



# Summary of Tax & Regulatory Measures

**The Finance (Miscellaneous Provisions) Act 2021**



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# 1

## Foreword



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This document has been prepared by PwC Mauritius in collaboration with PwC Legal, an independent law firm registered in Mauritius under the Law Practitioners Act and part of the PwC network of firms.



## Fiscal incentives to reboot the economy?



**Dheerend Puholoo**

Tax Leader, PwC Mauritius

The Finance (Miscellaneous Provisions) Act 2021 (“Finance Act”) has been enacted following debate at the National Assembly. With the fight against the Pandemic entering its second year and a race against time to vaccinate its population, each country is rethinking its strategy to put the economic engine back into full power. Mauritius is not an exception! Despite the recent increases in the number of COVID-19 cases, Mauritius opened its borders on 15 July 2021. Fiscal measures are also following suit.

Manufacturing companies engaged in the medical, biotechnological or pharmaceutical sector will be taxed at only 3%. They will also benefit from a 100% tax credit on any capital expenditure for the acquisition of patents. This represents a significant boost to the sector especially in the context of the present health crisis. We can only hope that these incentives will attract operators and the desired investment in the country.

Africa is a land of opportunities and Mauritius needs to work harder on its **“Africa strategy”**. There will be a double deduction for manufacturing companies for market research and product development for the African market.

No doubt, increasing the manufacturing base in Mauritius should be one of the priorities of the government towards value creation in the country. Large manufacturing entities will be allowed to deduct 110% of the cost of purchases from other SMEs in the manufacturing sector.

The decision to introduce a retrospective amendment to the application of the arm’s length test is inconsistent with the efforts made so far to establish Mauritius as an investor friendly jurisdiction. Retrospective taxation is unfortunately a weapon in the hands of the tax authority that can only tarnish the image of Mauritius.

While initiatives to increase the influx of foreign talents in the country has been quite slow to date, it is encouraging to note that there is some relaxation in the immigration rules. Examples are occupation permits (OP) will now be valid for a period of 20 years, spouse of an OP holder can apply for an OP, etc. In the wake of the pandemic, we have also seen the launch of the Premium Visa last year to promote Mauritius as a preferred destination for remote working. The Finance Act goes further in that direction by providing the conducive fiscal landscape.





However, it cannot be ignored that personal taxation in Mauritius is high compared to other growing economies. With the increase in the solidarity levy from 5% to 25 % last year and the introduction of the Contribution Sociale Généralisée (CSG), the tax burden on individual taxpayers has increased substantially. Except for the Premium Visa holder, the high tax environment may have a reverse effect on the various initiatives introduced to make Mauritius a lucrative destination to take employment.

A competitive tax environment has been one of the main spearheads of Mauritius in its quest to develop and maintain a sustainable economic growth. The government should continue providing that desired environment to boost investment.

## The key regulatory measures




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The Finance Act 2021 certainly does not bring about any major legal reforms although it is heartening to read that much effort is being made to consolidate the AML/CFT framework. Additional disclosure powers have been granted to regulatory bodies to exchange information for AML/CFT purposes whilst a Core Group has been established to focus on implementation of the Financial Action Task Force standards. The hope remains that these measures would assist in whitelisting the jurisdiction at the earliest possible.

There is also a focus on the promotion of innovative technologies within the financial services and the banking sectors. To this end, the regulatory sandbox authorisations from the Financial Services Commission and the Bank of Mauritius have been introduced to allow for experimentation of such innovative technologies. It is also interesting to see provisions for the issue of digital currency.

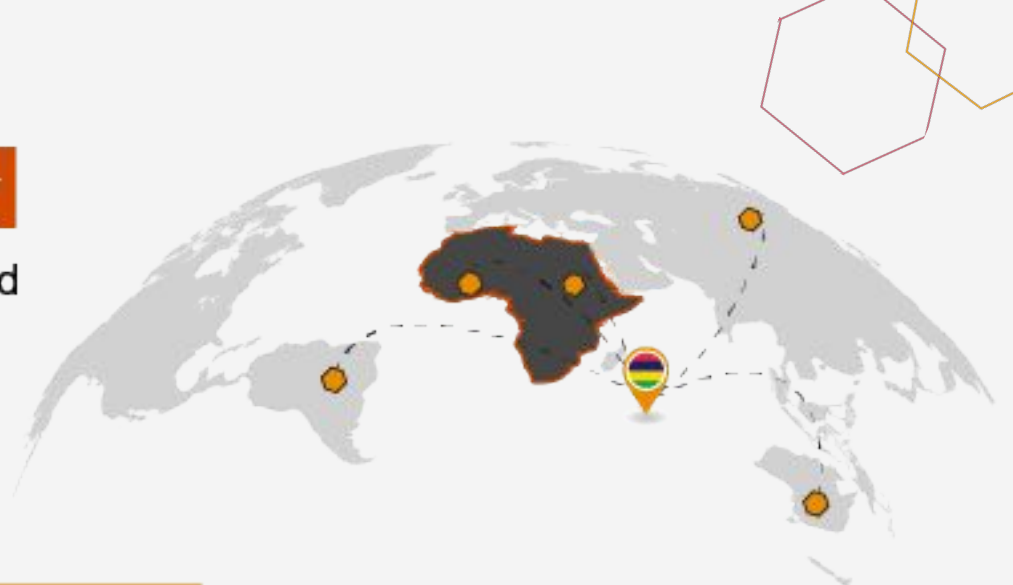
As regards measures relating to COVID-19, the restriction on termination of employment has been eased up such that employers are now able to apply to the Redundancy Board for the reduction of workforce.

On the dispute resolution front, it is envisaged that rules and regulations may be issued to enhance case management to render the delivery of justice more expeditious. 




























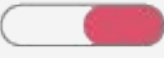








# Rebooting the Mauritius economy

## Africa strategy and beyond

At PwC, we believe Africa is a land of opportunities and Mauritius needs to work harder on its "Africa Strategy".



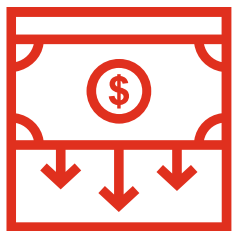
## Key measures in the Finance Act 2021

	Ingenuity Indicator		Impact Meter	
	Recycled	Innovative	Low	High
 <b>Permanent residence permit</b> extended to 20 years				
 <b>Premium visa holder</b> exempt from Mauritian sourced income if not remitted to Mauritius				
 <b>110% deduction</b> for large manufacturing entities on purchases from SMEs				
 <b>Double deduction</b> <ul style="list-style-type: none"> <li>on market research &amp; development expenses for African market</li> <li>on acquisition of specialised software and systems</li> <li>to private health institutions for direct expenses related international accreditation</li> </ul>				
 <b>100% tax credit</b> for manufacturing companies with medical, biotechnology or pharmaceutical activities				
 <b>Tertiary education provider</b> exempt from payment of VAT on construction of building				
 <b>3% tax</b> for manufacturing companies holding an Investment Certificate issued by the EDB				
 <b>10-year tax holiday</b> for Family Offices (Single and Multiple licenses)				
 <b>8-year tax holiday</b> to companies holding an Investment Certificate issued by the EDB				



Is this enough to reboot the economy?





## 2 Summary of Tax measures



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## 2.1 Corporate Tax

### Extension of 80% exemption

Effective from the YOA commencing 1 July 2022, 80% exemption extended to include income derived :

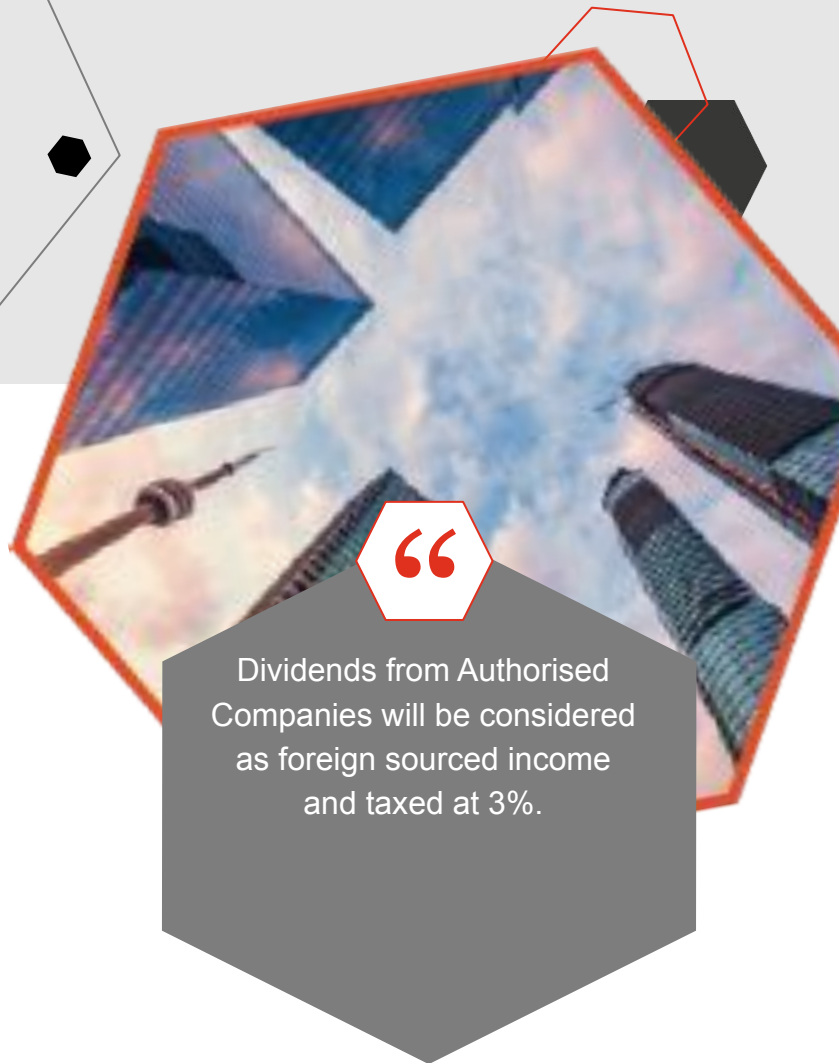
- By investment dealer
- From leasing of locomotives and trains, including rail leasing

### Derivation of income/dividends from authorised companies

- As from the YOA commencing 1 July 2022, income derived from investment in shares in a resident company will be considered as Mauritius sourced income. Thus, dividends from Authorised Companies will be taxed at 3%.

### Arm's length test

- The arm's length test for related party transactions is applicable for all businesses or income earning activities carried out in Mauritius as well as from Mauritius since the commencement of the Income Tax Act 1995.



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Dividends from Authorised Companies will be considered as foreign sourced income and taxed at 3%.

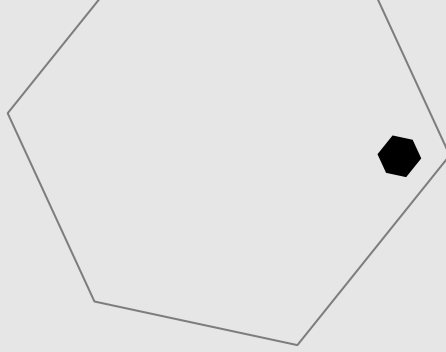
### Reduced corporate tax

Effective from the YOA commencing 1 July 2022, a 3% corporate tax rate will be available to:

- Manufacturing companies holding an Investment Certificate issued by the EDB and engaged in medical, biotechnology, or pharmaceutical activities, subject to satisfying prescribed substance conditions and where no partial exemption is claimed.
- Higher education institutions registered under the Higher Education Act and set up in Mauritius.

### Advance Payment System (“APS”)

- As from 1 July 2020, calculation of tax for APS purposes updated to include companies chargeable to tax at 3%.



## 2.1 Corporate Tax (Cont.)

### Additional tax deductions

Effective from date gazetted:

- Double deduction on acquisition of specialised software and systems. No annual allowance can be claimed where double deductions have been taken.
- Double deduction to manufacturing companies incurring expenditure on market research and product development for the African market. No annual allowance can be claimed where double deductions have been taken.
- 110% tax deduction to manufacturing companies having an annual turnover exceeding Rs100m on products manufactured locally by Small and Medium Enterprises (“SMEs”).
- Double deductions to private health institutions governed under the Private Health Institutions Act, for direct expenses related to international accreditation.
- Double deduction on research and development extended until 30 June 2027.

Effective from 1 July 2021:

- Deduction on contributions to COVID-19 Vaccination Programme Fund.

### Tax credits

Effective from date gazetted:

- 100% tax credits available to manufacturing companies engaged in medical, biotechnology or pharmaceutical activities.
  - Any excess can be carried forward for a period of 5 consecutive income years starting from the income year in which the expenditure was incurred.
  - Claw back of tax credit if, within 5 years, the company ceases to be engaged wholly or mainly in the qualifying activity or the company sells or transfers the patent.
  - No tax credit allowed if the company has claimed double deductions on expenditure incurred on patents and franchises.
- Excess tax credit of 15% on new plant and machinery (excluding motor cars) to manufacturing companies can now be carried forward for 10 consecutive income years.

### Unauthorised deduction

Effective from date gazetted:

- The levy imposed under the Gambling Revenue Authority is not tax deductible.





## 2.1 Corporate Tax (Cont.)

### Tax Holidays

Effective from the YOA commencing 1 July 2022:

- 10-year tax holiday for Family Offices (Single and Multiple licenses), subject to satisfying prescribed substance conditions.

Effective from date gazetted:

- 8-year tax holiday to companies incorporated on or after 1 July 2021 and holding an Investment Certificate issued by the EDB.

### Trusts and Foundations

- Effective from 1 July 2021, trusts and foundations will no longer be able to file a declaration of non-residence and be exempt from tax in Mauritius.
- Trusts and foundations set up before 30 June 2021 will be grandfathered up to the YOA 2024-2025 except for:
  - Intellectual property assets acquired from a related party after 30 June 2021.
  - Intellectual property assets acquired from an unrelated party, or to such newly created intellectual property assets, after 30 June 2021.
  - income derived from prescribed assets acquired, or projects started, after 30 June 2021.

### SMEs

- Effective from 1 July 2020, Small and Medium Enterprises (“SMEs”) that elect to pay a presumptive tax of 1% of their turnover will be exempted from CSR obligations.
- Effective from date gazetted, salary compensation paid to the employees of an SME, for the period January to June 2021, will be refunded as follows:

Sector	Maximum amount refunded monthly
Export Oriented	Rs 235 per employee
Others	Rs 375 per employee (Period extended to 30 June 2022)

- The salary compensation is not applicable where an SME has benefitted from the Wage Assistance Scheme in that month

### Corporate Social Responsibility (“CSR”)

- The list of priority areas of intervention on which companies can utilise 25% of their CSR Fund has been extended to include the restoration of building designated as national heritage under the National Heritage Fund Act 2003.



## 2.1 Corporate Tax (Cont.)

### Removal of tax exemption

- Effective from the date gazetted, the following income are no longer subject to a tax exemption:
  - Income derived by a company engaged in the provision of health services as established under the Investment Promotion Act.
  - Income derived from fishing activities by an industrial fishing company incorporated on or after 1 September 2016 and approved by the Board of Investment,
  - Income derived from the manufacture of pharmaceutical products, medical devices and high-tech products by a company which has started its operations on or after 8 June 2017.
  - Income derived from food processing activities by a company incorporated on or after 8 June 2017 and holding a registration certificate issued by the EDB to operate a food processing plant.

### Removal of tax exemption (cont.)

- Income derived by a company from bunkering of low Sulphur Heavy Fuel Oil.
- Income derived by a company registered with the EDB and engaged in the manufacturing of automotive parts.
- Income derived by a company set-up on or after 10 June 2019 and engaged in the development of a marina.
- Income derived from inland aquaculture in Mauritius, by a company which has started its operations on or after 4 June 2020.
- Income derived by a company which has started its operations in Mauritius on or after 4 June 2020 and approved by the Higher Education Commission as being a branch campus of an institution which ranks among the first 500 tertiary institutions worldwide.
- Income derived from the manufacturing of nutraceutical products by a company which has started its operations on or after 4 June 2020.

### Grandfathering provision applicable to existing companies:

Companies that have benefitted from the tax exemptions mentioned above will continue to enjoy the tax incentives for the number of years previously prescribed for that item under the legislation.



## 2.2 Personal Tax

### Tax deductions

- As from year of assessment commencing on 1 July 2021, where a person claims income exemption threshold deduction for a bedridden next of kin, the benefits derived by the bedridden next of kin under the National Pensions Act should be excluded from the:
  - Net income and exempt income of the dependent bedridden next of kin; and
  - Net income of the person claiming the deduction.
- As from income year commencing on 1 July 2021, an individual can claim:
  - A deduction up to Rs30,000 for donations through electronic means to a charitable institution approved by the MRA.
  - A deduction up to Rs30,000 for contributions to individual pension scheme approved by the Financial Services Commission under the Insurance Act.
  - A deduction of Rs225,000 for a dependent child pursuing non-sponsored full time undergraduate course in a Mauritius or overseas tertiary institution irrespective of total income of household.
  - Medical insurance premiums of up to Rs20,000 for self and first dependent and up to Rs15,000 for every other dependent.



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Tax deductions now available on contributions to charitable institutions, individual pension schemes and contributions to the COVID-19 Vaccination Programme Fund.

### Tax deductions (Cont.)

- As from year of assessment commencing on 1 July 2021, an individual can claim a deduction of amount contributed to the COVID-19 Vaccination Programme Fund during the income year ended 30 June 2021. Any unrelieved amount can be carried forward and deducted from net income of two successive years.





## 2.2 Personal Tax (Cont.)

### Simplified return by self-employed individuals

- As from year of assessment commencing on 1 July 2021, a self-employed individual who is not required under the law to file an income tax return will now be required to file a simplified return by 15 October following that income year.
- Failure to do so would result in a penalty of Rs2,000 per month up to a maximum of Rs20,000.
- If the MRA is not satisfied with the tax return, it may raise an assessment to the best of its judgment on the individual.

### Self-employed Assistance Scheme (SEAS)

- As from 1 July 2021, a self-employed individual will not benefit from SEAS if he has not paid Contribution Sociale Généralisée (CSG) or social contribution for any one of the 3 months as from July 2021 that immediately precede the applicable month.
- The MRA may refuse payment under SEAS if the self-employed individual has not filed his latest income tax return or simplified return, as applicable.

### Tax holiday

- Effective from the year of assessment commencing on 1 July 2022, the exemption on emoluments of employees issued with an Asset Manager Certificate, Fund Manager Certificate or Asset and Fund Manager Certificate will be available to those managing an asset base of USD 50m or more.
- The certificate holders will be granted a total of 10 years tax holiday.



## 2.3 Value Added Tax

### Effective from date gazetted:

#### VAT refund on new construction or purchase of house or residential apartment

- VAT refund on new construction or purchase of house or residential apartment will be subject to the following conditions:
  - Limit for the cost of construction of the residential building or house or the purchase price of a residential apartment reduced from Rs5m to Rs3m;
  - The aggregate limit on the refund will be reduced from Rs500,000 to Rs300,000;
  - Annual household income threshold reduced from Rs3.5m to Rs1m
  - The refund will be applicable on the construction or acquisition of a first residence only

#### Zero rated items

- Boiled or steamed dumplings made up of meat, fish, squid, crab, chicken, vegetables or milk, whether cooked or uncooked, prepared and supplied to final consumers
- Live animals for training or breeding purposes
- Nursing care services and residential care services



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Criteria reviewed for VAT refund on construction of house or residential apartment. Extension of zero-rated supplies to boiled or steamed dumplings, live animals and residential care services.

#### Film Promotion Fund

- The remittance of 0.4% of net VAT collection credited by MRA on a quarterly basis into the Film Promotion Fund will be discontinued



## 2.3 Value Added Tax (Cont.)

With effect from date gazetted, the following will be exempt bodies in respect of specified activities:

VAT Exempt Body	Activities
National Empowerment Foundation (effective from 1 September 2020)	Construction of social housing
New Social Living Development Ltd (effective from 3 February 2021)	Construction of social housing
Any person who holds an Investment Certificate issued by the Economic Development Board under the Economic Development Board Act.	<p>(1) Construction of a purpose-built building or facility for the activity listed in the Investment Certificate.</p> <p>(2) Plant, machinery and equipment (excluding office equipment, furniture and vehicles) at the time of setting up or expansion as approved by the Economic Development Board, for the exclusive use for the activity listed in the Investment Certificate</p>
Any person engaged in the construction of a purpose built building to be leased exclusively to a person who holds an Investment Certificate issued by the Economic Development Board under the Economic Development Board Act.	Construction of a purpose built building for lease for the activity listed in the Investment Certificate.





## 2.3 Value Added Tax (Cont.)

With effect from date gazetted, the following will be exempt bodies in respect of specified activities:

Exempt Body	Activities
(a) Any person who holds an Investment Certificate issued by the Economic Development Board under the Economic Development Board Act and engaged in the provision of tertiary education.	<p>(1) Construction of a purpose-built building or facility for the provision of tertiary education.</p> <p>(2) At the time of setting up or expansion and as approved by the Economic Development Board –</p> <p>(a) plant, machinery and equipment (excluding office equipment, furniture and vehicles); and</p> <p>(b) information technology system and information technology related materials and equipment for the purpose of online education, for the exclusive use for the provision of tertiary education</p>
(b) Any person engaged in the construction of a purpose-built building for the provision of tertiary education to be leased exclusively to a person engaged in the provision of tertiary education, who holds an Investment Certificate issued by the Economic Development Board under the Economic Development Board Act.	Construction of a purpose built building for lease for the provision of tertiary education.



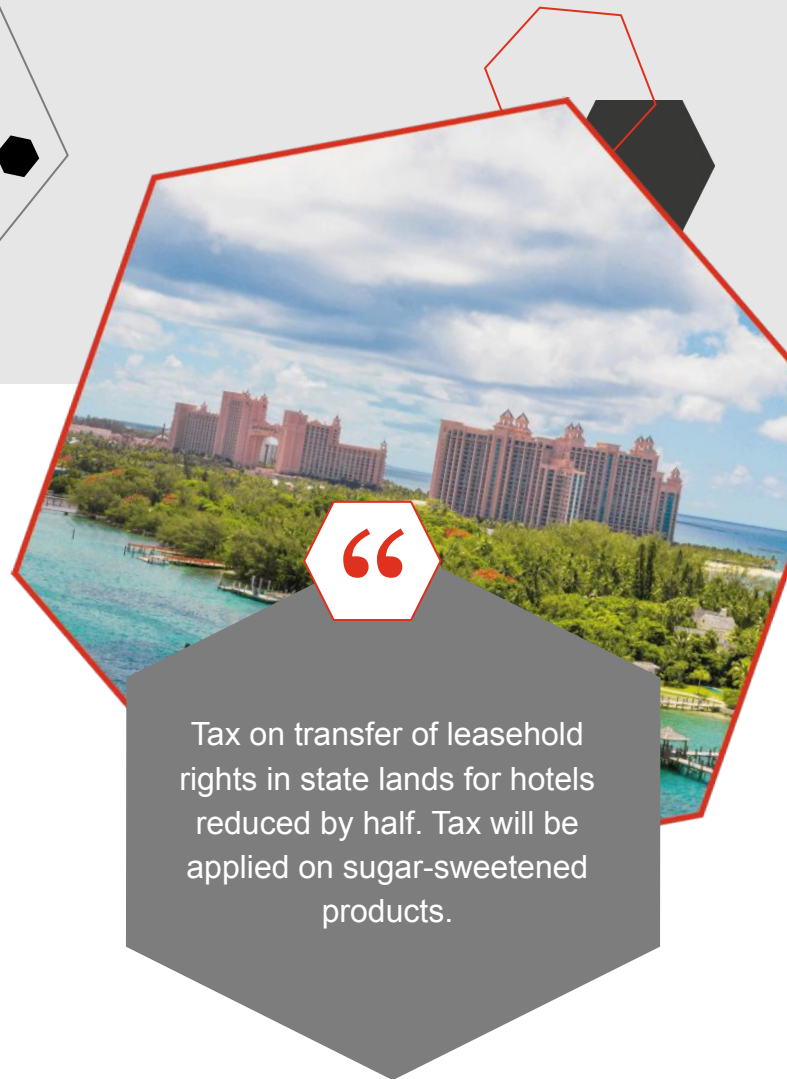
## 2.4 Other Taxes

### Land (Duties and Taxes) Act

Effective from 1 July 2021:

- Rate of tax on transfer of leasehold rights in state lands for hotel will be reduced to 5% for the buyer and 5% for the seller.
- Exemption from payment of tax on transfer of a residential unit in a project developed on state land relating to senior living under the Property Development Scheme.
- Exemption from payment of tax on transfer of land or land on which there is a building, provided that the purchaser is a holder of an investment certificate and uses the property for training or breeding animals to be sold locally or for export.
- Exemption from payment of tax on transfer of land to a company, holding an investment certificate and uses the land for the construction of a purpose-built factory for manufacture of pharmaceutical products or medical devices, or for conducting clinical and preclinical trials.
- Exemption of tax on transfer of land to a company, holding an investment certificate and used the land for primarily for the construction or expansion of a student campus\*.

\*conditions apply



Tax on transfer of leasehold rights in state lands for hotels reduced by half. Tax will be applied on sugar-sweetened products.

### Registration duty

Effective from 3 May 2021:

- Waiver of 50% of registration duty on the first registration of an electric auticycle/motorcycle purchased before 31 March 2021. Deed of sale should be registered on or before 31 December 2021.

### Excise Duty

Effective from 1 July 2022:

- Sugar-sweetened products with total sugar content of up to 4 grammes per 100 grammes or 4 grammes per 100 millilitres, exempted from tax.



## 2.5 Tax Administration

### Tax Arrears Settlement Scheme (TASS)

Effective from date gazetted:

- TASS remains open to SMEs having tax arrears outstanding as at 11 June 2021.
- An application for full waiver of penalties and interests has to be made by 31 December 2021.
- Payment of the outstanding tax arrears shall be made by 28 June 2022.

### Electronic submission of information

Effective from date gazetted:

- MRA can request taxpayers to provide information electronically for income tax and VAT.

### Time-barred period

Effective from date gazetted:

- The MRA may request information or make assessments, without the authorisation of the independent tax panel as follows:
- Under the Income Tax Act - For the current year of assessment and previous 3 years of assessment, where:
  - No return has been filed
  - There is prima facie evidence of fraud



### Time-barred period (Cont.)

- Under the VAT Act - For a period 4 years preceding the last day of the taxable period, where the person has:
  - Demonstrated fraudulent conduct
  - Wilfully failed to comply with the VAT Act
  - Failed to submit returns
- Under the Customs Act - Any validated bill of entry passed beyond 3 years if they believe there is prima facie evidence of fraud.

### Return of dividends

Effective from the year of assessment commencing on 1 July 2022:

- A limited partnership or limited liability partnership incorporated under the laws of a foreign country is not required to submit return of dividends.





## 2.5 Tax Administration (Cont.)

### Statement of financial transactions or statement of life insurance

Effective from 1 July 2021:

- The monetary threshold for submission of financial information to the MRA has been reduced by half as follows:

	Current threshold	New threshold
	Rs	Rs
<b>Reporting for banks or non-bank deposit taking institutions</b>		
Individual, société or succession		
Deposit	500,000	250,000
Aggregate amount of deposits	4,000,000	2,000,000
Corporations and other entity types (other than individuals, société or succession)		
Deposit	1,000,000	500,000
Aggregate amount of deposits	8,000,000	4,000,000
<b>Reporting for money changer licence or exchange dealer licence*</b>		
Foreign currency bought, sold or transferred, other than local intra-account transfers	200,000	100,000
<b>Reporting for life insurance businesses licensed by FSC</b>		
Life insurance premium	500,000	250,000

### Statement of donations received

Effective from income year commencing on 1 July 2021:

- Charitable institutions, receiving donations, shall submit a statement of donations received during an income year, on or before 15 August immediately following that income year.

### Time limit for issue of rulings

Effective from date gazetted:

- The MRA may within 30 days of application for ruling request additional information
- The time limit of 30 days shall run as from the date the MRA receives any additional information sought.

### Virtual meetings

Effective from date gazetted:

- MRA may conduct virtual meetings with taxpayers through a teleconferencing.

### Books and records

Effective from date gazetted:

- Types of records that a person in business should keep at its premises and make available for audit purposes to the MRA shall be stipulated in forthcoming regulations.

\* reporting required for every person, other than a Ministry, Government department, local authority or statutory body, the Rodrigues Regional Assembly or a GBL



## 2.5 Tax Administration (Cont.)

### New definitions

- Definitions for jewellery, precious metal and precious stone are being introduced in line with those in the Financial Intelligence and Anti-Money Laundering Act.

### Consolidated bill of entry

- Effective from 1 October 2021, the MRA may authorise a compliant importer to submit a consolidated bill of entry of goods.

### Appointment of administrator

- The administrator, executor, receiver or liquidator appointed to manage or wind up a company should give notice of his appointment to the MRA within 15 days from the date of appointment.

### Temporary admission of goods

- The MRA may authorise the temporary admission of goods for a period of 6 months which may be extended by another 6 months.
- In respect of the implementation of a project, the MRA may extend the time limit of 12 months to 3 years provided the importer provides adequate security.

### Excise duties

Effective from date gazetted:

- Penalty and interest payable on late payment of excise duty will be introduced.
- MRA Customs will be empowered to recover erroneous payments made to exporters/recyclers in respect of waste PET bottles exported/recycled.



## 2.6 Immigration

### Definition of Dependent Child

- The maximum age limit of 24 years to qualify as dependent child has been waived.
- Dependent child means child, step child or lawfully adopted child of a person and who is
  1. Wholly dependent child
  2. Unmarried; and
  3. Not engaged in any gainful activity.

### A resident of Mauritius for purposes of the Immigration Act also includes

- A person who purchases or otherwise acquires an apartment used, or available for use, as residence, in a building of at least 2 floors above ground floor, provided the purchase price is not less than 375,000 US dollars or its equivalent in any other hard convertible foreign currency.
- A holder of an occupation permit issued under section 9A;
- A holder of a residence permit as a retired non-citizen issued under section 9B; or
- A holder of a family occupation permit;
- A person working for the family unit in relation to a person holding a family occupation permit.

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The maximum age limit of 24 years to qualify as dependent child has been waived. Introduction of the Family Occupation Permit.

### Permanent Resident Permit (“PRP”)

- A PRP valid on 1 September 2020 shall be valid for a period of 20 years.
- Any investor, professional or self-employed holding the status of a permanent resident may be granted a permanent residence permit under the category of retired non-citizen in replacement of his status as permanent resident for the remaining period of its validity, provided that he has a monthly disposable income of USD 1500 or its equivalent in any other hard convertible foreign currency.





## 2.6 Immigration (Cont.)

### Occupation Permit as Investor

- Initial investment of USD50,000 or it's equivalent in freely convertible foreign currency.
- For existing businesses, net asset value of USD 50,000 and cumulative turnover of Rs12m for the last 3 years.
- Gross income of Rs4m per year from the 3rd year of registration for renewal.

### Occupation Permit as self-employed

- Initial investment of USD 35,000 and should engage in services sector only.
- Minimum business income of Rs 800,000 per year as from third year of registration required for renewal of permit.

### Family Occupation Permit

- Validity of 10 years for the applicant, his spouse, dependent child, parent, other dependent or a person exclusively working for the family unit.
- Applicant or spouse is eligible to carry out any occupation in Mauritius for reward and profit or take employment.
- Contribution of USD 250,00 or its equivalent in freely convertible foreign currency to the COVID-19 Projects Development Fund.

### Residence Permit as retired non-citizen

- Initial transfer of at least USD1,500 at the time of the issue of the permit.
- Monthly transfer of USD1,500 thereafter and the aggregate of which will be at least USD 18,000 yearly during the 10 years validity of the RP.

### Occupation Permit as Professional

- The spouse of an occupation permit holder may, on application be granted an occupation permit.
- Validity of occupation Permit for 10 years.
- Monthly basic salary of Rs 30,000 applicable for: ICT, BPO, pharmaceutical manufacturing and food processing sectors.
- Monthly basic salary of Rs 30,000 and at least 3 years relevant work experience for Fund accounting and compliance services. The employer is a licensee of the FSC.
- Any other sector Rs 60,000 basic monthly salary.
- Employment period not exceeding 3 years for Public Sector under the service of Mauritius programme.
- Young Professional Occupation permit validity for a maximum period of 3 years



## 2.6 Immigration (Cont.)

### Deregistration

A professional holding an occupation permit shall not be deemed to have ceased to satisfy the criteria and conditions of his registration where

(a) he changes employment and –

- (i) the new employment satisfies the relevant criteria specified in the Economic Development Board Act;
- (ii) he informs the Economic Development Board and the immigration officer of the new employment; and
- (iii) he furnishes any such other information as may be required; or

(b) he is not employed for a period of 6 months, provided that –

- (i) within that 6-month period, he informs the Economic Development Board of his new employment which satisfies the relevant criteria specified

### Premium Visa

- Effective as from 1 November 2020, a holder of a Premium Visa will be subject to income tax as follows:
  - Income for work performed remotely from Mauritius to be considered as Mauritius sourced income only if remitted to Mauritius.
  - Money spent in Mauritius through the use of his foreign credit or debit cards will not be deemed to have been remitted to Mauritius.
  - Income deposited in a Mauritius bank account will be liable to tax except if a declaration is made by the holder of a Premium Visa that the required tax has been paid thereon in his country of origin or residence.

### Premium Investor Scheme

Introduction of the Premium Investor certificate for projects

- relating to Manufacturing of pharmaceutical or medical devices.
- Involving a minimum investment of Rs 500M in emerging sectors, pioneering industries, innovative technologies and industries or targeted economic activities as approved by the minister.

A holder of a Premium Investor certificate will benefit from

- Rebates and exemptions in relations to tax and duties;
- Facilities, grants and exemptions in relations to land and building and foreign labour requirements among others.



# 3

## Summary of Regulatory Measures



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3.7 Real Estate Law

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## 3.1 AML/CFT

### Establishment of a Core Group

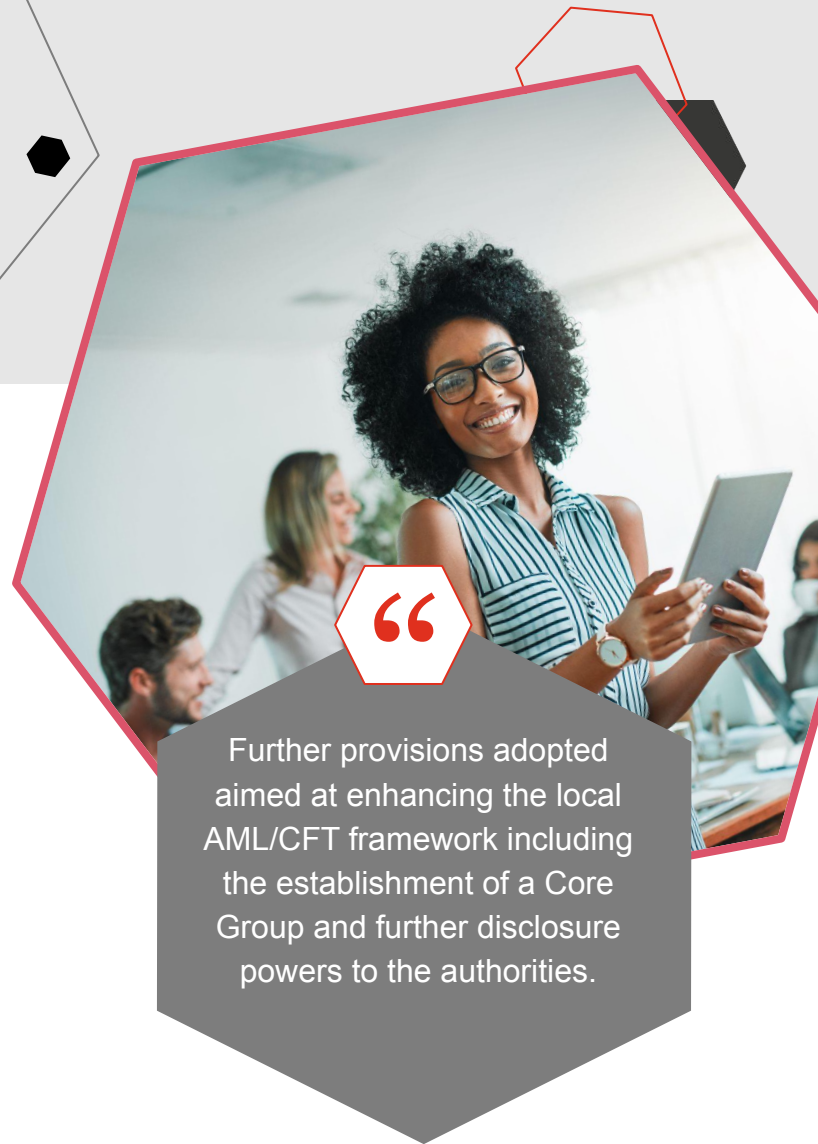
- A Core Group has been established which will consist of, amongst others, the Financial Secretary as chairman and the Governor of Bank of Mauritius as co-chairperson to:
  - ensure effective implementation of the FATF international standards on AML/CFT;
  - make recommendations to the Prime Minister on matters relating to AML/CFT;
  - decide on matters pertaining to implementation of AML/CFT referred to it;
  - ensure effective coordination and cooperation between the National Committee and the competent authorities; and
  - do such acts or things as are incidental or conducive to the fulfillment of its functions.

### Real Estate Agents

- Obligation on real estate agents to register with the Financial Intelligence Unit within 5 working days of being awarded their certificate from the Real Estate Agent Authority.

### Disclosure provisions

- Foundations, Limited Liability Partnerships and Limited Partnerships are required to authorise a person resident in Mauritius to provide all basic information (including information on beneficial owners) on the entities upon a request made by a competent authority.



Further provisions adopted aimed at enhancing the local AML/CFT framework including the establishment of a Core Group and further disclosure powers to the authorities.

### Disclosure provisions (cont.)

- The Bank of Mauritius may now disclose information on accounts of customers to a supervisory authority or a law enforcement body for the purposes of combating AML/CFT.
- A corporate services provider is now required to disclose a suspicious transaction to the FIU within 5 days of becoming aware of such transaction and comply with guidelines of the FIU.
- The Registrar of Companies may share information in relation to companies limited by guarantee and foundations to law enforcement agencies involved in AML/CFT.





## 3.2 Banking Law

### Role of the Bank of Mauritius (BoM)

- BoM to act as the macroprudential authority of Mauritius.

### Digital currency

- Rules may be issued by BoM to provide for a framework for the issuance and holding of digital currency.
- BoM may open accounts and accept deposits for the purposes of issuing digital currency.
- The issue of counterfeit digital currency shall be an indictable offence.

### Credit scores

- BoM is empowered to provide credit scores.

### AML/CFT

- BoM may now disclose information on accounts of customers to a supervisory authority or a law enforcement body for the purposes of combating AML/CFT.

### Digitalisation of the banking system

- Establishment of a framework for regtech and fintech solutions (including innovation hubs and digital labs) to foster innovations in the banking sector.
- Introduction of the regulatory sandbox authorisation to allow for experimentation of fintech, regtech or any other innovation driven financial services.



“

The BoM is granted further powers to provide for frameworks for a digital currency and regtech and fintech solutions.

### Audit of banks

- Auditors providing services to a financial institution for a continuous period of 5 years or less, may not provide audit services to the same financial institution for a period of 3 years (compared to a previous restrictive period of 5 years).
- Possibility to extend the appointment of an audit firm for an additional period of 2 years or if the financial institution is a branch or a subsidiary of a foreign bank for an additional period of 5 years.

### Confidentiality

- The duty of confidentiality under Section 64 of the Banking Act 2004 does not apply where disclosure is necessary for reporting any offence under any enactment or to the Court.



## 3.3 Dispute Resolution

### Case management system

- The Chief Justice may introduce rules to regulate the practice and procedure before any Court in relation to the following:
  - (a) adjournment matters;
  - (b) alternative dispute resolutions;
  - (c) time limits for judgment;
  - (d) case management, including pre-trial case management;
  - (e) award of costs;
  - (f) any other matter essential to the proper administration of justice.

### Time limits

- Extension of time of up to 30 days from 5 August 2021 where the time limit imposed by an enactment to lodge judicial proceedings has expired or fell wholly or partly during the COVID-19 period.



The Chief Justice is granted further powers to regulate the practice and procedure before any Court including imposition of time limits to deliver judgments.



## 3.4 Employment Law

### Reduction of workforce

- Employers facing financial difficulties may, instead of applying for financial assistance, apply to the Redundancy Board to reduce their workforce.
- The Redundancy Board will entertain the reduction of workforce where it is satisfied that (a) the company is over-indebted and not economically viable and any further debt would increase the risk of the company being insolvent; and (b) the restructuring may enable the company to manage the repayment of its debts without being insolvent.
- Enhanced powers granted to the Redundancy Board to provide conciliation and mediation services to the parties.

### Disciplinary hearings

- Disciplinary hearings to be completed not later than 60 days from the date of the first oral hearing.



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Employers facing financial difficulties may now proceed to the Redundancy Board for the reduction of their workforce.

### Remuneration and leave related to COVID-19 vaccination or RT-PCR Test

- With effect from 20 June 2021, employers are required to pay remuneration or grant leave to workers employed in an institution (i.e. creche, day care centre, kindergarten, special education, vocational training centre or any other training institution) who cannot have access to the workplace for reasons related to COVID-19 vaccination or RT-PCR test. This shall, however, be subject to conditions to be prescribed.



## 3.5 Entity Governance

### Public companies

- The threshold for private companies to convert to public companies has been increased from 25 to 50 shareholders.

### Board composition

- The requirement for one woman and two independent directors on the board of a public company shall not apply to a company holding a Global Business Licence or to an Authorised Company.



Easing up of the requirements relating to Board composition of companies holding a Global Business Licence or an Authorised Company.





## 3.6 Financial Services

### Digitalisation of the Financial Services Sector

- Establishment of a framework for fintech solutions (including innovation hubs and digital labs) with objectives including to foster innovation in the financial services sector.

### Regulatory sandbox authorisation

- Introduction of a regulatory sandbox authorisation allowing licensees to conduct experiments of innovative technologies under the supervision of the Financial Services Commission (FSC).

### Approval of controllers and beneficial owners

- Licensees of FSC, other than those holding only a GBC or an AC, have an obligation to:
  - obtain the approval of the FSC in the event that there is an issue of shares or legal or beneficial interest of more than 5% in the licensee or an issue of shares of less than 5% which results in a change in control; or
  - notify the FSC where the issue of shares amounts to less than 5%.

### Power to request information

- The FSC may request for information from insolvency practitioners in respect of a licensee or past licensee.

“

A regulatory sandbox authorisation is introduced for promoting experiments of innovative technologies under the supervision of the FSC.

### Request for certificate of good standing

- Law practitioners or accounting firms may request certificates of good standing on behalf of and with the written consent of the licensees including holders of a Global Business Licence or an Authorised Company.

### Insurance

- Creation of a National Claims Database to promote confidence in the industry and ensure fair treatment of policy holders.
- Small private companies and individuals duly licensed as an insurance agent are now required to file a financial summary with the FSC.



## 3.7 Real Estate Law

### Protection of tenants

- Tenants' failure to pay rent for the months of March to August 2021 and such other months as may be prescribed shall not constitute a breach of the tenancy agreement provided that half the rental payable is settled by 31 December 2021 and the remaining amount is paid in 12 equal instalments from January 2022 to December 2022.

### Non-Citizens

- Non-citizens are exempted from obtaining a certificate from the Prime Minister's office where they hold property under a non-renewable lease agreement for industrial or commercial purposes for a term not exceeding 20 years.

### AML/CFT compliance by Real Estate Agents

- Obligation on Real Estate Agents to register with the Financial Intelligence Unit within 5 working days of being awarded their certificate from the Real Estate Agent Authority.

### Grading of Contractors

- The grading of contractors is altered such that there shall be only three grades as follows:

Grade	Contract Value (excl. VAT)
Large	Above 500m
Medium	Up to 500m
Small	Up to 10m

“

For the purposes of AML/CFT compliance, real estate agents are required to register with the Financial Intelligence Unit within 5 working days of the award of their certificate.

### Home Ownership Scheme & Home Loan Payment Scheme

- Introduction of a home ownership scheme to citizens of Mauritius under which 5% of the declared amount of property (up to a maximum of Rs500,000) for deed of transfers signed and registered (i) between 1 July 2021 and 30 June 2022; or (ii) between 1 July 2022 and 30 June 2024 provided that the transfer has been previously witnessed by a notarial deed or a document under private signature in the form of a reservation or a transfer under a *clause suspensive* signed and registered between 1 July 2021 and 30 June 2022.
- Introduction of a home loan payment scheme under which 5% of the amount disbursed for deeds witnessing the loan signed and registered between 1 July 2021 and 30 June 2022 (up to a maximum of Rs500,000) will be paid to citizens of Mauritius who are 18 years or above.

### Protected Cell Companies

- Companies engaged in the real estate business may be set up as a Protected Cell Company.

### 3. Research and Insights from PwC

PwC regularly produces a number of publications containing a wealth of research and insights on topical individual, industrial and company issues.

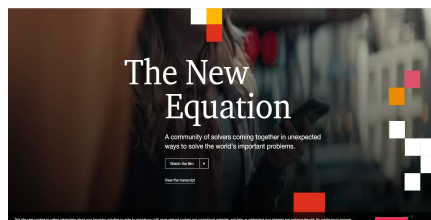
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#### 24th Annual Global CEO Survey

One year into the COVID-19 pandemic, we surveyed 5,050 CEOs around the world about their plans to respond to new threats, transform their operating model and create a more sustainable future.

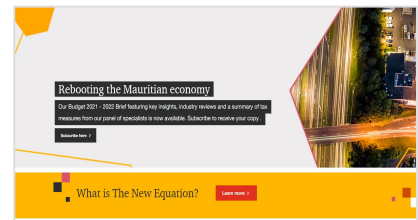
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#### The New Equation

PwC's landmark global strategy reflects fundamental changes in the operating environment faced by clients/stakeholders, including technological disruption, climate change and the continuing effects of COVID-19.

[Read more](#)



#### Budget 2021-2022: Rebooting the Mauritian economy

The Budget 2021-2022 was presented on Friday 11 June 2021. Our panel of specialists have analysed the measures and shared some key insights, industry reviews and a summary of tax measures.

[Read more](#)

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