



CMS PRISM
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Finance Act 2025: summary and commentary

19 August 2025

TAX MATTERS

TAX COMMENTARY

- ❑ The introduction of the **Qualified Domestic Minimum Top-up Tax (QDMT)** in Mauritius, as part of the OECD's global minimum tax initiative, marks a significant shift in the country's tax landscape. While the measure aims to align Mauritius with international tax standards, its success depends on consistent global adoption — something that has yet to be fully achieved. This uneven global implementation raises concerns about Mauritius' competitiveness as an investment jurisdiction. It is hoped that the implementing regulations will provide the necessary clarity as to how navigate the complexities of the QDMT.
- ❑ The imposition of the **Fair Share Contribution** confirms the aim of the government to create a more progressive tax framework, as well as its intent to ensure greater equity in the tax system by requiring high-income earners to contribute a larger share. While the contribution enhances revenue generation and may improve public perception of tax fairness, it could also influence decisions around personal income structuring, dividend payouts, and tax residency for high-net-worth individuals.
- ❑ In respect on the Fair Share Contribution obligations on corporate entities, it remains to be seen however whether the introduction of this provision, coupled with the QDMT and Corporate Climate Responsibility Levy would have a deterrent effect on economic activity in Mauritius (notwithstanding that the fair share contribution on corporates does not apply to global business companies). It is in any event clear that banks drew the short straw.
- ❑ The introduction of the **Alternative Minimum Tax (AMT)** on adjusted book profits for companies in sectors like hospitality, insurance, finance, real estate, and telecom signals the government's intent to secure a baseline tax contribution from profitable industries. By targeting cases where normal tax is low despite strong accounting profits, the AMT promotes greater tax equity and revenue stability. While the measure strengthens the tax base and enhances fairness, it may also affect the competitiveness of tourism-related businesses if not carefully balanced with sector-specific realities.
- ❑ Despite appeals from the public, the **lowering of threshold for VAT registration** has been kept at the announced Rs 3 million of annual turnover. It is hoped that the Mauritius Revenue Authority (MRA) will provide the required assistance to SMEs to ensure that they are compliant with their statutory obligations whilst not placing undue administrative burden on them.

TAX MATTERS

TAX COMMENTARY

- ❑ The **VAT registration for foreign digital service providers** illustrates a more modern and comprehensive approach to VAT, ensuring the Mauritian tax system keeps pace with the digitisation of commerce. The obligation to appoint a tax representative when annual taxable supplies exceed Rs 3 million may however add administrative burden for certain foreign businesses.
- ❑ The previously announced change in time limit for the MRA to raise an assessment is now enacted. The MRA will now only have two years preceding the year in which a return (now including QDMT tax returns) is filed to raise an assessment. We have noted with surprise that no amendments have been brought to the exceptional circumstances allowing the MRA to raise an assessment beyond the time limit. It is however hoped that the shortened timeframe will not result in an increased volume of assessments in a shorter timespan and that the amendment will not have any detrimental effect on due process in the tax audit process.
- ❑ It has also been noted that the provision regarding the restriction of penalties and interest to the total amount of tax claimed has certain notable exceptions, mainly those penalties under the Income Tax Act which have already been capped (aside from the uncapped penalty for loss overclaimed which stands firm).
- ❑ It is expected that the different one-off schemes will be welcomed with enthusiasm by taxpayers, who shall be entitled to a full waiver of penalties and interest, subject to certain conditions being met, for any voluntary disclosure of tax, tax dispute settlement as well as any amounts due for *Contribution Sociale Généralisée*.

TAX MATTERS

INCOME TAX ACT - INDIVIDUALS

❑ **Exempt Person**

- Amendment of the definition of “exempt person” to increase the threshold from Rs 30,000 to Rs 38,462.
- Amendment of the definition of “income tax” to capture the Alternative Minimum Tax and the QDMT.

❑ **Fair Share Contribution**

- Introduction of a Fair Share Contribution for every individual whose leviable income exceeds Rs 12 million in an income year.
- Fair Share Contribution payable shall be calculated at the rate of 15% of the leviable income in excess of Rs 12 million and is payable at the time of the filing by the individual of his return of income.
- It is noted that the Fair Share Contribution Income Threshold has been defined to mean the sum of –
 - a) the net income of an individual;
 - b) dividends paid to that individual by a resident company and a co-operative society registered under the Cooperatives Act; and
 - c) the share of dividends of that individual in a resident société or succession to which he would have been entitled as an associate of a société or heir in a succession, had the dividends received by the société or succession been wholly distributed among the associates or heirs, as the case may be.

However, the Fair Share Contribution Income Threshold does not include –

- (a) Dividends or distributions made by global business entities; and
- (b) Any lump sum by way of commutation of pension or by way of death gratuity or as consolidated compensation for death or injury.

TAX MATTERS – INCOME TAX

INCOME TAX ACT - Corporate

❑ **Alternative Minimum Tax (“AMT”)**

- An AMT will, as from year of assessment commencing 1 July 2026, be imposed on companies operating in the specified sectors, namely, hotels, insurance companies, companies engaged in financial intermediation activities, companies engaged in real estate activities and telecommunication companies.
- It is now confirmed that the AMT will not be applicable to companies holding a Global Business License (GBCs) and companies exempt from payment of income tax or which have been granted tax holidays.
- The application of the AMT is such that where, in the case of a company, the normal tax payable is less than 10% of the adjusted book profit in an income year, the tax payable for that income year shall be deemed to be 10% of the adjusted book profit.
- No tax credit shall be allowable for the reduction of tax payable under the AMT.
- Companies required to submit an Advance Payment System (APS) statement under the Income Tax Act must remit 25% of the tax payable for each of the first three quarters along with the respective APS statements. The final 25% is due upon submission of the annual return.
- “Adjusted book profit” is defined as profit per internationally accepted accounting standards, adjusted by:

Reductions for:

- (i) Dividends from resident companies
- (ii) Profits on disposal/revaluation of fixed assets
- (iii) Profits from sale/revaluation of securities

Additions for:

- (i) Losses on disposal/revaluation of fixed assets
- (ii) Losses from sale/revaluation of securities

These adjustments apply only if such items are recorded in the profit and loss account.

TAX MATTERS – INCOME TAX

INCOME TAX ACT - Corporate

❑ **Qualified Domestic Minimum Top-up Tax (“QDMT tax”)**

- The Act provides for the introduction of a QDMT tax ultimately intended to ensure that large multinational enterprise groups pay a minimum level of tax on the income arising in each of the jurisdictions where they operate.
- QDMT tax shall be applicable as from year of assessment commencing 1 July 2025 for every person who is a member of a multinational enterprise group which has an annual revenue of 750 million Euros or more in the consolidated financial statements of the ultimate parent entity in at least 2 of the 4 fiscal years immediately preceding the fiscal year of which the QDMT tax is leviable.
- QDMT tax shall apply to a fiscal year where the combined effective tax rate determined for all covered persons in that fiscal year is less than 15%.
- QMDT tax return is required to be filed not later than 15 months from the end of the fiscal year and at the same time pay any tax payable in accordance with the QDMT tax return.

For the purposes of the QDMT tax, a “covered person” means –

- (a) any entity that is included in a group and any permanent establishment of a main entity as more fully described in the definition;
- (b) an entity located in Mauritius or is the ultimate parent entity of the multinational enterprise group and is incorporated in Mauritius;
- (c) an entity which is a member of the same multinational enterprise group or is a person that is a joint venture of the member’s ultimate parent entity or a joint venture subsidiary; and
- (d) is not an excluded person as defined in the Income Tax Act.

A more detailed note on the QDMT tax and its main implications in Mauritius will be circulated in due course.

TAX MATTERS – INCOME TAX

INCOME TAX ACT

❑ Investments in Artificial Intelligence technologies

- Capital expenditure on artificial intelligence shall be allowed as from year of assessment commencing on 1 July 2025 in addition to annual allowance in relation to companies having a turnover not exceeding Rs 100 million.
- Deduction shall not exceed Rs 150,000.

❑ Special Tax Credit

- Where in an income year, a company has been subject to income tax and has not claimed a tax credit or relief to which it is entitled, a special tax credit will be granted subject to such conditions as will be prescribed.

❑ Penalty for late payment of tax under CPS

- Reduction in the penalty rate from 5% to 2.5% of the amount of tax remaining unpaid.

❑ Changes to the definition of “payer” for tax deduction at source

- Definition of “payer” has been amended to carve out companies, *société* or succession which has an annual turnover not exceeding Rs 6 million.

❑ Income support to persons not eligible for the Basic Retirement Pension

- Introduction of an income support to persons not eligible for the Basic Retirement Pension.

❑ Environment Protection Fee & Tourist Fee

- Tourist Fee and Environment Protection Fee have both been added to the list of unauthorised deductions when computing taxable profits of certain entities.

TAX MATTERS – INCOME TAX

INCOME TAX ACT

❑ **Payment of tax in foreign currency**

As from 1 October 2025, any business receiving more than 50% of their annual gross income in foreign currency will now have to convert and pay any income tax payable under certain sections of the Income Tax Act into that foreign currency, despite expressing its income derived, expenses and losses in Mauritius currency. The magnitude of the impact on the financial sector is expected to be considerable.

❑ **Power to revoke charitable status**

The Director-General of the MRA will be empowered to revoke the charitable institution status conferred to an entity if the latter is no longer meeting its charitable objects or its approval was obtained by fraud or misrepresentation. The Director-General giving notice of his intention to revoke the institution's status. The institution shall be able to make representations to the Assessment Review Committee (ARC) against the decision of the Director-General, not later than 21 days after the date of the said notice. The status shall be revoked only in the absence of representations or when any representation has been set aside. Any such entity will be subject to tax as from the revocation date.

❑ **Arm's length transactions**

Any company engaging in any commercial or financial transaction falling under the purview of section 75(1) of the Income Tax Act that is deemed not to be at arm's length will need to prepare and keep records in any manner as prescribed by the legislator.

Furthermore, the term "transaction" has now been defined, quite widely, as *"(a) any transaction or series of transactions, carried out directly or indirectly, between connected persons, whether or not enforceable or intended to be enforceable, by legal proceedings; (b) including a transaction between a person and a cross-border business or other income earning activity of the same person"*.

The term "connected person" referred above has been provided as meaning *"any 2 or more persons, where one controls, by reason of his relationship or otherwise with any other person, the business or income earning activity of the other, in Mauritius or from Mauritius"*.

TAX MATTERS – INCOME TAX

INCOME TAX ACT

☐ **Penalty for late submission of Statement of Income repealed**

Penalties (of Rs 2,000 per month but not exceeding Rs 6,000) will no longer apply if a person fails to submit their Statement of Income under the Current Payment System by the due date.

☐ **Time limit to make assessment**

The MRA will now not be able to raise assessments with regards to a period beyond 2 years of assessment preceding the year in which a return (**now including QDMT tax returns**) is made except for exceptional circumstances. Those circumstances, which have not been subject to any amendment by the legislator, are still limited to cases where income returns (**not including QDMT tax returns**) have not been filed and cases of fraud.

☐ **Imposition of penalties and interest**

Total amount of penalties and interest payable will not exceed the amount of tax due, albeit with certain crucial exceptions – namely penalty for failure to join electronic system, penalty for late submission of statement of income (which has been repealed), penalty for late submission of return made with regards to tax withheld on winnings by gaming/gambling operators, penalty for late submission of income tax returns, penalty for failure to submit income tax return electronically, as well as penalty for loss overclaimed.

☐ **Statement of winnings**

Any licensed operator will need to include the receipt or ticket number of the winning ticket when submitting a statement of the amount of winnings exceeding Rs 20,000 paid to any person.

TAX MATTERS - VAT

VALUE ADDED TAX

❑ **Compulsory registration**

Businesses will now be required to compulsorily register for VAT once their turnover of taxable supplies exceeds Rs 3 million, compared to the previous threshold of Rs 6 million. This provision is applicable as from the publication of the Government Gazette.

❑ **Fair Share Contribution**

Starting July 1, 2025, companies with supplies or chargeable income over Rs 24 million are required to pay a Fair Share Contribution (**FSC**). Non-banking companies will contribute 5% or 2% of their chargeable income, based on their tax rate, while banks will pay 5%, plus an additional 2.5% on income from resident transactions other than GBCs. Taxpayer will now be required to submit quarterly electronic statements and pay the contribution within prescribed deadlines.

The FSC will not be applicable to GBCs and other exempt companies benefitting from tax holidays. It also cannot be offset against any tax credit.

❑ **VAT on specified digital or electronic services**

As from 1 January 2026, foreign suppliers providing digital or electronic services to customers in Mauritius will be required to register for VAT and charge VAT on their supplies. There is no turnover threshold applicable for this registration. The services in scope are those delivered via the internet and include streaming services (music, films, TV shows), software, mobile applications, website hosting, e-books, and similar digital content.

Foreign suppliers receiving payments in foreign currency must submit their VAT returns and make tax payments in that same currency. If payments are received in multiple currencies, the supplier may choose one currency for filing the VAT return. Additionally, if a foreign supplier's annual taxable supplies exceed or are expected to exceed Rs 3 million, they are required to appoint a tax representative in Mauritius.

TAX MATTERS - VAT

VALUE ADDED TAX

☐ **Special levy on banks**

Banks are presently required to pay a VAT special levy of 5.5% on their leviable income from transactions with residents, excluding GBCs. The levy amount was previously capped at 1.5 times the levy paid for the year of assessment 2017/18. This cap has now been removed.

☐ **Imposition of penalties limit**

Save for certain fixed penalties (such as the penalty for failure to join electronic system), the total amount of penalties and interest that may be imposed under the VAT Act will be limited to a maximum of 100% of the amount of tax due.

☐ **Best of judgment standard**

The MRA will be empowered to make tax assessments based on its best judgment in cases where it finds the records maintained to be inadequate or inaccurate, consistent with the provisions of the Income Tax Act.

☐ **VAT payable during winding up or liquidation**

Any administrator, executor, receiver, or liquidator appointed to manage or wind up a company's business will be required to notify the Director General of the MRA of their appointment within 15 days, set aside funds from the company's assets to cover any VAT that may be due, and pay that amount, failing which shall constitute an offence and cause them to be personally liable for the VAT due.

☐ **Zero-rated supplies**

A crucial caveat was introduced to the ambit of zero-rated supplies - the supply of services to a person who belongs and is overseas at the time the services are performed will only be zero-rated if the services are not consumed in Mauritius.

TAX MATTERS - MRA

THE MAURITIUS REVENUE AUTHORITY ACT

❑ **Representations challenging determination under Customs, Customs Tariff and Excise Acts**

It has now been clarified that, as from 1 October 2025, written representations can be lodged related to a determination under certain sections of the Customs Act, Customs Tariff Act and Excise Act with 5% of the amount determined under the relevant determination payable to the Director General.

❑ **Registration of Tax Agent**

Any person preparing or submitting a tax return or statement, representing any other person before the MRA/ATDR Panel/ARC will need to be registered as tax agent or registered nominee of a tax agent, after an application to the Director General and as determined by a dedicated committee. The registration of a tax agent/nominee of a tax agent will be valid for a period of five (5) years and renewable.

Law practitioners, members of the Mauritius Institute of Professional Accountants ("MIPA"), or any person nominated by a corporate entity registered with the MIPA will be deemed to be registered as tax agent.

This provision shall come into force at a date to be fixed by Proclamation.

TAX MATTERS - MRA

THE MAURITIUS REVENUE AUTHORITY ACT 2004

❑ Tax Dispute Settlement Scheme (TDSS), Tax Arrears Settlement Scheme (TASS) & Voluntary Disclosure Settlement Scheme (VDSS)

The Mauritius Revenue Authority Act now provides for the following schemes:

Schemes	Eligibility (IT/VAT/custom/GRA)	YoA applicable	Deadline to register	Last date for payment of tax	Other details
TDSS	IT, VAT, Customs, GRA	No restriction	31 December 2025	31 March 2026	Application before ARC, Supreme Court or Privy Council is withdrawn before application is made
TASS	IT, VAT, GRA, CSG	No restriction	30 November 2025	31 March 2026	
VDSS	IT, VAT	2024/2025 or any preceding years of assessment or taxable period 30 April 2025 or any preceding periods	31 March 2026	31 March 2026	Application is possible for any person having received assessment after 5 June 2025 for contested amount assessed to be considered as voluntary disclosure.

❑ Note:

- Any person who has been convicted, is under civil or criminal proceedings or is the subject matter of an enquiry relating to drug or arms trafficking, terrorism, money laundering or a corruption offence shall not be eligible to any of the above schemes.
- No refunds shall be made under any of the above schemes, except if penalties and interest have been paid before any application for TDSS.

TAX MATTERS - MRA

THE CUSTOMS ACT

❑ **Reduced threshold for imports of capital goods**

VAT registered persons importing capital goods shall be able to benefit from a reduced threshold (from Rs 1 million to Rs 500,000 or more) entitling them not to pay VAT on the import of such goods while still declaring the non-payment in their VAT returns.

❑ **Assessment for goods cleared by customs**

The Director General will now only have 2 years from the date of the validated bill of entry to issue a notice of assessment (instead of 3 years) claiming the amount of duty excise duty, taxes or charges underpaid and any penalty. However, the Director-General is now empowered to issue an assessment with regards to goods already cleared by Customs not later than 3 years from the date of the validated bill of lading where any information regarding the value of goods was known and not disclosed by the owner of the goods.

Taxpayers would still have 28 days from the date of the notice of assessment to make payment of the amount claimed in the above circumstances.

❑ **Admissibility of photographic evidence**

Photographic evidence shall now constitute admissible evidence in court to enforce Customs law.

TAX MATTERS

REGISTRATION DUTY ACT

❑ **Arrears Payment Scheme (APS)**

The APS has been renewed for a further year, providing a full waiver of penalties and interest to any debtors settling the amount owed by 31 March 2026, with regard to tax arrears due as at 31 May 2025.

❑ **Time limit for objecting to a claim**

Any person, dissatisfied with the Receiver's decision on payment of duty or tax claimed by the Registrar with regards to the transfer of shares, will now have 28 days from the date of the notice of the Receiver's decision, instead of 28 days after receiving the notice of the Receiver's decision to object to the notice.

❑ **Addition of property to trust property**

Fixed duty will now be levied on any instrument witnessing the addition of a property only by the settlor or by a beneficiary of the trust, in addition to any instrument creating a trust.

❑ **Revision of fixed duty**

Fixed duty levied on the different transactions provided for in Part II of First Schedule to the Registration Duty Act has been increased from Rs 300 to Rs 500.

TAX MATTERS

LAND (DUTIES & TAXES) ACT

❑ **Transfer of property acquired under EDB scheme or Non-Citizens (Property Restriction) Act**

Any transfer made to a non-citizen of a residential property which had been first acquired under the EDB Property scheme or under the Non-Citizens (Property Restriction) Act and now being transferred by a non-citizen or subsequently acquired under the same scheme or Act shall carry a land transfer tax of 10%.

❑ **Valuation of movable property**

Any failure to submit a valuation of all items of movable property in the document witnessing the transfer of ownership or usufruct of immovable property together with movable property, land transfer tax shall be levied on the aggregate value of the immovable and movable property at the rate of 5%.

❑ **Arrears Payment Scheme (APS)**

The APS has been renewed for a further year, providing a full waiver of penalties and interest to any debtors settling the amount owed by 31 March 2026, with regard to tax arrears due as at 31 May 2025 as long any duty or taxes are paid prior to 31 March 2026 and at the time of payment, the person withdraws or formally undertakes to withdraw any objection before the Registrar-General, representations before the ARC, or any appeal before the Supreme Court or the Judicial Committee of the Privy Council.

Any person who has been convicted, is under civil or criminal proceedings or is the subject matter of an enquiry relating to drug or arms trafficking, terrorism, money laundering or a corruption offence shall not be eligible to this scheme.

TAX MATTERS

GAMBLING REGULATORY AUTHORITY ACT 2007

☐ **Objection to claim or assessment**

The provision for objection to an assessment has been enlarged to enable persons issued with a claim under the new sections 109A (Penalty for failure to link equipment to Central Electronic Monitoring System), 109B (Penalty for misuse of or tampering with equipment linked with Central Electronic Monitoring System) or 109C (Penalty for failure to register a betting terminal with Director General) as well as being assessed for any duty, levy or tax under section 119 to object to the claim or assessment within 28 days of the date of the notice of claim or assessment.

☐ **Penalties and interest**

Total amount of penalties and interest imposed shall not exceed the amount of tax due, except for penalties arising under sections 94B (Penalty for failure to pay license fee within time limit), 116 (Penalty for non-submission of return by due date) and 117 (Penalty for failure to join electronic system).

REGULATORY FRAMEWORK OF BUSINESSES

The changes brought to the Companies Act, Foundations Act, Limited Liability Partnerships Act and Limited Partnerships Act are scarce and mostly relate to technical matters.

- ❑ It is now mandatory for a public interest entity to prepare an annual report.
- ❑ Companies, partnerships and foundations will now be required to keep a written declaration from their beneficial or ultimate beneficial owners confirming their status as same. These owners will also be responsible for updating the declaration if their status changes. Existing entities will have until 30 June 2026 to comply with this new requirement.
- ❑ The Registrar of Companies (the “**ROC**”) will be allowed to include any information as the ROC may deem appropriate in a certificate of current standing, when issuing such a certificate for a company, limited partnership or foundation.
- ❑ A person will be allowed to apply to the ROC for a certificate of registration of any limited or limited liability partnership entity, by paying the prescribed fee.
- ❑ However, for a partnership holding a global business license, only a partner, officer or management company of that entity will be allowed to apply for the certificate. Any other person, by paying the prescribed fee, can obtain information such as the name and address of the partnership or its registered agent, the proof of registration, and legal form of the partnership.
- ❑ A person will not be able to request the ROC for a certificate of current standing of a limited partnership holding a global business license, unless he is a partner, an officer of that entity or the FSC.

BILLS OF EXCHANGE ACT

New Legislative Framework

The amendments to the Bills of Exchange Act seek to modernise the legal framework to encompass electronic bills of exchange with a view to facilitate end-to-end digital trade finance. While the changes are progressive and long-overdue in bridging the paper-to-digital gap, the effectiveness of this new framework hinges on consistent technological implementation, training of stakeholders and judicial readiness to handle the interpretation of digital possession.

While the reform aligns with international trade digitisation trends, industry uptake and further clarification on operational details will be necessary.

❑ Expanded definitions

- A definition of 'bill' has been introduced to include electronic form as well as paper form.
- Introduction of definitions of 'electronic bill of exchange', 'electronic record', 'paper bill of exchange' and 'reliable system'.

❑ Legal recognition of electronic bills

- An electronic bill shall enjoy the same legal validity as a paper bill of exchange provided it meets certain prescribed requirements relating to its creation, management and transfer, amongst others.
- The mandatory requirement to secure consent of a person prior to the use of an electronic bill of exchange, to the extent that such consent may be implied from conduct.

❑ Equivalence to paper bills

- An electronic bill of exchange shall mandatorily contain the same details required for a paper bill of exchange, subject to the use of a reliable system for identification, integrity, exclusive control and enforceable transfer of control which shall have as end result, the mirroring of physical possession.

BILLS OF EXCHANGE ACT

❑ **Criteria for reliable system**

- The criteria for a 'reliable system' have been codified and addresses operational requirements, data integrity, access control, security, audit requirement, accreditation and adherence to industry standards.

❑ **Endorsement, amendment and conversion**

- Endorsement and amendments to electronic bills will require secure electronic signature or digital signature and equally secure dating systems.
- Bills shall be capable of being converted between electronic and paper form, provided a statement attesting to the conversion is included in the new format and all contractual or other requirements relating to the conversion are fulfilled.
- Upon conversion, rights and liabilities attached to the previous form shall migrate to the new form of the bill.

COMPETITION ACT

❑ Additional functions on the Competition Commission and the Executive Director

The function of the Competition Commission has been enlarged whereby now the Competition Commission also has the function to determine whether any feature, or combination of features, of any market in Mauritius prevents, restricts or distorts competition, and issue appropriate recommendations.

The Executive Director may either on his own initiative, or on the complaint of any person, open market inquiries in accordance with section 51B liaise and exchange information, knowledge and expertise with competition authorities in other countries entrusted with functions similar to those of the Competition Commission.

❑ Market enquiries

A new section has been added which outlines the process for investigating market conditions that may be hindering competition, including how inquiries are conducted, how reports are generated, and what actions the Competition Commission can take based on those findings.

- **Initiation of the market inquiry:** The Executive Director can initiate a market inquiry if there are reasonable grounds to suspect that a feature or combination of features in a market in Mauritius is preventing, restricting, or distorting competition in the supply or acquisition of goods and services.
- **Market Features:** The inquiry can examine various market aspects, such as the market structure, the conduct of enterprises, and the conduct of customers or suppliers in the market.
- **Scope of inquiry:** The inquiry is not limited by whether the sector is in the public or private domain or regulated by law or a regulatory authority.

COMPETITION ACT

- **Report and Recommendations:** Once the inquiry is concluded, the Executive Director prepares a report with findings and recommendations, which is submitted to the Competition Commission.
- **Role of the Competition Commission:** The Competition Commission reviews the report and can either adopt it or ask the Executive Director to reconsider certain parts and resubmit it.
- **Actions by Competition Commission:** If the Competition Commission finds that any feature, or combination of features, of any market in Mauritius prevents, restricts or distorts competition, it may issue recommendations to the relevant authority to make changes in policies, laws, regulations, or competition matters for the purpose to remedy, mitigate or prevent the adverse effect on competition the Competition Commission has identified.
- **Publication:** The report adopted by the Competition Commission and any issued recommendations must be published on the Commission's website whereby confidential information may be omitted.

GAMBLING REGULATORY AUTHORITY ACT

Definitions

- **Foreign pool promoter:** The definition of foreign pool promoter has been amended whereby only licensed entities can engage in pool betting and the scope has been refined to focus on sporting or other events, making it clearer what types of events are included.
- **Limited payout machine:** The cash prize limit is now reduced to Rs 5,000 (from Rs 10,000), capping the amount a person can win from a limited payout machine.
- **Lottery:** Promotional lottery activities now specifically include activities conducted through the spin of a wheel (in addition to Internet or social media platforms)
- **Pool betting:** It is now clarified that both physical and digital forms are acceptable for pool betting, ensuring flexibility for how bets can be placed.
- **Betting terminal:** An electronic device that records all betting transactions and connects to the Mauritius Revenue Authority's betting server.
- **Fiscal betting ticket or receipt:** A ticket or receipt issued by betting operators that acknowledges a transaction with a punter, containing data such as an invoice registration number, and confirmed as registered in the Central Electronic Monitoring System.
- **Gaming device:** Any gaming machine, limited payout machine, amusement machine, or remote/virtual betting platform.
- **Invoice registration number:** A unique transaction reference number generated by the Central Electronic Monitoring System under section 109 of the Gambling Regulatory Authority Act.

❏ Additional Changes

- **Gaming house digital gaming:** A gaming house operator may only conduct digital gaming with a valid digital gaming license, issued upon payment of the prescribed fee, and must operate in accordance with prescribed rules.
- **Prohibition on use of bill validator:** It is prohibited for any gaming machine to have a bill validator installed.

BANKING LEGISLATION

The changes brought under the banking legislation are not major changes but rather continue to pave the way for the central KYC system, extend the reach of the Bank of Mauritius in so far as it relates to foreign exchange dealers and provide for some additional features afforded to a private bank.

The Bank of Mauritius Act

- ❑ The Bank of Mauritius Act has been amended to allow any KYC institution licensed by the Financial Services Commission to be able to participate in the central KYC system or the central accounts registry in order to reduce costs, enhance efficiency and to improve financial transparency.
- ❑ The definitions of “account” and “customer” in section 52A of the Bank of Mauritius Act have been clarified to be limited to the Central Accounts Registry.

The Banking Act

- ❑ The definition of “foreign exchange dealer” has been broadened to include foreign exchange swaps and other transactions which may be construed as the buying and selling of foreign currency under the activities of licensed foreign exchange dealers.
- ❑ A bank which has been granted a banking license to carry on exclusively private banking business will now be allowed to hold, in its own name, to buy, hold, store or sell gold, silver, platinum and such other precious metals as the Bank of Mauritius may determine. Such bank will also be able to open and maintain accounts in gold, silver, platinum and such other precious metals as the Bank of Mauritius may determine for its clients.
- ❑ The provisions of the Banking Act have been aligned relating to the powers and duties of conservator and powers of receiver, to offer the assets or shares of the financial institution for sale without the consent of a financial institution or any of its shareholders.

FINANCIAL SERVICES ACT

❑ The following amendments have been brought to the Financial Services Act in relation to:

- the issuance or transfer of shares to existing shareholders, will not require the approval of the FSC, provided that it does not result in a change in control;
- the issuance or transfer of non-voting shares to exempt licensees listed on securities exchanges, will also not require the approval of the FSC when such issuance or transfer does not result in a change in control;
- give certain powers of direction to the Chief Executive if such direction is necessary for the orderly administration of financial services; and
- holders of Global Business License will be mandatorily required to have at least 2 directors at all times and the Financial Services Commission shall be kept informed of any change in directors within 7 days.

NATIONAL PAYMENT SYSTEMS ACT

PAYMENT SERVICES

Further clarity has been brought on the definitions of “account information services”, “money remittance” and “payment initiation services” which were already captured under the National Payment Systems Act as a “payment service” but were not adequately defined.

☐ **Account information service**

An account information service is an online service providing information on payment accounts held by a payment service user with one or more PSPs (payment service providers), to the exclusion of the PSP providing this information service.

☐ **Money remittance**

Money remittance as a payment service, will relate to the receipt of funds by a PSP from a payer on behalf of a payee, (i) without the creation of any payment account in the name of either party; and (ii) for the sole purpose of transferring the funds to the payee or any other PSP acting on behalf of the payee.

☐ **Payment initiation service**

A payment initiation service is a service to initiate a payment order at the request of a payment service user in relation to a payment account held with a PSP, other than the PSP initiating the said payment order.

NATIONAL PENSIONS

NATIONAL PENSIONS ACT

Save in the case of a beneficiary leaving Mauritius, the following shall come into operation on 1 September 2025:

❑ **Basic retirement pension**

A person who reaches the pension age as specified in the Tenth Schedule (ranging from 61 years old up to 65 years old, depending on the year of birth and replacing the previous fixed age of 60) is eligible for a basic retirement pension. They may request that their pension be paid to a charitable institution, with requests and revocations made in a prescribed form, at least 15 days before month-end, taking effect from the following month, and copies must be sent to the Director-General.

❑ **Widow's basic pensions**

The eligibility age for a widow's basic pension has been updated: widows or those whose spouses are missing can receive the pension as long as they are below the pension age (replacing the previous age limit of 60) and have not remarried, with eligibility for missing spouses beginning three months after the disappearance is reported.

❑ **Child's allowance**

Aligning with the new pension age framework, a person who is qualified to receive a child's allowance will not cease to receive such allowance by reason only that he has ceased to be qualified to receive an invalid's basic pension on the ground that he has attained the pension age.

❑ **Invalid's basic pension**

Eligibility for an invalid's basic pension is now determined by the pension age as specified in the Tenth Schedule, replacing the previous fixed age of 60.

❑ **Beneficiary leaving Mauritius**

A beneficiary (a person in receipt of a benefit under the Act) who is absent from Mauritius for more than 6 months in a 12-month period loses their benefit, except if approved for medical treatment, studies, or a one-time extended stay abroad of 6–12 months, with conditions set by the Minister.

NATIONAL SAVINGS FUND ACT

- The definition of “retirement” now aligns with the new pension framework, replacing references to a fixed age of 60 with the applicable pension age for persons aged 60 or more.

DOING BUSINESS IN MAURITIUS

ECONOMIC DEVELOPMENT BOARD ACT

❑ Introduction of New Schemes

The following schemes have been introduced in the Economic Development Board Act:

- Heritage Stewardship Scheme
- Innovative Mauritius Scheme
- Land Repurposing Scheme
- Waste to Wealth Scheme

The new schemes reflect the government’s focus as emphasised in the national budget speech on sustainability. However, given that guidelines pertaining to the schemes are yet to be published, their operation and benefits cannot be evaluated at this stage. No provision has been made for the *Women Entrepreneur Loan Scheme* announced previously in the national budget speech.

❑ Professional Occupation Permit

The professional occupation permit has been divided into two categories with different salary threshold:

Salary	Professional Pass	Expert Pass
Turnover	Monthly basic salary of Rs 30,000	Monthly basic salary of Rs 250,000

The previous sectorial thresholds have been abolished. The public sector under the Service to Mauritius Programme is no longer listed as eligible for professional occupation permit.

DOING BUSINESS IN MAURITIUS

ECONOMIC DEVELOPMENT BOARD ACT

❑ Investor Occupation Permit

The requirements for investor occupation permit have been reviewed and split as below:

Requirements	First Option	Second Option
Initial investment	Unchanged initial investment of USD 50,000 or its equivalent in freely convertible foreign currency. Alternative to initial investment through existing businesses has been removed. Option for part transfer and part investment equivalent in high technology equipment removed.	Initial investment of USD 100,000 or its equivalent in freely convertible foreign currency. Written undertaking to transfer USD 100,000 within 60 days from the issuance of the occupation permit.
Turnover	Minimum turnover of Rs 1.5 million is now imposed as from year 1 of registration to achieve a cumulative turnover of Rs 20 million by year 5 of registration	Minimum turnover of Rs 1 million as from year 1 of registration to achieve a cumulative turnover of Rs 15 million by year 5 of registration
For renewal	Renewal requirement has been increased to a minimum annual turnover of Rs 5 million from year 6 of registration	Minimum annual turnover of Rs 5 million from year 6 of registration

The increase in turnover requirements will likely ensure a stronger and more committed pool of investors. It could however also reduce Mauritius' attractiveness as an investment destination for smaller-scale or early-stage investors

RESIDING AND WORKING IN MAURITIUS

ECONOMIC DEVELOPMENT BOARD ACT

❑ **Self-Employed Occupation Permit**

The initial investment for self-employed has been increased to USD 50,000 or equivalent in freely convertible currency. The following requirements have also been introduced:

- Certified bank statement from the applicant's country of origin or residence showing proof of funds;
- A written undertaking to transfer USD 50,000 from abroad to his bank account in Mauritius within 60 days from issuance of occupation permit;
- At least 3 letters of intent including 2 from potential local clients.

The minimum business income has been reviewed to Rs 750,000 as from year 1 of registration and a cumulative turnover of Rs 6 million by year 5 of registration. The renewal requirement has equally been augmented to a minimum of Rs 1.5 million as from year 6 of registration.

The increased requirements, for both initial investment and renewal, may dissuade individuals to opt for Mauritius for the business ventures. These changes, however, promote a more rigorous approval process, ensuring that only genuine and sustainable businesses are chosen.

❑ **Retired Non-Citizen Residence Permit**

The criteria have been increased to a transfer of an initial sum of USD 2,000 into a local bank within 60 days from issuance of residence permit and thereafter a sum of either USD 24,000 annually or USD 2,000 monthly.

RESIDING AND WORKING IN MAURITIUS

ECONOMIC DEVELOPMENT BOARD ACT

❑ Permanent Residence Permit

The criteria for permanent residence permit under the Economic Development Act have also been reviewed as below:

	Time period	Financial requirement
Investor	Holder of an occupation permit as investor for at least 5 years.	A minimum annual turnover of Rs 15 million for 5 years preceding application or an aggregate turnover of Rs 75 million for a consecutive period of 5 years immediately preceding the application.
Professional	Holder of an occupation permit as professional, or a valid work permit for at least 5 years.	Monthly basic salary of at least Rs 400,000 for a consecutive period of 5 years immediately preceding the application.
Self-employed	Holder of an occupation permit as self-employed for at least 5 years.	Annual business income of at least Rs 3 million for a consecutive period of 5 years immediately preceding the application or an aggregate turnover of Rs 15 million for a consecutive period of 5 years immediately preceding the application.
Retired Non-Citizen	Holder of a residence permit as retired non-citizen at least 5 years.	Transfer of at least USD 200,000 or its equivalent for a consecutive period of 5 years immediately preceding the application.

In line with the other amendments brought to the Economic Development Board Act, the requirements for a permanent residence permit have been made more stringent. A longer waiting period (previously 3 years) and higher financial thresholds make obtaining permanent residence more challenging and could potentially discourage long-term planning or expansion for some foreigners opting to live and work in Mauritius.

RESIDING AND WORKING IN MAURITIUS

IMMIGRATION ACT 2022

❑ **Dependents**

The definition of 'dependent child' has been revised to be limited to children not over 24 years of age. It has not been confirmed how this amendment will affect current dependents exceeding the age limit. The transition may require the affected young adults to secure a separate occupation permit to lawfully reside and work in Mauritius. A holder of a permanent residence permit will further be limited to 2 dependents.

❑ **Joint Committee**

A joint committee has been introduced under the Immigration Act for assessing and providing recommendations for approval to the ministry. The introduction of the committee and the formalisation of electronic applications through the National Electronic Licensing System are expected to streamline the application process and enhance administrative efficiency.

❑ **Combined Work and Residence Permit**

The Director-General of Immigration shall provide a combined work and residence permit to every holder of a work permit who is issued a non-citizen residence permit.

❑ **Replacement of Permanent Residence Permit (PRP) as retired non-citizen**

Any investor, professional or self-employed holding a PRP may be issued with a PRP as retired non-citizen as a replacement for the remaining period of the original PRP, provided that he has a disposable annual income of USD 40,000 or equivalent in freely convertible foreign currency. This should enable existing permit holders to transition to the retirement scheme without having to undergo through a whole application process for new permit as retired non-citizen.

RESIDING AND WORKING IN MAURITIUS

❑ **Occupation Permit**

The validity period of occupation permits as investor, self-employed or professional shall be of 10 years as from the date of issuance, except for young professionals which shall be limited to 3 years.

A professional occupation permit holder may hold shares in a business where he is employed, provided that he is not a majority shareholder.

❑ **Short-Term Occupation Permit**

The validity period of short-term occupation permits as shall not exceed 9 months.

❑ **Non-Citizen Workers**

Every employer who employs a non-citizen worker (under the Non-Citizen (Employment Restriction) Act), shall pay an annual non-refundable fee per non-citizen worker. The fee shall be prescribed by the Director-General of Immigration.

The amendments to the Immigration Act shall come into operation on a date to be fixed by Proclamation.

NON-CITIZENS

NON-CITIZEN (PROPERTY RESTRICTION) ACT

☐ **Corrective amendment**

A corrective amendment was brought to section 3 regarding the requirement for an authorisation certificate from the Prime Minister's Office, to rectify the erroneous reference to the repealed Stock Exchange Act.

NON-CITIZEN (EMPLOYMENT RESTRICTION) ACT

☐ **Applications for permit – NELS and digital platform**

Applications for work permit, including applications for renewals, shall be made through the National Electronic Licensing System (NELS) or, as now introduced, any other digital platform that shall be prescribed.

☐ **Electronic work permit**

Work permits shall now be issued in electronic format, in addition to the existing card version.

☐ **Combined work and residence permit**

Foreign workers shall now be issued with a combined work and residence permit bearing a unique identification number, upon arrival in Mauritius. This measure will come into effect as per future proclamation.

SMART CITY SCHEME REGULATIONS

CURTAILED FISCAL INCENTIVES

Applicable to letters of comfort issued on or after 05 June 2025

The package of incentives available to smart city companies under the regulations has been extensively curtailed and shall be limited to the following advantage:

- ❑ VAT refund on building, capital goods and construction of public roads for up to 8 years from the date of the SCS certificate.
- ❑ Customs duty exemption on infrastructure-related imports.
- ❑ Customs duty exemption on qualifying furniture imports resulting in 20% value addition at local level.
- ❑ Income tax exemption income derived from a project related to the construction of public transport station or terminal for up to 8 years from the date of the SCS certificate. Such exemption shall be subject to the condition that the income derives from the development, sale, rental or management of immovable property linked to such project and shall exclude the supply of goods and services.

As from 05 June 2025, the Morcellement Act shall not apply to an excision for land transfer to a smart city company or a morcellement under the Scheme except for land transactions directly linked to a transport station/ terminal project.

SMART CITY FEE

A smart city fee shall now be imposed upon the issuance of an SCS Certificate. Such fee shall be calculated in respect of the land area within which the smart city is being parcelled out and will be computed in accordance with the Morcellement Act.

FINANCIAL INTELLIGENCE AND ANTI MONEY LAUNDERING ACT 2002 (FIAMLA)

❑ **Co-operatives**

The Review Panel established under the FIAMLA shall now also be responsible for reviewing a decision of the Registrar of Co-operative Societies given under the Co-operatives Act, therefore strengthening oversight and accountability in the co-operative sector.

UNITED NATIONS (FINANCIAL PROHIBITIONS, ARMS EMBARGO AND TRAVEL BAN) SANCTIONS ACT (UNSA)

❑ **Funds of Designated Party or Listed Party**

The UNSA has been amended under section 32 in relation to the administration and management of funds of assets of designated parties or listed parties. The duties and powers of the Financial Crimes Commission (FCC) have been enhanced to ensure effectiveness of asset recovery and management of funds by reducing potential delays.

The FCC in the same vein will now be able to seek an order from a Designated Judge to liquidate recovered funds or assets.

❑ **Addition of UN Security Council Resolution 2653**

The resolution issued by the United Nations Security Council relating to Haiti has been added in the Second Schedule to the UNSA.

There is no provision communicated in relation to the *National Roadmap* which was announced during the national budget speech. Given that the Government's intention to strengthen its adherence to international standards, further amendments to the AML/CFT legislation would have been anticipated. It remains to be seen whether more changes will be introduced.

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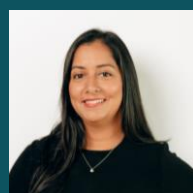
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Director



Ashwin Mudhoo
Managing
Associate



Gaelle Angoh
Li Ying Pin
Head Litigation



Medina
Torabally
Senior
Associate



Yushrah
Bayjou
Associate



Manesha
Motee
Associate



Beatrice
Phanjoo
Associate



Kamna
Sungkur
Compliance
Officer

CMS PRISM
in association with CMS



+230 403 0900



info@cms-prism.com



www.prismchambers.com



Level 7, IconEbene
Rue de L'Institut, Ebene
Mauritius

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