitional CbCR safe harbour.

4.8.3 What is the CbCR transitional safe harbour?

It uses qualifying Country-by-Country Reporting and financial information to apply prescribed tests such as de minimis, simplified ETR and routine profits.

There is no Top-up tax payable if:

a. the MNE group reports total revenue of less than EUR 10 million and profit or loss before income tax of less than EUR one million on its qualified CbC report for the fiscal year; or

b. the MNE group has a simplified ETR which is equal to or greater than the transition rate for the fiscal year; or

c. the MNE group's profit or loss before income tax is equal to or less than the SBIE amount for entities resident in Mauritius under the CbCR.

4.8.4 Until when the transitional CBCR safe harbour is available?

The transitional CbCR safe harbour is available for MNE Groups with fiscal years ending on or after 1 January 2025 but not including a fiscal year that ends after 30 June 2028, subject to the applicable conditions.

Following the release of the Side by Side Package by the OECD, the transitional CbCR Safe Harbour has been extended to the fiscal year ending on or before 30 June 2029.

4.8.5 Does a designated person need to submit a full DMTT return if the MNE Group satisfies the transitional CbCR for a safe harbour?

No. The transitional safe harbour allows an in scope MNE Group to deem the top-up tax to be zero when conditions are met. However, the group must first establish that all conditions are met and retain adequate supporting records.

4.9 De Minimis Exclusion

4.9.1 What is the de minimis exclusion?

The QDMT tax of all covered person is deemed to be zero for that fiscal year where:

i. the average GloBE revenue of the covered persons is less than EUR 10 million; and

ii. the average GloBE income or GloBE loss of the covered persons is either a loss or is less than EUR 1 million.

4.9.2 What is the average GloBE income or average GloBE loss for de minimis purposes?

Average GloBE income or GloBE loss shall be calculated as the average of the GloBE income or loss of the covered persons for the current fiscal year and the two preceding fiscal years.

4.9.3 What is the GloBE revenue for de minimis purposes?

GloBE revenue means the sum of the revenue of all covered persons located in Mauritius taking into account the adjustments referred to in regulations 4 to 7 of the QDMTT Regulations.

4.9.4 In what currency should the GloBE income or loss or GloBE revenue reported for De minimis purposes?

The currency in which the GloBE income or loss or GloBE revenue will be reported for de minimis purposes is Euro.

Even if the designated person files the DMTT return in a currency other than EUR, the figures for de minimis should be translated in Euro based on the average foreign exchange rate for the month of December for the calendar year immediately preceding the calendar year and determined by the foreign exchange reference rates as quoted by the European Central Bank.

4.9.5 What happens if there is no GloBE revenue or GloBE income or loss for the covered person in either of the two preceding fiscal years?

Where no GloBE revenue or GloBE income or loss is recorded for the covered persons in either of the two preceding fiscal years, such year or years shall be excluded from the calculation of the average GloBE revenue or average GloBE income or loss.

4.9.6 What should be considered as the average GloBE revenue or the average GloBE income or average GloBE loss for the first year of DMT return in Mauritius?

For the first year of QDMT return in Mauritius, that is, the year of assessment 2025/2026, the average GloBE revenue and the average GloBE income or average GloBE loss shall be the GloBE revenue and GloBE income or GloBE loss reported in that year of assessment.

4.9.7 Does the designated person have to submit a full DMTT return where the de minimis test is met?

No. The designated person will fill in the first page, covered persons and excluded persons details and information on de minimis. The other pages of the DMTT return are not to be filled.

4.10 Designated person and notification

4.10.1 Who is the designated person?

The designated person is the Mauritius-resident person responsible for filing the QDMT Tax return and paying the tax due for the MNE group.

4.10.2 How often is notification required?

A notification return must be filed annually, in respect of each fiscal year.

4.10.3 What is the notification deadline?

The notification is due within six months from the end of the MNE Group's fiscal year.

4.10.4 What information should be filled in notification?

The notification return requires covered persons to disclose general information such as its UPE's closing date of accounts, contact details, and address. The covered person is also required to disclose the designated person's identification, contact information and address.

4.10.5 What if the designated person leaves the group?

Where the designated person is no longer a member of the MNE group and a notification has already been filed but DMTT return is not yet submitted, the MNE Group should notify MRA of the new designated person.

4.10.6 Can an amended notification be filed?

No. Where details in the notification have to be amended, the designated person should contact the MRA.

4.10.7 What if no designated person is appointed?

Where no designated person has been appointed, every covered person is required to file the QDMT tax return and shall pay the QDMT tax in proportion to each covered person's GloBE income to the total GloBE income of all covered persons.

4.11 Filing and XML

4.11.1 Who files the DMTT return?

The designated person files the DMTT return.

4.11.2 Currency used to file the return?

The currency in which the DMTT return is submitted is the presentation currency used for the consolidated financial statements of the UPE.

4.11.3 When is the return due?

The DMTT Return should be submitted not later than 15 months from the end of the month in which the fiscal year ends, together with payment of any QDMT tax payable.

4.11.4 How is the return filed?

The return is filed electronically (XML process) on the e-services platform available on the MRA website.

4.11.5 Can the taxpayer generate XML directly?

Yes. MRA encourages direct XML generation from the taxpayer's systems.

4.11.6 Is there an Excel option?

Yes. MRA provides an Excel template that can generate the DMTT XML for upload.

4.11.7 What if XML validation fails?

Correct the underlying data or formatting error, regenerate the XML and validate it again before submission.

4.11.8 Should the XML file be retained?

Yes. Retain the submitted XML as part of the compliance record.

4.12 Payment of Top-Up Tax

4.12.1 When is QDMT Tax paid?

QDMT Tax is payable not later than 15 months from the end of the month in which the fiscal year ends, together with the DMTT return.

4.12.2 Can payment be made electronically?

Yes. MRA provides electronic payment arrangements.

4.12.3 In what currency is payment made?

Where a designated person submits the DMTT return in US dollar, Euros, GB Pounds sterling, Singapore dollars, South African rands, Swiss francs, the payment of tax should be made electronically in that currency. In any other case, the payment should be made in Mauritian currency.

4.12.4 Who pays the tax?

The designated person pays the top-up tax. Alternatively, the covered persons may share the top-up tax payable in a ratio as agreed by them.

Example

Entities A, B, C and D are covered persons in Mauritius.

Scenario 1: Entity D is the designated person.

QDMTT return is filed by entity D and the DMTT tax is wholly paid by D.

Scenario 2: Entity A is designated person for Entity C and for itself and Entity D is the designated person for Entity B and itself.

DMTT returns are filed by entity A and entity D and the QDMTT tax is paid by entities A and D.

4.13 Penalties, Interest and Amendments

4.13.1 What is the penalty for late payment of QDMTT tax?

A penalty of 2.5 per cent of the amount of QDMT tax.

4.13.2 Is interest charged?

Yes. Interest is charged at the rate of 0.25 per cent per month or part of a month during which the QDMT tax remains unpaid.

4.13.3 Can adjustments be made to DMTT returns?

Yes. An amended DMTT return can be submitted within 3 years of assessment following the year of assessment in which a QDMTT return is submitted.

4.13.4 Can assessment be done for QDMTT?

Yes, in accordance with the provisions of section 129 of The Income Tax Act.

4.13.5 Can refund be claimed for QDMTT?

Yes, in accordance with the provisions of section 50Z of The Income Tax Act.

5.0 NUMERICAL EXAMPLE

Entity E is the UPE of MNE group, XYZ Ltd, which has an annual revenue of 750 million Euros or more in its consolidated financial statements for the year ended 30 June 2024 and 30 June 2023. The presentation currency of XYZ Ltd is Indian Rupees.

A, B, C and D are entities which are resident in Mauritius and form part of the MNE group XYZ Ltd.

The fiscal year end of XYZ Ltd is 30 June 2025.

1. Computation of ETR and Top-up tax percentage

The financial data of covered persons A, B, C and D are reported in Table 1 below in respect of the Year of Assessment 2025/2026:

Table 1: Net GloBE income/(loss) and covered taxes

Covered person	Net GloBE income/ (loss)	Covered taxes	ETR
	INR (000)	**INR (000)**	
A	700,000	25,000	
B	(10,000)	-	
C	60,000	5,000	
D	**500,000**	**15,000**	
Jurisdictional total	**1,250,000**	**45,000**	**3.6%**

ETR = Sum of covered taxes / Net jurisdictional GloBE income

= INR 45,000,000 / INR 1,250,000,000

= 3.6%

Top-up tax percentage = Minimum rate - ETR

= 15% - 3.6%

= 11.4%

2. Computation of top-up tax percentage

To compute the top-up tax, we have to compute the excess profits which is GloBE income net of SBIE, as follows:

Covered person	Eligible payroll costs	Rate for 2025: 9.8%	Tangible assets carrying value	Rate for 2025: 7.8%
	INR (000)	**INR (000)**	**INR (000)**	**INR (000)**
A	10,000		25,000	
B	2,000		-	
C	-			
D	**15,000**		**50,000**	
Jurisdictional total	**27,000**	**2,646**	**75,000**	**5,850**
SBIE				**8,496**

Jurisdictional excess profit = GloBE income - SBIE

= INR 1,250,000,000 - (INR 2,646,000 + INR 5,850,000)

= INR 1,241,504,000

Top-up tax payable = jurisdictional excess profit x top-up tax percentage

= INR 1,241,504,000 x 11.4%

= INR 141,531,456

C. Filing obligations

Entities A, B, C and D have each filed a notification return which was due on or before 31 December 2025 (6 months after the UPE's fiscal year end).

Scenario 1: Top-up tax payable by a single covered person

The covered persons have designated entity A to file the QDMT tax return and to pay the total share of top-up tax. In this circumstance, covered person A, which is the designated person, is liable to file the QDMT tax return and pay the total INR 141,531,456 on or before 30 September 2026.

Scenario 2: Top-up tax payable by two covered persons

The covered persons A, B, C and D have decided that top-up tax will be payable equally by entities A and D.

Covered persons A and D have each designated themselves when filing their notification return, respectively. Covered person B has designated entity A in its notification return while covered person C has designated entity D in its notification return.

Thus, both entities A and entity D will file QDMT tax return and each will pay INR 70,765,728 on or before 30 September 2026.

Scenario 3: No notification return has been filed

The covered persons in Mauritius have not filed a notification return for the Year of Assessment 2025/2026.

In this circumstance, all covered persons are jointly and severally liable to pay the top-up tax of INR 141,531,456.

The top-up tax payable by each entity is calculated as follows:

(GloBE income of each covered person x top-up tax) / total GloBE income of all covered persons

Covered person	Net GloBE income/ (loss)	Apportionment rate		Top-up tax payable
	INR (000)	Workings:	Rate	INR (000)
A	700,000	700,000 / (1,250,000 + 10,000)	55.5555556%	78,628
B	(10,000)	0%	0%	0
C	60,000	60,000 / (1,250,000 + 10,000)	4.7619048%	6,739
D	500,000	500,000 / (1,250,000 + 10,000)	39.6825397%	56,163
Jurisdictional total	**1,250,000**		**100%**	**141,531**
Top-up tax payable	**141,531**			

D. Payment of taxes

In this example, since the presentation currency of the MNE is INR, the payment of taxes should be made electronically in Mauritian currency using the exchange rate in force at the date on which the payment is made.

However, where a designated person submits the DMTT return in either US dollar, Euros, GB Pounds sterling, Singapore dollars, South African rands, Swiss francs, the payment of tax should be made electronically in that currency.

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