Dear Readers,

We welcome you to this special edition of the EDB newsletter following the budget 2020/21 presented by the Minister of Finance, Economic Planning and Development, Dr the Hon. Renganaden Padayachy.

While the greater part of the global economy is still in a partial recovery mode, our country, with a case sheet of Covid-19 under control, is resuming its economic and business activities, and this gives us an edge over several economies.

Though we may have limited the health impact of the Covid-19 for now, the economic fallout, however, will be hard hitting. The pandemic has pushed job creation targets, exports, consumption, and investments down as the lockdowns all over the world impacted manufacturing and demand at home and abroad.

Budget 2020/21, presented under exceptional circumstances, is already a landmark in our history. It is the first turn of the rudder to steer our economy out of this unexpected storm and will underpin the basis of our economic recovery.

With its outlay of MUR 162.9 billion and more than 150 measures, the budget triggers a number of bold strategies to set the wheels for a sustained steady recovery of the economy in motion. The emphasis will be to protect employment, help sustain small businesses and entrepreneurs, revitalize industries, reduce social inequalities and poverty, restore consumer and investor confidence and build up resiliency and autonomy.

The Bank of Mauritius has set up the Mauritius Investment Corporation to be at the forefront of adjudicating the companies affected by Covid-19 and in need of financial support to keep them afloat and to prevent major layoffs or closures.

Fiscal responsibility pervades throughout the budget in other forms too, and this without falling in the pitfalls of strict austerity. This is a stance which is welcomed by the EDB as it puts long term sustainability of public finances at the forefront, which is essential for economic stability and hence provides confidence for investors.

In fact, the Hon. Minister of Finance, Economic Planning and Development has announced a balanced recurrent budget, which is greatly supported by drastic cuts in unproductive expenditures by Government. This sends an important signal to the international community, as balanced budgets usually improve our country’s credit rating, tapers inflationary pressures and provides additional leeway for Government to intervene during downturns.

Major consideration has been given to achieve self-sufficiency through imports substitution for strategic industries such as crop production, farming, food processing and pharmaceuticals. In particular, the updated and enlarged mandate of the Agricultural Marketing Board will be highly beneficial for farmers and the general population, as a guaranteed income will encourage local production and provide a needed step towards self-sufficiency. Currently, Mauritius imports around MUR 200 billion worth of goods, of which food and live animals represent 18% (MUR 35.9 billion) and fuels represent 18.5% (MUR 36.8 billion). There is thus a market for these products, and the guaranteed income and the land bank allocation of more than 20,000 acres will push for a return of the agricultural sector as another important contributor of national income.

A bolstering plan for the manufacturing sector has been detailed, with facilities and means provided for the industry and its companies to adapt their production capacity, to re-engineer their facilities and equipment for varied products and to invest in modern technology. Also, a data technology park will be set up at Cote d’Or, laying the foundations of an innovative and data driven economy and create jobs for the future generation.
The setting up of a pharmaceutical manufacturing plant on a Public-Private Partnership basis and a medical cluster is also timely. The strategic importance of these sectors cannot be underestimated as the pandemic has shown us that we cannot remain at the whims of global supply chains and geopolitics for such important supplies. Furthermore, this will provide new export opportunities and became an important pillar of growth.

The development of major public infrastructure projects will be continued in view of directly stimulating demand and job creation in the construction sector. Key measures have been enunciated to assist the private sector in pursuing the development of construction projects. Government has also amplified the housing plan with the construction of more than 12,000 units over 3 years. In the same vein, numerous measures have been announced to further boost the construction sector and ensure that positive growth is maintained.

Notably, the budget implicitly recognises that while we usher in these strategic economic sectors, we need to have the right skills, expertise and talents in our country in the short term while we engage in the development of our own human capital. The extension of the occupation permit from 3 to 10 years, removal of constraints and streamlining of procedures for acquiring occupation permit send the right signal to the business community. Non-citizen investors, professionals and retirees need certainty for themselves and their families before opting for a place where they may be spending a significant part of their lives. Similarly, employers need visibility before engaging foreign professionals. Thus, the amendments to the occupation permit will further improve the image of Mauritius as an international hub for talents.

This budget also strategizes the inception of a circular economy model which will both improve our waste management system and create economic value.

In addition, Government reaffirms its sustainable development goals by announcing a 40% share of local renewable energy by 2030, which will trigger consequent investments in the core national infrastructure. In addition, households and MSMEs will be empowered to engage in production of renewable sources of energy namely through a 10 MW renewed Medium Scale Distributed Generated Scheme and roof-top solar units for households.

In line with driving the recovery plan, the EDB is further vested with the continuous task of improving the doing business settings and additional powers for the facilitation of projects and investments. Already, before the confinement reached its end, cross facilitations with authorities were underway to ensure that projects in the pipeline, with a gross investment value of MUR 62 billion, would have every opportunity to be implemented swiftly in the coming weeks.

We will leave no stone unturned in our endeavour to mobilise and bring in investors and capitals in Mauritius to achieve our primary objective, which is the creation of quality jobs.

Government has outlaid the tools and resources towards a steady recovery, but its success will not rest only on what has been read out or what will be promulgated in a few days in the Finance Bill. Instead, it will depend on the disciplined, consistent, coordinated, collaborative, unified and patriotic efforts of all stakeholders, authorities, industries, companies, employers, employees and all remnants of the population at large towards making the recovery plan transcend into real terms.

The coming months will be testing, but tough times mould a country, and our country has had no dearth of challenges that it has always overcome.

We will vanquish the Covid-19 first, and along the way, rebuild the country’s economy, and this time not just to be prosperous but above all to become resilient.

In keeping with our ongoing tradition, the EDB is providing highlights of all the key measures announced for the different sectors of the economy in this edition of our newsletter.

I wish you a pleasant reading and we remain resolutely committed more than ever to support all our stakeholders.

Ken Poonoosamy
Ag. Chief Executive Officer
FDI Flows under the Different Scenarios on the Effectiveness of Public Health and Economic Policy Measures

FDI inflows, by region and economy, 2015 - 2018 (Millions of dollars)

<table>
<thead>
<tr>
<th>Region</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>2,033,802.4</td>
<td>1,918,678.6</td>
<td>1,497,370.7</td>
<td>1,297,152.8</td>
</tr>
<tr>
<td>Developed economies</td>
<td>1,268,594.3</td>
<td>1,197,735.0</td>
<td>759,256.1</td>
<td>556,892.0</td>
</tr>
<tr>
<td>Developing economies</td>
<td>728,813.6</td>
<td>656,289.9</td>
<td>690,576.1</td>
<td>706,042.8</td>
</tr>
</tbody>
</table>

Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics)
Global merchandise trade values
(Growth rate over previous quarter, seasonally adj. series)

Evolution of trade value nowcasts with new data, first quarter of 2020
Gross Direct Investment Flows in Mauritius
(Excluding Global Business)

<table>
<thead>
<tr>
<th>(Rs. Million)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Direct Investment flows</td>
<td>13726</td>
<td>18160.9</td>
<td>22342</td>
<td>17370</td>
</tr>
</tbody>
</table>

Source: BOM

Gross Direct Investment Flows

Source: Bank of Mauritius and EDB Forecasts

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</tr>
</thead>
<tbody>
<tr>
<td>Total Direct Investment flows</td>
<td>14</td>
<td>18</td>
<td>22</td>
<td>17</td>
<td>19</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Bank of Mauritius and EDB Forecasts
Inflation: 4.0% (2.2% in 2019/20)

GDP growth: -7.0% (-5.8% in 2019/20)

Expenditure: MUR 162.9 billion

Revenue: MUR 162.9 billion

Budget Balance: 0% of GDP (-13.6% in 2019/20)

Public sector debt as % of GDP: 78.2%

Plan de Relance de l’investissement et de l’économie: MUR 100 billion
Plan de Relance de l’investissement et de l’économie
Manufacturing and Exports

- Protect and promote local production through a legal framework and a Buy Mauritian policy
- Minimum shelf-space of 10% for locally manufactured goods
- 30% local content requirement for procurement of goods by Ministries and Government entities
- Margin of preference of 20% for public procurement for all local manufacturing enterprises and 30% for MSMEs
- The investment tax credit of 15% will be extended to all manufacturing companies over 3 years
- Double deduction for the acquisition of patents and franchises and for the costs of certifications with international standards
- ISP Ltd. will financially support enterprises involved in the manufacturing of sanitary products such as sanitizers, PPEs, masks, handwash and medical devices
- Port and handling charges will be waived from July to December 2020 and reduced by 50% from January 2021 to June 2021
- Extension of Freight Rebate Scheme for exports to Africa and the Trade Promotion and Marketing Scheme for exports to Japan, Australia, Canada and the Middle-East
- Extension of the Export Credit Insurance Scheme to cover all exports
- Financing of the administrative costs for a 'Made in Mauritius' warehouse in Tanzania and Mozambique
- Review of our export model of the textile sector by an internationally renowned institution
- 50% refund on the costs of certification, testing and accreditation of local laboratories
- Registration duty and land transfer tax for the purchase of immovable property will be waived
Agroindustry and Food Security

- Introduction of a National Agri-food Development Programme to promote the Farm to Fork concept and ensure food security and reduce our dependence on imports

- Setting up of a publicly accessible centralised digital land bank- The Land Bank of State and Private Agricultural Land- under Landscope (Mauritius) Ltd as a platform to connect landowners with potential agro-producers. Around 20,000 acres will soon be listed

- Small planters owning up to 10 acres of agricultural land will be authorised to convert up to 10 percent of their land for residential and commercial purposes, subject to approval from Landscope (Mauritius) Ltd

- Landscope (Mauritius) Ltd, with the support of SIC, will acquire private agricultural land

- FAREI to develop the necessary standards and norms for production, storage, transformation and commercialization of super-foods

- The Agricultural Marketing Board Act will be amended for the AMB to:
  - Develop an agri-food development programme towards strategic food crop production in line with local demand
  - Manage the National Wholesale Market before end of 2020
  - Establish a price guarantee and stabilization mechanism

- Invest in regional storage facilities (cold room and dry room) to improve on shelf life for abundant seasonal crops

- Ensure availability of seeds and develop new varieties

- Provision of technical support to small planters to allow them to participate fully in the National Agri-Food Development Programme

- Increase in the subsidy for the purchase of seeds from MUR 5,000 to MUR 25,000 per tonne for the production of potatoes and onions

- Annual premium under the Crop Loss Compensation Scheme managed by the Small Farmers Welfare Fund will be removed

- 50% grant on the cost of permanent structures under the Fruit Protection Scheme will be provided

- DBM to provide preferential loans at 0.5% per annum to businesses affected by Covid-19

- For the 2020 sugarcane harvest:
  - Guaranteed price of MUR 25,000 per tonne for the first 60 tonnes of sugar
  - Insurance premium payable to SIFB by planters producing up to 60 tonnes of sugar will be waived
  - MCIA will bridge the loss from suspension of CESS payment
Cane Replantation Programme will be maintained to bring back land under sugarcane cultivation.

Increase of customs duty on imported sugars to increase from 80% to 100%.

DBM Ltd will provide the following loan facilities:

- Up to Rs 5 million under the New Agricultural Loan Scheme for cultivating abandoned land back and assisting planters to adopt new cultivation techniques.
- Up to Rs 1 million under the Mechanisation Loan Scheme for acquisition of machinery and farm equipment.
- Up to Rs 1 million under the Seeds and Seedling Loan Scheme to encourage investment in seeds and seedling production.
- Up to Rs 5 million under the Agro-Industry Loan Scheme to encourage investment in the transformation, processing and packaging of agricultural produce; and
- Up to Rs 25,000 under the Backyard Gardening Loan Scheme to encourage backyard gardening and roof top production.
Construction and Real Estate

- **Public infrastructure projects**
  - MUR 12 bn for 12,000 social housing projects
  - MUR 7.5 bn Riviere des Anguilles Dam
  - MUR 6.4 bn for new roads and bridges
  - MUR 6 bn for multi-modal urban terminals across the Port Louis-Curepipe corridor
  - MUR 5 bn for construction of Metro express between Rose Hill and Curepipe
  - MUR 3.2 bn for modernisation and extension of bus stations over next 3 years
  - MUR 2.2 bn for breakwater, fishing port and cruise terminal
  - Amendment of the Code Civil Mauricien relating to Copropriete des Immeubles et Les Ensembles Immobiliers to:
    - Give more flexibility in appointing a proxy for an AGM of a syndic
    - Clarify the determination of majority votes
    - Provide for the definition of an ‘administrateur’

- **Boosting private construction**
  - High Level Committee chaired by Prime Minister to accelerate processing and approval of 34 projects worth MUR 62 bn under consideration at the EDB
  - Exemption of BLUP fees for construction of factories for pharmaceutical manufacturing and food processing as well as warehouses
  - Digital power of attorneys to facilitate acquisition of property by non-citizens
  - Extension of the Construction of Housing Estate Scheme and Acquisition of Newly Built Dwellings Scheme for an additional period of 2 years. The limit will be increased from MUR 6 mn to MUR 7 mn per property
  - Allowing for payment of VAT as from the date of receipt instead of the date of invoice for Government contracts in relation to construction works.
  - For Government projects not exceeding MUR 200 mn, contractors will be paid within a reduced timeframe of 28 days compared to 56 days. The retention period is being reduced from 1 year to 6 months
  - CIDB Act amended to review grading of contractors
  - Public projects under MUR 300 mn and for which pre-qualification is not required from CPB will be open to local enterprises only.
Small and Medium Enterprises

- DBM will provide MUR 10 bn for enterprises and cooperatives in distress
- Loans at a preferential rate of 0.5% per annum per enterprise up to a maximum of MUR 10 mn
- DBM will provide loan facilities to taxi operators based at hotels.
- Increase in the subvention for certification by Made in Moris from MUR 5,000 to a maximum of MUR 50,000
- Made in Moris certified SMEs to benefit from 40% margin of preference on procurement compared to 30%
- A Technology and Innovation Fund will be created to invest up to Rs 2 million as equity in projects recommended by Mauritius Research and Innovation Council.
- The 10 best projects under DBM’s Campus Entrepreneur Challenge will be financed at through a loan at a preferential rate of 0.5% up to MUR 500,000 each
- Government will encourage broadening of access to factoring facilities through Maubank.
- The ISP Ltd will subsidise fifty percent of the factoring fee per invoice for SMEs.
- PPO to issue directives for public institutions to acquire specific goods and services from SMEs only
- Public institutions to effect payment to SMEs within 14 days from the date of invoice
- A subsidy of 15% on the cost of assets up to a maximum of MUR 150,000 under the DBM Enterprise Modernisation Scheme
- The Cooperatives Development Fund will provide a grant of up to MUR 50,000 to cooperatives for:
  - Purchase of livestock
  - Acquisition of equipment for food production
- DBM Ltd will acquire industrial buildings at Coromandel, Terre Rouge and Vallée des Prêtres and will construct new SME Parks at Plaine Magnien and Vuillemin
- Introduction of a new Credit Check to assess the credit worthiness of SMEs and MMEs. ISP Ltd will provide a grant to help SMEs and MMEs to obtain a Credit Check report
- SME Equity Fund Ltd will invest up to Rs 200,000 per project
- Increase of the one-off grant towards certification under “Made in Moris” label from Rs 5,000 to a maximum of Rs 50,000
Healthcare and biotechnology

- Mauritius Investment Corporation will invest in the production of pharmaceutical products, medical devices, and PPEs through a PPP enterprise.
- Introduction of a Medical Products Regulatory Authority to ensure conformity with international norms and standards.
- The Human Tissue Act will be fully proclaimed.
- Registration duty payable upon acquisition of immovable property for business purposes in the life sciences sector will therefore be waived.
- Pharmaceutical R&D centres will benefit from the following incentives:
  - VAT exemption on construction material.
  - VAT exemption on acquisition of specialized equipment.
  - Double deduction on R&D expenditures.
- Setting up of a regulatory framework will be set up for telemedicine platforms.
- The Ministry of Health and Wellness will elaborate a new 5-year strategic plan.
- Significant investments will be made in the health sector:
  - A new cancer hospital equipped with state-of-the-art technologies will be operational in December 2020.
  - The construction of a new Eye hospital will start in October 2020.
  - The construction of a new teaching hospital will start beginning 2021.
  - A renal transplant unit will be set up at JNH.
  - A new national service laboratory will be set up at Cote D’Or.
  - A new warehouse with optimized conditions for pharmaceutical products will be constructed.
  - A National Laboratory Information Management System (LIMS) will be put in place.
Blue Economy

- MIC to invest in joint ventures engaged in fishing as well as the whole value chain
- Introduction of an inland aquaculture scheme as follows:
  - An 8-year tax holiday
  - Duty and VAT exemption on equipment
- Daily Bad Weather Allocation for fishermen to increase from MUR 365 to MUR 425
- Introduction of a single license to accommodate chartered yacht calls in Mauritius to allow for:
  - Multiple berthing options
  - Helicopter flight and landing rights in the island
  - Gaming rights
To meet the requirements of the Financial Action Task Force:

- Risk-based assessment for conformity
- Targeted sensitisation programmes to promote understanding of risks related to money-laundering and financing of terrorism
- Reporting on suspicious transactions
- Financial sanctions in cases of terrorism financing
- Real-time access on information on ultimate beneficiary ownership
- Introduction of a new AML/CFT (Miscellaneous Provisions) Bill
- Setting up of a Financial Offences Court

To diversify our offerings, the following will be introduced:

- A digital currency by the Bank of Mauritius
- The insurance wrapper to capture specified income and activities
- A Variable Capital Company (VCC) framework offering flexible corporate structure will be introduced to complement the existing panoply of investment fund structures available
- Issue of Sukus by the Bank of Mauritius
- A framework for the Blue and Green bonds by the Bank of Mauritius
- A new framework to regulate online banking, private banking and wealth management for banks
- A dedicated Venture Capital Market will be set up at the Stock Exchange of Mauritius for start-ups and SMEs
Culture and creative industries

- MUR 19 mn to finance the Covid 19 action plan and support virtual concerts
- MUR 15 mn for events to be established under a ‘Calendrier culturel’
- MUR 35 mn for preservation and rehabilitation of historical and cultural sites
- Launching of an expression of interest to develop a cultural quarter in Port Louis
- Opening of strategic public areas for public and street arts
- Creation of an online art gallery by the EDB and the National Art Gallery to facilitate exhibitions and sales
- Spaces to be made available at the Cote d’Or Multisport Complex for exhibitions and artistic performances
- Organisation of an Art Festival in June 2021 over the Music Day weekend
Tourism

- Introduction of a sanitary protocol for tourists
- Support to our national carrier
- New branding strategy by MTPA and ED8
- Partnership with Liverpool Football Club for the promotion of the destination as from September 2020
- Introduction of an Aparthotels Scheme to allow hotels to sell part of their existing units as individual flats
- Invest Hotel Scheme to allow owners to occupy their units for a period of 90 days instead of 45 days
- MTPA to organise major events with tour operators, travel agencies, and representatives of the international press
- Licensees of the Tourism Authority and Beach Authority will be exempted from the payment of license fees for a period of 2 years
- Lease payments for hotels on State Lands will be waived for the next financial year
- The subsidy of 50% on the lease of State Lands under the Hotel Reconstruction and Renovation Scheme will be increased to 100% for 2 years until 30 June 2022
Innovation and knowledge driven industries

- Creation of the Data Technology Park in Côte d’Or which will include 12 specialised multi-sectoral centres from additive manufacturing to artificial intelligence:
  - ICT Operation Centre
  - Business Operation Centre
  - Sustainable Technology Centre
  - Centre for Additive Manufacturing and Design Innovation
  - Deep Artificial Intelligence Centre
  - Centre for Advanced Sciences
  - Technical Education Acceleration Centre
  - Logistics and Facilities Centre
  - Food Technology Centre
  - Health and Wellness Centre
  - Mixed Media Centre
  - Reform and Policy Centre
  - The Data Technology Park will include a Carbon Neutral Green Certified Tier 4 Data Centre

- The Deep Artificial Intelligence Centre to provide start-ups, businesses and government adequate support to enable major digital transformations

- To facilitate access to education through e-learning, Government will invest some MUR 100 million in the setting up of a local wireless local network in 155 secondary schools in Mauritius and Rodrigues

- A National E-Learning Platform will be developed

- To encourage the 500 first establishments in the world to create campuses in Mauritius, the following incentives are being provided:
  - An 8-year tax holiday
  - VAT exemption on information technologies and e-learning enabling technologies

- DBM Ltd will provide the following loan facilities:
  - Computer loans up to Rs 50,000 for the purchase of laptops, printers and internet connections for online digital educational platforms; and
  - Loans up to Rs 1 million to private colleges for the upgrade of IT infrastructure including purchase of laptops, overhead projectors, printers to enable them to provide online courses to students
Rodrigues and Outer Islands

- **EDB to set up a Rodrigues Branch**
- A new vessel to service the Mauritius-Rodrigues and other outer islands routes
- OIDC to be restructured and devise an economic development plan for Agalega
- Construction of drainage infrastructure in high-risk flood prone areas in Rodrigues
- Feasibility study for the implementation of a waste water network in Port-Mathurin
- Deployment of wireless local area network in secondary schools
- Construction of a new runway at Plaine Corail Airport
- Construction of a new technopark at Baladirou
- **Accelerate automation of public services**
  - An Integrated Single Window for Trade will be developed to connect all stakeholders within the port
  - A Maritime Single Window will be introduced by the MPA to facilitate vessel clearances and reduce administrative bottlenecks at the port
  - The CBRD will become the central repository for all business information and licences through a digital platform
  - Government will invest in a new LAVIMS
  - A new online system will be developed for services delivered by the NLTA
  - A Business Obstacle Alert Mechanism (BOAM) will be implemented under the aegis of the EDB to report constraints faced in the delivery of licences and permits
  - The Centralised KYC project by the Bank of Mauritius will be expedited
  - The MRA will develop further its e-services platform for more efficiency and transparency in its service
  - 30% of documents issued to citizens and businesses will be provided in a digitally signed online format
Doing Business

- **Facilitating registration of property**
  - Submission of deeds for registration of property will be made mandatory through the Mauritius e-Registry System (MERS) for notaries, banks, insurance companies, leasing companies and new and imported second-hand dealers in motor vehicles
  - Online access for search and registration will be increased
  - Certificate of Registration from EDB for warehouses will be eliminated. The buyer will need to submit an undertaking to the Registrar General
  - The cadastre of the City Council of Port-Louis will be updated
  - Purchases of immovable property by foreign buyers will be facilitated through a digital power of attorney
  - A one-stop-shop facility will be set up at the Registrar-General Department for the registration of motor vehicles

- **Review cost and procedures for Construction related permits**
  - Application fee for a Building and Land Use Permit (BLUP) will be waived
  - BLUP fees for construction of pharmaceutical manufacturing factories, food processing plants and warehouses will be waived
  - Online application for a Building and Land Use Permit (BLUP) through NELS will be made mandatory for all constructions
  - The Environment and Land Use Appeal Tribunal Act will be amended to specify clearly who can appeal against the decision of the Ministry of Environment, Solid Waste Management and Climate Change to issue, or not, an EIA License
  - The Utility Regulatory Authority will start licensing operators in the power sector
  - A High-Level Committee chaired by the Honourable Prime Minister will be set up to expedite processing and approval of major projects
Doing Business

- **Facilitate trade and review of port dues**
  - Port dues and terminal handling charges for exports will be waived from July to December 2020 and reduced by 50% for the period January to July 2021.
  - Stevedoring and shore charges levied by the Cargo Handling Corporation Ltd and Quay fees for laden import containers will be increased by 10% for the period between January and June 2021.
  - Fees charged by freight forwarders for groupage cargo will be regulated by the Mauritius Revenue Authority.
  - Any customs declaration (Bill of Entry) made in respect of imports will be deemed to be a self-assessment for enhanced compliance.

- **Fundamental review of our business-related legislations and business rules**
  - A review of the regulatory framework will be carried out in four key sectors of the economy including:
    - Land Use and Construction
    - Trade & logistics
    - Tourism
    - Healthcare and Lifesciences
  - The EDB will work with licensing agencies to re-engineer some 30 licences.
Doing Business

- **Alignment with International Best Practices**
  - Directors will be liable for prejudicial conducts which will be defined in the Companies Act
  - All public companies will need to have at least 2 independent and non-executive directors on their Board of Directors
  - Any creditor will be able to request the liquidator/receiver manager to furnish any financial information in relation to a company
  - The fees for re-instating companies will be reduced from 15,000 to Rs. 5,000, and the requirements for giving notice will be done online
  - Registration of Ultimate Beneficial Owners as well as VAT registration will be made at time of business registration
  - The Bank of Mauritius will provide credit score of potential borrowers
  - Public sector agencies will publish their Service Level Agreements
  - Special efforts will be made to ensure timely enforcement of contracts and settlement of commercial disputes
  - The Road Traffic Act will be amended to enable Holders of a ‘B Carrier’ Licence to lease their vehicles including the carriage of goods

- **More efficient public procurement**
  - The use of the e-procurement portal will be made mandatory for public sector agencies
  - The PPO will publish statistics on key milestones of a procurement lifecycle to monitor performance and contract management
  - The PPO will issue Directives requiring Public Bodies to publish signed contracts and contract amendments on the e-procurement platform
  - Contractors for projects amounting to MUR 300M will be paid within a shorter period of 28 days instead of 56 days and retention amounts will be paid fully within six months instead of twelve months
  - Public bodies will pay SMEs within 14 days from date of invoices in respect of supply of goods and services
  - A new sandbox framework will be introduced to facilitate development of proof of concepts and pilot exercises for IT related projects
Structural Reforms
Introduction of a Contribution Sociale Generalisée to ensure long term sustainability of the pension system.

<table>
<thead>
<tr>
<th>National Pension Fund (Current system)</th>
<th>Contribution Sociale Generalisée (New system)</th>
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<tbody>
<tr>
<td>Individual accounts</td>
<td>Contributive, participative and collective pool</td>
</tr>
<tr>
<td>Contribution:</td>
<td>Contribution:</td>
</tr>
<tr>
<td>3% by employee</td>
<td>For individuals earning up to MUR 50,000 per month:</td>
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<tr>
<td>6% by employer</td>
<td>- 1.5% by employee</td>
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<tr>
<td></td>
<td>- 3% by employer</td>
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<tr>
<td></td>
<td>For individuals earning more than MUR 50,000 per month:</td>
</tr>
<tr>
<td></td>
<td>- 3% by employee</td>
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<tr>
<td></td>
<td>- 6% by employer</td>
</tr>
<tr>
<td>Contribution up to a ceiling of MUR 18,740 monthly</td>
<td>Removal of ceiling. Contribution on total basic salary</td>
</tr>
<tr>
<td>Voluntary contribution by self-employed individuals</td>
<td>Compulsory contribution by self-employed individuals of MUR 150 per month</td>
</tr>
</tbody>
</table>

Under the new system, those who have contributed will benefit from a minimum return that is much higher than the existing minimum of MUR 562 guaranteed currently over and above the basic retirement pension of MUR 9,000.

Introduction of the Cheque Emploi Service for services provided to households and ensure that everyone benefits from contributory pensions at retirement.

Government to facilitate the opening of a bank account for every individual at birth.
Further opening of the Economy

In view to further open up the Economy, secure investors and retain professionals and retirees, the following measures have been announced:

- **Occupation Permit (OP)**
  - The validity of an OP will be increased to 10 years, renewable
  - The minimum investment requirement for an OP as Investor will be reduced to USD 50,000
  - The minimum turnover and investment requirement for Innovator Occupation Permit will be removed
  - The salary criteria of MUR 30,000 will be extended to other specified sectors
  - Holders of an OP as Professional will be able to invest in other ventures without any shareholding restriction
  - EDB will be solely responsible for processing of OP applications

- **Dependents of Occupation Permit holders**
  - OP holders will be allowed to bring their parents as their dependents
  - No restriction for spouses of OP holders to work in Mauritius

- **Permanent Residence Permit (PRP)**
  - Permanent Residence Permit will be extended from 10 years to 20 years. The existing turnover and salary criteria are being removed
  - Existing OP holders, who have held the permit for three consecutive years will be eligible to apply for the 20-Year PRP
  - The minimum investment amount for an investor to directly obtain a Permanent Residence Permit will be reduced from USD 500,000 to USD 375,000

- **Acquisition of Property**
  - Non-citizens holding a Residence Permit, an Occupation Permit or a Permanent Residence Permit will be able to acquire one plot of serviced land not exceeding 2,100m² for residential purposes in Smart Cities. This measure will be valid for a period of 2 years ending 30th June 2022

- **Work Permit**
  - The work permit and resident permit will be combined into one single permit
Further opening of the Economy

- **Residence permits**
  - The validity of Residence Permit as Retired non-citizens will be increased to 10 years
  - Holders of Residence Permits who have held the permit for three consecutive years will be eligible to apply for the 20-Year PRP
  - Holders of a Residence Permit as Retired non-citizens will be able to invest in other ventures without any shareholding restriction
  - Non-citizens who have a residence permit under IRS, RES, PDS or Smart City Schemes will be exempted from an Occupation or Work Permit to invest and work in Mauritius
  - The minimum investment amount for a holder of an immovable property to obtain a residence permit will be reduced from USD 500,000 to USD 375,000
- To ensure timely and efficient implementation of budget measures, a High-level Committee will be created and chaired by the Prime Minister and will comprise of representatives of ministries and public institutions.

- Government will reduce public expenditure by 10% apart from social expenses.

- Budget for international missions will be subjected to a 60 percent decrease and per-diems and other indemnities will be reduced accordingly.

- Renewal of official cars by Ministers and Parliamentary Secretaries will be allowed every 5 years instead of every 4 years while respecting the maximum allocated thresholds.

- In view of accelerating the digital transformation, the Central Informatics Bureau (CIB), the Central Information Systems Division (CISD), the IT Security Unit (ITSU), the National Computer Board (NCB) and the Government Online Centre (GOC) will be restructured.

- The Mauritius Digital Transformation Agency (MDTA) will be set up under the Prime Minister’s Office to support this transformation.

- A new Sandbox will be introduced to facilitate the elaboration of proof of concepts and pilot projects to test the capabilities of new technologies.

- Digital transformation


  - Deployment of video conferencing and online collaboration platforms.

  - Research in areas like telemedicine, e-education, agri-tech solutions and digital platforms will be initiated.

  - Electronic queue management systems will be set.

  - Integration of mobile payment technologies in Government online systems.

  - At least 30% of documents issued to citizens and businesses will be digital.

  - Digital Government safe to be set up for the safekeeping of electronically signed documents.

  - Government Online Centre, under the MDTA will provide appropriate digital signature infrastructure.
All citizens will be provided with a unique Tax Account number.

The Solidarity Levy will be reviewed:
- The levy of 5 percent on the excess amount of taxable income and dividends received by a Mauritian citizen resident in the territory will now be 25 percent and applicable as from a threshold of 3 million rupees per annum.
- The solidarity levy will be payable according to a Pay As You Earn (PAYE) system.

The income exemption threshold for all categories of taxpayers will be raised. The only ones for the 2020-2021 income year are:
- MUR 15,000 for a taxpayer having up to 2 dependents
- MUR 50,000 for a taxpayer having 3 dependents
- MUR 80,000 for a taxpayer with at least 4 dependents

Government is thus reducing or removing income tax for some 55,000 middle income households.

The income exemption thresholds will be increased by amounts ranging from Rs 15,000 to Rs 80,000 as shown in table below:

<table>
<thead>
<tr>
<th>Category</th>
<th>From (Rs)</th>
<th>To (Rs)</th>
<th>Increase (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Individual with no dependent</td>
<td>310,000</td>
<td>325,000</td>
<td>15,000</td>
</tr>
<tr>
<td>B. Individual with one dependent</td>
<td>420,000</td>
<td>435,000</td>
<td>15,000</td>
</tr>
<tr>
<td>C. Individual with two dependents</td>
<td>500,000</td>
<td>515,000</td>
<td>15,000</td>
</tr>
<tr>
<td>D. Individual with three dependents</td>
<td>550,000</td>
<td>600,000</td>
<td>50,000</td>
</tr>
<tr>
<td>E. Individual with four or more dependents</td>
<td>600,000</td>
<td>680,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Retired/disabled person with no dependent</td>
<td>360,000</td>
<td>375,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Retired/disabled person with dependents</td>
<td>470,000</td>
<td>485,000</td>
<td>15,000</td>
</tr>
</tbody>
</table>

These new thresholds will be effective as from income year starting on 1st July 2020, i.e. on income received by an individual as from 1st July 2020.
Deduction for Dependent

- A taxpayer will be allowed to claim as dependent a bedridden next of kin who is in his care. He/she will thus benefit from an additional annual deduction in the range of Rs 80,000 to Rs 110,000 provided that the total number of dependents does not exceed 4.

Special Allowance

- A special allowance is paid by Government through the Mauritius Revenue Authority (MRA) to supplement the National Minimum Wage.

- During the calendar year 2020, every full-time Mauritian employee will receive a monthly guaranteed income of Rs 10,200.

Solidarity Levy

- As from the income year 2020-2021, the Solidarity Levy will be applied on the chargeable income plus dividends in excess of Rs 3 million of a Mauritian Citizen at the rate of 25%.

- Lump sum income received by a person by way of commutation of pension, death gratuity or as compensation for death or injury is excluded from the computation of the Solidarity Levy.

- The PAYE system will apply to the Solidarity Levy.

Accelerated depreciation

- Capital expenditure incurred on electronic, high precision machinery or equipment and automated equipment will be allowed as a deduction in the year in which it is incurred instead of being amortised over more than two years.

- Green technology equipment, which is depreciated over two years, will now include equipment and machinery used for eliminating, reducing or transforming industrial wastes.

Double tax deduction on investment

- Enterprises which have been affected by the COVID-19 will be entitled to have a double tax deduction on their investment in Plant and Machinery during the period 1st March 2020 to 30th June 2020.

Income Tax Holiday

- An 8-year income tax holiday will be granted to a company engaged in the manufacture of nutraceutical products provided it starts its operations on or after 4th June 2020.

- The 8-year income tax holiday granted to a company engaged in the manufacturing of pharmaceutical products, medical devices or high-tech products will apply to a company which has started or starts its operation on or after 8th June 2017.
Levy on Corporate

- Instauration of a levy on corporates with annual gross revenue exceeding 500 million MUR or being part of a conglomerate with annual gross revenue exceeding 500 million MUR
- The levy will be made on gross income at the rate of:
  - 0.3 percent for insurance companies, financial institutions, service providers and real estate holding companies
  - 0.1 percent for other companies
- The levy will not apply to companies operating in the tourism sector or holding a Global Business licence

Solidarity Levy on Telephony Service Providers

- The Solidarity Levy on telephony service providers [5% of accounting profit + 1.5% of turnover], which was introduced in 2009 and subsequently extended, will be made permanent
- A profitable company will pay 5% of its accounting profit and 1.5% of its turnover as Solidarity Levy
- A company which has not made profits will pay 1.5% of its turnover as Solidarity Levy
Taxation

- Tax coverage will be extended to a number of locally produced and imported sweet products to reduce the prevalence of diabetes.

- **Value-Added Tax**
  - Exempt Goods to become Zero-Rated
    - 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

- **Digital and Electronic Services**
  - Digital and electronic services provided through internet by non-residents for consumption in Mauritius will be subject to VAT.

- **Customs Duty**
  - Customs Duty Exemption on Goods Imported by Post or Courier Services
    - Presently, the first Rs 3,000 of the value of an article imported by post or courier services is exempt from customs duty and Value Added Tax (VAT). Henceforth, this exemption value will be reduced to Rs 1,000.

- **Sugar**
  - The rate of customs duty on import of sugar will be increased from 80 percent to 100 percent.
Excise Duty

The existing sugar tax of 3 cents per gram on sugar sweetened beverages will be doubled with effect from 5th June 2020. In addition, the tax of 6 cents per gram of sugar will be extended to the following locally manufactured and imported non-staple sweetened products with effect from 1st November 2020:

- pastries
- sugar confectionery (e.g. sweets, candies, chewing gums, fruit jellies)
- chocolates
- biscuits
- waffles and wafers
- ice creams
- jams, fruit jellies, marmalades, fruit or nut purées and fruit or nut pastes
- fruits, nuts, fruit-peels and other parts of plants preserved by sugar (including drained, glacé or crystallised)
- mixes and doughs for the preparation of bakers’ ware
- crispbreads, gingerbreads
- rusk, toasted breads and similar products
- food preparations of flour, groats and malt extract such as custard powder and ovaltine
- cereal products
- whey
- yoghurts, buttermilk

Excise regulations will be amended to licence importers and manufacturers of sugar sweetened products as in the case of sugar sweetened beverages.

Motor Vehicles

A rebate on the amount of customs/excise duty payable will be granted on vehicles, provided they were in a bonded warehouse before 5th June 2020 and are cleared from Customs before 30th June 2021, as follows:

<table>
<thead>
<tr>
<th>Motor Vehicles</th>
<th>Customs/Excise Duty Rebate</th>
<th>Motor Cars:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Cars:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to 1,000 cc</td>
<td>40% of the excise duty payable on the motor car or Rs 100,000, whichever is the lower.</td>
<td></td>
</tr>
<tr>
<td>1,001 to 1,600 cc</td>
<td>30% of the excise duty payable on the motor car or Rs 125,000, whichever is the lower.</td>
<td></td>
</tr>
<tr>
<td>Buses, Double/ Single Space Cabin Vehicles and Vans</td>
<td>30% of the customs/excise duty payable on the motor vehicle or Rs 125,000, whichever is the lower.</td>
<td></td>
</tr>
</tbody>
</table>
Extension of Moratorium Period for Non-Affixing of Tax Stamps on Bottles of Beer and Wine

- The obligation to affix tax stamps on alcoholic products was extended to bottles of beer and wine in containers of more than 50 ml and up to 200 ml. A moratorium period was given to allow the existing stock to be sold without tax stamps up to 2nd August 2020. However, in view of the impact of COVID-19, especially on the hotel sector, the moratorium period will be extended to 2nd February 2021.

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

- Duty Free Shops and DDTS shops will be allowed to sell goods on the local market without any limit on quantity but with payment of duties and taxes up to 31st December 2021.
**Environment**

- MUR 2 billion will be transferred to the National Environment Fund to finance actions identified in “Les Assises de l’Environnement”

- Significant investments will be made to mitigate the impacts of climate change:
  - MUR 314 million has been earmarked for works related to stabilization of landslide-prone areas along our roads
  - MUR 215 million will be used for the protection of our beaches, lagoons, and coral reefs
  - MUR 207 million will be allocated to the Cleaning and Embellishment Programme for drains, rivers, public areas and praying areas

- To better our waste management strategy and accelerate our transition into a circular economy the following measures will be implemented:
  - Eco-bins will be made available in strategic areas around the island to collect plastic wastes
  - A network of Civic Amenity Centres (dechetteries) will be put in place in the five transfer stations
  - The Ministry of Environment will encourage sorting of waste at source
  - Local authorities will ensure composting of wastes from markets

- With regard to dry waste, a feasibility study will be conducted for the construction and exploitation of sorting units on a PPP basis at Forbach and at La Chaumière

- To encourage the recycling of used tires:
  - Treading of tires will be considered as a recycling activity
    - The reimbursement mechanism set up for exporters of used tires or recyclers of used tires is being extended to local retreading of tires
    - The rate of reimbursement will be of MUR 25 per retreaded tire
  - All recycling activities will be considered as manufacturing activities and will therefore benefit from different fiscal and other incentives
  - An Air Quality Index will be introduced to monitor the quality of air

- MUR 1.2 billion for the construction of water drainage infrastructures in flood-prone zones in Mauritius and Rodrigues

- Amendment of the Environment Protection (Banning of Plastic Bags) Regulations to:
  - Include possession of plastic bag as an offence
  - Delist transparent roll-on bags and pocket bags of less than 300cm² as exempted plastic bags

- Eco-bins and nets to be installed at strategic locations on beaches and at major sea outfalls to enable recycling
To achieve a 40% local renewable energy penetration by 2030, the following new projects will be started:

- The setting up of a floating solar farm of 2 MW capacity at Tamarin Falls
- The 2MW capacity solar farm at Henrietta will be upscaled to 10 MW
- The installation of 1000 roof top solar panels for low revenue households though the ‘Home Solar’ project
- The inception of a 14 MW battery storage system to accommodate for additional intermittent renewable energy

The Central Electricity Board (CEB) will introduce the following schemes to encourage the use of renewable energy:

- A Medium Scale Distributed Generated (MSDG) scheme for a maximum of 10 MW to allow beneficiaries to produce electricity for their own consumption and to sell the surplus to the national grid
- Installation of 25 MW equivalent of solar panels on the roof-tops of public and residential buildings
- The CEB Renewable Energy Scheme for religious organisations will be extended to NGOs and charity institutions