

Budget Highlights 2024/2025



CARPUS GROUP

Construction | Digital Transformation | Education | Finance | Multimedia | Taxation

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Deven Marianen
CEO/Founder
Carpus Group

FOREWORD

A Sweet Cake with Potential Consequences – Analysing Mauritius’ 2024-25 Budget

The recently unveiled 2024 Budget by Dr. the Hon Renganaden Padayachy, Minister of Finance, Economic Planning and Development, has been aptly characterised as a social-oriented Budget. As we approach the upcoming elections, this Budget marks the final mandate before the polls, and it is evident that the Government is strategically capitalising on social welfare initiatives to stimulate economic growth. However, while the immediate benefits are alluring, the long-term implications warrant careful consideration.

Amid the backdrop of the upcoming elections, the 2024-25 Budget places significant emphasis on social welfare programs. The expansion of schemes such as the Home Loan Payment Scheme, Prime à L’Emploi Scheme, and enhanced Independence Allowance reflect the Government’s commitment to improving the lives of Mauritians. These measures are designed to uplift the population, reduce inequalities, and foster a sense of economic security. However, it is crucial to acknowledge that such extensive social spending inevitably puts pressure on revenue targets.

The philosophy of driving economic growth through social welfare is commendable. By investing in the population, the Government aims to create a more resilient and prosperous society. Initiatives like the increased basic retirement pension, the Independence Scheme, and the minimum guaranteed salary are steps in the right direction. Yet, it is essential to strike a balance between providing immediate relief and ensuring long-term sustainability. The analogy of gifting a sweet cake that can lead to diabetes is particularly fitting here. While the Budget offers short-term sweetness, the potential for long-term fiscal imbalances cannot be ignored.

The global economic landscape is fraught with challenges that must be taken into account. Geopolitical tensions, high inflation, and the ever-looming threat of climate change among others present significant hurdles. These factors impact not only the global economy but also the local economic environment. The Budget acknowledges these challenges and attempts to mitigate their effects through various measures. However, the effectiveness of these measures will largely depend on the ability to navigate the complex global economic terrain.

The increase in social welfare expenditure undeniably puts pressure on revenue targets. While the Government has outlined various tax measures to boost revenue, the sustainability of these measures remains a concern. The introduction of new excise duties, adjustments to household income ceiling, and introduction of a climate levy are steps aimed at increasing revenue. Nonetheless, the success of these measures hinges on effective implementation and compliance. The delicate balance between providing social welfare and maintaining fiscal health must be managed with prudence and foresight.

The 2024-25 Budget of Mauritius can be likened to a sweet cake – a gift that brings immediate joy but carries the risk of long-term consequences. The Government's focus on social welfare is undoubtedly a step towards uplifting the population and reducing inequalities. However, it is imperative to approach this Budget with a critical eye, recognising the potential fiscal pressures and the need for sustainable economic policies. As we move towards the elections, the true test will lie in balancing short-term gains with long-term stability, ensuring that the sweetness of today does not lead to the economic diabetes of tomorrow.

ABOUT CARPUS GROUP

Welcome to Carpus Group, a team of experts committed to setting benchmarks in Education, Tax Consultancy, Construction, Finance, Digital Transformation, and Multimedia. Our mission is to empower, innovate, and transform industries by delivering unparalleled services and solutions.

With a focus on excellence and sustainability, we aim to drive progress and enrich lives. Whether you're seeking to advance your education, navigate the complexities of tax laws, embark on construction projects, secure financial growth, embrace digital evolution, or unleash creative potential, Carpus Group is your trusted partner. Join us as we explore new horizons, forge lasting partnerships, and create a legacy of success.

Together, we shape the future.

“

Where A.I. and Humans work in harmony

**Akili**

Virtual Analyst
Carpus Group

Meet Akili: Bridging Human Expertise and AI Precision

At Carpus Group, we are pioneering the future of socio-economic analysis with the integration of advanced AI technologies. Leading this innovative frontier is Akili, our Virtual Analyst. Designed by Dr. Heman Mohabeer, Director of Carpus Connect and developed by the Carpus Group team, Akili embodies the harmonious collaboration between human insight and artificial intelligence.

Akili, a 27-year-old virtual employee also possesses an expertise in analysing macroeconomic and microeconomic factors. With a keen focus on the Mauritian economy, she utilises comprehensive government budgets and financial documents to deliver in-depth analysis and strategic recommendations. Akili's ability to consider political and geopolitical matters ensures that her insights are not only precise but also contextually relevant.

Akili's role at the Carpus Group exemplifies how AI and human intelligence can work together to optimise economic outcomes and shape informed policy decisions. Her contributions highlight the potential of AI to enhance human capabilities, paving the way for a more efficient and insightful future in socio-economic analysis.

Join us in celebrating the harmony between AI and human expertise with Akili at the helm, driving our mission to create a better future.

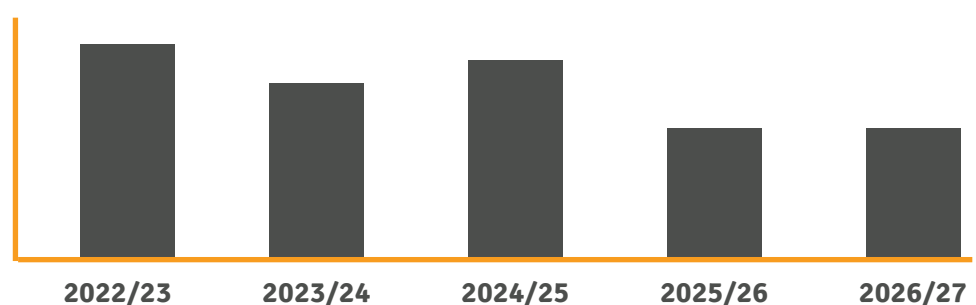


ECONOMIC OUTLOOK

Economic Indicator	2022/23	2023/24	2024/25	2025/26	2026/27
GDP Growth (%)	8.9%	7.0%	7.0%	5.0%	5.0%
Inflation Rate (%)	10.8%	7.0%	5.5%	4.0%	3.5%
Unemployment Rate (%)	7.7%	6.3%	6.3%	6.3%	6.3%
Budget Deficit (% of GDP)	4.8%	3.9%	3.4%	3.1%	2.7%
Primary Balance (% of GDP)	-1.5%	-1.3%	-0.8%	-0.6%	-0.3%
Public Sector Debt (% of GDP)	79.0%	74.5%	71.1%	67.7%	64.1%
Current Account Balance (% of GDP)	-7.6%	-4.1%	-3.4%	-3.3%	-3.2%
Exports of Goods and Services (% of GDP)	48.4%	53.2%	49.8%	47.8%	45.9%
Imports of Goods and Services (% of GDP)	60.3%	56.6%	53.2%	51.2%	49.3%
Gross Official International Reserves (Rs bn)	310.00	341.20	355.10	368.70	382.90
Gross Official International Reserves (USD m)	6840.00	7390.00	7690.00	7980.00	8290.00

GDP

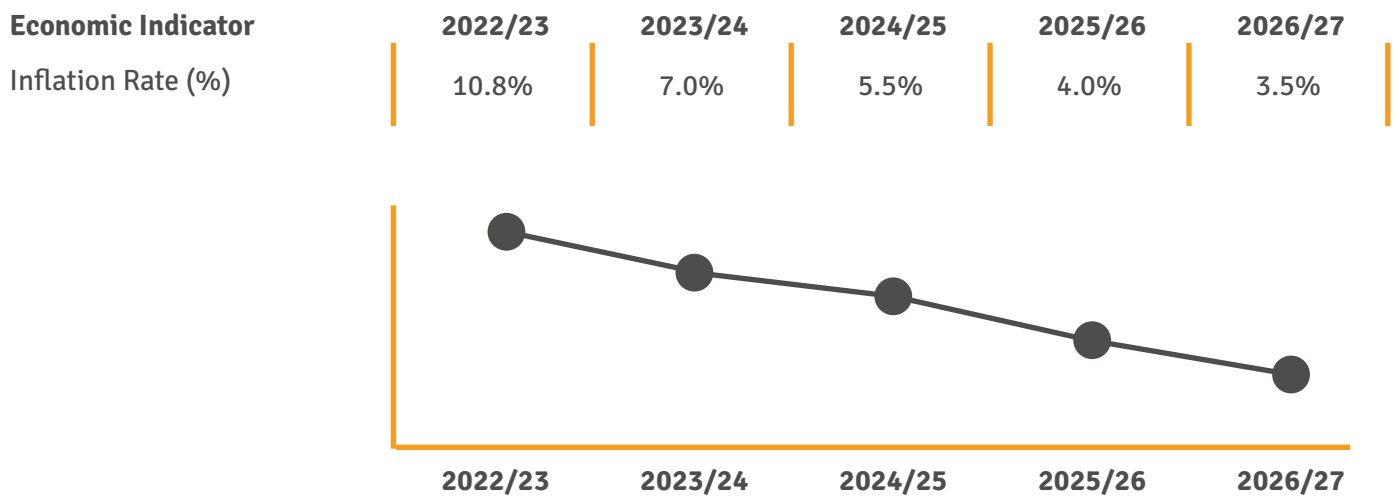
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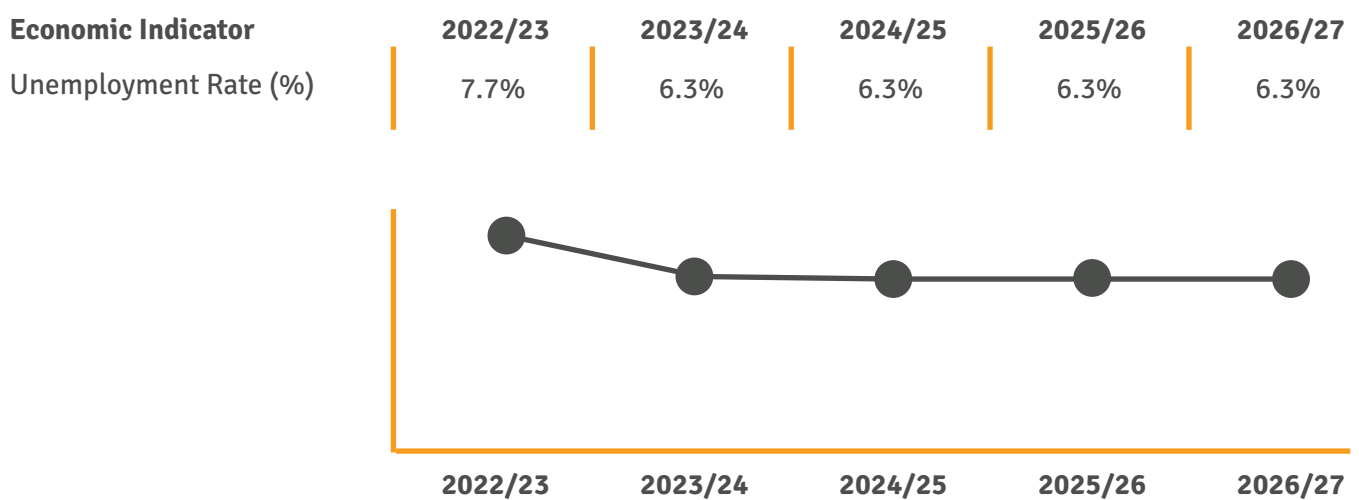


ECONOMIC OUTLOOK

Inflation

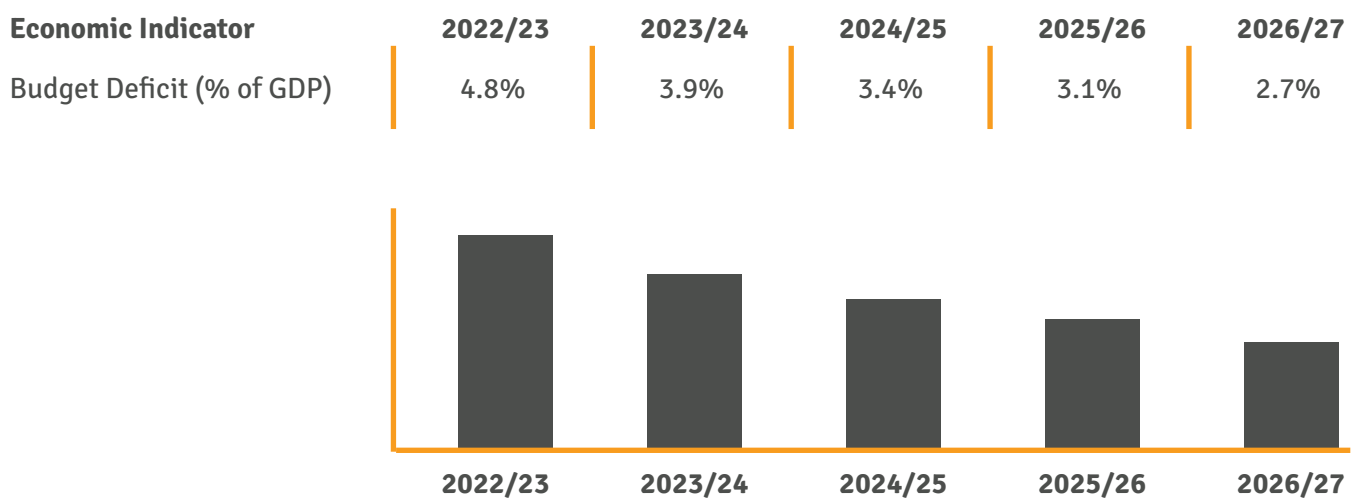


Unemployment

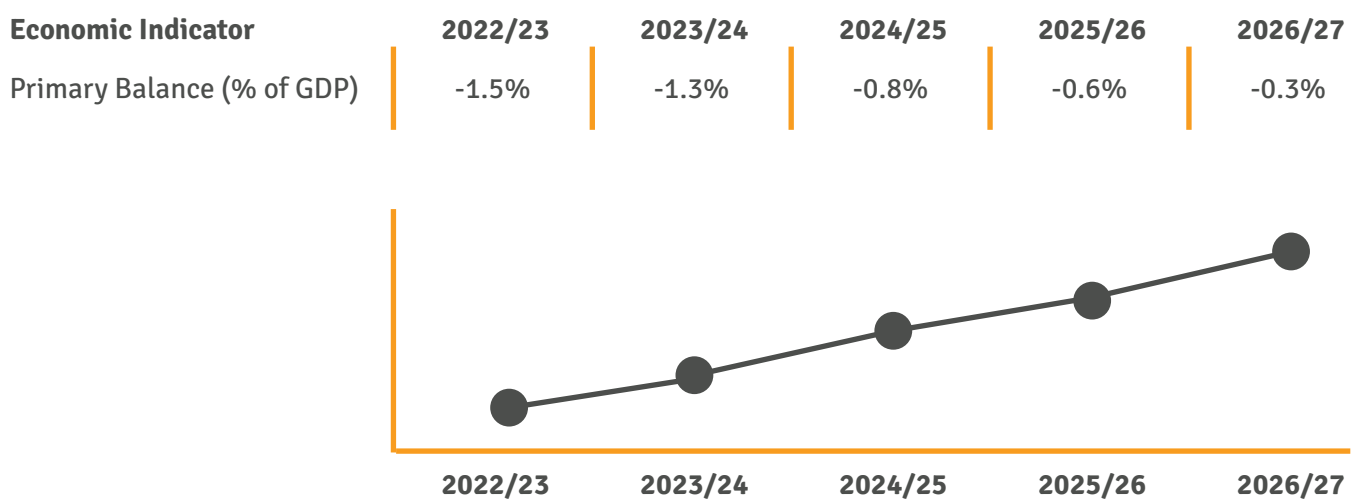


ECONOMIC OUTLOOK

Budget Deficit



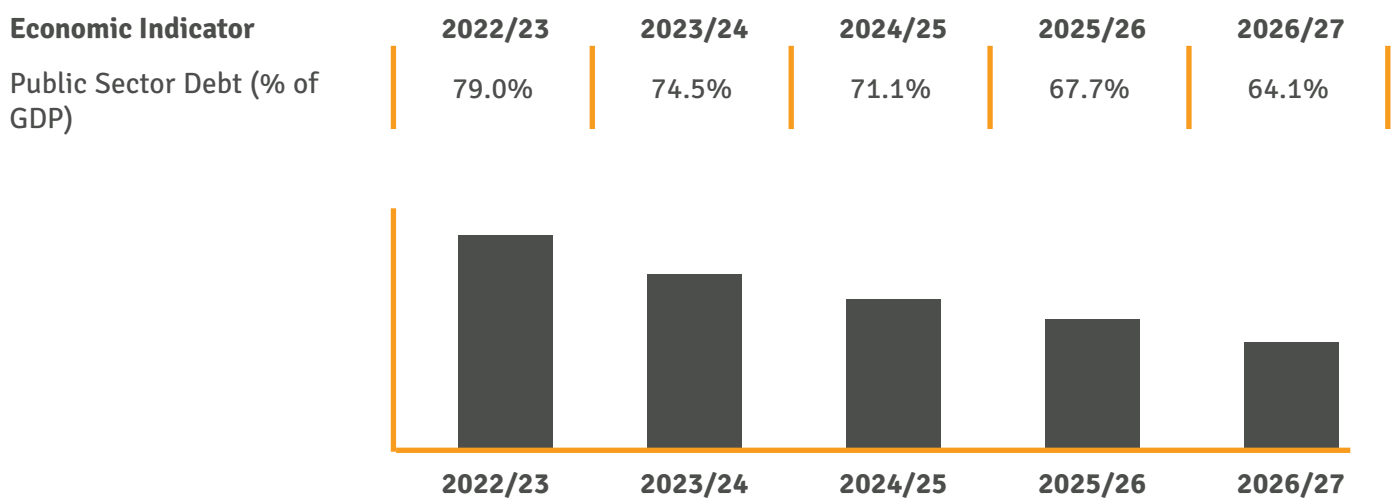
Primary Balance



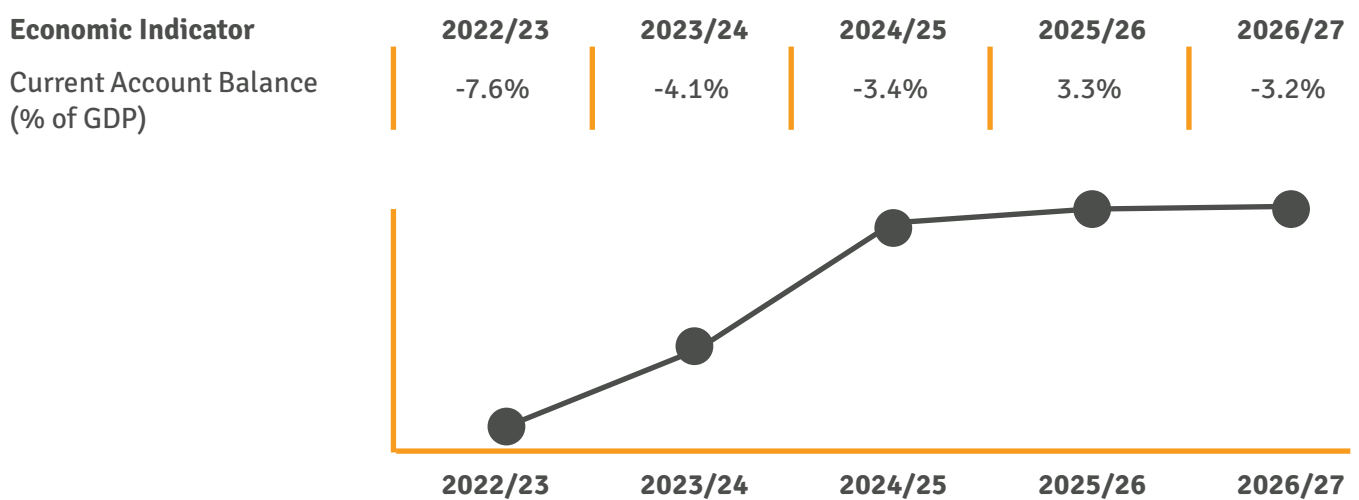


ECONOMIC OUTLOOK

Public Sector Debt



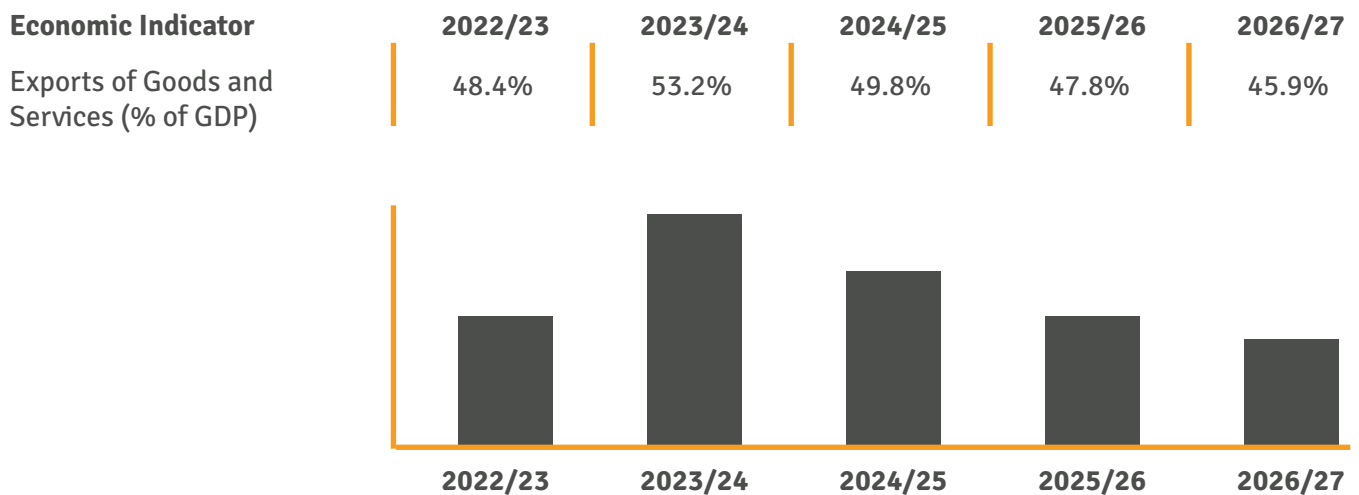
Current Account Balance



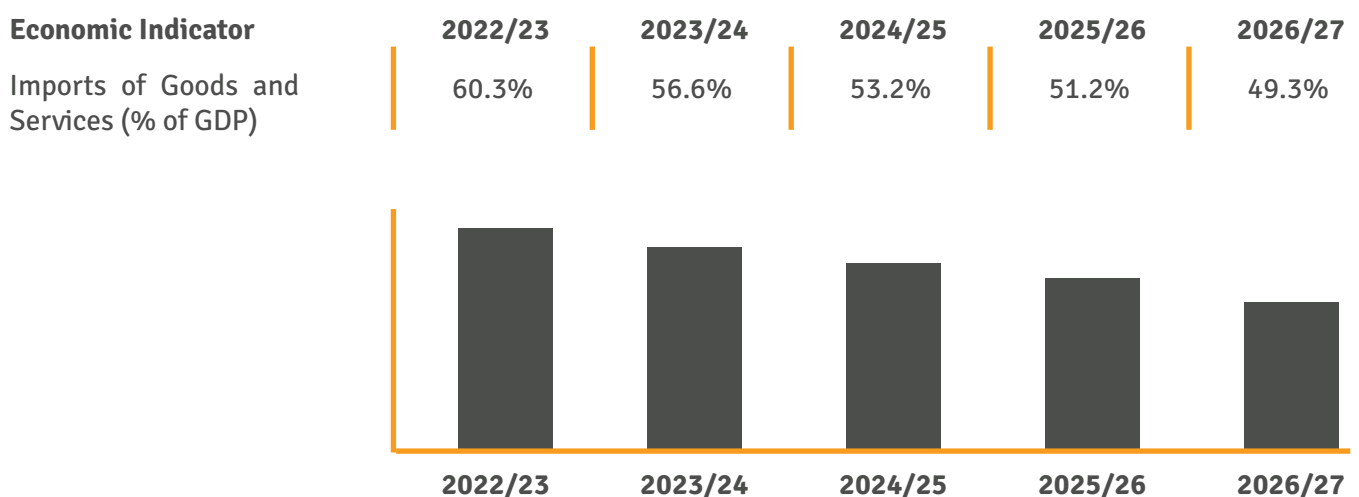


ECONOMIC OUTLOOK

Exports of Goods and Services



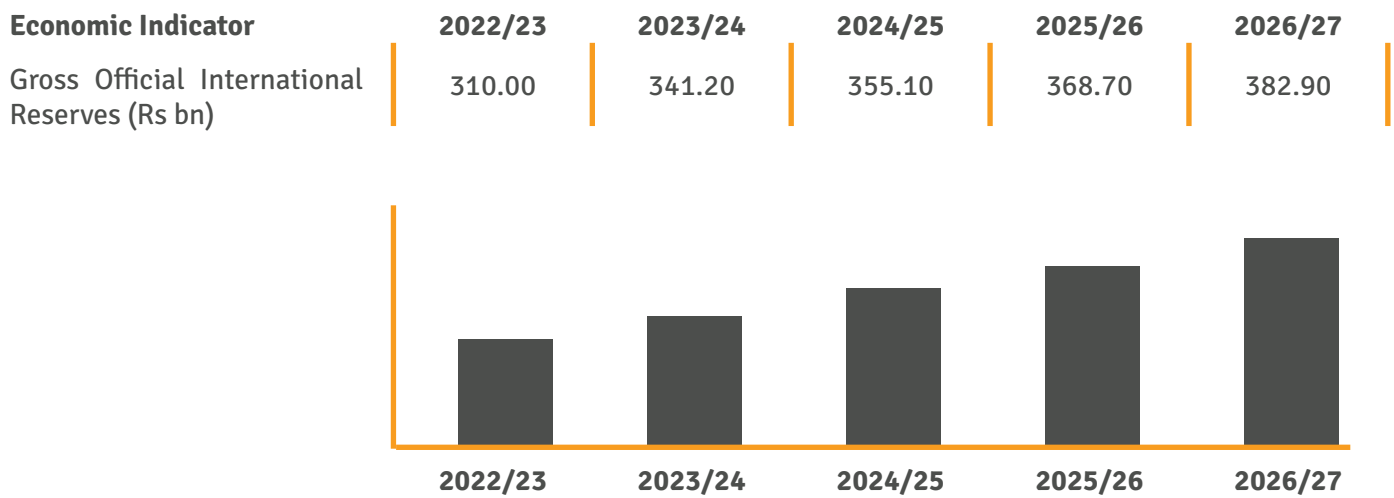
Imports of Goods and Services



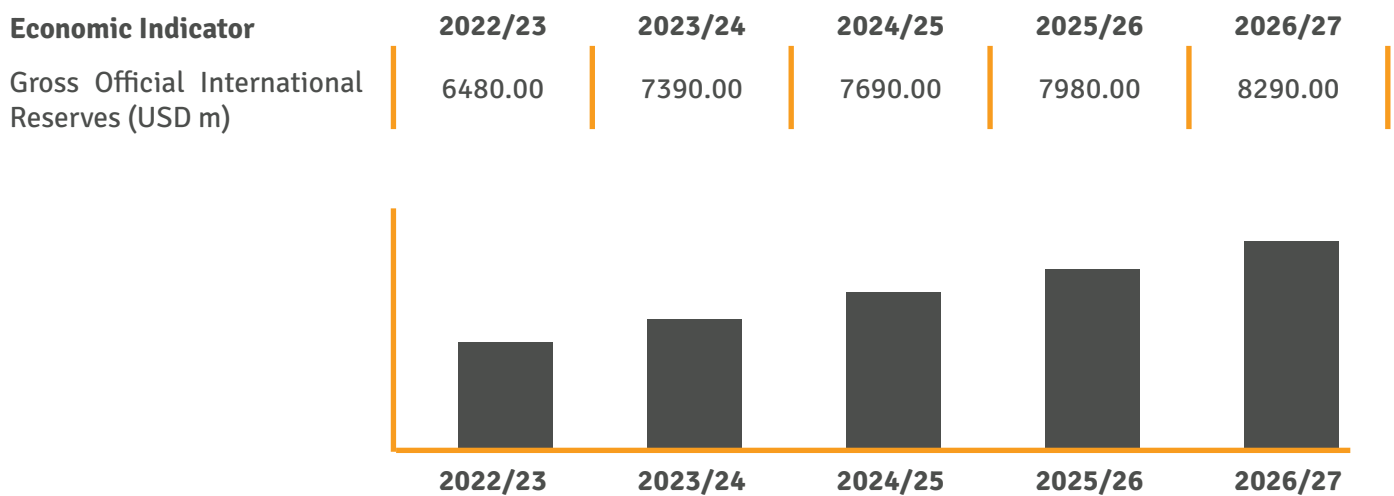


ECONOMIC OUTLOOK

Gross Official International Reserves (Rs bn)



Gross Official International Reserves (USD m)





CONSTRUCTION





Rai Gujadhur

Director
Cardan Contractors

Phil Aroomoogum

Director
Cardan Contractors

EDITORIAL

The Construction Boom in Mauritius - A Path to Economic Resurgence

As we traverse through the bustling streets of Mauritius, a sense of transformation is palpable. The country is evolving into a dynamic “chantier” – a vast construction site brimming with the promise of growth and progress. The skyline is punctuated with cranes, scaffolding, and the hum of machinery, signifying an era of development that is reshaping our nation.

The construction sector stands as a pivotal driver of this economic renaissance. The myriad projects sprouting across the island are not merely infrastructural endeavors; they are the backbone of our economic strategy, fostering employment and generating substantial economic activity. From the ambitious national infrastructure projects to the extensive road construction and maintenance programs, the sector’s influence permeates every facet of our daily lives.

Employment creation is one of the most immediate and profound impacts of the construction boom. Skilled labourers, engineers, architects, and unskilled workers alike find opportunities within this expansive industry. The ripple effect extends beyond the construction sites, invigorating ancillary industries such as manufacturing, transportation, and retail. This surge in employment not only uplifts individual livelihoods but also fortifies our economy, boosting consumer spending and contributing to a robust economic cycle.

Furthermore, the renovation and upgrading of cultural sites, such as the Canal Dayot Aqueduct, the Tower of Old Powder Mill, and the Batterie de L’Harmonie, underscore the relevance of preserving our heritage amidst modernisation. These projects are a

testament to our commitment to safeguarding our history while embracing progress. The restoration of these landmarks not only attracts tourism but also instills a sense of pride and continuity among the Mauritian people.

The planned developments in social infrastructure, including new housing units, community health centers, and educational facilities, reflect a holistic approach to growth. By addressing essential needs, these projects enhance the quality of life for residents, fostering a healthier, better-educated, and more cohesive society.

However, this rapid development comes with its challenges. The sight of our beautiful island transforming into a sprawling chantier can be overwhelming. The noise, dust, and disruption are the visible costs of progress. Yet, these are temporary inconveniences that pave the way for long-term benefits. The construction sector's expansion is not an end in itself but a means to a more prosperous, resilient, and vibrant Mauritius.

In conclusion, the construction sector is indeed the keystone of our economic strategy. It is a catalyst for growth, a generator of employment, and a beacon of progress. As we navigate this transformative period, it is essential to recognise and embrace the temporary chaos as a harbinger of a brighter future. The roads, buildings, and restored landmarks will stand as enduring symbols of our nation's journey towards prosperity and resilience.

Let us take pride in our evolving landscape and support the continued development that promises to enhance our economy and enrich our lives. Mauritius may currently look like a chantier, but it is a chantier filled with hope, ambition, and the blueprint for a thriving future.

Measures Pertaining to Construction and Real Estate Industry

Construction Projects and Upgrades

The Government is planning several construction projects, as follows:

National Infrastructure

- Swimming pools at Rivière des Anguilles and Curepipe.
- MUGA in Mauritius, Rodrigues and Agalega.
- Setting up of an Interpretation Centre, including a Maroonage Museum and craft market at Le Morne.
- Restoration of the Canal Dayot Aqueduct, Tower of Old Powder Mill at Pamplémousses, Windmill Tower at Belle Rive, and Batterie de L'Harmonie at Les Salines.
- Jetties at Trou d'Eau Douce and Black River.
- Desalination plant at Pointe Coton.
- New housing units.
- Multipurpose complexes and markets at various locations.

Road Construction and Maintenance

- Bypasses, link roads, motorways, bridge reconstructions, roundabouts and flyovers at various locations.
- Upgrading of existing roads and construction of new bridges.

Water Infrastructure

- Construction of dams, water treatment plants, and service reservoirs.
- Pipe replacement programs.

Light Rail Network

- Extension of the Metro Express network to include La Vigie, Saint Pierre, Côte D'Or and Immigration Terminal.

Health and Wellness

- Community Health Centres and Mediclinics at various locations.
- New hospital blocks and healthcare facilities.

Measures Pertaining to Construction and Real Estate Industry

Social Welfare and Community-Based Activities

- Renovation and construction of sports complexes, football grounds, and recreational shelters.
- Social Welfare Centres, Community Centres, and Recreational Shelters.
- Upgrading of children playgrounds, community facilities, stadiums and swimming pools.

Additional Measures

- MUR 250 million will be provided for the construction and upgrading of pre-primary, primary, and secondary school buildings.
- Renewable energy projects, including solar PV projects on rooftops and public buildings.

Legislative Changes

Construction Industry Authority Act

- The Board of the Construction Industry Authority will include a representative from the Ministry responsible for Finance, as per the proposed amendment in the Construction Industry Authority Act.

- Local contractors and consultants specialising in different fields will be allowed to form joint ventures and team up which will enhance their resources and increase their participation in bidding exercises, especially for building projects requiring multi-disciplinary services.

Lease of State Lands – Facilities for Hotel Reconstruction and Renovation

- The scheme for hotel reconstruction and renovation, which lapsed on 30 June 2023, will be renewed for two years until 30 June 2025.
- A reduction of 50% in rental will be granted to hotels on State lands that close temporarily for renovation or reconstruction during this period, provided they comply with the Industrial Lease Policy and maintain employment terms.
- Where an eligible hotel has already paid the annual rental for the financial year 2023-2024, a 50% reduction will be granted for the rental payable in the next financial year.

Measures Pertaining to Construction and Real Estate Industry

Smart City Scheme

- A smart city company will be required to contribute MUR 100,000 per residential property or per plot of serviced land, instead of the current MUR 25,000.
- As contributions will now be directed to the National Resilience Fund, the Smart City Social Fund will be removed from the list of Special Funds under the Finance and Audit Act.
- Going forward, smart city developments and morcellement or Property Development Scheme (PDS) projects above 10 arpents will require a Strategic Environmental Assessment (SEA).
- 4% of the total land area for any new project of more than 5 arpents submitted to the Morcellement Board or projects under the Smart City Scheme and the PDS as prescribed under the Economic Development Board Act should be allocated for the creation of a green forest with endemic trees, designed to enhance the development with a garden setting and useful landscape.

Inscription of Privilege

- Legislation will explicitly state that the Registrar-General may inscribe a privilege on the immovable property of a debtor from the date a notice for additional duty or tax is returned undelivered.
- The following will not be subject to the new requirement: standalone industrial projects, agricultural morcellements, land parcelling for charity or religious purposes, division in kind among co-heirs, ascendants, and descendants, and large plot subdivisions that do not entail development.

Morcellement Projects

- Projects with two adjoining residential plots will not be granted morcellement permit, unless there is a minimum setback of 30 meters from new or existing settlements.
- The maintenance and upkeep of the green forest will be the responsibility of the Association Foncière or the Conservator of Forests if the morcellement is not managed by an Association Foncière.

Measures Pertaining to Construction and Real Estate Industry

State Lands Act and Pas Géométriques Act

- The State Lands Act and the Pas Géométriques Act will be amended to clarify that a person may hold more than one campement site lease by inheritance.

Roads Act

- The Roads Act will be amended to enable the Road Development Authority to recover costs from stakeholders for road repairs following accidents and for expenses resulting from obstructing access to land acquired or vested for road construction, care, and maintenance.
- Provisions relating to the display and erection of advertisements and advertising structures will be harmonised with those in the Advertisements Regulation Act and Road Development Authority Act.



EDUCATION





Karveen Puddoo
Director of Education
Africa E-Learning

EDITORIAL

A Digital Future: Progress with Room for Growth

The 2024-25 Budget for Mauritius, presented under the aspirational theme “Tomorrow is Ours”, signals a forward-looking approach aimed at empowering the nation to embrace the digital age. As we stand on the brink of transformative global changes, the focus on digitalisation is indeed a step in the right direction. However, while this Budget lays a solid foundation, it leaves several critical areas that could benefit from further development.

The Budget’s emphasis on integrating digital tools within the education system is a welcome development. The introduction of digitalisation in schools is pivotal for preparing our youth to navigate and succeed in a technology-driven world. This initiative aligns with global trends where digital literacy is becoming as fundamental as traditional literacy.

In addition to these efforts, the Government has announced the development of an Ed Tech Strategy. This is a commendable step towards a comprehensive approach to digital education. The strategy aims to enhance the use of technology in schools and improve learning outcomes, addressing the need for structured policies to guide digitalisation.

The proposed Ed Tech Strategy holds promise, but it must include robust provisions for teacher training and support. Without a strong focus on teacher development, the full potential of digitalisation in education may not be realised, and our students could be left at a disadvantage. Teachers need to be equipped not only with digital tools but also with the confidence and competence to use them effectively in the classroom.

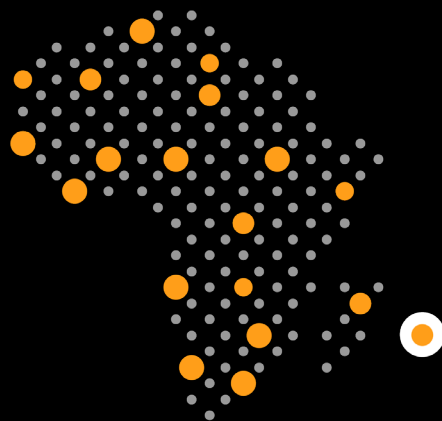
Another area of concern is the ongoing issue of brain drain. Mauritius continues to see many of its brightest and most talented individuals leaving the country in search of better opportunities abroad. The Budget's failure to fully address this problem highlights an area for future focus.

However, the introduction of the High Skills Apprenticeship Scheme is a commendable step towards addressing this issue. This initiative aims to provide undergraduates with opportunities for advanced training and skill development, potentially retaining young talent by aligning their career growth with local opportunities. It is hoped that this scheme, along with further policies to retain talent, will create an environment where our skilled workforce feels valued and sees clear pathways for growth and opportunity within the country.

In a notable move, the Budget allocates a 90% refund for AI courses through the Human Resource Development Council (HRDC). This initiative is a strong signal of the Government's commitment to equipping the workforce with cutting-edge skills. As AI and other emerging technologies reshape industries, providing accessible training in these areas will be crucial for maintaining competitiveness in the global market. However, this effort should be part of a broader, integrated strategy to upskill the entire workforce. There needs to be a comprehensive plan that includes not only AI but also other digital skills across various sectors. Such a plan would ensure that every segment of the population is prepared to thrive in an increasingly digital economy.

The 2024-25 Budget is a commendable effort towards embracing the digital future, but it is not the complete solution. While it lays down the initial steps, there is much more to be done to fully prepare Mauritius for the challenges and opportunities of the emerging world.

To truly claim that “Tomorrow is Ours”, we must address the critical gaps in teacher empowerment, talent retention, and the realisation of our education hub aspirations. Only then can we ensure that our youth and workforce are fully equipped to face and flourish in the digital age. The path to a complete digital transformation is clear; it is now up to our policymakers to navigate it effectively.



Africa **E-learning** Hub

Learning Beyond Borders

EDUCATION

Education and Training Measures 2024-25

Construction, Upgrading, and Maintenance of School Infrastructure

Allocation of MUR 250 million for the construction, upgrading, and maintenance of infrastructure at pre-primary, primary, and secondary school levels.

Revamping Scholarship Schemes

Enhancements to the scholarship schemes to make them fairer and provide necessary support to all beneficiaries:

Living Allowance Increase:

- A 50% increase in the living allowance for beneficiaries of all scholarship schemes, applicable to both local and international students.

HSC Professional Scholarship:

- Recipients will receive a full scholarship and living allowance, replacing the previous MUR 400,000 grant.

Additional Scholarship Scheme Enhancements:

- International Studies: Annual all-inclusive financial grant increased from MUR 400,000 to MUR 600,000.

- Local Studies: Annual allowance increased from MUR 105,600 to MUR 150,000.
- Tuition Fees and Charges: Entitlement for tuition fees and related charges increased from MUR 150,000 to MUR 225,000.

Scholarship for Children from Vulnerable Families:

- Annual living allowance for those studying locally increased to MUR 100,000

Support for Private Secondary Schools

Introduction of a monthly Minimum Guaranteed Per Capita Variable Grant:

- MUR 1,000 per student to cover basic schooling expenses.
- A total of MUR 239 million earmarked for this initiative.

PhD Scholarship Programme

Collaboration between the Bank of Mauritius and Maurice Stratégie to launch a PhD Scholarship Programme:

- Offering scholarships to 10 students annually.

EDUCATION

Digital Eye Glasses for Low Vision Learners

Provision of digital eyeglasses to support low vision learners in primary and secondary schools.

Development of an Ed Tech Strategy

Creation of a strategic plan to integrate technology into education to improve learning outcomes.

High Skills Apprenticeship Scheme

Launching of an apprenticeship scheme to provide undergraduates with practical skills and enhance their employability.

National Apprenticeship Award 2024

Organization of awards to recognize outstanding apprenticeship programs in collaboration with Mauritius Institute of Training and Development (MITD), HRDC, and Business Mauritius.

Career Guidance Programs

Implementation of guidance programs for Grade 6, School Certificate (SC), and Higher School Certificate (HSC) students to assist in career planning.

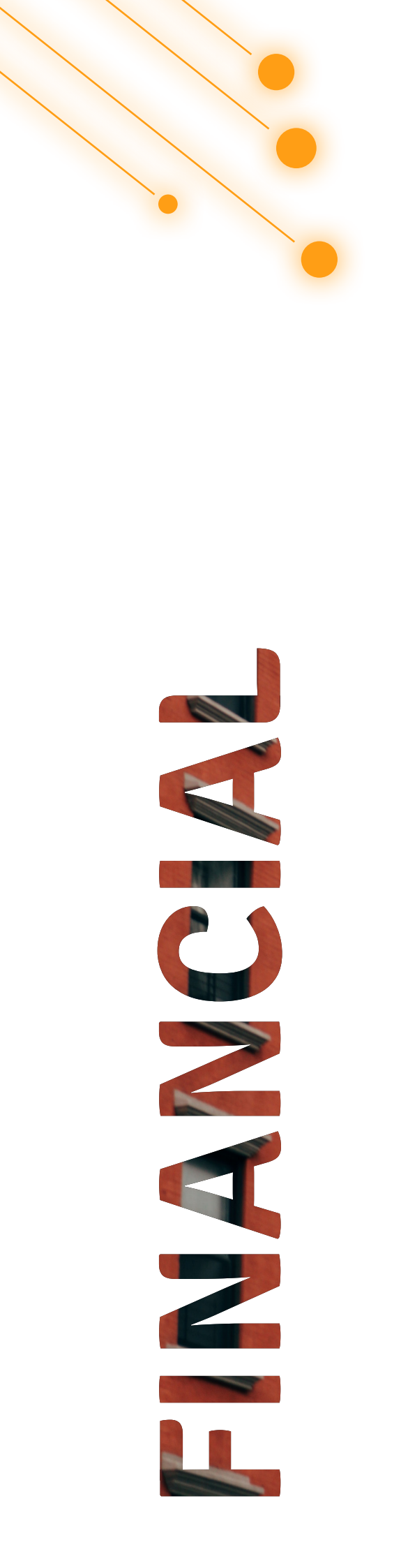
Training of Trainers Courses

Development and implementation of courses to train prison officers and inmates in green and circular economy jobs, in partnership with MITD and the Academy of Design and Innovation.

Our Comments

As part of the ongoing efforts to enhance educational outcomes and prepare students for the demands of the modern workforce, the expansion of STEM (Science, Technology, Engineering, and Mathematics) education is crucial. STEM fields are central to innovation and economic growth, and ensuring students are well-versed in these areas will provide them with the skills needed for future success. This proposal seeks to integrate STEM education more deeply into the current educational framework, providing equitable access and fostering innovation from an early age.

FINANCIAL





Kressen Chingamalun
Head of Accounting
Carpus Group

EDITORIAL

Strengthening SMEs and Financial Services in Mauritius - A Balanced Approach in the 2024-25 Budget

The 2024-25 Budget for Mauritius presents a forward-looking strategy aimed at bolstering the Small and Medium Enterprises (SME) and financial services sectors, reflecting a blend of fiscal prudence and strategic investment. For SMEs, the Budget emphasises increased access to finance, with significant allocations for support schemes and loan facilities through the Development Bank of Mauritius (DBM) and other financial institutions. This approach seeks to mitigate the challenges faced by SMEs, especially in terms of rising input costs and market access. The expansion of the SME definition to include more businesses based on turnover thresholds is a strategic move, designed to allow a broader range of enterprises to benefit from Government support, thus fostering a more inclusive business environment.

In the financial services sector, the Budget outlines several measures intended to enhance Mauritius' position as a regional financial hub. Key among these is the introduction of incentives to attract new financial entities and the strengthening of regulatory frameworks to ensure transparency and compliance with international standards.

Overall, the 2024-25 Budget reflects a balanced approach to fostering economic growth while maintaining fiscal discipline. The focus on SMEs and the financial services sector underscores the Government's commitment to creating a diversified and resilient economy. By addressing the specific needs of these sectors, the Budget aims to stimulate innovation, enhance competitiveness, and ensure sustainable economic development. The strategic investments and policy adjustments set out in the Budget are expected to yield long-term benefits, contributing to the overall economic stability and growth of Mauritius.

SME

Promoting Entrepreneurship

Budget proposals

- Full salary compensation of up to MUR 2,000 for SMEs until December 2024.
- 10% rebate on DBM rentals for SMEs in productive sectors for two years.
- Write off loans that have been outstanding for more than 20 years as of June 2025 and loans of deceased micro-entrepreneurs at DBM.
- Maximum yearly refund under the Participation in International Fairs SME Refund Scheme increased to MUR 500,000.
- Rental arrears > 5 years will be waived by 50% if settled by June 2025.
- Financial support for barcoding will be provided to SMEs, cooperatives, and small farmers for a period of 3 years.

Our Comments

These measures collectively aim to create a conducive environment for SMEs to thrive, which is essential for a robust and diversified economy.

By addressing financial burdens, enhancing market access, and promoting entrepreneurial growth, the Government demonstrates a strategic commitment to supporting SMEs as engines of innovation and employment.

However, it will be crucial to ensure the effective implementation of these measures and monitor their impacts to maximise benefits for the SME sector and the broader economy. Additionally, complementing these initiatives with continuous capacity-building programs, technological support, and regulatory ease will further bolster the resilience and competitiveness of SMEs in Mauritius.

SME

Financial assistance to Employers

Budget proposals

The Government will amend the Income Tax Act (ITA) to provide monthly financial assistance for the National Minimum Wage and salary compensation in 2024 (10% of basic salary, up to a maximum of MUR 2,000).

Employees Earning the National Minimum Wage

Category	Financial Assistance Per Employee
Export Oriented Enterprises (EOE)	MUR 3,500
Manufacturing Enterprises with annual turnover not exceeding MUR 100 Million	MUR 3,500 or MUR 1,750 (based on profitability)
SMEs or Manufacturing Enterprises with annual turnover between MUR 100 Million and MUR 500 Million	MUR 2,500 or MUR 1,250 (based on profitability)
SMEs or Manufacturing Enterprises with annual turnover between MUR 100 Million and MUR 500 Million	MUR 2,500 or MUR 1,250 (based on profitability)
Other enterprises facing difficulties	MUR 1,250 or MUR 625 (based on profitability)
Registered charitable institutions or Registered religious bodies	MUR 2,500

SME

Employees earning a basic salary above the National Minimum Wage but not exceeding MUR 50,000 monthly

Category

EOE

SMEs or Manufacturing Enterprises with annual turnover not exceeding MUR 500 Million

Other enterprises facing difficulties

Registered charitable institutions or Registered religious bodies

Financial Assistance Per Employee

Maximum of MUR 2,000

Maximum of MUR 2,000 or MUR 1,000 (based on profitability)

Maximum of MUR 1,000 or MUR 500 (based on profitability)

MUR 2,000

Duration of Assistance

- Assistance will be provided from January 2024 to December 2024 for EOE, SMEs, manufacturing enterprises, registered charitable institutions, and registered religious bodies.
- For other enterprises, assistance will be available up to December 2024, as approved by the Minister of Finance, Economic Planning and Development.

Our Comments

Overall, the proposed amendments to the Income Tax Act to provide financial assistance for the payment of the National Minimum Wage and salary compensation in 2024 are commendable. They address the immediate financial needs of various types of enterprises and their employees, promoting economic stability and social welfare. However, proper implementation, monitoring, and long-term planning are essential to maximise the benefits and ensure fiscal responsibility. Enterprises should take full advantage of these measures while also planning for sustainable growth and financial independence in the future.

SME

Manufacturing

- 100 SMEs will benefit from a new programme called “Industrie du Futur” for a period of 3 years to help them digitalise their operations.



Our Comments

These measures collectively aim to create a conducive environment for SMEs to thrive, which is essential for a robust and diversified economy.

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However, it will be crucial to ensure the effective implementation of these measures and monitor their impacts to maximise benefits for the SME sector and the broader economy. Additionally, complementing these initiatives with continuous capacity-building programs, technological support, and regulatory ease will further bolster the resilience and competitiveness of SMEs in Mauritius.

FINANCIAL

Expanding the Financial Services Sector

Strategic Reviews and Development

- A blueprint for developing Mauritius as a Fintech Hub in the region will be created with assistance from the United Nations Economic Commission for Africa.
- The Global Business Sector will include a centralised e-KYC system.

Consolidating the Mauritius International Financial Centre

- The Government will explore signing a Strategic Partnership Agreement (SPA) with India and African countries and will engage in discussions with Indian authorities to develop the financial sector.

Financial Market Innovations

- A new framework for the secondary trading of Government bonds will be established on the Stock Exchange of Mauritius.

Our Comments

Overall, the proposed measures to expand the financial services sector in Mauritius are commendable and strategically sound. They demonstrate a commitment to fostering innovation, attracting talent, and enhancing regulatory frameworks. These initiatives have the potential to significantly boost Mauritius's standing as a leading international financial center, provided they are implemented effectively and supported by ongoing stakeholder engagement and regulatory vigilance.

Businesses in the financial sector should leverage these opportunities, align their strategies with the new regulatory landscape, and explore collaborations to maximise growth and innovation.

FINANCIAL

The Financial Services Commission (FSC) will introduce measures to enhance efficiency and responsiveness

Improved Response Mechanism

- Implement a new system to reduce turn-around time for responding to investor queries and processing Licence applications.

Fast-Track Licensing Process

- Establish a specific time frame for processing certain licenses. If the application is close to the deadline, it will be directed to a fast-track Sub-Committee to expedite Licence issuance.

Our Comments

Overall, the FSC's initiatives to improve the turn-around time for investor queries and Licence applications, and the establishment of a fast-track licensing process, are commendable steps towards creating a more efficient and investor-friendly regulatory environment. These measures are likely to enhance Mauritius's attractiveness as a financial hub by providing quicker and more predictable regulatory services.

Businesses and investors should stay informed about these changes, leverage the improved processes for quicker establishment and expansion, and provide feedback to the FSC to help further refine and improve the system.



FINANCIAL

Amendments of the following acts

The Captive Insurance Act, Financial Services Act, Insurance Act, and Private Pension Schemes Act will be amended to grant the FSC authority to charge fees for post-licensing processes. These processes include the appointment of officers, directors, auditors, actuaries, new controllers, beneficial owners, Management Companies, and Registered Agents. Additionally, the FSC will raise the processing and annual fees that its licensees must pay.

The Financial Reporting Act will be amended to include the following changes:

Exclusion from Public Interest Entities

- The definition of public interest entities will no longer include Authorised Companies licensed under the Financial Services Act.

Membership Renewal for Accountants

- The renewal of membership for registered professional accountants will be under the Financial Reporting Act.

Subscription Fees for Public Interest Entities

- Public Interest Entities will be required to pay an annual subscription fee to the National Committee on Corporate Governance for the services provided by the Committee.

The Financial Services Act will be amended to include the following provisions:

Annotations in the Register

- The Chief Executive is required to annotate the register with details when a licensee's licence is suspended or terminated.

Timeframes for Licence Processing

- Introduce specific timeframes for processing licenses under the FSC's regulatory authority.

FINANCIAL

Information Provision by Qualified Trustees

- Qualified trustees must provide information upon request by the FSC.

Appointment of Investigators

- Empower the Chief Executive to appoint an investigator.

Referral to Enforcement Committee

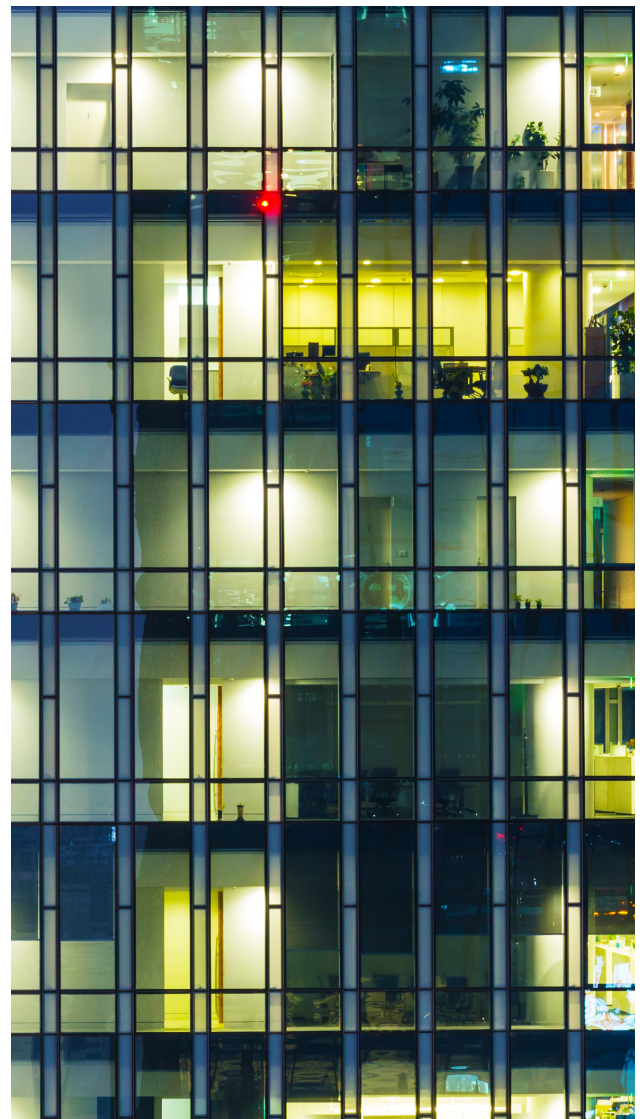
- Allow the Chief Executive to refer past matters to the Enforcement Committee if licensees have conducted their business in a way that threatens Mauritius's financial system integrity, public interest, or involves financial crime.

Filing Timeframe for Authorised Companies

- Authorised Companies must file their financial summary, accounts, financial statements, or returns with the FSC within six months after the end of their financial year.

Issuing Directions to Authorised Companies

- Permit the Chief Executive to issue directions to Authorised Companies and corporations holding a Global Business Licence (GBL).



OTHERS

Excise duty

- A new Excise Licence will be introduced for the storage and maturation of alcoholic products meant for export or transfer to another excise licensee.
- Plastic bottles made from plant-based materials will be exempted from the MUR 2 excise duty per unit on plastic bottles used in the beverages industry



The following rates of excise duty will be applicable for wine coolers:

Category	Current (MUR)	New (MUR)
Wine Cooler	-	186.00
Admixed Wine Cooler	101.30	80.00
Fruit Wine Cooler	38.85	31.00
Island Wine Cooler	38.85	31.00
Made-Wine Cooler	83.30	66.00
Sparkling Wine Cooler (other than champagne)	234.75	186.00

OTHERS

- The existing excise duty of MUR 2 per unit on cans will be applicable on wine coolers in can.
- The Excise/Customs Duty Rebate Scheme-AutomobileRebateScheme: From 1 July, 2024, the current rebate rates of 45% or 55% on motor vehicles will be incorporated into the statutory excise and customs duty rates for conventional petrol and diesel vehicles, effectively reducing the statutory rates by the amount of the rebates.
- Where a person has benefited through error from a remission, exemption, refund or reduction of excise duty, he will be required to pay it back within 28 days instead of 30 days of the notice of claim issued by MRA.
- Provision will be made to allow a purchaser of an imported electric motor vehicle to make a claim for a refund of MUR 200,000 after the statutory time frame of 30 days provided the delay in making the claim is due to a reasonable cause.
- Manufacturers of alcoholic and sugar-sweetened products will have to conduct a physical inventory of all excisable goods in their factory within one month after the end of each 12-month period. A statement of this inventory, certified by a qualified auditor will have to be submitted to the MRA.

Customs Duty

- Abolition of customs duty on Milk Beverages obtained from nuts, such as walnut and chestnut.
- A provision will be made, effective retroactively, to waive the remaining duties and taxes on a duty-exempt motor vehicle that is declared a total loss in a natural disaster.

OTHERS

Tourism Sector

For 2024-25, the goal is to attract 1.4 million tourists and earn MUR 100 billion from tourism. The Government also aims to make Mauritius a Green-Certified Destination by 2030.

- The Promotion and Destination Marketing Budget of the Mauritius Tourism Promotion Authority (MTPA) is increased by 20% to MUR 600 million.
 - Grants for small hotel projects will be increased to MUR 800,000.
 - Refunds for participating in international fairs will be increased to MUR 275,000.
 - The introduction of e-Gates and e-Passports will be expedited up to improve travelers' experiences.
 - The Tourism Authority will start the approval process for Bel Ombre to be certified by the Global Sustainable Tourism Council, aiming to complete it by December 2025.
- The rules for importing and selling switch and flavored tobacco products will be reviewed.
 - Tourists and travelers will be allowed to buy minted gold coins and bars, and manufacturers will be able to sell these products in duty-free shops at airports and ports.

Our Comments

These initiatives are lawdable for their focus on both short-term recovery and long-term sustainability. The increased funding and infrastructure improvements are expected to yield substantial returns by enhancing the overall tourist experience. Additionally, the emphasis on sustainability aligns well with global trends, positioning Mauritius favorably in the competitive tourism market.

OTHERS

Agricultural/ Crop Sector

- Increased flexibility in recruitment within the agriculture sector to enhance workforce availability.
- Launch of an Agri-voltaic Scheme allowing planters, farmers, and breeders to generate electricity at a premium tariff of MUR 5 per kWh.
- iv. Increase from MUR 50,000 to MUR 60,000 per arpent to restore abandoned cane lands under the Cane Replantation Scheme.
- v. Grant of 50% up to a maximum of MUR 500,000 for the construction of up to 2 sheltered farms, including replacing plastic nets.

Subsidies

- i. 50% subsidy for purchase of fertilisers.
- ii. 75% subsidy on seeds for potatoes, onions, carrots, beans, garlic and tomatoes.
- iii. 50% on green certification of sugar production will be maintained.
- Britannia Organic Zone: MUR 10 million for upgrading of track roads, drains, and sheltered farms.
- MUR 50 million for setting up of a cold storage facility at the National Wholesale Market to increase the shelf-life of fruits and vegetables.

Grants

- i. MUR 250,000 for the purchase of equipment by small planters.
- ii. MUR 300,000 for cooperatives for acquisition of equipment to boost local production.
- iii. MUR 1 million and concessionary leasing facilities by Industrial Finance Corporation of Mauritius (IFCM) for planters purchasing fully equipped container farming facilities.

Tea cooperatives/ growers

- i. The Government will provide MUR 6 million to continue the Road Mending Scheme.
- ii. Tea growers occupying a minimum of 1 arpent of land will henceforth benefit from duty free facilities on purchase of a double cab.
- iii. Increase of the winter allowance for tea growers by 80% from MUR 2.50 per kg to MUR 4.50 per kg.

OTHERS

For planters affected by adverse weather conditions, the Government is:

- i. Maintaining a cash compensation of MUR 6,000 per arpent for the first crop cycle annually; and
 - ii. Introducing a cash compensation of MUR 3,000 per arpent for a second crop cycle annually
- The Cane Revolving Fund Scheme at the DBM will be renewed for a period of one year.

For planters producing up to 60 tons of sugar, the Government will:

- i. Continue to pay the premium to the Sugar Insurance Fund Board;
 - ii. Provide a 50% subsidy on purchase of fertilisers;
 - iii. Continue to provide a financial assistance of MUR 150,000 for purchase of drip irrigation systems; and
 - iv. Waive CESS in respect of crop 2024.
- An increase in the minimum guaranteed revenue of sugar to MUR 30,000 per ton for crop 2024.

Blue Economy

Grants:

- i. MUR 300,000 to fishers for the purchase of a canotte.
 - ii. MUR 6 million to cooperatives for the purchase of semi-industrial fishing boats.
 - iii. MUR 1 million to individual fishers for the purchase of semi-industrial fishing boats.
 - iv. An increase from MUR 2,500 to MUR 3,500 for purchase of hooks and fishing materials.
 - a. An increase from MUR 5,000 to MUR 7,500 for purchase of materials to construct fish traps.
 - b. A one-off grant of MUR 50,000 to registered fishers for renewal of outboard motors.
- An increase in lump sum to artisanal fishers aged 65 years and above returning their licenses from MUR 100,000 to MUR 125,000.
 - For net fishers returning their fishing licenses, an increase in the compensation from MUR 100,000 to MUR 125,000 for individuals and from MUR 200,000 to MUR 250,000 for cooperatives.

OTHERS

- In the case of sudden death of the fisher, an amount of MUR 200,000 will be paid to his heirs.
- Increase in death grant provided to families of fishers lost at sea from MUR 200,000 to MUR 300,000.
- Providing duty free facilities to registered artisanal fishers for the acquisition of a 4 by 4 vehicle.
- Increase in the daily Bad Weather Allowance for fishers from MUR 650 to MUR 800

Our Comments

We recommend clients in these sectors leverage the available subsidies and grants to enhance their operations.



Manufacturing sector

Provide support on the wage bill of the textile industry by compensating the increase in minimum wage and the salary compensation of 2024.

Extend the DBM Wage Support Scheme over a period of 7 years up to 2031.

Apiculture sector

- One-off grant under the Bee Keeping Scheme from MUR 150,000 to MUR 200,000 for fencing purposes.
- The 50% subsidy on acquisition of solar powered CCTV cameras from a maximum of MUR 25,000 to MUR 30,000.
- A subsidy of MUR 500 per Bee Queen to beekeepers up to a maximum of 10 queens.

Cooking gas subsidy

- Reduction of the price of a 12 kg cylinder of cooking gas from MUR 240 to MUR 190 instead of MUR 560 without subsidy.

TAXATION





Shaheen Rostom

Tax Director
Carpus Tax

EDITORIAL

A Progressive Approach to Income Tax in the 2024-25 Budget

The 2024-25 Budget marks a pivotal moment for Mauritius, with significant changes to foster economic growth, innovation, and social welfare. The updates, as outlined in the Budget Speech 2024-25 and the accompanying annex, reflect a comprehensive approach to creating a more equitable economic environment.

Several exemptions and reliefs have been introduced to enhance financial security for individuals and promote specific sectors. The exemption threshold for lump sum payments received as pensions, retiring allowances, or severance allowances has been increased from MUR 2.5 million to MUR 3 million. This adjustment acknowledges the growing needs of retirees and those transitioning out of the workforce, providing them with greater financial security.

Additionally, compensation payable by the Government or a public sector body for losses due to natural disasters will be exempt from tax.

Corporate tax policies have been updated to encourage innovation and support strategic industries. Companies with a Robotic and Artificial Intelligence Enabled Advisory Services Licence from the Financial Services Commission can now claim an 80% partial income exemption, provided they meet substance requirements. The 80% partial exemption for licensed closed-end funds will be extended to include income from the sale of money market instruments or debt instruments.

Income derived from the sale of securities, including virtual assets and tokens, will be exempt from tax.

Furthermore, income from intellectual property assets by companies in the medical,

biotechnology, or pharmaceutical sectors will be taxed at 15% instead of 3%, aligning Mauritius with international norms and ensuring a competitive yet fair tax environment.

The introduction of an 8-year income tax holiday for captive insurers, starting from the date they commence activities, demonstrates the Government's commitment to attracting and retaining businesses in key sector.

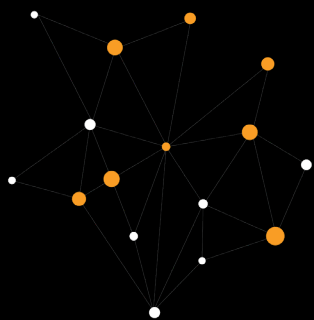
Additionally, a Corporate Climate Responsibility (CCR) levy of 2% on profits will be introduced. Combined with the existing Corporate Social Responsibility (CSR) charge of 2%, this increases the effective corporate tax rate to 19% for companies with a turnover exceeding MUR 50 million.

The investment tax credit of 15% over three years will now include Artificial Intelligence (AI) and patents, highlighting the Government's commitment to fostering technological advancement. Interest income derived from bonds issued by public sector companies to finance infrastructure projects will also be exempted.

The Government's efforts to support low and middle-income earners are further evidenced by the changes to the Contribution Sociale Généralisée (CSG) Income Allowance. The CSG allowances have been increased across various earning thresholds, providing additional financial support to those who need it most. For instance, individuals earning less than MUR 20,000 monthly will now receive a CSG allowance of MUR 3,000, up from previous levels.

The Government has made significant strides in enhancing social welfare through tax policy. The Minimum Guaranteed Income will be raised from MUR 18,500 to MUR 20,000 starting 1 July 2024, ensuring that no full-time employee earns less than this amount reflecting the Government's commitment to reducing poverty and improving living standards.

The income tax updates in the 2024-25 Budget reflect a balanced and forward-thinking approach to fiscal policy. By increasing exemptions and reliefs, and enhancing social welfare measures, the Government is laying a strong foundation for sustainable economic growth and social equity. These progressive measures are a testament to Mauritius' commitment to becoming a more inclusive and forward-thinking economy.



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TAXATION

Corporate taxes

A CCR levy will be introduced, equivalent to 2% of the company's profits. Companies with a turnover of < MUR 50 million will be exempted from this levy.

Our Comments

This proposal was only mentioned in the Budget Speech, and no reference was made in the Budget Annex. It is unclear whether this will impact licensees in the Global Business sector. However, we are of the view that the CCR should only apply to domestic companies, which could be compared to the CSR, given that global business companies conduct business mainly outside of Mauritius.

The tax base of the CCR would be the company's profits, which could negatively impact companies subject to the Environment Protection Fee ("EPF"), leading to double taxation even if one could argue that the EPF does not fall within the scope of the ITA.

If CCR applies to all companies, including those who are compliant with Environmental, social, and governance ("ESG"), which could be seen as unfair. We believe that the CCR should only have been applied to companies which do not comply with ESG requirements.

It appears that the CCR, even if it could be an income tax, cannot be reduced by foreign tax credit. The introduction of CCR creates a new income tax threshold whereby companies with a turnover of less than MUR 50 million would be subject to tax at the rate of 17%

(including CSR) and those above would be subject to tax at the rate of 19% (including CCR). The turnover threshold could also be discriminatory in cases where the consolidated turnover of a group of companies exceeds MUR 50 million, but the turnover of its group companies does not exceed the threshold.

We believe that companies deriving passive income should be excluded, but it could be that companies exempt from taxes could also be subject to CCR on a similar note to CSR. We should have wait for the provisions of the finance bill to get more certainty on the charging provisions of the CCR.

Exemptions and Reliefs

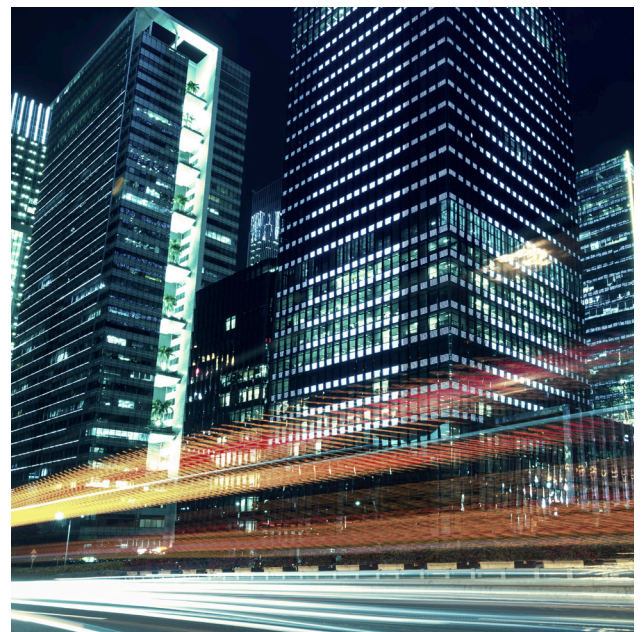
- A company with a Robotic and Artificial Intelligence Enabled Advisory Services Licence from the Financial Services Commission (FSC) will be allowed to claim an 80% partial income exemption (PIE) provided it meets substance requirements.
- Payment Intermediary Services (PIS) Licence holders will now benefit from the Partial Exemption Regime.

TAXATION

- The 80% PIE for licensed closed-end funds will be extended to include income from the sale of money market instruments or debt instruments.
- The 80% PIE for licensed CIS Administrators does not apply to income from administrative services provided by a Management Company to a CIS Licence holder.
- Income derived from the sale of securities, including virtual assets and tokens, will be exempt from tax.
- Income derived from intellectual property assets by companies in the medical, biotechnology, or pharmaceutical sectors will be taxed at 15% instead of 3% to comply with international norms.
- Interest income derived from bonds issued by public sector companies to finance infrastructure projects will be exempted.
- The investment tax credit of 15% over 3 years will henceforth include AI and patents.
- Captive insurers will benefit from an 8-year income tax holiday starting from the date they commence activities.

Our Comments

As per Section 28 Sub Part C Part II Exempt income of the ITA, income derived by a person licensed under the Captive Insurance Act 2015 was exempt for 10 years i.e until 2025. However, it is not clear whether the 8 year income tax holiday proposed by the Budget will be extended to the existing captive insurance benefiting from the 10 year tax holiday.



TAXATION

Individual Taxes

Exemptions and Reliefs

- The exemption threshold for lump sum received as pension, retiring allowance, or severance allowance will be raised from MUR 2.5 million to MUR 3 million.
- Compensation payable as from 1 January 2024 by the Government or a public sector body for losses directly/ indirectly due to natural disasters will be exempt from tax.
- An allowance paid to an individual under a financial assistance scheme will be exempt from tax.

Employment related issues

- Professionals with a minimum of 10 years' experience will receive a temporary Occupation Permit (OP) valid for 3 months, allowing them to work while their permit is pending approval.
- A 10-year expert OP will be introduced to attract foreign talents

in wealth management, family office, virtual assets, and virtual tokens.

- The maximum timeframe to deliver or renew a Work Permit will be set at 3 weeks and for the manufacturing sector, it will be extended to 10 years.
- Non-citizens holding a Retired Residence Permit will be allowed to work without an additional work or OP.
- The threshold for OPs for professionals will be reduced from MUR 30,000 to MUR 22,500.
- The Minimum Guaranteed Income will be raised from MUR 18,500 to MUR 20,000 starting from 1 July 2024, ensuring no full-time employee earns less than this amount.
- All parents having children in full-time education in fee-paying in private schools will be eligible to an income tax deduction up to MUR 60,000 per child per annum.

TAXATION

Prime à l'Emploi Scheme

- The Prime à l'Emploi Scheme will be maintained to support unemployed women and disabled person in the labour force, regardless of their age.
- It will now be available to those willing to work on a part-time basis, with a contribution of MUR 7,500 to the monthly salary of eligible part-time workers, based on a 20-hour work week.
- The period of placement under the Prime à l'Emploi Scheme will be extended from 6 months to one year for a disabled person.
- As from 17 November 2023, the minimum unemployment period for a person to qualify under the Prime à l'Emploi Scheme has been reduced from 1 year to 3 months.

CSG Income Allowance

The CSG Income Allowance will be increased as follows:

Earning Threshold for Individual	CSG Allowance (MUR)
< MUR 20,000	3,000
< MUR 25,000	2,500
< MUR 30,000	2,000
< MUR 50,000	1,500

Eligible individuals will be granted up to 12 months to provide their bank details to enable the MRA to credit their bank account.

TAXATION

Social Benefits

Retirement pension age	Up to 30 June 2024 MUR	1 July to 31 Dec 2024 MUR	From 1 Jan 2025 MUR
60 - 64 years old	13,500	14,000	15,000
65 - 74 years old	14,500	15,000	16,000
>75 years old	16,000	16,500	17,500
>90 years	23,710	24,210	25,210
>100 years old	28,710	29,210	30,210
Basic Invalid's/Widow's/ Orphan's Pension	26,210	29,210	30,210

Value Added Tax and other duties

- A person who has voluntarily registered for VAT can claim input tax on goods and services acquired from the date of voluntary registration, against their output tax.
- VAT, customs duty, and excise duty on goods and services for projects funded by donor organisations will be exempted if the project receives at least 50% grant or concessionary loan.
- The entrance fee to digital art galleries will be exempted from VAT.
- When a supplier issues a VAT invoice with the value of supply in foreign currency, they will be required to specify the conversion rate into rupees.
- Non-VAT registered persons applying for a refund of VAT paid on imported equipment under the VAT Refund Scheme must submit a statement from a freight forwarding agent or a customs house broker certifying the amount of VAT paid.
- Diplomatic missions and agents will be allowed to benefit from VAT exemption or refund on services.

TAXATION

- Services provided by a Management Company to (i) trusts with non-resident settlors and beneficiaries or (ii) foundations with non-resident founders and beneficiaries will be zero rated for VAT purposes.
- The VAT Act will be amended to include VAT exemption on the construction of purpose-built buildings for pre-primary and Technical and Vocational Education and Training.
- Motor vehicles acquired by approved contractors engaged in the construction of social housing units under contracts with New Social Living Development Ltd will be exempt from VAT.
- The following products will be made zero-rated for VAT purposes:
 - o vegetable seeds, fruit and flower seeds, bulbs and plants used for sowing or planting;
 - o seedling trays, plant pots, agricultural sprayers, roasted coffee, and baby lotions.

Our Comments

The extension of the zero rated VAT to management companies for services provided to non resident trusts and foundations are very welcome. However, in our view this should have also been extended to other service providers providing services to Global Business companies and non-resident trusts/foundations.

Registration Duty

- Registration duty on a Power of Attorney authorising the sale of a pleasure craft will be at the same rate as the transfer of ownership.
- Registration duty will be levied on the difference between the value of an immovable property transferred as equity participation in a company and the value of the shares held in that company.
- The transfer of a social housing unit by the New Social Living Development Ltd (NSLD) will be exempted from the payment of registration duty, land transfer tax and tax on transfer of leasehold rights in State land.

TAXATION

Registration Duty

Our Comments

The Finance (Miscellaneous Provisions) Act 2022 has amended the Registration Duty Act and the Land (Duties & Taxes) Act (LDTA) by introducing land transfer taxes on the acquisition of own shares, redemption of shares, and share buybacks that result in an effective change in ownership.

The term “effective change in ownership” was not previously defined in the law. This amendment clarifies the charging provisions, specifying that only an effective change in ownership exceeding 10% will be subject to the provisions of the aforementioned Acts. However, for the seller of shares, the land transfer tax under the LDTA should only apply if there is a change in control AND the effective ownership exceeds 10%.

Other measures

- To encourage the adoption of digital payments in Mauritius, the Bank of Mauritius will remove fees associated with the use of the MAUCAS platform.
- The Freeport Act will be amended to allow a company to operate under both a GBL and a Freeport certificate, but it will not be entitled to the tax holiday granted to qualifying Freeport operators.
- The Fund and Asset Manager Certificate will be reviewed to include at least 2 qualified officers.

Our Comments

This proposal was mentioned solely in the Budget speech and not in the Budget annex. Currently, an FSC circular allows only one officer per employer to be designated as the Fund and Asset Manager. The Budget provides that the Fund and Asset Manager Certificate will be revised to include at least two qualified officers. We interpret this to mean that an employer will be able to designate two or more officers to serve as fund and asset managers, and the emoluments of these officers will be treated as exempt income for 10 years as per Section 17 Sub Part A Part II Exempt income of the ITA.

TAXATION

Tax administration

- The Tax Arrears Settlement Scheme (TASS) will be renewed for an additional year providing full waiver of penalties and interest for tax arrears under the ITA, VAT Act and the Gambling Revenue Authority Act are fully paid by 31 March 2025, provided the taxpayer registers under the scheme by 31 December 2024.
- Banks and other financial institutions will be required to report certain financial transactions to the MRA enhancing transparency and compliance.
- A taxpayer will not be allowed to submit an amended return if an objection has been made with the MRA against an assessment or if a representation has been lodged with the Assessment Review Committee.
- The MRA will have a time limit of 4 years following the taxable period in which a return is submitted to require a person to furnish information or produce books or records for examining the return.
- The MRA will be empowered to make an assessment of tax payable for up to 4 years prior to the taxable period in which a return is submitted, rather than 4 years prior to the taxable period in which the tax liability arose, to allow sufficient time to examine late-submitted returns.
- The Assessment Review Committee can postpone hearings only on specified grounds and must determine cases within a specified time frame.

Our Comments

The Budget proposes that the Assessment Review Committee will only be permitted to postpone hearings on specified grounds. However, we are of the opinion that this requirement for specified grounds should not impede the fundamental rights associated with a fair trial. Ensuring that the right to a fair trial is upheld is essential, regardless of the specified grounds for postponement.

MEDICAL



MEDICAL

PUBLIC HEALTH MEASURES

- Total Health Budget Allocation: MUR 17.2 billion.
 - The allocation of MUR 17.2 billion for the healthcare sector signifies a significant commitment to improving public health services. This represents an investment in both immediate healthcare needs and long-term infrastructure development.
 - The increased Budget will help address pressing health issues while also building the foundation for future healthcare advancements. Out of the allocated Budget, MUR 1.7 billion will be dedicated to healthcare infrastructure with the main project being MUR 800 million for the operationalisation of the New Flacq Teaching Hospital by October 2024.
 - The New Flacq Teaching Hospital will enhance medical skill level across the island and improve the level of service in both public and private establishments.
 - Additionally, MUR 55 million is for new mediclinics, and MUR 11 million for new community health centres. These investments aim to improve healthcare access and quality across the island whilst being easily accessible to the public.
- #### Specialized Care for Children
- Establishment of a pediatric intensive care unit at the New ENT Hospital.
- #### Expansion of AI in Healthcare:
- Extension of AI-enhanced electrocardiography for cardiovascular disease detection to all regional hospitals, building on its introduction in 6 mediclinics last year.
- #### E-Health System Implementation
- Current pilot phase at JNH Hospital.
 - Full rollout to all public health institutions starting November 2024.

MEDICAL

- Benefits to include digital health records, online appointments, and medical history access.

Duty-Free Facilities for Ambulances

- NGOs and private hospitals will receive duty-free benefits for purchasing ambulances.
- The provision of duty-free benefits for NGOs and private hospitals to purchase ambulances aims to enhance emergency response capabilities and healthcare services. This measure will reduce costs for these organisations, allowing them to acquire more ambulances and expand their capacity to deliver timely and efficient emergency medical care. Consequently, it supports efforts to ensure that emergency care reaches more people, particularly in underserved and remote areas, improving overall access to urgent healthcare services and potentially saving more lives.

Assisted Reproductive Technology Regulation

- The introduction of the Assisted Reproductive Technology Act will regulate and oversee fertility clinics and assisted technology banks in Mauritius. This measure aims to attract international fertility centres by ensuring high standards and safety. It could enhance the quality of reproductive health services, boost medical tourism, and position Mauritius as a regional hub for advanced fertility treatments.



SOCIAL & CULTURAL





Ayeshen Marianen

Director
Indie Crate

EDITORIAL

Social and Culture

The 2024-25 Budget for Mauritius has introduced a series of social and cultural measures that reflect a generous and inclusive approach to governance. These measures are designed to address the diverse needs of the population, covering various social categories and fostering a sense of care and support within the community. The Budget, while ambitious, aims to balance immediate social needs with long-term economic sustainability, reflecting both a caring and strategic outlook.

One of the standout aspects of the Budget is its social tax policies. These policies are designed to provide relief and support to a broad spectrum of the population, particularly focusing on the vulnerable and lower-income groups. By increasing the disposable income for retired individuals and providing allowances for employees earning below a certain threshold, the Government is aiming for the benefits of economic growth to be shared widely.

The social measures in the Budget cover a wide range of demographics, from children to the elderly, and include specific provisions for various disadvantaged groups. This inclusive approach ensures that no segment of the population is left behind. This comprehensive coverage is a testament to the Government's commitment to social equity and support.

While the Budget's social measures are undoubtedly generous, there is a delicate balance between being caring and ensuring long-term economic sustainability. Some may argue that the Budget is overly generous, potentially leading to fiscal challenges in the future. We hope that the Government has strategically planned these measures to boost consumption and economic activity, ultimately leading to a stronger economic recovery and growth.

It is essential to approach the evaluation of these measures diplomatically. On one hand, the Government's extensive support is commendable and reflects a deep commitment to social welfare. On the other hand, there is a need for continuous monitoring and adjustments to ensure that these measures remain sustainable in the long run. The Budget's success will ultimately depend on effective implementation and the ability to adapt to evolving economic conditions.

 **INDIE CRATE**

SOCIAL & CULTURAL

SOCIAL MEASURES

Child Welfare and Support

- Introduction of a Maternity Allowance of MUR 2,000 monthly for 9 months for expecting mothers, starting from the third trimester.
- Increase in the length of maternity leave from 14 to 16 weeks and paternity leave from 1 to 4 weeks.
- Provision of spectacles to all Social Register of Mauritius (SRM) beneficiaries.
- Special 2-week additional maternity leave for mothers who give birth to twins, triplets, multiple births, or premature babies.

Medical Checkups for Expecting Mothers

- Grant of MUR 3,000 for expecting mothers who complete the six mandatory medical checkups during their pregnancy.

Support for Newborns and Families

- Continuation of the Child Allowance of MUR 2,000 monthly for children from birth up to the age of 3 years, increased by 25% to MUR 2,500.
- Introduction of a School Allowance of MUR 2,000 monthly for children aged 3 years up to 10 years, effective from 1 July 2024.

Support for Families with Multiple Births

- Increase in the household income ceiling to qualify for the Multiple Birth Allowance from MUR 390,000 to MUR 500,000.
- Increase in the monthly allowance for families with multiple births from MUR 3,272 to MUR 5,000.

Support for Children with Cancer and Severe Medical Conditions

- Extension of the cancer care scheme to include children and young adults up to the age of 25.

SOCIAL & CULTURAL

- Removal of the maximum amount of MUR 1 million under the Overseas Treatment Scheme for pediatric patients up to the age of 18.

Support for Solar Energy

- Increase in the maximum loan amount for the purchase of solar kits and batteries by households to MUR 350,000 by DBM.

Greening of Automobile Fleet

- Renewal of the Negative Excise Duty of MUR 200,000 for the purchase of electric vehicles up to June 2025.
- Installation of prepaid public charging stations by the Central Electricity Board.

Increase in Monthly Rent Allowance

- The monthly rent allowance for beneficiaries of basic pensions living alone has been increased from MUR 2,286 to MUR 3,500.

Home Ownership Scheme

- Provision of a 5% refund on the cost of purchasing a property under the Home Ownership Scheme, up to a maximum of MUR 500,000.
- For those taking a loan to build or purchase a home, a 5% refund is provided on the loan amount under the Home Loan Payment Scheme, up to a maximum of MUR 500,000.

Artist of the Year Award

- Launch of an Artist of the Year Award with a prize of MUR 250,000 to showcase and market the works of professionals in visual arts, literature, music, audio-visual and digital media, dance, and performing arts.

Tax Incentives for Supporting Artists

- Companies supporting a registered professional in the arts will benefit from a double deduction on the costs incurred.

SOCIAL & CULTURAL

Investment in Creative Industry

- Private investment in the development of the creative industry, including concert venues and theatres, will be eligible for a Premium Investor Certificate with incentives on taxation, utilities, labour, infrastructure, among others.

Energy Infrastructure

- Continued investment in renewable energy projects to reduce dependence on fossil fuels and promote clean energy.
- Projects include the installation of solar PV systems, development of wind energy projects, and upgrading of the national grid to support the integration of renewable energy sources.
- Establishment of an additional Battery Energy Storage System (BESS) to enhance energy storage capabilities.

Public Transport

- Expansion of the Metro Express network to improve public transportation and reduce traffic congestion.
- Purchase of new buses and the introduction of a Bus Rapid Transit (BRT) system to provide efficient and reliable public transport services.
- Implementation of measures to encourage the use of public transport, including subsidies and incentives for commuters.

Urban Development

- Development of smart cities and urban regeneration projects to create sustainable and livable urban spaces.
- Projects include the redevelopment of Port Louis Waterfront, construction of affordable housing units, and the creation of green spaces and recreational areas.

SOCIAL & CULTURAL

Digital Infrastructure

- Investment in digital infrastructure to support the digital economy and enhance connectivity across the island.
- Projects include the expansion of broadband networks, deployment of 5G technology, and development of digital hubs and innovation centers.

Support for Hiring Carers for the Elderly

- An individual can deduct MUR 30,000 for the employment of a carer to care for their parents or grandparents.
- Individuals aged 60 years and above can benefit from a permit to recruit a foreign carer, irrespective of the place of origin.

Increase in Guardian's Allowance

- Guardian's Allowance for persons taking responsibility of orphans under their custody increased from MUR 1,100 to MUR 2,000 monthly.

Free Monthly Data Package

- Provision of a free monthly data package for all citizens aged 18 to 25 years, benefiting approximately 80,000 youth with free internet access.

Zero % Loan on IT Equipment

- Introduction of a 0% loan on IT equipment by the DBM for individuals aged 18 to 25 years.

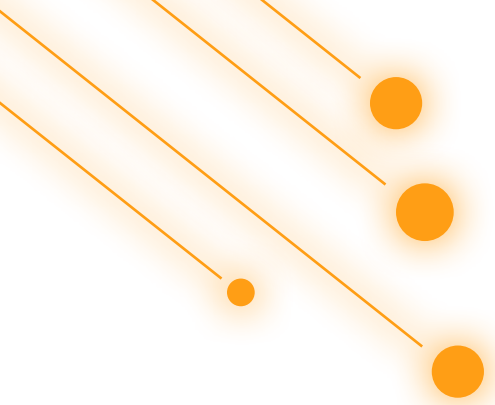
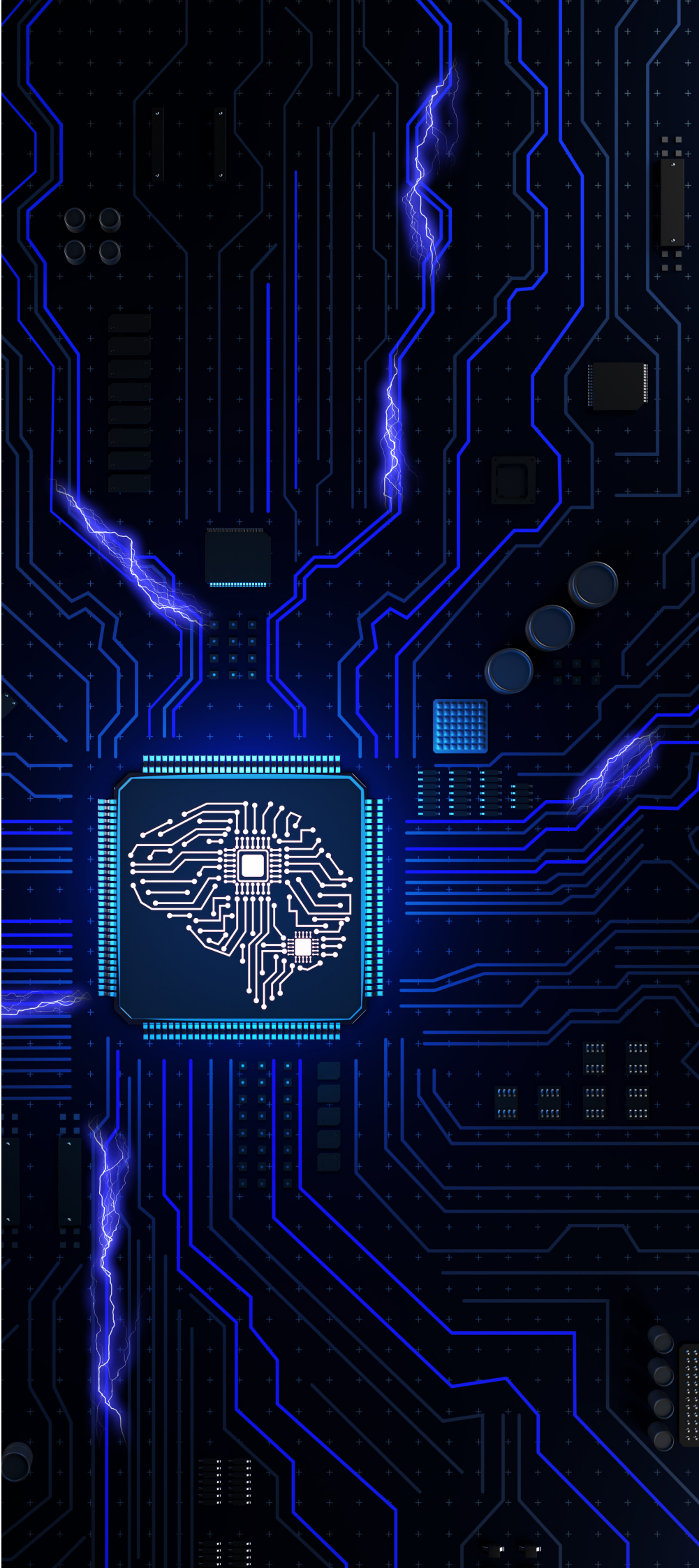
Allocation Égalité des Chances

- Every household with a monthly income of less than MUR 20,000, will receive a monthly allowance of MUR 2,000.

Support for NGOs and Religious Bodies

- Increase in the grant to religious bodies from MUR 125 million to MUR 200 million.
- Provision of duty-free facilities for the purchase of motor cars to all registered priests of all religions every seven years.

TECHNOLOGY





Heman Mohabeer

Director of Digital Transformation
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EDITORIAL

Embracing the Digital Revolution in Mauritius - A Path to Technological Empowerment

As Mauritius navigates the rapidly changing landscape of digital transformation, the island nation is poised for a technological rebirth. The country is quickly becoming a vibrant digital hub, characterised by innovation and progress. The emergence of data centers and the proliferation of digital screens mark an era of advancement that is reshaping our society and economy.

The technology sector is a key driver of this economic resurgence. The Government's strong focus on the ICT/BPO sector highlights its commitment to fostering innovation, supporting small businesses, and developing digital skills. The numerous tech projects across the island are more than just digital initiatives; they form the foundation of our economic strategy, creating jobs and generating significant economic activity.

A notable impact of the growing tech sector is the empowerment of small businesses. The Small Business Digital Champion Scheme, which offers a 25% refund on investments in new technologies, is a significant step forward. This initiative helps small businesses embrace digital transformation, enhancing their competitiveness and productivity. The benefits extend beyond the tech sector, revitalising related industries such as manufacturing, transportation, and retail. This wave of digital adoption not only boosts individual businesses but also strengthens our economy, driving innovation and supporting a robust economic cycle.

This year's Budget focuses on a 5-year blueprint for the Digital Industry, a strategic plan that will guide the sector's growth through coordinated efforts and sustained progress. Together with the increased margin of preference for local service companies, these measures provide a solid foundation for a thriving digital ecosystem.

The 'A.I-for-ALL' campaign exemplifies the Government's forward-thinking approach. By encouraging the use of AI tools in schools, universities, businesses, and public services, and offering a substantial 90% refund on AI training courses, Mauritius is preparing its workforce for the future. Additionally, the integration of AI-enhanced electrocardiography in healthcare highlights the transformative potential of AI in improving public services and quality of life.

While the Budget lays a solid groundwork, certain critical elements warrant attention to ensure holistic development. The introduction of a comprehensive national AI framework should be favoured. Such a framework would provide a cohesive strategy, aligning all AI initiatives with national goals, ensuring ethical standards, and optimising resource utilisation.

Robust digital infrastructure is the backbone of any digital economy. The Budget should emphasise the development of high-speed internet, data centers, and AI research labs to support the burgeoning ICT/BPO sector. Investing in infrastructure is crucial to sustain growth and competitiveness.

The rapid advancement of AI and digital technologies necessitates a clear regulatory framework to address ethical considerations, data privacy, and security. Establishing these guidelines will build public trust and ensure responsible AI deployment.

Promoting R&D in AI and digital technologies is essential for fostering innovation. Allocating funds and incentives for R&D can drive technological advancements and position Mauritius as a leader in digital innovation.

Ensuring digital inclusion for marginalised and rural communities is vital to avoid a digital divide. Targeted initiatives to provide access to digital tools and education for these communities will promote equitable growth and social inclusion.



CARPUS CONNECT



TECHNOLOGY

Measures Pertaining to the Technology Sector

ICT/BPO Sector Growth

- The Government recognizes the dynamic and resilient nature of the ICT/BPO sector, which achieved an average annual growth rate of over 4%, with a notable 4.5% growth last year. Measures introduced aim to accelerate this momentum.

Small Business Digital Champion Scheme

- A 25% refund on investments in new technologies to empower small businesses in embracing digital transformation, enhancing their competitiveness and productivity.

Virtual Platform for IT Services

- Creation of a virtual platform to showcase Mauritian IT services, elevating global visibility and attracting international clients.

Strategic Planning and AI Integration

- Development of a 5-year blueprint for the Digital Industry to guide sector growth.
- Enhanced margin of preference for local service companies.
- 'A.I-for-ALL' campaign to encourage AI tool usage across various sectors, offering a 90% refund on AI training courses.
- Extension of AI-enhanced electrocardiography in healthcare.

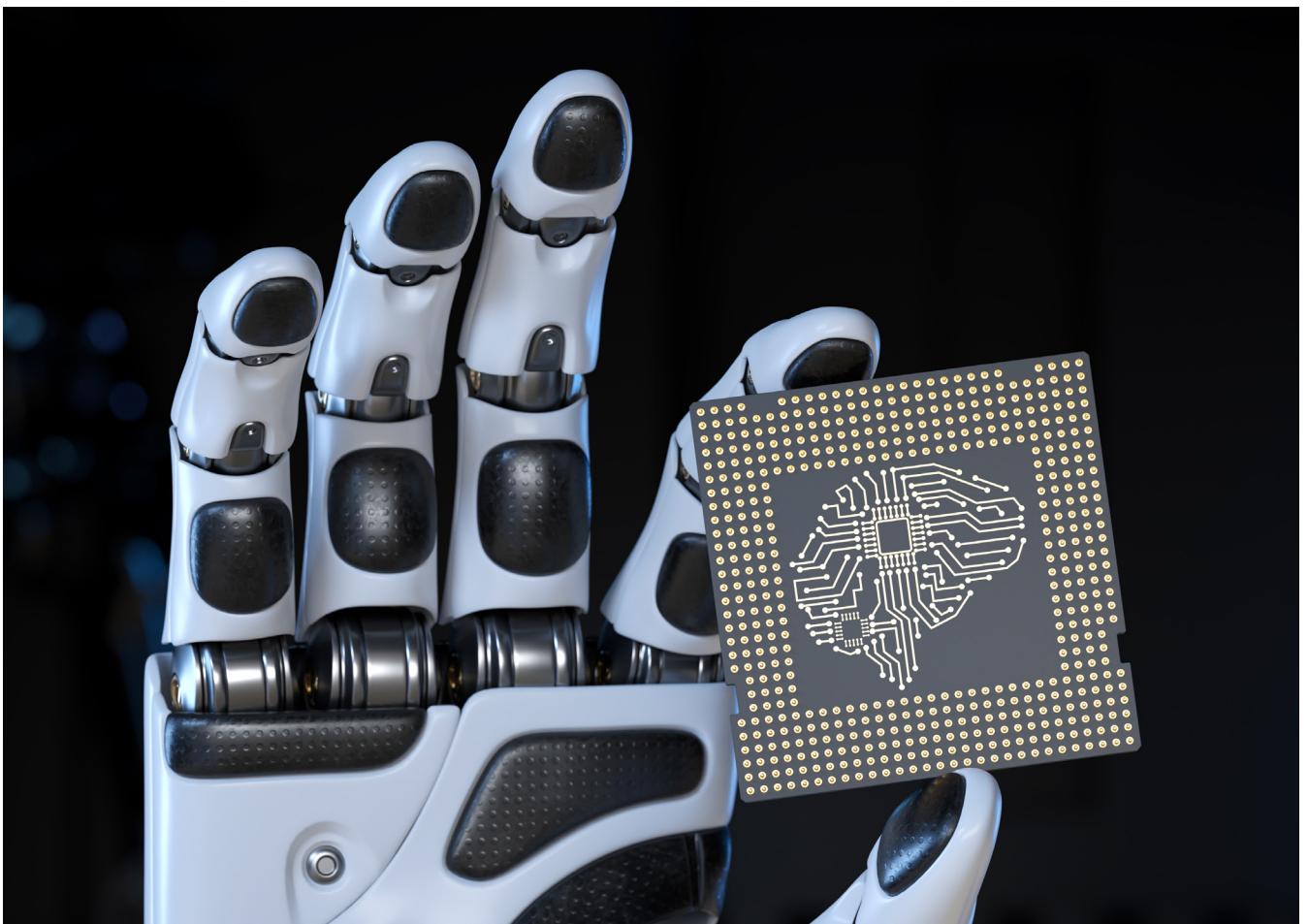
Additional Measures Needed

- Comprehensive National AI Framework: To provide a unified strategy, ensure ethical standards, and optimise resource utilisation.
- Digital Infrastructure: Emphasis on developing high-speed internet, data centers, and AI research labs.

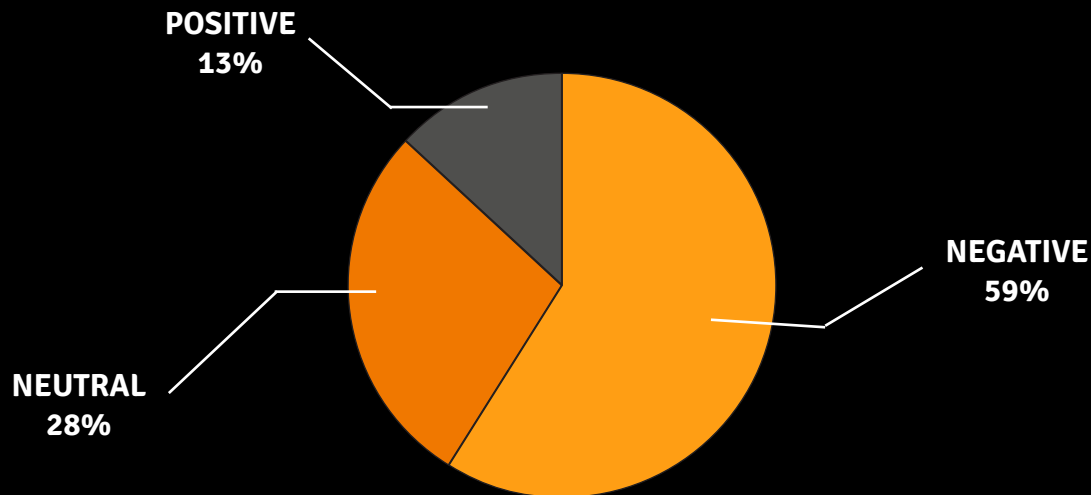


TECHNOLOGY

- Regulatory and Ethical Guidelines: Clear framework to address ethical considerations, data privacy, and security.
- R&D: Funds and incentives for R&D to drive innovation.
- Digital Inclusion: Initiatives to provide access to digital tools and education for marginalised and rural communities.



SENTIMENT ANALYSIS* POST BUDGET



*Source of comments: Analysis made on social media

The sentiment analysis provided above is based on comments from a sample size of 151 extracted social media comments collected from 7th June 2024 to 8th June 2024. The analysis categorizes comments into positive, negative, and neutral sentiments using AI automated methods. It is important to note the following:

1. **Accuracy:** While efforts have been made to ensure accuracy, sentiment analysis is inherently subjective and can vary based on interpretation. Automated tools may not fully capture the nuances of human language, especially when dealing with multiple languages and dialects.
 2. **Context:** The sentiment of comments may be influenced by various contextual factors that are not fully captured in the analysis. Readers should consider the broader context in which the comments were made.
 3. **Limitations:** The analysis may not fully account for sarcasm, idiomatic expressions, or cultural references, which can affect sentiment interpretation.
 4. **Intended Use:** This analysis is intended for informational purposes only. It should not be used as the sole basis for decision-making. Additional qualitative analysis and contextual understanding are recommended.
- Data Privacy:** The comments analysed are assumed to be public and available for analysis. No private or sensitive information has been used or disclosed.

By using this analysis, you acknowledge these limitations and agree to use the information responsibly.



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