

# THE FINANCE (MISCELLANEOUS PROVISIONS) BILL 2020

Key Highlights


05 June 2020



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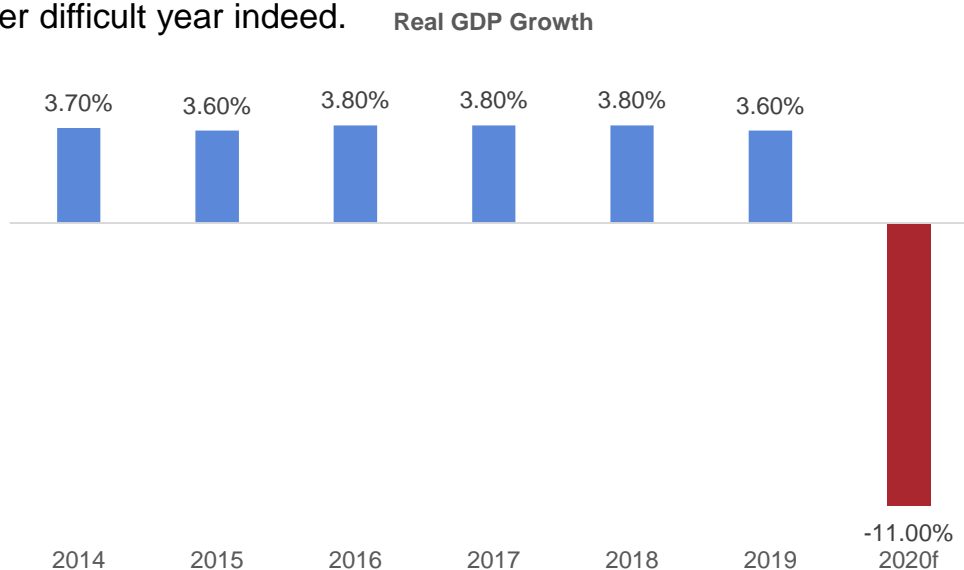
# 1. FOREWORD FROM THE MANAGING PARTNER

Dear Valued Client,

## Budget 2020/21 - Aggressive Government spending to boost the economy

At the outset, it must be said that the context is unprecedented and that the conditions, especially with the lockdown, were not ideal to prepare a Budget that would meet the expectations of all stakeholders. Nonetheless, expectations were high as the Minister of Finance and Economic Planning and Development, unlike his predecessors, has an economics background and many were hoping that he would set him apart and make a difference.

Clearly the battle against the recession will not be won from this Budget alone. The real GDP is forecasted to contract by 11% and it is still too early to forecast the timing of the recovery and it now looks like 2021/22 shall be another difficult year indeed.



Source: National Accounts, 2020/2021 budget speech

Fiscal responsibility was not going to be the order of the day and so as in the previous years, the government is relying on both the execution of large capital projects, the low interest rate environment and direct subsidies to shift the aggregate demand curve and to boost the economy in the next year or so.

The Budget speech amalgamates the Capital Budget of the Government and the funds from the Mauritius Investment Corporation Limited (an entity owned by the Bank of Mauritius over which the Ministry of Finance has no direct control per se) to support the investment plans to the tune of Rs100 Billion.

Now, economic growth only comes from projects that are both economically and financially viable. The problem with large capital investments is that they are rarely completed on schedule and within their budgets and even when completed many fail to meet expected revenues. The economic viability of these projects ought to have been at the centre of the Budget speech and where the population is expecting a rigorous framework covering project analysis, assessment evaluation and post-audit, all combined with a dose of transparency to ensure that positive returns are monitored. From the speech, a list can be drawn starting from those with zero or negative returns such as the rescue of the national carrier, the financing of African projects with no direct multiplier effects in Mauritius and those where the project feasibility in the current context is uncertain, for e.g. Data Technology Park at Cote D'or and Pharma projects, especially where there is already a global shortage of skilled workforce.





# 1. FOREWORD FROM THE MANAGING PARTNER

Coming back to the other macroeconomic problems facing the country such as unemployment, inflation and the depreciation of the rupee, the Minister of Finance has conspicuously relegated them as probably not important given his urgency to 'relancer l'économie' in the short term. The unemployment is probably the one socio-economic problem that will hit households mostly affecting the young and the unskilled labour force. The unemployment rate is projected to reach double digits by end of this year depending on how fast the economy can recover. This is a serious issue which has not been adequately addressed as (1) the capital spending is not going to bear fruits for quite a while (2) the Government has increased the tax burden on Companies through a solidarity levy and the extra burden of the new pension reform which directly increase the cost of employment.

The Minister of Finance attempts to come up with reforms of the current pension and tax system. He looks only at the Lorenz curve whilst ignoring the high concentration of accumulated wealth in the form of real estate in the hands of a few. A reform of the system without recognizing the imbalance of wealth only creates disincentive to work and encourages rent seeking as there are no capital gains tax and inheritance tax. Therefore, he keeps the same solidarity tax (which was meant to be temporary) to tax the high earners which is also a double tax on the same income base (as it includes dividends for individuals and revenue for some corporates). There is no debate on the regressiveness of the current VAT tax system and the need to shift the burden. But the question is: will the solidarity tax benefit the economy in the long run when a flat income tax rate has shown positive results of attracting foreigners and high skilled labour in Mauritius? Only time will tell.

His *Contribution Sociale Généralisée* ("CSG") does not correct the deficiencies of the current system as he (1) keeps the same 'unfunded' system (with employees and employers now contributing more to ease the fiscal burden) and hoping that future unborn employees will fund their retirement and (2) he maintains the current inequity i.e. a rich pensioner will continue to earn the same as the poor one.

On the social side, the Budget appears balanced as we note a host of measures which are commendable to reduce absolute poverty and to support the SME sector. It also makes provision for the construction of 12,000 social housing units to the tune of Mur 12B for vulnerable groups and also additional wage assistance schemes to support in cash low earning workers in the coming months.

Overall the Budget deficit is expected to be 13.6% of the GDP although no mention is made as to the size of the Government debt and its sustainability. Thus to conclude: an aggressive government spending for a hopeful fast recovery.

Yours faithfully,

**Kriti Taukoordass**  
**Managing Partner**

## 2. CORPORATE TAX





### Commencement Date

- The new threshold will be applicable from 01 July 2020

- Increase in the income exemption threshold are as following:

Category	Last Year (Mur)	Current Year (Mur)
A. Individual with no dependent	310,000	325,000
B. Individual with one dependent	420,000	435,000
C. Individual with two dependents	500,000	515,000
D. Individual with three dependents	550,000	600,000
E. Individual with four or more dependents	600,000	680,000
F. Retired/disabled person with no dependent	360,000	375,000
G. Retired/disabled person with dependents	470,000	485,000

- Provided that the total number of its dependent does not exceed 4, a taxpayer can claim a bedridden a close relative under his care benefitting from an additional annual deduction ranging from Mur 80,000 to Mur 110,000.
- The minimum wage amounts to Mur 10,200 during the calendar year 2020.



## Investing incentives

### Commencement Date

- On the proclamation of the Finance Act

- In a view to open Mauritius to the world, the following measures are implemented:

	From	To
Minimum investment amount from Non-citizens to obtain Permanent Residence	USD 500,000	USD 375,000
Non-citizens who have a residence permit under the various real estate schemes	Occupation or Work Permit	No Occupation or Work Permit
Permanent Residence Permit	10 years	20 years
Investor initial transfer amount	USD 100,000	USD 50,000
Cumulative turnover during 3 years for investors	Mur 12 million (with a turnover of at least Mur 2 million per year)	No minimum turnover requirement
Minimum monthly salary for professionals to obtain occupation permit extended to other specified sectors	Mur 60,000	Mur 30,000
Holders of OP and Residence Permit eligibility to apply for Permanent Residence Permit	Not applicable	Held permit for three consecutive years

- The Solidarity Levy on telephony service providers is being made permanent and is payable as per table below:

	Solidarity Levy
Accounting profit	5.00%
Turnover	1.50%



## Solidarity Levy

### Commencement Date

- On the proclamation of the Finance Act

- The applicable threshold of Solidarity Levy on the excess of chargeable income plus dividends decreases from Mur 3.5 million to Mur 3.0 million.
- The new rate of the Solidarity Levy increases from 5% to 25% as from income year 2020-2021 and is payable under the Pay As You Earn (“PAYE”) system.

### Introduction of Contribution Sociale Généralisée (CSG)

- CSG, a collective, contributive and participative system, is being introduced as a new mechanism to pay all increase in benefits for the elderly with its predicted first payment dating July 2023.
- The pension benefit of Mur 9,000 for our elderly is maintained.
- Subsequent to the new system, the National Pension Fund (“NPF”) is being abolished and the following rates are applicable as from 01 September 2020.

Earnings (Mur)	Employee Contribution	Employer Contribution
Less than 50,000	1.50%	3.00%
Greater than 50,000	3.00%	6.00%

- Self-employed individuals will contribute Mur 150 to CSG.

### Partial Exemption Regime

- The partial exemption regime is not applicable on interest income for the following:
  - non-bank deposit taking institutions;
  - money changers;
  - foreign exchange dealers;
  - insurance companies;
  - easing companies; and
  - companies providing factoring, hire purchase facilities or credit sale facilities.





### Commencement Date

- On the proclamation of the Finance Act

Introduction of a levy for companies:

- having gross income greater than Mur 500 million, or
- Forming part of a group of companies where the group gross income exceeds Mur 500 million.

Type of Companies	Rate of Levy
Insurance Companies Financial Institution Service Providers Property Holding Companies	0.30%
Other Companies	0.10%
Companies in Tourism Sector	Exempt
Global Business license	Exempt

### Accelerated Depreciation

- 100% allowance is provided in the year of acquisition on capital expenditure incurred on electronic, high precision machinery or equipment and automated equipment.
- Definition of green technology equipment includes equipment and machinery used for eliminating, reducing or transforming industrial wastes.
- A double tax deduction on investment during the period 01 March 2020 to 30 June 2020 is granted to enterprises.
- 8 years tax holiday are provided to companies engaged in the manufacture of the following:

Activity	Operation Start Date
Nutraceutical products	After 04 June 2020
Pharmaceutical products, medical devices or high-tech products	On or after 08 June 2017

- Reintroduction of the Alternative Minimum Tax applicable to the life insurance business at the rate of 10% of profit attributable to shareholders adjusted for capital gains or losses

### 3. OTHER TAX MEASURES





## Property Tax

### Commencement Date

- On the proclamation of the Finance Act

### Exemption from Registration Duty on Acquisition of a Newly-Built Dwelling

- Full exemption from registration duty on acquisition of newly-built dwelling by a Mauritian provided the dwelling is purchased on the basis of a plan or during construction, excluding Property on Pas Geometriques or within the Integrated Resort Scheme, Real Estate Scheme, Property Development Scheme or Invest Hotel Scheme.

Period	Threshold
01 Sept 2016 to 30 June 2020	Up to Mur 6m
01 July 2020 to 30 June 2022	Up to Mur 7m

### Exemption from Land Transfer Tax to a Promoter Undertaking Construction of Housing Projects for Mauritians

The construction of housing estate scheme up to a maximum of Mur 7m will be extended as follows:

- Registration projects of at least 5 residential units from 01 July 2020 to 31 Dec 2020;

- No registration duty and land transfer tax is payable on the transfer of freehold bare land for the construction of housing estate project provided the transfer is made by 31st December 2020;
- Construction must be completed before 31 Dec 2021; and
- Exemption of land transfer tax is granted on the sale of a residential unit provided it is made to a Mauritian before 30 June 2022.

### First time Buyer Exemption

- A person is considered as a first-time buyer even if he or his spouse is or was the
  - owner of an immovable property acquired by inheritance where the land area is less than 20 perches; or
  - co-owner of an immovable property acquired by inheritance where their share in that property is less than 20 perches of land.



## Customs Duty

### Commencement Date

- On the proclamation of the Finance Act

### Customs Duty Exemption on Goods Imported by Post or Courier Services

- The exemption of customs duty and VAT on value of an article imported by post or courier services is reduced from Mur 3,000 to Mur 1,000.

### Sugar tax

- The rate of customs duty on import of sugar increased from 80% to 100%.

### Excise Duty - Motor Vehicles

- A partial refund on the amount of customs/excise duty payable is granted on vehicles which were in bonded warehouse before 05 June 2020 and cleared from customs before 30 June 2021.

### Extension of Moratorium Period for Non-Affixing of Tax Stamps on Bottles of Beer and Wine

- The moratorium period given to allow the existing stock of alcoholic products to be sold without tax stamps has been extended up to 02 February 2021.





## Value Added Tax

### Commencement Date

- On the proclamation of the Finance Act

The following exempt goods are now classified as zero-rated goods:

- Unprocessed agricultural and horticultural produce;
  - Live animals of a kind generally used as, or yielding or producing, food for human consumption other than live poultry;
  - Transport of passengers by public service vehicles excluding contract buses for the transport of tourists and contract cars; and
  - Medical, hospital and dental services.
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- Goods imported in multiple consignments or shipments to be assembled into a complete finished good, such as a photovoltaic system or a greenhouse are classified as zero rated.
  - VAT is imposed on digital and electronic services consumed in Mauritius provided by non-residents through internet.

### Duty Free Shops and Deferred Duty and Tax Scheme (DDTS) Shops

- As from 01 January 2022, a limit is imposed on the quantity that Duty Free Shops and DDTS Shops can sell on the local market, but with payment of duties and taxes.



## Companies Act

### Commencement Date

- On the proclamation of the Finance Act

- Online re-instatement of companies together with the procedures for giving notice.

	From	To
Fees for re-instatement of defunct companies	Mur 15,000	Mur 5,000

- Directors' conducts is defined and engage Director's liability for prejudicial conduct in relation to the shareholders.
- Entities listed on the Stock Exchange of Mauritius should comprise at least 2 independent and non-executive directors on the Board of Directors.
- Registration of Ultimate Beneficial Owners as well as for VAT upon business registration and company incorporation.
- Review of temporary measures relating to, amongst others, extension of time limits in the Companies Act, Limited Liability Partnerships Act, Limited Partnerships Act, Foundations Act and the Insolvency Act.

### Registrar General's Amendments

- Mandatory online submission of deeds of transfer and other documents for registration through the Mauritius E-Registry System (MERS) for notaries, banks, insurance companies, leasing companies and new and imported second hand dealers in motor vehicles.
- Setting up of a one-stop-shop facility at the Registrar-General Department for the registration of motor vehicles.
- Increase in number of accesses granted to each notary for search and registration on the MERS.
- Elimination of the requirement for a Certificate of Registration from the Economic Development Board (EDB) for warehouses. However, the buyer to submit an undertaking at the time of registration of the deed to the Registrar General.

### Easing of Construction Permits

- Mandatory online application for a Building and Land Use Permit (BLUP) for all construction types and sizes.
- Waiver of BLUP application fee.

## 4. TAX ADMINISTRATION





## Customs Act

### Commencement Date

- To differentiate between a passenger, crew member and master of an aircraft or ship in view of the forthcoming application at Customs of the Advanced Passenger Information and Passenger Name Record system, a definition of “passenger” will be introduced for risk management purposes.
- The principal officer of a private company is liable for any taxes due by the private company, except for VAT where the principal officer may be the executive director or any other person who is entitled to exercise the powers of Board of directors.
- The time frame of 28 days to settle any underpayment of duties, excise duties, taxes and penalties will be extended to cover the following:
  - default on deferred payment facilities;
  - non-submission of cargo report for an aircraft or ship; and
  - importation of selected prohibited goods.
- Any aggrieved importer/manufacture have the right to appeal against the claim of underpayment.
- With a view to making operators more compliant with customs laws, any customs declaration (Bill of Entry) made in respect of imports is deemed to be a self-assessment.
- A penalty of Mur 500 per day up to a maximum of Mur 5,000 will be imposed for owner/authorised agent of an aircraft/ship who fails to give a cargo report in respect of the aircraft or ship, its cargo and passengers.
- An aggrieved person have a right of appeal against the penalty.
- The MRA gives public notice where the latter suspends the clearance of imported goods or detains goods on the local market which are suspected of infringement of industrial property rights.
- MRA Customs suspend the clearance of imported goods or detain goods on the local market which have not been imported by the rights holder in case the goods –
  - are imported for personal use in small non-commercial quantities or are in the luggage of a passenger, master or crew;
  - were shipped before the date or within one year from the public notice issued to the effect that it has granted an application by a right holder; and
  - were in bonded warehouse or had already been manufactured in Mauritius for home-consumption/export prior to the public notice.





## Customs Act

### Commencement Date

- In case the rights holder does not initiate legal proceedings for two consecutive cases during a period of 6 months, the MRA Customs will not suspend/detain any similar future consignments unless and until the right holder initiates legal proceedings.
- A person who:
  - has continuously worked for the Freight Forwarding Agent in the capacity of director or employee related to the entry of goods from the time the authorization as agent was granted;
  - successfully completes a Recognition of Prior Learning Course conducted by MRA Customs; and
  - is successful in an oral examination conducted by MRA Customs

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will be empowered to act as a broker of a company holding a Freight Forwarding Agent license prior to March 2006.

### Customs Tariff Act

- The rate of exchange to be used for valuation purposes will be posted on the website of the MRA.

### Income Tax

- From the date all necessary documentation related to the application for an income tax refund is received by the MRA, the latter has a time limit of 60 days to process the refund for all taxpayers.
- To improve efficiency and transparency in service delivery to taxpayers, the MRA will further develop its e-services platform.

### Mauritius Revenue Authority Act

- The case of an aggrieved party who repeatedly fails to attend or to be represented upon being convened before the Assessment Revenue Committee will be struck out if such failure is not due to illness or other reasonable cause.



Others

## Commencement Date

- On the proclamation of the Finance Act

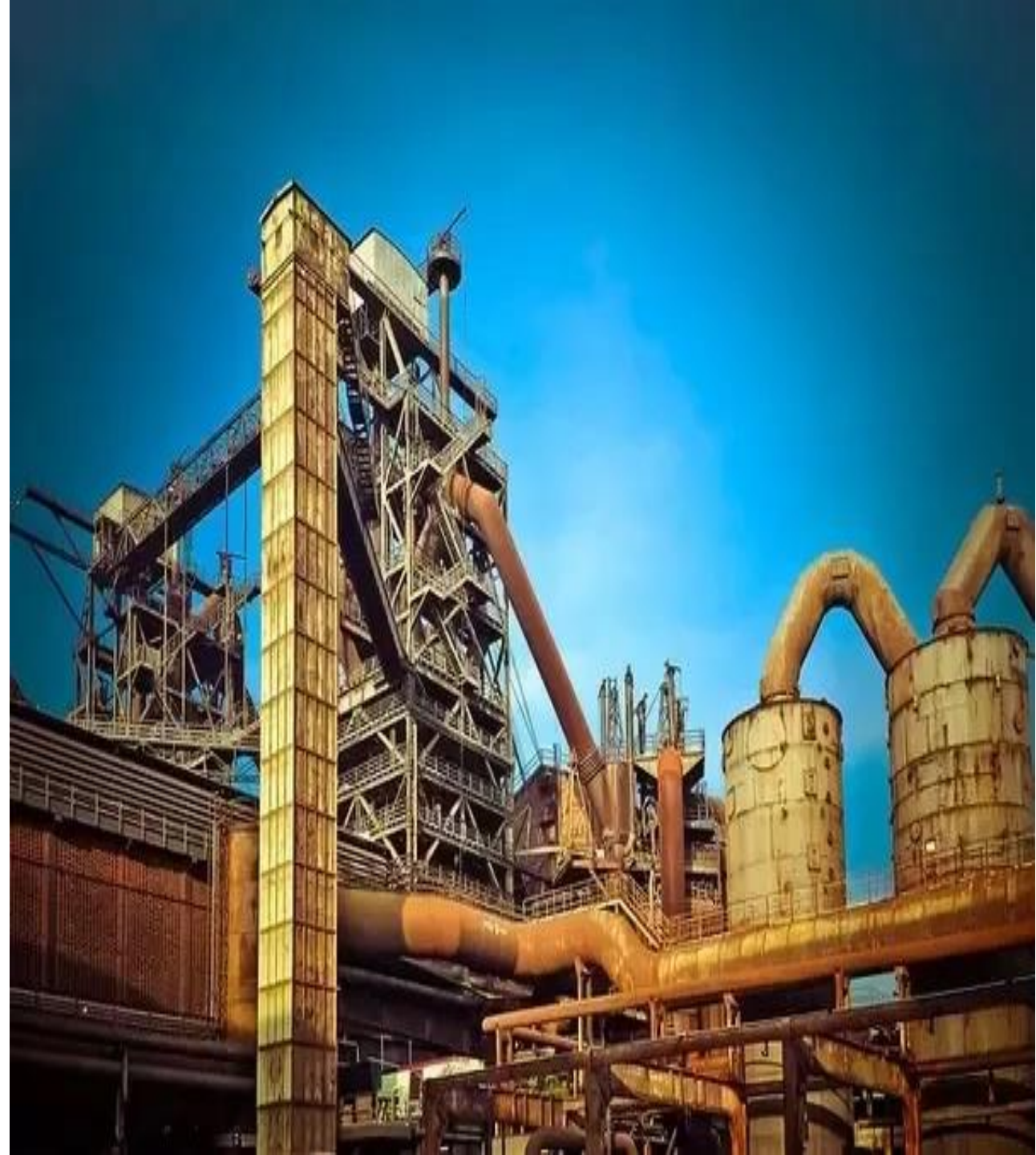
## Value Added Tax Act

- Where a transaction is not at arm's length, the taxable value is the market value of the supply.
- Where a VAT registered person is engaged in a project spanning over several years, he may apply for an alternative basis of apportionment for input tax.
- An administrator/executor/receiver/liquidator have to inform the MRA of his appointment within 15 days.
- A provision is made to allow a claim in respect of a VAT refund for a residential building of less than Mur 25,000 to be entertained where the amount of VAT paid during a quarter and the preceding three quarters do not exceed Mur 25,000.
- To enhance tax compliance, a VAT e-invoicing system is introduced at business level, on a pilot basis.

## Registrar-General's Department

- On the acquisition of a residential unit from the National Empowerment Foundation, a person who is registered on the Social Register of Mauritius is exempted from the payment of registration duty.

## 5. SECTORAL MEASURES





## Infrastructure



- Mur 1.2 billion to be provided by the National Environment Fund (NEF) for the construction drainage infrastructure in high risk flood-prone areas across Mauritius and Rodrigues.
- Implementation of 2 major wastewater projects to connect some 7,000 houses at Grand Baie and Pailles Guibies to the sewerage system.
- Construction of housing units for families earning up to a maximum Mur 60,000 monthly with different Government subventions up to a maximum 80 % of the cost.
- Mur 1.3 billion attributed to Local Authorities and the National Development Unit for the completion of different projects.
- Mur 300 Million to be invested on a PPP basis for the construction of an Integrated One Stop Centre at Beau Bassin and an integrated Market, Gymnasium and Sports amenities at Bassin, Quatre Bornes.
- Improvement in the distribution of water, increased water storage, treatment facilities and reducing water losses.
- Mur 8.4 billion has been provided to the Police Force for diverse security measures across its different departments.
- Mur 12 billion for the construction of 12,000 social housing units across the whole island.
- Construction of Rivière des Anguilles dam at an estimated cost of around Mur 7.5 billion.
- Investment of around Mur 6 billion is expected in the main bus terminals along the Port Louis – Curepipe corridor into multi-modal Urban Terminals.
- Funding of some Mur 5.2 billion for the construction of new roads and bridges.
- Completion of the Metro System from Rose Hill to Curepipe for Mur 5 billion.

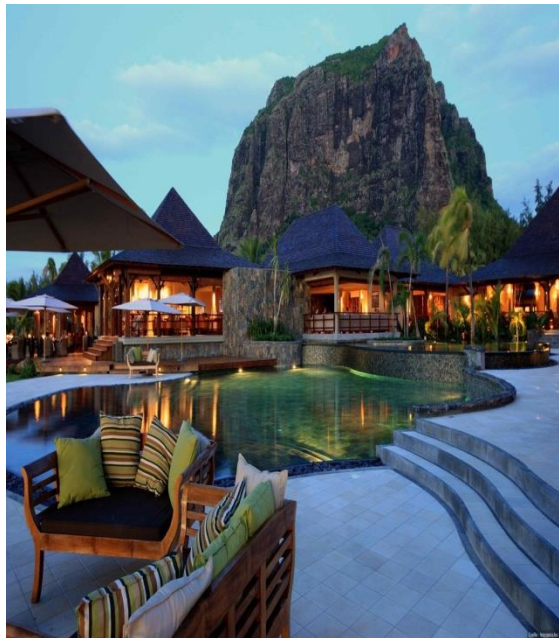




## Infrastructure



- Government will incentivise the construction industry through-
  - Waiver fees related to the Building and Land Use Permit (BLUP) for construction of pharmaceutical manufacturing factories, food processing plants and warehouses.
  - Facilitating purchases of immovable properties by foreign buyers through digital Power of Attorney.
- Introduction of payment of VAT for Government contracts in relation to construction works as from the date of receipt instead of the date of invoice.
- Payment to contractors within 28 days instead of 56 days for Government projects of up to Mur 300 Million and any retention amount is paid fully within 6 months instead of 12 months.
- Promotion of our local expertise, favour input from local firms and ensure that the employment created can be taken up by Mauritians.
- Public projects with investments of less than Mur 300 million and where pre-qualification is not required by Central Procurement Board, will be opened to Mauritian companies only.



The recovery process in the sector will be prompted by:

- Establishing a protocol so as to ensure that all sanitary precautions from arrival to departure.
- Maintain the competitiveness of the industry by:
  - Giving support to our national carrier.
  - Help the Mauritius Tourism Promotion Authority (MTPA) and Economic Development Board (EDB) to develop a new tourism branding strategy.
  - Enter a commercial partnership with the Liverpool Football Club (LFC) for the promotion of the Mauritius destination, starting September 2020.
- Introduction of the Aparthotel Scheme to enable existing hotels to convert part of their accommodation units into services apartments that can be sold individually.
- Allow the Invest Hotel Scheme owners to occupy their units for a total period of 90 days instead of 45 days per year.
- Special arrangements will be made at the airport to accommodate visitors coming in private jets so as to attract High Net Worth tourists.
- Organisation of major events in Mauritius by MTPA where various tour operators, travel agents and international press will be invited to experience the local tourism industry.
- To further boost operators in the tourism industry:
  - Exemption of payment of licence fee for a period of two years for the licensees of the Tourism Authority and Beach Authority.
  - Waiver of the rental payment of state lands for hotels for the upcoming financial year.
  - Increase of The Hotel and Reconstruction Scheme rebate from 50% to 100% on rental of state land by hotels up to 30 June 2022.
  - Companies operating under the Deferred Duty and Tax Scheme as well as the Mauritius Duty Free Paradise will be allowed to sell their goods on the local market, provided they pay the taxes up to December 2021.
- Development Bank of Mauritius (DBM) will provide loan facilities to taxi operators based at hotels.



## Financial Sector



Mauritius being an international financial services center of substance and repute, the financial services industry is characterized by strong regulation yet friendly business approach. Mauritius has also positioned itself as the gateway to Africa. The financial services sector is a key economic pillar with a 10% contribution to GDP.

Implementation of:

- Risk-based supervision.
- Promotion of programmes for a clear understanding of money laundering and terrorist financing risks.
- Increased reporting of suspicious transactions.

Amendments to be implemented in the Financial Services Act as follows:

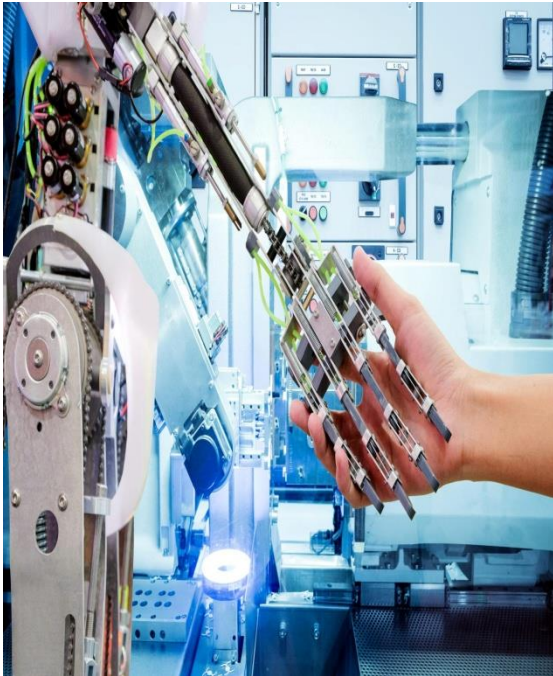
- Proper definition of peer to peer lending.
- An employee may be appointed by the board of directors to depute the Chief Executive in his absence to exercise the powers conferred in the Financial Services Commission.

- Flexibility for filing of annual financial statements during curfew, emergency situation and natural disasters.
- Filing of annual financial statements is exempt if the FSC is of the opinion that that it is not required.
- Auditors are required to disclose all irregularities of the licensee to the FSC.





## IT Sector

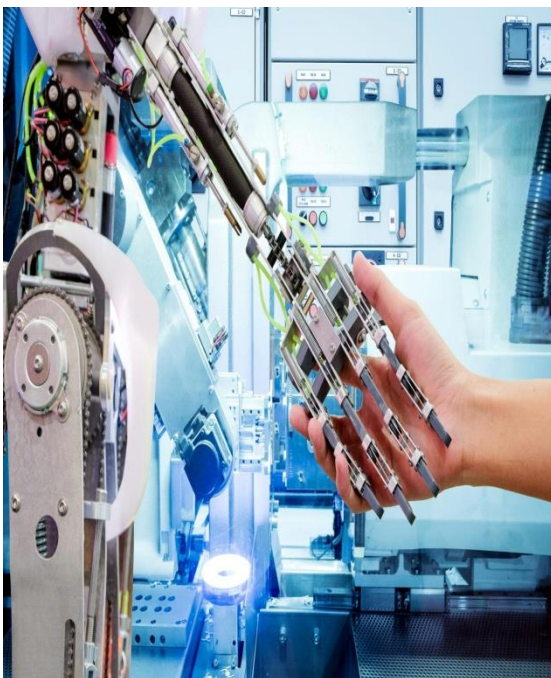


- Construction of sophisticatedly designed Côte d'Or Data Technology Park supported with up to date technology and business philosophies comprising of 12 different centres:
  - An ICT Centre with a finest Cloud Native practices for development of an upgradable secured software.
  - A Sustainable Technology Centre to manage future infrastructure operations.
  - An Additive Manufacturing and Design Innovation Centre assisted with 3D Printing technologies and other advanced manufacturing processes.
  - A Deep Artificial Intelligence Centre for the development of a first carbon Neutral Green Tier 4 Data Centre in growing a central pillar and be the accelerator for the digital transformation of Mauritius.
  - An Advance Sciences Centre in developing competitive international science and engineering landscape.
  - A Logistics and Facilities Centre responsible for monitoring and driving the Technology Park through data collection and ensure the smooth running of all centres.
  - A Food Technology Centre focusing on cost-effective and high-tech farming measures to encourage smart farming to increase our independency of local livestock and agriculture.
  - A Health and Wellness Centre promoting research and assisting in the evolution of pharmaceutical products and medical devices.
  - A Mixed Media Centre for promoting and sustaining the local artist and Mauritian Culture.
  - A Reform And Policy Centre implementing structural reforms of accreditation agencies, governing bodies and consumer services to ensure compliance with American and European standards.





## IT Sector



### Digital Transformation

- Investing in research and innovation projects such as telemedicine, e-education, agri-tech solutions and digital platforms.
- Implementation of online payment technology in Government online systems.
- Creation of a Government Safe to provide safeguarding facilities of electronically-signed documents to citizens.
- Provision of a one-stop-shop for registering motor vehicles at the Registrar-General.
- Introduction of a Public Sector Transformation by the MRIC to promote innovative companies and infant companies to develop software for the public sector.

### Agricultural Sector

- Loans at a reduced rate of 0.5% provided to companies affected with the Covid-19 pandemic by the Development Bank of Mauritius (DBM).
- Promised price of Mur 25,000 per ton for the first 60 tons of sugar ensured by the Government.
- Grant of 50% of the cost of permanent netting structures provided to orchard owners.
- Small planter, having up to 10 acres of agricultural land, subject to the approval of Landscape Mauritius Ltd, be allowed to convert up to 10 percent of his land for residential or commercial purpose.
- Re-classification of unprocessed agricultural and horticultural produce from Exempt Goods to Zero-Rated under Value Added Tax Act.



## Agricultural Sector



- A loan of up to Mur 5 million under the New Agricultural Loan Scheme serving as encouragement to re-cultivate abandon land and assist planter in adopting new cultivation techniques.
- Up to Mur 1 million loan under the Mechanisation Loan Scheme to help reduce cost of production by the acquisition of machinery and farm equipment.
- Encourage planters to invest in seed and seedling production through a loan of Mur 1 million granted under the Seeds and Seedling Loan Scheme.
- Investment in the transformation, processing and packaging of agricultural products encouraged by a loan up to Mur 5 million under the Agro-Industry Loan Scheme.
- Backyard gardening and roof top production encouraged through a loan of up to Mur 25,000 will be given to housewives under the Backyard Gardening Loan Scheme.
- A Food technology Centre erected in the Cote d'Or Technology park to promote smart agriculture and food self-sufficiency and reduce our dependencies on import via cost-effective, small-footprint and high-tech farming initiatives
- Amendments made to The Mauritius Agricultural Marketing Act to help the Agricultural Marketing Board (AMB):
  - Intervention for the price stabilization of agricultural produce.
  - Ensure systematic supply of the agricultural products at affordable price; and
  - Overview the operations of the National Wholesale Market.
- The Mauritius Cane Industry Authority Act amended for:
  - The processing of applications for the manufacture of Integral Sugar by the Control and Arbitration Committee of the MCIA; and
  - A miller to deliver cane juice or any other intermediate product in sugar processing to a person engaged in the production of products other than sugar, subject to approval of the Board.
- Waiver of insurance premium payable to the Sugar Insurance Fund Board (SIFB) for planters producing up to 60 tons of sugar.



### Small and Medium Enterprises (“SMEs”)

- Introduction of a new Credit Check to assess the credit worthiness of Small and Medium Enterprises (SMEs) and Mid-Market Enterprises (MMEs) applying for funding under Government-sponsored schemes and guarantees. ISP Ltd to provide a grant to help SMEs and MMEs to obtain a Credit Check report.
- Investment by SME Equity Fund Ltd through the crowd lending mechanism to the tune of up to Mur 200,000 per project.
- Increase in the one-off grant towards certification under ‘Made in Moris’ label varying from Mur 5,000 to a maximum of Mur 50,000.
- Broadening of access to factoring facilities through Maubank to ease cash flow of SMEs.
- Subsidy of 50 % from the ISP Ltd of the factoring fee per invoice for SMEs.
- Procurement of specific goods and services from SMEs only by Public Bodies through policies of The Procurement Policy Office.
- Payment within 14 days to SMEs from date of invoices in respect of supply of goods and services by Public Bodies.
- Grant benefit of 15 % on cost of assets of up to a maximum of Rs 150,000 under the DBM Enterprise Modernisation Scheme to SMEs and cooperative societies.
- Grant of up to Rs 50,000 from Cooperatives Development Fund to cooperative societies to boost local production for:
  - the purchase of livestock; and
  - acquisition of equipment involved in the production of food items.



The Mauritius office benefits from the support of the global Mazars organisation in areas such as technical support, risk management and ongoing training from our offices in France and South Africa.

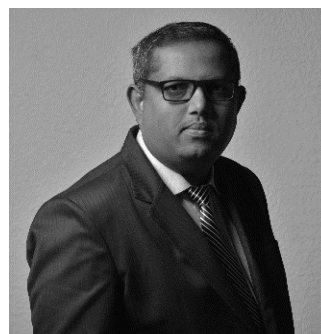
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- ▶ **International tax structuring;**
- ▶ **VAT services;**
- ▶ **Transaction Support;**
- ▶ **Lead Advisory; and**
- ▶ **Valuations and business modelling.**



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### **Notice**

*All information is believed to be correct at the time of publication. This is not intended to be a comprehensive package of measures in the budget and should not be relied upon as such. The information presented in this document has been extracted from the Budget Speech delivered by the The Minister of Finance and Economic Planning and Development, Dr the Honourable RENGANADEN PADAYACHY to the National Assembly on 04 June 2020. Specific advice should be sought in any specific matter.*

**06 June 2020**