

Mauritius

Southern Africa Government Grants and Tax Incentives

Research and Development Tax Incentive

This is a double tax deduction (an additional 100%) aimed at incentivising businesses in Mauritius to perform research and development (R&D) and boost creativity and innovation. The deduction is for a person or a company incurring expenditure on qualifying R&D during the period 1 July 2017 to 30 June 2027.

Qualifying criteria

- The applicant must be a Mauritian national or, in the case of an organisation/company, must be registered in Mauritius
- The applicant must conduct systematic, investigative and experimental activities which involve innovation and are carried out, wholly or partly, within Mauritius for the purpose of creating new or improved materials, products, devices, processes or services
- The Projects must meet the following evaluation criteria:
 - Innovativeness
 - Ingenuity
 - Commercial Potential
 - Specificity
 - Achievability
- “Qualifying expenditure” means any expenditure relating to development; and includes expenditure incurred on innovation, improvement or development of a process, product, or service; and staff costs, consumable items, materials, computer software directly used in R&D, including subcontracted R&D

- The qualifying expenditure must be in direct relation to the taxpayer’s existing trade or business and the R&D should be carried out in Mauritius only.
- No deduction is allowed when the product of the R&D activities is developed on behalf of someone else
- The R&D should be distinguished from routine improvements

Market research and product development

It is a double tax deduction (an additional 100%) in respect of expenditure incurred for market research and product development in any market.

Qualifying criteria:

- It is available solely to manufacturing companies located in Mauritius
- The manufacturing company should have an annual gross income derived from exports of goods not exceeding MUR 500 million

For any assistance regarding the Mauritian incentives, please contact Joshita Lutchoomun at jlutchoomun@kpmg.mu