INTERNATIONAL

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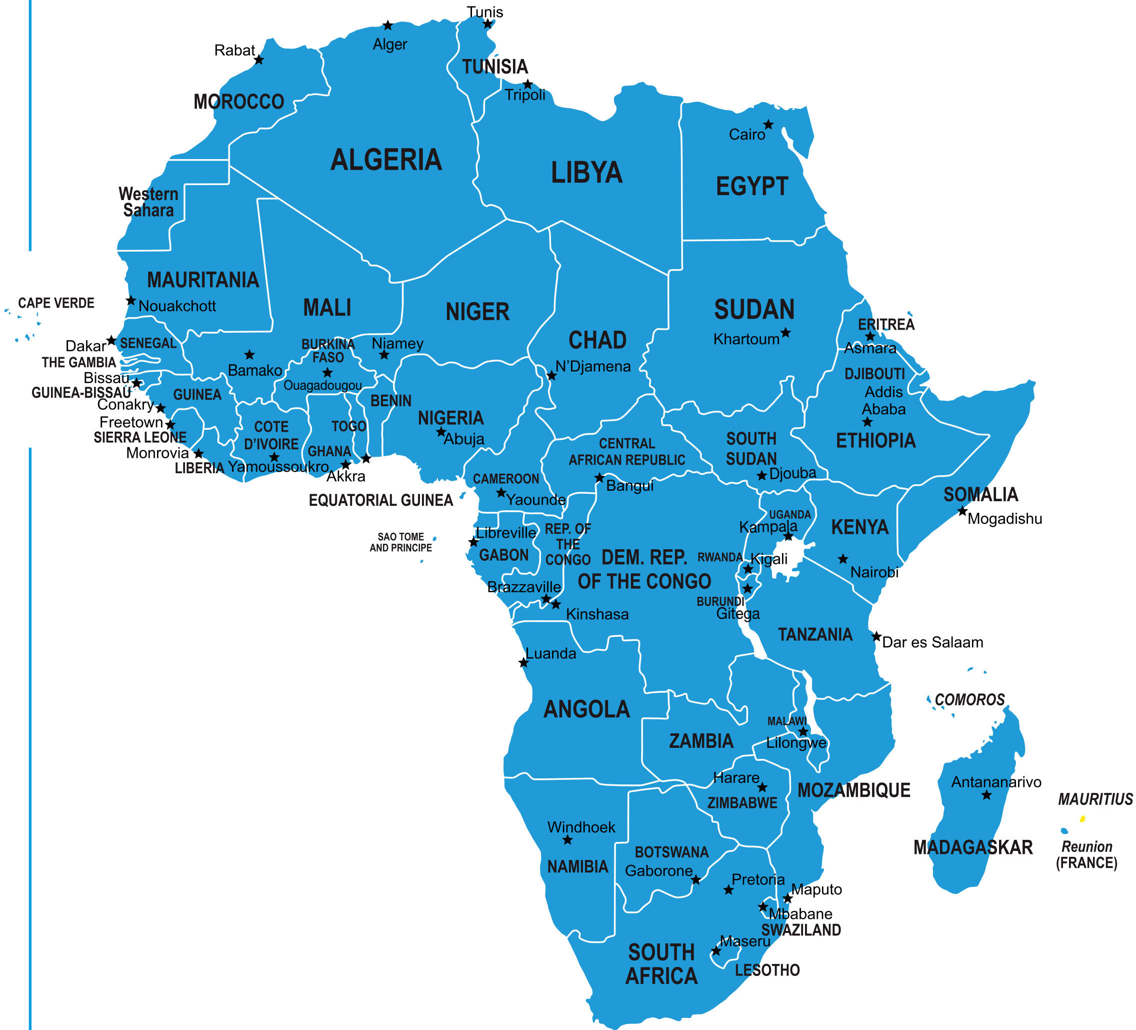
Mauritius



Capital city :
Port Louis

Area :
2,040 km²

Population :
1,301,310

Language :
English, French

Political system :
Parliamentary Republic

GDP/capita 2023 :
USD 26,979

Currency :
Maurician Rupie (MUR)

ISO Code :
MUS

Telephone code :
+230

National day :
12 March

Mauritius

1. Corporate income tax

1.1 Basis of taxation

A resident company is chargeable to tax in respect of its worldwide income, whether its foreign source income is remitted or not to Mauritius.

1.2 Residence

A company is resident in Mauritius where it is incorporated in Mauritius or has its central management and control in Mauritius.

A company incorporated in Mauritius shall be treated as non-resident if it is centrally managed and controlled outside Mauritius.

1.3 Tax rate

The tax rate for companies is 15%.

1.4 Reduced tax rate

A company engaged in the export of goods is liable to income tax at the rate of 3% on the chargeable income attributable to export.

Export of goods includes international buying and selling of goods by an entity in its own name, whereby the shipment of such goods is made directly by the shipper in the original exporting country to the final importer in the importing country, without the goods being physically landed in Mauritius.

A freeport operator or private freeport developer who is engaged in the manufacture of goods meant for local market shall be liable to tax at the rate of 3% on his chargeable income, provided that the freeport operator or private freeport developer employs a minimum of 5 staff and incurs an annual expenditure exceeding MUR 3.500.000.

A manufacturing company which holds an Investment Certificate issued by the Economic Development Board and is engaged in medical, biotechnology or pharmaceutical sector shall be liable to tax at the rate of 3% on its chargeable income, provided that it satisfies prescribed substance conditions and no partial exemption has been claimed.

A higher education institution registered under the Higher Education Act and set up in Mauritius is liable to tax at the rate of 3%.

1.5 Due date for submission of income tax return and payment of tax

Companies are required to submit their income tax return and pay tax electronically not later than 6 months from the end of the month in which its accounting period ends.

1.6 Freeport companies

The tax exemption applicable to freeport operators and private freeport developers is removed. However, a company issued with a freeport certificate on or before 14 June 2018 shall continue to be exempt until 30 June 2021.

1.7 Advance Payment System

Every company, unit trust schemes, collective investment schemes, cells of a protected cell company, foundations, trusts other than trusts having a declaration of non-residence, non-resident societies, non- resident companies and any societe holding a Global Business Licence shall submit electronically a quarterly APS Statement and pay tax in accordance with the APS Statement.

The due date for the submission of APS statements and payment of tax is 3 months from the end of the month in which the quarter ends.

A company with a turnover of less than Rs.10 m or with no chargeable income in respect of the preceding income year is not required to submit APS Statements. A company having a return date falling in the month of June and has filed APS Statements for the 3 quarters, may opt to file an APS Statement for a 4th quarter before 31 January.

1.8 Solidarity levy on telephony service providers

Providers of public fixed or mobile telecommunication networks and services are liable to a solidarity levy of 5% of the accounting profit and 1.5% of the tur- nover in respect of the preceding year. As from the year of assessment commencing 1 July 2024, the solidarity levy applicable on turnover is reduced from 1.5% to 1%.

Where the operator has incurred a loss in a year, the levy shall be calculated at the rate of 1% of its turnover.

1.9 Corporate social responsibility

A company is required to set up a CSR Fund equivalent to 2% of its chargeable income of the preceding year.

For CSR Fund set up on or after 1 January 2019, at least 75% of the fund must be remitted to the MRA and the remainder to implement a CSR Programme or finance a non-governmental organization implementing a CSR Programme in the priority areas of intervention.

The amount to be remitted to the MRA is payable as follows:

- Where a company is required to submit APS Statements – for the first 3 quarters, 25% for each of the quarters together with the APS Statement and for the last quarter, 25% at the time the company submits its annual return.
- Where a company is not required to submit an APS Statement, at the time the company submits its annual return.

CSR applies to a resident societe, other than a resident societe holding a Global Business Licence, and its net income shall be deemed to be its chargeable income.

Where a company has received written approval of the National Social Inclusion Foundation to finance a CSR Programme which has started before 1 January 2019, it may contribute 50% of CSR to the MRA (instead of 75%).

A company may not offset any tax credit against any amount of CSR payable.

Companies which are exempt from income tax are liable to CSR and their exempt income shall be included in their chargeable income.

A freeport operator or private Freeport developer engaged in the sale of goods on the local market is liable to CSR.

CSR does not apply to a company holding a Global Business Licence, a bank in respect of its income derived from its banking transactions with non-residents or corporations holding a Global Business Licence, an IRS company, a non-resident societe, a Foundation, a trust or a trustee of a unit trust scheme, a freeport operator or private freeport developer, in respect of income derived from export and a REIT.

1.10 Losses

Losses can be carried forward and set-off against net income derived in the following 5 income years, provided that not less than 50% of the shares of the company were held by or on behalf of the same persons.

Manufacturing companies having more than 50% change in shareholding may carry forward losses provided that the change in shareholding is in the public interest and on conditions relating to safeguard of employment.

1.11 Annual allowances

Annual allowances are given at the rates as follows:

	Capital expenditure incurred on -	Rate of annual allowance (%)	
		Base Value	Cost
1	Industrial premises excluding hotels	-	5
2	Commercial premises	-	5
3	Hotels	30	-
4	Plant or Machinery –		
	(a) costing or having a base value of MUR 60,000 or less	-	100
	(b) costing more than MUR 60,000 -		
	(i)	Ships or aircrafts	20
	(ii)	Aircrafts and aircraft simulators leased by a company engaged in aircraft leasing	
	(iii)	-	25
	(iv)	Motor vehicles	25
	(iva)	Computer hardware and peripherals and computer software	50
	(v)	Electronic, high precision machinery or equipment and automated equipment	20
	(vi)	-	
5	Improvement on agricultural land for agricultural purposes	100	-
6	Research and development, including innovation, improvement or development of a process, product or service	Furniture and fittings	20
7	Golf courses	other	35

7A	Acquisition of patents	25	-
7B	Green technology equipment	-	50
7C	Landscaping and other earth works for embellishment purposes	-	50
7D	Acquisition of a solar energy unit	-	100
8	Acquisition or improvement of any other item of a capital nature which is subject to depreciation under the normal accounting principles	-	5

1.12 Deduction of tax at source

TDS is applicable at the following rates:

	Amount or sum payable to the payee by way of -	Rate of tax (%)
1	Interest payable by any person, other than by a bank or non-bank deposit taking institution, under the Banking Act, to any person, other than a company resident in Mauritius	15
2	Royalties payable to -	
	(a) a resident	10
	(b) a non-resident	15
3	Rent payable to -	
	(a) a resident	7.5
	(b) a non-resident	10
4	Payment to contractors and sub-contractors	0.75
5	Payment to providers of services as specified in the Fifth Schedule to the Income Tax Act	5
6	Payment made by Ministry, Government department, local authority, statutory body or the Rodrigues Regional Assembly on contracts, other than payments to contractors and subcontractors and payments to providers of services -	
	(a) for the procurement of goods and services under a single contract, where the payment exceeds MUR.300,000	1
	(b) for the procurement of goods under a contract, where the payment exceeds MUR 100,000 or	1
	(c) for the procurement of services under a contract, other than telephone, postal, air travel and hotel services, where the payment exceeds MUR 30,000	3
7	Payment made to the owner of an immovable property or his agent	5
8	Payment made to a non-resident for any services rendered in Mauritius	10
9	Payment of management fees to -	
	(a) a resident	5

	(b) a non-resident	10
10	Payments to a non-resident entertainer or sportsperson	10
11	Commission	3
12	Payment to consultants other than those specified in the Fifth Schedule	3
13	Payment made to a provider of security services, cleaning services or pest management services and other ancillary services	3
14	Payment made by insurance companies to motor surveyors and any other person	3

No TDS is to be deducted where the amount of tax is less than MUR 500.

Where interest, royalties, rent and payments to an entertainer or sportsperson are payable to a non- resident, the income tax to be deducted shall be the lower of the rate mentioned as per above and the rate specified under the Double Taxation Agreement treaty.

1.13 Presumptive tax on small enterprise

A small enterprise may, by irrecoverable notice, on or before the due date for the filing of its return of income, elect to pay a presumptive tax at 1% of its gross income.

A small enterprise means a person:

- who is engaged in agriculture, forestry and fishing, manufacturing excluding restaurants, retail of goods, including sale of food to be consumed off premises and wholesale of goods.
- whose gross income in an income year does not exceed MUR 10.000.000 and
- whose gross income from sources other than those specified above does not exceed MUR 400.000.

1.14 Covid-19 Levy

Every employer who has benefitted from the Wage Assistance Scheme is liable to pay the Covid-19 Levy in respect of the year of assessment 2020/21, 2021/22 or 2022/23 as the case may be.

For the first year, the levy is calculated as the lower of:

- the total amount received under the Wage Assistance Scheme or
- 15% of the taxable income for the year before deducting any tax loss brought forward. For the second year, the levy is calculated as the lower of:

- the total amount received under the Wage Assistance Scheme less any Covid-19 levy paid in the first year of assessment or
- 15% of the taxable income for the year before deducting any tax loss brought forward.

1.15 Return of dividends by companies

Every company which pays a dividend exceeding MUR 100,000 to an individual, societe or succession must submit electronically a return not later than 15 August in every year giving the following information:

- the name and surname of every shareholder
- the NIC number of every shareholder or, in the case of a non-resident, the identification number issued to him by the immigration officer and
- the amount of dividend paid.

1.16 Resident societe

Every societe commerciale or any other resident societe deriving gross income must submit electronically its annual return not later than 30 September of each year.

The societe must also submit to each of its associate a statement showing the share of income accruing to him and a statement to the MRA giving the particulars of the share of income accruing to each associate.

1.17 Assessments

Where the MRA is not satisfied with the return submitted by a person or the taxpayer has not declared his income, the MRA may issue an assessment.

The taxpayer has 28 days to pay the tax unless he objects to the assessment.

The MRA cannot make an assessment in respect of a period beyond 3 years of assessment preceding the year of assessment in which a return is made.

1.18 Tax incentives

- Double deduction is available on qualifying expenditure on research and development incurred during the period 1 July 2017 to 30 June 2022 where the research and development is carried out in Mauritius.
- A person who has incurred capital expenditure on electronic, high precision or automated machinery or equipment on or after 1 July 2020 is entitled to

a deduction of that capital expenditure, provided that no annual allowances have been claimed on those capital expenditure.

- A 100% deduction is allowed as investment allowance to a company which has, during the period 1 March 2020 to 30 June 2020, incurred capital expenditure, other than motor cars, where the company has been adversely affected by Covid-19.
- A person engaged in medical research and development who has incurred expenditure on medical research and development, may deduct from his gross income twice the amount of that expenditure in that income year, provided the research and development is carried out in Mauritius. No annual allowances can be claimed on such expenditure.

1.19 Tax holidays

A tax holiday for a period of 8 years is granted as from the income year in which the company starts the activity:

- The income derived by a Company incorporated on or after 1 July 2021 and holding an Investment Certificate issued by the Economic Development Board as from the income year in which that Company is incorporated
- Income derived by a person using an innovative agricultural method under the Integrated Modern Agricultural Morcellement Scheme administered and managed by the Economic Development Board
- Income derived by a person engaged in sustainable agricultural practices and registered with the Economic Development Board
- Income derived by a company issued with a certificate as a freeport operator or private freeport developer under the Freeport Act, provided it has started its operations on or after 1 July 2022, has invested not less than 50 million rupees in its operations and satisfies prescribed substance conditions.

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

Removal of tax exemption

The following tax exemptions have been removed. However, grandfathering provisions are applicable where the companies that have benefitted from the tax exemptions will continue to be exempt for the number of years previously prescribed.

- The income derived by a company from bunkering of low Sulphur Heavy Fuel Oil
- The income by a company engaged in the provision of health services and registered with the Economic Development Board
- Income derived from fishing activities by an industrial fishing company incorporated on or after 1 September 2016 and approved by the Economic Development Board
- Income derived from the manufacture of pharmaceutical products, medical devices and hightech products by a company which has started its operations on or after 8 June 2017
- Income derived from food processing activities by a company incorporated under the Companies Act on or after 8 June 2017 and holding a registration certificate issued by the Economic Development Board to operate a food processing plant
- Income derived by a company registered with the Economic Development Board and engaged in the manufacturing of automotive parts
- Income derived by a company set-up on or after 10 June 2019 and engaged in the development of a marina
- Income derived from inland aquaculture in Mauritius, by a company which has started its operations on or after 4 June 2020
- Income derived by a company which has started its operations in Mauritius on or after 4 June 2020 and approved by the Higher Education Commission as being a branch campus of an institution which ranks among the first 500 tertiary institutions worldwide whose ranking at the time of registration
- Income derived from the manufacturing of nutraceutical products by a company which has started its operations on or after 4 June 2020
- Income derived by a person from the operation of a Peer-to-Peer Lending platform.

1.20 Investment tax credit

- Where, during the period 1 July 2020 to 30 June 2026, a manufacturing company incurs capital expenditure on new plant and machinery, it shall be allowed, in the year of acquisition and in each of the 2 subsequent income years, a tax credit of 15% of the cost of the new plant and machinery (excluding motor vehicles). Any excess can be carried forward for a period of 10 consecutive income years.

- Where a company is engaged in the manufacture of both alcoholic and non-alcoholic beverages, it can claim the tax credit on capital expenditure on new plant and machinery used exclusively for the production of non-alcoholic drinks.

- A manufacturing company engaged in medical, biotechnology or pharmaceutical activities is allowed a tax credit of 100% on capital expenditure for the acquisition of patents. Any excess may be carried forward for a period of 5 consecutive income years starting from the income year in which the expenditure was made. Tax credit is clawed back if, within 5 years, the company ceases to be engaged wholly or mainly in the qualifying activity or the company sells or transfers the patent.

1.21 Foreign source income

Foreign source income means income which is not derived from Mauritius.

1.22 Global business

Foreign source income of corporations issued with a Category 1 Global Business Licence on or before 16 October 2017 will include income derived from its transactions with non-residents or corporations holding a Global Business Licence up to 30 June 2021.

Deemed foreign tax credit is abolished.

Companies issued with a Category 2 Global Business Licence on or before 16 October 2017 will continue to be exempt until 30 June 2021.

80% exemption on specified income is applicable subject to conditions relating to substance as follows:

- foreign source dividend, provided that the dividend has not been allowed in the country of source;
- interest income derived by a company;
- profit attributable to a permanent establishment which a resident company has in a foreign country;
- income derived by a collective investment scheme (CIS), closed end fund, CIS manager, CIS administrator, investment adviser or asset manager licensed or approved by the Financial Services Commission;
- income derived by companies engaged in ship and aircraft leasing;
- income derived by a company from reinsurance and reinsurance brokering activities;
- income derived by a company from leasing and provision of internatio-

nal fibre capacity;

- income derived by a company from the sale, financing arrangement, asset management of aircraft and its spare parts and aviation advisory services related thereto.

Partial exemption applies to domestic companies also.

No credit in respect of foreign source income is allowed where partial exemption has been claimed or the foreign source income is subject to tax under section 44C.

1.23 Deduction in respect of emoluments payable to homeworkers

Where, during the period 1 July 2018 to 30 June 2020, a person employs a full-time homeworker, he is entitled to a deduction of 200% of the emoluments payable to the homeworker for the first 2 years.

A tax credit of 5% is also available in the year of acquisition and in each of the 2 subsequent income years on capital expenditure on information technology systems for the purpose of employing homeworkers.

1.24 Extension of time for payment of corporate income tax for companies operating in the tourism industry

Any company engaged in an activity in the tourism industry and having an accounting period ending between September 2019 and June 2020 shall pay tax in accordance with its annual return as follows:

- Half of the tax on or before 29 December 2020 and
- The remainder on or before 28 June 2021.

1.25 Exempt income

Exempt income is specified in the Second Schedule.

2. Personal income tax

Mauritius has a self-assessment tax system. An individual is taxable on income derived during the preceding year and the fiscal year runs from 1 July to 30 June.

2.1 Basis of taxation

An individual resident in Mauritius is taxable on income, other than exempt income, which is derived from Mauritius. Income which is derived from outside Mauritius is taxable in Mauritius when remitted in Mauritius.

A non-resident individual is taxable in respect of Mauritius-source income.

2.2 Residence

An individual is tax resident in Mauritius if he:

- has his domicile in Mauritius unless his permanent place of abode is outside Mauritius
- has been present in Mauritius for an aggregate period of at least 183 days in an income year or
- has been present in Mauritius for an aggregate period of at least 270 days in an income year and the 2 preceding income years.

2.3 Tax rate

A progressive tax rate is applicable where the annual chargeable income of an individual is taxed as follows:

Chargeable Income	Rate of Income Tax (%)
First MUR 390,000	0
Next MUR 40,000	2
Next MUR 40,000	4
Next MUR 60,000	6
Next MUR 60,000	8
Next MUR 300,000	10
Next MUR 300,000	12
Next MUR 300,000	14
Next MUR 400,000	16
Next MUR 500,000	18
Remainder	20

2.4 Due date for submission of income tax return and payment of tax

Individuals are required to submit their income tax return and pay tax electronically by 15 October following that income year.

2.5 Income Exemption Threshold

Deduction for dependent

An individual resident in Mauritius is entitled to claim a deduction based on the number of dependents.

	Income Year commencing 1 July 2023
1 dependent	110,000
2 dependents	190,000
3 dependents	275,000
4 or more dependents	355,000

A retired person or a person having a physical or mental disability is entitled to claim an additional amount of MUR 50,000.

A retired person is a person who attains the age of 60 during the income year and does not derive business income or emoluments exceeding MUR 50,000.

A person can also claim a bedridden next of kin as a dependent who can be a bedridden father, mother, grandfather, grandmother, brother or sister of that individual or his spouse, provided that the bedridden next of kin is eligible to the carer's allowance payable under the National Pensions Act and under the care of that person.

2.6 Reliefs

Deduction in respect of dependent child pursuing undergraduate or postgraduate course

Where a person has claimed a deduction for dependent and the dependent is pursuing a non-sponsored full-time undergraduate or postgraduate course, the person may claim an additional deduction of MUR 500,000.

The additional exemption is not allowable:

- in respect of the same dependent for more than 6 years
- where the annual tuition fees, excluding administration and student union fees, are less than MUR 34,800 for a child following an undergraduate course in Mauritius

Relief for medical or health insurance premium

A person is entitled to claim relief for premium or contribution payable for himself or his dependents on medical or health insurance policy or to an approved provident fund which has its main object to provide for medical expenses.

The maximum relief allowable is as follows:

COLUMN 1	COLUMN 2
Self and depedents	**Premium allowable (MUR)**
Self	25,000
Self and one dependent	25,000 for self + 25,000 for dependent
Self and 2 dependents	25,000 for self + 25,000 for first dependent + 20,000 for second dependent
Self and 3 dependents	25,000 for self + 25,000 for first dependent + 20,000 for second dependent + 20,000 for third dependent
Self and 4 dependents	25,000 for self + 25,000 for first dependent + 20,000 for second dependent + 20,000 for third dependent + 20,000 for fourth dependent

No relief is allowable where the premium or contribution has been paid by the employer or under a combined medical or life insurance scheme.

Interest relief on secured housing loan

A person who has contracted a housing loan, which is secured by a mortgage or fixed charge on immovable property and which is used exclusively for the purchase or construction of his house, may claim a relief in respect of the interest paid on the loan.

The relief can be claimed by either spouse or at their option, divide the claim equally between them. The relief is not allowable where the person or his spouse:

- is, at the time the loan is contracted, already the owner of a residential building
- derives in the income year total income (net income plus interest and dividends received) exceeding MUR 4.000.000
- has benefitted from any housing scheme set up on or after 1 January 2011 by a prescribed competent authority.

Deduction for household employees

Where a person employs 1 or more household employees, he may claim a deduction of the wages paid to the household employees up to a maximum of MUR 30,000 from his net income, provided he has duly paid the contributions payable under the National Pensions Act and the National Savings Fund Act.

In the case of a couple, the deduction shall not, in aggregate, exceed MUR 30,000.

Contribution to Covid-19 Solidarity Fund

An individual may deduct from his net income the amount contributed to the Covid-19 Solidarity fund. Any unrelieved amount in the income year may be carried forward and deducted from his net income of succeeding years.

Solar energy investment allowance

An individual may deduct from his net income the amount invested in a solar energy unit, including photovoltaic kits and battery for storage of electricity.

The allowance can be claimed either by one spouse or in equal proportion by both spouses. Any unrelieved amount may be carried forward and deducted against the net income of succeeding years.

Rainwater harvesting system investment allowance

An individual may deduct from his net income the amount invested in a rainwater harvesting system.

The allowance can be claimed either by one spouse or in equal proportion by both spouses. Any unrelieved amount may be carried forward and deducted against the net income of succeeding years.

Fast charger for electric car investment allowance

An individual may deduct from his net income the amount invested in the acquisition of a fast charger for an electric car.

Any unrelieved amount may be carried forward and deducted against the net income of succeeding years.

2.7 Solidarity Levy

A resident individual whose leviable income exceeds MUR 3,000,000 in an income year is liable to pay a solidarity levy of 25% on the excess leviable income. However, the solidarity levy shall not exceed 10% of the sum of net income and dividends received from a resident company or a co-operative society and the share of dividends in a resident societe or succession.

Leviable income is the sum of the chargeable income of the individual and any dividends received from a resident company or a co-operative society and the share of dividends in a resident societe or succession.

Leviable income excludes any lump sum by way of commutation of pension or by way of death gratuity or as consolidated compensation for death or injury.

Solidarity levy shall be withheld at the rate of 25% under the PAYE system on emoluments exceeding MUR 230,769 in a month, provided that it does not exceed 10% of the total emoluments.

2.8 Current Payment System

An individual who derives income from business, profession or rent and who, in respect of the preceding income year, had a chargeable income, or the gross income falling under CPS of the preceding year exceeds MUR 4,000,000 shall submit electronically a CPS Statement and pay tax as follows:

In respect of CPS quarter	Due date
1 July to 30 September	2 days, excluding Saturdays and public holidays, before the end of December
1 October to 31 December	31 March
1 January to 31 March	2 days, excluding Saturdays and public holidays, before the end of June

An individual shall not submit a CPS Statement where the tax payable for a CPS quarter does not exceed

MUR 500 or his gross income for the preceding year does not exceed MUR 10,000 and he is engaged in activities of agriculture, forestry and fishing, manufacturing excluding restaurants, retail of goods, including sale of food to be consumed off premises and wholesale of goods.

An individual deriving gross income from the cultivation of sugar cane or the growing of tobacco is not required to submit CPS Statements.

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