

Budget Speech **2021-2022**

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INTRODUCTION

In his Budget Speech 2020-2021, the Honourable Minister announced that “the New Normal is not imposed on us, it is chosen.” In his previous budget, the Honourable Minister announced a series of courageous reforms (i) to preserve jobs and livelihoods for the most vulnerable of the society, (ii) to rebuild the economy and (iii) to ensure an inclusive, robust and sustainable economic development. It was a budget for a better tomorrow for all Mauritians. Last year’s budget was to minimise the adverse effects of the COVID-19 pandemic, in particular to preserve jobs and to provide financial assistance to companies to prevent them to go bankrupt. Admittedly, the objectives announced in the previous Budget 2020-2021 have, to a large extent, been achieved; however, it is imperative that this recovery process continues for the ultimate benefits of the society at large. A key sector that will be closely monitored will be the tourism sector. With the opening of the borders in two phases, the country is aiming to welcome some 650,000 tourists over the next 12 months. To this end, the Honourable Minister announced a significant to the Mauritius Tourism Promotion Authority.

In this document, we set out the main measures which the Honourable Minister has announced in his Budget Speech 2021-2022. It is hoped that the measures will help the country as whole to achieve long-term economic recovery and a more inclusive society.

Macroeconomic Measures

The Minister announced the Government’s intention to encourage more Mauritian citizens to become homeowners. With that objective in mind, the following measures were announced:

- a. The construction of 12,000 new social housing units;
- b. The earmarking of Rs 2 billion to support the purchase of residential land and property as well as the construction of housing units by individuals;
- c. An individual buying a house, apartment or land to construct his residence in the financial year 2021-2022 will benefit from a refund of 5% of the costs of the property, up to a maximum of Rs 500,000. The payment will be in respect of the purchase of residential properties in the financial year and the refund granted even if the purchaser has been exempted from payment of registration duty on the acquisition of the property. If the property is sold within a period of one year of the date of the acquisition, the amount received under the scheme will have to be refunded.
- d. Those contracting a home loan to construct their residence will benefit from a refund of 5% of the home loan, up to a maximum of Rs 500,000;
- e. Registration duty exemption for first-time buyers will apply to the first Rs 5 million of the acquisition value, instead of being limited to property whose value does not exceed Rs 5 million;
- f. 2,000 lots will be put on sale by the State Investment Corporation and Rose-Belle Sugar Estate for residential purposes; and
- g. Government will work with commercial banks to introduce a mortgage scheme to cover (a) 80% of housing loans for self-employed individuals and contractual employees and (b) 100% of housing loans for other individuals.

With Government’s support during the Covid-19 pandemic to businesses and individuals, coupled with a decrease in revenue, budget deficit for the year 2020/2021 is expected to reach 5.6% of GDP and estimated to be contained within 5% for the year 2021-2022. GDP contractions in the years 2019/2020 and 2020/2021 have also seen a significant rise in public sector debt to 95% of GDP. With a projected GDP growth of 9% in 2021-2022, that figure is estimated to decrease to 91% and the Government’s objective is to further reduce public sector debt to 80% by 2025 and 70% by 2030.

Financial Services and Ease of Doing Business

01 - Financial Services

It was pleasantly noted that the Financial Services Sector is one of the few sectors which registered a positive growth in 2020. The strategy envisaged for the sector is two-fold:

- to enhance the status of the jurisdiction as a financial centre of highest global standards; and
- to improve and deepen the service offerings.

The country remains committed to fully comply with international AML-CFT requirements. The government is sparing no efforts to complete the implementation of the Financial Action Task Force (FATF) Action Plan for an early exit of the FATF list of jurisdictions under increased monitoring. Various measures including supervisory, regulatory and law enforcement were introduced to further strengthen the sustainability and effectiveness of the AML-CFT system. To enhance the AML-CFT legislative framework and its implementation, the following actions were undertaken:

- Relevant legislations were amended to meet the requirements of the FATF Recommendations on AML-CFT;
- New personnel were recruited to strengthen the compliance capacity; and
- Financial Crimes Divisions were set-up at the Supreme Court and the Intermediate Court with a view to ensuring that financial crime cases are dealt with expeditiously.

In order to sustain the initiatives, the AML-CFT Core Group will be given legal force under the Financial Intelligence Ant-Money Laundering Act and a Financial Crime Commission will be established for a more effective management in the fight against financial crime.

The following measures will be taken to pursue the development of the sector:

- A Securitisation Bill will be introduced;
- The tax holiday for Family Offices as well as Fund and Asset Managers will be extended from 5 to 10 years; For the setting-up of Family Offices, the need for a Global Business licence will be eliminated.

- A new Securities Bill will be introduced;
- A new legislation for virtual assets will be enacted;
- The Bank of Mauritius (BOM) will roll-out a Central Bank Digital Currency - The Digital Rupee - on a pilot basis;
- The BOM will introduce a dedicated QR Code at national level to facilitate digital payments;
- The BOM guidelines allowing the setting-up of regional offices by international banks will be revamped in line with latest international trends;
- The BOM and the Financial Services Commission (FSC) will set up respectively an Open-Lab for banking and payment Solutions and a FinTech Innovation Lab to encourage an entrepreneurship culture;
- The FSC will also implement a digital centralised information exchange system to facilitate motor insurance claim recoveries;
- The FSC One platform will be launched as an online licensing portal as from 1st July 2021;
- The Stock Exchange of Mauritius will introduce rules for the setting-up of Special Purpose Acquisition Companies; and
- The BOM and the FSC will launch a one-year training programme on AML and related matters for a minimum of 100 graduates.



Financial Services and Ease of Doing Business *(Continued)*

02- Business Promotion and Facilitation

It is contemplated to streamline some sixteen different incentives schemes under three certificates issued by the Economic Development Board (EDB), namely,

- a) the Investment Certificate;
- b) the Export Development Certificate; and
- c) the Premium Investor Certificate.

The Premium Investor Certificate will allow companies investing at least Rs 500 million (approx. USD 12.5m) to benefit from negotiable incentives, upon recommendation of a Technical Committee and approval of the relevant ministry.

All businesses will be required to register with the EDB to benefit from the incentives and schemes introduced by the Government. In this respect, the EDB will:

- set up a Business Support Facility that will provide facilitation and advisory services to all businesses in Mauritius;
- dedicate an accounts manager to all registered businesses; and
- implement an information sharing platform with the Mauritius Revenue Authority and Corporate and Business Registration Department (CBRD) to facilitate exchange of information between these institutions.

The year was marked by the conclusion of four trade agreements, namely: the Comprehensive Economic Cooperation and Partnership Agreement with India, the China Free Trade Agreement, the UK-ESA Economic Partnership Agreement and the African Continental Free Trade Agreement, and all together opened new windows of opportunities for businesses. A Trade Development and Intelligence Cell will be set up at the level of the EDB which will operate as a one stop desk for all trade related matters.

The EDB will also introduce an Export Development Programme to improve export readiness of enterprises to tap into the potential under the new trade agreements.

Other Budgetary measures

03- Premium Visa

A Premium Visa Scheme has been introduced with the objective to encourage eligible foreigners to come for long stay in Mauritius for a period of at least one year with the possibility of renewal. The holder of a Premium Visa, spending 183 days or more in the Republic of Mauritius, will be subject to income tax as follows:

- the Mauritian-sourced income of a Premium Visa Holder (e.g. emoluments for work performed remotely in Mauritius) will be taxed on a remittance basis, that is in the same manner as foreign-sourced income;
- money spent in Mauritius through the use of foreign credit or debit cards by the holder of a Premium Visa will not be deemed to have been remitted to Mauritius; and
- income brought and deposited in a bank account in Mauritius will be liable to tax except if a declaration is made by the holder of a Premium Visa that the required tax has been paid thereon in his country of origin or residence.

These amendments will be backdated to take effect as from 1 November 2020.

04- Family Office

The setting up of Family Offices will not require a Global Business licence.

05- Permanent Residence Permit

- Holders of a 10-Year Permanent Residence Permit will have the validity automatically extended to cover a 20-Year period.
- Holders of a Permanent Residence Permit will be able to renew their permits and they will be given the flexibility to switch categories between investor, professional and retired.

Financial Services and Ease of Doing Business *(Continued)*

06- Business environment and Trade fee

To further improve the business environment for investors and foster economic development, the following measures will be implemented.

- The Business Registration Act will be amended to cater for an electronic Business Registration Card.
- The Economic Development Board Act, the Business Registration Act and the Mauritius Revenue Authority Act will be amended to facilitate sharing of information between these agencies.

Trade fee will no more be applicable from date of start of business and will become due two financial years after registration of the business. Part of a financial year will be considered as one financial year. The Local Government Act will be amended so that trade fees payable with respect to classified trades do not apply to any person holding a Tourist Enterprise License and Global Business Companies not having a physical office in Mauritius.

07- Business Registration Act

The Business Registration Act will be amended to provide for the payment of a fee for amendments to a business registration card.

08- Companies Act

The Act shall be amended to remove the requirement for a company to include certain information in relation to its subsidiaries in its annual report in line with the Code of Good Governance where disclosure is only for holding companies.

The Act shall provide that a public company having not more than 50 members may be converted into a private company.

The Act shall remove the restriction on companies limited by guarantee not to have more than 50 members.

09- Financial Services Act

The Financial Services Act will be amended to :

- define “Fintech”, “Regulatory Sandbox”, “Regulatory Sandbox Authorisation” and “Regtech”;
- establish the framework for applying for a Regulatory Sandbox Authorisation;
- authorise the FSC to set up such fintech innovation hubs and finnovation and digital labs for the non-banking financial services sector;
- allow issue of shares of less than 5% in a licensee without the approval of the FSC unless such issue results in a change in control in the licensee;
- authorise the FSC to require the Official Receiver, a Liquidator, Provisional Liquidator, Administrator or Special Administrator to provide the FSC with information relating to its licensee or past licensee for the discharge of its functions;
- allow service of notice for administrative sanction be also done through a registered usher or by encrypted electronic mail in addition to registered post;
- remove Self-Regulatory Organisations (SROs) from the purview of the decision of the Review Panel given that the Panel cannot hear applications regarding SROs;
- extend the possibility to request for a certificate of good standing from the FSC to all its licensees, and to legal practitioners and accounting firms with the consent of the licensee;
- allow the FSC to exchange information with a supervisory body or any other public sector agency for the administration of their respective Acts and for the FSC to discharge its functions; and
- authorise the FSC to regulate and supervise financial institutions or start-ups providing relevant services under the FinTech Regulatory Sandbox licence issued by the FSC, with such consequential adaptations as may be required to give thereto.

Financial Services and Ease of Doing Business *(Continued)*

10- Non-Citizens (Property Restriction) Act

The Non-Citizens (Property Restriction) Act will be amended to provide that:

- no approval is required from the Prime Ministers' Office (PMO) for disposal of property under the EDB Schemes (e.g. Property Development Scheme, Integrated Resort Scheme) but only for EDB to notify the PMO of such disposal;
- non-citizens seek the authorisation of the PMO for, among others, obtaining title or continuous use of immovable property in Mauritius; and
- no authorisation of the PMO is required for only the initial 20-year lease.

11- Protected Cell Companies Act

The Protected Cell Companies Act will be amended to extend the use of the Protected Cell structure to domestic companies and to include such other activities as may be prescribed.

12- United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act

The United Nations (Financial Prohibitions, Arms Embargo and Travel Ban) Sanctions Act will be amended to ensure the effective implementation of the UN Sanctions Act.

Taxation

Overview

In the Budget 2021-2022, no major changes have been made to our current taxation system. The rate of corporate tax and personal tax have remained the same. However, in a view to encouraging (i) companies engaged in medical, biotechnology and pharmaceutical sector to invest in Mauritius and (ii) private universities setting up in Mauritius, their corporate will be reduced from 15 % to 3 %.

On the other hand, the Minister has introduced a levy of Rs 2 per litre on mogas and diesel for the purchase of vaccine. There has also been an increased in the excise duty on alcohol and tobacco products by 10 %.

The other fiscal measures which have been announced includes:

01

Corporate Tax

- The scope of partial exemption regime will be amended to cover licensed investment dealers and activities relating the leasing of locomotives and train including rails leasing.
- Dividend paid by a non-resident to another non-resident will not be taxable in Mauritius.
- Extend the R&D tax incentive scheme expiring June 2022 by 5 years.
- Extend the tax holiday on Family offices and Fund and Asset Managers form 5 years to 10 years.
- Companies contributing to the Covid-19 Vaccination Programme Fund will be allowed to deduct the amount contributed from their taxable income.



Taxation (Continued)

02

Income Tax

- All self-employed individual will be required submit an income tax return. Moreover to benefit from the self-employed assistance scheme, the self-employed should be paying CSG as from 1st July 2021.
- Individuals to the Covid-19 Vaccination Programme Fund will be allowed to deduct the amount contributed from their taxable income.
- Individuals would also be allowed to deduct a maximum of MUR 30 000 in respect to donations made to approved charitable NGO or religious bodies.
- An exemption of an amount up to MUR 30 000 would be also granted in respect of an individual pension scheme.
- The maximum allowable deductions for medical premiums have been increased from MUR 15 000 to MUR 20 000 for an individual and his first dependent and from MUR 10 000 to MUR 15 000 to every other dependent.
- A holder of Premium Visa, spending 183 days or more in Mauritius will be subject to income tax on the Mauritian sourced income and will be taxed on a remittance basis. Amendments will be backdated to take effect as from 1st November 2020.
- Tax holiday will be granted on emoluments of an asset manager, a fund manager or asset or fund manager who manages an asset base of not less than USD 100 million and who has been issued with a certificate on or after 1st September 2016. Holders of a certificate on or after 1st September 2016 will be exempted tax on their emoluments for an additional 5 years while new certificate holders will be eligible to a tax holiday of 10 years. The threshold of USD 100 million of asset under management will be reduced to USD 50 million.

03

Property Tax

- Exemption of registration duty for first time buyers shall apply on the first MUR 5 million of the cost a built-up residential property.
- Reducing registration tax on transfer of lease of state lands from 20% to 10% for hotels for a two-year period as from 1st July 2021.
- Sale of a residential unit in a project developed on State Land relating to senior living under the PDS scheme will exempted from payment of tax on transfer of leasehold rights in State Lands.
- Registration duty on the Sale of an IRS or RES Residential property will be levied at the rate of 5% or USD 70 000 whichever is the lower.

Tax Administration

Tax Arrears Settlement Scheme (TASS)

The Tax Arrears Settlement scheme has been extended to December 2021 for SMEs.

AML/CFT Framework

The Mauritian Government and authorities have made considerable efforts in order to secure the removal of the jurisdiction on the grey and blacklists of the Financial Action Task Force and European Union, respectively. To continue on the path of enhancing Mauritius' AML-CFT legislative framework several legislative amendments are proposed. A Financial Crime Commission will be established for more effective management in the fight against financial crime, and a new Bank of Mauritius Bill and Banking Bill will be introduced reflecting best international practices.

AML/CFT Framework (Continued)

..... ***The Financial Intelligence and Anti-Money Laundering Act (FIAMLA) will be amended to:***

- include the Registrar of Companies in the definition of “Registrars” to allow the Companies and Business Registration Department to exchange information in relation to Non-Profit Organisations with the FIU;
- exclude, from the definition of “financial institution”, entities registered as reporting issuer which do not conduct any financial activities;
- clarify the meaning of “Member firm” in line with the Financial Reporting Act;
- allow for lodging of predicate offence and money laundering offence under a single information even if the investigations are being conducted by different investigatory authorities;
- include private pension schemes under the purview of the FIAMLA;
- review the definition of “financial institution” to include a qualified trustee as defined under the Trusts Act instead of only referring to the Trusts Act;
- provide that decisions of regulatory bodies as defined in FIAMLA shall take effect immediately after 21 days of the decision;
- require a reporting person to provide information to its regulatory body even if the person is not carrying out the listed activities under the FIAMLA;
- empower the FIU to impose administrative sanctions on law practitioners who fail to comply with Anti Money Laundering and Combatting the Financing of Terrorism (AML/CFT) requirements;
- provide for the establishment of a Core Group on AML/CFT;
- provide for the National Committee on AML/CFT to be chaired by the Supervising Officer of the Ministry responsible for the subject of money laundering; and
- provide for the establishment of an Interagency Coordination Committee to promote effective cooperation and coordination among its members in the implementation of the international standards on AML/CFT and proliferation.

..... ***The Companies Act will be amended to:***

- specify that “FIU” and “Suspicious Transaction Report” have the same meaning as in FIAMLA;
- comply with requirements of Financial Action Task Force (FATF) regarding the protection of companies from terrorist financing abuse by:
 1. introducing grounds on which the Registrar of Companies may refuse registration or serve a notice of intention to remove a company from the Register;
 2. monitoring of company service providers and reporting of suspicious transactions;
 3. sharing of information with law enforcement agencies and institutions involved in the prevention of money laundering, combating of terrorism financing and proliferation financing in Mauritius and abroad;
 4. conducting outreach and educational programs;
 5. effective supervision on all entities falling under the purview of the Registrar of Companies through the application of proportionate and dissuasive sanctions; and
 6. protection of companies limited by guarantee from terrorist financing abuse by, amongst others:
 - authorising the Registrar of Companies to issue guidelines;
 - empowering the Registrar of Companies to conduct examinations and investigations; and
 - providing for sanctions for non-compliance and offences committed under the Companies Act;



AML/CFT Framework *(Continued)*

The Foundations Act will be amended to ensure compliance with the requirements of Financial Action Task Force on:

- protecting Non-Profit Organisations (NPOs) from being misused by terrorist organisations, by, amongst others:
 1. authorising the Registrar of Companies to issue guidelines;
 2. empowering the Registrar of Companies to conduct examinations and investigations; and
 3. providing for sanctions for non-compliance and offences committed under the Foundations Act.
- the grounds for removal of a foundation from the register kept by the Registrar of Companies non-filing of an amended Charter;
- the opportunity for foundations to take remedial actions when they have failed to meet disclosure requirements of beneficial ownership information;
- undertaking of outreach and educational programs; and
- sharing of information with law enforcement agencies and institutions involved in the prevention of money laundering and combating of terrorism financing and proliferation financing, in Mauritius or abroad.

The Limited Partnerships Act and the Limited Liability Partnerships Act will both be amended to provide that an LP or LLP (as applicable) may be removed from the register in case appropriate beneficial ownership information has not been provided to the Registrar of Limited Partnerships/ Registrar of Limited Liability Partnerships (as applicable).

The Customs Act will be amended to include definitions for jewellery, precious metal and precious stone in line with those in FIAMLA. In addition, it will be clarified that the Mauritius Revenue Authority has the power to enforce customs laws where there is suspected money laundering involving precious stones and metals or any goods of high value. Money Laundering in the Mauritius Revenue Act will be given the same definition as in FIAMLA.

The Gambling Regulatory Authority Act will be amended to empower the board of the Gambling Regulatory Authority (GRA) to take disciplinary action against its licensees for failing to comply with the anti-money laundering and terrorism financing and proliferation guidelines issued by the GRA.

Finally, amendments will also be made to the Courts Act in respect of the trying of financial crimes:

- to allow witnesses in relation to financial crime offences or AML/CFT cases to testify in Court through live video or live television link system;
- to provide for agreement of facts between the Prosecution and the Defence in relation to any criminal proceedings before the Financial Crimes Division to avoid the need for parties to adduce evidence that may be contested; and
- to provide that money laundering offences under the Dangerous Drugs Act be triable before the Financial Crimes Division.

Insolvency and Dispute Resolution

The Minister announced that an Insolvency (Amendment) Bill will be introduced to factor in developments in insolvency practices since 2009 with a particular focus on preserving businesses amidst the Covid-19 pandemic.

The Insolvency Act will be amended to require a liquidator to provide information to the Financial Services Commission for the discharge of its functions and obligations under an arrangement for exchange of information. It is also proposed that the Financial Services Act will be amended to require the Official Receiver, a liquidator, provisional liquidator, administrator or special administrator to provide the FSC with information regarding to its licensees or past licensees for the discharge of its functions.

In respect of court procedures, the Minister announced in the Budget Speech that the Attorney-General's Office will work with the Judiciary to undertake a review of court procedures with a view to expediting commercial disputes. The Courts Act and relevant legislations will be amended, after consultation with the Honourable Chief Justice, to introduce time limits for judgements and rules on adjournments. In the same vein, modern case management techniques will be implemented, and the court management systems upgraded.



Banking and Finance

Measures relating to Banking/Finance sector

General

A new Bank of Mauritius (BOM) Bill and Banking Bill will be introduced reflecting best international practices.

Digital payments in Mauritius will enter into the next phase of its development with the BOM introducing a dedicated QR Code at national level as well as upgrades to the MAUCAS platform both with the view of facilitating digital payments.

The BOM guidelines allowing the setting-up of regional offices by international banks will be revamped in line with latest international trends.

The BOM will launch a one-year training programme on AML and related matters for a minimum of 100 graduates with a monthly stipend of MUR 15,000.

The Bank of Mauritius will:

- issue a new guideline in respect of the usage of Application Programming Interface (APIs) to support open banking initiatives;
- establish a Climate Change Centre under its Sustainability Agenda in line with latest practices at foreign Central Banks; and
- have the mandate of the Macro-Prudential Authority of Mauritius.

Banking and Finance *(Continued)*

>>> Notable measures:



Sustainable bonds

The Bank of Mauritius Act will be amended to empower the BOM to issue guidelines, directives, rules or instructions on the issuance of sustainable bonds such as blue and green bonds. This is a major step to address environmental challenges and facilitate sustainable development of Mauritius.



Credit scoring

The Mauritius Credit Information Bureau (MCIB) will be empowered to provide credit scoring as a value-added service. BoM, MCIB or any person providing information for the purposes of credit scoring will be protected against liability for acts done in good faith.



Central Registry of Accounts

The BOM will set up a Central Registry of Accounts (CRA) in an attempt to enhance collaboration between supervisory and law enforcement authorities and to facilitate investigations into serious financial crimes through the use of data collected through the CRA.



FinTech Regulatory Sandbox licence

The BOM will be entrusted with the authority to regulate and supervise financial institutions or start-ups that provides services under the FinTech Regulatory Sandbox licence. The BOM and the FSC will set up respectively an Open-Lab for banking and payment solutions and a FinTech Innovation Lab to encourage an entrepreneurship culture.

The terms “Fintech”, “Regulatory Sandbox”, “Regulatory Sandbox Authorisation” and “Regtech” will be defined in the Banking Act (“BA”), which will also establish the framework for applying for a Regulatory Sandbox Authorisation. These changes will also authorise the BOM to set up fintech innovation hubs and digital labs for the banking sector.



Digital currencies

The BOM will have new powers concerning digital currencies. The BOM will roll-out a Central Bank Digital Currency - The Digital Rupee - on a pilot basis and will issue a new guideline to address the digital currency’s framework and its use by the public. The upcoming amendments will make it an offence for any person to make, counterfeit, or alter a digital currency, or use a counterfeit digital currency.



Money market instruments

The eligibility criteria for issuers of money market instruments will be reviewed by way amendments to the BA.

Banking and Finance *(Continued)*

>>> Notable measures:



Audit firms for financial institutions

The cooling off period for re-appointment of audit firms by financial institutions will be revisited. The current five-year cooling off period will be reduced to three years through changes to BA provisions.

The amendments to the BA will also set out new criteria for the extension to a financial institution on the appointment of its audit firm for an additional five-year period for a branch or subsidiary of a foreign bank.



Disclosure of information

Amended BA provisions will allow for disclosure of information with the Central KYC and Accounts Registry while reporting alleged or suspected offences.



Borrower Protection

The Borrower Protection Act will be amended to provide that an immovable property offered as security also covers fixed charges placed on that property.



Centres for shared services

A new regulatory framework will be introduced to further facilitate the establishment of centres in Mauritius for shared services such as asset management and treasury management that will be provided regionally by banking institutions.



Notice-based registry

To improve the business environment and economic development, the legal framework for the financing of movable collateral will be reviewed. The revised framework will be introduced to improve the ease of access to finance moveable collateral and will involve the creation of a notice-based registry for movable collateral.



Employment

01 - Workers' Rights Act

The Minister has announced that the Workers' Rights Act will be amended. Some of the amendments that would be brought forward are:

- Facilitate the enforcement of the compromise agreement.
- Allow payment under the Wage Guarantee Fund when the business has been placed into receivership, administration, or liquidation.
- Provide for the setting-up of a conciliation and mediation service by the Redundancy Board;
- Provide that a receiver and manager or an administrator may apply to the Redundancy Board for cases of intended reduction of workforce.
- Provide for failure to submit information or document related to a charge against a worker before a disciplinary hearing and failure to submit minutes or proceeding to the worker or the person assisting will be considered as an offence;
- Any reduction of workforce in relation to a business re-organisation should be in the best interest of the business.

02 - Contribution Social Generalisée (CSG)

- The minister has announced a comprehensive legislation that will be introduced shortly to fully implement CSG. Injury at work benefits will be extended self-employed individuals as long as they are registered with the Mauritius Revenue Authority and contributing their CSG.
- Self-employed will also benefit from any government assistance as it the case for employees in the formal sector.

03 - Wage Assistance

- The Minister has announced the extending the Wage Assistance and Self-Employed Assistance Scheme to tourism-related companies up to September 2021.

04 - Occupation Permit

- The validity of for an occupational permit for professionals is being extended from 3 years to 10 years. They will also be given the flexibility to switch job without having to submit a new application provided the minimum criteria are met.

- The monthly salary for Occupational Permit professional will be brought down to MUR 30 000 if that employee is employed in fund accounting and compliance services by a company holding a license from the FSC provide that the professional has at least 3 years' experience.
- The requirement to have a business visa on arrival will be waived.
- A non-citizen who purchases an apartment with a minimum purchase price of USD 375 000 as his residence will be given a residence permit, including for his dependents, and exempted from the requirement of a work or occupation permit. The apartment must be in a building of at least 2 floors above ground floor.
- Spouses of Occupational Permit Holders wishing to invest of work in Mauritius will be exempted from applying for an Occupation Permit or a work permit.
- The maximum age limit of 24 years for dependents will be waived.
- A 10- Year family Occupation Permit will be introduced for those contributing USD 250 000 to the COVID-19 Projects Development Fund.
- A privilege club scheme will be implemented for Occupational Permit Holders and Retirees who would allow them a range of incentives such as privilege access to hotels, golf courses, restaurant, private medical institutions, amongst others.

05 - Work Permit for Foreign Students

International students enrolled in a recognized educational institution would be automatically given:

- a work permit which would allow them to work 20 hours per week.
- a 10- Year renewable Young Professional Occupational Permit upon graduation.

06 - Work Permit for carers and maids

Mauritians and non-citizen residents will be allowed to bring foreign carers and maids to work in Mauritius.

CONCLUSION

In his concluding remarks, the Honourable Minister stressed that the budget is about the challenges of economic recovery and social challenges. He reiterates that it is a budget to support the population and businesses. This Budget 2021/2022 will be tested over time until the next budget speech. It remains to be seen to what extent the decision of the Judicial Committee of the Privy Council delivered today, 14 June 2021, in *Betamax Ltd v. State Trading Corporation* will impact on the aims set out in the Budget Speech 2021/2022.

