

DTOS

With the people, for the people

7th June 2022

Highlights

of the Budget 2022 – 2023

A. GLOBAL BUSINESS & FINANCIAL SERVICES

- Exchange of Information on a Foundation or a Trust to enable the MRA to raise an assessment, collect tax or comply with any request for the exchange of information under a DTAA
- Family Office: minimum portfolio reduced to USD 5 Million per management family office
- Work & Residence permits for Global Headquarters Administration license: granted to five executives and their dependents

B. KEY PROPOSED AMENDMENTS TO THE EXISTING FRAMEWORK



Bank of Mauritius Act 2004:

- Bank of Mauritius (BOM) may open accounts and accept deposits from persons in view of issuing digital currency
- Increase the functionalities of the Central KYC system & the Central Accounts Registry



Companies Act 2001:

- Removal of the COVID-19 temporary time extension provided regarding the calling of an annual meeting, the preparation and filing of the financial statements with the Registrar of Companies
- Reinstate the application of Section 162 (Duty of Directors on Insolvency)
- Annual Reports to disclose the following information on subsidiaries: (i) particulars of interest; (ii) donations made by the subsidiaries; (iii) details of present and past directors; (iv) fees payable to auditors; and (v) details of major transactions



Declaration of Assets Act 2018:

- to cover Virtual Assets



Virtual Asset and Initial Token Offering Services Act 2021:

- to allow FSC and other investigatory authorities to use software/digital tools in carrying out supervision and investigation, and that information collected through these tools shall be admissible as evidence for a criminal investigation, prosecution or other related criminal or civil court proceedings.



Financial Intelligence and Anti-Money Laundering Act 2002 (FIAMLA):

- to include combatting of Proliferation Financing, in line with FATF requirements.



Mutual Assistance in Criminal and Related Matters Act 2003:

- the definition of 'property' to be aligned with that under FIAMLA and to include Virtual Assets.



Prevention of Corruption Act 2002:

- to cater for offences related to foreign bribery and foreign public official.

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Securities Act 2005:

- Official exchange be empowered to conduct investigations of market abuse cases involving issuers on securities exchanges



Financial Services Act 2007:

- To move 'Global Headquarters Administration', 'Global Shared Services' and 'Global Treasury Activities' from the 'Financial Services' category into a newly created separate section regulating global activities, in line with FATF requirements
- Provisions on Global Shared Services and Compliance Services to be revised so that they will be regulated under relevant section
- Financial Services Commission (FSC) will be able to take regulatory action against individuals who have been performing the functions of an officer while not having been formally approved by the FSC
- Setting up of a Settlement Committee for possible early resolution of disciplinary matters with a licensee



Insurance Act 2005:

- Establish a framework for (1) Structured Investment-linked Insurance Business Activities and (2) Setting up of a multilateral clearing system to expediate the settling of outstanding motor claims recoveries



Other Forthcoming Frameworks:

- Carbon Credit Trading Framework
- Environmental, Social and Corporate Governance (ESG) Framework
- Introduction of a Business Regulatory Reform Bill

C. EASE OF DOING BUSINESS

- No regulatory cost to start a business and incorporate a company in Mauritius
- BOM will ensure that a bank account, either for an individual and a business, can be opened within 1 week
- Setting up of an Inter-Ministerial Committee, chaired by the Prime Minister, to oversee the streamlining of licences and permits in the construction, tourism, healthcare and logistics sectors
- Enabling businesses to recruit talents under the young professional occupation permit
- Further support to businesses investing in the training and skilling of our youth by giving increased monthly stipends of MUR 8,000 for those under the National Apprenticeship Programme & the National Skills Development Programme, and MUR 10,000 for the Graduate Training for Employment Scheme
- Entrepreneurs and students completing their studies will be eligible to benefit from Premium Visa
- Residence Permit holders will be given the possibility to acquire residential property of a minimum of USD 350,000 outside the existing schemes, subject to making a 10% contribution to the Solidarity Fund. Applications will be examined on a monthly basis
- First Edition of the Mauritius International Silver Economy Festival will be organised by EDB

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D. TAXATION

PERSONAL INCOME TAX

Introduction of new tax rates



Annual Earnings	Previously	New
Up to 700,000	15%	10%
700,001 - 975,000	15%	12.5%
> 975,000	15%	15%

Other Exemptions and reliefs



Relief for Medical or Health Insurance Premium	Previously	New
Self and first dependent	20,000	25,000
Every other dependents	15,000	20,000



Individual Pension Scheme	Previously	New
Exemption - Contribution to individual pension scheme	30,000	50,000



Child pursuing tertiary education	Previously	New
Exemption	225,000	500,000



Petrol and travelling allowances	Previously	New
Monthly Exemption	11,500	20,000



Donations	Previously	New
Exempted amounts to an approved religious body or charitable NGO (limited to actual amount)	30,000	50,000

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CORPORATE TAXES

Global Minimum Tax

Introduction of a domestic minimum top-up tax to ensure that resident companies of large multinationals, with turnover > EUR 750m are taxed at a minimum rate of 15 percent.

Freeport Companies

8 year tax holiday on freeport companies starting operations after 1 July 2022 under certain conditions

Tax deducted at source (TDS)	Previously	New
Services provided by professionals	3%	5%
Rent paid to a resident	5%	7.5%

Broadening of the scope of TDS to now include TDS at 3%

- Consultancy services
- Security Services and Cleaning Services
- Pest Management Services
- Payment of fees made by insurance companies to motor surveyors and mechanics for repairs of motor vehicles of policy holders

Other

The relevant legislations will be amended such that a share buyback will be subject to registration duty and land transfer tax, in the same manner as for a transfer of shares.

Premium Visa

A foreign employer of Premium visa holders will not be subject to corporate tax / social contributions pertaining to that particular employee

Contact us

info@dtos-mu.com

www.dtos-mu.com

