

BUDGET

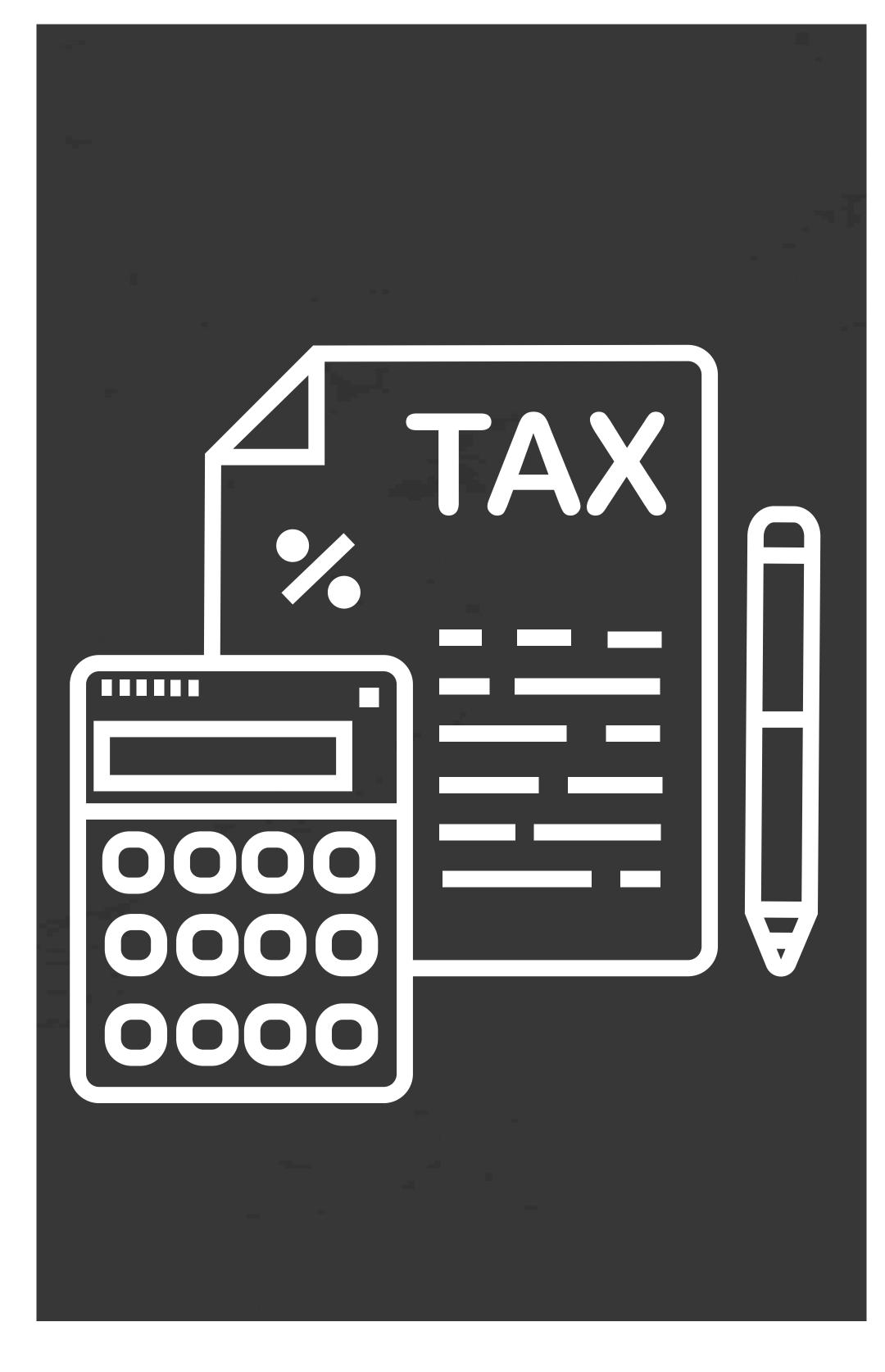
BUDGET BRIEF 2024/2025

PLOTING THE COURSE

FOR A THRIVING ECONOMIC FUTURE

TABLE OF CONTENTS













EDITORIAL

FISCAL

SOCIAL HIGHLIGHTS AND OTHER MEASURES

OUR TEAM

CONTACTS

DISCLAIMER

PLOTTING THE COURSE FOR A THRIVING ECONOMIC FUTURE

On 07 June 2024, Dr Renganaden Padayachy, Minister of Finance and Economic Development delivered the budget speech 2024/2025 and announced a series of measures in respect of financial, social, and environmental aspects.

Various initiatives to support and uphold a good standard of living are being taken. In an attempt to mitigate the impact of inflation, the budget focused on increasing the basic retirement pension to Rs 15,000, the minimum wage to Rs 20,000, and an increase of 25% for the CSG child allowance. In addition, a monthly allowance of Rs 2,000 is being given to pregnant mothers and to children from the age of 3 to 10 years old to encourage an increase in the birth rate.

The Minister of Finance and Economic Development has also extended for another year the Tax Arrears Settlement Scheme (TASS), which will bring more relief to taxpayers who are struggling with huge tax bills, penalties, and interests. The tax exemption threshold on lump sum received as pension, severance allowance or retiring allowance has been increased from Rs 2.5M to Rs 3M.

Due to climate change, incentives have been announced to reduce carbon footprint and adopt sustainability. A levy of 2% has been imposed on companies (turnover of more than Rs 50M) in support of the Climate and Sustainability Fund Project.

It is forecasted that the economy will grow at 7%, with a budget deficit and public debt on a downward trend at 3.4% and 71.1% respectively, in 2024/25. This will bring more job opportunities and more investments.

The different measures announced in the current budget will alleviate the population during these hard times.



Reshad Guness Tax Director



FISCAL HIGHLIGHTS



INDIVIDUAL

TAX



CORPORATE

TAX



VALUE ADDED
TAX



TAX
ADMINISTRATION



OTHER TAXES

INDIVIDUAL TAX



INCOMETAX

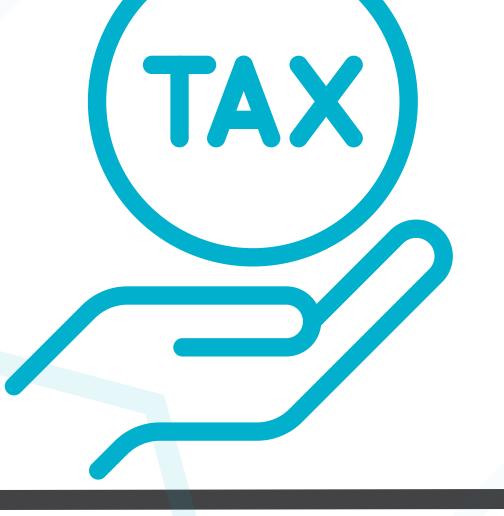
- The exemption threshold on lump sum received as pension, retiring allowance or severance allowance will be raised from Rs 2.5 million to Rs 3 million.
- An allowance paid by Government to an individual under a financial assistance scheme.
- Parents with children enrolled in full-time education at fee-paying private schools will be eligible for a tax deduction of Rs60,000 per child per year.
- The maximum allowable deduction for contributions to charitable institutions will be raised from Rs.50,000 to Rs.100,000.





INCOMETAX

- An individual will qualify for a deduction of Rs.30,000 for hiring a carer to attend to their parents or grandparents.
- Compensations paid as from 1 January 2024 by the Compensations paid as from 1 January 2024 by the Government or a public sector body for losses arising from natural disasters.



INCOMETAX

CSG INCOME ALLOWANCE

BASIC SALARY	PREVIOUS	CURRENT
LESS THAN Rs 20,000	Rs 2,000	Rs 3,000
LESS THAN Rs 25,000	Rs 2,000	Rs 2,500
LESS THAN Rs 30,000	Rs 1,000	Rs 2,000
LESS THAN Rs 50,000	Rs 1,000	Rs 1,500





CORPORATE TAX



CORPORATE TAX

- Companies making profits and with a turnover exceeding Rs. 50 million will be obligated to pay a CCR(Corporate Climate Responsibility) levy equivalent to 2% of their earnings.
- Compensation received from the government or a public sector entity for losses incurred due to a natural disaster will be tax exempted.
- Income generated from intellectual property assets by a manufacturing company operating in the medical, biotechnology, or pharmaceutical sector will be subject to a tax rate of 15%, rather than the standard 3%.



CORPORATE TAX

- The 8-year income tax holiday granted to a captive insurer takes effect from the date the company has started its operations.
- Profits or gains derived from the sale of virtual assets and virtual tokens will be tax exempted.
- Companies granted double deductions on costs incurred to support a registered artist.
- A 15% ITC (Investment Tax Credit) over 3 years is granted to Artificial Intelligence and patents.



VALUE ADDED TAX



V_AT

- VAT at zero-rate is now applicable to vegetable, fruit, and flower seeds, roasted coffee, baby lotions, and similar items.
- If a supplier issues a VAT invoice indicating the supply's value in foreign currency, they must specify the conversion rate into rupees.
- Services offered by a Management Company to trusts with non-resident settlors and beneficiaries, or foundations with non-resident founders and beneficiaries, will be zero-rated for VAT purposes.





V/A

- Motor vehicles linked to construction purchased by approved contractors engaged in the construction of social housing units under a contract with New Social Living Development Ltd with retrospective effect will be exempted.
- Purchase of a motor car by taxi owners up to Rs.120,000 of VAT will be exempted.



V/A

- Individuals who have chosen to register for VAT voluntarily can deduct the input tax they incurred or paid on goods and services obtained starting from the date of their voluntary registration, offsetting it against their output tax.
- The time limit for the MRA to request information for the purpose of examining a return will be 4 years following the taxable period in which the return is submitted.
- The MRA now has the authority to issue a VAT assessment for a period of up to four years preceding the taxable period in which a return is filed.





TAX ADMINISTRATION



TAX ARREARS SETTLEMENT SCHEME (TASS)

• The extension of TASS (Tax Arrears Settlement Scheme) offers a complete waiver of penalties and interests for overdue taxes under the Income Tax Act, the Value Added Tax Act, and the Gambling Regulatory Authority Act. This applies if the taxpayer registers by December 31, 2024, and pays the full tax amount by March 31, 2025.

• TASS is also applicable to assessments that are pending before the Assessment Review Committee (ARC), the Supreme Court, or the Judicial Committee of the Privy Council.





GENERAL TAX ADMINISTRATION

- A taxpayer will not be allowed to submit an amended return if an objection has been made with the MRA against an assessment or a representation has been lodged with the Assessment Review Committee.
- The bank is required to report to the MRA regarding any deposits made by a bank account holder into their credit cards or prepaid cards account.
- The ARC will have the authority to delay hearings only for specified reasons and must resolve cases within a set timeframe.
- If the MRA sends a notice to a person's e-tax account, the notice will be considered served on the date of its dispatch, given that the person has been notified of this communication via both SMS and email.

GENERAL TAX ADMINISTRATION

- An effective change in ownership of a company will be deemed to have occurred where there is a change of more than 10% in its shareholding.
- It will be explicitly laid out in legislation that the Registrar-General may inscribe a privilege on the immovable property of a debtor as from the date a notice for additional duty or tax is returned undelivered.
- An individual lending money will be required to declare, in the deed of loan, that he or she is not engaged in the business of moneylending in compliance with the Financial Services Act.



OTHER TAXES



PROPERTY TAX

- The New Social Living Development Ltd will not be required to pay registration duty, land transfer tax, or tax on the transfer of leasehold rights in State land when transferring social housing units.
- Individuals taking out a secured housing loan through the home loan payment scheme to build their residence will still receive a 5% refund of the loan amount. This benefit has been prolonged for loans taken out after June 30, 2024, and for amounts disbursed until June 30, 2025.





EXCISE DUTY

- A New Excise License will be implemented for the storage and maturation of alcoholic products intended for export or transfer to another excise licensee. The license fee for this will be set at Rs 25,000.
- Plastic bottles crafted from plant-based materials will be granted an exemption from the Rs 2 excise duty per unit imposed on plastic bottles utilized in the beverages industry.



5.21

EXCISE DUTY

 The existing Excise/Customs Duty Rebate Scheme, which provided a rebate of 45% or 55% on motor vehicles, will conclude on June 30, 2024. Starting from July 1, 2024, the rebate rates will be integrated into the statutory excise and customs duty rates for conventional petrol and diesel-driven vehicles. The statutory excise and customs duty rates will be permanently decreased by the value of the rebates.





5.3

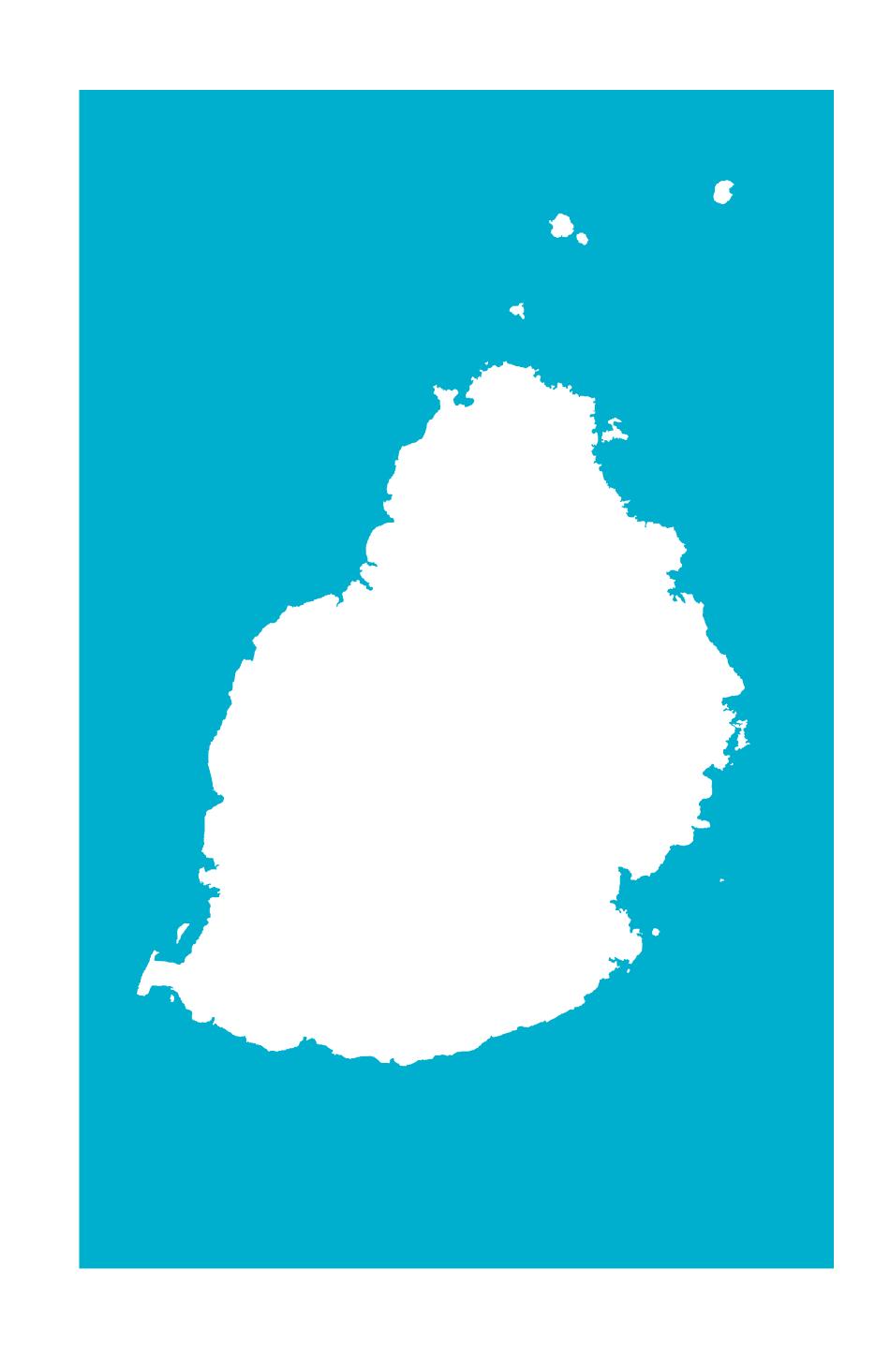
CUSTOM DUTY

• The 15% customs duty currently applied to milk beverages sourced from nuts like walnut and chestnut will be abolished, aligning them with similar milk beverages such as almond milk, oat milk, and soya milk





SOCIAL AND OTHER MEASURES



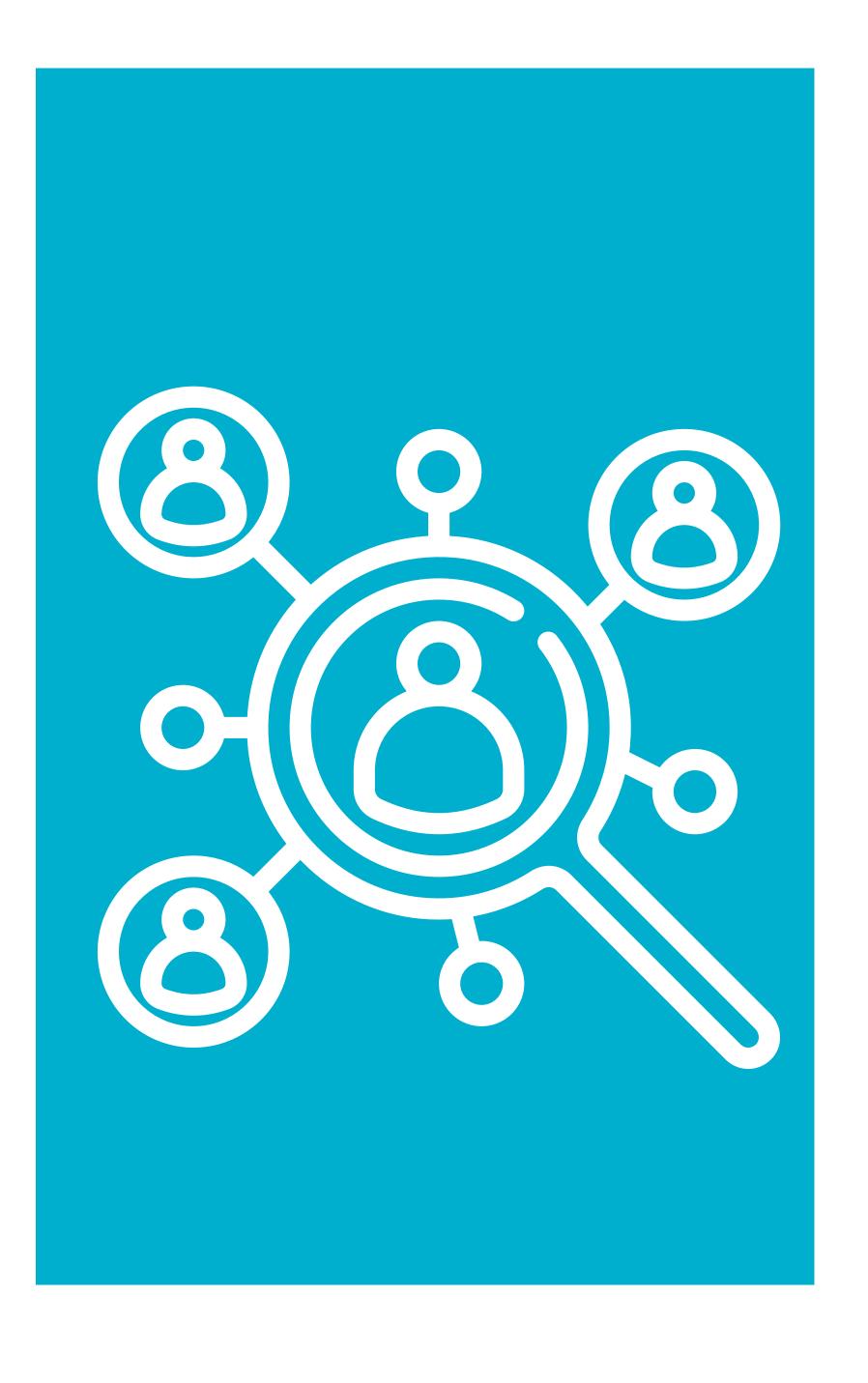












WORKAND LIVE
IN MAURITIUS

PRIMARY

SECTOR

SOCIAL SUPPORT

<u>EDUCATION</u>

EMPLOYMENT

MATERNITY

OTHER INITIATIVE

WORK AND LIVE IN MAURITIUS - Occupation Permit Application

- The minimum monthly salary threshold for professionals has been lowered from Rs30,000 to Rs22,500.
- Introducing a Temporary Occupation Permit valid for 3 months for professionals with a minimum of 10 years of experience, enabling them to work while awaiting final approval.
- Retired non-citizens holding Residence Permits are permitted to work without needing to apply for additional Work or Occupation Permits.
- Introducing a 10-year Expert Occupation Permit for individuals in wealth management, family offices, virtual assets, and virtual tokens sectors.





WORK AND LIVE IN MAURITIUS- Work Permit Application

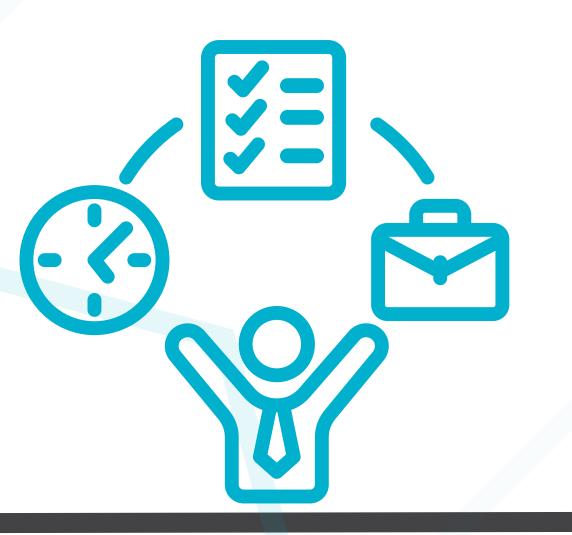
- Quotas on foreign labor have been eliminated in the manufacturing, jewelry, freeport, and ICT/BPO sectors.
- The maximum renewal period has been extended to 10 years for individuals in the manufacturing sector.
- The Non-Citizens Restriction Act will be revised to provide clarity on the criteria for determining a complete Work Permit application.
- The timeframe for delivering or renewing a work permit will be established at 3 weeks.



6.1.2

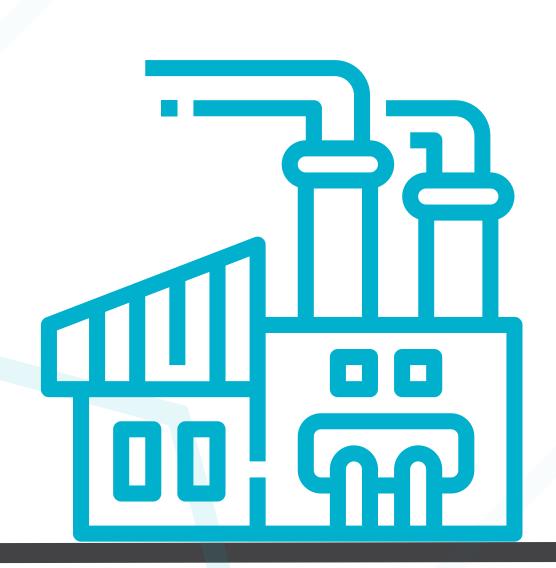
WORK AND LIVE IN MAURITIUS- Repatriation of migrant worker

• Failure to notify the supervising officer of the Ministry responsible for the proposed repatriation of a migrant worker will be an offense.



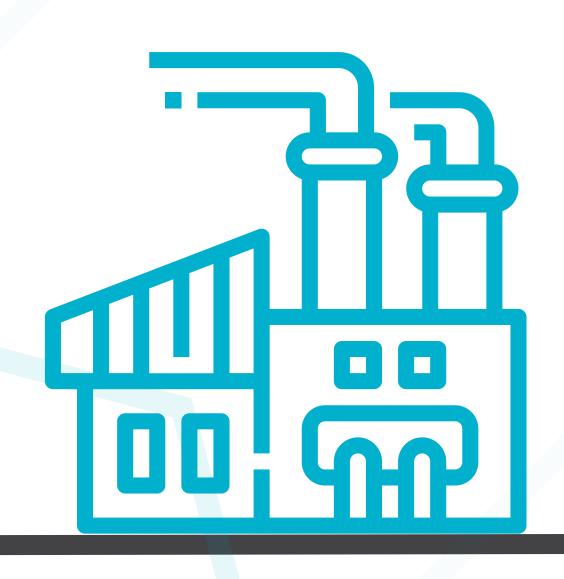
PRIMARY SECTOR

- In the event of the fisherman's death, heirs will receive a payment of Rs 200,000.
- Lump sum to artisanal fishermen aged 65 years and above from Rs 100,000 to Rs125,000
- The daily Bad Weather Allowance for fishermen has been raised from Rs650 to Rs800.
- Recycling to be classified as a manufacturing activity.



PRIMARY SECTOR

- Grant of up to Rs225,000 for the import of cows, goats, pigs and sheep
- Grant of Rs10,000 to calf breeders;
- Grant of up to Rs300,000 for the purchase offencing and security equipment.



SOCIAL SUPPORT

- Monthly Basic Widow's Pension, Basic Invalid's Pension and Basic Orphan's Pension will increase to Rs 14,000
- An extra monthly allowance of Rs 3,000 will be provided for children under 18 years old with disabilities.
- The monthly rent allowance for beneficiaries of basic pensions who live alone will be raised from Rs 2,300 to Rs 3,500.



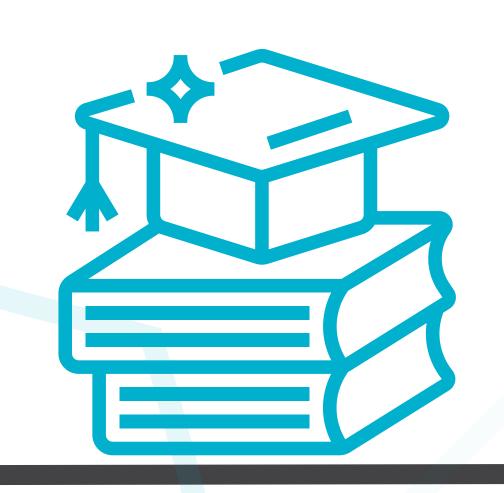
EDUCATION

- Full subsidy on SC and HSC examination fees for those who have either not obtained 5 credits or not passed the SC or HSC for first time. For the re-sit, the Government will bear the full costs of the exams.
- Starting from July 1, 2024, a monthly School Allowance of Rs 2,000 will be introduced for all children between the ages of 3 and 10 years old.
- Orphans below the age of 15 who are not in full-time education will receive Rs13,500 monthly, while orphans between the ages of 3 and 20 who are in full-time education will also receive the same.



EDUCATION

- Upgrade to the scholarship schemes including 50% increase in living allowance, full scholarship for HSC Professional Scholarship holders, and higher financial grants for Additional Scholarship Scheme laureates.
- Free monthly data package for all citizens aged 18 to 25 years.



EMPLOYMENT

- Individuals with disabilities will have a one-year internship in a company instead of six months.
- Part-time workers will be eligible for an 'Employment Allowance.' The government will contribute Rs 7500 for 20 hours of work.



MATERNITY

- Introduction of a maternity allowance of Rs 2000 during the 9 months of pregnancy.
- Maternity leave extends from 14 to 16 weeks.
- For paternity leave, the number increases from one to four weeks.
- A two-week leave for women giving birth to twins or more
- An allowance of Rs 3000 to encourage mothers to follow their pregnancy treatment. Thus, mothers will receive a sum of Rs 3000 once they complete their six pregnancy examinations.



OTHERINITIATIVES



HEALTH



ENVIRONMENT



MOTOR VEHICLES



SPORT, ART, AND
CULTURE



FREIGHT



MISCELLANEOUS

HEALTH

- Funding for extended care now supports individuals up to age 25, offering financial aid for cancer treatment.
- To date, 49 children have benefited, with an additional 71 receiving top-quality treatment in renowned hospitals.
- Moreover, eligibility for the Overseas Treatment Scheme has been extended to age 25.



ENVIRONMENT

- Recycling will now be classified as a manufacturing industry activity.
- The DBM will increase the maximum amount offered for the purchase of batteries for storing solar energy to Rs 350,000.



MOTOR VEHICLES

- The installation of public charging stations across the country to allow motorists to recharge their cars.
- The excise duty of Rs 200,000 on the purchase of electric vehicles is extended until June 2025.



SPORTS, ART, AND CULTURE

- Rs 10 million will be allocated to the Retired Athlete Scheme.
- A sum of Rs 2.5 million for athletes who win a gold medal at the Olympic and Paralympic Games.
- Rs 25 million will be allocated to the Professional in the Arts Council.
- Launching an 'Artist of the Year Award' with a prize of 250,000 rupees and creation of a social assistance fund to support local artists.



FREIGHT

• New exporters, whose turnover is below Rs 20 million, will benefit from a 40% refund over a period of one year.

 Renewal of the Freight Rebate, the Trade Promotion and Marketing, and the Export Credit Guarantee Schemes for an additional year.



MISCELLANEOUS

- Price of subsidized 12 kg cylinder of cooking gas to decrease from Rs 240 to Rs 190.
- A campaign titled "Al For All" will be launched to promote this technology across all sectors of the country.





OUR DEDICATED

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