

BUDGET MEASURES

EXPLANATORY NOTES

MAIN PROVISIONS TO BE INCLUDED IN –

THE FINANCE (MISCELLANEOUS PROVISIONS) BILL 2022

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Acronyms

| | |
|--------|---|
| AI | Artificial Intelligence |
| APMIS | Agricultural Production and Market Information System |
| ARC | Assessment Review Committee |
| ATDR | Alternative Tax Dispute Resolution |
| BOM | Bank of Mauritius Act |
| CPB | Central Procurement Board |
| e-PMIS | Project Monitoring and Information System |
| e-PS | e-Procurement System |
| FAO | Food and Agriculture Organisation of the United Nations |
| FAREI | Food and Agricultural Research and Extension Institute |
| FATF | Financial Action Task Force |
| FSC | Financial Services Commission |
| FY | Financial Year |
| GRA | Gambling Regulatory Authority |
| HACCP | Hazard Analysis Critical Control Points |
| ICAC | Independent Commission Against Corruption |
| IPSAS | International Public Sector Accounting Standards |
| IRSA | Integrity Reporting Services Agency |
| MBC | Mauritius Broadcasting Corporation |
| MFSA | Mauritius Food Standards Agency |
| MIB | Mauritius Institute of Biotechnology |
| MIPA | Mauritius Institute of Professional Accountants |
| MRA | Mauritius Revenue Authority |
| OECD | Organisation for Economic Co-operation and Development |
| OPSG | Office of Public Sector Governance |
| PAYE | Pay As You Earn |
| PFM | Public Financial Management |
| PIM | Public Investment Management |
| PIMA | Project Implementation and Monitoring Agency |
| PPO | Procurement Policy Office |
| SMEs | Small and Medium Enterprises |
| TASS | Tax Arrears Settlement Scheme |
| TDS | Tax Deduction at Source |
| VAT | Value Added Tax |

Part A – Taxation and Public Finance

A.1. Income Tax

(a) Introduction of a New Tax Rate

Currently, an individual earning annual net income of up to Rs 650,000 (i.e. Rs 50,000 per month), is being subject to income tax at the rate of 10% instead of 15%. An individual earning annual net income above Rs 650,000 up to Rs 700,000 also benefits from the reduced rate of 10% through a tax credit mechanism provided certain conditions are met.

As from the income year 2022-2023, an individual earning annual net income –

- (i) of **up to Rs 700,000** will be taxed at the rate of **10%**;
- (ii) **above Rs 700,000** and not exceeding **Rs 975,000** (i.e. **Rs 75,000** per month) will be taxed at the rate of **12.5%**; or
- (iii) **above Rs 975,000** will be taxed at the rate of **15%** and the Solidary Levy, if applicable.

(b) Other Exemptions and Reliefs

(i) Additional Deduction for Tertiary Education

The additional deduction in respect of a dependent child who is pursuing tertiary studies will be raised from Rs 225,000 to **Rs 500,000** and covers both undergraduate and postgraduate courses.

(ii) Relief for Medical or Health Insurance Premium

The maximum allowable deduction for medical insurance premium will be increased as follows –

- (A) Rs 20,000 to **Rs 25,000** for an individual and his first dependent; and
- (B) Rs 15,000 to **Rs 20,000** for every other dependent.

(iii) Contribution to Personal Pension Schemes

The maximum allowable deduction in respect of contributions made by a taxpayer to a personal pension scheme for the provision of a pension for himself will be increased from Rs 30,000 to **Rs 50,000**.

(iv) Donations to Charitable Institutions

The maximum allowable deduction for donations made to an approved charitable institution including a religious body will be increased from Rs 30,000 to **Rs 50,000**.

(v) Deduction for Dependent who is a Bedridden Next of Kin

It will be clarified that a taxpayer will be able to claim his/her spouse as a bedridden next of kin irrespective of any financial assistance provided to the bedridden spouse under the National Pensions Act.

(vi) Exempt Income

The maximum allowable deduction for petrol or travelling allowance paid to an eligible employee using his private car for the performance of his duties will be increased from Rs 11,500 to **Rs 20,000**.

(c) Additional Deduction - Procurement from Small Enterprises

Currently, a large manufacturer (having annual turnover exceeding Rs 100 million) is granted an additional deduction of 10% on the amount incurred to purchase locally manufactured products from a small enterprise. The rate of additional deduction will be increased from 10% to **25%**.

(d) Income Tax Holiday- Freeport Companies

An 8-year income tax holiday will be granted to a newly set up freeport operator or developer making an investment of at least Rs 50 million and provided it –

- (i) starts its operations on or after 1 July 2022; and
- (ii) conforms with the substance requirements set by the Organisation for Economic Co-operation and Development (OECD).

(e) Waiver of Income Tax Penalties for Small and Medium Enterprises

The Income Tax Act will be amended to implement the decision of Government to waive penalties imposed on Small and Medium Enterprises (SMEs), remaining outstanding as at 25 March 2022, for late submission of income tax returns and late payment of income tax during the years 2020 and 2021.

(f) Financial assistance to Small and Medium Enterprises – Salary Compensation 2022

The Income Tax Act will be amended to implement the decision of Government to refund to an SME, in addition to the salary compensation 2021, the salary compensation 2022 paid to its employees up to 30 June 2022. The amendment will be effective as from 1 January 2022.

Thus, the Mauritius Revenue Authority (MRA) is, in relation to salary compensation for year 2022, paying to a non export-oriented SME an amount of -

- (i) **Rs 500 monthly** per employee deriving a basic wage **not exceeding Rs 13,500**; and
- (ii) **Rs 400 monthly** per employee deriving a basic wage **exceeding Rs 13,500 up to Rs 50,775**.

(g) Financial Assistance to the Tourism Sector – Salary Compensation 2022

The Income Tax Act will be amended to implement the decision of Government to refund to an enterprise in the tourism sector the salary compensation paid to its employees for the period January 2022 to June 2022, that is, an amount of -

- (i) Rs 500 monthly per employee deriving a basic wage not exceeding Rs 13,500; and
- (ii) Rs 400 monthly per employee deriving a basic wage exceeding Rs 13,500 up to Rs 50,775.

The amendment will be effective as from 1 January 2022.

An enterprise in the tourism sector is defined as one which is engaged in a tourism activity listed in the Twelfth Schedule to the Income Tax Regulations 1996.

An SME in the tourism sector will not be eligible to this assistance since it is already benefitting under the SME Salary Compensation Refund.

This assistance is not payable to workers of an enterprise in the Island of Rodrigues for a particular month if they have benefitted from the Wage Assistance Scheme in that month.

(h) Premium Visa Scheme

It will be clarified that the foreign employer of the holder of a Premium Visa will not, in respect of that employee, be subject to the payment of -

- (i) corporate tax under the Income Tax Act; and
- (ii) social contribution under the Social Contribution and Social Benefits Act.

(i) Global Minimum Tax

The Income Tax Act will be amended to cater for any change that may be required in connection with the introduction of a domestic minimum top-up tax, applicable to companies resident in Mauritius forming part of multinational enterprise groups having a global annual revenue of 750 million euros or more, to ensure that they are taxed at the global minimum rate of 15%.

A.2. Property Taxes

(a) Home Ownership Scheme

The Home Ownership Scheme is one of the measures introduced in the 2021/2022 Budget to support Government's vision of a more inclusive society by making home ownership affordable for all.

Under the Scheme, an eligible person buying a house, an apartment or bare land to construct his residence benefits from a refund of 5% of the cost of the property up to a maximum of Rs 500,000.

The Home Ownership Scheme will be extended for another year, i.e. up to 30 June 2023.

The Scheme will also cover transactions effected during the period from **12 June 2021 to 30 June 2021**, i.e. as from the date following the announcement of the Scheme in the Budget Speech 2021-2022.

Furthermore, flexibility will be provided in the legislation for additional categories of beneficiaries or types of immovable properties to be approved administratively under the Scheme.

(b) Home Loan Payment Scheme

The Home Loan Payment Scheme is an additional facility granted to those contracting a loan to construct their residence.

Under the Scheme, a person contracting a secured housing loan to construct his residence benefits from a refund of 5 % of the loan amount, up to a maximum of Rs 500,000.

The Home Loan Payment Scheme will be extended for another year, i.e. up to 30 June 2023.

The Scheme will also cover transactions effected during the period from **12 June 2021 to 30 June 2021**, i.e. as from the date following the announcement of the Scheme in the Budget Speech 2021-2022.

(c) VRS Scheme – Transfer among Heirs

A VRS property transferred to the heirs of a deceased beneficiary shall be deemed to have been obtained by inheritance thus enabling the property to be transferred between the heirs free from duty and tax.

This amendment will be backdated to take effect as from 1 July 2016.

(d) Tax on Transfer of Leasehold Rights in State Lands for Hotels

The halving of the rate of tax on transfer of leasehold rights in State land for hotels built on State lands will end on **30 June 2023** as announced in the Budget Speech 2021-2022.

(e) Share Buyback

Presently, transfer of shares in a company holding immovable property is subject to registration duty. Land transfer tax is also leviable the transfer of shares lead to a change in control of that company.

The relevant legislations will be amended to clarify that a share buyback, i.e. acquisition by a company of its own shares, will be subject to registration duty and tax in the same manner as for a transfer of shares.

A.3. Excise Duty

(a) Alcoholic Products

Effective as from 8 June 2022, the following rates of excise duty on alcoholic products will be applicable –

| Product | Current | New |
|--|-------------|-------------|
| Beer (per litre) | | |
| Up to 9 degrees | Rs 43.60 | Rs 48.00 |
| Above 9 degrees | Rs 60.60 | Rs 66.65 |
| Spirit cooler (per litre) | Rs 56.90 | Rs 62.60 |
| Fruit wine (per litre) | Rs 35.30 | Rs 38.85 |
| Made wine (per litre) | Rs 75.70 | Rs 83.30 |
| Wine of grapes (per litre) | | |
| In bulk for bottling purposes | Rs 121.70 | Rs 134.00 |
| In bottle | Rs 213.40 | Rs 234.75 |
| Champagne (per litre) | Rs 1,016.40 | Rs 1,118.00 |
| Rum (per litre of absolute alcohol) | Rs 598.40 | Rs 658.25 |
| Cane spirits (per litre of absolute alcohol) | Rs 598.40 | Rs 658.25 |
| Whisky (per litre of absolute alcohol) | | |
| In bulk for bottling purposes | Rs 1,156.00 | Rs 1,271.60 |
| In bottle | Rs 1,848.00 | Rs 2,032.80 |
| Liqueur (per litre of absolute alcohol) | Rs 406.60 | Rs 447.25 |

(b) Tobacco Products

Effective as from 8 June 2022, the following rates of excise duty on tobacco products will be applicable –

| Product | Current | New |
|---------------------------|----------------|------------|
| Cigars (per kg) | Rs 19,430 | Rs 21,373 |
| Cigarillos (per thousand) | Rs 11,345 | Rs 12,480 |
| Cigarettes (per thousand) | Rs 5,625 | Rs 6,188 |

(c) Motor Vehicles

(i) The current excise duty rebate scheme on motor vehicles will be extended for a further period of one year up to 30 June 2023. The rebate scheme is applicable as follows –

(A) **a motor car up to 1,000 cc:** 40% rebate on the excise duty payable on the motor car; and

(B) **a motor car above 1,000 cc, double/single space cabin vehicle, van and an electric vehicle:** 30% rebate on the excise duty payable on the motor vehicle.

(ii) Provision will be made to grant customs duty, excise duty and Value Added Tax (VAT) exemption on cars (and spare parts) and automobilia imported for the purpose of exhibition in a motor museum.

(d) Beverages in Cans

The excise tax on cans will be applicable on all beverages in cans.

(e) Excise Duty on Sugar Sweetened Products

The implementation of the excise duty of 6 cents per gramme of sugar on locally manufactured and imported non-staple sweetened products will be effective on 1 July 2025.

A.4. Tax Administration

(a) Tax Administration: General

(i) Declaration of Assets Act

The Independent Commission Against Corruption (ICAC) will be allowed to disclose a copy of the Declaration of Assets of the employees of the MRA to the Head of the Internal Affairs Division of the Authority.

(ii) Tax Arrears Settlement Scheme (TASS)

The Tax Arrears Payment Scheme will be re-introduced. The Scheme provides for full waiver of penalties and interest where tax arrears, outstanding under the Income Tax Act, the Value Added Tax Act and the Gambling Regulatory Authority Act, are paid in full by 31 March 2023 and provided that the taxpayer registers himself under the Scheme by 31 December 2022.

Taxpayers having assessments pending before the Assessment Review Committee (ARC), the Supreme Court or Judicial Committee of the Privy Council, and who wish to take advantage of the Scheme, may do so by withdrawing the case before these institutions.

(b) Tax Administration: Income Tax

(i) Rate of Tax Deduction at Source

The rate of tax deduction at source (TDS) on -

- (A) services provided by professionals will be increased from 3% to **5%**; and
- (B) rent paid to a resident will be increased from 5% to **7.5%**.

(ii) Extension of the scope of Tax Deduction at Source

The Income Tax Act will be amended to broaden the scope of TDS to cover -

| Services | Rate of TDS |
|--|--------------------|
| Consultancy Fees | 3% |
| Security Services and Cleaning Services | 3% |
| Pest Management Services | 3% |
| Payment of fees made by insurance companies to motor surveyors and mechanics for repairs of motor vehicles of policy holders | 3% |

(iii) Solidarity Levy – PAYE

An individual liable to the Solidarity Levy and deriving pension or director's fees will be given the option to request the person responsible for the payment to deduct the Pay As You Earn (PAYE) for the Solidarity Levy at the rate of 10%.

(iv) Transfer of Asset to a Related Company

Transfer of plant, machinery or industrial premises to a related company is deemed to be transferred at its net value (after allowing for depreciation under the Income Tax Act). This facility will be extended to cover any asset which is subject to depreciation.

(v) Power to require information from the Stock Exchange

The Central Depository and Settlement Company Ltd will be required to submit, on an annual basis to the MRA, a statement of financial transaction on individuals and companies that have purchased shares in listed companies exceeding -

(A) Rs 250,000 in one transaction in the case of an individual; and

(B) Rs 500,000 in one transaction in the case of a company.

(vi) Power to Require Information from Banks

Banks will be required to provide information -

- (A) as provided for in the Income Tax Act pertaining to a bank account held jointly by a taxpayer in a similar manner as for an individual account; and
- (B) pertaining to persons who have been convicted of money laundering or financing of terrorism offences.

(vii) Foundations and Trusts

The MRA will be allowed to request information from a Foundation or Trust to enable the Authority to -

- (A) make an assessment;
- (B) collect tax; or
- (C) comply with any request for the exchange of information under a Double Taxation Avoidance Agreement.

(viii) Sharing of Information with the Gambling Regulatory Authority

The MRA will be allowed to share information with the Gambling Regulatory Authority (GRA) to enable the latter to determine whether an applicant is a fit and proper person prior to issuing a personal management licence.

(ix) *E-Publication of Names of Companies not Submitting Returns*

The Director-General of the MRA will be allowed to publish the name of a company which has not filed its income tax return on the website of the MRA instead of publishing same in the newspapers.

Furthermore, the notification to the company regarding the publication may be made electronically.

(x) *International Arrangements*

The Income Tax Act will be amended to allow Mauritius to enter into international arrangements for -

- (A) alternative dispute resolution with a view to resolving cross border tax disputes; and
- (B) implementing the internationally agreed standards to prevent base erosion and profit shifting.

(xi) *Taxation of Digital Economy*

The power of the Minister of Finance to make regulations will be extended to cover internationally agreed policies to address the tax challenges arising from the digitalisation of the economy.

(c) Tax Administration: Customs Act

- (i) A definition of “audit-based” control under Customs Laws will be introduced in line with the Provisions of the Revised Kyoto Convention which is the World Customs Organisation blueprint for modern and efficient customs procedures. Similar provision will be made in the Excise Act.
- (ii) Presently, where goods are purchased by a departing citizen of Mauritius free of taxes under the Deferred Duty and Tax Scheme and the goods are imported back by him within 6 months of the date of his departure, taxes become payable on the goods. Henceforth, taxes will no longer be payable.
- (iii) Where a payment instruction is given by an importer for taxes to be paid electronically to MRA Customs, the payment will have to be credited within 3 working days. This will ensure that payments are effected in a timely manner as well as provide clarity on the time of application of late payment penalty and interest.
- (iv) Presently, the requirement to furnish a security by bond with adequate surety to cover the amount of taxes in case of default or in compliance with Customs Laws differs under various provisions of the Customs laws. The provisions will be harmonised and at least one adequate surety will be required in all cases.

- (v) The penalty provision for failure to submit a Bill of Entry for the clearance of goods within 5 working days after the time an aircraft has landed or a vessel has been berthed will be suspended up to 30 June 2023.
- (vi) The implementation of the penalty provision applicable upon failure by a master/agent to make amendments to his aircraft/vessel manifest within 5 working days after the aircraft has landed or the vessel has been berthed will be deferred until 30 June 2023.
- (vii) Provision will be made to allow a stakeholder to make an objection to a decision of MRA Customs electronically. Similar provision will be made in the Customs Tariff Act and Excise Act.
- (viii) It will be clarified that an objection by a stakeholder to a decision of MRA Customs should be made in the approved form and not by way of a letter. Similar provision will be made in the Customs Tariff Act and Excise Act.
- (ix) Provision will be made to allow a refund of taxes by MRA Customs in cases where a stakeholder objects to a tax assessment and the Objection Directorate at MRA allows the objection.

- (x) Provision will be made to allow MRA Customs to communicate valuation information to Ministries/Departments upon request provided authorisation is obtained from the Minister of Finance.
- (xi) The Industrial Property Act has made provision for the protection of the Intellectual Property Rights of an owner of a utility model, layout design, breeder's right, trade name and geographical indication. Consequential amendment will be made to the Customs Act for the protection of these rights at the border and in the local market.
- (xii) A penalty of Rs 5,000 per day of non-compliance up to a maximum of Rs 50,000 will be applicable where the proprietor/occupier of a bonded warehouse fails to -
 - (A) keep records of goods received into and delivered from his warehouse. If this offence is committed more than three times in a calendar year, his authorisation to operate a bonded warehouse may be revoked or altered;
 - (B) record entries in real time on the approved computerised warehouse management system and give MRA Customs online access in cases where he has been authorised to operate his warehouse without Customs locks and the presence of Customs officers. If this offence is committed more than three times in a calendar year, his authorisation to operate a bonded warehouse may be revoked or altered;

- (C) equip his bonded warehouse with a CCTV system and/or does not give online access to MRA Customs. In case of non-compliance within a period of six months, his authorisation to operate a bonded warehouse may be revoked or altered; or
- (D) submit a 12 months statement of stock duly certified by an auditor within one month after the end of the month in which the stocktaking was carried out. His authorisation to operate a bonded warehouse may also be revoked or altered.

There will be a right of appeal against the penalty. Consequential amendment will be made in the MRA Act regarding appeal at the level of the ARC.

- (xiii) It will be clarified that, where an order approving a bonded warehouse is revoked, taxes on all the warehoused goods will have to be paid by the proprietor/occupier within two months of the date of revocation.
- (xiv) Provision will be made to allow the master/agent or representative of a vessel to submit a consolidated Bill of Entry in respect of bunker fuel loaded during a month on vessels bound for the high seas to reduce the administrative burden.

- (xv) Where a broker or Freight Forwarding Agent informs MRA Customs that he has ceased or intends to cease operation, MRA Customs will be empowered to revoke his authorisation to act as broker or Freight Forwarding Agent.
- (xvi) Where a broker or Freight Forwarding Agent has committed a breach entailing suspension but the breach relates to a specific function, MRA Customs will be empowered to allow the broker or Freight Forwarding Agent to continue carrying out those functions where there has been no breach.
- (xvii) Following the repeal of the Independent Tax Panel under the MRA Act, consequential amendment will be made to remove the reference to the guidelines of the Independent Tax Panel when considering the waiver of penalty, interest, surcharge or rent.
- (xviii) Where, for audit purposes, books and records requested from an importer, exporter, freight forwarding agent or broker are not submitted or access to computers and other electronic devices is not granted to the satisfaction of MRA Customs, the latter will be empowered to raise a claim for payment of taxes. There will be a right of appeal against the claim. Consequential amendment will be made in the MRA Act regarding appeal at the level of the ARC.

- (xix) With a view to ensuring that customs enforcement is carried out in a secured manner, MRA Customs will be empowered to prohibit the use of electronic communication devices within a customs area or an area where goods or persons are under customs control. Failure to comply will constitute an offence and an offender will be liable, upon conviction, to a fine not exceeding Rs 100,000.

(d) Tax Administration: Excise Act

- (i) Definitions of “document” and “risk management” will be introduced in line with the Customs Act.
- (ii) Entries for excisable goods made by a manufacturer in respect of goods deposited in an excise warehouse or removed from a factory or a consolidated bill of entry for excisable goods to be warehoused or cleared during a month will henceforth be deemed to be a self-assessment.
- (iii) It will be clarified that, where the Objection Directorate at MRA allows an objection by a stakeholder claiming refund of excise duty paid in excess, the refund will be made together with interest.
- (iv) Provision will be made with retrospective effect to allow a distiller-bottler of alcohol to sell at his factory fusel oil (a by-product of the distillation process) for use as biofuel.

- (v) MRA will be empowered to carry out “controlled delivery” of excisable goods such as cigarettes and tobacco with a view to gathering evidence on the smuggling chain.
- (vi) The opening hours for the sale of alcoholic products in restaurants and pubs will be extended to 2 a.m. everyday.
- (vii) The requirement to affix excise stamps will be extended to cover beer and wine in cans and other types of packaging.

(e) Tax Administration: Value Added Tax Act

- (i) Where a person is required by law or MRA directs him to be compulsorily VAT registered but he fails to do so, MRA will be empowered to register him compulsorily.
- (ii) A list of all VAT-registered persons will be published on the website of MRA to avoid fraudulent practices. The list will be updated on a quarterly basis.
- (iii) Where a taxable person fails to submit a return, MRA will be empowered to publish electronically, 3 months after the due date, the name and address of the taxable person and his directors and the taxable period in respect of which the return has not been submitted. However, the taxable person will be notified prior to the publication.

- (iv) In case an aggrieved person makes an objection against a decision of MRA but fails to submit information, books or records requested by MRA within the required time frame, MRA may determine that the objection has lapsed. Where an appeal is then made to the ARC on this matter, these information, books or records will not be allowed to be submitted before the Committee.
- (v) Provision will be made for a VAT refund on a residential building, house or apartment to be effected not later than 30 days from the date of receipt of all documents in support of an application for refund instead of 30 days from the date of receipt of the application.
- (vi) One of the conditions to be eligible to make an application for VAT refund on a residential building, house or apartment is that the cost should not exceed Rs 3 million. This will be replaced by the condition that the covered area constructed should not exceed 1,800 square feet.
- (vii) Where a taxable person dies, any heir/legatee who accepts the succession of his estate or any executor/liquidator of his estate will be deemed to be an agent of the deceased and be liable to submit any VAT return and pay the VAT due with respect to transactions where VAT has been collected by the deceased.

Where the business continues to operate after the death of the taxable person, the transactions will be deemed to be those of the succession and the latter will be required to register for VAT purposes.

- (viii) MRA will come up with a roadmap by December 2022 for a phase-wise implementation of the e-invoicing system. This system will allow the online recording, authentication and monitoring of all invoices issued in the course of a business activity.
- (ix) It will be clarified that, where a VAT-registered person acts as an agent of a principal and goods received under consignment or a sale or return agreement are sold by the agent in his own name, VAT should be charged by the agent on the selling price of the goods.
- (x) With a view to increasing VAT compliance and collection, Ministries, Government departments, local authorities, statutory bodies and the Rodrigues Regional Assembly will remit directly to MRA a percentage of VAT to be paid on contracts exceeding a specified threshold for the procurement of goods and services. The VAT registered contractors will make necessary adjustments regarding input tax and output tax in their VAT returns.

- (xi) Following a change in the definition of “small farmer” in the Small Farmers Welfare Fund Act, consequential amendment will be made to include in the list of beneficiaries of the VAT Refund Scheme a group of small farmers, such as a farmers’ association, society, company or co-operative owned by a small farmer or a group of small farmers and having an annual turnover not exceeding Rs 10 million, which is registered with the Small Farmers Welfare Fund under the Small Farmers Welfare Fund Act.

(f) Tax Administration: Mauritius Revenue Authority Act

(i) Board of the Mauritius Revenue Authority

The MRA Act will be amended to enable the appointment of an additional member on the board of the MRA.

(ii) Alternative Tax Dispute Resolution – Threshold

The Alternative Tax Dispute Resolution (ATDR) panel was set up at the MRA to expedite tax appeal cases above Rs 10 million. The threshold will be reduced to **Rs 5 million**.

(iii) Customs cases at the Assessment Review Committee

Provision will be made for an aggrieved person lodging a representation at the ARC against a decision taken by MRA Customs under the Customs Act and Customs Tariff Act to file a Statement of Case with all facts of the case in view of the technical nature of such cases.

(iv) Improving Efficiency of the Assessment Review Committee

In order to speed up determination of cases at the level of the ARC, the following amendments will be brought in the Mauritius Revenue Authority Act –

- (A) subject to agreement from both parties, one mediation meeting may be held if the Chairperson or the Vice-Chairperson is of the view that some or all of the issues of a case can be resolved through mediation;
- (B) depending on the nature of a tax appeal case, the Chairperson or Vice-Chairperson may constitute a panel consisting of only 2 persons instead of 3 persons, i.e. the Chairperson or Vice-Chairperson and a member;
- (C) the Chairperson or the Vice-Chairperson, alone, may hear a case and may give decision orally on the same day on the issues where –
 - a taxpayer has failed to file a tax return or produce required documents to the Objection Directorate of the MRA;
 - an aggrieved taxpayer has failed to pay the 10% due on objection or 5% due on appeal;
 - a case is lodged after the statutory delay;
or
 - a point of law is taken before the start of a hearing.

- (D) subject to agreement from both parties, a panel of the ARC will be allowed to replace up to 2 of its members, apart from the Chairperson or Vice-Chairperson, and proceed with the hearing of a case without having to start anew;
- (E) the ARC will be able to conduct, at the request of a party, a hearing through videoconferencing subject to the agreement of the other party;
- (F) the Chairperson or the Vice-Chairperson, depending on the nature of a tax appeal case, may give a decision based on the submission of statements of case only subject to the agreement of both parties; and
- (G) each party will be given not more than 21 days to submit its statement of case and witness statement, if any, to the Committee with copy to the other party after a case has been called proforma for the first time before the Committee.

(g) Tax Administration: Registrar-General's Department

(i) Arrears Payment Scheme

The Arrears Payment Scheme under the Registrar-General's Department will be re-introduced for another year. The Scheme will provide for full waiver of penalties and interest if a debtor of the Department settles any debt amount on or before 31 March 2023. This Scheme will apply to tax arrears due as at 31 May 2022.

(ii) Claim for Additional Duty or Tax on Re-assessment

No claim for additional duty or tax will be issued by the Registrar-General for an amount of less than Rs 7,500 instead of Rs 5,000 following a re-assessment of the value of an immovable property.

(iii) Transfer of Shares by a Non-citizen

A non-citizen will be required to produce a certified copy of the certificate under the Non-Citizens (Property Restriction) Act not only on the acquisition of shares in a partnership, societe or a company but also on the disposal of such shares.

(iv) Digital Signatures

Provision will be made in the Registration Duty Act to accept a deed for registration where a secure digital signature has been affixed in conformity with the Electronic Transactions Act.

A.5. Public Financial Management

To further strengthen the Financial Management system in the Public Sector, the following measures will be implemented -

(a) Enhancing Public Financial Management Procedures

A Public Financial Management (PFM) Kit will be prepared to consolidate all public financial management legislations, rules, procedures and Financial Instructions.

In this context, the composition of the Financial Management Review Committee will be enlarged and enhanced with the necessary expertise.

(b) Modernising Public Sector Accounting

Accrual based International Public Sector Accounting Standards (IPSAS) is being adopted in the preparation of Government accounts. To this end, the following milestones will be achieved -

(i) Central Government

A first set of accrual-based IPSAS Consolidated Financial Statements will be prepared to include the accounts of Budgetary Central Government, Statutory Bodies and Local Authorities as from Financial Year (FY) 2021/22.

(ii) Local Government

A first set of accrual-based IPSAS Consolidated Financial Statements will be prepared to include the accounts of the 12 Local Authorities for FY 2021/22.

(iii) Special Funds

Special Funds listed in the Schedule of the Finance and Audit Act will prepare their financial statements on accrual IPSAS for as from FY 2021/22.

(c) Enhancing Reporting Responsibilities

For more transparency in the Public Sector and enhanced access to information, a centralised dashboard has been setup through the website of the Ministry of Finance, Economic Planning and Development whereby the public will be able to access the Annual Report on Performance submitted by all Ministries and Departments.

(d) Performance Based Budgeting

The Budget Estimates Document provides an overview of the strategic directions of Ministries and Departments over the next three fiscal years together with the funds appropriated by the National Assembly.

A projection for the outcomes to be achieved by 2030 is now included in the Strategic Overview of each Ministry.

(e) Remuneration & Conditions of Service

The Statutory Bodies (Accounts & Audit) Act will be amended to ensure that -

- (i) review of the remuneration and conditions of service of all statutory bodies be undertaken every 5 years; and

- (ii) statutory bodies not governed by Pay Research Bureau seek the prior written approval of the Minister of Finance and Cabinet for the application of the review exercise of the remuneration and conditions of service of staff.

(f) Asset Management in the Public Sector

To ensure that state assets are managed and utilised in the most efficient and effective way, Accounting Officers will be required to develop and implement appropriate asset management strategies including annual maintenance programme and replacement plan.

With the implementation of the inventory management system (e-IMS), all movements of stock, i.e. receipts and issues, warehousing operations and stock management will be performed electronically by using the barcode technology. Non-Financial Assets will be tracked through the e-IMS to facilitate recording in the Government Asset Register.

(g) Compliance with Legislations regulating Reporting Responsibilities

With a view to improving transparency, accountability and good governance, Accounting Officers will have to designate an Officer not below the level of a Deputy Permanent Secretary to ensure the timely submission of the following -

- (i) Performance reports by Ministries and Departments;
- (ii) financial statements by Statutory Bodies for audit purposes; and
- (iii) Tabling of annual reports of statutory bodies.

(h) Addressing Issues identified by the Director of Audit

The Director of Audit will, as from next financial year, issue consolidated reports on Local Authorities and Statutory Bodies together with the Annual Audit Report.

Furthermore, the Director of Audit will now report whether Statutory Bodies and Local Authorities have been applying their resources and carrying out their operations economically, efficiently and effectively. The Statutory Bodies (Accounts & Audit) Act and the Local Government Act will be amended, accordingly.

The Office of Public Sector Governance (OPSG) will carry out **Performance Improvement Plans** following recommendations made in consolidated Audit Reports on Local Authorities and Statutory Bodies.

The OPSG will also assist Statutory Bodies and Local Authorities to come up with Turn-around Plans in line with best practices.

Various Statutory Bodies will review their service charges to reflect current conditions.

(i) Reporting to the Project Implementation and Monitoring Agency

Accounting Officers are required to submit progress reports on implementation of capital projects and non-infrastructure measures at latest by the 10th of each month to the Project Implementation and Monitoring Agency (PIMA) of the Ministry of Finance, Economic Planning and Development, as per Financial Instructions No 1 of 2022.

Since January 2022, the Project Monitoring and Information System (e-PMIS) is fully operational. Henceforth, Ministries and Departments will have to update progress of their capital projects and non-infrastructure measures on the e-PMIS.

PIMA will report non-compliance of Ministries and Departments to update the e-PMIS by the 10th of each month to the Coordination Committee chaired by the Prime Minister.

(j) Central Debtors Management Unit

A Central Debtors Management Unit will be set up at the level of Treasury under the aegis of the Accountant-General. The aim of the Unit will be to minimise arrears of revenue, excluding taxes. The proposed mandate of the Unit will be to -

- (i) monitor and manage debtors of all Ministries and Departments, including arrears on loan balances due by Statutory Bodies and other Public Bodies; and
- (ii) make appropriate recommendations on collection of such arrears.

Necessary legislative amendment will be brought to set up the Central Debtors Management Unit.

Part B – Other Budget Measures

B.1. Food Security

The Agricultural Production and Market Information System (APMIS) will be updated so that market information is easily available for planters to make informed decisions on what to cultivate and when, how to price their produce and where to sell through access to information from a single window.

In light of the soaring prices of fertilizers, a Committee will be constituted under the Ministry of Agro Industry and Food Security to -

- (a) assess the status of production and use of fertilisers in the country; and
- (b) recommend a mechanism and policy support for encouraging the commercial production of fertilisers including liquid fertilisers.

The Food and Agricultural Research and Extension Institute (FAREI) will implement an agricultural programme focusing on new agricultural practices such as rooftop gardening and vertical farming at primary and secondary schools on a pilot basis.

To promote sheltered farming in dedicated zones -

- (a) the Building Control Act will be amended to allow for sheltered farming structures above 150 m² to be exempted from the requirement of plans and drawings to be signed by an architect; and
- (b) payment of Building and Land Use Permit fees in respect of structures in the dedicated zones will be exempted.

To be in line with international standards on “best before” and “use by date”, strengthen compliance and harmonise food control activities, the following measures will be implemented -

- (a) the Food Regulations 1999 and the First Schedule of the Consumer Protection (Price and Supplies Control) Act will be amended to provide for the sale of an eligible food product up to 7 days after its “best before” date has lapsed and the price of that product will be at least 50% lower than its retail-selling price. A moratorium period of 3 months, as from 1 July 2022, will be given to importers to cater for the publication of the best before date and use by date on the eligible food product;
- (b) new Food Regulations will be made to also replace the existing Food Regulations 1999 in order to, amongst others -
 - (i) regulate the levels of trans-fat, salt and other adverse constituents in selected food;
 - (ii) align food safety and nutritional standards with CODEX, an international standard established by the Food and Agriculture Organisation of the United Nations (FAO);
 - (iii) limit the range of food requiring a pre-market approval permit to only novel food, irradiated food and food produced using gene technology; and
 - (iv) ensure mandatory Hazard Analysis Critical Control Points (HACCP) certification of selected category of food processing activities, such as milk processing, meat processing, fish processing and water bottling;

- (c) the Mauritius Food Standards Agency Bill will be introduced to allow for the setting up of the Mauritius Food Standards Agency (MFSA) to harmonise food control activities along the food supply chain. The MFSA, expected to become operational in January 2023, will, amongst others -
 - (i) develop, revise and update the national food control policy;
 - (ii) come up with regulations, standards, and codes of practice for food control;
 - (iii) undertake consumer education and outreach initiatives, support research and development in food safety and nutritional quality; and
 - (iv) prepare guidelines to facilitate compliance with food regulatory requirements.

B.2. International Financial Centre

To consolidate the position of Mauritius as an international financial centre -

- (a) the current requirement for high-net worth individuals and families will be reviewed to a minimum portfolio of USD 5 million per management family office; and
- (b) holders of Global Headquarters Administration licence will be provided work and residence permits for 5 executives and the latter's dependents.

B.3. Doing Business

(a) Acquisition of Residential Property by Non-Citizens

A residential property acquired by more than one non-citizen under 'fractional ownership' will be eligible to apply for the status of residency provided that the investment by each non-citizen exceeds USD 375,000.

(b) Premium Investor Certificate

Where the holder of a Premium Investor Certificate fails to use the land acquired for the project approved under the Premium Investor Certificate, the Registrar-General will, by written notice, make an assessment of the amount of duty or tax which would otherwise be payable and claim such amount from the parties to the transaction.

(c) Work Permits

To expedite the issuance of work permits, a Work Permit Committee to be chaired by the Prime Minister will be set up.

(d) E-register of Skills

An e-register of skills for workers in the manufacturing and construction sectors will be launched to facilitate job search and recruitment of these registered workers.

(e) Financing of SMEs

Angel investors providing seed equity financing to SMEs will benefit from a tax allowance on their investment.

(f) Validity Period of the Pre-Shipment Inspection Certificate

The Consumer Protection (Control of Imports) Regulations 2017 will be amended to extend the validity period of the Pre-Shipment Inspection Certificate from 2 to 4 months. This measure will be applicable for the period 1 July 2022 to 30 June 2023.

(g) Port Charges

The Mauritius Ports Authority will maintain the current Quay Fees for all laden import containers up to 30 June 2023.

(h) Road Tax on Trailers

The road tax applicable on trailers will be reduced by 50%.

(i) Clearance Facilitation

In line with international best practices, the clearance process in respect of imports requiring testing certificates will be simplified.

B.4. Energy Security

In order to shift from fossil fuel to clean energy sources and bring efficiency in the energy sector, the following measures will be implemented -

- (a) the Mauritius Renewable Energy Agency will conduct a feasibility study for the setting up of the legal and regulatory framework for the recycling and disposal of used solar photovoltaic panels;

- (b) the Central Electricity Board will implement a time of use tariff, on a pilot basis, for domestic customers having smart meters; and
- (c) the Energy Efficiency Management Office will appoint a consultant to develop a framework for the establishment of Energy Performance Contracting.

B.5. Urban Planning

A Committee will be set up at the Ministry of Housing and Land Use Planning to review the sustainability of urban planning and framework in relation to the issuance of Building and Land Use Permit, including guidelines.

B.6. Training

A framework for pre-registration training for medical students will be introduced both in the public and private sectors to allow for 24/7 training.

To address the immediate needs of the ICT industry, the Human Resource Development Council will refund 50% of the cost incurred to train trainers in new fields such as Artificial Intelligence (AI), blockchain and new technologies.

B.7. Healthcare, Medical Devices Pharma and Biotechnology

With a view to facilitating investment in the pharmaceutical industry, the Ministry of Health and Wellness will introduce the Medical and Healthcare Products Bill to -

- (a) facilitate the setting up of pharmaceutical manufacturing plants;
- (b) set out the legal framework for the development of the pharmaceutical products, medical devices and health supplements industry;
- (c) provide better control on health supplements and complementary medicines, medical devices as well as cosmetics; and
- (d) ensure compliance with Good Manufacturing Practices and Distribution Practice Standards for products manufactured in Mauritius.

The Ministry of Health and Wellness will also –

- (a) review the existing framework for licensing of laboratories and will issue guidelines for setting up of specialty test laboratories involved in stem cells, genetic, specialized molecular test, amongst others, to further the research and development agenda in the life-sciences and biotechnology field;
- (b) proclaim relevant sections of the Human Tissue (Removal, Preservation and Transplant) Act to provide the legal framework for organ donation in Mauritius;
- (c) implement the E-Health project;

- (d) extend the Laboratory Information Management System to regional hospitals;
- (e) develop a Surveillance Outbreak Response Management and Analysis System for laboratory data management, contact tracing, and disease detection; and
- (f) come up with a comprehensive Digital Health Law and Strategy to provide legislative framework for e-Health and telemedicine.

To align our clinical trials framework with international good practices to attract businesses to invest in Mauritius -

- (a) the Clinical Trials Act will be revamped to align with international standards to expand the range and broaden the scope of activities for clinical trials; and
- (b) the Ministry of Health and Wellness will also develop a legal framework for clinical trials for medical devices.

A framework will be developed for the setting up of Healthcare University spin-offs to promote Research and Development in the development of new healthcare products.

The mandate of the Mauritius Institute of Biotechnology (MIB) will be broadened to cater for the production of pharmaceutical products, development of new medical devices, technology-based applications for pharmaceuticals, nutraceuticals and research and development centres for testing.

B.8. Public Procurement and Implementation of Capital Projects

With a view to improving public procurement, bringing efficiency in public spending and ensuring timely implementation of capital projects, –

- (a) the Public Procurement legislative framework including the Act, Regulations, Directives and Circulars will be simplified to enhance compliance, user-friendliness, transparency and clarity;
- (b) the Procurement Policy Office (PPO) will –
 - (i) in collaboration with the University of Technology Mauritius, provide training on project management and contract administration to officers involved in project management. This training course will be made mandatory for those officers;
 - (ii) conduct an audit to identify the reasons for low participation of bidders in public contracts and propose remedial actions;
 - (iii) issue standard templates to be used by the Performance Review Committees of public bodies for evaluating the performance of suppliers, contractors and consultants;
 - (iv) develop a performance rating process of suppliers, contractors and consultants and the database be made accessible to public bodies; and
 - (v) introduce a framework for sustainable public procurement starting with vehicles and IT equipment. Furthermore, PPO will work on a framework for sustainable public procurement for the construction sector;

- (c) public bodies' accountability to deliver public services will be increased. Thus, –
 - (i) the prescribed amount which a public body is allowed to carry out its procurement exercise without having to resort to the Central Procurement Board (CPB) will be increased;
 - (ii) the prescribed thresholds for the choice of procurement methods will be reviewed; and
 - (iii) the CPB will –
 - (A) be required to involve implementing agencies in the evaluation of bids;
 - (B) establish a new protocol for sharing of documents and information with the public body; and
 - (C) submit a quarterly report on progress of major contracts to the PPO;
- (d) the Independent Review Panel will –
 - (i) publish a User Guide for challenge and review to guide bidders on how to submit appeals or applications for review to the Independent Review Panel and how the appeals or review process is conducted; and
 - (ii) offer to conduct, as far as possible, reviews based on submissions without hearings or through remote or virtual hearings;

- (e) public bodies will, in relation to the procurement of consultancy services, be allowed to exceptionally negotiate the fee when the proposal of the only responsive consultant substantially exceeds the estimated cost and a re-bid exercise is not considered practical;
- (f) the Capital Projects Process Manual will be revised and will be known as the Public Investment Management (PIM) Manual. A Project Investment Committee will be set up for the purpose of assessing project proposals; and
- (g) the e-Procurement System (e-PS) will be –
 - (i) enhanced to allow Accounting Officers to monitor contracts online and in real time mode; and
 - (ii) re-engineered to make the system more efficient and user friendly.

B.9. Illegal Use of Reserved Parking

The fine for illegal use of parking reserved for persons with disabilities will be increased from Rs 600 to Rs 2,000.

B.10. Horse Racing

With a view to modernising and internationalising horse racing activities, the Cote d'Or International Racecourse and Entertainment Complex Limited will spearhead a new state of the art racecourse and entertainment project at Cote d'Or under a Public Private Partnership framework.

Part C – Other Legislations

C.1. Animal Welfare Act

The Animal Welfare Act will be amended to –

- (a) review the definitions of “authorised officer”, “dispose of” and “euthanised”;
- (b) discourage pet abandonment, cruelty against dogs and cats, illegal breeding and enhance owner’s responsibility by increasing applicable fines;
- (c) discourage any act of sexual abuse against dog and cat population;
- (d) provide a regulatory framework for –
 - (i) animal breeding for the purpose of competition, production of pure breed animals and leisure; and
 - (ii) animal training for the purpose of competition and leisure;
- (e) ensure mandatory registration and sterilisation to control dog population; and
- (f) empower the Mauritius Society for Animal Welfare to –
 - (i) have control on the dog and cat population; and
 - (ii) seize, impound and serve notice to irresponsible dog owners.

C.2. Ayurvedic and Other Traditional Medicines Act

The Ayurvedic and Other Traditional Medicines Act will be amended to cater for the term AYUSH.

C.3. Bank of Mauritius Act

The Bank of Mauritius Act will be amended to –

- (a) enable the Bank of Mauritius Act (BOM) to engage in trade that relates to the activities of the Bank of Mauritius Museum;
- (b) clarify that BOM may open accounts and accept deposits from persons for the purpose of issuing digital currency; and
- (c) increase the functionalities of the Central KYC system and the Central Accounts Registry established by the BOM, with a view to facilitating collection, verification, validation and extraction of KYC records.

C.4. Banking Act

The Banking Act will be amended to –

- (a) modify the criteria for the BOM to grant an in-principle approval to an applicant in the context of an application for a banking licence. The banking licence will be issued to the applicant only if all the conditions imposed are fulfilled and all the required documents are submitted to the BOM;
- (b) provide that the BOM can require a financial institution or a service provider to comply with confidentiality requirements specified in guidelines, directives or instructions; and

- (c) require any person who intends to carry out due diligence on a financial institution, with a view to acquiring a shareholding in that financial institution, to sign a declaration of confidentiality.

C.5. Bus Industry Employees Welfare Fund Act

The Bus Industry Employees Welfare Fund Act will be amended to include contract bus operators in order to allow them to contribute into the Bus Industry Employees Welfare Fund and to benefit from its schemes and assistance.

C.6. Civil Service Family Protection Scheme Act

The Civil Service Family Protection Scheme Act will be amended to –

- (a) clarify the definition of surviving spouse in relation to a contributor and a Member of the National Assembly;
- (b) clarify and align the definition of child in relation to a Member of the National Assembly to that provided in the Act in relation to a child of a public officer;
- (c) provide for Government to recoup any overpayment of pensions made; and
- (d) provide for the maximum number of years for which pension in arrears should be paid.

C.7. Civil Status Act

The Civil Status Act will be amended to –

- (a) allow for the tardy registration of the Muslim religious marriages with the Muslim Family Council. This will enable Muslim widows who were religiously married up to 2022 and whose marriages could not be registered to benefit from the Basic Widows Pension;
- (b) define “private residence”, “non-private premises” and “sufficient means”;
- (c) make it mandatory for both intending spouses to be present for the publication of their marriage;
- (d) ensure that non-citizens produce the required certificates duly apostilled from the country of origin of the documents; and
- (e) cater for cases of civil marriage of non-citizens who cannot produce the required certificates duly apostilled from the country of origin because of war and other unforeseen circumstances.

C.8. Companies Act

The Companies Act will be amended to –

- (a) remove temporary time extension provided because of Covid-19 and reinstate the requirements for registered companies to –
 - (i) call annual meeting of shareholders not later than 6 months after the balance sheet date;
 - (ii) prepare financial statements within 6 months after balance sheet date; and

- (iii) filing of financial statements with the Registrar of Companies within 28 days from the date such financial statements have been signed, or such other period as may be determined by the Registrar of Companies;
- (b) reinstate the application of Section 162 of the Act relating to duty of directors on insolvency subject to such conditions as may be prescribed;
- (c) provide for the disclosure of the following information with respect to subsidiaries in annual reports –
 - (i) particulars of interest;
 - (ii) donations made by the subsidiaries;
 - (iii) details of present and past directors;
 - (iv) fees payable to auditors; and
 - (v) details of major transactions;
- (d) prevent companies from being both registered in Mauritius and in another jurisdiction at the same time;
- (e) allow the Registrar of Companies to remove a company from the Register of companies where there is no other reason for the company to continue its existence; and
- (f) ease restoration of a company to the Register in case it was still carrying on business at the time of removal by the Registrar of Companies.

C.9. Consumer Protection (Price and Supplies Control) Act

The Consumer Protection (Price and Supplies Control) Act will be amended to empower the MRA to collect the different contributions in the price structure of Petroleum products and remit to the relevant funds.

C.10. Declaration of Assets Act

The Declaration of Assets Act will be amended to cover virtual assets.

C.11. Employment Relations Act

The Employment Relations Act will be amended to -

- (a) improve the process of collective bargaining by providing information regarding terms and conditions of workers to recognized trade unions;
- (b) facilitate dispute resolution by providing for disputes of rights registered by a worker at the Ministry of Labour, Human Resource Development and Training which have remained unresolved, to be referred to the Commission for Conciliation and Mediation;
- (c) clarify the circumstances where a worker, whose employment has been terminated, can report a labour dispute to claim reinstatement;
- (d) reinforce the definition of discrimination by including the terms gender, place of origin, age and impairment; and
- (e) restyle the post of conciliators to conciliators and mediators.

C.12. Financial Intelligence and Anti-Money Laundering Act

The Financial Intelligence and Anti-Money Laundering Act will be amended to harmonise provisions of the Act by including combatting of proliferation financing under its scope, in line with Financial Action Task Force (FATF) requirements.

C.13. Financial Reporting Act

The Financial Reporting Act will be amended to –

- (a) cater for the conduct of examinations, assessments or interviews by Mauritius Institute of Professional Accountants (MIPA) for the purpose of registering public accountants;
- (b) empower MIPA to inquire into any written complaint made against any registered public accountant;
- (c) prohibit a non-registered person from giving the impression that he is authorised to provide services of a public accountant in Mauritius; and
- (d) exempt public interest entities from Section 75(1) of the Act.

C.14. Financial Services Act

The Financial Services Act will be amended to –

- (a) remove “Global Headquarters Administration”, “Global Shared services” and “Global treasury activities” from the scope of “financial services” under the Financial Services Act and to create a separate section for regulation of global activities in line with FATF requirements;

- (b) enable the Financial Services Commission (FSC) to initiate regulatory actions against individuals who have in effect been performing the functions of an officer although they have not been formally approved by the FSC;
- (c) provide for the setting up of a Settlement Committee for the purpose of assessing the possibility for early resolution of disciplinary matters with a licensee; and
- (d) review provisions on global shared services and compliance services for them to be regulated under the relevant section.

C.15. Food and Agricultural Research and Extension Institute Act

The Food and Agricultural Research and Extension Institute Act will be amended to promote production of fodder for animals and superfood such as Bread fruit, Jack fruit and Avocado.

C.16. Freeport Act

The Freeport Act will be amended to make it mandatory for freeport developers to install CCTV system within the freeport zone and provide online access to MRA Customs.

C.17. Gambling Regulatory Authority Act

The Gambling Regulatory Authority Act will be amended to -

- (a) exclude from the definition of jockey persons qualified to ride as apprentice and track rider;

- (b) remove the obligations imposed on a horse racing organiser to procure laboratory services for testing of equine blood, urine and other samples to be now under the responsibility of the horse racing committee with costs borne by the Horse Racing Division;
- (c) include an obligation on the horse racing organiser to provide for veterinary services to give assistance to the Horse Racing Division for out of Competition, Pre and Post sampling and testing of horses;
- (d) make it a legal requirement that –
 - (i) no gaming machine shall be imported by any person other than the gaming house licensee duly licensed by the GRA;
 - (ii) no Limited Pay Out machine shall be imported by any person other than the Limited Payout Machine licensee duly licensed by the GRA;
 - (iii) no Amusement Machine shall be imported by any person other than the Amusement Machine licensee duly licensed by the GRA; and
 - (iv) any horse racing organiser should have a functional race track approved by the Horse Racing Division at its disposal for the whole racing season;
- (e) make it an obligation for any authorised broadcasting agent to use a broadcasting station and/or a website to cover live racing against payment of a reasonable fee to be determined by the GRA;

- (f) give the same equal treatment of the exemption from payment of the broadcasting fee to all other operators;
- (g) allow any trainer/stable to field horses with any horse racing organiser of his choice to promote competition;
- (h) provide that a horse racing organiser shall not cause any damage to the race tracks and related infrastructure found on the race course;
- (i) provide for remote operators to pay to the Horse Racing Organiser an additional percentage as payment of fees over the normal rate as approved by the GRA when race meetings are held in camera;
- (j) allow bookmakers conducting fixed odds bet on football matches taking outside Mauritius to operate up to a maximum of 20 outlets as approved by the GRA;
- (k) regulate promotional activities conducted through the use of internet including any social medias and messaging platform;
- (l) give discretionary power to the Gambling Regulatory Board for the issue of Personal Management Licence;
- (m) review the powers of the Board of the Gambling Regulatory Authority for better implementation of the objectives of the Authority;
- (n) review the licencing provisions and conditions of licence to ensure better regulation on the issue of licences; and
- (o) introduce a definition of “fit and proper” person.

C.18. Good Governance and Integrity Reporting Act

The Good Governance and Integrity Reporting Act will be amended to—

- (a) define “property” and “virtual asset”;
- (b) ensure that a respondent discloses all information to the Integrity Reporting Services Agency (IRSA) necessary for the recovery of a virtual asset when the Judge in Chambers makes an Unexplained Wealth Order for the confiscation of the virtual asset; and
- (c) provide for the appointment of an expert by the IRSA in order to assist in the recovery and realisation of any confiscated virtual asset.

C.19. Human Resource Development Act

The Human Resource Development Act will be amended to –

- (a) enable charitable institutions to benefit from training grants from the Human Resource Development Council; and
- (b) allow charitable institutions willing to contribute to the training levy to pay the training levy and recover up to 75% of the training costs incurred in the enhancement of the skills of their workforce.

C.20. Insurance Act

The Insurance Act will be amended to -

- (a) extend the prescribed delay from 2 to 5 years for claim applications to be made in order to cater for more victims of hit and run accidents;
- (b) define “custodian”, “custodian agreement”, “clearing”, “clearing system” and “settlement”;
- (c) establish a framework for Structured Investment-Linked Insurance Business activities;
- (d) establish a framework for the setting up of a multilateral clearing system in compliance with FSC Rules to expedite the settlement of outstanding motor claims recoveries;
- (e) align the approval of the appointment of fit and proper persons with the provisions of the Financial Services Act; and
- (f) provide that the FSC may require motor insurers to furnish information to facilitate, in collaboration with other regulatory body, the clearing and settlement of claims through a clearing system.

C.21. Industrial Property Act

Provision will be made to empower a Court to order the destruction of goods imported in infringement of the rights of a holder of Intellectual Property Rights under the Industrial Property Act.

C.22. Irrigation Authority Act

The Irrigation Authority Act will be amended to set a deadline for the settlement and recovery of dues from users of irrigation water.

C.23. Mauritius Agricultural Marketing Act

The Mauritius Agricultural Marketing Act will be amended to allow the Agricultural Marketing Board to set up a General Fund and a Trade Stabilization Reserve Fund.

C.24. Mauritius Broadcasting Corporation Act

The Mauritius Broadcasting Corporation Act will be amended to–

- (a) review the definitions of “broadcast”, “installations” and “television”;
- (b) define “television set”;
- (c) provide that a committee of the Board of the Mauritius Broadcasting Corporation (MBC) will comprise 3 members selected by the Board and chaired by any member elected by the Board;
- (d) exempt the MBC from payment of fee for all transmission on the AM band; and
- (e) increase the fine for contravening the MBC Act or its regulations from Rs 2,000 to Rs 50,000.

C.25. Mauritius Broadcasting Corporation (Collection of Licence Fees) Act

The Mauritius Broadcasting Corporation (Collection of Licence Fees) Act will be amended to increase the fine for contravening the MBC (Collection of License Fees) Act or its regulations to Rs 50,000 and introduce an imprisonment term not exceeding 2 years.

C.26. Mauritius Cane Industry Authority Act

The Mauritius Cane Industry Authority Act will be amended to-

- (a) allow sugar producers to deliver sugar to Mauritius Sugar Syndicate or any other Authorized Body as may be approved by the Mauritius Cane Industry Authority; and
- (b) exempt producers/sellers using small tonnages of canes for production of cane juice for direct consumption from requiring the approval of the Minister of Agro Industry;
- (c) provide that payment of Bagasse remuneration applies to both planters and producers of sugar; and
- (d) allow cane sampling, cane handling, cane storage facilities, cane testing and weighing of canes.

C.27. Mauritius Revenue Authority Act

The Mauritius Revenue Authority Act will be amended to empower the MRA to recover foreign taxes in order to provide assistance to foreign countries in the recovery of taxes.

C.28. Medical Council Act

The Medical Council Act will be amended to allow foreign medical graduates to undergo pre-registration training in Mauritius, provided that they hold a diploma in medicine from a medical institution in Mauritius.

C.29. Mutual Assistance in Criminal and Related Matters Act

The Mutual Assistance in Criminal and Related Matters Act will be amended to align the definition of “property” with that under the Financial Intelligence and Anti-Money Laundering Act and to also cover virtual assets.

C.30. National Agricultural Products Regulatory Office Act

The National Agricultural Products Regulatory Office Act will be amended to empower the National Agricultural Products Regulatory Office to exercise better control on tea shops with a view to regulating the quality of tea.

C.31. National Payment Systems Act

The National Payment Systems Act will be amended to provide that the BOM may amend, vary or cancel any condition attached to, or impose new conditions on an authorisation granted or a licence issued under the Act.

C.32. National Productivity and Competitiveness Council Act

The National Productivity and Competitiveness Council Act will be amended to review the –

- (a) definition of Minister with a view to catering for the changes in the portfolio of Ministers; and
- (b) authorised signatories of cheques.

C.33. Non-Citizens (Property Restriction) Act

The Non-Citizens (Property Restriction) Act will be amended to mitigate the risk that a non-citizen becomes owner of residential premises for which he is not entitled through acquisition of shares in a company.

C.34. Nursing Council Act

The Nursing Council Act will be amended to provide for mandatory Continuing Professional Development courses or training programme for registered nursing professionals.

C.35. Ombudsperson for Financial Services Act

The Ombudsperson for Financial Services Act will be amended to –

- (a) enable the Ombudsperson for Financial Services to share information on an anonymised basis with any institute or association in the field of financial services, for the purposes of development of educational programmes for consumers and financial institutions;

- (b) repeal sections on the right of the Ombudsperson to appoint officers in his office as such right ought to be vested to the Public Services Commission only;
- (c) align the procedure for lodging of complaints in respect of any failure in the provision of any services provided by a participant under the Securities (Central Depository, Clearing and Settlement) Act with the procedure for complaint on services provided by financial institutions;
- (d) empower the Ombudsperson for Financial Services not to entertain complaints which pertain to a subject matter being dealt with by the Commissioner for the Protection of Borrowers, a Court, a tribunal or an arbitrator; and
- (e) enable the Ombudsperson for Financial Services to also take into account requirements issued by the Ombudsperson for Financial Services, BOM, FSC, Central Depository Settlement and the Stock Exchange of Mauritius when investigating into complaints.

C.36. Pensions Act

The Pensions Act will be amended to –

- (a) allow a participant, contributing to the Public Pensions Defined Contribution Pension Scheme for at least one year, to transfer his portable benefits, to any superannuation fund or personal pension plan with any registered administrator or insurer, when he leaves, other than on ground of dismissal from the public service; and

- (b) provide for the refund of the respective share of contribution to the employer and the employee, when an employee, who joined service on or after 1 January 2013, leaves the service before completing one year.

C.37. Pharmacy Act

The Pharmacy Act will be amended to –

- (a) provide for the composition of the Education Committee to advise the Pharmacy Board on matters pertaining to, amongst others, the registration of trainees and the conduct of examinations; and
- (b) facilitate registration of locally manufactured pharmaceutical products under a technology transfer agreement and allow for public procurement of locally manufactured pharmaceutical products which is compliant with the Good Manufacturing Practice of the World Health Organisation (WHO GMP).

C.38. Prevention of Corruption Act

The Prevention of Corruption Act will be amended to cater for offences –

- (a) relating to foreign bribery which will cover the definitions of foreign bribery and foreign public official; and
- (b) regarding non-deductibility of bribes from turnover or income when filing and submitting tax returns with the MRA.

C.39. Private Health Institutions Act

The Private Health Institutions Act will be amended to broaden the definition of “Clinical Laboratory” to include collection points for clinical samples and empower the Minister of Health to make regulations to lay down the standards to which collection points should abide.

C.40. Private Pension Scheme Act

The Private Pension Scheme Act will be amended to include transfers from one private pension scheme to another pension scheme under its scope or to the Portable Retirement Gratuity Fund.

C.41. Private Security Services Act

The Private Security Services Act will be amended to provide that -

- (a) persons employed in the field of private security services are registered and their conduct is regulated;
- (b) the costs of publication are borne by applicants;
- (c) all applicants are trained by recognized institutions in a structured and uniform manner;
- (d) an applicant will have to produce a Medical Certificate to prove that he is medically fit;
- (e) an applicant will have to produce a Certificate of Character upon application of a new license or renewal of an existing one and to allow the Commissioner of Police to, amongst others, require the applicant to provide additional information he considers necessary; and
- (f) training is delivered by recognized institutions in collaboration with Mauritius Police Force.

C.42. Public Procurement Act

The Public Procurement Act will be amended to –

- (a) clarify that –
 - (i) “goods” does not include immovable property such as land and building;
 - (ii) a “major contract” also includes a contract where the value of the lowest evaluated substantially responsive bid exceeds the prescribed amount; and
 - (iii) Part III of the Public Procurement Act, relating to CPB, will not apply to procurement of goods, works and services specified in the Second Schedule (exempt procurement);
- (b) provide for a definition of “directive”;
- (c) allow the PPO to prescribe procedures for the opening of bids submitted electronically;
- (d) allow for the cancellation of a bidding process on ground that the mistakes found in the bidding documents, uploaded on the e-Procurement system, cannot be corrected after the publication of an invitation;
- (e) ensure that every procurement contract has to provide that workers employed by subcontractors are remunerated in accordance with prevailing rules and legislations; and
- (f) exempt a public body from the application of the Public Procurement Act where substantial investment has been received from a foreign State or an entity designated by a foreign State to implement a project, scheme or programme.

C.43. Securities Act

The Securities Act will be amended to -

- (a) extend the regulatory functions of an Official exchange to allow for investigations of market abuse cases involving issuers on securities exchanges; and
- (b) delete references made to sections of the Act which have been repealed.

C.44. Small Farmers Welfare Fund Act

The Small Farmers Welfare Fund Act will be amended to –

- (a) cater for the promotion and cultivation of plants/crops of commercial value, and other emerging agricultural activities including medicinal plants or crops grown for biomass;
- (b) extend the definition of sheltered farming to accommodate small production systems such as mushroom and nursery; and
- (c) provide for better protection of planters' community against natural calamities through the Planters' Protection Scheme.

C.45. Social Contribution and Social Benefits Act

The Social Contribution and Social Benefits Act will be amended to -

- (a) give a self-employed individual the option, at any point in time, to pay the social contribution for a full year in advance or on a monthly basis;
- (b) give a private household employer the option to pay on a yearly or monthly basis; and
- (c) provide that a self-employed individual who opts to make an annual return will not be required to submit a quarterly statement.

C.46. State Lands Act

The State Lands Act will be amended to empower the Minister responsible for Land Use to vest the control and maintenance of State land in a Ministry, Government Department or State-owned Entity/Company and to provide for matters connected and related thereto. However, no *Pas Géométriques* will be vested in State-owned Entity/Company. Consequential amendment will be made to the Local Government Act.

C.47. Statutory Bodies Pension Funds Act

The Statutory Bodies Pension Funds Act will be amended to –

- (a) clarify that secondary schools in the definition of statutory body imply those secondary schools that receive grants under the Private Secondary Education Authority Act;

- (b) clarify and align the provision on acquired rights, where an officer has more than one break during different periods of service to that provided under the Pensions Regulations;
- (c) allow the transfer of accrued pension rights of an officer upon his death or such other circumstances prior to retirement age;
- (d) allow a participant contributing to the Public Pensions Defined Contribution Pension Scheme for at least one year to transfer his portable benefits to any superannuation fund or personal pension plan with any registered administrator or insurer, when he leaves, other than on ground of dismissal, the public service; and
- (e) provide for the refund of the respective share of contribution to the employer and the employee, when an employee, who joined service on or after 1 January 2013, leaves the service before completing one year.

C.48. Sugar Industry Efficiency Act

The Sugar Industry Efficiency Act will be amended to -

- (a) enlarge the composition of the Board of Sugar Investment Trust;
- (b) include in the computation of the final price of molasses, the price of molasses sold to breeders; and
- (c) provide that payment of Bagasse remuneration applies to both planters and producers of sugar.

C.49. Sugar Industry Pension Fund Act

The Sugar Industry Pension Fund Act will be amended to—

- (a) allow companies indirectly related to the sugar industry to contribute to the Sugar Industry Pension Fund (SIPF);
- (b) allow employees joining the industry anew to contribute to the SIPF in order to derive an additional pension at the time of retirement;
- (c) align the provisions in respect of employees working on short term agreement to that of the Workers' Right Act to allow this category of employees to contribute to the SIPF; and
- (d) provide for employers to contribute to the Specified Workers Gratuity Fund in respect of workers who are not classified as artisan or labourer.

C.50. Sugar Insurance Fund Act

Following the latest Actuarial Review Report 2021, the Sugar Insurance Fund Act will be amended to –

- (a) change the definition of “normal years” to obtain more realistic sugar yields in the determination of the Insurable Sugar per Hectare of planters;
- (b) allow payment of compensation for loss incurred by planters; and
- (c) include payment of fire insurance premium also by the Government in favour of small planters.

C.51. Taxi Operators Welfare Fund Act

The Taxi Operators Welfare Fund Act will be amended to require the Board of the Fund to solicit and obtain the approval of the Minister responsible for the subject of finance before approving any scheme bearing financial implications.

C.52. 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 define “international terrorism”.

C.53. Use of Pesticides Act

The Use of Pesticides Act will be amended to -

- (a) verify that agricultural produce that are consumed will be subject to pesticide residue control;
- (b) ensure that Authorised Officers of the Pesticide Regulatory Office are assisted by officers of the Police Department in the exercise of their duties; and
- (c) allow for the updating of the list of produce, pesticides and maximum level of pesticide residue through regulations.

C.54. Virtual Asset and Initial Token Offering Services Act

The Virtual Asset and Initial Token Offering Services Act will be amended to allow -

- (a) the FSC and investigatory authorities to make use of software/digital tools in carrying out supervision and investigation; and
- (b) information obtained by the FSC and investigatory authorities from such software/digital tools to be admissible as evidence for purposes of a criminal investigation, prosecution or other related criminal or civil court proceedings.

C.55. Workers' Rights Act

The Workers' Rights Act will be amended to –

- (a) protect a person other than a consultant, who is classified by an employer as a freelance or a service provider, whilst he personally performs a duty which is of the same or similar nature to a worker, by giving that person the status of a worker or an atypical worker;
- (b) facilitate the process of application for a protective order following an enquiry carried out by the Ministry of Labour, Human Resource Development and Training and broaden the scope for the application of a protective order by including payment of a gratuity on retirement;

- (c) align the definition of receivership with that of insolvent as specified in the provision regarding the Wage Guarantee Fund Account;
- (d) provide that when a cyclone class III or IV is in force, a worker who is required to work from home, or any other place where he has been assigned duty or to stay at his place of work be also entitled to the cyclone allowance and that the allowance will not be payable to a person drawing more than Rs 600,000 in a year;
- (e) provide that payment of food allowance be also extended to workers employed on shift or otherwise and whose normal hours of work in a day exceeds 10 hours;
- (f) provide for such category of workers to be eligible to the payment of additional remuneration;
- (g) clarify that where a worker is eligible to refund of transport expenses, his employer should refund him the amount incurred in respect of the mode of transport (either bus or light rail) used by the worker;
- (h) provide that where a worker, irrespective of his salary, is paid a petrol allowance, the allowance be increased by 10 %, up to a maximum of Rs 2,000 in a month;
- (i) introduce a new provision regarding leave to take care of a sick child, whereby a worker can avail himself of up to 5 days from his paid leave entitlement to take care of his sick child;

- (j) remove the ceiling of 90 days to give a worker the possibility to accumulate all his untaken sick leave;
- (k) provide that where a worker has sustained an injury out of and in the course of his work and a Government Medical Practitioner has certified that he has not fully recovered from the injury, his employer cannot dismiss him on ground of performance;
- (l) provide that where a worker has given a written explanation to answer a charge of misconduct or poor performance, the worker can also be given an opportunity to answer the charge in an oral hearing;
- (m) provide that a worker is given an opportunity to answer a charge of misconduct where an employer is aware of the conviction of a worker by the court in respect of a charge of alleged misconduct, which is subject to criminal proceedings, where he is still in employment;
- (n) provide that in cases where a worker makes an application to the Redundancy Board for reinstatement or for payment of severance allowance, the discretion is given to the Board to make its determination;
- (o) clarify that where a notification of intended reduction of workforce or closure has been made to the Redundancy Board, the Board can make an order for the employer not to reduce his workforce or close his enterprise where the Board considers that the reasons for such decision is unjustified;

- (p) align the threshold for computing the balance to be refunded as injury allowance on the rate specified in the Social Contribution and Social Benefits Act;
- (q) provide that rate of contribution made by an employer on behalf of his workers to a private pension scheme and the SIPF be not less than the prescribed PRGF rate and address the issue of non-payment of contributions and past services;
- (r) ensure a more efficient administration of the PRGF by providing that a worker can be paid in the first instance 90 % of his retirement benefits on the date of his retirement. The balance is to be paid after completion of the benchmarking exercise following filing of the last return by the employer;
- (s) clarify that in cases of retirement and death, payment of lump sum in respect of past services be paid directly to the worker or the heirs of the deceased worker;
- (t) provide that a worker can voluntarily retire before the age of 60 where he has already completed 436 months' service;
- (u) clarify the notional calculation for a part time worker for the purpose of computation of retirement gratuity; and
- (v) provide a definition of sexual harassment.

C.56. Miscellaneous

Some technical amendments will be brought to clarify, fine-tune, plug loopholes and harmonise various provisions in revenue laws and other enactments to provide for the implementation of measures announced in the Budget Speech as well as those contained in its Annex and for matters connected, consequential or incidental thereto.