

## Corporate Tax Rates and Tax Credits

YEAR OF ASSESSMENT (YOA)		ITA 1995	2008/2009	2007/2008	2006/2007	2005/2006
INCOME YEAR (IY) ENDED 30 JUNE		Section	2008	2007	2006	2005
<b>CORPORATE TAX RATES-Part II of First Schedule to the ITA 1995</b>						
<b>(a) Tax incentive companies</b>						
1	Export enterprises			15	15	15
2	Strategic local enterprises			15	15	15
3	Modernisation & expansion enterprises			15	15	15
4	Industrial building enterprises			15	15	15
5	Pioneer status enterprises			15	15	15
6	Companies registered with SMIDO			15	15	15
7	Export services enterprises			15	15	15
8	Company operating an aerodrome			15	15	15
9	Hotel development company			15	15	15
10	Listed investment trust companies or approved investment institutions			15	15	15
11	Authorised mutual funds			15	15	15
12	Trustees of unit trust schemes			15	15	15
13	Housing development companies			15	15	15
14	Polyclinic providing health services			15	15	15
15	Manufacturing companies			15	15	15
16	Category 1 global business company (N1)			15	15	15
17	Offshore societe opting to be taxed as company			15	15	15
18	Companies engaged in the management of venture capital funds & strategic local enterprises			15	15	15
19	Venture capital fund			15	15	15
20	Bus companies			15	15	15
21	Agro-based companies			15	15	15
22	Agricultural companies (other than sugarcane cultivation)			15	15	15
23	Leasing companies			15	15	15
24	A company deriving at least 75 per cent of its gross income from construction activities in Mauritius			15	15	15
25	Companies authorized by the Financial Services Commission to conduct specified business			15	15	15

**All companies except certain ICT companies and Freeport companies are subject to tax at 15%**

## Corporate Tax Rates and Tax Credits (cont.)

YEAR OF ASSESSMENT (YOA)		ITA 1995	2008/2009	2007/2008	2006/2007	2005/2006
INCOME YEAR (IY) ENDED 30 JUNE		Section	2008	2007	2006	2005
<b>CORPORATE TAX RATES-Part II of First Schedule to the ITA 1995</b>						
<b>(a) Tax incentive companies (cont.)</b>						
26	Fishing development companies			15	15	15
27	Leisure development companies			15	15	15
28	A company holding a regional development certificate			15	15	15
29	Companies engaged in the hotel industry			15	15	15
30	An ICT company			15	15	15
31	Companies operating duty free shops outside the port or airport			15	15	15
32	Companies providing secondary or tertiary, pre primary & primary education			15	15	15
33	Companies holding a Regional Headquarters Certificate			15	15	15
34	Bank holding banking licence (N8)			15	15	25
35	Companies providing IVTB-approved training			15	15	15
36	Companies carrying on restaurant business			15	15	15
37	Companies carrying on business as tour operator, boat house operator, big game fishing operator, scuba diving centre & musical/other entertainment services provider			15	15	15
38	Companies set up to operate the Stock Exchange			15	15	15
39	Companies providing central depository, clearing and settlement service to the Stock Exchange			15	15	15
40	Companies holding a management licence under the Financial Services Development Act			15	15	15
41	A company managing an equity fund			15	15	15
42	All companies providing financial services licensed under sec.14 of the financial services Development Act. 2001.			15	15	15
43	A guarantee fund established under sec.3.8 (a) of the Securities (Central Depository, Clearing and Settlement) Act. (existing companies)			15	15	15
44	Companies engaged in spinning, weaving & dyeing activities (existing companies) (N9)			Exempt for 10 years	Exempt for 10 years	Exempt for 10 years

**All companies except certain ICT companies and Freeport companies are subject to tax at 15%**

## Corporate Tax Rates and Tax Credits (cont.)

YEAR OF ASSESSMENT (YOA)		ITA 1995	2008/2009	2007/2008	2006/2007	2005/2006
INCOME YEAR (IY) ENDED 30 JUNE		Section	2008	2007	2006	2005
<b>CORPORATE TAX RATES - Part II of First Schedule to the ITA 1995</b>						
<b>(b) Other companies</b>						
1	ICT companies engaged in BPO back office operations ,call centres or contact centres (up to 30.06.2012)		5	5	5	5
2	Companies operating in the Freeport Zone - <i>applicable rate depends on type of licence (up to YOA 2009/2010)</i>	49	0,15	0, 15 or 22.5	0, 15 or 25	0, 15 or 25
3	Other companies including non-resident societies		15	22.5	25	25
4	Information and Communication Technology Companies (certificate in force on or before 30.09.2006)		Exempt (up to 2008)			
5	Companies under the Investment Promotion (Regional Headquarters Scheme) (certificate in force on or before 30.09.2006)		Exempt for 10 years			
6	Small and Medium Enterprise Companies		Exempt 4 years		N/A	N/A

<b>CORPORATE TAX CREDITS (N10)</b>						
	Investment tax credit	69	N/A	(N3)	(N3)	(N3)
	Modernisation and expansion	70	N/A	(N4)	(N4)	(N4)
	Exports	71	N/A	(N5)	(N5)	(N5)
	Limitation to tax credits	72	N/A	(N6)	(N6)	(N6)
	Foreign tax credits	77	(N7)	(N7)	(N7)	(N7)
	Alternative Minimum Tax (AMT)	44	(N2)	(N2)	(N2)	N/A

<b>CAPITAL ALLOWANCES YEAR OF ASSESSMENT 2008/09</b>		<b>ANNUAL ALLOWANCE</b>
	Plant & machinery	35%
	Hotels	30%
	Computer and electronic equipment	50%
	Commercial premises including shops and shopping malls, offices, showrooms, restaurants and other entertainment places and clinics	5%
	Equipment and machinery costing less or equal to Rs 30,000	100%

## Corporate Tax Rates and Tax Credits (cont.)

<b>Note:</b>	
N1	<i>These companies are liable to tax at an effective rate not exceeding 3% on their foreign source income.</i>
N2	<i>The rate of Alternative Minimum Tax (AMT) is 7.5% as from YOA 2007/2008 (previously 5%).</i>
N3	<i>30% of investment spread equally over 3 years from the year of investment limited to Rs 300,000 per annum. Special tax credit up to 60% of equity will be available over a period of 6 years in respect of investment in spinning, dyeing and weaving companies. Not available to tax incentive companies.</i>
N4	<i>10% of investment spread in any proportion over 3 years from the year of investment. Not available to tax incentive companies.</i>
N5	<i>Depending upon their volume of their export sales, companies may obtain a tax credit of up to 40%.</i>
N6	<i>Credits under Sections 69, 70 and 71 are limited in such manner as not to reduce the tax payable to less than 15% of chargeable income.</i>
N7	<i>The lesser of foreign tax paid and Mauritius tax attributable to foreign income.</i>
N8	<i>These companies are liable to tax at an effective rate not exceeding 3% (previously 5%) on their foreign source income.</i>
N9	<i>Special tax credit of 60% of equity of these companies available to the subscribing company.</i>
N10	<i>No tax credits and tax holidays will be available as from year of assessment 2007/08 except to existing beneficiaries.</i>

<b>TAX DEDUCTION AT SOURCE</b>	<b>Rate of tax</b>	<b>Rate of tax</b>
<b>Year of Assessment</b>	<b>2008/2009</b>	<b>2009/2010</b>
Royalties	10%	10%
Rent	5%	5%
Payments to contractors and sub-contractors	0.75%	0.75%
Payments to providers of services	3%	3%