

## Budget Highlights 2025 – 2026

**A Moment for Mauritius  
to Reset its Economy...**

**June 5, 2025**

[View Highlights](#)



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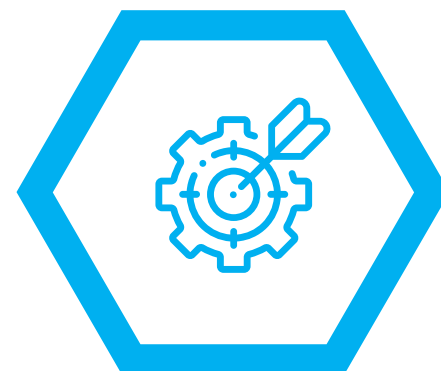
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A hand in a dark suit sleeve is shown from the wrist up, palm facing up, holding a glowing digital world map. The map is composed of white dots connected by thin white lines, representing a network or data flow. The background is dark blue with a bokeh effect of out-of-focus light circles. A diagonal blue band runs from the top right towards the bottom right.

# HELPING YOU THRIVE IN A CHANGING WORLD

## 01 | EXECUTIVE SUMMARY



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# EXECUTIVE SUMMARY



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■ ■ The November 2024 landslide electoral win by the incumbent coalition-led Government ushered in hope for a radical and impactful change in the *modus operandi* of state of affairs of the country. The “State of the Economy” report released soon after exposed a dire fiscal landscape: public debt stood at Rs 642 billion (90 percent of GDP), the budget deficit was 9.8 percent of GDP, and “printed-money” liabilities had ballooned to Rs 180 billion—sparking off inflation and eroding the Rupee.

Meanwhile, the trade deficit had reached Rs 203.7 billion (29.4 percent of GDP), and debt servicing alone consumed Rs 21.8 billion annually—resources that should have instead been earmarked for schools, hospitals, and social safety nets.

Internationally, 2025 has been marked by relentless uncertainty: protectionist policy swings in major economies, localised conflicts, and unpredictable commodity price shocks.

Against this backdrop, it was more important than ever to fundamentally rethink our economic trajectory—shifting away from the vicious cycle of consumption-driven sluggish growth towards a virtuous cycle of productivity-led expansion.



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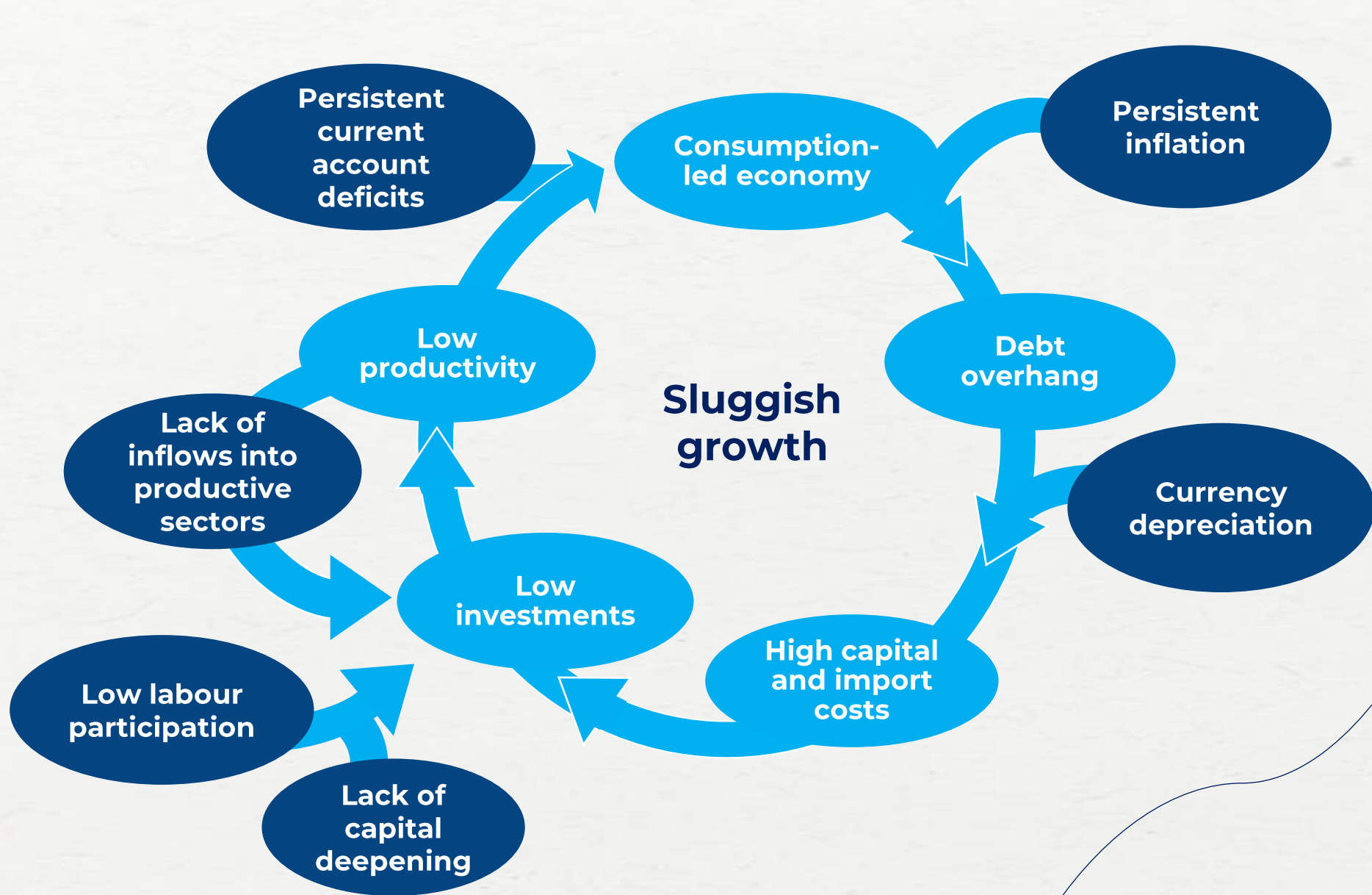
**SECTORAL  
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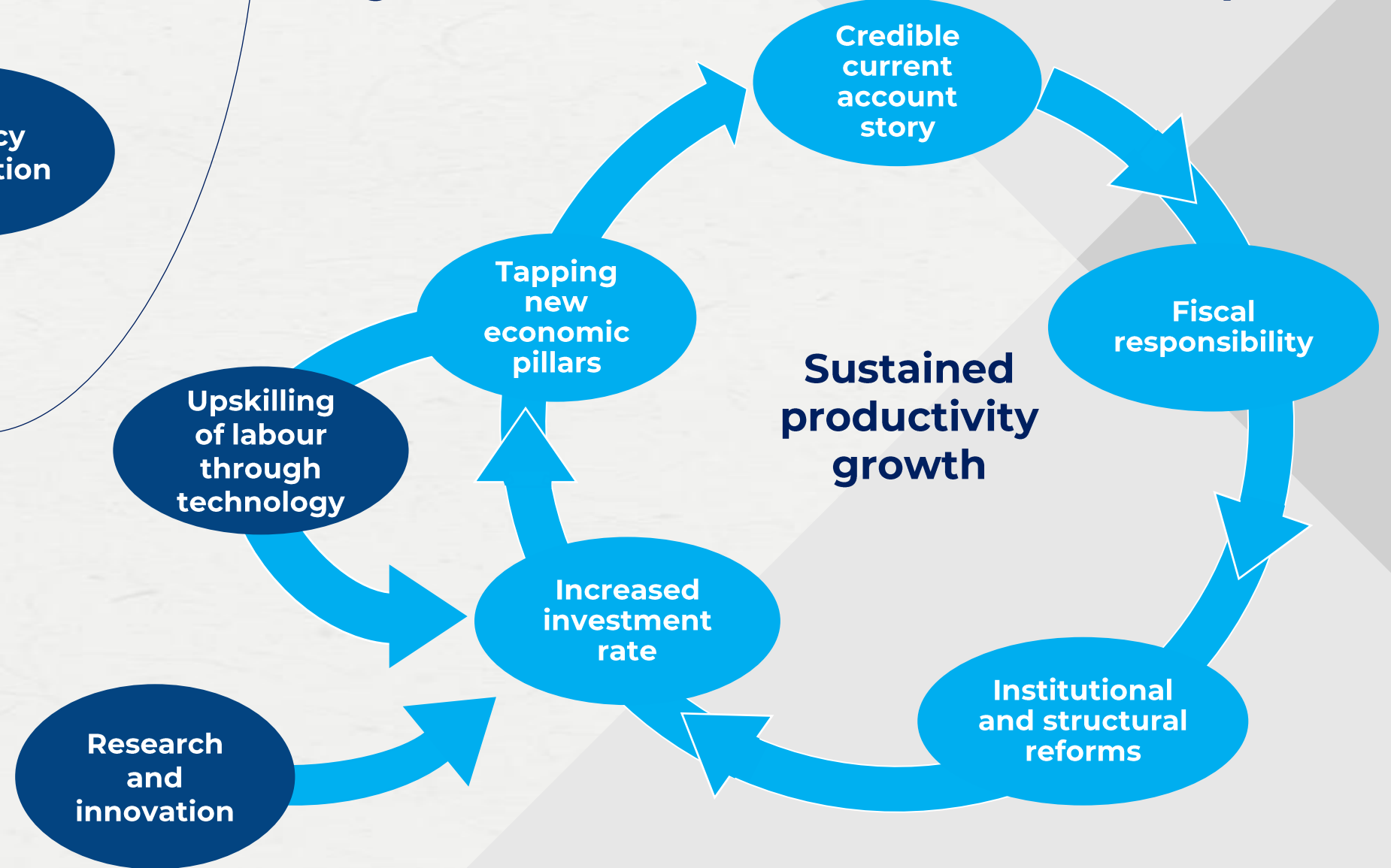
**TAX AND REGULATORY  
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Current: A vicious circle hampering economic growth



Future: A virtuous circle premised on fiscal responsibility, trust in institutions, productivity, digital innovation, research and development





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To that end, Finance Minister Dr. Navin Ramgoolam has identified three core pillars to reset the economy: Economic Renewal, A New Social Order, and Fiscal Consolidation. At the heart of this new paradigm lie the following broad strategies:

- Re-engineer Mauritius' growth model—long enmeshed in secular stagnation—by unlocking new four “Pôles de Croissance”, instigating a raft of labour market reforms, optimising land use and boosting capital productivity through digital innovation.
- Overhaul the education and health system while gradually unwinding unsustainable social subsidies.
- Re-calibrate public finances through revenue mobilisation strategies, expenditure rationalisation, pension and security reforms while restoring purchasing power of vulnerable groups.
- Revamp the trade playbook to open market access and enhance competitiveness of exports.
- Rebuild trust in economic and political institutions.

Supply-side reforms are not lacking in the Budget 2025-2026. The new Government is keen to implement innovation-embodied technological progress such as Artificial Intelligence (AI) in sectors that are AI-adaptable and give it a much more prominent role in economic activity. A panoply of measures, including enhanced budget allocations, has been proposed to address specific erstwhile impediments. The other two productivity-enhancing sectors, namely education and healthcare have availed of encouraging structural reforms aiming at future-proofing the quality of education and healthcare in Mauritius – central tenets of long-term growth.

Pivotal sectors including tourism and agriculture have been facing challenges in recent years. The 2025-2026 budget contains measures to diversify the tourism base of Mauritius into markets of enormous opportunity of untapped potential, such as China, India, Russia, Eastern Europe and the middle east. On the agriculture front, several laudable measures were announced to fast-track self-sufficiency to reduce our dependency on imported consumable items and make some inroads into the trade deficit.





## EXECUTIVE SUMMARY

Budget 2025–26 also aims to restore fiscal balance by recalibrating tax revenue and government spending, signalling to Moody’s and the IMF our commitment to prudent public finances. On the revenue side, the Government will phase in reforms to income and corporate taxes to boost tax receipts while preserving work incentives, and raise excise duties on inelastic “demerit” goods such as alcohol and tobacco and most notably on hybrid and electric cars amid record imports of road vehicles in 2024.

Existing social measures will remain in place but will be phased out gradually from 2027. In the short term, our consumption-driven economy will benefit from continued growth, supporting lower-income households with high propensities to consume. The Government will protect purchasing power by introducing price controls on essential goods. Finally, recognising the heavy fiscal burden of pensions and CSG liabilities, a reform of the pension system has become an economic imperative: the National Pension Fund (NPF) will replace CSG, and the retirement age for new old-age pensioners will rise to 65.

This Budget marks a turning point in our economic history. It equips Mauritius to confidently weather external shocks with minimal impact on growth by combining stability measures with broad-based structural and institutional reforms. These include a sustainable, inclusive growth trajectory; lasting fiscal discipline; renewed public-sector credibility; upgraded and new growth engines; restored purchasing power; stronger self-sufficiency (food security and maritime development); and enhanced competitiveness—all guided by an unwavering commitment towards productivity-led growth and sustainability. ■ ■





# KEY BUDGET THEMES



## ICT

- Allocation of **MUR 70m** for a Tier IV Government Data Centre.
- Amendment of the Data Protection Act to meet EU requirements.
- Alignment of the Cybersecurity and Cybercrime Act with international (UK) standards.
- Creation of a Cyber Security Operation Centre to monitor and respond to cyber-threats.



## Fintech and AI

- A new programme spearheaded by MITCI to nurture AI-focused start-ups.
- Start-Ups and MSMEs may claim tax deductions for their AI investments of up to **MUR 150,000**.
- Amendment of legislation to allow secured electronic signatures for registration and transcription.
- Implementation of machine-learning-driven financial-intelligence software for real-time AML surveillance.



## Manufacturing

- An **Industrial Policy Coordination Committee** will oversee productivity-boosting strategies, with a particular emphasis on raising capital productivity in the manufacturing sector.
- Expansion of certification schemes to boost consumer confidence in locally manufactured goods, both domestically and abroad.



## Financial services

- Launching of bullion banking as a new activity.
- Licensees may issue or transfer shares to existing shareholders without FSC approval—provided no change in control—including those listed on foreign exchanges.
- Special levy on banks to be removed and introduction of fair share contribution on banks having annual chargeable income **(rate: 5%)** above **MUR 24 million** and additional fair share contribution **(rate: 2.5%)** of chargeable income from **domestic operations**.



## Green Economy

- Unlocking **MUR 30 billion** over three years for investment in renewable energy (primarily solar and biomass).
- Six Strategic Blue-Green Sectors (via “Assise de l’Océan” to be convened by EDB).



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# KEY BUDGET THEMES



## Hospitality & Leisure

- **MUR 900 million** earmarked for the Ministry of Tourism to kick-start the implementation of the new tourism blueprint (including e-gates to facilitate tourist arrivals).
- Introduction of tourist fee of **EUR 3 per night** (<12 years exempted).



## Agri-business and Blue Economy

- **MUR 800 million** allocated to support farmers, planters and breeders through various schemes and assistance programmes.



## Infrastructure and Real Estate

- **MUR 128 billion** to be invested in key infrastructure sectors over the next five years.
- **MUR 67.5 million** allocated for social housing schemes.
- Registration Duty for non-citizens buying property under EDB schemes.



## SMEs and Ease of Doing Business

- Public contracts for works costing between **MUR 30 million** and **MUR 50 million** will be exclusively reserved for Medium Enterprises.
- SMEs with annual turnover not exceeding **MUR 10 million** to receive a **5%** investment tax credit over 3 years for acquiring new equipment.



## Healthcare & Life Sciences

- The total allocation for the healthcare budget is **MUR 18.5 billion**
- Adoption of digital health solutions.
- Building a “future ready” healthcare system.







## 02 | PUBLIC FINANCE



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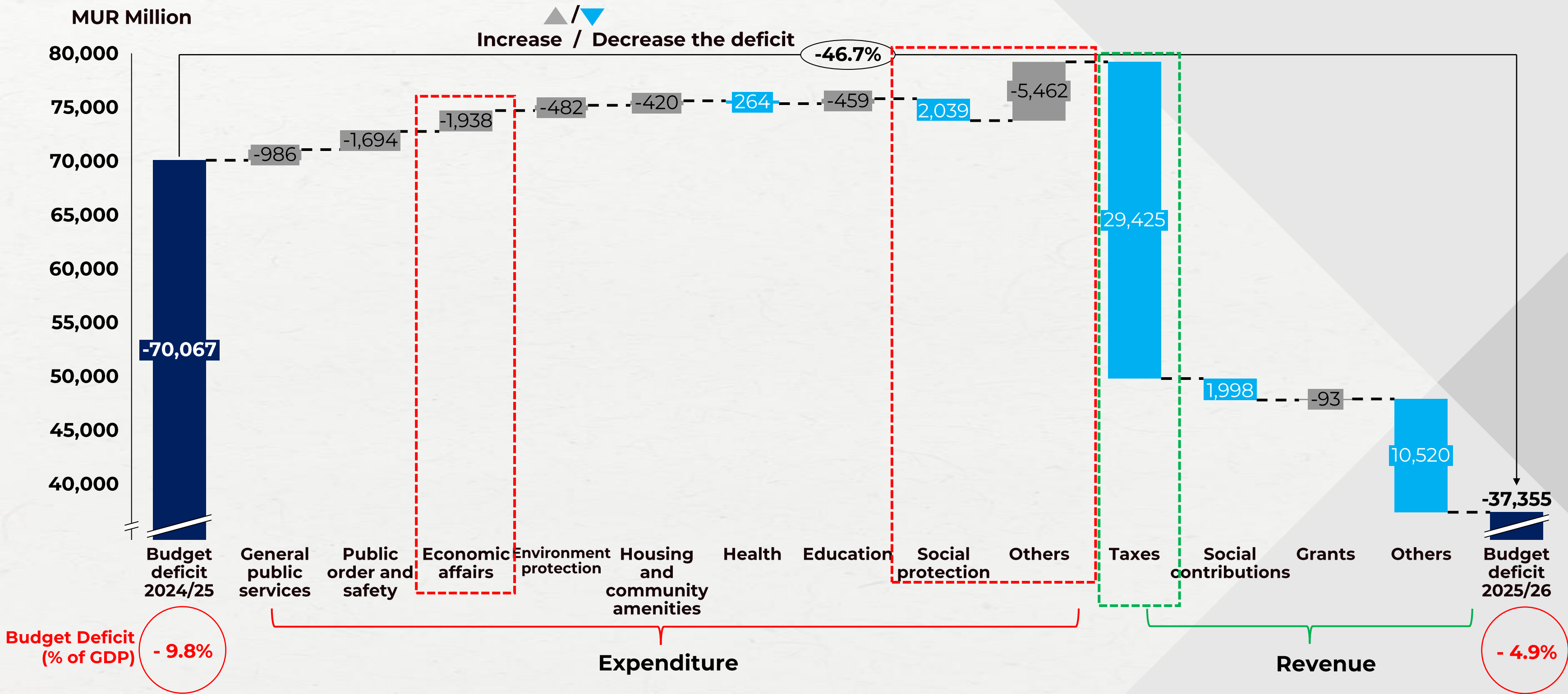


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Fiscal consolidation in action...



Public Sector  
Gross Debt  
(% of GDP)

90.0%

2024/25

88.3%

2025/26 (F)

84.8%

2026/27 (F)

75.0%

2027/28 (F)

60.0%

Long term (F)



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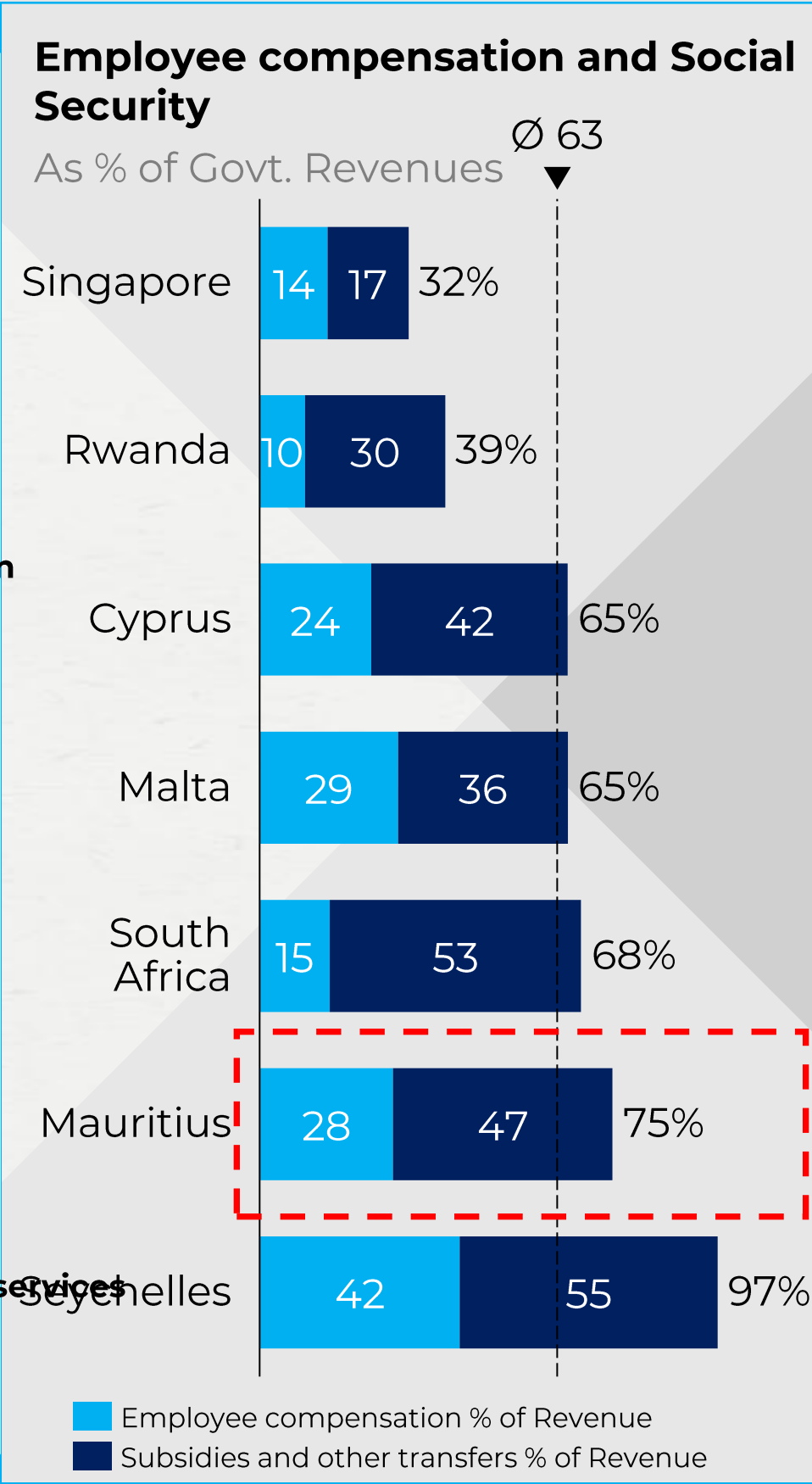
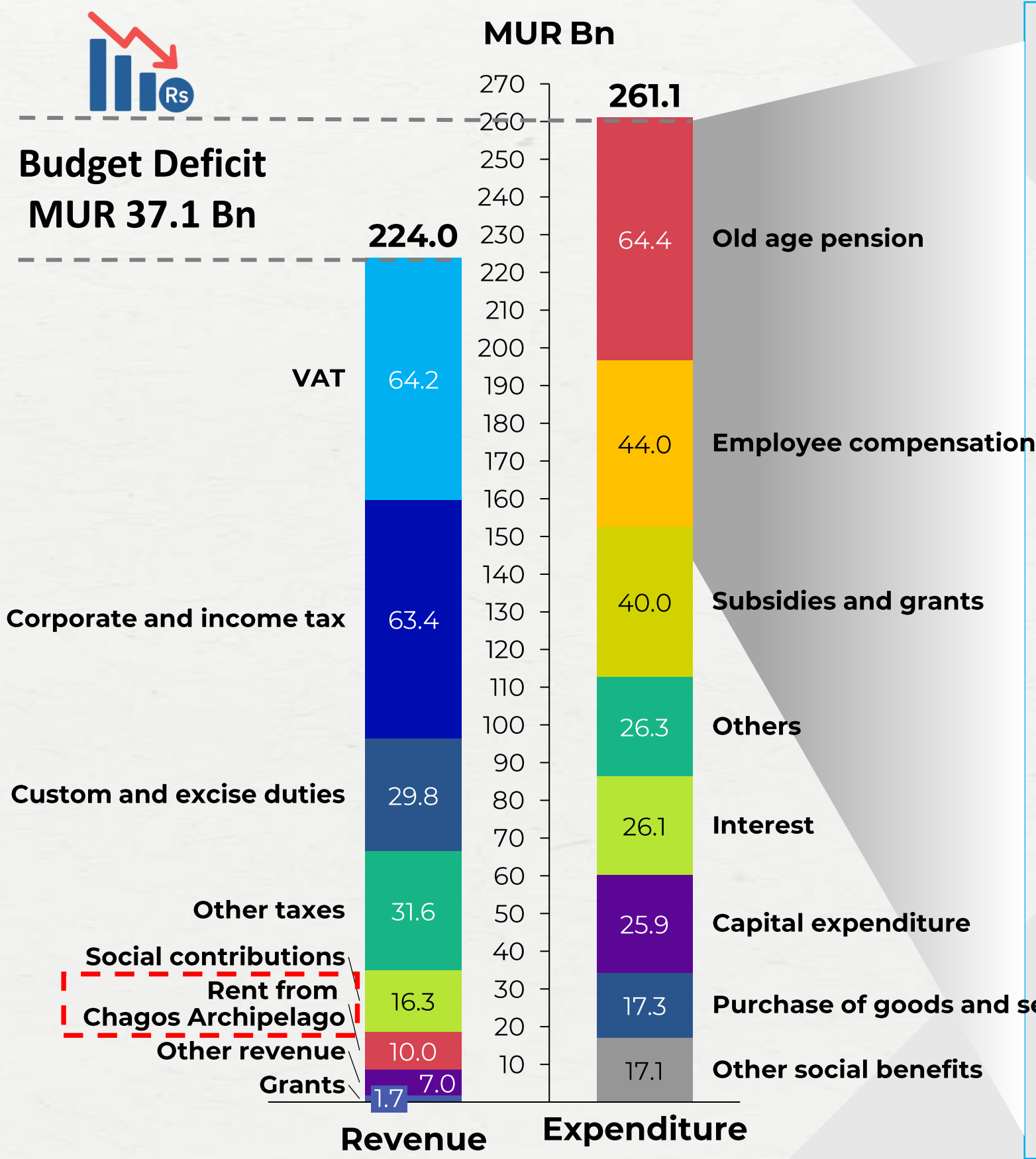
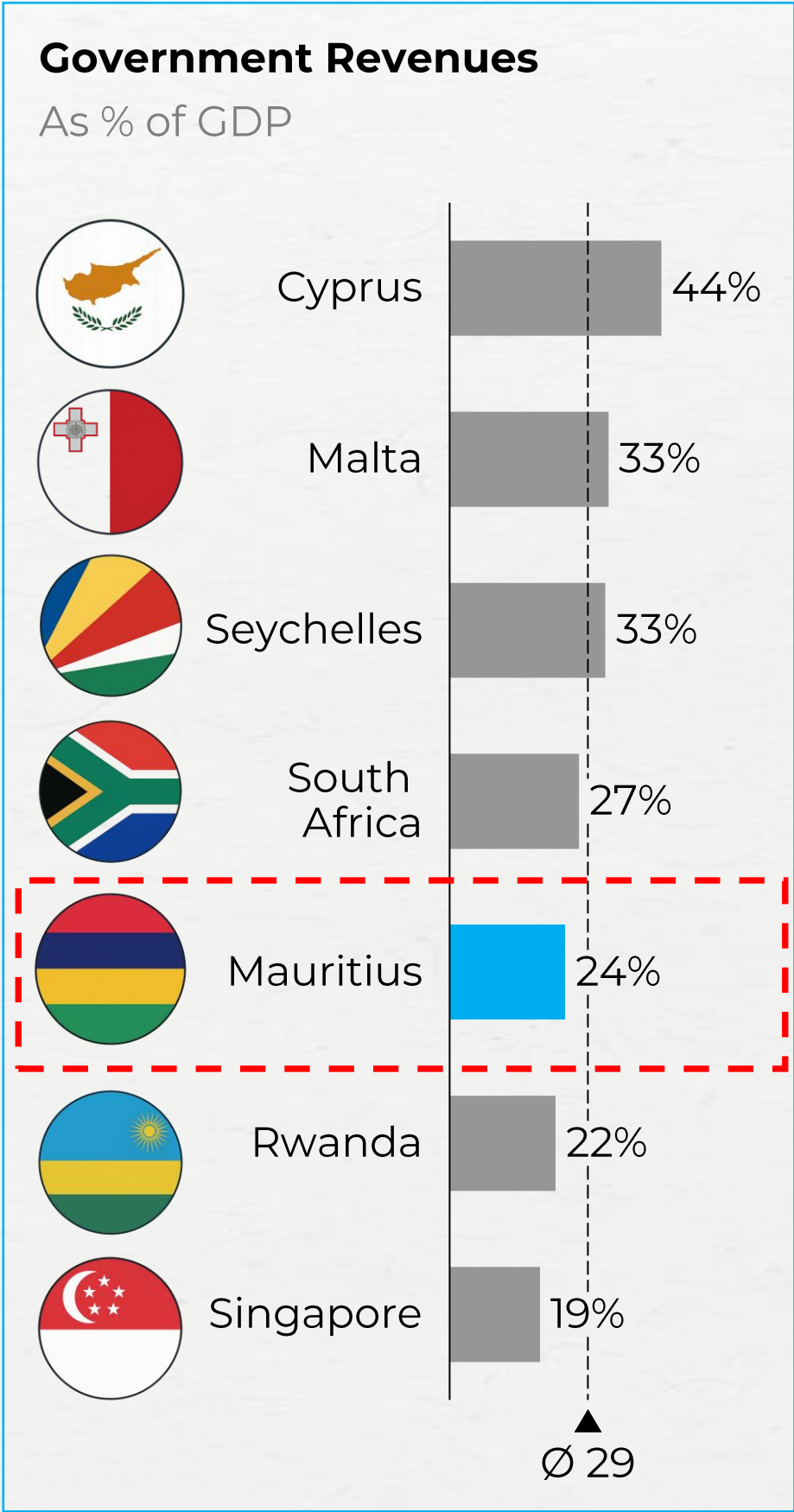


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The low tax collection compared to benchmarks calls for urgent revenue mobilisation strategies

Government spending is unsustainably high, driven largely by excessive employee compensation and social benefits



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# 03 | ECONOMIC PULSE



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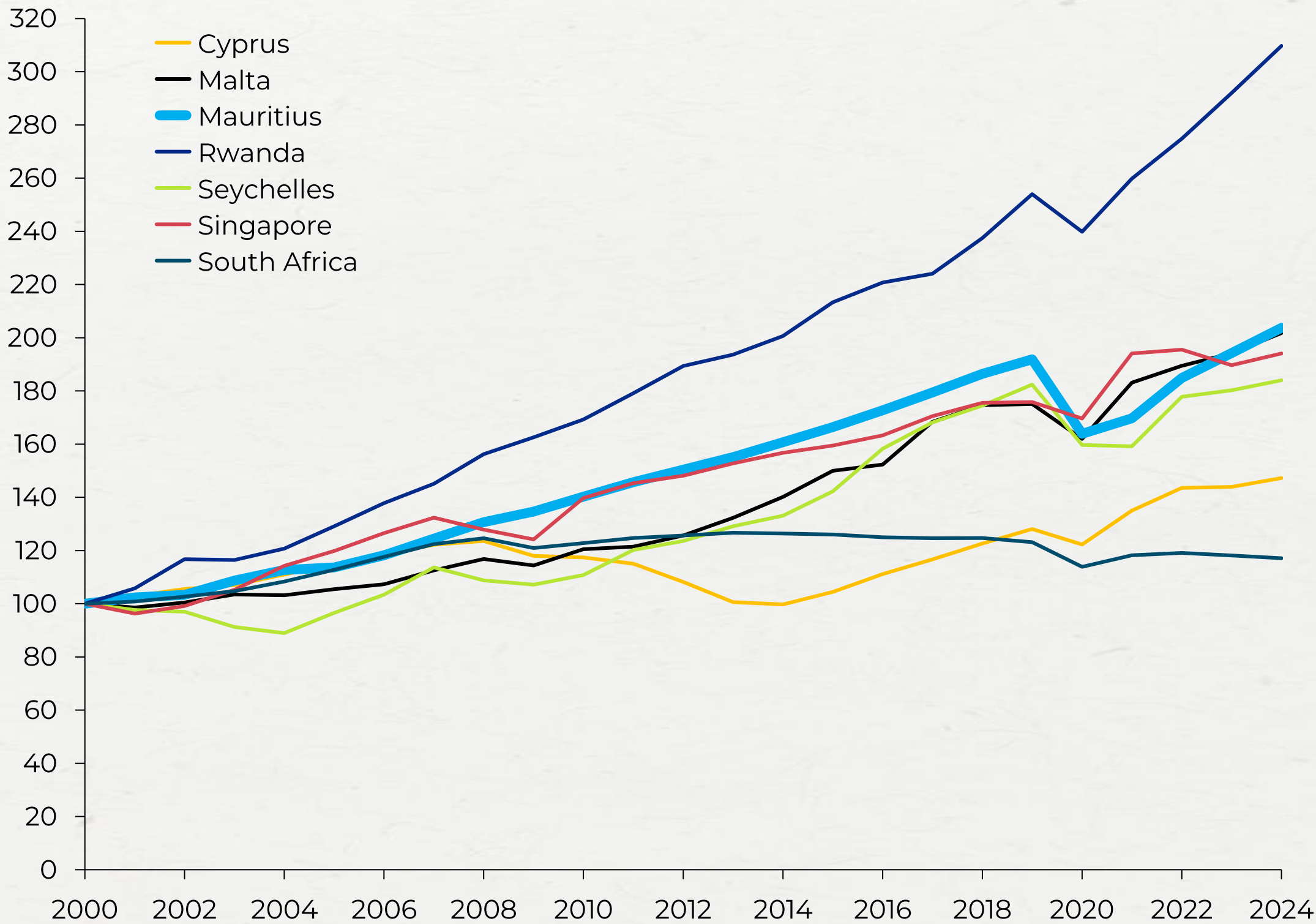
TAX AND REGULATORY MEASURES










Although Mauritius made little progress global rankings, its 2024 real GDP per capita was 204% above its 2000 level, firmly aligning it with peers—despite a few select countries outpacing its growth in recent years

Comparison of Mauritius’ real GDP per capita with comparable economies

Real GDP per capita in 2024 prices, indexed 100 = comparable economies’ year 2000 values



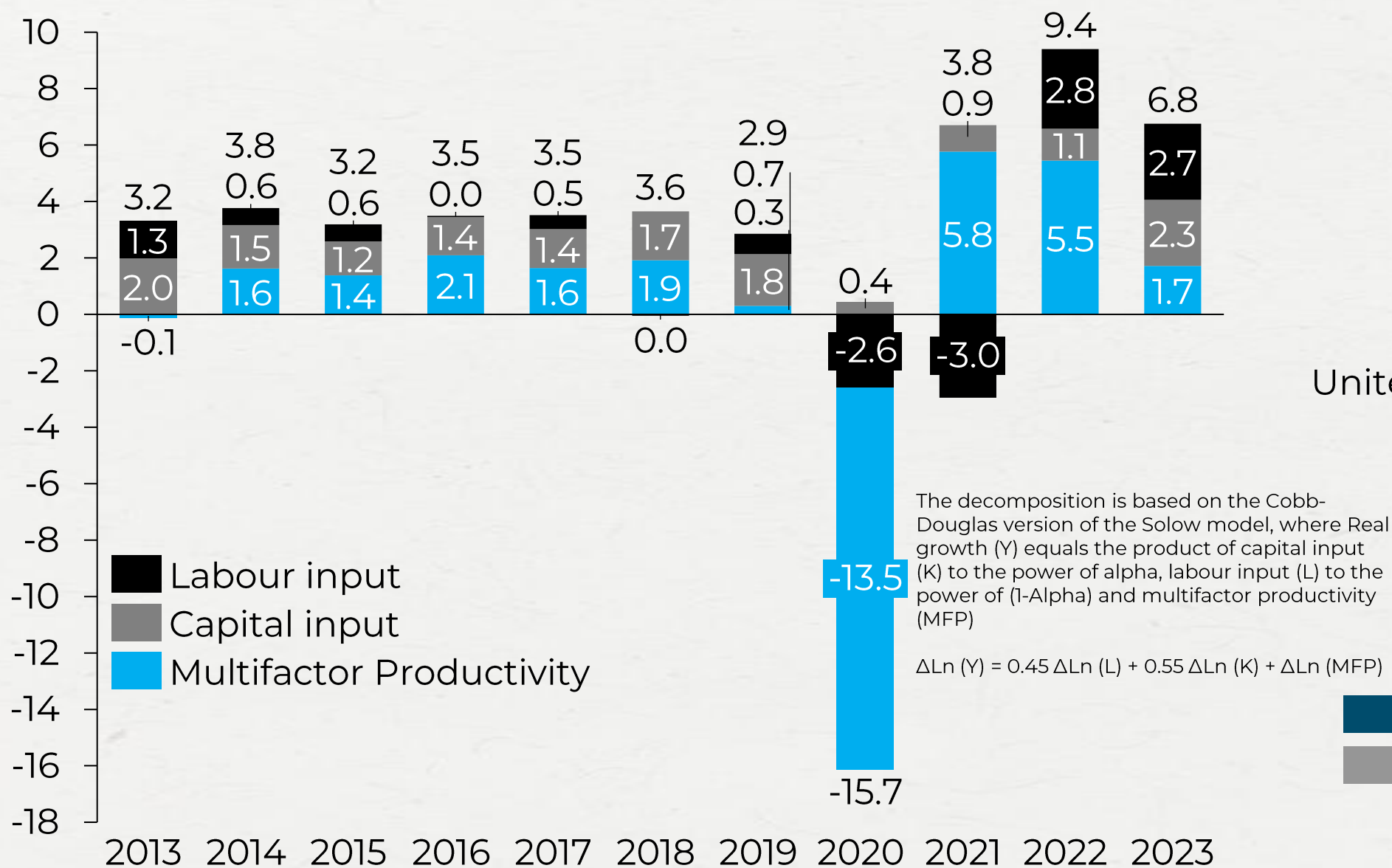
		Real GDP per capita increase Growth from 2015 to 2024	Country ranking in terms of GDP per capita in PPP terms	
			2000	2024
	Singapore	22%	7	1
	Malta	35%	39	19
	Cyprus	41%	32	30
	Seychelles	29%	50	59
	Mauritius	22%	71	69
	South Africa	-7%	79	111
	Rwanda	45%	182	166



Post-COVID, MFP rebounded impressively but now seems more settled into trend improvements

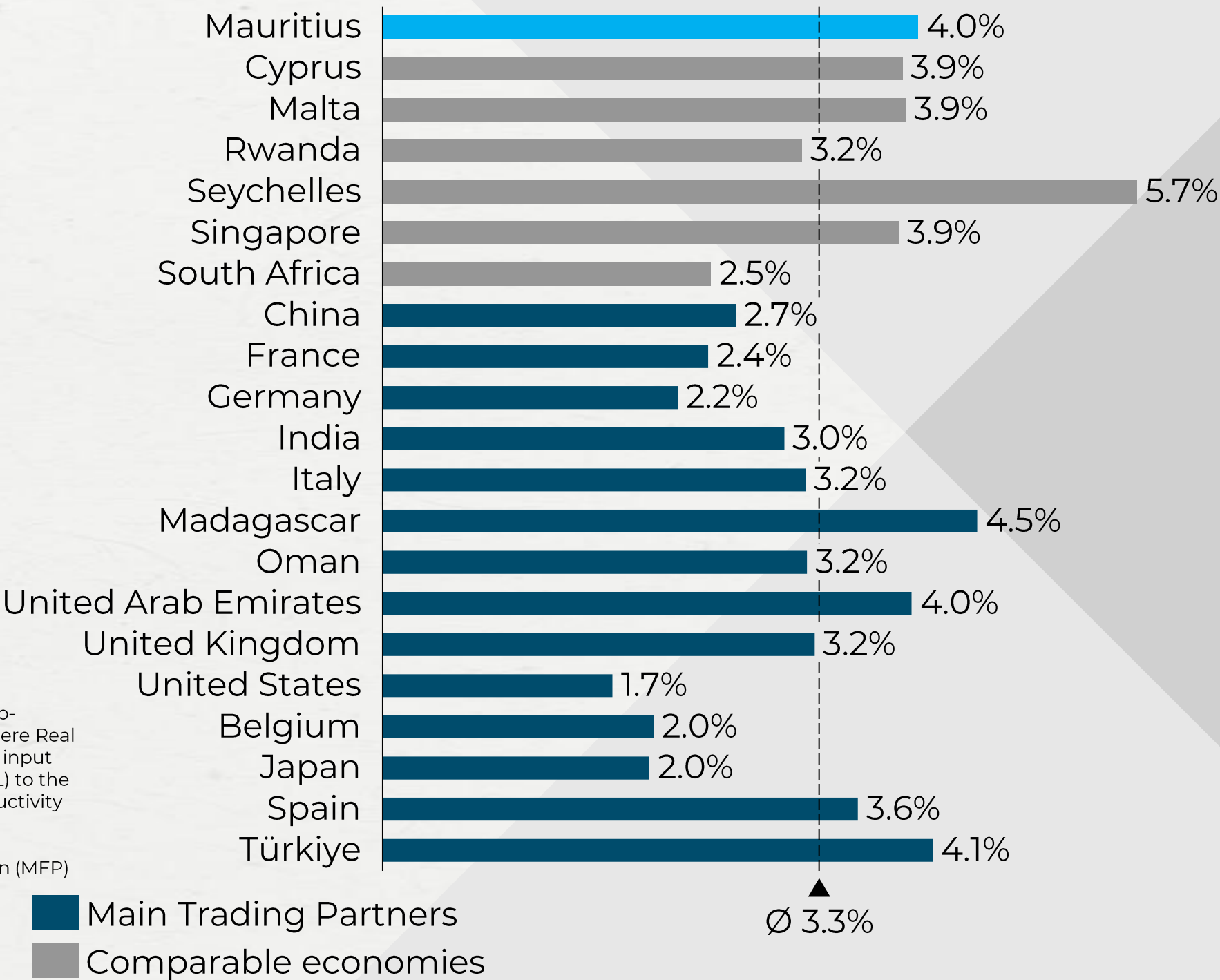
Future growth depends on digital adoption, premium tourism offerings, manufacturing efficiency, capital deepening via strategic infrastructure (ports and roads) with private reinvestment, and labour input gains from upskilling and greater female workforce participation.

Contribution to real-output growth (percentage-points)



Output growth is more volatile than most peers and trading partners, heightening susceptibility to external shocks

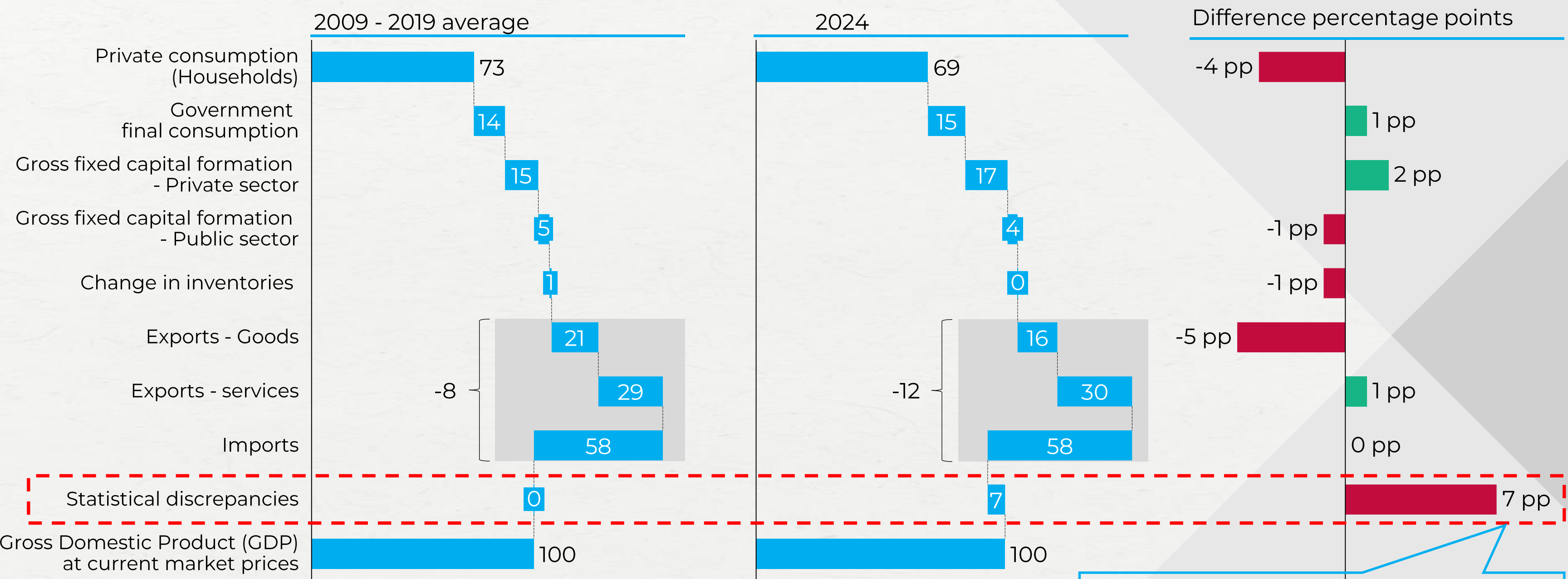
Standard deviation (volatility) of real GDP growth from year 2000 to 2024, %





Modest structural shift in GDP composition with a notable 5% decline in exports of goods and 4% drop in private consumption from (2009-2019) to 2024 amidst a sizeable increase in statistical discrepancies

Demand build-up (share of GDP ; Illustrative)



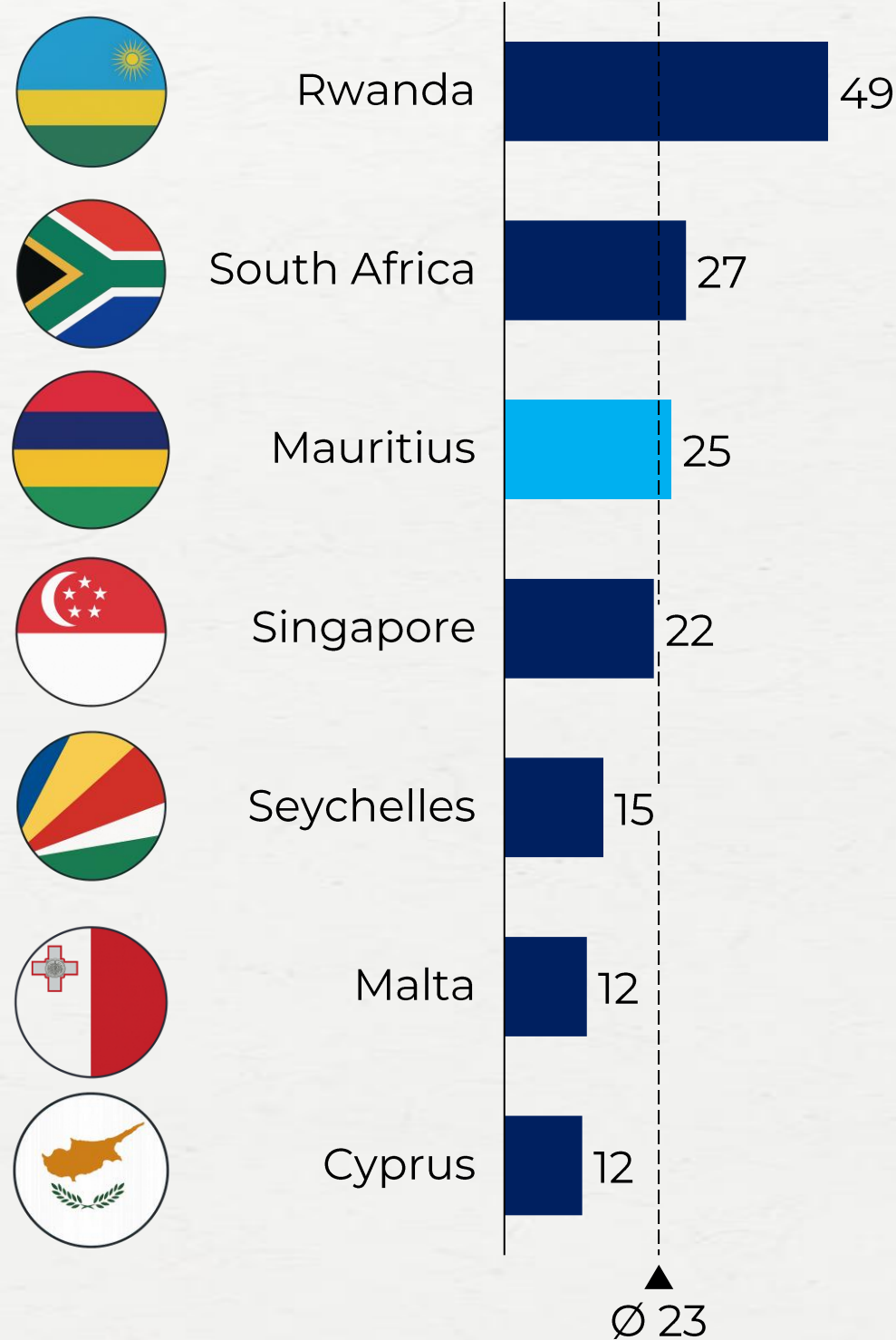
The increase in statistical discrepancies indicates the risk of potential measurement gaps, unrecorded economic activity, data quality and reliability concerns.



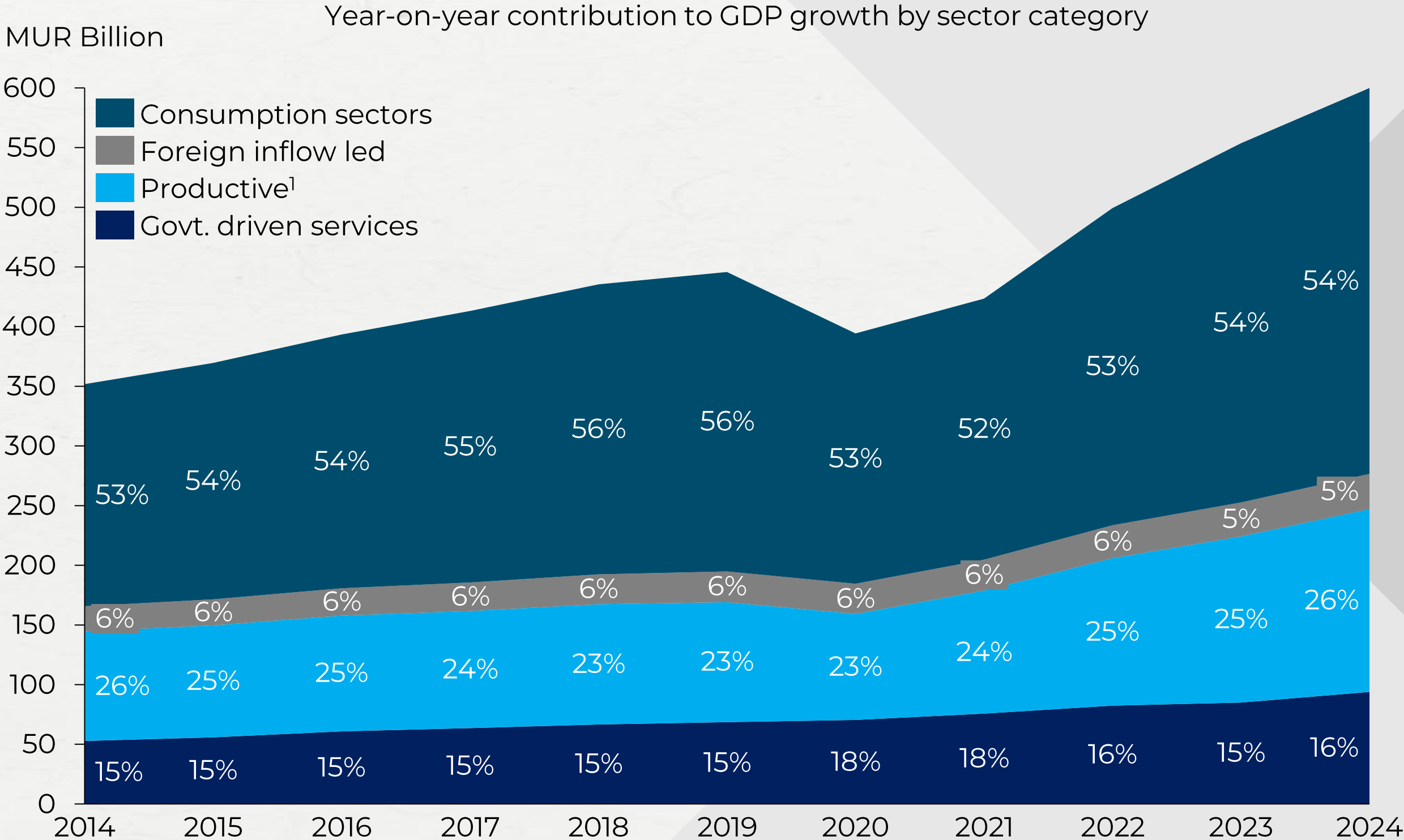
A conducive business environment has laid the foundation of our productive sectors but a shift away from a consumption-driven growth to a productivity-led growth has never been more urgent

Economic Contribution of productive sectors is reasonable.

Contribution of productive sectors<sup>1</sup>, %GDP



Growth period was sustained by consumption and productive sectors. Only by fortifying industrial logistics, upgrading skills, and attracting high-value investment can the era of consumption-led cycles give way to a more stable, productivity-driven growth trajectory.



<sup>1</sup> Defined as Agriculture, Manufacturing and construction and utilities (electricity, water supply, etc.)



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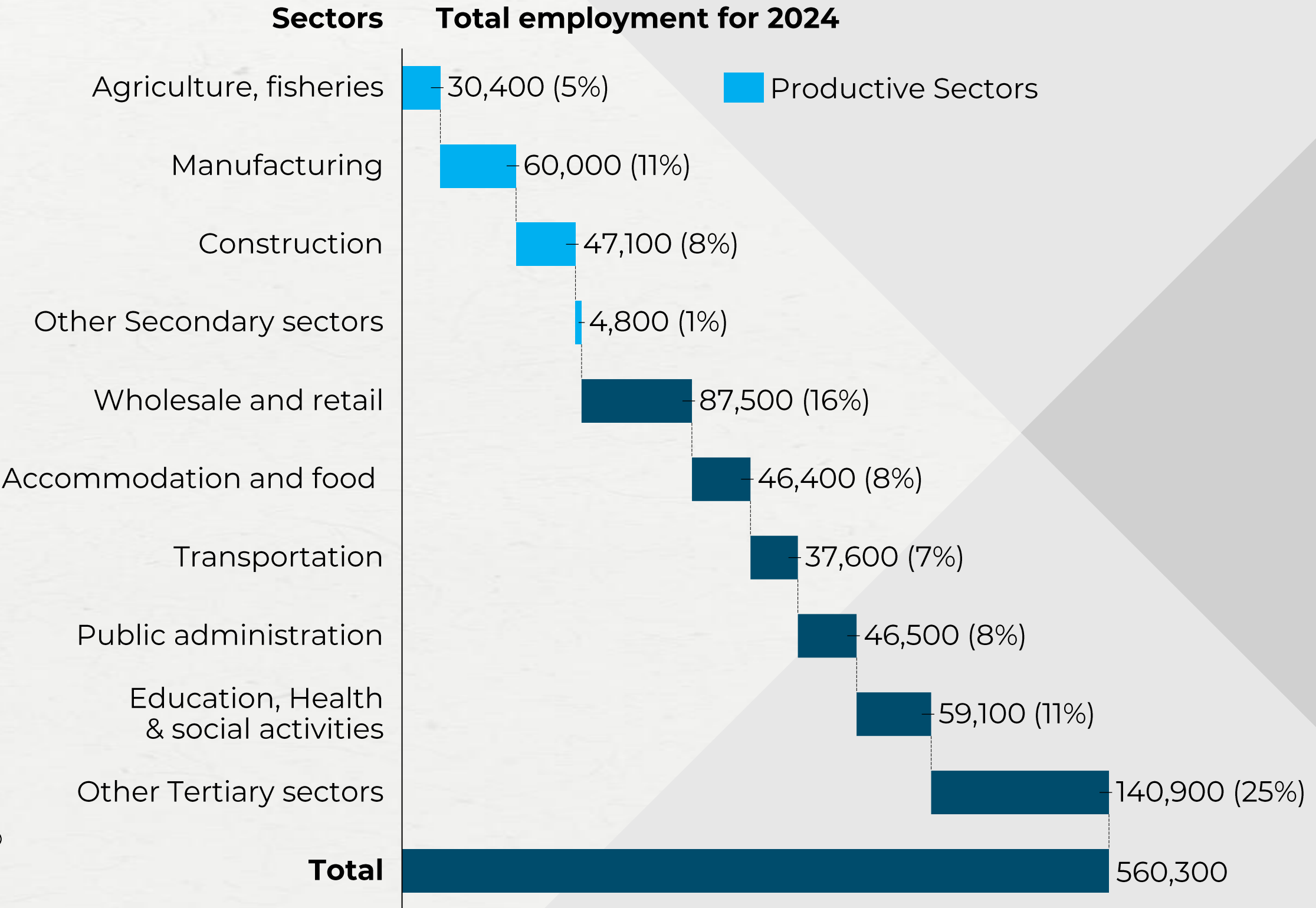
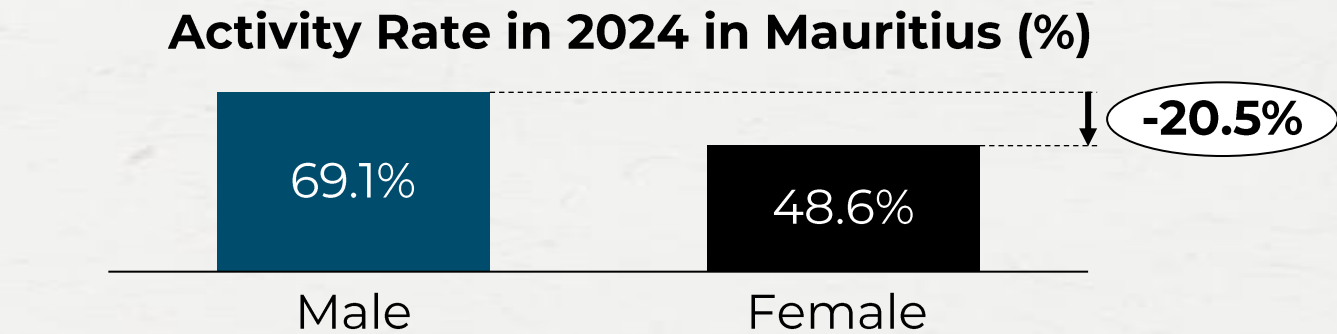
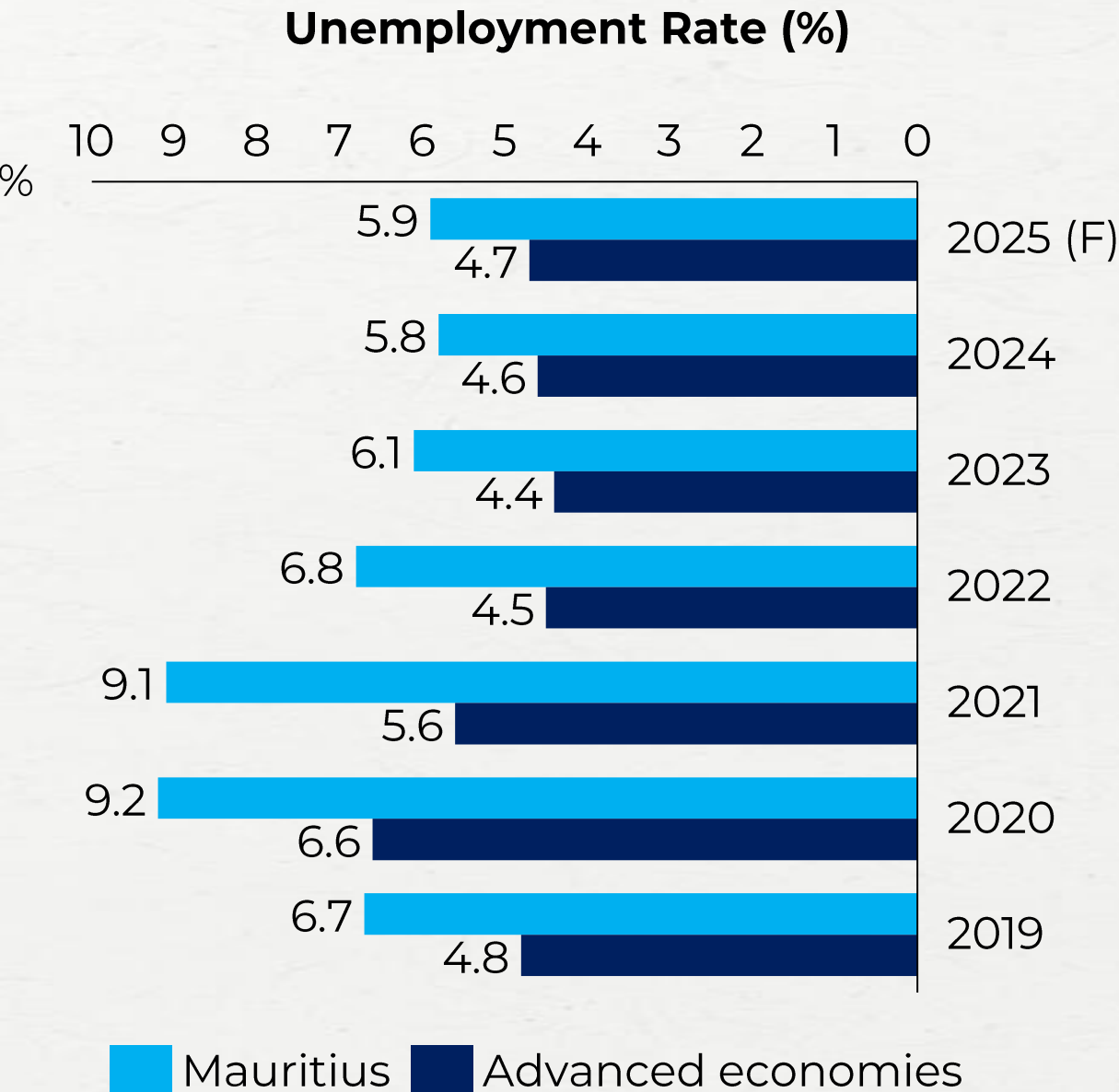
SECTORAL HIGHLIGHTS



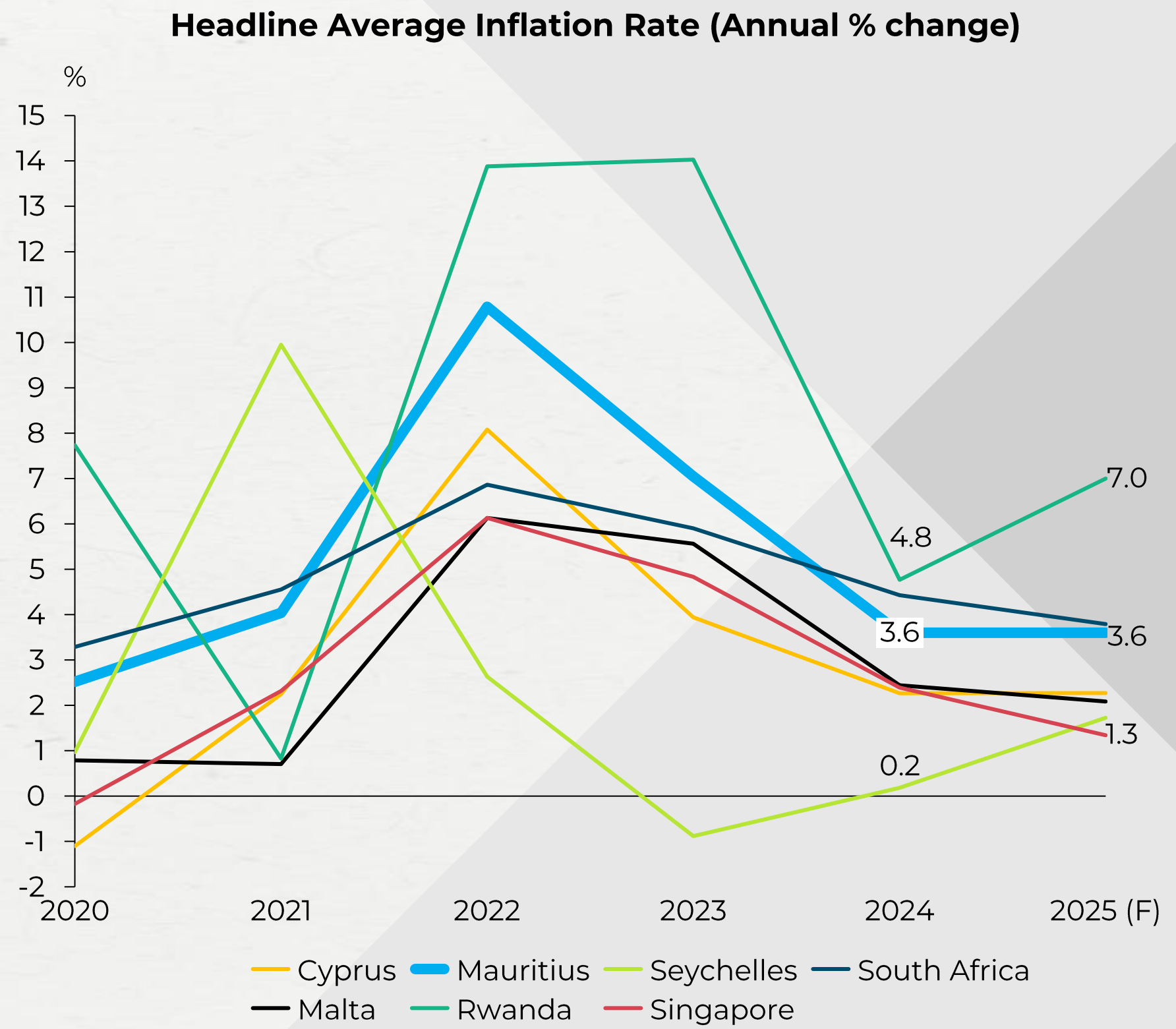
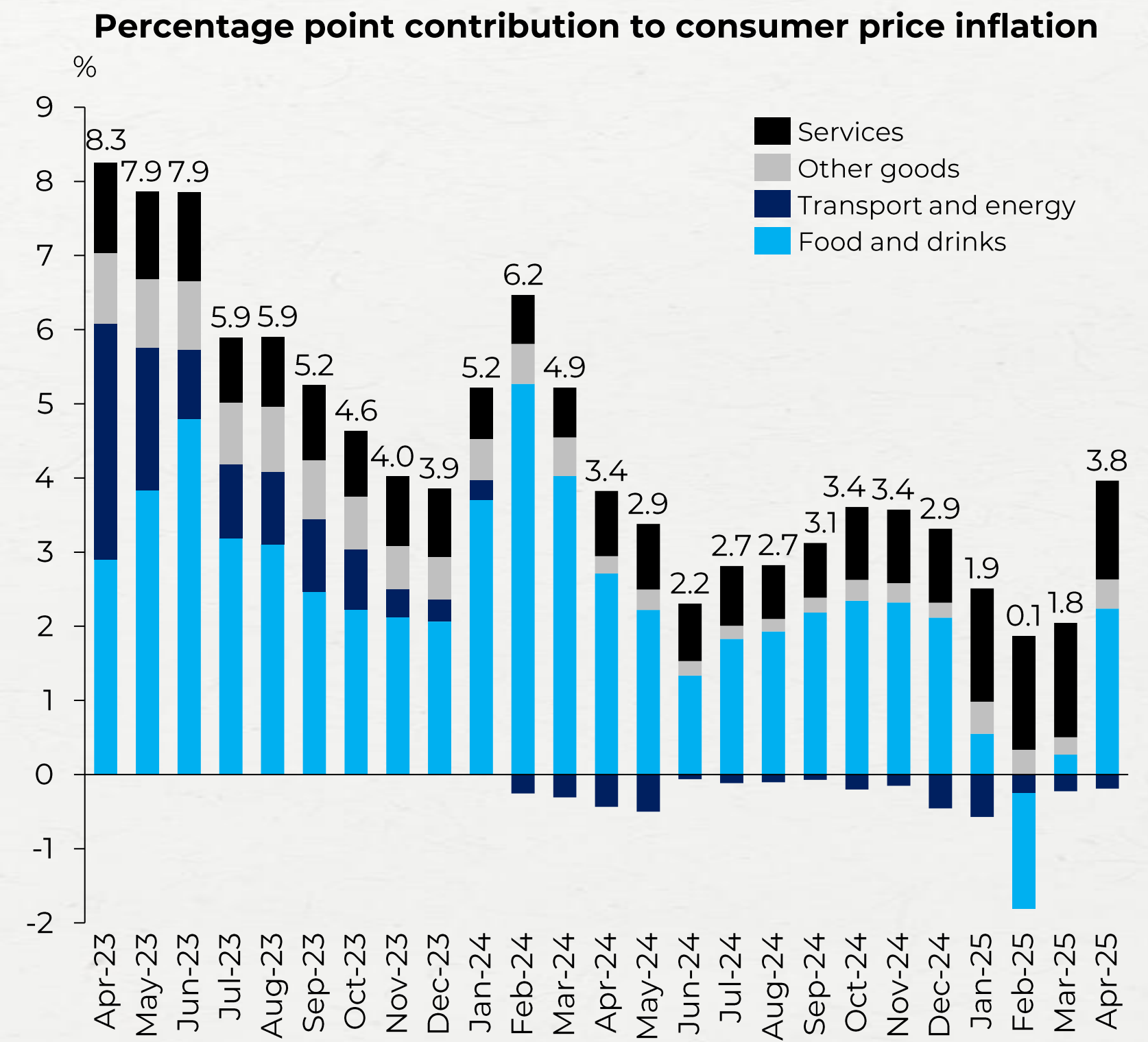
TAX AND REGULATORY MEASURES



Our unemployment rate exceeds that of advanced-economy peers, women are starkly underrepresented in the labour force, and only a quarter of workers are employed in productive sectors



Although inflation has gradually moderated, it remains above that of most peers, and close attention should be paid to food, beverage, and service prices going forward



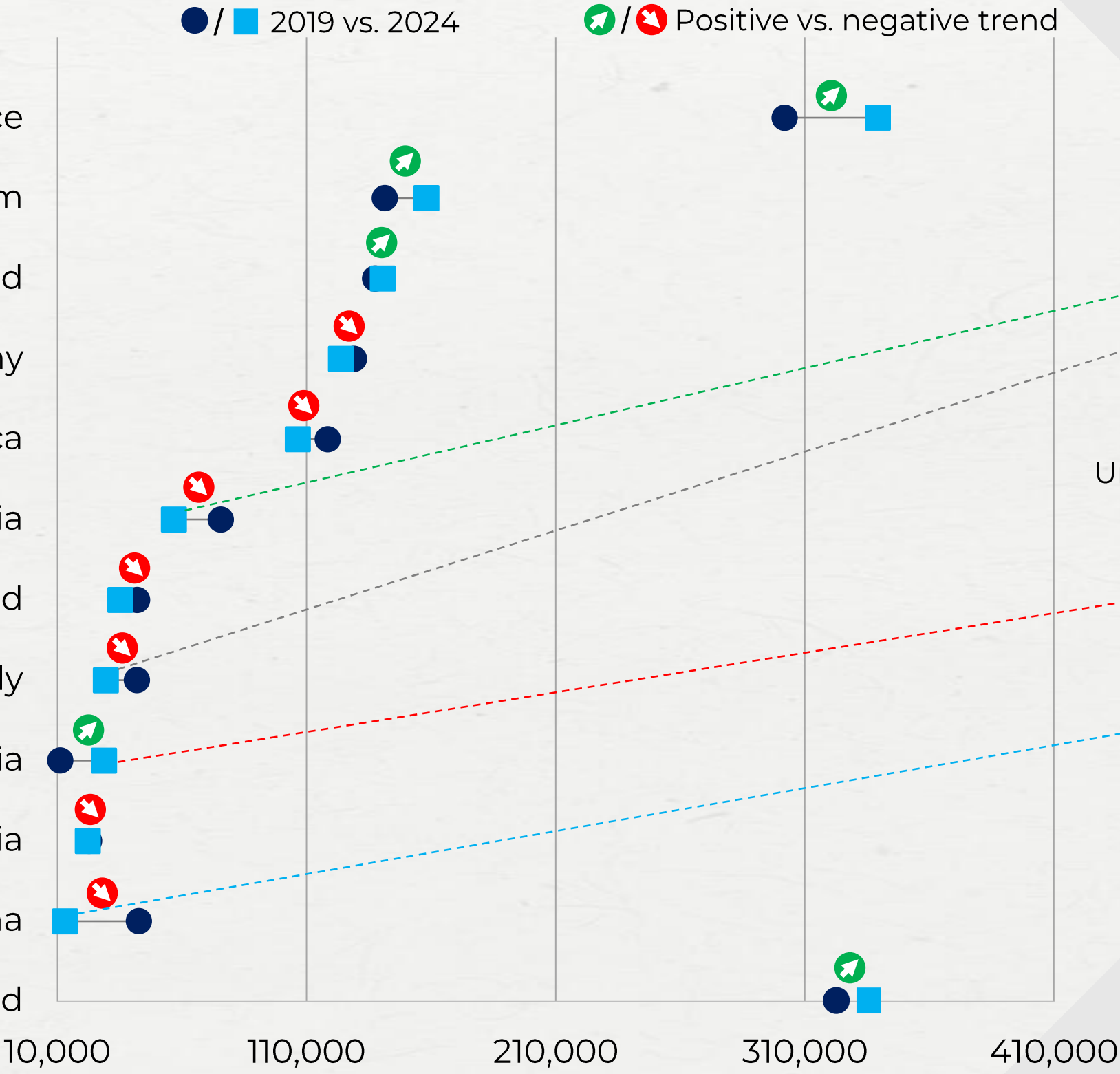


Consolidating our core European markets is beneficial, but to emulate the Maldives' success, we must fundamentally rethink our tourism strategy to attract high-growth markets like China, India, and Russia

Ranking of country in terms of tourist arrivals

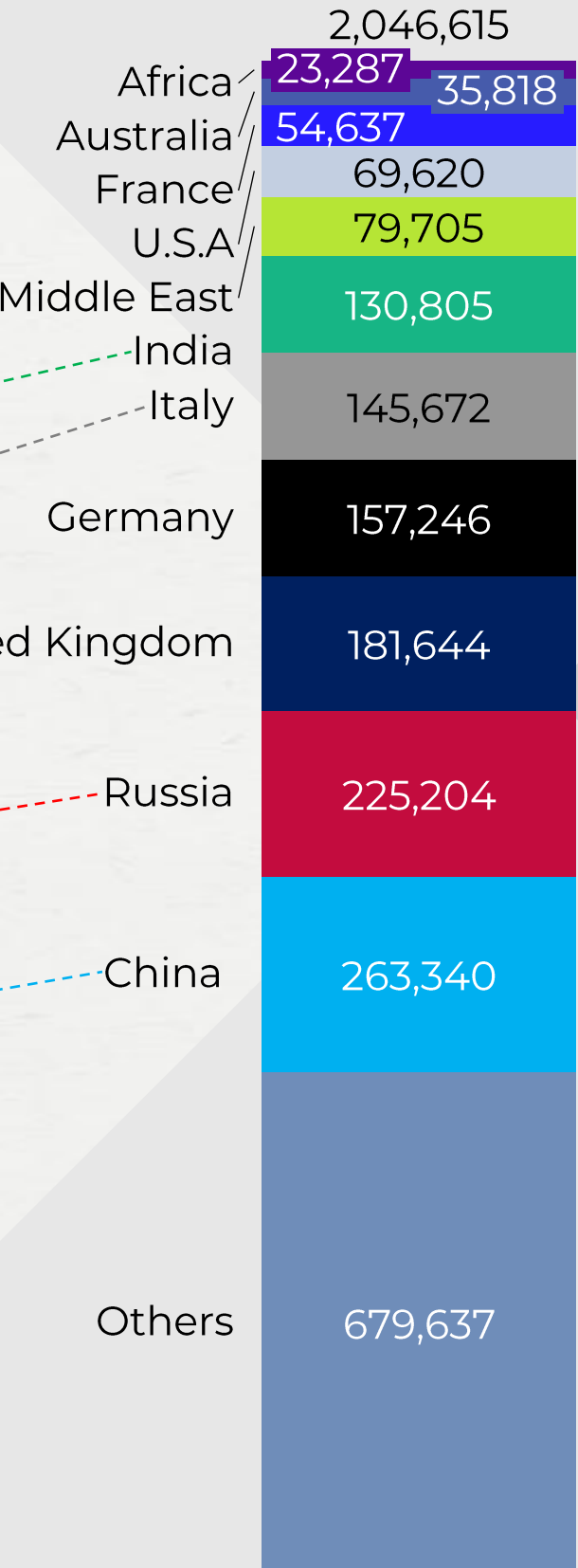
2019		2024	
1	==	1	France
2	==	2	United Kingdom
3	==	3	Reunion Island
4	==	4	Germany
5	==	5	South Africa
6	==	6	India
8	▲	7	Switzerland
9	▲	8	Italy
21	▲	9	Russia
10	==	10	Saudi Arabia
7	▼	19	China
			Rest of the world

Tourist Arrivals by Country - 2019 v/s 2024



Total tourist arrivals in 2024: 1.383M (2019: 1.382M)

Meanwhile, Maldives' dominant sway over Russia, China, India and Italy...



Maldives  
Tourist  
arrivals  
2024



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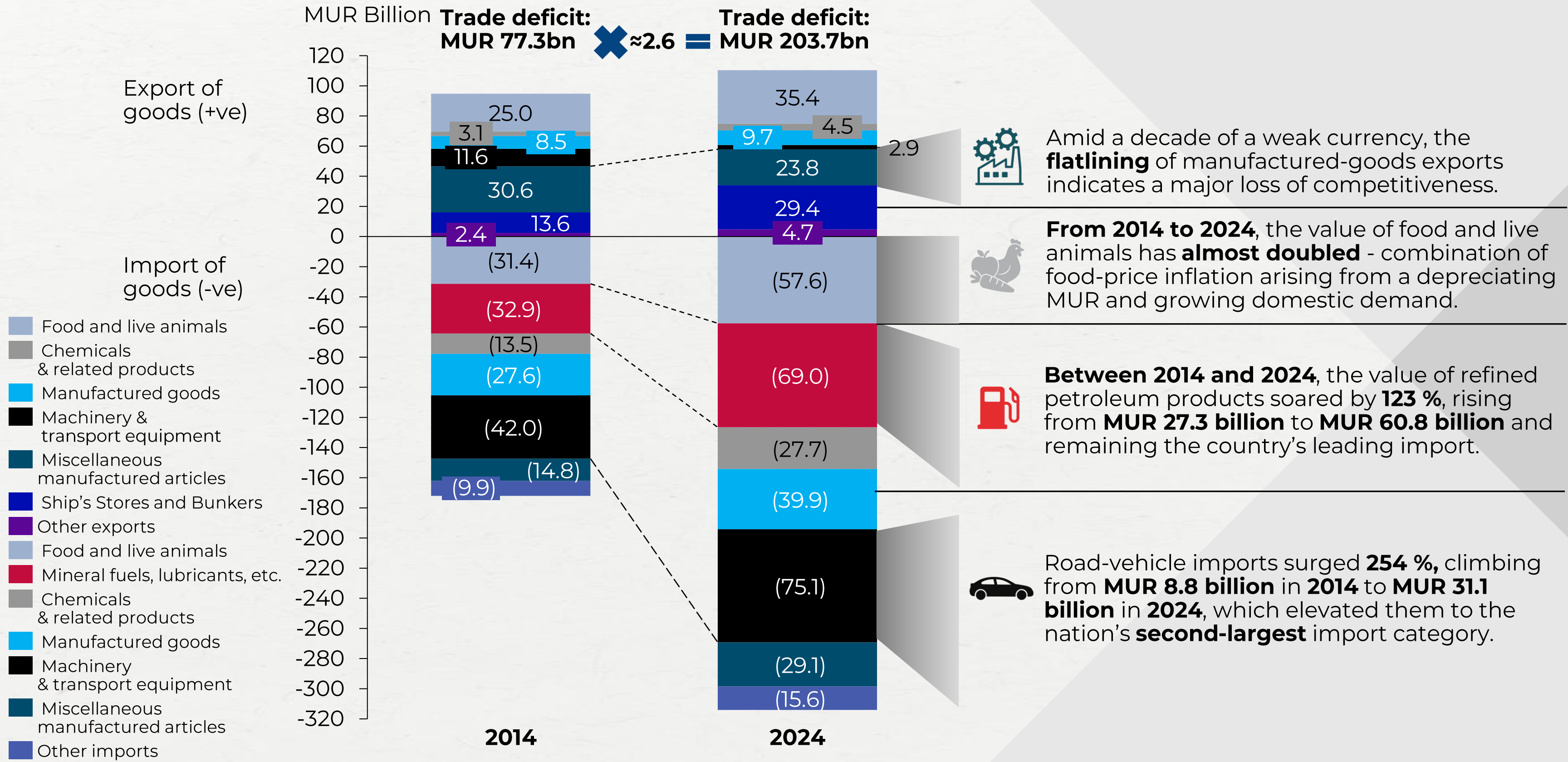


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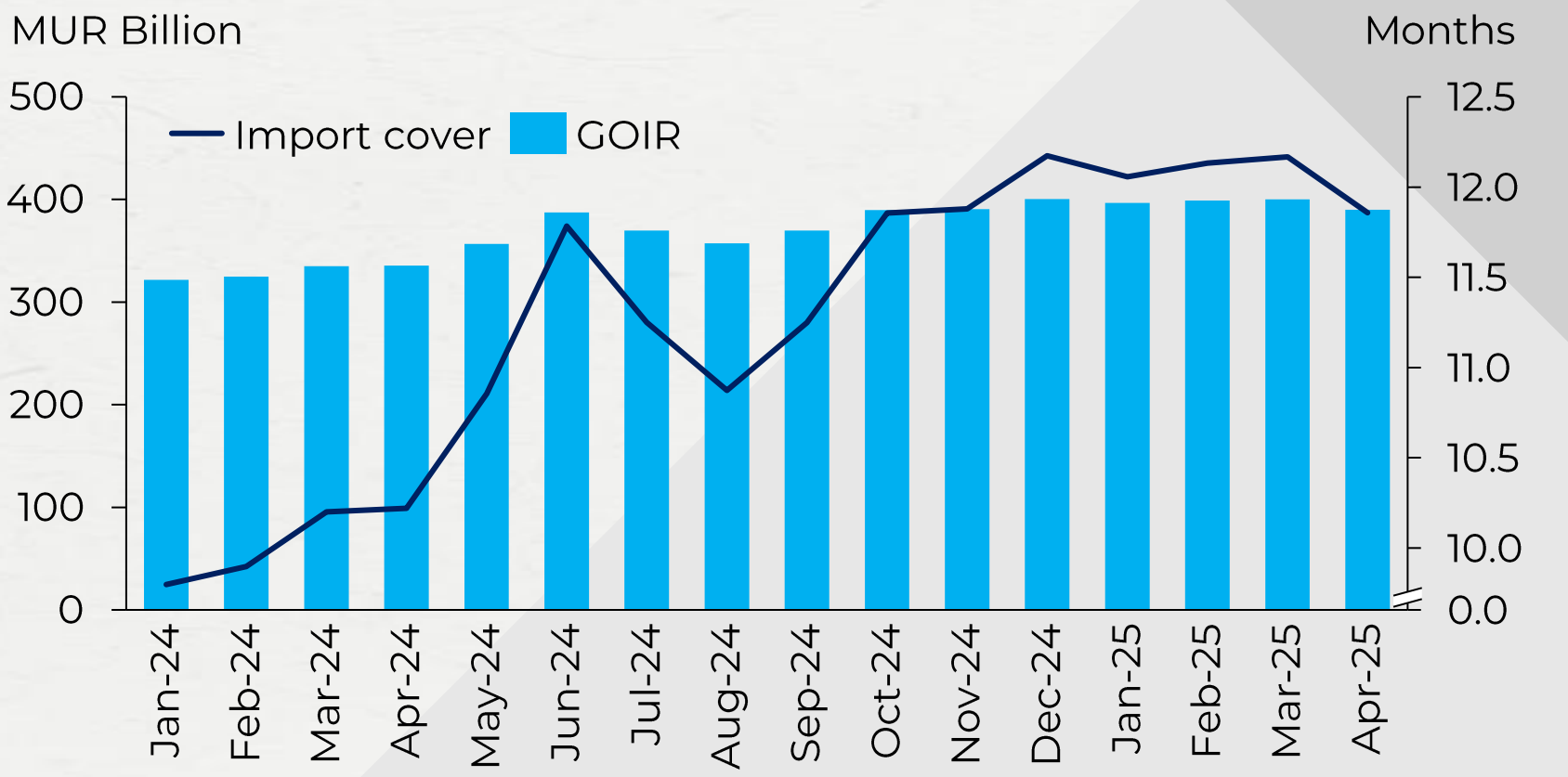
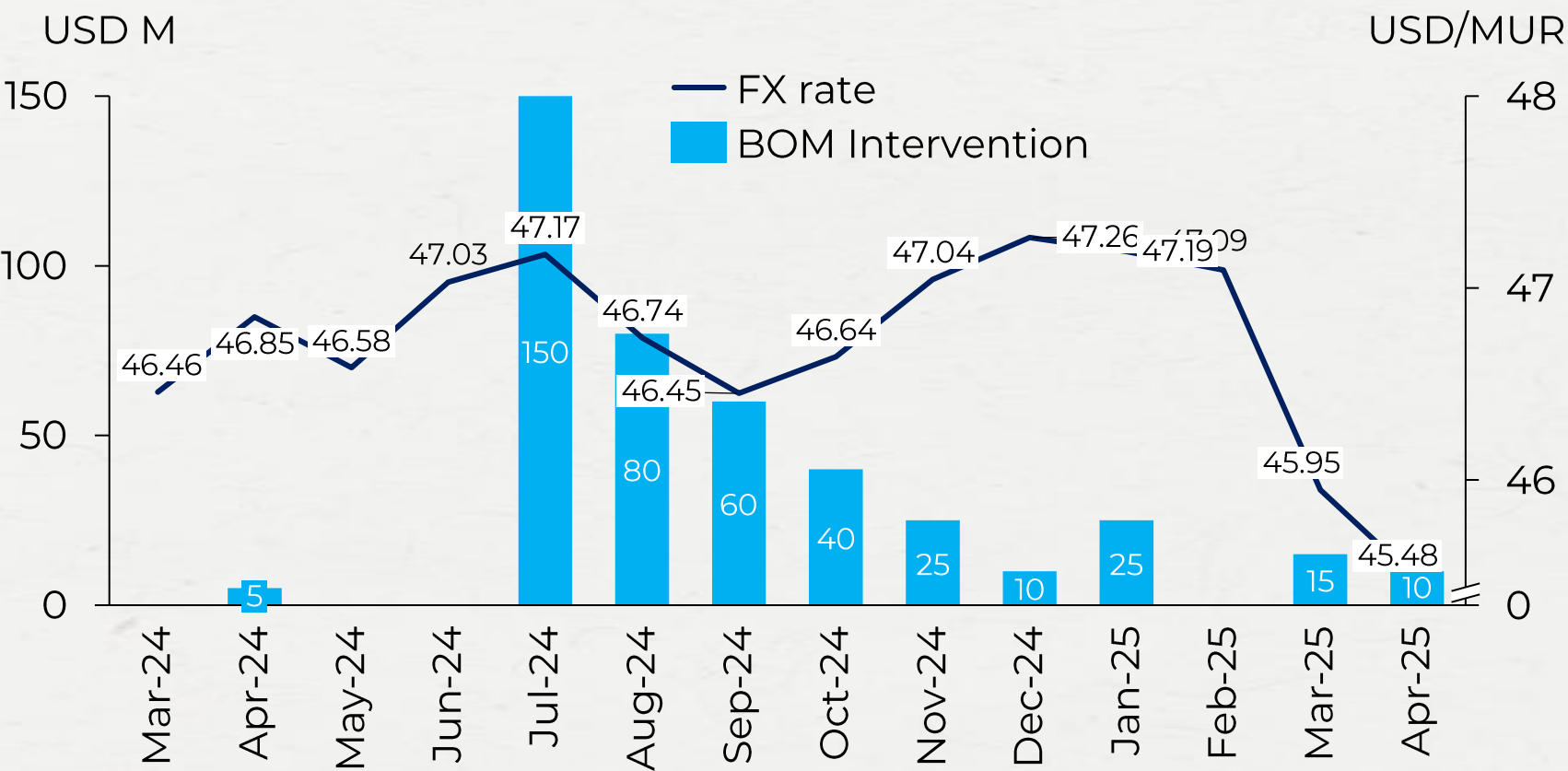
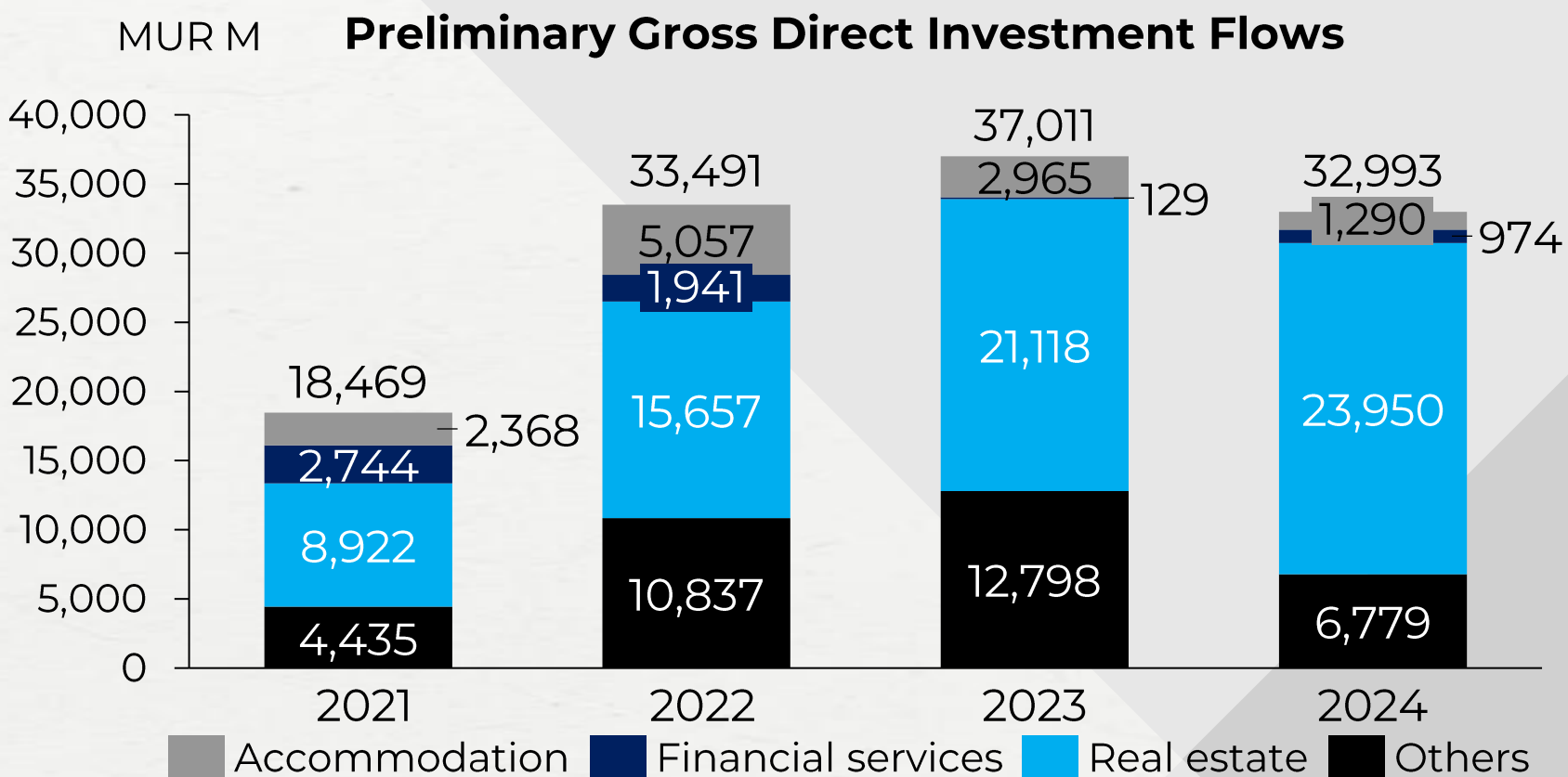
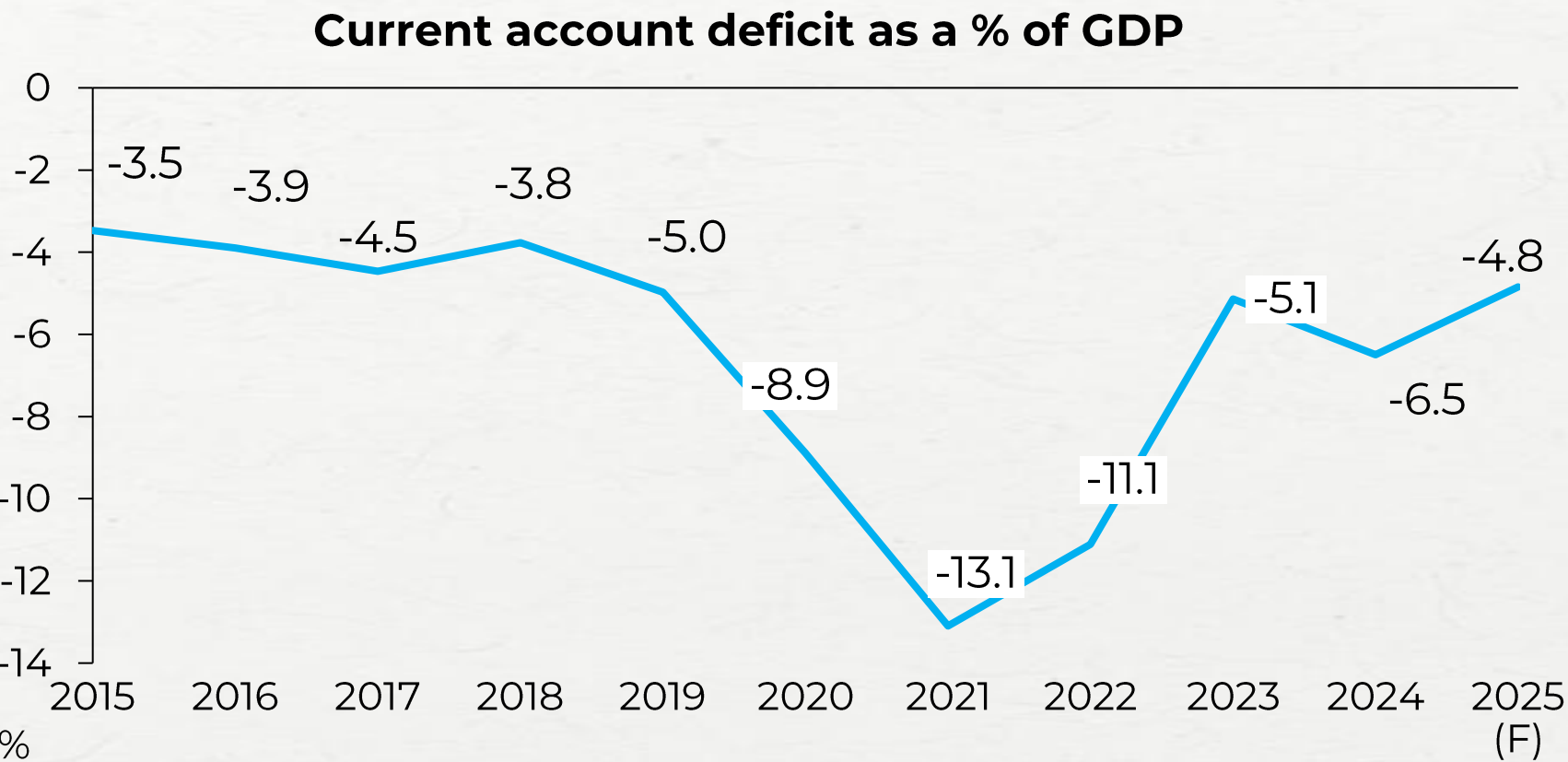
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From 2014 to 2024, our trade deficit has almost tripled, driven by a surging import bill for food, fuel, and vehicles, alongside a lacklustre export performance—particularly in manufacturing





Reducing our import bill and maintaining a stable rupee should help narrow the current account deficit, even as FDI remains concentrated in real estate and reserves remain broadly adequate, providing comfortable import cover



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## 04 | SECTORAL HIGHLIGHTS



**FINANCIAL SERVICES**



**SMEs & EASE OF DOING BUSINESS**



**HOSPITALITY & LEISURE**



**GREEN ECONOMY &  
SUSTAINABILITY**



**MANUFACTURING**



**HEALTHCARE & LIFE SCIENCES**



**INFRASTRUCTURE &  
REAL ESTATE**



**FINTECH AND  
ARTIFICIAL INTELLIGENCE**



**AGRI-BUSINESS**



**ICT**



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## FINANCIAL SERVICES

### Key takeaways

- Bank of Mauritius launching Bullion Banking.
- Licensees may issue or transfer shares to existing shareholders without FSC approval—provided no change in control—including those listed on foreign exchanges.
- Eligibility to claim partial exemption (80%) for licensed Virtual Asset Service Provider on income derived from relevant activities subject to CIGA.
- Alternative Minimum Tax (AMT) on insurance companies and companies engaged in financial intermediation activities.
- Special levy on banks to be removed and introduction of fair share contribution on banks having annual chargeable income above MUR 24 million (rate: 5%) and an additional contribution of 2.5% of their chargeable income from domestic operations.



Bullion banking will encourage diversification of financial products, attract new capital and FDI and deepen the financial services ecosystem through ancillary industries. Streamlining the process of transfer of shares will bolster capital mobility, lower transaction costs, allow cross-border synergies and expedite capital-raising procedures. A partial tax exemption for compliant VASPs reduces operating costs, enabling efficient capital allocation towards R&D, talent acquisition, and technology infrastructure. The AMT and introduction of fair share contribution on banks form part of government revenue-mobilisation strategies, specifically targeting sectors that wield enormous economic power.



Contribution to GDP



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# FINANCIAL SERVICES - BUDGETARY MEASURES

## Building a Resilient Banking and Financial Services Sector:

### (a) Expanding Financial Offerings and Innovation:

- **Bullion Banking:** A new authorised private banking activity, allowing licensed private banks to buy, hold, store, or sell gold and other precious metals.
- **Wealth Management and Family Offices:** A dedicated licensing framework will be created for these entities to offer integrated services, including investment advisory and succession planning.
- **Electronic Trade Documents:** New legislation will recognise electronic bills of exchange and trade documents to facilitate end-to-end digital trade finance and enhance Mauritius' reputation as a trusted regional trade hub.
- **Africa Strategy for Financial Services:** A new strategy will be developed to strengthen Mauritius' role as a platform for investments directed towards Africa.

### (b) Embracing Transformative Innovations:

- The Financial Services Commission (FSC) will deploy a unified e-licensing platform which will integrate with the Centralised KYC Repository and "Known to the Commission" features. It will also include a real-time application tracking dashboard and an AI-powered virtual assistant.

### (c) Strengthening the AML/CFT Framework:

A National Roadmap is in place to prepare for the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Mutual Evaluation scheduled for 2027.



# FINANCIAL SERVICES - BUDGETARY MEASURES

## Building a Resilient Banking and Financial Services Sector (continued):

### (d) Bridging Talent Gaps and Developing Financial Sector Capabilities:

Measures to address skills shortages include:

- Launching specialised AML/CFT capacity-building programs for public and private sector professionals.
- Conducting a National Banking Skills Mapping Exercise and establishing a Centralised Banking Skills Database.

### (e) Financial Sector Assessment Program (FSAP):

A formal request will be made to the IMF and the World Bank to conduct an FSAP which will evaluate the financial sector's soundness, the quality of regulation and supervision, and enhance crisis management capabilities.

### (f) FSC Annual Licence Fees:

The FSC will review its annual licence fees to align with evolving market conditions.

### (g) Effective Resolution Regime:

The Bank of Mauritius (BOM) will implement an effective resolution regime to ensure the stability of the financial system and manage bank failures without severe disruption.

### (h) Strengthening Banking and Financial Services Legislations:

**Bank of Mauritius Act:** Amendments will empower the BOM to allow FSC-licensed KYC institutions to participate in the Central KYC system or Central Accounts Registry. Definitions of "account" and "customer" will be clarified.

**Banking Act:** Amendments will broaden the BOM's regulatory scope to include foreign exchange swaps and similar transactions. Provisions regarding conservator and receiver powers will be aligned to allow asset or share sales of a financial institution without its consent.





# FINANCIAL SERVICES - BUDGETARY MEASURES

## Building a Resilient Banking and Financial Services Sector (continued):

### (h) Strengthening Banking and Financial Services Legislations (continued):

#### Financial Services Act:

The Financial Services Act will be amended 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 are transfer of shares which do not result in a change

#### Financial Services Act (continued):

- 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 License have at least 2 directors at all times and the FSC be kept informed of any change in directors within 7 days; and
- provide that the oath of confidentiality, immunity and protection be extended to any other person assisting an appointed investigator by the FSC.

#### Mauritius Deposit Insurance Scheme Act:

This Act will be amended to:

- allow the Mauritius Deposit Insurance Corporation Ltd (MDIC) to invest or manage assets of the Deposit Insurance Fund;

# FINANCIAL SERVICES - BUDGETARY MEASURES

## Building a Resilient Banking and Financial Services Sector (continued):

### (h) Strengthening Banking and Financial Services Legislations (continued):

#### Mauritius Deposit Insurance Scheme Act (continued):

- 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;

#### Mauritius Deposit Insurance Scheme Act (continued):

- empower the MDIC to impose administrative penalties of up to MUR 50,000 per day for the submission of inaccurate or misleading information by member institutions during examinations; and
- clarify that officers of the MDIC will only be indemnified when they act in the proper discharge of their duties under the Act.

#### National Payments Systems Act:

The National Payment Systems Act will be amended 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.

#### Private Pension Schemes Act:

The Private Pension Schemes Act will be amended to empower the FSC to approve sponsoring employers joining existing private pension schemes.





# FINANCIAL SERVICES - BUDGETARY MEASURES

## Partial Exemption Regime

- A Virtual Asset Service Provider licensed by the FSC under the Virtual Asset and Initial Token Offering Services Act 2021, engaged in the exchange, transfer, safekeeping, and administration of virtual assets will be allowed to claim partial exemption of 80% on income derived from such activities, subject to compliance with substance requirements.
- It will be clarified that it is the relevant activity of the company generating the income that has to satisfy the conditions related to substance requirements to enable the company to benefit from the partial exemption in respect of that income.
- A bank will not be eligible to claim partial exemption on foreign source dividend.

## Alternative Minimum Tax (AMT) on companies operating in financial services sectors:

These will include insurance companies and companies engaged in financial intermediation activities.

## Alternative Minimum Tax (AMT) on companies operating in financial services sectors (continued):

- The AMT will not be applicable to companies holding a Global Business Licence.
- Companies will not be allowed to offset any tax credits such as the foreign tax credit against the AMT payable.

## Fair Share Contribution on banks

- Banks having annual chargeable income above MUR 24 million will be required to pay a Fair Share Contribution at the rate of 5% of their chargeable income including on income derived from transactions with non-residents and Global Business Companies.
- The contribution will not apply to companies holding a GBL.
- Banks will not be allowed to offset any unused tax credits such as the foreign tax credit against the contribution payable.
- The contribution will be applicable to income derived as from 01st July 2025 and will be imposed for 3 consecutive years, i.e., up to 30th June 2028; payable quarterly under a system similar to the APS.



# FINANCIAL SERVICES - BUDGETARY MEASURES

## Additional Fair Share Contribution on Banks

- Banks will be required to make an additional contribution of 2.5% of their chargeable income from domestic operations, i.e., excluding income derived from transactions with non-residents and Global Business Companies.
- The contribution will be applicable to income derived as from 01st July 2025 and will be imposed for 3 consecutive years, i.e., up to 30th June 2028.
- The contribution will be payable on a quarterly basis under a system similar to the Advance Payment System under corporate tax.
- Banks will not be allowed to offset any unused tax credits such as the foreign tax credit against the contribution payable.

## Special Levy on Banks

- Currently, the Special Levy on Banks is capped at 1.5 times of the levy paid by a bank in 2017/2018. This cap will be removed.

## Companies Act

- The Companies Act will be amended to clarify that all Public Interest Entities will have to prepare an annual report, irrespective of their turnover, within 6 months after their balance sheet date.

## Financial Reporting Act

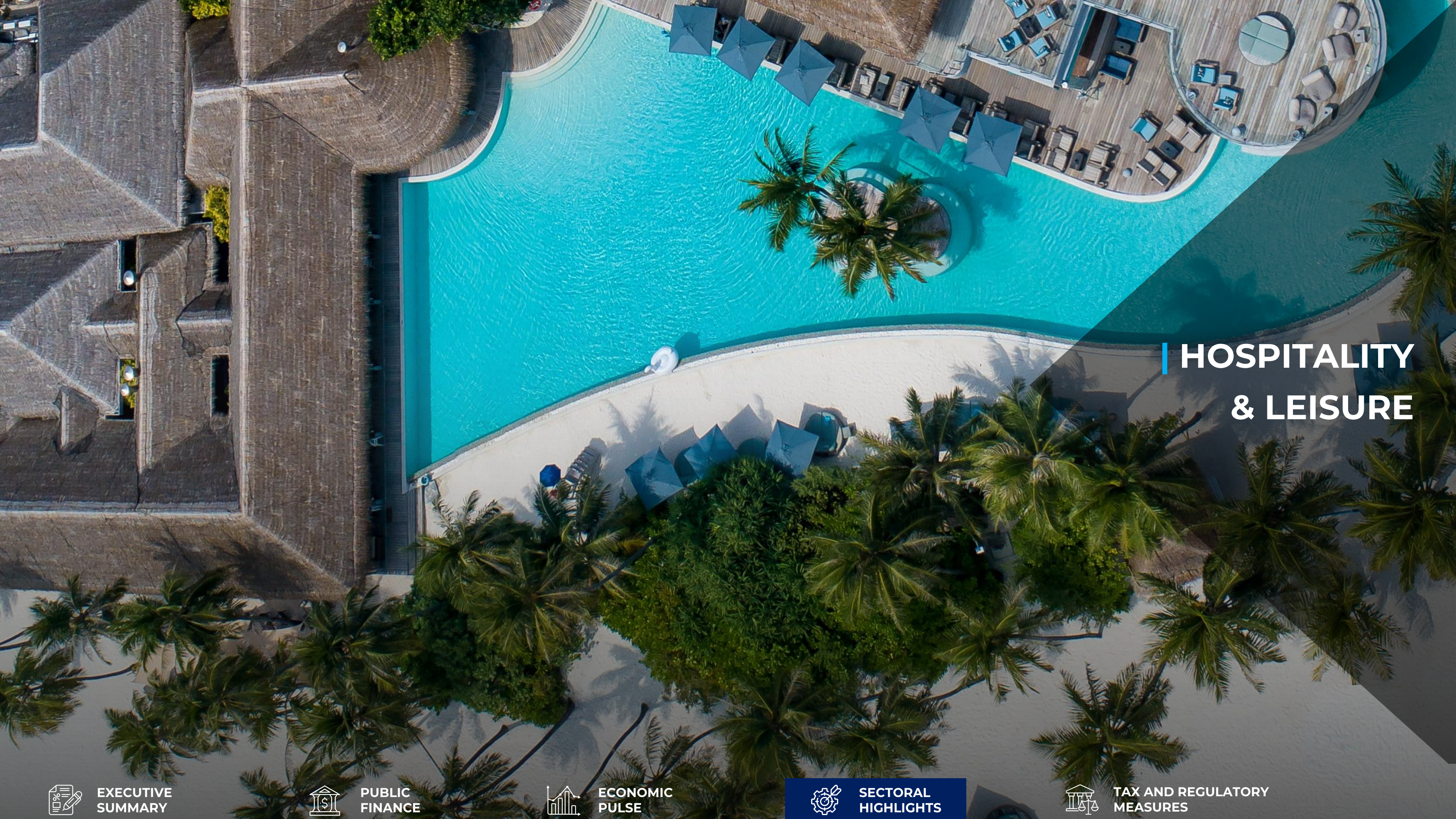
- The Financial Reporting Act will be amended to align the definition of public interest entity with international best practices.

## Statutory Bodies Pension Funds Act

- The Statutory Bodies Pension Funds Act will be amended to reflect the actual appellation and status of 18 statutory bodies following reorganisations made in the past.







# HOSPITALITY & LEISURE



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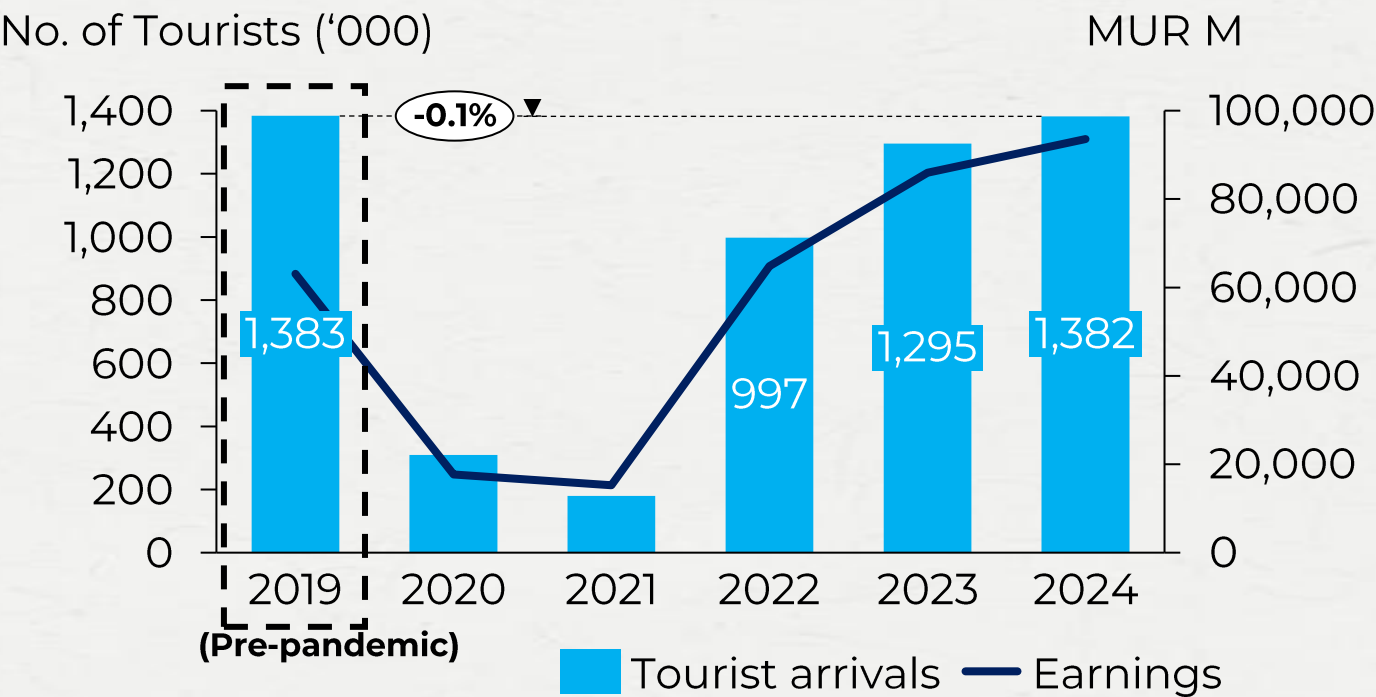




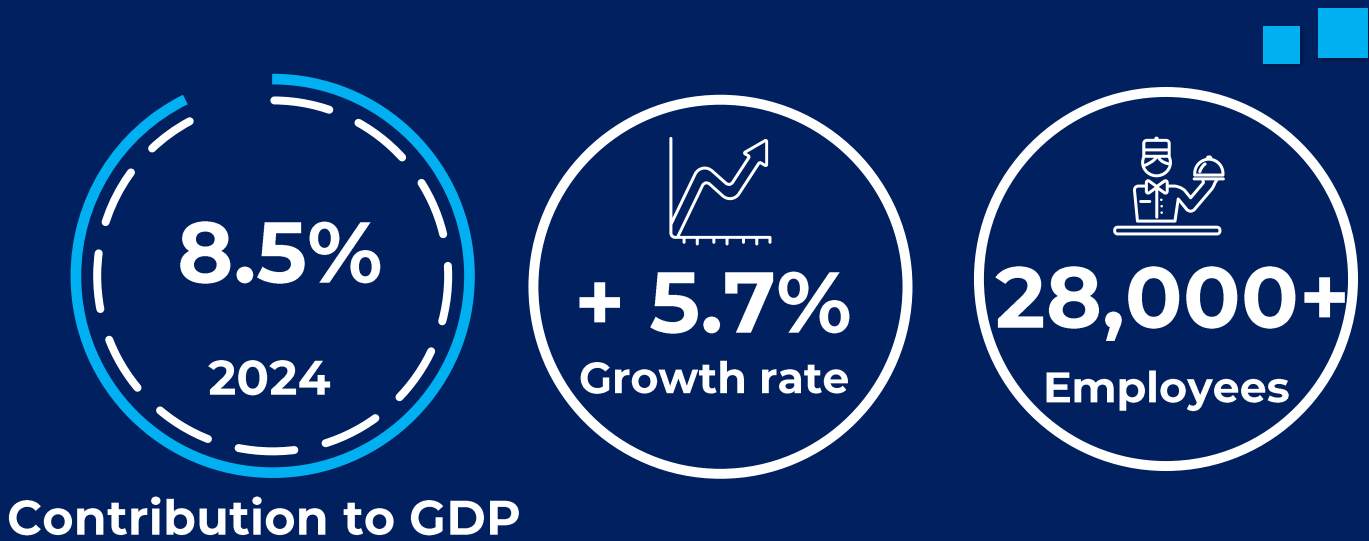
# HOSPITALITY & LEISURE

## Key takeaways

- New Tourism Blueprint Goals focusing on quality and value-added tourism, increasing air connectivity towards high-growth markets and competitiveness and addressing labour shortages.
- Introduction of e-gates to facilitate tourist arrivals.
- A Tourist Fee of Euro 3 per night per tourist will be charged for stay in a designated establishment, namely a hotel, guesthouse, tourist residence or domaine, with effect from 01st October 2025.



Our tourism model requires a major overhaul. Although visitor numbers are nearly back to pre-pandemic levels, we are losing ground to competitors—such as the Maldives—in high-growth markets like China, India, Russia, and Italy. By focusing on higher-end packages (luxury resorts, experiential tours), Mauritius can capture more revenue per visitor. Increasing air connectivity coupled with the right marketing strategy is crucial to expand source markets beyond traditional Western Europe, unlocking new arrival corridors and increasing average length of stay, hence generating more spending per night.





# HOSPITALITY AND LEISURE - BUDGETARY MEASURES

## New Tourism Blueprint Goals

- Shift to quality- and value-added tourism.
- Improve branding, marketing, positioning.
- Embrace environmental sustainability (eco-friendly growth).
- Leverage technology, AI, innovation in tourism demand/supply.
- Diversify offers and geographic markets; reduce seasonality.
- Ensure inclusion and local employment opportunities.
- Address air connectivity and competitiveness (e.g., direct flights, code-shares).
- Propose solutions for acute labour shortages (e.g., training, foreign workers).
- Strengthen public-private partnerships; improve coordination.
- Introduce e-gates to facilitate arrivals.

MUR 900 million allocated to Ministry of Tourism for implementing these reforms.

## Tourist Fee

- A Tourist Fee of EUR 3 per night per tourist will be charged for stay in a designated establishment, namely a hotel, guesthouse, tourist residence or domaine, with effect from 01 October 2025. A tourist under the age of 12 years will be exempted from payment of the fee.
- The fee will be collected by the designated establishments and remitted to MRA on a monthly basis.

## Creative arts sector

- Establish a National Open Arts Commission to develop comprehensive arts and culture policy.
- Streamline administrative procedures for organising festivals and concerts.
- Introduce Art Trading as a new export activity, treating artwork as an asset class for international ultra-high-net-worth investors.
- Direct the EDB to create freeport facilities dedicated to trading international artworks.
- Expand opportunities and markets for Mauritian artistic talent.



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# | MANUFACTURING



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# MANUFACTURING

## Key takeaways

- New committee set up to drive industrial policy and boost capital productivity in manufacturing.
- Focus on improving industrial efficiency and competitiveness.
- Expanded product certification to boost consumer confidence and investment.



Manufacturing in 2024 is poised for a new phase of progress, marked by the establishment of a dedicated committee to drive industrial policy and strengthen capital productivity across the sector. This renewed governance is expected to foster greater efficiency and sharpen the competitiveness of Mauritian manufacturing, ensuring resilience in the face of global challenges.

Additionally, the expansion of product certification initiatives comes at a critical time, aiming to reinforce consumer confidence in locally produced goods and to draw further investment into the sector. Together, these measures reflect a strategic shift towards a more robust, innovative, and investor-friendly manufacturing landscape.



Contribution to GDP



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# MANUFACTURING - BUDGETARY MEASURES

## Boosting Production and Consumption

- A committee to be formed to coordinate industrial policies within the manufacturing sector.
- Enhancing certification standards to strengthen consumer confidence in Mauritian products both locally and globally.

## Continued Support for Exports

- “En Route Vers L’International”: new matching grant to help companies develop export strategies.

## Government Financial Support

- The Income Tax Act will be amended to implement the Government’s decision to provide financial support for the payment of Salary Compensation 2025.
- Eligible Recipients & Support Amount:
- Charitable Institutions, NGOs, Religious Bodies, and Trade Unions
- Financial support: MUR 610 per eligible employee per month.

## Government Financial Support (Continued)

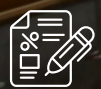
- Maximum of MUR 610 or MUR 305 per eligible employee per month (depending on profitability) apply to:
  - SMEs
  - Export-Oriented Enterprises
  - Bus operators and light rail operators (public transport)
  - Enterprises in the following sectors, with turnover not exceeding MUR 750 million (for the 2023-2024 year of assessment)
  - Business Process Outsourcing (BPO)
  - Security
  - Cleaning Services
  - Construction
  - Assistance will be payable from January 2025 to June 2025







# INFRASTRUCTURE & REAL ESTATE



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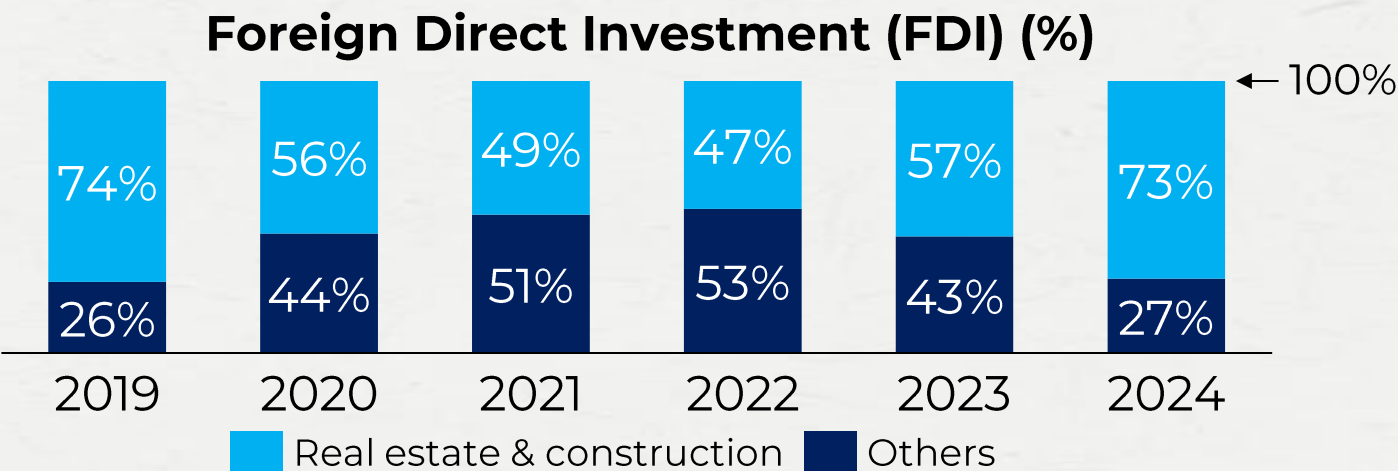




# INFRASTRUCTURE & REAL ESTATE

## Key takeaways

- Establishment of new Strategic Road Network Masterplan.
- MUR 1.1 Bn allocated to the Ministry of Youth and Sports for youth and sports development.
- New diesel base price set for bus operator subsidies.
- MUR 128 Bn to be invested in key infrastructure sectors over the next five years.
- MUR 67.5 m allocated for social housing schemes.
- Registration Duty for non-citizens buying property under EDB schemes.



The government's continued commitment to infrastructure is evident with the launch of the new Strategic Road Network Masterplan and the substantial MUR 128 billion investment earmarked for critical sectors over the next five years. These initiatives, along with targeted funding for youth, sports, and social housing, are set to further boost economic growth and improve quality of life. The adjustment of diesel subsidies for bus operators and the extension of registration duties to non-citizens buying property under EDB schemes reflect a focus on fiscal sustainability while encouraging responsible investment. Overall, these measures should sustain the momentum in infrastructure and real estate.



Contribution to GDP



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# INFRASTRUCTURE & REAL ESTATE - BUDGETARY MEASURES

## Water Infrastructure

- The Central Water Authority, Wastewater Management Authority, and Irrigation Authority will be merged to create a unified body.
- New fish landing stations will be constructed in vulnerable coastal regions.
- Provision for the construction of the Rivière des Anguilles Dam

## • Road Infrastructure

- A new Strategic Road Network Masterplan will be developed, focusing on construction and upgrading of roads.
- A framework for maintenance of government buildings will be developed, with clear procurement procedures for maintenance contracts.
- MUR 205 million to enhance road safety.

## Transport and Public Infrastructure

- Introduction of a Fleet Management System and Cashless Ticketing System.
- Base price of diesel for bus operators' subsidies will rise to MUR 40 per litre (from 1st September 2025).
- Financial assistance for wage relativity and salary compensation for bus operators will be phased out over 2 years.
- MUR 200 million for construction of the Mauritius Disciplined Forces Academy for police training and capacity building.
- Establishment of the National Agency for Drug Control (NADC) with MUR 70 million for operational setup.
- MUR 3.5 million for a drug rehabilitation and reintegration centre.





# INFRASTRUCTURE & REAL ESTATE - BUDGETARY MEASURES

## Education and Health care Infrastructure

- MUR 438 million allocated for infrastructure improvement across all education levels.
- 5 diabetes centres to be set up in regional hospitals, providing access to specialist doctors, nurses, dietitians, and lifestyle support.
- New ophthalmology, cardiology, and neurosurgery services at Flacq Hospital to reduce waiting times.

## Sport Infrastructure

- Significant investment in upgrading and establishing new sports infrastructure.
- A total of MUR 1.1bn earmarked to the Ministry of Youth and Sports.

## Household and Real estate Infrastructure

- MUR 67.5 million allocated for ongoing social housing schemes for SRM beneficiaries.
- The income threshold for eligibility to social housing is raised from MUR 40,000 to MUR 48,000 monthly household income.

## Household and Real estate Infrastructure (continued)

- MUR 40 million provided for a new National Syndic Scheme to maintain NHDC housing estates and improve services.
- Fiscal incentives (such as land conversion tax and customs duty exemption) for new Smart City projects are being removed, except for specific public-use projects.
- Existing projects that started before 05 June 2025 retain some tax and VAT benefits.
- Registration Duty for non-citizens buying property under EDB schemes with at least 2 floors above ground (Smart City, PDS, IRS, RES, IHS) or certain apartments is increased from 5% to 10%.
- On resale, non-citizens shall pay Land Transfer Tax: higher of 10% of property value or 30% of gain realised.
- Promoters selling such properties must also pay 10% Land Transfer Tax.
- New rates apply from the date of publication of the Finance Act 2025, even if the property was reserved earlier.







# AGRI-BUSINESS



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## AGRI-BUSINESS

### Key takeaways

- The budget emphasises sustainability, diversification, and technology adoption in agriculture and fisheries, while tightening regulations to protect resources.
- It also provides support for SMEs and climate resilience aligns with long-term economic and environmental goals.



The budget focuses on modernizing and diversifying Mauritius' primary sectors to ensure sustainable growth. This means:

- **Boosting Food Security:** Investing in advanced agriculture and fisheries.
- **Revitalising Sugar:** Supporting the sugar industry to adapt and diversify.
- **Tapping New Growth:** Developing the "Blue Economy" to create new opportunities from marine resources.



Contribution to GDP



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# AGRI-BUSINESS - BUDGETARY MEASURES

## Food Security Enhancement:

- The Food and Agricultural Research and Extension Institute (FAREI) will facilitate access to **artificial intelligence (AI) subscriptions** for SMEs to improve food production and safety.
- **Subsidy Reduction:** Subsidies on seeds for potato and onion planters will be reduced from **75% to 50%**, with retail prices adjusted based on recommendations from national committees.
- **National Food Security Fund:** An allocation of MUR 100 million is provided to this fund to promote large-scale food production.
- **Grants for Young Entrepreneurs:** MUR 20 million is set aside for grants to encourage young entrepreneurs to establish agricultural projects.
- **Livestock Sector Development:** A provision of MUR 10 million is made for the development of the livestock sector, focusing on sustainable practices, improved productivity, animal welfare, and disease prevention.

## Support for Small Farmers:

- The **Small Farmers Welfare Fund Act** will be amended to empower the fund to collect fees and automatically register existing contributors.

## Land Use and Diversification:

- The **Sugar Industry and Efficiency Act** will be amended to include food crops, fruits, and medicinal plants under "cultivation," promoting agricultural diversification.
- **Land Conversion Guidelines:** New principles will prevent the conversion of prime agricultural land, ensuring sustainable use.

## Sugar Cane Sector

### Financial Support:

- Government will pay the **premium to the Sugar Insurance Fund Board** for planters producing up to 60 tons of sugar for Crop 2025.
- The **CESS levy waiver** will lapse on 30 June 2025

### Biomass Framework:

- From 1 July 2025, the **Central Electricity Board** will bear the cost of remunerating sugarcane planters for bagasse used in electricity production (previously MUR 3.50 per kWh).

## Land Repurposing:

- Surplus land from ex-Sugar Camps may be sold to NGOs for worship activities, with tax waivers on land transfers for sugar sector employees under approved retirement schemes.





# AGRI-BUSINESS - BUDGETARY MEASURES

## Fisheries and Blue Economy

### Sustainable Fishing Measures:

- **Net Fishing Phase-Out:** Fishers engaged in net fishing must surrender their licenses for compensation (**MUR 200,000 for individuals, MUR 300,000 for cooperatives**).
- **Age Limit:** Fishers aged **65+** must return their fisher cards for MUR 200,000 compensation to manage overfishing.

### Infrastructure Development:

- **Fish landing stations** will be constructed at Bain des Dames and Pointe Aux Sables to support fishers with storage and safety during natural calamities.

### Regulatory Strengthening:

The **Fisheries Act** will be amended to:

- Require **health certificates** for imported fish and record-keeping for ornamental fish.
- Introduce **stricter penalties** (e.g., MUR 10,000–25,000 fines) for illegal fishing activities.
- Enhance monitoring via **Vessel Monitoring Systems** and electronic reporting.

## Blue Economy Initiatives

### Marine Conservation:

- Provisions for **Voluntary Marine Conservation Areas** and wreck removal to protect ecosystems.
- Regulation of **genetically modified aquatic organisms** through permits.

### New Growth Pillar:

- The blue economy is identified as a new growth pillar, leveraging Mauritius's 2.3 million square kilometers of Exclusive Economic Zone.
- Economic Potential: It is expected to create new avenues for private investment and high-paying jobs, contributing significantly to economic diversification.







## SMEs & EASE OF DOING BUSINESS



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# SMEs & EASE OF DOING BUSINESS

## Key takeaways

- Public contracts for works costing MUR 30–50 million will be reserved for medium enterprises.
- SMEs with annual turnover not exceeding MUR 10 million to receive a 5% investment tax credit over 3 years for acquiring new equipment.
- SMEs converting into companies and providing professional services, tourism, or training are no longer eligible for the 4-year tax holiday upon conversion.
- Occupation Permits and Retired non-citizen permits duration reduced from 10 to 5 years.



Small and Medium Enterprises (SMEs) are the bedrock of long-term growth in a country.

Reserving mid-sized contracts ensures that medium enterprises get steady work, helping them grow, create jobs, and build capacity.

Many of these measures aim to support SMEs and optimise permit use while strengthening local skills.

With strong governance, clear guidelines, and ongoing evaluation, these policies can sprout domestic firms, streamline foreign talent deployment, and equip the local workforce for future challenges.





# SMEs & EASE OF DOING BUSINESS - BUDGETARY MEASURES

Annual registration fees for companies, sociétés commerciales, partnerships, and foundations will be doubled, except for charitable foundations and companies with annual turnover  $\leq$  Rs 100 million.

## Enhancing Food Security

- SMEs will have access to artificial intelligence subscriptions to produce safe food and monetize operations

## Promoting Participation of SMEs

- Public contracts for works costing MUR 30–50 million will be reserved for medium enterprises.
- SMEs will benefit from a 30% margin of preference in public works contracts.

## Investment Tax Credit

- SMEs with annual turnover not exceeding MUR 10 million will receive a 5% investment tax credit over 3 years (15% total) for acquiring new equipment (excluding motor vehicles).

## Income Tax Holiday

- SMEs converting into companies and providing professional services, tourism, or training will no longer be eligible for the 4-year tax holiday upon conversion.

## VAT Registration Threshold:

Businesses, including SMEs, will need to register for VAT upon making taxable supplies exceeding MUR 3 million (reduced from MUR 6 million) starting October 2025.

## Allowable deductions

From July 2025, SMEs with turnover  $\leq$  MUR 100M can claim these tax breaks:

- Double deduction for:
  - Salaries & training for Rodrigues employees/women under *Prime à l'Emploi*
  - Setting up employee childcare centers
  - Buying patents, franchises, or specialized software
  - Film financing/sponsorship costs
- 150% deduction for arbitration filing fees
- Triple deduction (max MUR 1M) for donations to NGOs/charities

## Financial Support for Salary Compensation

- SMEs will receive financial assistance for salary compensation of MUR 610 or MUR 305 per eligible employee, depending on profitability, from January to June 2025.





# SMEs & EASE OF DOING BUSINESS - BUDGETARY MEASURES

## Measures that will enhance business ease include:

- The role and functions of the EDB will be reviewed.
- The EDB will also review its existing business schemes, and introduce new ones to attract foreign investment.
- Digitisation of the application and approval process for Occupation Permits.
- Creation of two categories of Occupation Permits for professionals, targeting highly qualified individuals with new salary thresholds and criteria.
- Introduction of two categories of Occupation Permits for investors, based on initial investment and turnover, to attract high-value investors.
- Tourist Enterprise Licence will be extended from 1 year to 3 years to reduce administrative burdens
- Launching specialised AML/CFT capacity-building programmes for public and private sector professionals.
- Deployment of a unified e-licensing platform by the Financial Services Commission (FSC)
- AI driven government departments and ministries for better efficiency and service delivery
- Women empowerment: Workers' Rights (Flexible Work Arrangement) to make the job market more accessible to women.
- E-Application and renewal of Work Permits
- A fast-track, simplified, rules-based work permit system will be introduced, managed by the EDB, to address labour and skills shortages.
- MUR 550 million will be allocated for training, reskilling, and upskilling the local workforce.
- A new diaspora scheme will be introduced to reduce restrictions and encourage diaspora participation in national development.





# SMEs & EASE OF DOING BUSINESS - BUDGETARY MEASURES

## Changes in Immigration Rules

- Occupation Permits and Retired non-citizen permits durations reduced from 10 to 5 years
- Limit dependent children's age to 24
- Duration of Young Professional Occupation Permit reduced from 3 years to 2 years
- Introduction of an annual non-refundable expatriate worker fee per expat worker for Work Permit and abolishment of the refundable deposit or bank guarantee.
- Introduction of 180-day mandatory stay rule for retired non-citizens per calendar year.
- Retired non-citizens must now bring a minimum of USD 2,000/month (previously USD 1,500) and USD 24,000 annually
- Prohibition of retired non-citizens from work or business activity.
- Revision of the eligibility criteria for Permanent Residence Permits.

## Miscellaneous changes in Laws

- Workers Rights Act will be amended to ensure pay clarity in the private sector and extend leave for spousal health care support.

### **Non-Citizens (Property Restriction) Act will be amended as follows:**

- Permit non-citizens to trade securities on exchanges under the Securities Act, replacing outdated references.
- Prohibit non-citizens from acquiring or disposing of apartments on State Land or Pas Géométriques.
- Discontinue the 2023 scheme allowing non-citizens to buy residential properties above USD 500,000 anywhere in Mauritius.







# | GREEN ECONOMY & SUSTAINABILITY



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# GREEN ECONOMY & SUSTAINABILITY

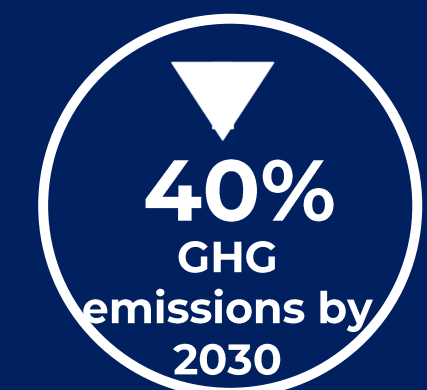
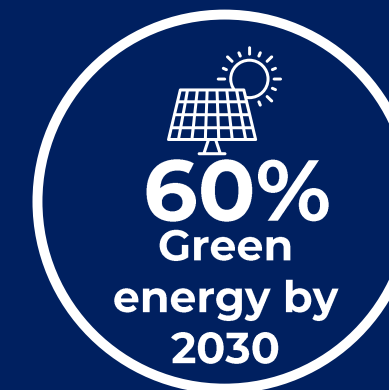
## Key takeaways

- Penalties for Vehicle Emissions and Noise pollution increased to MUR 10,000.
- Mandatory Building Energy Efficiency Standards.
- Increased Environment Protection Fees on mobile phones, vehicle batteries and pneumatic tyres.
- Deposit Refund Scheme for Plastic Bottles.
- MUR 3.3 billion allocated to Ministry of Environment, Solid Waste Management and Climate Change.
- Set up of a Climate Finance Unit within the Ministry of Finance.



If effectively enforced, these measures should reduce black-smoke emissions and roadside noise levels. Over time, fewer high-polluting vehicles on the road can improve urban air quality, public health, and overall quality of life in congested areas.

The allocation of the large budget to the Ministry of Environment will be critical in the implementation of key projects. A clear transparency and defined plan as well as milestones will be instrumental to ensure that the funds are properly used.





# GREEN ECONOMY & SUSTAINABILITY - BUDGETARY MEASURES

## Environment

### Combatting Environmental Nuisances

- Fixed penalty fines for excessive noise and black smoke emissions from motor vehicles will be increased to MUR 10,000.
- A Deposit Refund Scheme will be introduced to increase the recovery rate of plastic bottles, charging MUR 5 per bottle and refunding it upon return.

### Climate Finance

- A Climate Finance Unit will be set up within the Ministry of Finance to mobilize and coordinate climate finance for national priorities.
- The unit will identify entities for accreditation with Climate Finance Institutions.

### Afforestation

- Amendments to the Forest and Reserve Act will support afforestation under the Mauritius Biomass Initiative of the National Biomass Framework.

## Environmental Protection Fee

Will be increased as from 01 July 2025 as follows:

- Mobile phones of value exceeding MUR 1,000 to MUR 140 per unit
- Batteries for vehicles to MUR 100 per unit
- Pneumatic tyres to MUR 100 per unit

## Sustainability

- New Smart City projects will be required to incorporate sustainability features as specified by guidelines issued by the Economic Development Board.
- Minimum Energy Efficiency Requirements to be introduced to ensure that buildings are designed, constructed and operated in a manner that minimises energy consumption.

## Budget Allocations for Environmental Protection

- MUR 164 million earmarked for habitat restoration, preventing beach erosion, and combating marine pollution.
- MUR 3.3Bn allocated to the Ministry of Environment, Solid Waste Management and Climate Change to support broader environmental programs, enforcement, and policy implementation.







# HEALTHCARE & LIFE SCIENCES



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# HEALTHCARE & LIFE SCIENCES

## Key takeaways

- The total allocation for the healthcare budget is MUR 18.5 bn.
- The government aims to fundamentally reform the healthcare system to be "future ready" and move beyond traditional models. This includes addressing the rising burden of non-communicable diseases (NCDs), an aging population, and complex health threats like pandemics and climate change. Outdated health legislation dating back to 1925 will be reviewed.
- Several measures are being introduced to enhance patient experience and operational efficiency in hospitals coupled with the introduction of advanced medical interventions and technologies.
- The budget emphasises the adoption of digital health solutions and robust quality control mechanisms.
- Significant investments are planned for healthcare workforce development.

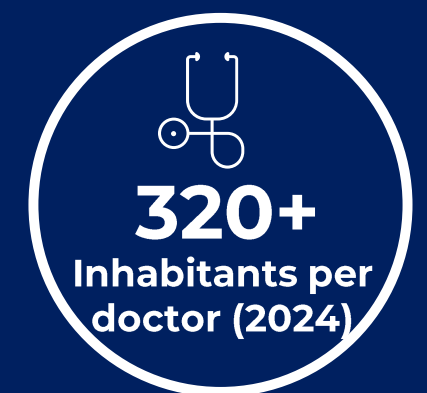
The budget focuses on transforming healthcare in Mauritius.

It aims to make the system modern, patient-focused, and preventative; tackling diseases more effectively and improving overall public health.

This includes investing in new technologies, better patient care, and a stronger healthcare workforce.



Contribution to GDP



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# HEALTHCARE & LIFE SCIENCES - BUDGETARY MEASURES

## Healthcare Sector Reforms

- **Outdated** health legislation dating back to 1925 will be reviewed.

## Patient-Centric Care:

- In-patients will receive comprehensive **discharge summaries** detailing diagnosis, treatment, prescribed medications, procedures, and a structured follow-up care plan.
- **Patient Facilitation Desks** with "patient navigators" will be established in all hospitals to assist with registration, appointment scheduling, and follow-up care.
- A **Grievance Redressal System** (hotline) will be implemented to manage complaints and feedback transparently.
- A Family Communication System will provide health updates to designated relatives through face-to-face consultations with treating doctors.

## Disease Management and Prevention:

- The School Health Programme will be revamped to identify children at high risk of obesity and pre-diabetes and enroll them in a "Path to Remission Programme".
- **An International Advisory Committee on diabetes and cardiovascular diseases** will be established
- A Breast-Screen Imaging Programme will be developed for women at high risk of breast cancer, and colon cancer screening will be carried out for individuals aged 50 and above.
- **"Path to Remission Programme"**: An innovative program for diabetic and pre-diabetic patients, aiming to reach approximately 450,000 citizens with an allocation of MUR 47 million.
- **Excise Duty Increases for Public Health**: Excise duty on alcoholic and tobacco products will increase by 10%. The excise duty on the sugar content of sugar-sweetened products will double from 6 cents to 12 cents per gram, and will be extended to chocolates and ice cream from October 1, 2025.





# HEALTHCARE & LIFE SCIENCES - BUDGETARY MEASURES

## Disease Management and Prevention (continued):

### Advanced Medical Services:

- Clinical trials for cardiac and cancer patients will be permitted.
- Advanced metabolic testing and non-invasive cardiac imaging technologies will be introduced.
- Interventional radiology will be performed for minimally invasive procedures.

### Pension for Overseas Medical Treatment

- Basic pension beneficiaries traveling overseas for medical treatment for more than six months within any 12-consecutive-month period will continue to receive their pension, subject to recommendations from the Medical Board of the Ministry of Health and Wellness.

### Labour Reforms Impacting Health

- The Workers' Rights Act will be amended to extend leave entitlements for workers caring for spouses with health issues

## Improved Patient Care and Hospital Management

### Patient Facilitation Desks:

- Establishment of these desks with "patient navigators" in all hospitals to assist with registration, appointments, and follow-up care.

### Grievance Redressal System:

- Setting up a hotline for transparent feedback and complaint management

### Family Communication System:

- Implementation of a system to provide health updates to designated relatives through face-to-face consultations with doctors.

### Specialised Emergency Care:

- Qualified emergency physicians will now provide care in Accident and Emergency departments instead of generalist physicians

### Professional Management and Workforce Development :

- The budget for training and capacity building in the healthcare system will be doubled from MUR 22 million to MUR 44 million.





# HEALTHCARE & LIFE SCIENCES - BUDGETARY MEASURES

## Digital Health Solutions and Quality Control

### Digital Health Solutions:

- Implementation of electronic health records, telemedicine, and e-prescriptions.

### National Health Quality Commission:

- Establishment of this commission to ensure strong and effective quality control.

### •Ombudsperson for Health Services:

- Creation of an office to investigate abusive practices in the sector.

### •Parallel Import Framework:

- A High-Level Steering Committee will accelerate the 'Parallel Import' framework to lower medicine prices while ensuring quality and effectiveness.

## Public Health and Food Safety

### Mosquito-borne Diseases:

- MUR 24 million investment in the Sterile Insect Technique (SIT) Production Facility.

### Rapid Testing Kits:

Allocation of MUR 20 million for the purchase of rapid testing kits

### Food Act Amendment:

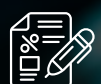
- Amendment to the Food Act for onsite testing to improve food safety and reduce testing time for contaminants.







# FINTECH AND ARTIFICIAL INTELLIGENCE



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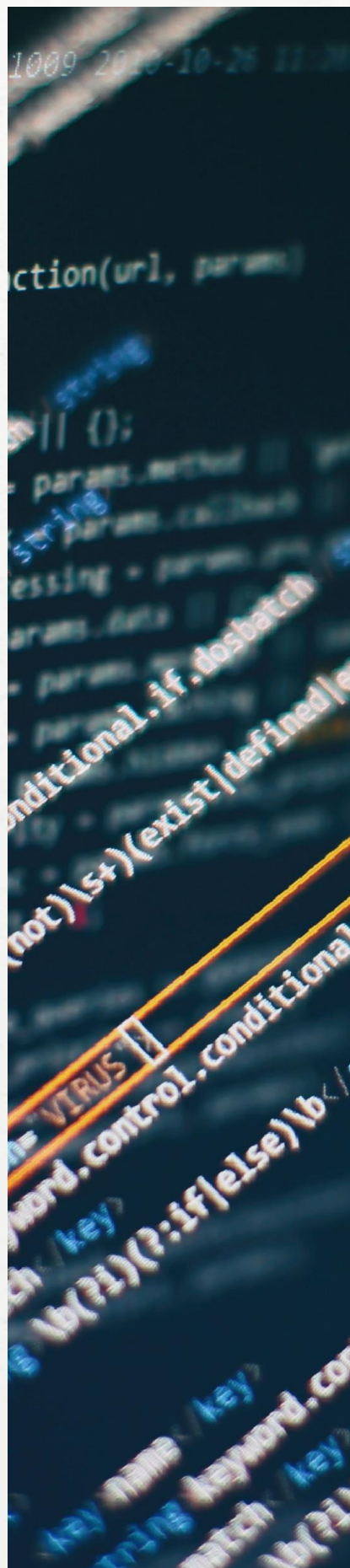


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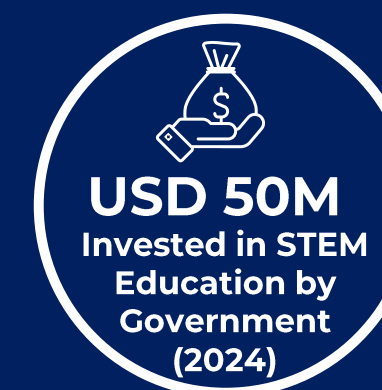
# FINTECH AND ARTIFICIAL INTELLIGENCE

## Key takeaways

- Establishment of a National Research and Innovation Institute and a MUR 200m fund to support fintech and AI research.
- Launch of an AI Start-Up Programme and a MUR 25 million AI Unit within MITCI for incubation and seed support.
- Tax deduction of up to MUR 150 000 for AI investments by startups and MSMEs.
- Implementation of machine-learning-driven financial-intelligence software for real-time AML surveillance.



A new National Research and Innovation Institute with a MUR 200 million fund will support fintech and AI research. An AI Start-Up Programme and a MUR 25 million AI Unit within MITCI will provide incubation and seed funding to local innovators. Start-ups and MSMEs can claim up to MUR 150 000 in tax deductions for AI investments, while machine-learning-powered AML software will enhance real-time financial surveillance. Together, these measures combine financial incentives and regulatory tools to accelerate fintech and AI adoption.





# FINTECH AND ARTIFICIAL INTELLIGENCE - BUDGETARY MEASURES

## Research & Innovation Measures

- Establishment of the National Research & Innovation Institute to support public and private sectors including dedicated fintech and AI research streams.
- MUR 200m allocated across ministries for Policy-Driven Research to finance projects that drive policy innovation.
- A new programme led by the Ministry of Information, Technology, Communication and Innovation (MITCI) to nurture AI-focused start-ups.
- Creation of an AI Unit within MITCI to fast-track the country's transition to a digitally advanced economy. Includes a budget allocation of Rs 25m for a Public Sector AI Programme—deploying AI tools and platforms across all ministries.

## AI in Education

- Rollout of standardized AI policy guidelines for all schools.
- Launch of an AI-module curriculum, making AI a mandatory course in public higher-education institutions.
- Launching of an AI Proficiency Programme for educators and students.

## AI for Agriculture & Food Production

- The Food and Agricultural Research and Extension Institute will subsidize or facilitate access to AI-based platforms.

## Fintech & Regulatory Enhancements

- Introduction of new legislation to grant full legal recognition to digital bills of exchange and trade instruments.





# FINTECH AND ARTIFICIAL INTELLIGENCE - BUDGETARY MEASURES

## Fintech & Regulatory Enhancements (continued)

- Amendment of the Electronic Transactions Act to allow legally binding, secured e-signatures for registration, transcription and notarization of commercial documents.
- Amendment the Bank of Mauritius Act to empower the BOM to permit any registered KYC institution to participate in the Central KYC System and the Central Accounts Registry
- Deployment of an advanced financial intelligence software by the Financial Intelligence Unit to support real-time analysis and dissemination of suspicious transaction reports.

## Banking Sector Digitalisation & Financial Intelligence (continued)

- Carrying out of a National Banking Skills Mapping Exercise to assess workforce strengths and forecast demand for specific skills manpower.

## Incentives and tax measures

- Start-ups and MSMEs may claim tax deductions of up to MUR 150,000 on investments in AI technologies.
- Virtual Asset Service Providers licensed by the FSC under the Virtual Asset and Initial Token Offering Services Act 2021 will be eligible for an 80% partial exemption on income derived from virtual-asset activities, subject to compliance with economic substance requirements.







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ICT



# ICT

## Key takeaways

- **Digital Transformation Blueprint launched by Ministry of Information, Technology, Communication and Innovation (MITCI) for nationwide ICT integration.**
- **Allocation of MUR 70m for a Tier IV Government Data Centre ensuring high availability and disaster recovery.**
- **Data Protection Act amended to meet EU standards & Cybersecurity Act aligned with UK norms, plus a new Cyber Security Operation Centre for real-time threat monitoring.**
- **National Digital Transformation Steering Committee established to oversee all e-government and ICT project governance.**



The Digital Transformation Blueprint signals a bold vision for integrating ICT across all government services, laying the groundwork for more efficient, citizen-centric e-government. Allocating MUR 70 million to a Tier IV Data Centre demonstrates a commitment to robust infrastructure with high availability and disaster recovery at its core. Aligning the Data Protection Act with EU standards and the Cybersecurity Act with UK norms—paired with a new Cyber Security Operation Centre—will significantly strengthen data privacy and real-time threat detection. Finally, creating the National Digital Transformation Steering Committee ensures consistent oversight and governance, helping to drive these initiatives from strategy to successful implementation.



Contribution to GDP



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# ICT- BUDGETARY MEASURES

## Digitalisation Blueprint & Governance

- A National Digital Transformation Blueprint to streamline e-government portals, digital IDs and cloud/hosting policies and a National Digital Transformation Steering Committee.
- Allocation to Statistics Mauritius for Open Data and Big Data capacity building, supported by IMF technical assistance on data governance.

## Cybersecurity & Data Protection

- Amendment of Data Protection Act to align with EU requirement.
- Alignment of the Cybersecurity and Cybercrime Act with international (UK) standards.
- Creation of a Cyber Security Operation Centre to monitor and respond to cyber-threats.

## Connectivity & Digital Inclusion

- Extension of free internet and data packages for Mauritians aged 18–25 for one more year.
- Free internet connection to households on the Social Register.

## ICT Infrastructure & E-Services

- Allocation of MUR 70 million for a Tier IV Government Data Centre to ensure high availability and disaster recovery.
- Revamp of National Land Transport Authority's IT system.
- Digitalisation of Occupation and Residence Permits through amendments to the Economic Development Board Act and the Immigration Act, enabling online applications
- Introduction of a National Electronic Licensing System (NELS) for permit applications and renewals via a digital platform

## Smart Mobility & Transport Tech

- Deployment of a Fleet Management System and Cashless Ticketing System for public buses.
- Construction of Smart Bus Shelters with real-time information displays.
- Introduction of an Adaptive Traffic Control System.







# SOCIAL MEASURES

## Key takeaways

### Strengthening Social Safety Nets:

- Re-engineering the social protection system to ensure social justice and provide sustained support to vulnerable groups, including maintaining pensions, increasing social aid, offering financial support for disabled persons, and continuing essential subsidies.

### Investing in Human Capital Development:

- Reforming the education system from foundational skills to advanced vocational and technical training. This includes initiatives for digital literacy, new educational institutions, and a large-scale training program with stipends.

### Promoting Social Cohesion and Empowerment:

- Measures such as the housing support program, reintegration initiatives for vulnerable families, and support for NGOs.



The continued emphasis on expanding social safety nets and human development initiatives is poised to enhance the well-being of vulnerable groups. By maintaining support through pensions, subsidies, and targeted housing and reintegration programs, the Government aims to sustain consumption and promote social inclusion.

However, increased social spending may exert further pressure on public finances, and careful monitoring will be required to ensure long-term sustainability.





# SOCIAL MEASURES - BUDGETARY MEASURES

## Sustained Support for Vulnerable Groups and Pensions

### Basic Pensions and Allowances:

- All basic pensions (old age, invalidity, widow's, orphan's, survivor's) and allowances for carers and single parents will be maintained.

### Increased Social Aid:

- Social aid benefits for vulnerable households with children will be increased to align with the minimum wage.

### Support for Disabled Persons:

- Enhanced financial support for disabled persons.

### Subsidies:

- Essential subsidies on rice, flour, cooking gas, and public transport will be maintained, totaling MUR 4 billion.

### Housing Support:

- A new "Housing Support Programme" for vulnerable families is introduced with an allocation of MUR 2 billion.

## Reintegration Programme:

- MUR 150 million is allocated for a "Reintegration Programme".

### Support for NGOs:

- MUR 50 million is earmarked for NGOs.

### Education System Review:

- A comprehensive review from pre-primary to tertiary levels to improve foundational skills in mathematics and languages.

### Digital Skills:

- Coding and AI introduced in primary and secondary schools.

### National Training and Apprenticeship Programme:


- MUR 3 billion to train 30,000 individuals over 3 years, with a monthly stipend of MUR 10,000.
- Research and Innovation Fund: MUR 50M to foster local talent.

### Minimum wage

- "Revenu Minimum Garantie" allowance of MUR 20,000 maintained for full-time employees.







## 05 | TAX AND REGULATORY MEASURES

5.1 | CORPORATE TAX

5.2 | SOCIAL AND  
ALLOWANCES

5.3 | TAX ADMINISTRATION

5.4 | INDIVIDUAL TAX



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Corporate tax

- The Tax Arrears Payment Scheme (TASS) will be renewed for an additional year
- Corporates can allocate up to 50% of CSR funds (previously 25%).
- Corporates with chargeable income >MUR 24M to pay 5% Fair Share Contribution. Applies to banks as well.
- 2 % of chargeable income if they are subject to the reduced tax rate of 3 %.

Partial exemption

- 80% exemption for Virtual Asset Service Providers if substance requirements are met.
- Exemption applies for companies provided that the substance requirements is satisfied
- Banks not eligible for exemption on foreign dividends.

Alternative Minimum Tax on companies operating in specified sectors

- 10% minimum tax on book profits instead of normal tax for companies in hotels, insurance, financial intermediation activities ,real estate, telecommunication companies.
- Not applicable to Global Business License holders and tax-exempt companies.
- No offsetting AMT with tax credits.
- The new income tax rates and bands will be effective as from income year starting on 01st July 2025, i.e., on income received by an individual as from 01st July 2025.





- **Tax Exemption for a Person Aged between 18 and 28 Years**

An employee or a self-employed individual aged between 18 and 28 years and earning up to Rs 1 million annually will be exempted from income tax.

- **Deduction for Dependent Child with a Disability**

A taxpayer will be able to claim in respect of a child with a disability, the full deduction for a dependent child irrespective of any financial assistance provided to the child.

- **Fair Share Contribution on High-Income Earners**

An individual earning annual net income exceeding Rs 12 million, 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.

- **Fair Share Contribution on Corporates Applicability:**

Corporates with **annual chargeable income exceeding Rs 24 million** will be subject to a **Fair Share Contribution**, effective from **1 July 2025 to 30 June 2028**.

**Rates:**

- **5%** of chargeable income for companies taxed at the **standard rate of 15%**.
- **5%** for **banks**, including income from **non-residents** and **Global Business Companies**.
- **2%** for companies taxed at the **reduced rate of 3%**.

**Exemptions:**

Companies with a **Global Business Licence (GBL)**

Companies **exempt from income tax** or enjoying **tax holidays**

**Income** that is **exempt from income tax**.





The following allowances under the Social Contribution and Social Benefits Act, which were set to end on **30 June 2025**, will be **extended for two additional years**, until **30 June 2027**:

- (i) **Revenue Minimum Garantie Allowance**
- (ii) **Equal Chance Allowance**

The **monthly payable amounts** for these allowances will be as follows:

Allowance	Monthly Allowance	
	July 2025 to June 2026	July 2026 to June 2027
Revenue Minimum Garantie Allowance	Maximum of MUR 890	Maximum of MUR 1,890
Equal Chance Allowance	Rs 2,000	Rs 2,000

❑ The **CSG Income Allowance** and **CSG Child Allowance** under the Social Contribution and Social Benefits Act, set to end on **30 June 2025**, will be **renewed and phased out over two years**, except for beneficiaries listed on the **Social Register of Mauritius**.

CSG Income Allowance;  
CSG Child Allowance;  
CSG School Allowance;  
Pregnancy Care Allowance; and  
Maternity Allowance.

- Households on the Social Register of Mauritius will continue to receive the full CSG Income and Child Allowances.
- The Housing Loan Relief Scheme under the Income Tax Act which is ending on 30th June 2025 will be renewed and phased out over two years.
- The **monthly amount** payable under the **phased-out CSG Income Allowance** will be specified during the transition period.
- CSG Income Allowance

Monthly income derived by an individual	Monthly Allowance	
	July 2025 to June 2026	July 2026 to June 2027
Not exceeding Rs 20,000	Rs 2,000	Rs 1,000
Above Rs 20,000 but not exceeding Rs 25,000	Rs 1,667	Rs 833
Above Rs 25,000 but not exceeding Rs 30,000	Rs 1,333	Rs 667
Above Rs 30,000 but not exceeding Rs 50,000	Rs 1,000	Rs 500





Monthly Allowance		
	July 2025 to June 2026	July 2026 to June 2027
CSG Child Allowance	Rs 1,667 per child	Rs 833 per child
CSG School Allowance	Rs 1,333 per child	Rs 667 per child
Housing Loan Relief Scheme	Rs 667	Rs 333
Maternity Allowance (9-months)	Rs 1,333	Rs 667
One-off Allowance		
Pregnancy Care Allowance	Rs 2,000	Rs 1,000

The Independence Allowance will be discontinued from 1 July 2025, but households listed on the Social Register of Mauritius will continue to receive it.

The **Prime à L’emploi Scheme** under the Income Tax Act will **not be renewed** after **30 June 2025.No new applications** will be accepted after **5 June 2025**, but payments will continue for **approved eligible employees** registered with the MRA by that date.

Under the Registration Duty Act:

Home Ownership Scheme; and  
Home Loan Payment Scheme.

Excise Duty

Motor Cars

Motor Cars	Conventional	Non-Plug-in Hybrid	Plug-in Hybrid
551 - 1,000 cc	45%	25%	15%
1,001 - 1,600 cc	55%	35%	25%
1,601 - 2,000 cc	75%	55%	35%
Above 2,000 cc	100%	75%	55%



• **Review of Allowable Deductions for Companies**

Effective 1 July 2025, the double or triple deductions will be restricted to small and medium companies (annual turnover ≤ Rs 100 million)

• **Special Levy on Banks**

The current **cap** on the **Special Levy on Banks** (1.5 times of the levy paid by bank in 2017/2018 levy) will be removed.

• **Tax Administration – Key Measures**

**Tax Dispute Settlement Scheme (TDSS)**

Full waiver of penalties and interest for withdrawn litigation cases (as at 5 June 2025) if tax is paid by 31 March 2026.

**Voluntary Disclosure Settlement Scheme (VDSS)**

For undeclared/under-declared income or VAT (up to YA 2024/25 or VAT period ending 30 April 2025).

**Tax Arrears Settlement Scheme (TASS)**

For tax debts as at 30 June 2025.  
Must register by 30 November 2025 and pay by 31 March 2026.

• **Assessment Time Limit**

MRA can only raise assessments for the past 2 years, except in exceptional cases.

**Penalty & Interest Capping**

Capped at **100% of tax due**.  
**50% reduction** for non-payment penalties (excluding withholding taxes).

**Tax Agent Registration**

All tax agents must register with the MRA.  
MIPA members and law practitioners are deemed registered

• **Tax Payment in Foreign Currency**

Businesses earning ≥50% of revenue in foreign currency must pay tax in foreign currency.

**No Penalty for Late Statement of Income**

No penalty for late submission under the Current Payment System.

**TDS on Non-Resident Performers**

Mandatory TDS for companies hiring non-resident entertainers or sportspersons, regardless of turnover

**Tax Ruling Fees Increased**

Individuals: From Rs 2,000 to Rs 3,000.  
Companies: From Rs 10,000 to Rs 50,000.

**Charitable Institutions**

MRA can revoke charitable status if the entity no longer meets its charitable objectives.





Transfer Pricing (Arm’s Length Test)

The scope and method will be reviewed to enhance certainty and protect the tax base.

Social Contribution and Social Benefits Act

- Extended Deadline for CSG Return  
New deadline for annual CSG return and payment: 15 October (previously 31 July).

Value Added Tax (VAT)

- New Zero-Rated Items

The following will be zero-rated for VAT:

- Fruit and vegetable purées for infants
- Canned vegetables (e.g., tomatoes, mushrooms)
- Frozen packed vegetables (e.g., potatoes, beans, spinach, mixed veg)
- Hairdressing services
- Cameras for CCTV systems (clarification)

- VAT Registration Threshold

Compulsory VAT registration threshold reduced from Rs 6 million to Rs 3 million, effective 1 October 2025.

- VAT on Digital Services

Foreign suppliers of digital/electronic services will be subject to VAT from 1 January 2026.

- VAT Refunds for Planters

Harvesting services will be included in the VAT Refund Scheme for Small Planters.

- End of Residential VAT Refund Scheme

The VAT Refund Scheme on residential construction or property purchase will end on 30 June 2025 and will not be reconducted.

Tax Administration – VAT Act  
E-Invoicing

Mandatory for suppliers with turnover:

Over Rs 100 million (ongoing).  
Over Rs 80 million during FY 2025–26.

- VAT Rulings

Taxpayers can request rulings, but:  
Rulings are binding only on MRA, not the applicant.  
No right to appeal VAT rulings to ARC.  
It will be clarified that VAT applies on services supplied to a foreigner outside Mauritius if the service is utilized in Mauritius.

Ruling fees increased:

**Individuals:** Rs 2,000 → **Rs 3,000**  
**Others:** Rs 10,000 → **Rs 15,000**





Tax Administration – VAT Act  
E-Invoicing (Continued)

- Taxability of Services to Foreigners**  
VAT applies if the service is used in Mauritius, even if the customer is abroad.
- VAT Registration for Pleasure Crafts**  
Holders of Pleasure Craft Licences used commercially must register for VAT regardless of turnover.

Offences & Penalties

- Failure to Comply with MRA Requests**  
  
Not submitting requested info:  
Fine up to Rs 100,000, 3 years imprisonment.  
Denying access to computers or obstructing MRA:  
Fine up to Rs 200,000, 5 years imprisonment.
- Offences Involving False Claims or Obstruction**  
  
Fine now up to Rs 500,000 (previously based on tax amount).  
Courts may order payment of up to 2 times the tax due, in addition to penalties.

Tax Administration – VAT Act  
E-Invoicing (Continued)

Other Offences

Fine increased from **Rs 50,000 to Rs 100,000** for:  
Not keeping records / issuing invoices  
Not switching to monthly VAT returns (turnover > Rs 10M)  
Breaches of VAT Act (excluding serious fraud)

- Serious Offences (e.g., evasion, false returns)**  
  
Fine now up to Rs 1 million (instead of treble tax amount).  
Courts may impose additional order to pay up to 2 times tax liability.





Income tax exemptions

The new income tax rates and bands will be effective as from income year starting on 01st July 2025, i.e., on income received by an individual as from 01st July 2025 are as follows:

First Rs 500,000 – 0%  
Next Rs 500,000 – 10%  
Remainder -20%

Review of Taxation of Car Benefit

The monetary values of the fringe benefits to be included in the gross income of the employee provided of a company car are being reviewed as follows:

Car Benefit	Monthly Taxable Benefits (MUR)	
	From	To
Cylinder Capacity:		Car costing < MUR 3M
▪ 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:		Car costing ≥ MUR 3M
▪ > Rs 3M up to Rs 5M	N/A	25,000
▪ > Rs 5M up to Rs 8M	N/A	35,000
▪ > Rs 8M	N/A	50,000

- **Tax Exemptions for Specific Bodies**  
The following personal reliefs and deductions will be removed starting from 01 July 2025 for : Wages paid to household employees, donations to charitable institutions, adoption of animals and angel investor allowance.
- **Investment Tax Credit for Small Businesses**  
Eligible for businesses with **turnover ≤ Rs 10 million**.  
Tax credit of **5% per year for 3 years** (total 15%) on **new equipment** (max Rs 500,000 per year).  
**Motor vehicles excluded.**
- **Corporate Social Responsibility**  
A corporate will be allowed to spend up to 50% of its CSR Fund instead of a maximum of 25% presently.
- **Additional Fair Share Contribution on Banks.**  
Banks will pay an additional 2.5% on their chargeable income from domestic operations (excluding income from non-residents and Global Business Companies).
- **Income Tax Holiday for SMEs**  
The 4-year income tax holiday granted to an SME on conversion from a sole trader or partnership into a company will no longer be allowed where the SME is:
  - providing professional services; a tourism operator; or a training institution.



## 06 | Information Sources

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All the data, including those supporting our graphs, were sourced from the following:

**Bank of Mauritius:** <https://www.bom.mu/>

**Economic Development Board:** <https://www.edbmauritius.org/>

**Government Portal of Mauritius:** <https://govmu.org/EN/Pages/default.aspx>

**International Monetary Fund:** <https://www.imf.org/en/Data> , <https://www.imf.org/external/datamapper/profile/MUS>

**Moody's:** <https://www.moody.com/>

**Statistics Mauritius:** <https://statsmauritius.govmu.org/SitePages/Index.aspx>

**World Bank:** <https://data.worldbank.org/>

**Transparency International:** <https://www.transparency.org/en/countries/mauritius>





Appendix 1 : Illustrative Corporate tax computation

CORPORATE Tax Computation Year 2025	Budgeted 2026	2025
Net profit before tax as per accounts	220,500,000	220,500,000
<b>Add: Non allowable expenses :</b>		
Depreciation - PPE	15,670,300	15,670,300
Amortisation- (Intangible & Right of Use assets)	7,100,500	7,100,500
Right of Use assets - Finance costs	3,775,750	3,775,750
Entertainment	550,000	550,000
Balancing Charged	705,000	705,000
Provision - (Doubtful debts, expected credit losses, RBO, EOY bonus & Pension)	30,919,950	30,919,950
	58,721,500	58,721,500
<b>Deduct: Allowable Deductions :</b>		
Annual Allowance	11,000,240	11,000,240
Dividend Income	12,200,000	12,200,000
Profit on disposal	890,000	890,000
Lease payments	8,104,500	8,104,500
	32,194,740	32,194,740
<b>CHARGEABLE INCOME</b>	247,026,760	247,026,760
<b>Corporate tax @ 15%</b>	37,054,014	37,054,014
Corporate Climate Responsibility (CCR) levy - (2% x Current Chargeable income)	4,940,535	4,940,535
Add: Corporate Social Responsibility @2% (on previous year chargeable income)	4,940,535	4,940,535
* Fair Share Contribution (FSC) (5% will be applicable)	12,351,338	-0
<b>TOTAL TAX PAYABLE</b>	59,286,422	46,935,084
<b>Increase in tax payable</b>	12,351,338	- 0
<b>* Effective tax rate</b>	24%	19%





# Appendix 1 : Illustrative Corporate tax computation (continued)

**Notes:**

- 1. 5% of chargeable income if they are subject to the standard tax rate of 15%;
- 2. 5% of chargeable income for banks including on income derived by banks from transactions with non-residents and Global Business Companies; and
- 3. 2% of chargeable income if they are subject to the reduced tax rate of 3%.

Assumption the figures for the years 2025 and 2026 will remain unchanged.





Appendix 2 : Illustrative Individual tax computation 1

Period covered	12 months to 30-Jun-26	12 months to 30-Jun-25
	MUR	MUR
Annual Salary	1,200,000	1,200,000
Petrol Allowance	240,000	240,000
<b>Total Income</b>	<b>1,440,000</b>	<b>1,440,000</b>
Less Exempt Income (See Note 1)	(240,000)	(240,000)
<b>Total Net Income (A)</b>	<b>1,200,000</b>	<b>1,200,000</b>
<b>Less Deductions</b>		
Personal Deduction & IET (category C) (See Note2)	190,000	190,000
Relief for medical insurance contribution (See Note 3)	70,000	70,000
Relief for the wages paid during a year to household employees	- 0	30,000
Exemptions for pension scheme (See Note 4)	50,000	50,000
Exemptions for donations	- 0	50,000
<b>Total Deductions (B)</b>	<b>310,000</b>	<b>390,000</b>
<b>Chargeable income (A-B)</b>	<b>890,000</b>	<b>810,000</b>
<b>Tax at below rates for the year 30 June 2025:</b>		
- First MUR 390,000 @ 0% = MUR 0		- 0
- Next MUR 40,000 @ 2% = MUR 800		800
- Next MUR 40,000 @ 4% = MUR 1,600		1,600
- Next MUR 60,000 @ 6% = MUR 3,600		3,600
- Next MUR 60,000 @ 8% = MUR 4,800		4,800
- Next MUR 220,000 @ 10% = MUR 22,000		22,000
<b>Tax at below rates for the year 30 June 2026:</b>		
- First MUR 500,000 @ 0% = MUR 0	- 0	
- Next MUR 390,000 @ 10% = MUR 39,000	39,000	
<b>CSG</b>	<b>36,000</b>	<b>36,000</b>
<b>Total tax and contributions payable</b>	<b>75,000</b>	<b>68,800</b>
<b>Disposable income</b>	<b>1,365,000</b>	<b>1,371,200</b>
<b>Increase in tax payable</b>	<b>6,200</b>	<b>- 0</b>
<b>Effective tax rate</b>	<b>8%</b>	<b>8%</b>





# Appendix 2 : Illustrative Individual tax computation 1 (continued)

## Notes:

### Calculations are based on the following assumptions:

- 1. Actual petrol or travelling allowance paid or 25% of the monthly basic salary up to a maximum of MUR20,000, whichever is lesser, provided that the employee makes use of a private car registered in his own name for attending duty and for the performance of the duties of his office or employment
- 2. Individual married with two dependents, claiming exemption for only the two dependent children
- 3. Claiming relief for medical insurance contribution for the two dependents (MUR25,000 each for self and first dependent and MUR20,000 for the second dependent)
- 4. Maximum exemption is MUR50,000 for pension scheme
- 5. The personal income tax structure has been simplified from 11 tax bands to just 3 bands, effective 1 July 2025:





Appendix 3 : Illustrative Individual tax computation 2

Period covered	12 months to 30-Jun-26	12 months to 30-Jun-25
	MUR	MUR
Annual Salary	5,000,000	5,000,000
Petrol or Travelling Allowance	240,000	240,000
Local Dividend Income	13,000,000	13,000,000
<b>Total Income</b>	<b>18,240,000</b>	<b>18,240,000</b>
Less Exempt Income (See Note 1)	(240,000)	(240,000)
Less Local Dividend Income	(13,000,000)	(13,000,000)
<b>Total Net Income (A)</b>	<b>5,000,000</b>	<b>5,000,000</b>
<b>Less Deductions</b>		
Personal Deduction & IET (category C) (See Note2)	190,000	190,000
Relief for medical insurance contribution (See Note 3)	70,000	70,000
Relief for the wages paid during a year to household employees	- 0	30,000
Exemptions for pension scheme (See Note 4)	50,000	50,000
Exemptions for donations	- 0	50,000
<b>Total Deductions (B)</b>	<b>310,000</b>	<b>390,000</b>
<b>Chargeable income (A-B)</b>	<b>4,690,000</b>	<b>4,610,000</b>
<b>Tax at below rates for the year 30 June 2025:</b>		
- First MUR 390,000 @ 0% = MUR 0		-0
- Next MUR 40,000 @ 2% = MUR 800		800
- Next MUR 40,000 @ 4% = MUR 1,600		1,600
- Next MUR 60,000 @ 6% = MUR 3,600		3,600
- Next MUR 60,000 @ 8% = MUR 4,800		4,800
- Next MUR 300,000 @ 10% = MUR 30,000		30,000
- Next MUR 300,000 @ 12% = MUR 36,000		36,000
- Next MUR 300,000 @ 14% = MUR 42,000		42,000
- Next MUR 400,000 @ 16% = MUR 64,000		64,000
- Next MUR 500,000 @ 18% = MUR 90,000		90,000
- Remaining MUR 2,220,000 @ 20% = MUR 444,000		444,000
<b>Tax at below rates for the year 30 June 2026:</b>		
- First MUR 500,000 @ 0% = MUR 0	- 0	-0
- Next MUR 500,000 @ 10% = MUR 50,000	50,000	-0
- Remaining MUR 4,690,000 @ 20% = MUR 938,000	938,000	-0
Fair Share Contribution (FSC)	703,500	-0
<b>CSG</b>	<b>150,000</b>	<b>150,000</b>
<b>Total tax and contributions payable</b>	<b>1,841,500</b>	<b>866,800</b>
<b>Disposable income</b>	<b>16,398,500</b>	<b>17,373,200</b>
<b>Increase in tax payable</b>	<b>974,700</b>	<b>- 0</b>
<b>Effective tax rate</b>	<b>39%</b>	<b>19%</b>





## Appendix 3 : Illustrative Individual tax computation 2 (continued)

### Notes:

#### Calculations are based on the following assumptions:

1. Actual petrol or travelling allowance paid or 25% of the monthly basic salary up to a maximum of MUR20,000, whichever is lesser, provided that the employee makes use of a private car registered in his own name for attending duty and for the performance of the duties of his office or employment
2. Individual married with two dependents, claiming exemption for only the two dependent children
3. Claiming relief for medical insurance contribution for the two dependents (MUR25,000 each for self and first dependent and MUR20,000 for the second dependent)
4. Maximum exemption is MUR50,000 for pension scheme
5. The personal income tax structure has been simplified from 11 tax bands to just 3 bands, effective 1 July 2025:
6. Fair Share Contribution (FSC) for High-Income Individuals: Those earning over Rs 12 million annually will pay an additional 15% Fair Share Contribution for 3 years (2025-2028).





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