National Budget 2025 - 2026

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1. Our Opinion

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1. Our Opinion

The new Government's first Budget was eagerly awaited following its strong election victory last year. Expectations were high, with many hoping that it would inject much-needed momentum, after a slow transition marked by delayed appointments, and subdued economic activity. The Budget was seen as a key opportunity to set the tone for the term ahead and to signal clear direction and ambition. The question now is—did it rise to the occasion?

Anthony Leung Shing
EMA Deputy Regional Senior Partner,
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PwC Mauritius

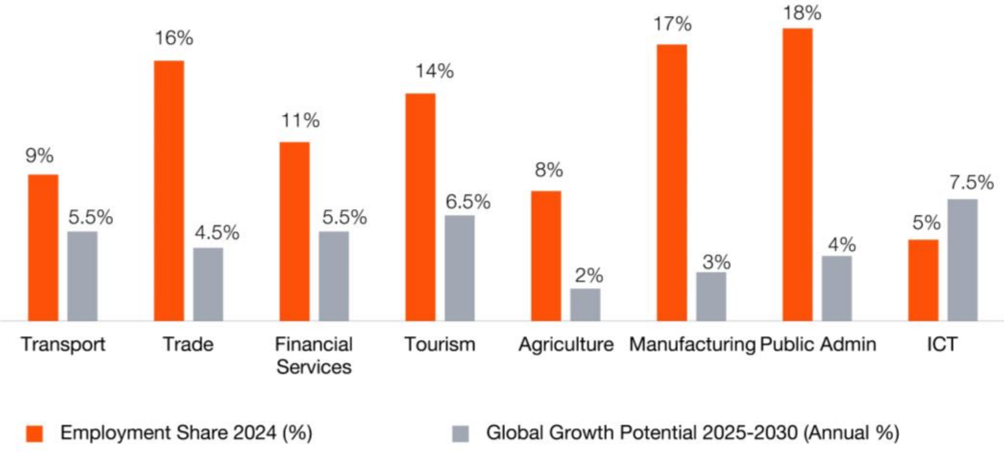
Mauritius posted 4.7% GDP growth in 2024, driven by construction, tourism, and financial services. Unemployment remains at 6%, with ongoing labour shortages, while inflation stays elevated at 3.8% due to imported cost pressures. Public sector debt has climbed to 90% of GDP. The 2025–2026 Budget aims to spur economic renewal under the "Innovative Mauritius" vision, centred on research and development, a Waste-to-Wealth initiative, a renewed Blue Ocean strategy, and enhanced trade through Economic Partnership Agreements to better integrate Mauritius into global value chains. However, the full scope and execution plan for these initiatives remain unclear.

While some fresh ideas have been introduced, many proposals echo past commitments. What is needed now is decisive and clear action!

The Budget outlines plans to repurpose key resources—labour, land, and capital—to boost productivity. Mauritius' workforce remains heavily concentrated in public administration and manufacturing, which together account for 35% of employment but offer limited long-term growth prospects. High-potential sectors such as ICT and tourism remain underutilised, employing just 5% and 14% of the workforce respectively (Figure 1).

However, the Budget does not go far enough in addressing the structural reforms needed to realign workforce allocation with future economic priorities. Despite past announcements, progress on digital transformation within the public sector has been limited, hindering improvements in efficiency, transparency, and citizen engagement. Given persistent labour shortages, the proposed fast-tracked, rules-based work permit system for foreign labour is a welcome step. However, past attempts have often faltered in implementation—highlighting the urgent need for follow-through and institutional capacity to deliver on these reforms.

Figure 1: Repurposing labour force



Mauritius stands at a critical juncture, where reigniting growth, enhancing competitiveness, and reinforcing its attractiveness as an investment hub are imperative. While maintaining social stability and pursuing fiscal consolidation are necessary, they cannot be achieved without robust business activity. In recent years, levies such as the Solidarity Levy and the Climate Change Levy have eroded business confidence and incentive to invest, undermining the momentum required to sustain economic dynamism.

This year's Budget introduces new tiered taxation, a "fair share" contribution on high-income earners and companies, an alternative minimum tax on specific sectors, a capital gain tax on non-citizen property resale and a top-up tax on global businesses. Compounding these challenges is the discontinuation of previously successful initiatives like the Smart City Scheme. However, such measures (introduced at a time when Mauritius seeks to attract private wealth and foster emerging sectors) risk dampening investor sentiment. Tax policy should be aligned with growth objectives, not impede them.

Public sector investment remains a central pillar of the Government's strategy, with Rs180 bn earmarked over the next five years, particularly for road and water infrastructure. However, the Budget overlooks a critical opportunity to harness Public-Private Partnerships (PPPs) as a strategic lever to accelerate infrastructure development.

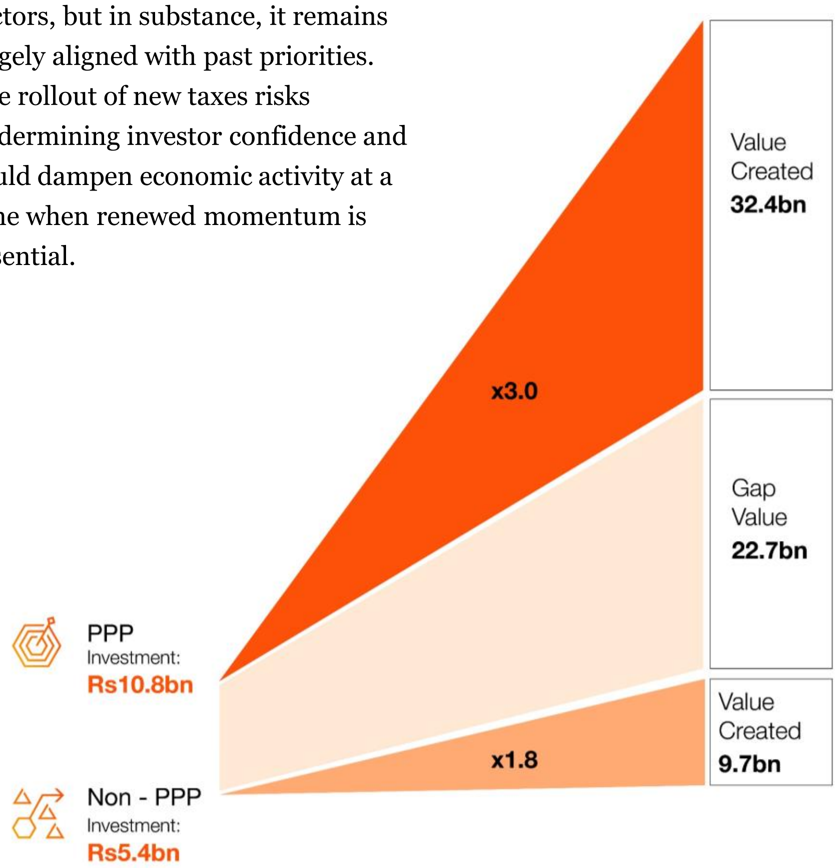
Amid fiscal constraints, PPPs offer a powerful avenue to unlock additional capital and technical expertise through private sector engagement. For instance, the current allocation of Rs5.4 bn for port development is lower in both scale and expected returns. In contrast, a well-structured PPP could double the capital mobilisation to Rs10.8 bn and nearly triple the economic impact, driven by higher investment efficiency and operational productivity. The combination of greater upfront funding and a stronger economic multiplier reveals a value gap of Rs22.7bn between PPP and non-PPP models—underscoring a significant missed opportunity for transformative infrastructure advancement (Figure 2).

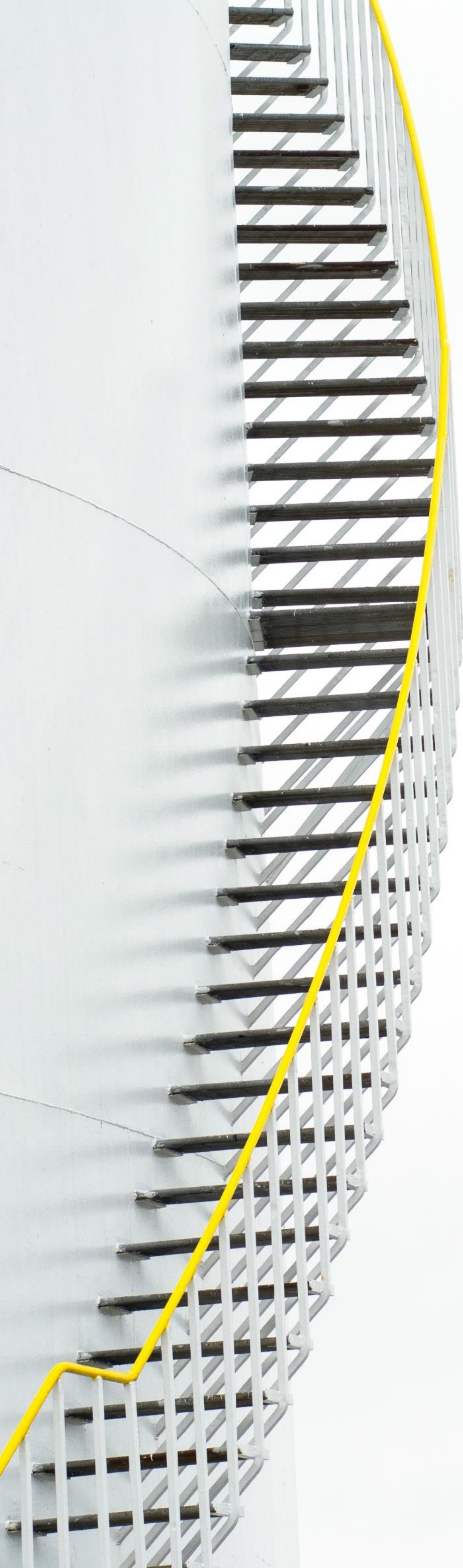
Overall, the Budget introduces some fresh ideas to support emerging sectors, but in substance, it remains largely aligned with past priorities. The rollout of new taxes risks undermining investor confidence and could dampen economic activity at a time when renewed momentum is essential.

"For a small island economy like Mauritius, policy continuity can be an asset—but only when paired with bold, decisive implementation that translates plans into tangible outcomes."

Yet, the lack of clarity and detail surrounding key budget measures raises concerns. This is a critical moment to move beyond intentions and deliver measurable impact.

Figure 2: Bridging the gap with PPP





2. Tax Perspective

Dheerend Puholoo
Partner and Tax Leader,
PwC Mauritius

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2. Tax Perspective

Are we moving backwards?

Fiscal consolidation is one of the pillars on which the Budget 2025 - 2026 relies to drive the country towards prosperity. The main themes under such an initiative being corporate tax reform, personal tax reform and improving tax administration, with a major focus on revenue collection.

Dheerend Puholoo
Partner and Tax Leader,
PwC Mauritius

Qualified Domestic Minimum Top- up Tax (QDMTT)

Mauritius has long been the desired offshore platform for channelling investments in emerging markets such as India and countries in Africa. The reforms by the Organisation for Economic Co-operation and Development (OECD) some years ago, ranging from the Base Erosion Profits Shifting (BEPs) Project to the introduction of the GloBE rules have undermined such attractiveness.

We have, nevertheless, thrived our way through those difficult times. The introduction of the Top- up Tax under the GloBE rules will cause the tax rate on the MNEs to rise to 15% in Mauritius, and this will do nothing but create havoc in the industry, causing an exodus of the structures from Mauritius. Why the rush when we are aware that big nations such as India, China and the US are yet to implement the GLoBE rules?

Fair Share Contribution

Corporates with a chargeable income of above Rs24m will pay a contribution of 5% of their chargeable income. Banks will have another 2.5% tax on their chargeable income from domestic operations.

The Alternative Minimum Tax (AMT) will be re- introduced to ensure a minimum of 10% on the book profits of companies in certain sectors. These measures will only add to the already heavily burdened tax scenery for companies.

High-Income Earners are not spared; they will have to pay an additional 15% on their chargeable income including any dividend income, bringing the tax rate to 35%. Elimination of double taxation on dividend is an international norm that most countries follow, and it is unfortunate that Mauritius is again adopting the easy route of imposing tax on “exempt dividend”.

Only time will tell whether we are sacrificing “promotion of investments” at the expense of “fair contribution”. Also, in a context where we want to attract foreign talent, it is doubtful whether a headline tax rate of 35% is an attractive number!

Tax Administration

The Mauritius Revenue Authority (MRA) will introduce a one-off Tax Dispute Settlement Scheme (TDSS).

"Only time will tell whether we are sacrificing "promotion of investments" at the expense of "fair contribution"."

The main incentive under the scheme is a 100% waiver of interest and penalties for taxpayers withdrawing their cases presently under dispute. Indeed, it is critical for the MRA to reduce the cash tied up in long outstanding tax cases. However, it is questionable whether the re-introduction of TDSS will have the desired outcome when we are aware that many tax assessments do not have a solid basis. And a waiver of the penalty and interest alone might not be sufficient.

The Voluntary Disclosure Settlement Scheme (VDSS) and Tax Arrears Settlement Scheme (TASS) will be opportunities for taxpayers to settle their dues with the MRA with a complete waiver of penalty and interest.

The power to raise tax assessments will now be restricted to only two years. We welcome this measure as this will render the process of a tax audit less burdensome.

Specific digital or electronic services provided by foreign suppliers will be subject to VAT with effect from 01 January 2026. This will prove to be a good source of revenue for the government.

The threshold for compulsory registration for VAT will be reduced to Rs3m, bringing more businesses within the scope of VAT with added tax compliance requirements for small businesses.

Conclusion

The economic environment in the world is going through a difficult phase, and Mauritius is not an exception. It is also true that in this context, every citizen needs to contribute his fair share for the country to prosper. However, it should be a balanced act between increasing government revenue through taxes and promoting investment and growth. Just as a reminder, too much tax kills!

Read the key Tax measures announced

3. Public Finance

3. Public Finance

Key measures

45%-100%

Revised excise duties on conventional motor vehicles

5% Fair Share

Certain corporates will be required to pay an additional 5% of their chargeable income

65 years

Revised age eligibility for basic retirement pension

79.7% Debt/GDP

The aim of the Government is to reduce the debt to GDP ratio below 80% over the next 3 years.

"A bold step in the right direction but much remains to be done"

The Budget unsurprisingly seeks to increase government revenue and limit spending especially on social measures. It is a step in the right direction in light of the recent findings of the State of the Economy and reports of various agencies. We note the introduction of some aggressive measures which will be unpopular.

- Effective on 06 June 2025, the excise duty on hybrid and electric vehicles is being re-introduced, and the rates of excise duty and customs duty on conventional vehicles are being increased to between 45% to 100%.
- Fair share contribution by certain corporates of 5% of chargeable income. Additionally, dividends may be subject to an additional PAYE charge of 15% if the shareholder of a corporate is a high-income earner i.e. a 19.25% reduction in the net potential dividend.
- Age eligibility for Basic Retirement Pension (BRP) is being increased to 65 years in a phased manner over a period of 5 years.

We understand the logic of using the rental proceeds of Chagos Deal to reduce the fiscal deficit and indirectly help to lower the debt/GDP ratio in the next 3 years.

The scenario proposed is to reach a Gross Debt/GDP ratio to 79.7% within 3 years which should align with more prudential norms.

Despite the need to balance the books, no enterprise can continue to function and grow without capital expenditure. We look forward to the timely completion of the ambitious Public Sector Investment Programme (PSIP) within budget. We however urge the Government to fully quantify or value the societal impact of these projects versus their costs.

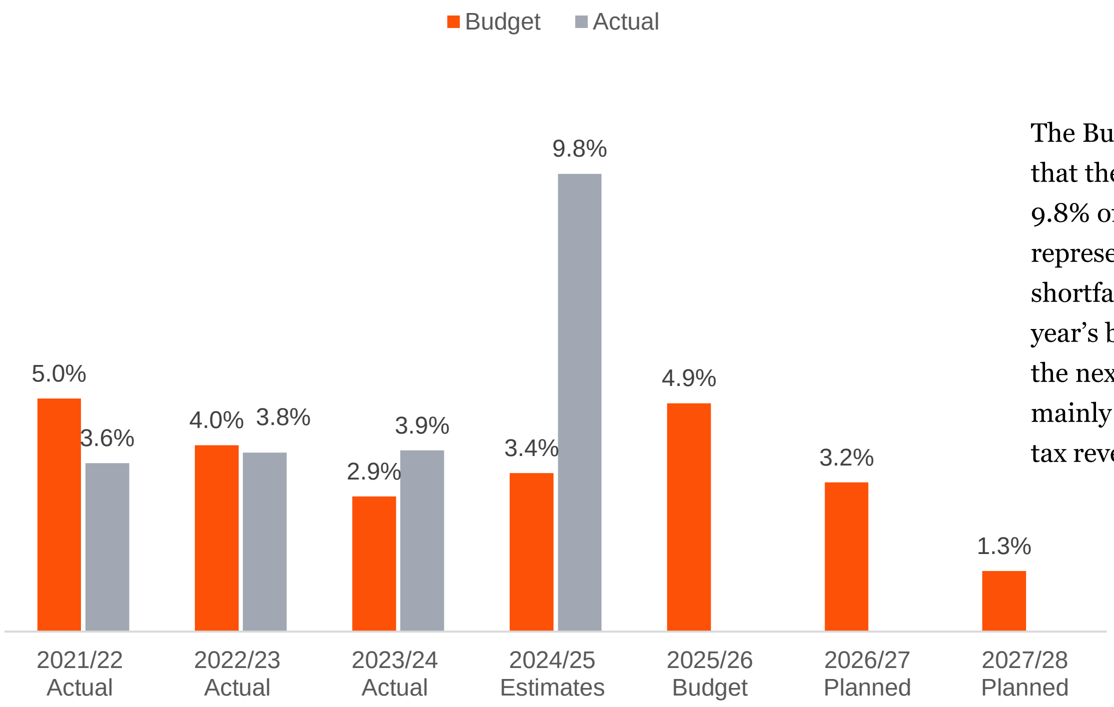
We welcome the planned introduction of the Fiscal Responsibility Act in light of the country's indebtedness and dire need to retain its investment grade status.

The potential for several contingent liabilities (parastatal bodies and others) to crystallise and its potential impact on public finances can severely derail any deleveraging of the Government balance sheet.

Furthermore, any potential large scale economic shocks will render any deleveraging projection obsolete.

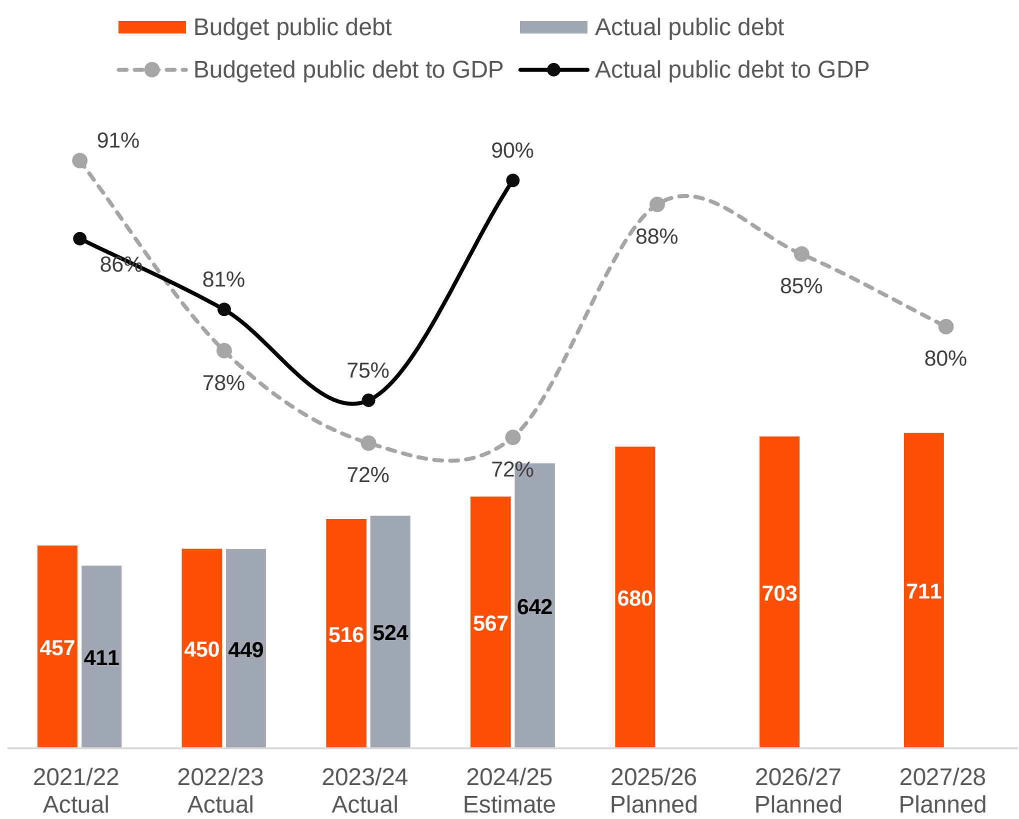
Government needs to quickly restore fiscal headroom to address these potential headwinds.

Budget deficit (%)



The Budget speech indicates that the actual budget deficit is 9.8% of GDP rather than 3.4% representing approximately a shortfall of Rs43bn from last year's budget. Our analysis on the next page suggest this is mainly driven by a shortfall in tax revenues.

Gross Public debt (Rs' bn)

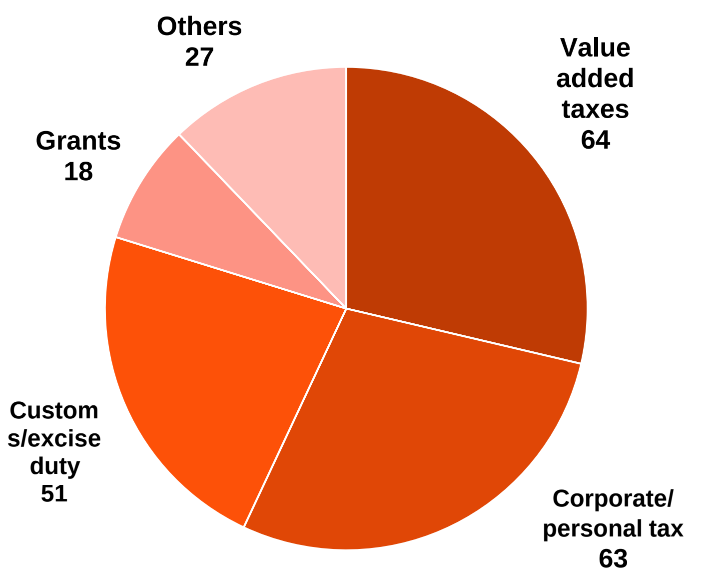


The public debt reached MUR642m for 2024/25, representing 90% of the country's GDP. The aim of the Government is to reduce the public debt as a % of GDP to 80% within the next 3 years.

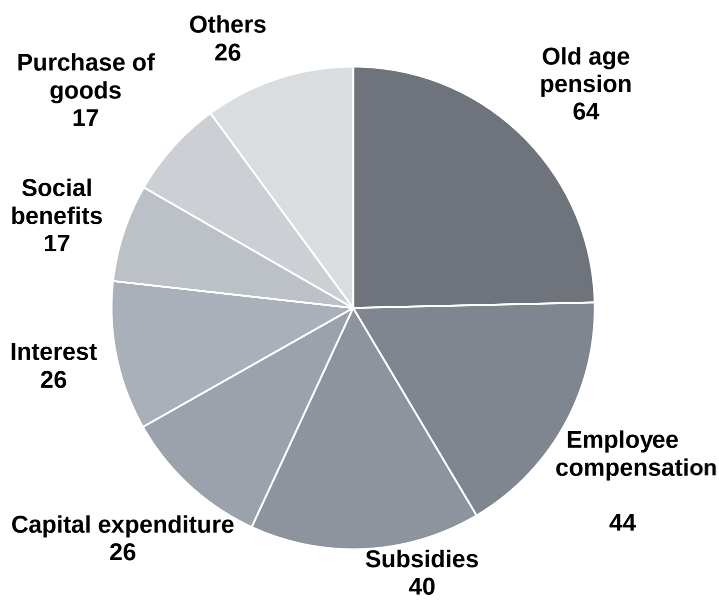
This scenario assumes that the first 3 years of the Chagos deal rental will be used to reduce the fiscal deficit and indirectly to bring down debt.

Revenue and expenditure 2025/26

Revenue - Rs224bn



Expenditure – Rs261bn

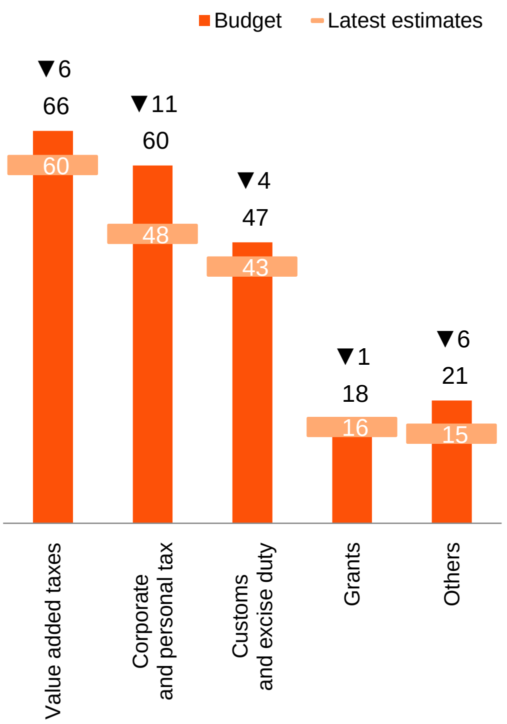


Latest estimates vs budget 2024/25

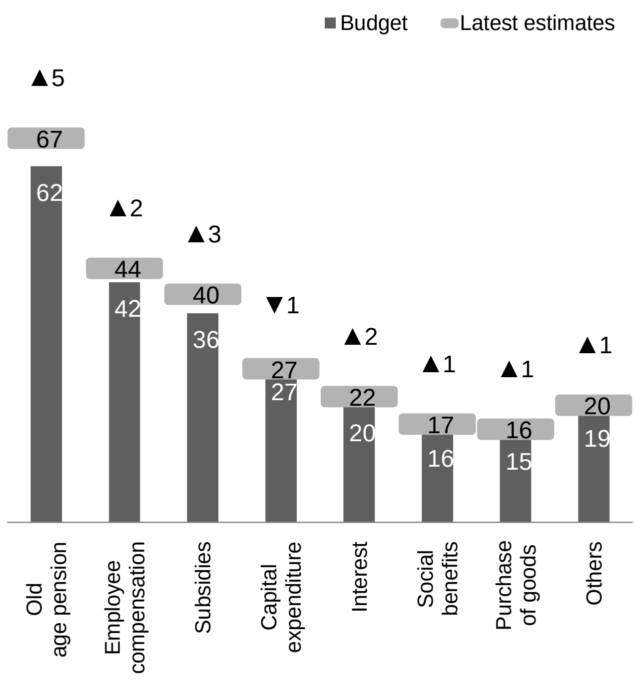
Latest estimates of revenue are approximately lower by Rs28bn.

Latest estimates of expenditure are approximately MUR15bn higher.

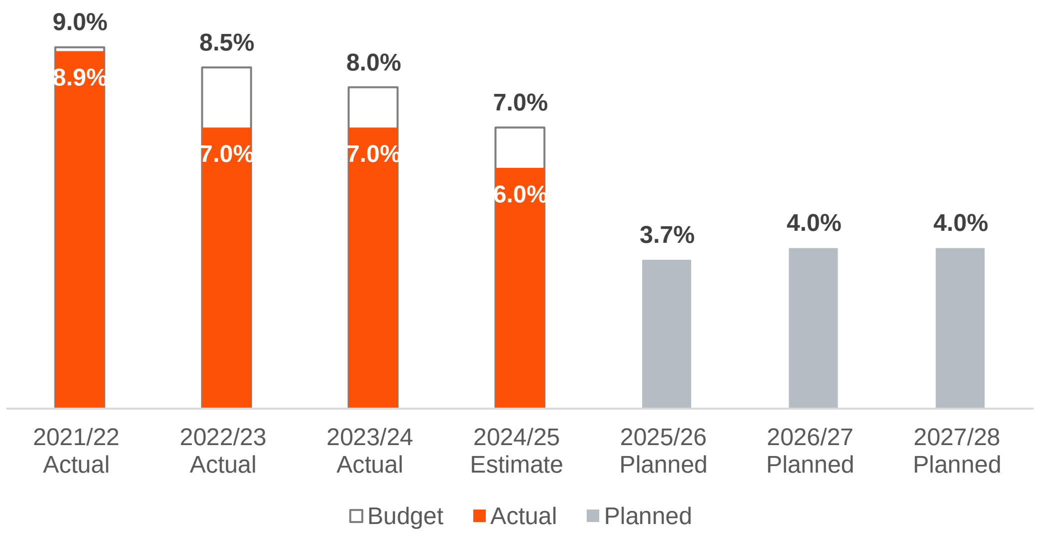
Revenue (Rs'bn) ▼ Rs28bn



Expenditure (Rs'bn) ▲ Rs15bn

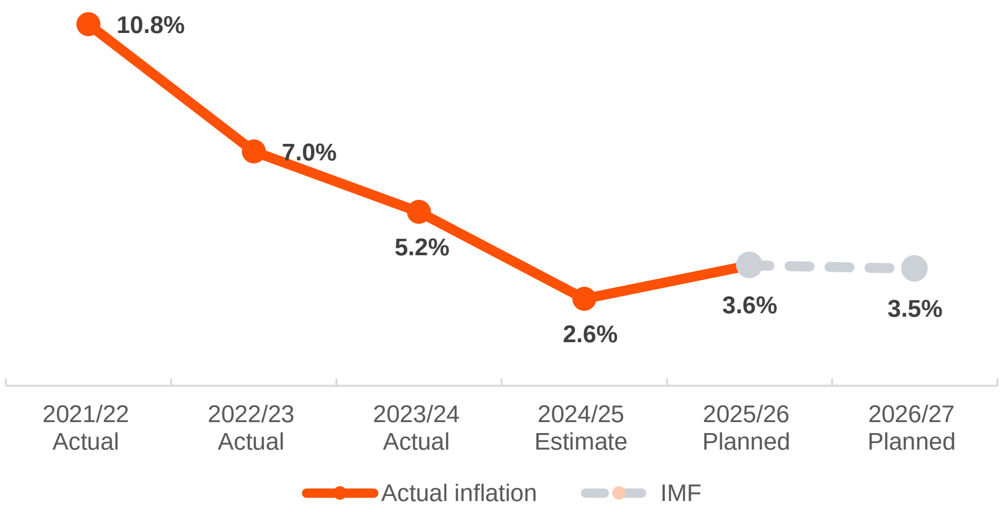


GDP growth rate (%)



Since 2021/22, the country has struggled to meet the GDP growth expectations set by the National Budgets. The Government has forecasted an annual GDP growth rate ranging from 3.7% to 4.0% over the next 3 years.

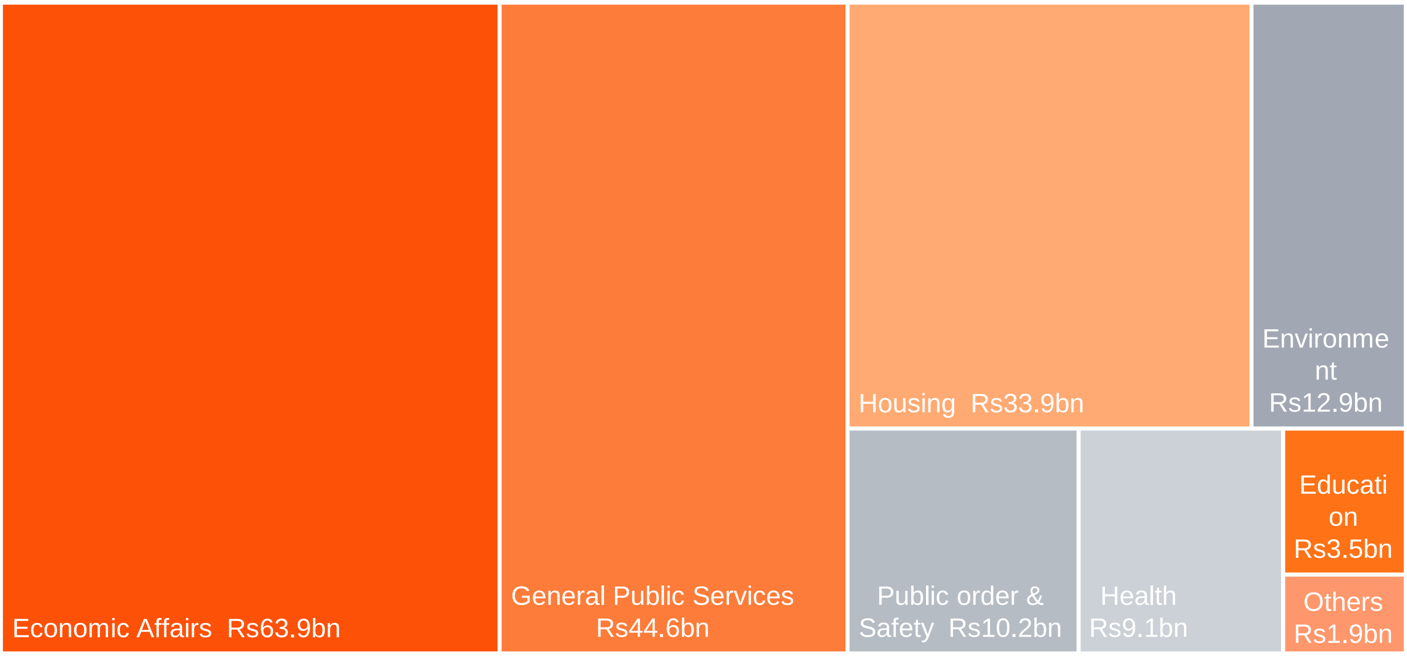
Actual inflation rate (%)



The downward inflation trend continued into 2024/25 with headline inflation averaging 2.6%. The Government has expressed their ambition to control inflation.

5-year Public Sector Investment Programme (“PSIP”)

Total planned investment: Rs180bn



Major projects in the PSIP

Made up mostly of Infrastructure, Water, Wastewater and Environmental projects.

North
- Upgrading of La Nicoliere Water Treatment Plant
- Grand Baie Sewerage Project
- Pailles Guibies Sewerage Project

West
- Construction of Social Housing Units at La Valette
- Sewerage Project at Cite La Ferme, Terrasson, Pointe aux Sables
- Construction of Flic en Flac Bypass

East
- Construction of Motorway M4 from Pont Blanc to Bel Air
- Construction of Pont Lardier Water Treatment Plant
- Flyover on Motorway M2 at Labourdonnais

South
- Construction of Riviere Des Anguilles Dam
- Solid Waste Disposal Facilities at Mare Chicose Landfill
- 14 MW Renewable Energy Tower Plants at SSR International Airport

4. Sustainability

Julien Tyack
Partner and Sustainability Leader,
PwC Mauritius

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4. Sustainability

Key measures

Energy
Rs30bn allocated over the next three years for solar and biomass projects.

Ocean Economy
Focus on six strategic ocean economy sectors.

Food Security
Food resilience scheme to incentivise controlled environment agriculture.

Education
Technical and Vocational Education and Training strategy to integrate in mainstream education, address skills mismatch and meet industry requirements.

Julien Tyack
Partner and Sustainability Leader, PwC Mauritius

"The Budget marks a step forward in sustainability, but without strong governance and accountability, its long-term impact remains uncertain."

The Budget signals a promising shift toward sustainability, reflecting Mauritius' growing ambition to build a future-ready, environmentally conscious economy. The announced initiatives are a step in the right direction, but without strong monitoring and accountability mechanisms, their long-term impact may fall short of expectations.

While sustainability is increasingly woven into national planning, the Budget still reflects a conventional development mindset rather than a bold, integrated sustainability strategy. This disconnect could hinder governance, climate resilience, and economic competitiveness, especially when measured against global benchmarks like the EU Green Deal and the Singapore Green Plan.

To strengthen its position, Mauritius would benefit from a comprehensive national sustainability framework, anchored in measurable KPIs, robust governance, and alignment with international standards.

Such a framework would not only enhance transparency and effectiveness but also unlock access to climate finance and attract sustainable investment in an increasingly competitive global landscape.

Environmental Initiatives

The Budget prioritises climate action, sustainable transport, circular economy, and marine protection.

- **Climate Action & Energy Transition:** Rs30bn over three years for solar and biomass projects, plus Rs3.3bn for environmental management. A Future Fund (from 2028) will support clean energy, climate mitigation, and adaptation. A Climate Finance Unit will manage the mobilised funds.
- **Sustainable Transportation:** 105 electric buses by January 2026, SMART bus shelters, cashless ticketing, and adaptive traffic systems to reduce congestion and emissions.

- **Circular Economy**: A four-pillar waste-to-wealth strategy, waste-to-art, composting, energy recovery, and metal recycling, supported by a Rs5 plastic bottle deposit scheme.
- **Marine Protection:** Rs164m for habitat restoration, erosion control, and marine conservation, with stricter regulations including mandatory fisher retirement at 65+.
- **Ocean Economy:** Focus on sustainable fisheries, marine conservation, infrastructure, climate finance, and legislative reforms to promote blue economy governance.

Social Initiatives

The national budget focuses on social sustainability, inclusive welfare, and human development.

- **Inclusive Social Protection** receives Rs90bn (34.8% of the Budget), including Rs68bn for pensions and Rs660m to support 7,000 households via the Social Register of Mauritius, offering benefits like free internet.
- **Healthcare** gets Rs18.5bn, featuring the 'Path to Remission' diabetes program, digital health tools, and new taxes on sugary products.
- **Education** is allocated Rs438m for infrastructure upgrades, AI modules in higher education, educator training, and a new National Education Council.
- **Housing** receives Rs107.5m, including Rs67.5m for Social Register beneficiaries and Rs40m for NHDC estate maintenance. Food security is supported with Rs800m for farmers and innovative agriculture.
- **Gender equity** is addressed through policy reforms to improve women's job market access and support for entrepreneurship, including better loans, mentorship, and digital economy participation.

Sector Specific Initiatives

The government is targeting three key sectors to advance sustainability and resilience using a strong cross-sectoral approach.

- **Tourism** receives Rs900m to develop a sustainable and inclusive tourism blueprint. This includes a €3 nightly tourist fee and a Heritage Stewardship Scheme to attract private investment in public heritage sites.
- **Agriculture and Food Security** is allocated Rs800m to boost resilience through vertical farming, indoor climate-controlled systems, and AI integration tailored for small-scale producers, modernising practices and strengthening food security.
- **Blue Economy Development** outlines strategic focus areas, namely, sustainable fisheries, ocean-based renewable energy, marine transport optimisation, and innovative blue finance mechanisms; though no specific funding is detailed.

Key areas for improvement

- **Biodiversity:** Focus limited to marine conservation, with no nature-based solutions or ecosystem valuation.
- **Waste Management**: Despite Rs662m allocated to circular economy, landfill issues persist, and no climate fund is directed to solid waste.
- **Sustainability Reporting**: No mandatory disclosures aligned with ISSB or GRI.
- **Sustainable Finance**: Lacks incentives for green bonds or sustainable investment products.
- **Climate Risk**: No stress testing or integration into fiscal planning or insurance frameworks.
- **Migrant Workers:** Acknowledges labour shortages but lacks protections for migrant welfare.

Read the key Sustainability measures announced

5. Sector Reviews

Financial Services | Hospitality | Agri-business & Real Estate | Public Sector | Manufacturing and SMEs | Information & Communications Technology (ICT)

5.1 Financial Services

Key measures

2.5% Tax

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

AML

Launching of specialised AML/CFT capacity-building programmes for public and private sector professionals.

Licensing

Setting up of a dedicated licensing framework for Wealth Management and Family Offices to offer integrated services ranging from investment advisory to succession planning.

Shakil Maghun
Partner,
PwC Mauritius

"The budget reaffirms Mauritius's role as a financial hub but requires more refinements to strengthen its global competitiveness."

In its inaugural budget, the new government of Mauritius aims to steady the ship. Rather than key transformative changes, the Budget focuses on enhancing regulatory standards while significantly increasing the tax burden on banks.

The Government is investing in advanced skills development, particularly in Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT). A unified e-licensing platform and centralised KYC repository will be deployed by the Financial Services Commission to improve regulatory oversight.

Another measure includes a request for a joint Financial Sector Assessment Program (FSAP) by the IMF and World Bank to evaluate and enhance the resilience of the financial system.

The Bank of Mauritius will launch bullion banking to drive investment and innovation. Legislative updates to the Bank of Mauritius Act and Banking Act will increase central bank independence, while a new resolution regime will ensure orderly handling of failed banks.

Further in the pipeline, digital finance gets a boost with the proposed Electronic Trade Documents Bill, granting legal recognition to digital trade instruments, and amendments supporting secure e-signatures. Meanwhile, streamlined licensing for wealth management and family offices aims to position Mauritius as an African investment gateway.

With all the measures considered in the Budget, the question remains whether these will boost the industry as we are all expecting...

Read the key measures announced

5.2 Hospitality

Key measures

Rs900m

Allocated to the Ministry of Tourism.

Blueprint

Rethinking the future of tourism by addressing the key challenges faced by this industry.

Rs164m

Restoration of natural habitats, prevention of beach erosion and combatting marine pollution.

Rs2bn

Estimated revenues derived from the Eur3 tourist fee based on 2023 tourist nights (Source: AHRIM) and an assumed exchange rate of Rs50.

Olivier Rey
EMA Clients and Markets Leader,
Partner,
PwC Mauritius

"No clear tangible measures for now and some positive intentions..."

The Budget provides the largest envelope of Rs900m to the Ministry of Tourism ever provided in a budget with a strong desire to restructure this institution to support such a key sector of our economy.

Operators will however remain expectant with a lack of clear measures or actions which seem to have been deferred to the Blueprint.

The future of the Tourism blueprint seems to cover the right angles and challenges of the sector but there are some pressing issues such as labour shortages and coastal erosion that require urgent action.

The allocation of Rs164m for restoration of natural habitats and prevention of beach erosion is a disappointing effort in trying to solve one of the biggest issues of the sector.

There is no mention of air connectivity apart from a desire to address it in the Blueprint.

The capex plan for Rodrigues is a catch-up measure from previous budgets and will help boost Rodrigues' tourism industry.

Some of the efforts mentioned in the Sustainability section of our report will help our island to be more sustainable and attractive to our tourists.

To conclude, we remain expectant of the Blueprint and the decisive measures on the key challenges of this sector including labour shortages, air connectivity and sustainability.

Read the key measures announced

5.3 Agri-business & Real Estate

Key measures

30%

Resellers of EDB scheme properties will face the higher of 10% of property value or 30% of realised gains.

10%

Alternative Minimum Tax applicable on the profits of real estate companies if the total tax is less than 10% of the profits.

10%

Registration duty (previously 5%) for non-citizen acquiring residential property under the EDB schemes.

10%

Land transfer tax (previously 5%) for the sale residential properties by promoters under the EDB schemes and non-citizen sellers.

Read the key measures announced

Olivier Ma
Partner,
PwC Mauritius

"Killing the goose that lays the golden eggs?"

Whilst most would agree that there are too many residential schemes and too many developments have been approved and generally that the smart city fiscal incentives were too generous, today's announcements are akin to killing the golden goose.

This government is handicapping the real estate sector which contributed 56% of FDI in 2024 by creating uncertainty, increasing levies and introducing the concept of capital gains tax on sale of properties. This will have an undesirable ripple effect on FDI, on the construction sector and on the unemployment rate**.**

Hitting real estate promoters where it hurts and disincentivising investment in the sector: additional levy on profits, increase in land transfer tax and removing all fiscal incentives for new smart city promoters.

The prices of properties under any EDB scheme should fall and sales velocity/liquidity should be impacted following today's announcements on registration duty and land transfer tax. Also affected are the resellers of properties, as they will face the higher of 10% of property value or 30% of realised gains. The 30% capital gains tax in a well-publicised zero capital gains tax jurisdiction sends the wrong message to investors and will undeniably lower the attractiveness of Mauritius as an investment destination and may well sound the death knell for this sector, at least in the short to medium term.

Agriculture and farming has not been a priority for the Finance Minister as evidenced by the lack of tangible game-changers for the industry and the well-repeated food security mantra.

The land repurposing policy, food resilience scheme and Landscope's food security projects lack detail and clarity.

5.4 Public Sector

Key measures

Rs128bn

Invested over the next five years in infrastructure development.

Rs19.7bn

Earmarked to redefine law and order to build a Safe and Modern Society.

Rs3.1bn

Provided to ensure uninterrupted access to tap water.

100%

Increase in the training and capacity-building budget in healthcare.

Rajeev Basgeet
Partner and Deals Leader,
PwC Mauritius

"Change does not depend only on financial resources. It demands willpower."

Government has shown this in respect of public services. Be it in the education sector, health sector and law and order sector, innovative and digital solutions are being contemplated to deliver these services.

With a focus on training in various public sectors, coupled with an effective administration of the health and justice system, the public in the end shall experience better outcomes.

Efficient management and capture of our water resources are in line with the Public demands. For infrastructure projects, the Government shall consider more enhanced involvement of the private sector. That endeavour shall foster a trusting relationship.

By ensuring that the Director of Audit report will be subject to scrutiny and debates in the National Assembly, this layer of transparency and accountability is welcome as part of the fiscal consolidation journey.

By focusing on People's aspirations wrapped through an innovation mindset, this shall drive real change in line with the Government mandate.

Read the key measures announced

5.5 Manufacturing and SMEs

Key measures

Rs50m

Public works contracts worth Rs30m to Rs50m reserved for SMEs and Medium enterprises.

Tax

Double tax deductions to small and medium companies on certain expenditures. Triple tax deduction on donations up to Rs1m.

AI

Start-Ups and MSME can claim up to Rs150,000 tax deduction for AI investments.

5%

Small businesses (turnover ≤ Rs10m) receive an investment tax credit of 5% overs 3 years on new equipment up to Rs500,000.

Olivier Rey
EMA Clients and Markets Leader,
Partner,
PwC Mauritius

"A struggling sector in need for a lot more support... "

The manufacturing sector has been struggling for a number of years to remain competitive particularly with labour shortages and increased costs of production. More value creation is expected from the sector.

To put Mauritius back on the map particularly in an uncertain environment with trade wars and global instability, the Budget could have been bolder, providing real incentives to companies to innovate through R&D.

The measures introduced for SMEs also fall short of the sector's expectations, particularly among those who were anticipating relief through reduced costs and additional assistance.

Some efforts have been made to provide tax rebates through additional investment tax credits for small businesses and double deductions for SMEs on expenditure such as costs associated with acquisitions of patents and franchises and expenditure related to set up costs of childcare facilities for employees.

AI is revolutionising the manufacturing and SME sectors; yet the Budget offers limited direct incentives to support operators in this transition. According to the 2025 Global AI Barometer Survey by PwC, workers with AI skills command a 56% wage premium. Operators will need to bear the burden of this investment to go up in the value chain and adapt. However, this shift also presents an opportunity to address labour shortages, enhance productivity, and generate broader value across the ecosystem.

Read the key measures announced

5.6 Information & Communications Technology (ICT)

Key measures

Rs25m

Allocated for the launch of a Public Sector AI Programme to drive innovation and digital transformation.

~35%

In alignment with the Digital Transformation Blueprint.

Rs550m

Dedicated to training, reskilling and upskilling of labour.

Rs70m

Tier IV Government Data Centre for disaster recovery.

Read the key measures announced

Jean-Pierre Young
Chief Innovation Officer,
PwC Mauritius

"Embracing digitisation boosts efficiency, transparency, and citizen trust—driving better service and productivity."

The Budget announcements underscore the government's strong commitment to advancing digital transformation through targeted financial investments.

With the launch of its digital transformation blueprint, the Government has laid out a bold and strategic vision to modernise public services, empower citizens through technology, boost national competitiveness, and reshape governance, service delivery, and economic growth for the digital age. At PwC, we welcome the Budget measures that clearly reflect the Government's commitment to turning this vision into action. The planned investments in key areas of the public sector are a strong signal of progress. By embracing digitisation, the public sector stands to gain greater efficiency, enhanced transparency, and increased citizen trust—all of which contribute to better service delivery and higher productivity.

We're also encouraged to see a clear focus on reskilling and workforce development, with Rs550m allocated to equip citizens with the skills needed to thrive in a rapidly evolving digital economy.

According to the PwC CEO Survey, Mauritian CEOs are optimistic about the potential of AI, with many expecting it to boost profitability within the next 12 months. However, trust in AI remains measured. This mirrors global trends, where enthusiasm for AI's transformative potential is growing, but skills shortages continue to hinder progress. In Mauritius, the talent gap is particularly acute, with a limited pool of workers possessing the critical skills needed for AI adoption. Whilst the announcements and intentions sound promising, the challenges will remain in its successful implementation.

6. Taxation

Key Tax Measures | Corporate Tax | Personal Tax | Value Added Tax | Smart City Scheme | Other Taxes | Tax Administration

6.1 Key Tax Measures

Tax, tax.. and tax! This year's Budget delivers a clear message: the tax burden is rising - especially for banks, high-income earners, and corporates with annual chargeable income exceeding Rs24m. While the reduction in the limitation period for raising assessments is a welcome step toward efficiency and certainty, the introduction of the QDMTT raises serious concerns. As global tax rules tighten, we risk losing the competitive edge that has long attracted international business to our shores.

Corporate Tax	• Imposition of a Qualified Domestic Minimum Top-up Tax (QDMTT) as from 01 July 2025 • Introduction of Alternative Minimum Tax (AMT) on companies operating in specified sectors • 80% exemption available to licensed Virtual Asset Service Providers • Double/triple deductions now restricted to Small & Medium Enterprises (SMEs)
Personal Tax	• Revision of personal income tax rates and bands • Introduction of Fair-Share Contribution on high-income earners
Value Added Tax	• Decrease in VAT registration threshold to Rs3m • Implementation of VAT on digital services • Introduction of Fair-Share Contribution for businesses with chargeable in excess of Rs24m and banks
Other Taxes	• Removal of fiscal incentives under the Smart City Scheme • Withdrawal of registration duty and land transfer tax concessions for non-citizens acquiring residential property under EDB schemes • End of preferential excise and licence fee rates for hybrid and electric vehicles • Abolition of registration duty on sale and transfer of domestic pre-owned vehicles
Tax Administration	• Power to issue assessments limited to 2 years • Introduction of Tax Dispute Settlement Scheme and Voluntary Disclosure Settlement Scheme for 1 year • Tax Arrears Settlement Scheme renewed for 1 year • Suppliers making a turnover of more than Rs80m will join the e-invoicing system • Penalties and interest will be capped to 100% of the tax amount due

6.2 Corporate Tax (1/4)

The global business sector escapes the AMT net, but QDMTT still weighs heavily on its appeal.

Qualified Domestic Minimum Top-Up Tax (QDMTT)

- Imposition of a QDMTT on resident subsidiaries and holding companies of MNEs resident in Mauritius on income derived as from 1 July 2025.

Alternative Minimum Tax (AMT)

- Introduction of AMT on companies operating in the following specified sectors:
  - Hotels;
  - Insurance companies;
  - Companies engaged in financial intermediation;
  - Telecommunication companies.
- Where the total tax payable by a specified company under the Income Tax Act (ITA) after allowable deductions but prior to foreign tax credits is less than 10% of its book profits, the specified company will be required to pay 10% of its book profits instead of its normal tax payable.
- Book profit for the purposes of the AMT will be post adjustments for capital gains/ losses and dividends from resident companies.
- The AMT will not apply to holders of a Global Business Licence (GBL) and companies benefiting from income tax exemptions and tax holidays.
- No tax credits can be used to offset the AMT.

Corporate Social Responsibility (CSR)

- 50% of CSR Fund entitled to be spent by companies, instead of 25% currently.

80% tax exemption

- 80% tax exemption now available to licensed Virtual Asset Service Providers on income derived from the exchange, transfer, safekeeping and administration of virtual assets, subject to satisfying prescribed substance conditions.
- 80% tax exemption not available to banks on foreign source dividend.

Investment Tax Credit (ITC)

- An ITC of 5% over 3 years (i.e. 15% in total) will be granted to qualifying small businesses or service providers with an annual turnover not exceeding Rs10m on the acquisition cost of new equipment (excluding motor vehicles) not exceeding Rs500,000 during the period from 01 July 2025 to 30 June 2030.
- Unrelieved ITC may be carried forward for 5 years.

Exempt bodies

- Corporate tax exemption granted to the National Guarantee Corporation Ltd.
- Corporate tax exemption granted to companies implementing projects whereby at least 50% of the project is financed through grants or concessionary financing from a foreign state or a donor institution.

6.2 Corporate Tax (2/4)

Double and triple deductions are now exclusive to SMEs.

Income tax holidays to Small & Medium Enterprises (SMEs)

- 4-year income tax holiday to SMEs on conversion from sole trader or partnership to company no longer allowed where the SME is:
  i. providing professional services;
  ii. a tourism operator; or
  iii. a training institution.

Restrictions of double/triple deductions effective from 01 July 2025

- The following double deductions will be restricted to SMEs:
  i. emoluments & training costs paid to employees in Rodrigues;
  ii. expenditure on the cost of setting up a crèche or Child Day Care Centre;
  iii. expenditure on acquisition of patents and franchises;
  iv. expenditure on acquisition of specialised software and systems;
  v. expenditure on financing, sponsorship, marketing or distribution costs of a film.
- 150% deduction of expenditure on filing fees in respect of an application to a recognised arbitration institution in Mauritius restricted to SMEs.
- Triple deduction of donation of a maximum of Rs1m to a charitable institution or NGO restricted to SMEs.

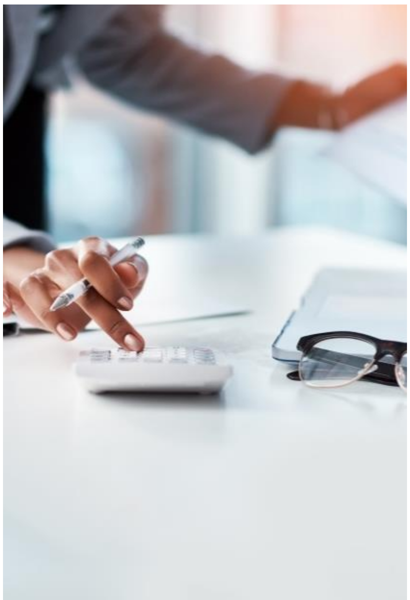
Financial support schemes

- Introduction of a monthly Salary Compensation 2025 payable during the period from January to June 2025 as follows:

Enterprise	Monthly Salary Compensation
Eligible employee of a charitable institution, NGO, religious body or trade union	Rs610
SME, export-oriented enterprise, bus operator or light rail operator providing public transport Enterprise operating in the Business Process Outsourcing, security, cleaning services or construction sectors, with turnover below Rs750m in the year of assessment 2023/2024	Rs610 or Rs305 per eligible employee (depending on profitability of the enterprise)

6.2 Corporate Tax (3/4)

The Prime à l'Emploi Scheme will officially end on 1 July 2025, closing a chapter in wage support.



Financial support schemes (cont'd)

- Introduction of the National Minimum Wage and Salary Compensation 2024 to export-oriented enterprises, irrespective of profitability, as follows:

Employees	Monthly Compensation
Employees earning national minimum wage	Rs2,333 from January to December 2025, including a bonus in December 2025
	Rs1,167 from January to December 2026, including a bonus in December 2026
Employees earning basic salary above minimum wage but not exceeding Rs50,000 monthly	Maximum of Rs1,333 from January 2025 to December 2025, including a bonus in December 2025
	Maximum of Rs667 from January 2026 to December 2026, including a bonus in December 2026

Renewal and phasing out of schemes and allowances

- Abolition of Prime à L'Emploi Scheme effective 01 July 2025.
- Renewal of Revenu Minimum Garanti Allowance and Equal Chance Allowance up to 30 June 2027. The monthly allowance will be as follows:

Allowance	Monthly Allowance	
	July 2025 -June 2026	July 2026 - June 2027
Revenu Minimum Garanti Allowance	Maximum of Rs890	Maximum of Rs1,890
Equal Chance Allowance	Rs2,000	Rs2,000

6.2 Corporate Tax (4/4)

Social allowances are renewed with a clear sunset clause: all will phase out by 30 June 2027, except for SRM beneficiaries.

Renewal and phasing out of schemes and allowances (Cont'd)

- Renewal of the following allowances and phasing out over the next two years to 30 June 2027:
  - i. CSG Income Allowance;
  - ii. CSG Child Allowance;
  - iii. CSG School Allowance;
  - iv. Pregnancy Care Allowance; and
  - v. Maternity Allowance.
- Abolition of Independence Allowance effective 01 July 2025.

Household members who are beneficiaries under the Social Register of Mauritius (SRM) will continue to benefit from the above allowances. The monthly allowances payable will be as follows:

Monthly income	**Monthly allowance**	
CSG Income Allowance	**July 2025 – June 2026**	**July 2026 - June 2027**
Less than Rs20,000	Rs2,000	Rs1,000
Rs20,001 – Rs 25,000	Rs1,667	Rs833
Rs25,001 – Rs30,000	Rs1,333	Rs667
Rs30,001 – Rs50,000	Rs1,000	Rs500
Other allowances	**July 2025 – June 2026**	**July 2026 – June 2027**
CSG Child Allowance	Rs1,667 per child	Rs833 per child
CSG School Allowance	Rs1,333 per child	Rs667 per child
Housing Loan Relief Scheme	Rs667	Rs333
Maternity Allowance (9 months)	Rs1,333	Rs667
	One-off allowance	
Pregnancy Care Allowance	Rs2,000	Rs1,000

6.3 Personal Tax

High-income earners are called to play a bigger part through the introduction of the Fair-Share Contribution.

Revision of personal income tax rates and bands as follows:

Chargeable Income	Rate
First Rs500,000	0%
Next Rs500,000	10%
Remainder	20%

Fair-Share Contribution on high-income earners

- An individual earning annual net income exceeding Rs12m, inclusive of dividend income, will be required to pay a Fair-Share Contribution at the rate of 15% 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 and it will be applicable for 3 consecutive income years.

Taxation of car benefit

The monetary values for car benefit are being reviewed as follows:

Cylinder Capacity	From (Rs)	To (Rs)
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	From (Rs)	To (Rs)
More than Rs3m up to Rs5m	N/A	25,000
More than Rs5m up to Rs8m	N/A	35,000
More than Rs8m	N/A	50,000

Review of Personal Reliefs and Deductions

The following personal reliefs and deductions will be removed:

- deduction of wage paid to a household employee;
- donation to charitable institutions;
- relief for adoption of animals; and
- angel investor allowance.

6.4 Value Added Tax (1/2)

Digital services are now taxed, VAT registration kicks in at a lower threshold and the cap on the Special Levy for banks is gone.

Compulsory VAT registration

- The VAT registration threshold decreased from Rs6m to Rs3m with effect from 01 October 2025.

Removal of Special Levy cap on banks

- Cap of 1.5 times of levy paid by a bank in the year of assessment 2017-2018 will be removed.

Extension of zero-rated items

- Zero-rate VAT extended to:
  - 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;
  - iv. hairdressing services; and
  - v. CCTV systems

VAT on specified digital services

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

VAT refunds schemes

- VAT refund on harvesting services will be granted to planters under the VAT Refund Scheme for Small Planters.
- 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 June 2025.

Exempt bodies

- 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 considered as an exempt body.

6.4 Value Added Tax (2/2)

Corporates earning over Rs24m face a new contribution of up to 5%, while banks shoulder even more — with an extra 2.5% on domestic operations.

Companies

- Corporates having annual chargeable income above Rs24m 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%.

Banks

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

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

The contributions will be payable on a quarterly basis.

6.5 Smart City Scheme

Fiscal incentives under the Smart City Scheme will be significantly curtailed from 05 June 2025, with a clear shift towards tighter eligibility, sustainability compliance, and fee alignment with other real estate frameworks.

Removal of fiscal incentives

- Projects issued a Smart City Certificate or developer registration after 05 June 2025 will no longer benefit from key tax exemptions, including:
  - i. VAT exemption on buildings and infrastructure
  - ii. 8-year income tax holiday on real estate income
  - iii. Customs duty exemption on import of machinery and materials for construction
  - iv. Registration duty and land transfer tax exemption on land transferred to Smart City Companies
  - v. Morcellement fee and land conversion tax exemptions
- Two exceptions apply:
  - i. Construction of a public transport station or terminal
  - ii. Projects under the National Regeneration Programme

Existing Projects

- Projects with development started before 05 June 2025 will no longer be eligible for:
  - i. Exemption from land conversion
  - ii. Exemption from customs duty on furniture, machinery and construction materials
- However, such projects will continue to benefit, for components with a valid Building and Land Use permit and construction started before 05 June 2025, from:
  - i. recovery of VAT paid on buildings, capital goods and construction of public roads
  - ii. income tax holiday on income derived from real estate activities
- A Smart City project, although outside the Morcellement Act, will be required to pay a fee equivalent to the Morcellement fee.

6.6 Other Taxes (1/2)

Housing schemes are being phased out, property taxes for non-citizens are rising, and vehicle-related benefits are being scaled back.

Property Tax and Housing Incentives

- Renewal of Housing Loan Relief Scheme and phasing out over the next two years to 30 June 2027.
- The following schemes under the Registration Duty Act will be discontinued after 30 June 2025:
  i. Home Ownership Scheme
  ii. Home Loan Payment Scheme

Acquisition and Resale of Residential Property by Non-Citizens

- Registration duty on the acquisition of residential property by non-citizens under EDB schemes will increase from 5% to 10% of property value. The change applies to:
  i. Smart City Scheme
  ii. Property Development Scheme (PDS)
  iii. Integrated Resort Scheme (IRS)
  iv. Real Estate Scheme (RES)
  v. Invest Hotel Scheme (IHS)
  vi. Apartments in buildings with at least two floors above ground
- Non-citizens selling residential property acquired under the above schemes (or qualifying apartments) will be subject to land transfer tax at the higher of:
  i. 10% of the property value, or
  ii. 30% of the gain realised on the resale.

Acquisition and Resale of Residential Property by Non-Citizens (cont'd)

- Where a non-citizen acquires such a property on resale, they will also be liable to the 10% registration duty.
- The new rate will apply on deeds registered after publication of the Finance (Miscellaneous Provisions) Act 2025, regardless of prior reservation agreements.

Land Transfer Tax for Developers

- Promoters selling residential units under the above schemes, including qualifying apartments, will now be subject to land transfer tax at 10%, instead of 5%, at time of registration.

6.6 Other Taxes (2/2)

Motor vehicle taxes rise, EV perks are scrapped, and tourists will now contribute €3 per night from October 2025.

Motor Vehicle Excise Duty

- New rates of excise/customs duty on vehicles will apply from 6 June 2025 based on engine size and vehicle type (conventional, non-plug-in-hybrid, plug-in hybrid)
- Electric cars up to 180KW will attract a duty of 15% and 25% for those above 180kW
- A transitional provision will allow previously applicable rates to continue for vehicles already shipped or held in bonded warehouses as at 05 June 2025, provided clearance is completed by 30 June 2025

Motor Car Capacity	Conventional	Non-Plug-In Hybrid	Plug-In Hybrid
551 – 1,000cc	45%	25%	15%
1,001 – 1,600cc	55%	35%	25%
1,601 – 2000cc	75%	55%	35%
Above 2,000cc	100%	75%	55%

End of the Negative Excise Duty Scheme

- The Negative Excise Duty Scheme for electric vehicles will officially end on 30 June 2025 and will not be renewed.

Registration Duty on vehicles

- From 01 July 2025, Registration Duty will be abolished on the sale and transfer of domestic pre-owned vehicles.
- For first registrations, duty will be increased by 30%.

Motor Vehicle Licence Fees

- The 50% concessional rate previously applied to hybrid and electric vehicles will be abolished and these vehicles will now attract the full amount corresponding to the class of conventional vehicles.
- The 3-month and 6-month payment options for licence fees remain available.

Tourist Fee

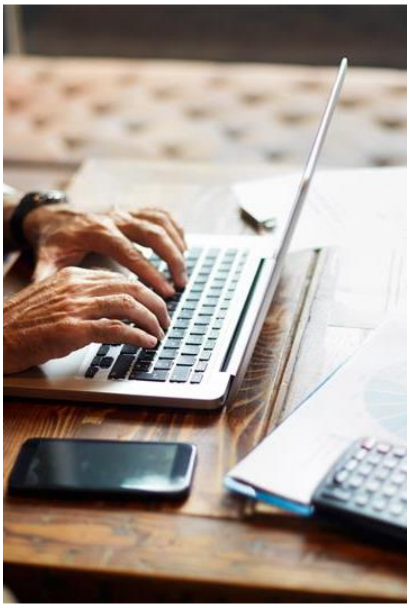
- A Tourist Fee of €3 per night per tourist will be applicable from 01 October 2025 for stays in
    - i. Hotels
    - ii. Guesthouses
    - iii. Tourist residences
    - iv. Domaines
- Tourists under 12 years will be exempted from payment of the fee.
- The fee will be collected by designated establishments and remitted monthly to the MRA.

Sugar Content Excise Duty

- From 06 June 2025, the excise duty on sugar content in sweetened products will increase from 6 cents to 12 cents per gramme of sugar.
- Additionally, from 01 October 2025, these 12 cents per gramme will also apply to:
    - i. Chocolates
    - ii. Ice cream

6.7 Tax Administration (1/5)

New reforms limit retrospective assessments, cap penalties, and offer one-off settlement schemes to promote voluntary compliance.



Power to raise assessments

- The Mauritius Revenue Authority's power to issue assessments for past years will be limited to a two-year period, except in exceptional circumstances.

Capping on penalty and interest

- Penalties and interest will be capped to 100% of the tax amount due.
- Further, penalties and interest for unpaid taxes will be reduced by 50%, provided they do not pertain to withholding taxes collected on behalf of the Government.

Tax Dispute Settlement Scheme (TDSS)

- A one-off TDSS will be introduced to reduce the backlog of tax cases under dispute or litigation at the Assessment Review Committee (ARC), the Supreme Court (SC) or Privy Council (PC).
- Under TDSS, taxpayers who withdraw their cases from the ARC, the SC, or the PC and have outstanding tax claims will be granted a full waiver of penalties and interest.
- The Scheme applies to cases under litigation as of 05 June 2025 and runs until 31 March 2026. Taxpayers must pay the tax due by 31 March 2026 to benefit from the Scheme.
- No tax, penalty, or interest paid will be refundable under this Scheme, except where the case is before the SC and the tax has already been settled.

Voluntary Disclosure Settlement Scheme (VDSS)

- A second one-off scheme, the VDSS, will be introduced to encourage taxpayers who have undeclared or under-declared income or taxable supplies to come forward and regularise their tax affairs.
- Under VDSS, a taxpayer will benefit from a full waiver of penalties and interests.
- The VDSS will be available until 31 March 2026, with all payments required by that date.
- For income tax purposes, the VDSS will cover undeclared or under-declared income for the Year of Assessment 2024/25 and earlier, excluding returns due in June 2025.
- For VAT purposes, the VDSS will apply to undeclared or under-declared taxable supplies for periods ending on or before 30 April 2025.
- No tax, penalty, or interest paid will be refundable under this Scheme under any circumstances.

Tax Arrears Settlement Scheme (TASS)

- Extension of TASS providing full waiver of penalties and interests for tax debt and tax arrears outstanding as at 30 June 2025, provided the taxpayer registers by 30 November 2025 and pays the tax in full by 31 March 2026.

6.7 Tax Administration (2/5)

New measures include tax agent registration, foreign currency payments, and extended appeal rights under customs and excise laws.

Registration of tax agents

- All tax agents will henceforth be required to register with the MRA.
- Members of the Mauritius Institute of Professional Accountants and law practitioners will be deemed registered under the law.

Payment of tax in foreign currency

- Businesses earning at least 50% of their annual turnover in foreign currency will be required to settle their tax liabilities in foreign currency.

Tax Administration: Income Tax

Arm's length test

- The scope and methodology of the application of the arm's length principle will be reviewed.

Tax ruling

- The fees payable for a Income Tax ruling will be increased to:
  (A) Rs3,000 for an individual; and (B) Rs50,000 for any other person.

Tax Administration: Customs Act

Deferred payment in respect of VAT on capital goods

- Under the deferred VAT scheme, a VAT-registered person is not required to pay VAT on the import of capital goods of a value of Rs1m 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 Rs500,000 or more.

Extension of Objection and Appeal Payment Requirements to Customs Legislation and Excise Act

- 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.

6.7 Tax Administration (3/5)

Objections without detailed grounds may lapse, and reverse charge now applies to all VAT registered entities — including banks receiving services from abroad.

Tax Administration: Customs Act (Cont'd)

Failure to provide detailed grounds of objection

- If a person disputes the tax amount assessed by the MRA but has not specified the detailed grounds of the objection, the MRA may treat the objection as lapsed. However, the individual will retain the right to appeal against the MRA's decision
- This new provision will be included in the various customs laws in the following cases:
  i. payment of taxes under protest by the person;
  ii. non-acceptance by MRA of a claim for refund of duty paid in excess made by the person;
  iii. claim by MRA for an erroneous refund or reduction in taxes;
  iv. claim for underpayment of taxes by MRA;
  v. 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
  vi. claim for excise duty unpaid following a stocktaking of excisable goods in a factory.

Value Added Tax Act

- During the financial year 2025-26, suppliers making a turnover of more than Rs80m will join the e-invoicing system.
- Credit for input tax on rented parking is disallowed, except for motor vehicles used in the furtherance of a business.
- 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.
- An administrator, executor, receiver or liquidator appointed to manage or wind up a company will be liable to pay the VAT due in the order of priority of payments to preferential creditors set out by the Insolvency Act.
- Reverse charge on supply of services received from abroad will apply to all VAT registered persons, including banks receiving services from a foreign supplier.
- A person seeking a ruling has no right of representation against the ruling at the ARC.
- VAT will be applicable on supply made to a foreigner who is outside Mauritius at the time the service is performed, if the service is utilised in Mauritius.

6.7 Tax Administration (4/5)

From mandatory registration for pleasure craft operators to steep fines and jail time for non-compliance, the MRA is raising the stakes.

Value Added Tax Act (Cont'd)

- 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.
- The fees payable for a VAT ruling will be increased to:
  (A) Rs3,000 for an individual; and (B) Rs15,000 for any other person.
- A person will be liable, on conviction, to a fine not exceeding Rs100,000 and to imprisonment not exceeding 3 years upon failure to submit information requested by MRA.
- Failure by a person to give access to computers and other electronic devices requested by MRA will be an offence and the person will, on conviction, be subject to a fine not exceeding Rs200,000 and to imprisonment not exceeding 5 years.
- A fine not exceeding Rs500,000 will be applicable for offences relating to:
  i. making an incorrect return or statement ;
  ii. making an incorrect claim for repayment in respect of capital goods;
  iii. giving incorrect information in respect of tax liability;
  iv. a person claiming to be VAT registered when he is not; or
  v. obstructing an officer of MRA in his functions.
- The fine will henceforth be an amount not exceeding Rs1m for:
  i. failure to register for VAT purposes;
  ii. failure to submit a VAT return and pay any tax due; or
  iii. submission of false returns, books, records, VAT invoices, documents or information with intent to evade VAT.

6.7 Tax Administration (5/5)

Fines under the VAT Act rise to Rs100,000, while excise duty shortfalls face steep penalties and interest.

Value Added Tax Act (Cont'd)

- The fine for the following offences has been increased to Rs100,000:
    i. 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;
    ii. failure of a VAT registered person to issue a VAT invoice;
    iii. failure of a VAT registered person to change his taxable period from quarterly to monthly when his annual turnover exceeds Rs 10 million; and
    iv. 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.

Excise Act

- A penalty not exceeding 50% and interest at the rate of 0.5% per month will be imposed on excise duty considered unpaid following a stocktaking of excisable goods in a factory.

- When Customs issues a tax claim to a manufacturer following a stocktaking of excisable goods, the manufacturer may only appeal through the MRA's Objection Directorate.

- The 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.

PwC Legal
An independent law firm

7. Legal Perspective by PwC Legal (Mauritius)

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7. Legal Perspective

Key measures

Partial exemption of 80% applicable to Virtual Asset Service Providers.

Positioning Mauritius as a platform for investment into Africa.

Ashveen Gopee
Partner/Managing Director
Barrister-at-Law
PwC Legal (Mauritius) Ltd

"Mauritius must accelerate its pace to keep up with, and ideally outpace, jurisdictions which have already established themselves as leaders in the virtual asset space."

Reinvigorating Mauritius as a Leading International Financial Centre: The Imperative need for Strategic Transformation

The Urgency for Strategic Rethinking and Bold Action

Mauritius, once a trailblazer in the international financial services sector, now faces mounting challenges from intensifying regional and global competition, shifting geopolitical dynamics, and the rapid evolution of financial technologies. The current environment demands not incremental change, but a fundamental, audacious reimagining of Mauritius' value proposition as an International Financial Centre (IFC).

Bridging the Talent Gap: Beyond AML/CFT

A critical weakness undermining Mauritius' IFC ambitions is the persistent and worsening shortage of specialised skills.

The real enablers of growth are highly skilled professionals—wealth and asset managers, fintech specialists, and other key talents— who can transform existing licences, such as those for wealth and asset management, into genuine engines of value creation.

The Budget speech lacks the precision of the types of talents, and it is hoped that this is addressed at the implementation stage.

Ecosystem Development: The Missing Link for Family Offices and Wealth Management

Mauritius introduced the Financial Services (Family Office) Rules in 2020, aiming to position itself as a hub for wealth planning, protection, and succession advisory.

However, the uptake has been disappointing. The regulatory framework already allows for a broad range of activities, but what is lacking is a holistic ecosystem that makes Mauritius an attractive destination for high-net-worth individuals and family offices.

This goes beyond financial regulation—it requires a comprehensive approach to lifestyle, including world-class schooling, healthcare, and quality of life. The various policy components announced in the Budget—such as reforms in education, health, and digital transformation—must be integrated to create a compelling, seamless experience for global families and professionals.

Defining a Clear Strategic Direction for Financial Services

While the Government has articulated the need to build a resilient financial services sector, there remains a lack of clear, actionable direction. Mauritius must move beyond general statements and set a precise course for the sector's evolution. This includes the introduction of innovative financial products in emerging sectors such as green energy, green funds, and the licensing of derivatives, virtual assets, and stablecoins and related incentives.

The extension of the partial exemption regime to Virtual Asset Service Providers (VASPs) in the 2025-2026 budget is a positive step, but Mauritius must accelerate its pace to keep up with, and ideally outpace, jurisdictions that have already established themselves as leaders in the virtual asset space, like Dubai and others which are gearing up to become regional competitors, like the Seychelles.

Positioning Mauritius as a Regional Fintech Hub for Africa

Fintech is not a distant prospect—it is the present reality, especially in Africa, which is experiencing a fintech boom. Africa's fintech sector attracted over US$2.7 billion in investment in 2023, with the number of fintech startups growing by more than 60% over the past five years. This presents a unique opportunity for Mauritius to leverage its strategic location and regulatory expertise to become the regional fintech hub for Africa-bound investments. The Government's intention to develop a new Africa Strategy for the financial services sector is laudable, but it must be underpinned by a refined, targeted approach that prioritises talent attraction, regulatory agility, and ecosystem development.

Talent Attraction and Incentivisation: The Cornerstone of Future Growth

A central pillar of this strategy must be the attraction and retention of top-tier talent. The Government's commitment to facilitating the recruitment of foreign professionals is a step in the right direction. However, to truly compete on a global scale, Mauritius must offer a suite of incentives—ranging from fast-track permits and premium investment certificates to lifestyle benefits—that make it the destination of choice for the world's best financial minds. The extension of the Premium Investment Certificate beyond research laboratories to encompass fintech and financial services professionals would be a powerful signal of intent.

▶ Read the key Legal measures announced

8. Appendix

Detailed measures announced by Sector

8.1 Financial Services (1/3)

Key measures

2.5% Tax

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

AML

Launching of specialised AML/CFT capacity-building programmes for public and private sector professionals.

Licensing

Setting up of a dedicated licensing framework for Wealth Management and Family Offices to offer integrated services ranging from investment advisory to succession planning.

Banking

- Introduction of Bullion Banking as a new private banking activity to allow licensed banks to trade and hold precious metals.
- Introduction of a new legislation recognising electronic bills of exchange and trade documents to facilitate digital trade finance.
- Implementation of a National Banking Skills Mapping Exercise, along with the creation of a Centralised Banking Skills Database.
- The Bank of Mauritius will implement an effective resolution regime to strengthen financial stability and ensure the orderly resolution of failed banks without systemic disruption.
- Banks will be required to make an additional contribution of 2.5% of their chargeable income from domestic operations (excluding income derived from transactions with non-residents and Global Business Companies).
- Capping of 1.5 times of levy paid by a bank in the year of assessment 2017-2018 will be removed.
- 80% tax exemption not available to banks on foreign source dividend.

Other financial institutions

- Introduction of an Alternative Minimum Tax (AMT) for insurance companies and companies engaged in financial intermediation activities.
- 80% tax exemption now available to licensed Virtual Asset Service Providers subject to satisfying prescribed substance conditions.

Global businesses

- Setting up of a dedicated licensing framework for Wealth Management and Family Offices offering services ranging from investment advisory to succession planning.
- Development of a new Africa Strategy for the financial services sector to reinforce Mauritius as a platform for Africa-Bound investments.
- Launching of a unified e-licensing platform with real-time tracking, AI-powered assistance, and integration with the Centralised KYC Repository and “Known to the Commission” features via the FSC.
- Introduction of a National Roadmap set to prepare for the 2027 Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) evaluation, focusing on AML/CFT implementation, risk assessments, legal reforms, and enhanced financial intelligence tools.
- Launching of specialised AML/CFT capacity-building programmes for public and private sector professionals.
- Request for a Financial Sector Assessment Program (FSAP) from the IMF and World Bank to assess financial sector strength, improve crisis management, and recommend reforms aligned with international best practices.
- Revision of the FSC annual licence fees to reflect evolving market conditions.

8.1 Financial Services (2/3)

Bank of Mauritius Act

- Amendment of the Bank of Mauritius Act to empower the BOM to allow any KYC institution, licensed by the FSC, to become a participant in the Central KYC system or the Central Accounts Registry in order to enhance efficiency and improve financial transparency; and clarify the definitions of "account" and "customer" for interpreting the scope of the Central KYC System and the Central Accounts Registry.

Banking Act

- Amendment of the Banking Act to broaden the regulatory scope of the BOM by including foreign exchange swaps and other transactions which may be construed as the buying and selling of foreign currency under the activities of licensed foreign exchange dealers; and align provisions of the Act, relating to powers and duties of conservator and powers of receiver, to offer the assets or shares of the financial institution for sale without the consent of a financial institution or any of its shareholders.

National Payment System Act

- Amendment of the National Payment Systems Act to define “account information services”, “money remittance”, “payment account” and “payment initiation services” in order to support the licensing, supervision and regulation of payment service providers under the Act.

Financial Services Act

Amendment of the Financial Services Act to:

- Enable the FSC to conduct special investigations at the request of a foreign supervisory institution.

- Empower the Chief Executive to refer a matter to the Settlement Committee as well as to enable an employee, duly appointed by the Board in the absence of an appointed Chief Executive, to refer matters to the Settlement Committee.

- Enable the issuance or transfer of shares to existing shareholders, without requiring the approval of the FSC, provided that it does not result in a change in control.

- Exempt licensees listed on securities exchanges, other than those in Mauritius, from the requirement to seek the approval of the FSC when there is transfer of shares which do not result in a change in control.

- Enable the FSC to initiate an investigation against a person, who ought to have been licensed under the Financial Services Act or any other relevant Acts.

- Enable the Chief Executive to give written direction to any relevant person, in addition to its licensees, as he deems appropriate in the circumstances specified under the Act; and direction to a licensee, if necessary, for the orderly administration of the financial services.

- Ensure that the holders of Global Business Licence have at least 2 directors at all times and the FSC be kept informed of any change in directors within 7 days.

- Provide that the oath of confidentiality, immunity and protection be extended to any other person assisting an appointed investigator by the FSC.

8.1 Financial Services (3/3)

Mauritius Insurance Deposit Act

Amendment of the Mauritius Deposit Insurance Scheme Act to:

- Allow the Mauritius Deposit Insurance Corporation Ltd (MDIC) to invest or manage assets of the Deposit Insurance Fund.
- Clarify that Board of Directors of the MDIC will be responsible for the oversight of the business and affairs of the MDIC.
- Clarify the role and responsibilities of staff of the MDIC.
- Allow for the use of the Deposit Insurance Fund to purchase an asset that the BOM has procured for the MDIC.
- Clarify that the membership termination of a bank or non-bank deposit-taking institution occurs automatically upon the occurrence of the events set out under the Act.
- Provide that, following the termination of the membership, the Board of the MDIC will have to publish a notice immediately on its website and, as soon as practicable, in the Gazette and two newspapers.
- Empower the MDIC to impose administrative penalties of up to Rs 50,000 per day for the submission of inaccurate or misleading information by member institutions during examinations.
- Clarify that officers of the MDIC will only be indemnified when they act in the proper discharge of their duties under the Act.

Private Pension Schemes Act

- Amendment of Private Pension Schemes Act to empower the FSC to approve sponsoring employers joining existing private pension schemes.

Co-operative Act

Amendments of Co-operative Act to:

- Empower the Registrar of Co-operative Societies to request information, impose sanctions, issue binding directions, and conduct on-site inspections for AML/CFT compliance.
- Define the AML/CFT supervisory functions of the Registrar of Co-operative Societies, including information sharing with investigatory and supervisory authorities.
- Introduce a risk-based approach to supervision of credit unions.
- Establish an appeal mechanism against decisions of the Registrar of Co-operative Societies.
- Empower the Registrar of Co-operative to issue guidelines, impose sanctions, and enforce AML/CFT compliance within credit unions, including taking corrective action when needed.
- Define the supervisory responsibilities of the Registrar of Co-operative Societies, including regulatory guidance and cooperation with investigatory authorities.
- Provide for the Registrar of Co-operative Societies to request information, records, and documents from credit unions to enable effective supervision and investigation of potential breaches.

Read our opinion on the sector

8.2 Hospitality

Key measures

Rs900m

Allocated to the Ministry of Tourism.

Blueprint

Rethinking the future of tourism by addressing the key challenges faced by this industry.

Rs164m

Restoration of natural habitats, prevention of beach erosion and combatting marine pollution.

Rs2bn

Estimated revenues derived from the Eur3 tourist fee based on 2023 tourist nights (Source: AHRIM) and an assumed exchange rate of Rs50.

Reimagining the future of tourism Blueprint

- Focus on quality, value addition, sustainability, inclusion and resilience.
- Tackling of the two most critical challenges being labour shortages and environmental impacts.
- Focus on quality and value-added tourism.
- Improvement in branding and positioning of Mauritius.
- Diversification of geographical footprint and growth of off-peak arrivals.
- Addressing critical issues of air connectivity and competitiveness.
- Ensuring synergies and improving coordination between the private and public sectors.

Tourist fee

- Implementation of a Eur3 per tourist per night for stays in designated establishments, excluding children under the age of 12.

Improvements to infrastructure

- Construction of a new runway at Plaine Corail airport in Rodrigues.
- Introduction of e-gates to facilitate transfers at the airport.

Policy changes

- Restructuring of the Mauritius Tourism Promotion Authority.
- Expediting the recruitment of foreign labour and skills through a fast-track and rules-based work permit system.
- Holders of a Pleasure Craft Licence, issued by the Tourism Authority, will be required to compulsorily register for VAT purposes irrespective of turnover. This will be applicable to a pleasure craft used for commercial purposes.
- The Tourism Authority Act will be amended to extend the validity period of both the Tourist Accommodation Certificate and the Tourist Enterprise Licence from 1 year to 3 years.

Read our opinion on the sector

8.3 Agri-business & Real Estate (1/4)

Key measures

30%

Resellers of EDB scheme properties will face the higher of 10% of property value or 30% of realised gains.

10%

Alternative Minimum Tax applicable on the profits of real estate companies if the total tax is less than 10% of the profits.

10%

Registration duty (previously 5%) for non-citizen acquiring residential property under the EDB schemes.

10%

Land transfer tax (previously 5%) for the sale residential properties by promoters under the EDB schemes and non-citizen sellers.

Sugarcane

- Payment of premium to the Sugar Insurance Fund Board for Crop 2025 paid by the Government for sugar cane planters producing up to 60 tons of sugar.
- Waiver on the CESS levy to lapse on 30 June 2025.
- Rs35,000 per ton, inclusive of bagasse and molasses, for planters producing up to 60 tons of sugar.

National Biomass Framework

- Rs3.50 per kWh to sugarcane planters and producers for bagasse. The Central Electricity Board will bear the costs relating to the remuneration of bagasse. purchased for the production of electricity, under the National Biomass Framework.

Crop sector

- Reduction in subsidy on seeds granted to potato and onion planters from 75% to 50%.
- Maximum retail price of potato and onion to be adjusted based on recommendations of the National Potato Committee and the National Onion and Garlic Committee.

Enhance Food Security

- Food resilience scheme to promote controlled environment agriculture:
  - i. Advanced techniques such as vertical farming;
  - ii. Indoor climate-controlled agriculture; and
  - iii. Modern production of seed and fertilisers.
- Set up of a Food and Agricultural Research and Extension Institute to facilitate artificial intelligence subscription for food production, especially by small and medium enterprises to modernise their operations and produce safe food.
- Amendment of the Food Act to cater for onsite testing to ensure better food safety through a drastic reduction in the time taken for preliminary testing of food products, water or environment for contaminants.
- Landscope to leverage their land to develop food security projects
- Rs20m will be allocated for the purchase of rapid testing kits to detect contaminants, entailing improve food safety and public health.

Development for Rodrigues

- Rs5.785bn for the development in Rodrigues where one of the priorities is enhancing agricultural productivity.

8.3 Agri-business & Real Estate (2/4)

Land Repurposing

- Digital Twin Mauritius Project to optimise land use, mitigate environmental impact, and support efficient planning for agriculture, development and conservation.
- Expansion of the land database at Landscope into a digital marketplace for agricultural land.
- Introduction of a new Land Repurposing Scheme for owners of small agricultural plots who will be exempted from the Land Conversion Permit if their land will be used for alternative strategic investment projects outlined in the Scheme.

Blue economy

- Construction of fish landing stations at Bain des Dames and Pointe Aux Sables to assist registered fishers to store their outboard motors and for safe keeping of their fishing vessels during occurrence of natural calamities.
- Mandatory for fishermen aged 65 and above to return their fisher cards against a compensation of MUR200,000.
- Mandatory for fishermen engaged in net fishing to surrender their fisher cards in exchange of a compensation of Rs200,000 for individuals and Rs300,000 for Cooperative Societies.
- Introduction of a new Blueprint focusing on Sustainable Fisheries and Aquaculture, Ocean-Based Renewable Energy, Sustainable Ocean Tourism, Marine Transport and Trade, Research, Capacity Building and Innovation, and Blue Finance.
- Construction of New fish landing stations at Bain des Dames and Pointe aux Sables for secure storage for outboard motors and vessels.
- Fishermen aged 65 and above to return their fisher cards against a compensation as follows:
    - i. Rs125,000 to Rs200,000 for artisanal fishers and net fishers;
    - ii. Rs 250,000 to Rs300,000 for cooperatives.
- Amendment to the Fisheries Act to introduce stricter controls and modern practices:
    - i. Permits for genetically modified aquatic organisms;
    - ii. Enhanced reporting requirements;
    - iii. Establishment of Voluntary Marine Conservation Areas;
    - iv. Increased penalties for illegal fishing and environmental violations.
- Support to Fishermen through first aid kit, navigational aids, mooring aids and solar lights at all jetties, and construction of 3 fish sheds.

8.3 Agri-business & Real Estate (3/4)

Smart City Scheme

- New Smart City projects (certified after 5 June 2025) except for construction of a public transport station/ terminal or National Regeneration Programme will no longer benefit from:
    - i. VAT exemption on buildings/infrastructure;
    - ii. 8-year income tax holiday;
    - iii. Exemption from customs duty on import of machinery and materials, registration duty and land transfer tax for transfer into a Smart City Company, morcellement fee and land conversion tax.
- Projects with permits and construction starting before 05 June 2025 will retain some benefits such as recovery of VAT paid on buildings, capital goods and construction of public roads and income tax holiday.
- However, the exemption from land conversion tax and custom duty on import of furniture, machinery and material will no longer be applicable.
- Morcellement Fee equivalent now applicable to Smart City projects.
- The fiscal incentives provided to smart city promoters will be discontinued.

Registration duty and land transfer tax under EDB Schemes

- Increase in registration duty rate from 5% to 10% of the property value payable by non-citizen acquiring residential property, including an apartment in a building of at least 2 floors above ground, under the Smart City Scheme, Property Development Scheme, Integrated Resort Scheme, Real Estate Scheme and Invest Hotel Scheme.
- Sale of residential property under the above EDB Schemes by non-citizens will be subject to the higher of 10% of property value or 30% of realised gains.
- Increase from 5% to 10% in land transfer tax payable by a promoter selling residential properties under the above EDB Schemes.

Residence permit for retired non-citizen

- An initial sum of at least USD2,000 transferred in a local bank within 60 days and thereafter transfer a sum of either USD24,000 annually or USD2,000 per month.
- Minimum stay in Mauritius of 180 days in a calendar year.

8.3 Agri-business & Real Estate (4/4)

Regulatory & Taxation Changes

- 10% Alternative Minimum Tax applicable on the profits of real estate companies if the total tax is less than 10% of the profits.
- 5% Fair Share Contribution appliable on chargeable income of real estate companies earning of over Rs24m annually, if they are subject to standard tax rate of 15%.
- Prohibition the disposal or acquisition of an apartment in a building of at least 2 floors above ground floor on State Land or Pas Géométriques by a non–citizen or a person not resident in Mauritius.
- Discontinuation of the scheme allowing non-citizens to acquire residential property anywhere in Mauritius, provided the price exceeds USD500,000.

Housing Reliefs

- Renewal of the Housing Loan Relief Scheme under the Income Tax Act which will be phased out over two years.
- Home Ownership Scheme, Home Loan Payment Scheme and VAT Refund Scheme on the construction of a residential building or the purchase of a residential apartment or house from a property developer will not be renewed.

Housing development

- Under the housing policy, contractors will correct the shortcomings identified in the 8,000 units under construction before handing them to applicants.
- Increase in income threshold for social housing eligibility from Rs40,000 to Rs48,000.
- Rs40m for a new National Syndic Scheme to ensure better maintenance of NHDC estates and efficient provision of scavenging services.
- Inclusion of 10 priority sites in the National Flood Management As part of the Phase I of the 8,000 social housing units.
- Rs67.5m for implementing ongoing social housing projects for Social Register of Mauritius beneficiaries.

Read our opinion on the sector

8.4 Public Sector (1/3)

Key measures

Rs128bn

Invested over the next five years in infrastructure development.

Rs19.7bn

Earmarked to redefine law and order to build a Safe and Modern Society.

Rs3.1bn

Provided to ensure uninterrupted access to tap water.

100%

Increase in the training and capacity-building budget in healthcare.

Public infrastructure

- Investment of Rs128bn over the next five years in infrastructure development, including housing, transport, water, wastewater, solid waste, land drainage and electricity.
- Investment of Rs67.5m for implementing ongoing social housing projects for Social Register of Mauritius (SRM) beneficiaries.
- Allocation of Rs40m for a new National Syndic Scheme to ensure better maintenance of National Housing Development Company (NHDC) estates.
- Implementation of Motorway M4 project which will connect Forbach to Pont Blanc followed by the motorway to Bel Air.
- Construction of Ring Road Phase 2 which will start through tunnels under Quoin Bluff and Moneron Hill, and end at Boulevard Victoria in Vallee Pitot. It will also connect to Tranquebar with a special road junction.
- Joint efforts of public institutions for optimisation of their land assets.
- Investment of circa. Rs5.4bn by the Mauritius Ports Authority for expanding the cruise jetty, building a small jetty for a bunker barge, purchasing tugs, and expanding the Mauritius Container Terminal.
- Investment of Rs1.5bn by the STC to modernise and centralise its warehousing facility.

Utilities

- Provision of Rs3.1bn to the water sector to ensure uninterrupted access to tap water for the replacement of water pipes, upgrading and rehabilitation of water treatment plants and new service reservoirs.
- Construction of the Riviere des Anguilles Dam.
- Provision of free internet connection to families under the SRM.

Law and Order

- A budget of Rs19.7bn has been earmarked to redefine law and order to build a Safe and Modern Society.
- Investment of Rs2.2bn to protect the maritime services from illicit services.
- Investment of Rs205m to enhance road safety.
- Allocation of Rs200m for the construction of the Mauritius Disciplined Forces Academy for capacity building.
- Implementation of points-based driving licence system by January 2026 and the reinforcement of the legislative framework to protect two-wheelers and pedestrians.
- Increase in fines for speeding and mobile phone use while driving.

8.4 Public Sector (2/3)

Education, Healthcare and Leisure

- Allocation of Rs438m for infrastructure improvements across all learning institutions from pre-primary to tertiary.
- Rs550m allocated for training, reskilling, and upskilling to invest in the future labour force.
- Support provided for Special Education Needs (SEN) students and the allocation of Rs20m to consolidate the Foundation Programme.
- Implementation of the National AI Policy Guidelines in schools, including an AI Proficiency Programme for educators and students and AI made a mandatory module in all public higher education curricula.
- Establishment of the National Education Council and National Curriculum Advisory Board to advise on quality improvement for pre-primary to secondary education.
- Set up of a new National Research and Innovation Institute under the Ministry of Tertiary Education, Science and Research.
- Construction of a Hall of Residence at Réduit for international and local students.
- A budget of Rs18.5bn has been provided for the healthcare sector and a review of outdated health legislation dating back to 1925.
- Creation of a new health system prioritising prevention, healthy lifestyle campaigns, and robust NCD management.
- Launch of 'Path to Remission Programme' for diabetic and prediabetic patients with Rs47m funding.
- Increase in the training and capacity-building budget in healthcare from Rs22m to Rs44m.
- Recruitment plan for 1,000 student nurses, 50 trainee midwives, 50 medical and health officers, and 30 specialists over three years. Recruitment of 5 professional hospital managers and appointment of qualified emergency physicians to Accident and Emergency departments.
- Application of digital health solutions including electronic health records, telemedicine, and e-prescriptions to improve efficiency and access.
- Rs24m invested in Sterile Insect Technique (SIT) Production Facility and Rs20m has been allocated for rapid testing kits.
- Rs1.1bn worth of investment in sports, physical, and recreational activities including the establishment of seven sports academies and significant upgrades to sports infrastructure.
- Introduction of a feasibility study for construction of a rally circuit for young enthusiasts.

8.4 Public Sector (3/3)

Employment

- Enhancement of job market accessibility for women by replacing the Workers' Rights (Working from Home) Regulations 2020 with the Workers' Rights (Flexible Work Arrangement).
- Extension of the grace period on DBM loans under the Women Entrepreneur Loan Scheme from 12 to 18 months, and increase in the maximum credit limit from Rs500,000 to Rs1.2m.
- Promotion of employment in the gig and digital platform economy.
- Implementation of a fast-track and simplified rules-based work to expedite the recruitment of foreign labour and skills and introduction of an innovative immigration policy.
- Maintenance of the Guarantee of the monthly income of Rs20,000 for all full-time employees, which will however be gradually phased out by 2027.
- Increase of the age eligibility for Basic Retirement Pension (BRP) to 65 years. The phasing will be done over a period of 5 years.

Rodrigues and Agalega

- Rodrigues: Allocation of Rs5.785bn to build a new runway at Plaine Corail, improve water supply, increase farming output, and build roads to the Technopark.
- Agalega: Allocation of Rs25m for implementation of Agalega Masterplan for sustainable development while raising standard of living.

Other Measures

- Allocation of Rs200m to various ministries to finance research aimed at driving policy.
- Provision of Rs25m to start-up a Public Sector AI Programme and AI tools to all ministries to enhance policy making and services.
- Creation of opportunities for private sector investment in public sector infrastructure.
- Allocation of Rs184m for the e-social security system.
- Introduction of a Public Sector Reform Bill to strengthen public sector governance.
- Increase of registration duty payable by non-citizen on acquisition of residential property under EDB schemes or an apartment from 5% to 10%.

Read our opinion on the sector

8.5 Manufacturing and SMEs

Key measures

Rs50m

Public works contracts worth Rs30m to Rs50m reserved for SMEs and Medium enterprises.

Tax

Double tax deductions to small and medium companies on certain expenditures. Triple tax deduction on donations up to Rs1m.

AI

Start-Ups and MSME can claim up to Rs150,000 tax deduction for AI investments.

5%

Small businesses (turnover ≤ Rs10m) receive an investment tax credit of 5% overs 3 years on new equipment up to Rs500,000.

Empowering SMEs Through AI-Driven Innovation

- The Food and Agricultural Research and Extension Institute to support SMEs in accessing AI tools to enhance food production and improve food safety.
- Start-ups and MSMEs can claim a tax deduction of up to Rs150,000 on AI technology investments.

Driving innovation in Manufacturing through R&D and AI

- Formation of the Industrial Policy Coordination Committee to lead productive strategies, focusing on raising capital productivity in manufacturing.

Support for SMEs in public contracts

- Public works contracts of Rs30m to Rs50m reserved for Medium Enterprises.
- 30% margin of preference threshold raised from Rs30m to Rs50m.

Investment Tax Credit

- SMEs with annual turnover not exceeding Rs10m will benefit from a 15% investment tax credit (5% per year over 3 years) on new equipment (excluding motor vehicles), up to Rs500,000 per year.
- Unused credits can be carried forward for 5 years.

Allowable Deductions

- Double tax deductions granted to small and medium companies on expenditures such as employee costs in Rodrigues, set up costs for childcare facilities for employees, acquisition of patents and franchises, film-related expenses, and arbitration filing fees.
- Triple tax deduction on donations up to Rs1m to charitable institutions or NGOs involved in specified activities.

Empowering woman entrepreneurship

- DBM loans under the Woman Entrepreneur Loan Scheme will now have a grace period of 18 months for repayments.
- The maximum credit limit will increase from Rs500,000 to Rs1.2m.

Read our opinion on the sector

8.6 Information & Communications Technology

Key measures

Rs25m

Allocated for the launch of a Public Sector AI Programme to drive innovation and digital transformation.

~35%

In alignment with the Digital Transformation Blueprint.

Rs550m

Dedicated to training, reskilling and upskilling of labour.

Rs70m

Tier IV Government Data Centre for disaster recovery.

Read our opinion on the sector

Legal Reform

- Amendment of the Data Protection Act (DPA) in alignment with the EU requirements.
- Enhanced Cybersecurity and Cybercrime Act in alignment with international standards.

Start-Up Culture

- The establishment of an AI Innovation Start-Up Programme.
- The creation of an AI Unit at the Ministry of ITCI to fast-track the shift towards a digital economy.
- The integration of AI in policy making and services across all ministries.
- Start-Ups focusing on AI technologies will be eligible to a Rs150,000 tax deduction.
- Capacity building for the implementation of open data and big data.

Agriculture

- Empowerment of food producers, especially SMEs, to use AI in modernisation of their operations, allowing food sovereignty.

Tourism

- Setting up of e-gates at the airport, streamlining border control processes.

Infrastructure

- Setting up of a Cyber Security Operation Centre based on the UK model.

Education

- Introducing AI as a mandatory module in all public higher education curricula.
- Setting up of an AI Proficiency Programme for educators and students.
- Enforcing National AI Policy Guidelines in schools.

Health

- The adoption of digital health tools such as e-records, telemedicine and e-prescription in order to boost efficiency and access and to discard the archaic and fragmented paper-based system.

Judiciary

- Introduction of an E-judiciary System for Judges in Chambers Cases and Supreme Court Registry.
- Implementation of Digital Court Recording and Video Conferencing for the Rodrigues Court.

E-Services

- E-Licensing by the Financial Services Commission (FSC).
- A new Electronic Trade Document Bill will recognise digital trade instruments and fully embrace digital trade.
- Law amendment to cater for the use of secure electronic signatures for registration and transcription.
- Introduction of Cashless Ticketing System for public transport.

8.7 Sustainability - Environmental measures (1/2)

Climate Finance

- Climate Finance Unit: to mobilise and coordinate climate finance to ensure that finance is targeted at national priorities.
- Future Funds: to provide for clean energy, climate change adaptation and mitigation, blue economy and equity funds for young people and women to become entrepreneur.

Combatting Environmental Nuisances and Challenges

- Fixed penalty fines for excessive noise and black smoke emissions from motor vehicles.
- Deposit Refund Scheme: Rs 5 refunded to plastic bottle users.
- A new “Waste-to-Wealth Investment Scheme” to promote creative waste to art projects, waste to compost, waste to energy and re-use of metal scrap.

Marine conservation

- Rs164m to restore vital habitats, prevent beach erosion and combat marine pollution.
- Prevent overfishing and ensure sustainability of resources through a compensation scheme to fishermen.
- Fisheries Act will be amended to provide for establishment of Voluntary Marine Conservation Areas.

Environment Protection Fee

- Mobile phone having value exceeding Rs1,000: Rs 140 per unit instead of Rs70.
- Batteries for vehicles*: Rs 100 per unit instead of Rs50.
- Pneumatic tyres*: Rs 100 per unit instead of Rs50.
  (*excluding motorcycles, bicycles and wheelchairs)

Energy

- Rs 30 billion allocated over three years for solar and biomass projects.
- Minimum Energy Efficiency Requirements will be introduced to ensure that buildings are designed, constructed and operated in a manner that minimises energy consumption.

8.7 Sustainability - Environmental measures (2/2)

Biodiversity

- Amendment of Forest and Reserve Act to support afforestation under the National Biomass Framework.
- Amendment of the Native Terrestrial Biodiversity and National Parks Act to support the Consolidation Fund and National Parks and Conservation Fund.

Ocean Economy

- Focus on six strategic ocean economy sectors including
  - i. Sustainable Fisheries and Aquaculture;
  - ii. Ocean-Based Renewable Energy;
  - iii. Sustainable Ocean Tourism;
  - iv. Marine Transport and Trade;
  - v. Research, Capacity Building and Innovation; and
  - vi. Blue Finance.

Others

- Animal Welfare Act will be amended to enhance protection and welfare of domestic animals.
- Sugar Industry and Efficiency Act will be amended to introduce new guiding principles of Land Conversion to prevent conversion of prime agricultural land.

8.7 Sustainability - Social measures

Reviewing the Education System and Strengthening the Workforce

- Sensitisation campaign on cyberbullying.
- Two drug prevention programmes: "Get Connected Programme" and "Rebound Programme" to be implemented for schools.
- Social and emotional well-being programmes for students.
- Comprehensive audit of all public primary and secondary schools' infrastructure.
- A school reading programme to enhance reading culture.
- A STEM Education Programme.
- Revamping the career guidance unit to integrate industry specialists.
- Technical and Vocational Education and Training strategy to integrate in mainstream education, address skills mismatch and meet industry requirements.

Corporate Social Responsibility

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

Reforming the Health Sector

- Clinical audits of key hospital services.
- Revamp of the School Health Programme.
- Diabetes centres in regional hospitals and an innovative 'Path to Remission Programme' for diabetic and prediabetic patients.
- International Advisory Committee on diabetes and cardiovascular diseases.
- Clinical trials for cardiac and cancer patients.

Food Security

- Food resilience scheme to incentivise controlled environment agriculture.
- Rs800m to support farmers, planters and breeders.
- Artificial Intelligence for producers of food to modernise their operations and produce safe food.

Heritage Stewardship Scheme

- A new Heritage Stewardship Scheme will be launched, with incentives and modalities devised in collaboration with relevant stakeholders.

Gender equity

- Improve women's job market access and support for entrepreneurship, including better loans, mentorship, and digital economy participation.

Read our opinion on the sector

8.8 Legal Perspective (1/4)

Key measures

Partial exemption of 80% applicable to Virtual Asset Service Providers

Positioning Mauritius as a platform for investment into Africa

Construction Industry

The Construction Industry Authority Act ("**CIA**") will be amended to, *inter alia:*

- review the current Contractor Grading System;
- empower the CIA to impose sanctions on contractors for poor performance or non-compliance against contractual obligations; and
- provide for the CIA to maintain a register of adjudicators given the complexity of contractual disputes.

Cyberbullying in Education Sector

- To improve educational outcomes and cultivate a more inclusive and knowledge-driven workforce, a large-scale awareness campaign will be launched - targeting students, to combat cyberbullying

Data Protection

- The Data Protection Act will be amended to comply with international and regional standards.

Employment Sector

- The Employment Relations Act will be amended to provide certainty regarding private sector remuneration systems.
- The Workers' Rights Act will be amended to extend leave entitlements for workers to care for their spouse with health issues.
- The Workers' Rights (Working from Home) Regulations 2020 will be replaced by the Workers' Rights (Flexible Work Arrangement) to make the job market more accessible for women.

Financial Sector – Banking

Provisions will be made to:

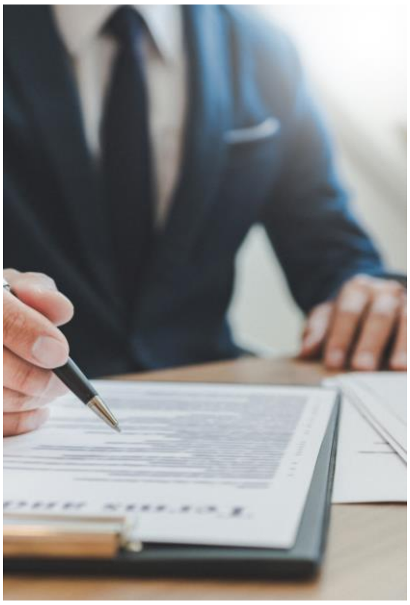
- introduce *Bullion Banking* where certain banks will be allowed to buy, hold, store or sell gold and other precious metals;
- set up a licensing framework for Wealth Management and Family offices;
- recognise electronic bills of exchange and trade documents; and
- develop a new Africa Strategy to strengthen Mauritius' role as a hub for investment into Africa.

The Bank of Mauritius Act will be amended to allow the Bank of Mauritius (**BOM**) to implement an effective resolution regime to ensure orderly resolution of banks without causing severe disruption across banking system.

The Banking Act will be amended to, *inter alia:*

- expand the BOM's regulatory scope by including foreign exchange swaps and transactions which may be construed as buying and selling of foreign currency under the activities of a foreign exchange dealers; and

8.8 Legal Perspective (2/4)



Financial Sector – Non-Banking (Cont'd)

- allow a conservator or receiver to sell a financial institution's assets or shares without needing consent from the institution or its shareholders.

The Financial Services Act ("**FSA**") (or its regulations) will be amended to, *inter alia:*

- set up a unified e-licensing platform with real-time tracking, AI assistance, and integration with the Centralised KYC repository and "Known to the Commission" features;
- review annual fees;
- enable the Financial Services Commission (**FSC**) to conduct special investigations at the request of foreign supervisory institution;
- enable the FSC to investigate a person who ought to have been licensed under the FSA or any other relevant act;
- ensure that Global Business Companies have at least 2 directors at all times and the FSC will be kept informed of any change in directors within 7 days;
- enable issuance or transfer of shares to existing shareholders of licensees without approval of the FSC, provided that it does not result in a change in control; and
- allow licensees listed on securities exchanges other than those in Mauritius to transfer shares without seeking approval of FSC, provided that it does not result in a change in control.

Gambling Sector

The Gambling Regulatory Authority Act will be amended to, *inter alia:*

- strengthen provisions regarding illegal betting and money laundering in the gaming industry;
- reinforce the regulatory and enforcement power to better control gaming activities; and
- set the gambling licence fees.

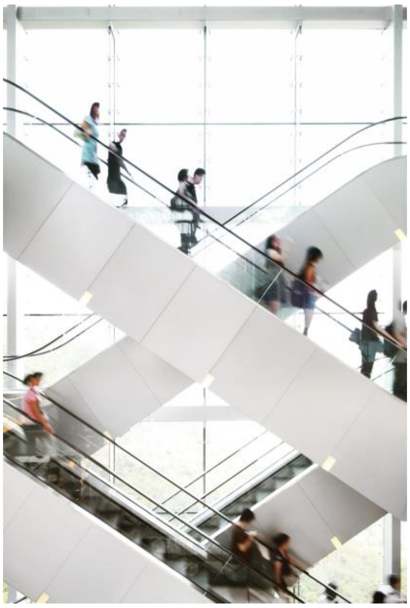
Improving Ease of Doing Business in Mauritius

- Lodging Accommodation Permit: Owners can now lodge foreign workers from multiple employers.
- The Tourism Act will be amended to extend the validity period of the Tourist Accommodation Certificate and the Tourist Enterprise Licence from 1 year to 3 years.

The Economic Development Board Act will be amended to, *inter alia:*

- streamline the application and approval process for Occupation Permits through an electronic platform;
- introduce two categories of Occupation Permits for non-citizen professionals, targeting highly qualified individuals with revised salary thresholds and eligibility criteria;
- introduce two categories of Occupation Permits for investors, based on initial investment and specified turnover;

8.8 Legal Perspective (3/4)



Improving Ease of Doing Business in Mauritius (Cont'd)

- revise Occupation Permit criteria for self-employed, focusing on initial investment, specified turnover, and proof of local client engagement;
- update Residence Permit criteria for retired non-citizens, requiring an initial transfer of at least US$2,000 within 60 days of permit issuance and subsequent transfers of either US$24,000 annually or US$2,000 monthly; and
- revise the eligibility criteria for Permanent Residence Permits.

The Immigration Act will be amended to, *inter alia:*

- review the administrative process for occupation Permit applications and approvals through an electronic platform;
- reduce the duration of Residence Permits for retired non-citizens and Occupation Permits for investors and self-employed from 10 to 5 years;
- introduce an age limit of 24 years for dependent children of all permit holders;
- require retired non-citizen Residence Permit holders to stay in Mauritius for at least 180 days per calendar year;
- prohibit retired non-citizen Residence Permit holders from gainful employment or business activity;
- reduce the duration of Young Professional Occupation Permits from 3 to 2 years, after which holders may apply for a Professional Occupation Permit if eligible;
- repeal COVID-19-related provisions for Occupation and Permanent Residence Permits;
- remove the requirement for companies to provide a deposit or bank guarantee for expatriate workers, replacing it with an annual non-refundable fee per expatriate worker.
- The Non-Citizens (Employment Restriction) Act will be amended to, *inter alia:*
- require applications for permits or renewals to be submitted to the responsible Ministry via the National Electronic Licensing System (NELS) or other prescribed digital platforms;
- allow permits to be issued in either electronic or paper-based formats;
- introduce a combined work and residence permit with a Unique Identification Number for non-citizens.

8.8 Legal Perspective (4/4)

Non-Citizens Property Restrictions

The Non-Citizens (Property Restriction) Act will be amended to, *inter alia:*

- allow a non-citizen or non-resident to deal with shares or other securities on a securities exchange established under the Securities Act;
- prevent a non-citizen or non-resident from disposing or acquiring an apartment in a building at least 2 floors above ground level constructed on state land or *pas géométriques*;
- discontinue the scheme introduced in December 2023 regarding the acquisition of residential property by non-citizens for a minimum of US$500,000; and
- remove the powers of the Minister responsible for internal affairs to approve an acquisition of immovable property by non-citizens after the deed is registered.

Regulatory framework of Businesses

Amendments will be made to, *inter alia:*

- double the annual fees applicable to companies, sociétés commerciales, partnerships and foundations (except small private companies with annual turnover not exceeding MUR100m);
- require Public Interest Entities (**PIE**) to prepare annual report (irrespective of their turnover), within 6 months of their balance sheet date;
- align the definition of PIEs with international best practices;
- require companies, partnerships and foundations to keep written declaration from their beneficial or ultimate beneficial owners confirming their status as same with owners responsible for updating any changes; existing entities must comply by 30 June 2026;
- allow any person to apply for a certificate of registration of a limited or limited liability partnership by paying the prescribed fee; however, for partnerships holding a Global Business Licence (**GBL**), only specified persons may apply. Others may access basic partnership information, including name, address, proof of registration, and legal form, upon payment; and
- provide that only a partner, officer of the entity, or the FSC will be allowed to request a certificate of current standing for a Limited Partnership holding a GBL.

Read our opinion on the sector

9. Research and Insights from PwC

PwC regularly publishes a range of reports offering in-depth research and insights on key individual, industry and business issues.

The Fearless Future: 2025 Global AI Jobs Barometer

PwC's 2025 Global AI Jobs Barometer reveals that AI can make people more valuable - not less - even in the most highly automatable jobs. PwC analysed nearly a billion job ads across six continents to uncover AI's global impact on jobs, skills, wages and productivity.

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A decade of value in motion awaits, marked by innovation and industry reconfiguration. Seize the moment to extend your lead - or to catch up to rivals. This article explores how rethinking business models, capabilities and leadership can turn reinvention into a catalyst for long-term success.

Read more

PwC's 28th Annual Global CEO Survey: Mauritius Perspective

In a context marked by economic shifts and multiple crises, including climate change and geopolitical tensions, PwC Mauritius presents the findings of the PwC Mauritius CEO Survey, derived from the 28th edition of the Global CEO Survey. This study explores how business leaders are navigating transformations within their organisations.

Read more

Global M&A Trends in Consumer Markets

What's shaping the future of consumer markets? PwC's latest insights explore how evolving consumer behaviours, digital disruption, and shifting deal strategies are transforming the sector. From retail to food and beverage, discover the key forces influencing investor priorities and growth opportunities.

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