KPMG

The Finance Act 2025 Mauritius

The key tax changes

14 August 2025

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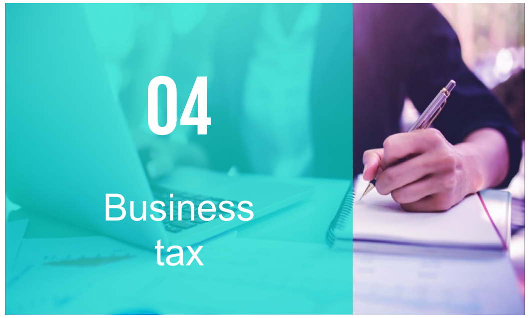
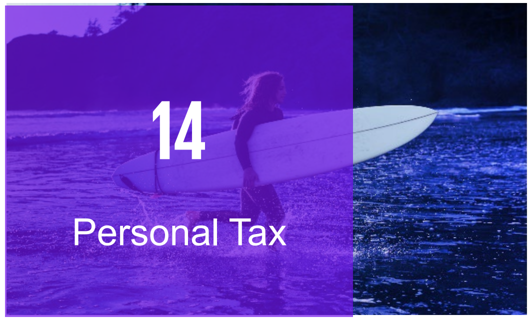
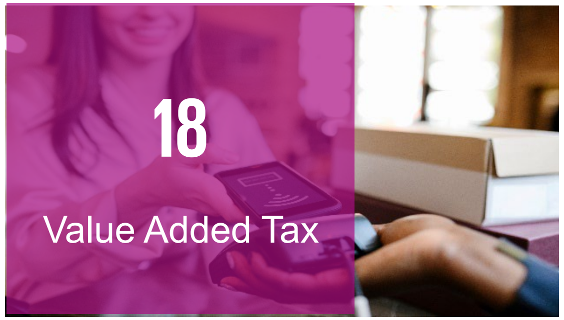

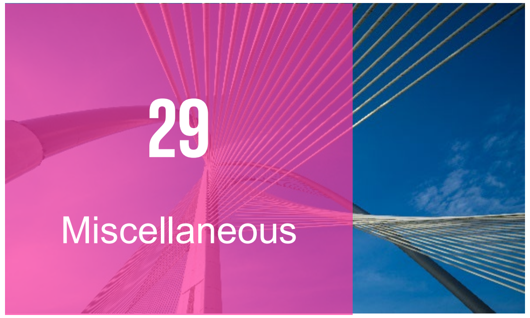

Foreword

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The Finance Act 2025 (the 'FA 2025') was gazetted on 9 August 2025 and provides for a number of important tax changes:

- The Qualified Domestic Minimum Top-Up-Tax (QDMTT) will apply to all financial years ending after 31 December 2024. Introduced in 2022, it applies to large multinational enterprises with annual turnover exceeding EUR 750 million.
- Introduction of the Fair Share Contribution (FSC) for both individuals and entities for the period 1 July 2025 to 30 June 2028. The FA 2025 clarifies that only income above MUR 12 million will be subject to the FSC for individuals. For companies, the FSC does not apply if chargeable income is MUR 24 million or below, however, if chargeable income exceeds MUR 24 million, the FSC applies to the entire amount.
- Introduction of the Alternative Minimum Tax of 10% applicable on adjusted book profits, for certain sectors such as hotels, irrespective of whether they have accumulated tax losses or not.
- Introduction of the VAT on digital services from foreign suppliers, effective 01 January 2026.
- Extension of the Tax Arrears Settlement Scheme (TASS) which caters for full waiver of penalty and interest, where an application is made by 30 November 2025.
- Introduction of Transfer Pricing documentation, with details to follow through regulations.
- Increase in the rate of property taxes from 5% to 10% on purchase or sale of properties under Economic Development Board (EDB) property schemes and other approved schemes, effective 01 July 2026 rather than on the enactment of FA 2025.

In addition, the following changes have been made in the FA 2025 compared to the Finance Bill 2025:

- Tax incentives (such as 8-year income tax holidays, exemption from registration duty/land transfer tax), available to smart city companies and developers have finally been grandfathered where a letter of comfort was issued before budget date, i.e. 5 June 2025. This means that such companies will retain all current incentives. Where a letter of comfort was issued by the EDB to the Smart City Company on or after 5 June 2025, the tax incentives will be restricted to projects relating to public road or public transport station/terminal.
- For the purpose of computing FSC for individuals, dividends from Trusts and Foundations will now be excluded, regardless of whether they hold a GBL or not.
- The Finance Bill 2025 introduced a tax rate cap of 35% for banks. Under the FA 2025, this will apply only to transactions with residents, other than global business entities.
- Prior to the FA 2025, the minimum monthly basic salary requirement for obtaining the Professional Occupational Permit was MUR 22,500. The Finance Bill 2025 had proposed increasing this threshold to MUR 50,000, but the threshold has finally been set at MUR 30,000.
- The FA 2025 confirms that the special credit and relief will not be restricted to companies that are subject to QDMTT. Given that the effective date for QDMTT is set for all financial years ending after 31 December 2024, policy makers should promptly issue regulations to provide all details on the computation of the domestic top-up tax, special credit, the covered persons and the administrative requirements, so that multinationals can assess their tax position and plan accordingly.

I hope you find this alert informative. If you have any queries, feel free to contact us.

Business Tax

Business tax

Key measures	Effective Date
Qualified Domestic Minimum Top-up Tax (QDMTT) – QDMTT is applicable where a Mauritius entity is included in the consolidated financial statements of a Multinational Enterprise (MNE) whose annual turnover exceeds EUR 750 m in at least two of the four fiscal years immediately preceding the fiscal year in which the QDMTT is leviable. – Where the jurisdictional effective tax rate (ETR) of the group in Mauritius falls below 15%, the QDMTT will apply to bring the Mauritius ETR up to 15%. The QDMTT is calculated after reducing the group's payroll costs and tangible assets located in Mauritius. – Entities excluded from QDMTT shall include investment fund, real estate investment vehicle, insurance investment entity and other entities as may be prescribed. – While the FA 2025 sets out the key applicability criteria and effective date, further details, including the formula for computing QDMTT, the definition of covered persons, and other administrative requirements, will be clarified through subsequent regulations. – Impacted groups are required to notify the MRA of the designated person (resident in Mauritius) responsible for filing the QDMTT return, within six months from the end of the fiscal year. Where the year-end of the consolidated financial statements of the ultimate parent entity is 31 March 2025, the Mauritius entity will need to notify the MRA by 30 September 2025. – QDMTT is payable in QDMTT return which needs to be filed 15 months from end of accounting period of the ultimate parent entity of the MNE. – Failure to file the QDMTT return and pay the tax will result in a penalty of 5% of unpaid tax and 0.25% interest per month or part of a month until the return is submitted.	YOA commencing 1 July 2025

Business tax

Key measures	Effective Date
Fair Share Contribution (FSC) — Introduction of FSC for companies having: - annual chargeable income of more than MUR 24m; and - supplies exceeding MUR 24m in an accounting year or required to be registered under the VAT Act. — FSC will not be applicable to: - Global Business Licence companies - Exempt companies and companies availing of tax holidays — The FSC rate applicable on chargeable income: - Banks – 5% plus an additional 2.5% of its chargeable income arising from transactions with residents (other than GBCs) - Export companies – 2% - Domestic companies (other than export companies and banks) - 5% — FSC payable by Banks and Telecommunication company shall be reduced such that the total tax liability (income tax + CSR + CCR + FSC + applicable Levy) is capped at 35% of chargeable income. However, for banks, the tax rate cap of 35% will apply only on transactions with residents, other than global business entities. — Applicable in respect of income derived from 01 July 2025 to 30 June 2028 — FSC cannot be offset against any tax credit — Payable in VAT returns on a quarterly basis	9 August 2025

Business tax

Key measures	Effective Date

Alternative Minimum Tax (AMT)
– Introduction of AMT to following sectors
  - Hotel
  - Insurance
  - Real estate
  - Telecommunication
  - Financial intermediation
– AMT is not applicable to:
  - Global Business entities
  - Exempt companies and companies availing of tax holidays
– AMT cannot be offset against any tax credit
– AMT computation - Companies other than life insurance companies
  - where tax payable, after availing all deductions, is less than 10% of adjusted book profits, the tax payable will be 10% of adjusted book profits
	YOA commencing 1 July 2026

Business tax

Key measures	Effective Date
Alternative Minimum Tax (AMT) (cont.) – AMT computation – life insurance companies - where the tax payable, after availing all deductions, is less than 10% of adjusted book profits, the tax payable will be 10% of adjusted book profits; or - Higher of normal tax payable or 10% of relevant profit whichever is higher. *tax payable - chargeable income x applicable tax rate* *normal tax payable for life insurance companies - tax payable on net income as provided in Income Tax Regulations* *book profits - accounting profits adjusted for capital gains/losses and dividends from resident companies* *relevant profit - profit attributable to shareholders adjusted for any capital gain/loss attributable to shareholders where such amount has been accounted to the income statement of that company in that income year*	YOA commencing 1 July 2026

Business tax

Key measures	Effective Date
Arm's length principle — A company which engages in a transaction between connected persons shall prepare and maintain documentation in such a manner as may be prescribed — The following have been defined: • **Connected persons**: Where one company controls the business or income earning activity of the other, in Mauritius or from Mauritius • **Transaction**: Any transaction or series of transactions, carried out directly or indirectly, between connected persons; and includes cross-border transactions	9 August 2025
Corporate Social Responsibility (CSR) Fund set up on or after 1 January 2026 — 50% to be remitted to MRA in income tax returns — Remaining 50% to be spent by company as per MRA approved framework	9 August 2025
Tax Deducted at Source (TDS) — Payments to non-resident entertainers or sportspersons performing in Mauritius will be subject to 10% TDS irrespective of the level of turnover	YOA commencing 1 July 2026

Business tax

Key measures	Effective Date
Definition of Global Business entity added to the Income Tax Act – The Income Tax Act provides a list of entities that will be considered as 'global business entity'. This includes a company holding Global Business Licence (GBL), a non-resident Societe holding a GBL, a cell of a Protected Cell holding a GBL, a Foundation, a Trust or a Trustee or a unit trust scheme and an Authorised company. ***KPMG view*** – The definition of global business entity has been amended in Finance Act 2025 (compared to the Finance Bill 2025) to include Trust and Foundation even if they do not hold a GBL. This means that dividends from Trust and Foundation will not fall under the purview of fair share contribution for individuals, even if they do not hold GBL.	9 August 2025
Charitable institutions – Revocation of the charitable status of an institution by the MRA where the institution no longer meets the objects of a charitable institution or its approval was obtained by fraud or misrepresentation. If no representations are made to the ARC within 21 days of notification, the institution will be subject to tax as from the revocation date	9 August 2025

Business tax

Key measures	Effective Date
Tax incentives – A special credit or relief may be granted to companies liable to income tax, subject to conditions that will be prescribed	YOA commencing 1 July 2025
– Investment tax credit of 5% over 3 years for small businesses (annual turnover not exceeding MUR 10m), on cost of acquisition of new equipment of up to MUR 500,000 (excluding motor vehicles) incurred during the period 1 July 2025 to 30 June 2030. Unutilised tax credit may be carried forward for 5 income years	9 August 2025
– Tax deductions on expenditure in investment in AI technologies and right of use of AI technologies up to MUR 150,000, to companies having annual turnover not exceeding MUR 100m	YOA commencing 1 July 2025
– For project financed to the extent of at least 50% from foreign state grants or donor institutions and approved by the Ministry of Finance, the company implementing the project will benefit from corporate income tax exemption	9 August 2025
– The 4-year income tax holiday granted to SME converting from sole trader or partnership to a company will not be granted for the following activities; - information and communication technologies - professional services - financial services - tourism, or - training services	YOA commencing 1 July 2026

Business tax

<table>
<tr><th>Key measures</th><th>Effective Date</th></tr>
<tr><td>Tax incentives (cont.)
The following available tax incentives will henceforth be restricted to SMEs with annual turnover not exceeding MUR 100m:
— Double deduction on;
- cost of setting up a crèche or Child Day Care Centre for its employees
- acquisition of patents and franchises and costs to comply with international quality standards
- acquisition of specialised software and systems
- financing, sponsorship, marketing or distribution costs of a film
— Triple deduction of donation, capped at MUR 1m, to a charitable institution or NGO involved in specified activities.
— Double deduction on emoluments and training costs paid in respect of an employee in Rodrigues and emoluments paid to female employee under the Prime à l’Emploi Scheme.</td><td>YOA commencing 1 July 2026

Income year commencing 1 July 2025</td></tr>
<tr><td>— Tax exemption on gains on sale of gold, silver or platinum held for a continuous period of at least 6 months, will not be available to Banks</td><td>YOA commencing 1 July 2026</td></tr>
</table>

Business tax

Key measures	Effective Date
80% Partial Exemption Regime (PER) – Extended to income derived by Virtual Asset Service Providers engaged in exchange, transfer, safekeeping and administration of virtual assets subject to meeting the prescribed substance requirements	YOA commencing 1 July 2026
– On dividends will not be available to banks	9 August 2025
– On interest income shall be granted provided the relevant activity of the company, generating the interest income, satisfies the conditions relating to substance requirements	9 August 2025

Personal Tax

Personal Tax

Key measures	Effective Date
Introduction of Fair Share Contribution (FSC) on high-income earners (see tables below)	Income Year commencing 1 July 2025

Introduction of Fair Share Contribution (FSC) on high-income earners

Criteria	Details
Application	Every individual with **FSC income threshold** exceeding MUR 12m per year
Rate	15% on **leviable income** exceeding MUR 12m
Due date	Upon submission of the income tax return
Effective period	01 July 2025 to 30 June 2028

	FSC income threshold	Leviable income
Sum of :		
- Income base	Net income of the individual	Chargeable income of the individual
- Dividends from resident companies and co-operative societies	Included	Included
- Share of dividends from sociétés or successions (if fully distributed)	Included	Included
- Dividends / distributions from global business entities (also excludes distributions from Foundations and Trusts – now deemed to be Global Business Entities)	Excluded	Excluded
- Lump sums (pension commutation, gratuity, death/injury compensation)	Excluded	Excluded

Personal Tax

Key measures	Effective Date
Introduction of new tax rates and bands Chargeable Income / Tax Rate: First MUR 500,000 — 0% Next MUR 500,000 — 10% Remainder — 20% Please refer to Appendix 1 for income tax simulations.	Income Year commencing 1 July 2025

Personal deductions and reliefs
- The following personal deductions and reliefs have been removed:
  - Deduction of wage paid to a household employee
  - Relief for adoption of animals
  - Angel investor allowance
	Income Year commencing 1 July 2025

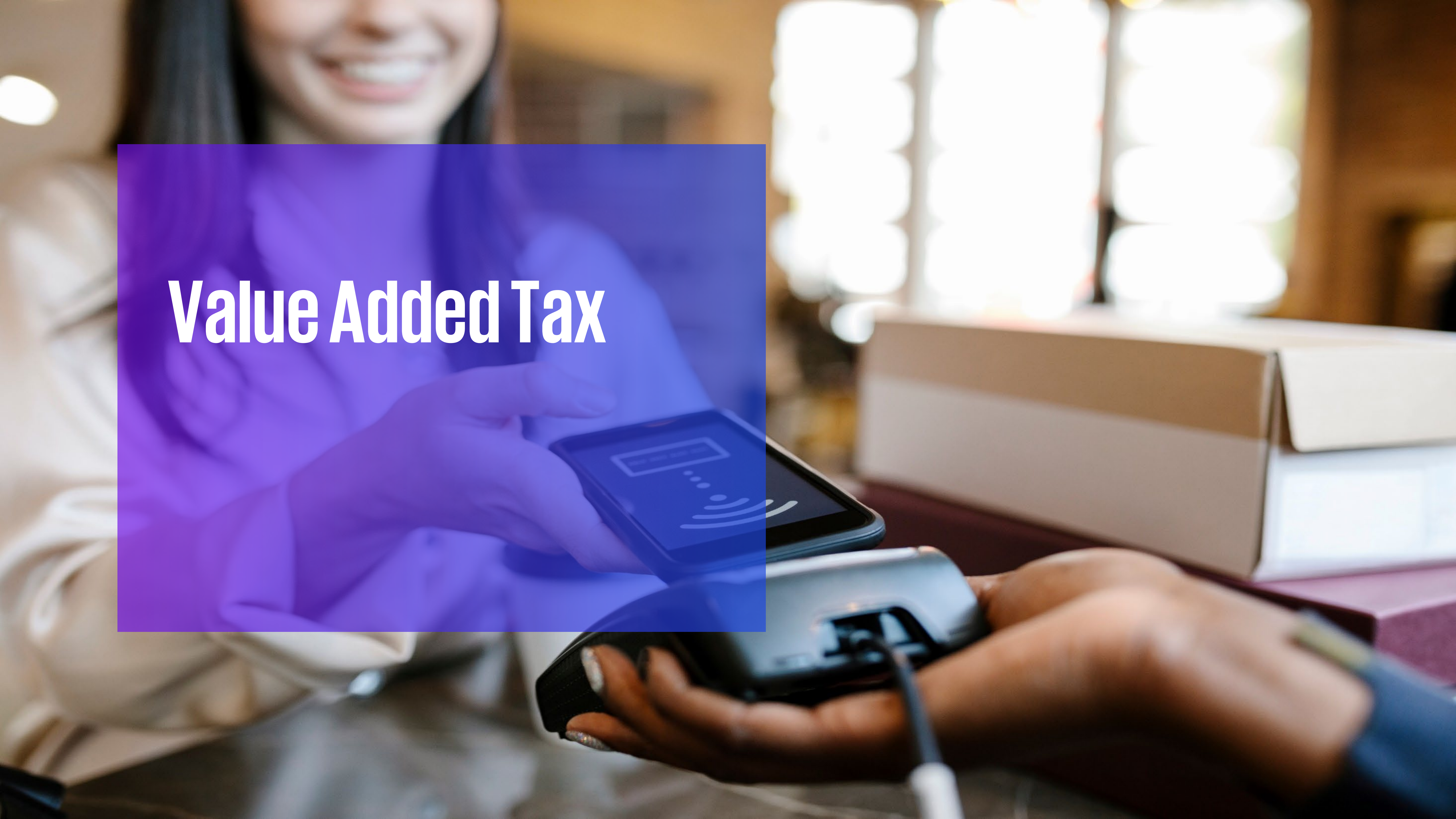
Chargeable Income	Tax Rate
First MUR 500,000	0%
Next MUR 500,000	10%
Remainder	20%

Personal Tax

Key measures	Effective Date
Reductions in penalties and interest	9 August 2025

Penalty and Interest	Previous Rate	Revised Rate
Penalty for late payment of tax by individuals	5%	2.5%
Penalty for late payment of tax by individuals not in business	2%	1%
Interest on unpaid tax per month or part of month during which the tax remains unpaid	0.5%	0.25%

Value Added Tax



Value Added Tax

Key measures	Effective Date
VAT on digital or electronic services — A foreign supplier of digital or electronic services to recipients in Mauritius is required to register for VAT in Mauritius and charge VAT irrespective of its turnover of taxable supplies. — Foreign supplier means any person who: - has no permanent establishment in Mauritius or has his place of abode outside Mauritius; and - supplies, in the course of his business, digital or electronic services to a person in Mauritius. — Digital or electronic service means services supplied by: - a foreign supplier over the internet or an electronic network which is reliant on the internet; or - a foreign supplier and is dependent on information technology for its supply. — Digitally or electronically supplied services consist of supplies of images or texts, music, films, television shows, applications, software and website supply, amongst others. — Foreign supplier receiving payment in foreign currency to submit VAT return and pay tax in that currency. Where payment is received in more than one currency, VAT return to be made in currency of choice among the currencies. — Requirement to appoint a tax representative in Mauritius where the annual taxable supplies of a foreign supplier exceed, or are likely to exceed, MUR 3 million.	1 January 2026

Value Added Tax

Key measures	Effective Date
VAT on digital or electronic services (cont.)	
– VAT return to be submitted electronically and payment of tax by foreign suppliers within 20 days after the end of each taxable period. A list of taxable supplies made to persons in Mauritius to be submitted with the VAT return. – No credit for input tax to be claimed by suppliers of digital or electronic services.	1 January 2026
VAT registration	
– Threshold for compulsory registration reduced from MUR 6m to MUR 3m.	1 October 2025
– Compulsory registration irrespective of turnover of taxable supplies for:	
- Freight forwarding agents (previously clearing and forwarding agents were required to compulsorily register).	9 August 2025
- Holders of Pleasure Craft Licence issued by Tourism Authority in respect of pleasure craft of more than 12 metres used for commercial purposes.	1 October 2025
Special Levy on Banks	
– Currently, banks are subject to a VAT special levy calculated at 5.5% of their leviable income from transactions with residents, other than Global Business Companies. The levy is capped to 1.5 times of the levy payable in year of assessment 2017/18. The cap of 1.5 times will be removed.	Accounting period starting on or after 1 July 2025

Value Added Tax

Key measures	Effective Date
Credit for input tax — No input VAT shall be allowed as credit for parking fees, unless the vehicle is used for business purposes or is designed to carry at least 10 people including the driver.	9 August 2025
Zero-rated services — Clarification that services to a person outside Mauritius at the time the service is performed will not be zero-rated if the service is consumed in Mauritius. — Services provided by licensed shipping agents to owners of foreign ships, excluding services to crew members or passengers, will now be zero-rated.	9 August 2025 6 June 2025
Exempt services — Services offered to foreign vessels by the Mauritius Ports Authority.	9 August 2025
VAT Assessment — The Director-General may now raise an assessment according to the best of his judgement. Previously, the Director General was able to raise an assessment based on information available to him.	9 August 2025

Tax Administration

Tax Administration

Key measures	Effective Date
Reduction in the time limit to raise tax assessments – Income Tax: Time limit for Director General to make an assessment has been reduced from 3 years to 2 years preceding the current year of assessment. – Value Added Tax: Time limit for Director General to make an assessment has been reduced from 4 years to 2 years immediately following the last day of the taxable period in which a return or a statement is submitted. – The time limit does not apply in cases of fraud, wilful neglect or where a tax return has not been submitted. This has not changed.	9 August 2025
Payment of tax to the MRA in foreign currency – Companies deriving more than 50% of their gross income in a specified foreign currency will be required to convert and pay any tax due in the same foreign currency, using the exchange rate applicable on the date of payment of tax. – Where the companies derive more than 50% of their gross income in a combination of foreign currencies, payment of tax will be made in one of those foreign currencies, at the option of the companies. – Where the company is a bank, it shall pay in Mauritius currency the proportion of tax arising from transactions with residents other than from a global business entity. – The Minister may make amendments through regulations to exclude certain category of companies and reduce the amount of tax to be paid in foreign currency.	01 October 2025

Tax Administration

Key measures	Effective Date
Tax Amnesty Schemes *Extension of the Tax Arrears Settlement Scheme (TASS)* – Taxpayers applying to the Director-General under TASS on or before **30 November 2025** will benefit from a full waiver of penalties and interest on tax arrears due as at 30 June 2025 under the Income Tax Act, the Value Added Tax Act, and the Gambling Regulatory Authority Act, provided the arrears are paid in full on or before **31 March 2026.**	9 August 2025
Extension of the Arrears Payment Scheme – The Scheme under the Registrar-General's Department provides for a full waiver of penalties and interest under Land (Duties and Taxes) Act on duty and taxes due as at 31 May 2025, provided the debt is settled in full on or before **31 March 2026**. – The taxpayer must withdraw or formally undertake to withdraw any objection, representation, or appeal relating to the payment of the duty and taxes.	9 August 2025

Tax Administration

Key measures	Effective Date
Tax Amnesty Schemes (cont.) *Introduction of Voluntary Disclosure Settlement Scheme (VDSS)* – For Income Tax, the Scheme applies to non-declaration or under-declaration of income for the Year of Assessment 2024/25 and prior years. – For VAT, it applies to non-declaration or under-declaration of taxable supplies for the taxable period ended 30 April 2025 and prior periods. – Taxpayers will benefit from 100% waiver of penalties and interest, provided the tax is paid in full on or before **31 March 2026**. – This also applies to assessments issued after 5 June 2025 where objections, representations, or appeals are still pending as at 31 March 2026. – Any tax not paid in full on or before by 31 March 2026 will carry interest.	9 August 2025

Tax Administration

Key measures	Effective Date
Tax Amnesty Schemes (cont.) *Introduction of Tax Dispute Settlement Scheme (TDSS)* — Where tax, penalty and interest are due under an assessment in respect of which proceedings were pending before the Assessment Review Committee, the Supreme Court or the Judicial Committee of the Privy Council as at 05 June 2025, the taxpayer will benefit from 100% waiver of penalties and interest, provided that: - the taxpayer withdraws the legal proceedings before the date of application; - an electronic application is submitted to the Director-General on or before **31 December 2025**; and - the outstanding tax is paid in full on or before **31 March 2026** — No refund shall be made under this Scheme in respect of any tax, penalty or interest already paid.	9 August 2025

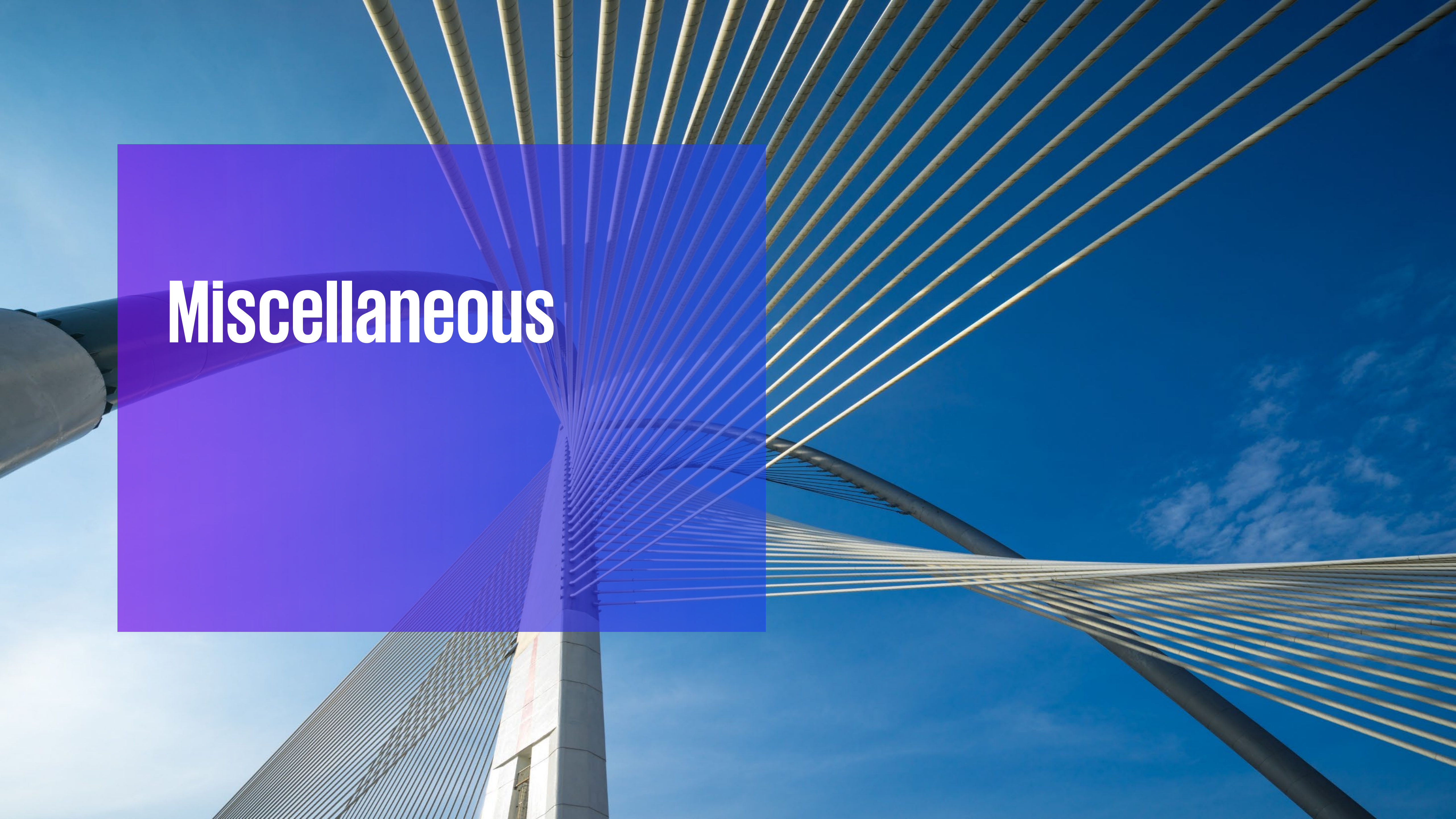
Tax Administration

Key measures	Effective Date
Registration of tax agents – No person shall be able to submit tax return or represent a tax payer before the MRA or Tax Tribunal unless that person is a registered tax agent. – In the case of an individual, a tax agent shall meet the three conditions below: a) A citizen of Mauritius; and b) A member of the Mauritius Institute of Professional Accountants (MIPA) or a law practitioner; and c (i) A person with at least 3 years of experience in accounting or tax, who has been employed by someone who is either a MIPA member or a registered tax agent; or c (ii) A person holding a degree in the field of taxation, accountancy, economics, business management or any other related field – In the case of a company, it must be registered with MIPA, and the person the company nominates must meet the same conditions required for an individual. – Any other tax agent will be required to make an application with the MRA.	Date to be fixed by Proclamation

Tax Administration

Key measures	Effective Date
Penalty and interest – The maximum penalties and interest charged cannot exceed 100% of the tax due, except for the following penalties - Failure to join electronic system for PAYE system - Late submission of Statement of Income for Current Payment System - Late submission for Tax on Winnings - Late submission of return of income - Failure to submit return of income by companies electronically - Loss over claimed by a person – 50% reduction of penalties and interest on unpaid taxes under: - Advance Payment System - Current Payment System - Return of income by individuals - Return of income by companies - Return in respect of a trust or a resident société - Assessments by Director-General - Pay As You Earn Return by employer - Reduction of penalty from 5% to 2.5% on loss over claimed	01 July 2025

Miscellaneous



Property Taxes – EDB Property Schemes

Key measures	Effective Date
Registration Duty and Land Transfer Taxes – The rate of Registration Duty payable by a non-citizen will be increased from 5% to 10% on the purchase of residential property under the EDB Property scheme or other approved schemes such as apartments on ground plus two. – The rate of Land Transfer Tax (LTT) payable by the seller (citizen and non-citizen) will be increased from 5% to 10% on the sale of residential property to non-citizens under the EDB Property scheme or other approved scheme. – The EDB Property Scheme includes the Smart City Scheme, Property Development Scheme, Real Estate Scheme and the Invest Hotel Scheme. *KPMG comments:* The new registration duty and land transfer tax rates of 10% applicable on the purchase and sale of properties under EDB property schemes and other approved schemes will now take effect as from 1 July 2026, rather than upon publication of the Finance Act 2025. The previously proposed land transfer tax for non-citizens, being the higher of 10% of the property value or 30% of the profit on resale, has not been implemented through the Finance Act.	01 July 2026

Property Taxes – Smart City Scheme

<table>
<tr><th>Key measures</th><th>Effective Date</th></tr>
<tr><td>Introduction of a smart city fee
– Smart city companies or developers holding an Smart City Scheme (SCS) certificate issued on or after 5 June 2025 are required to pay the smart city fee to the EDB, in respect of land within a smart city that is being parcelled out, as calculated under the Morcellement Act.</td><td rowspan="2">05 June 2025</td></tr>
<tr><td>Tax incentives
– No changes to tax incentives where a smart city company is issued a letter of comfort before 5 June 2025. The tax incentives include:
- Income tax holiday for 8 succeeding years from the date of issue of SCS certificate
- Accelerated annual allowance at 50% in respect of certain specified capital expenditure incurred
- Land Transfer Tax and Registration Duty on the transfer of land to a Smart City Company for the development of a Smart City project
- Land conversion tax in respect of land earmarked for other than residential development purposes
- Exemption from customs duty on imports of dutiable goods to be used in infrastructure works and construction of buildings
- Full recovery and repayment of input VAT paid on buildings and capital goods
– Where a smart city company was issued a letter of comfort on or after 5 June 2025, the tax incentives will be restricted to projects relating to public road or public transport station/terminal.</td></tr>
</table>

Property Taxes

Key measures	Effective Date
Land Transfer Tax on transfer of moveable and immovable property – The Finance Act 2025 provides that where a document witnesses the transfer of ownership of immovable property together with movable property, and a valuation of each item of the movable property has not been made in the document, Land Transfer Tax shall be charged at 5% on the aggregate value of the immovable and movable property.	09 August 2025

Immigration Rules – Occupation Permit (OP)

Key measures	Effective Date
Professional OP — The basic monthly salary threshold (currently MUR 22,500) is being revised as follows: — Professional Pass (“ProPass”) - Monthly basic salary of a least MUR 30,000 — Expert Pass - Monthly basic salary of a least MUR 250,000 - The holder of an professional OP may invest in businesses but cannot be majority shareholders or draw a salary if not employed there	09 August 2025
Investor OP — The conditions to obtain investor OP will be amended as follows: - Option 1: Initial investment of USD 50,000 with minimum turnover MUR 1.5 million from year 1 with progressive growth to reach a total MUR 20 million by year 5 - Option 2: Initial investment of USD 100,000 with minimum turnover MUR 1 million from year 1 with progressive growth to reach a total MUR 15 million by year 5 - Bank statement & written undertaking to transfer funds within 60 days remain the same - To renew and maintain eligibility: minimum annual turnover of MUR 5 million from year 6 onward	

Immigration Rules – Occupation Permit (OP)

Key measures	Effective Date
Self-employed OP *The conditions to obtain self-employed OP will be amended as follows:* — Initial investment required increased from USD 35,000 to USD 50,000 — Submission of at least 3 letters of intent including 2 from potential local clients — Minimum business income of MUR 750,000 from year 1 with progressive growth to reach a total MUR 6 million by year 5 — Bank statement & written undertaking to transfer funds within 60 days remain the same — For renewal, a minimum business income of MUR 1.5 million from year 6 onward	09 August 2025
Dependent Child of OP holders — It has been clarified that a dependent child as defined under the Immigration Act shall be below the age of 24. Hence, children below 24 of holders of occupation permit shall generally be eligible for resident permit in Mauritius.	

Tourist fee

Key measures	Effective Date
Tourist fee — A Tourist Fee of EUR 3 per night will be applicable to tourists staying in registered tourist accommodations: - Domaines; - Guesthouses; - Hotels; and - Tourist residences. — Accommodation managers will be responsible to collect the fee and submit it electronically to the MRA through a prescribed return containing the following relevant details: - Number of tourists (distinguishing those under 12 years old); - The number of other residents; - Amount of tourist fees payable and collected; and - Any other particulars as may be required. — Late remittance to the MRA will result in a 10% penalty along with interest of 1% per month (or part thereof). — Failure to submit the return or submission of a false return may lead to a fine not exceeding MUR 500,000 or imprisonment.	01 October 2025

Regulatory

Key measures	Effective Date
Resident directors for GBC — Clarification has been made that holders of Global Business Licence must, **at all times**, have at least two resident directors.	9 August 2025
Annual report requirements for Public Interest Entities (PIE) — Every PIE must now prepare an annual report within 6 months of the balance sheet date. — Previously, private (PIE) companies could be dispensed from this requirement through a shareholder's resolution.	9 August 2025
Beneficial ownership declarations — Companies, Partnerships, and Foundations must keep a written declaration from each beneficial owner or ultimate beneficial owner confirming their status and, must ensure that any change in such status is promptly notified by the beneficial owner to the entity. Existing entities have until 30 June 2026 to comply.	9 August 2025

Appendix

Appendix: Income Tax simulation

Example 1 - Monthly basic salary of MUR 100,000		
Year of Assessment	**2025/2026**	**2024/2025**
Income year	**1 July 2025 to 30 June 2026**	**1 July 2024 to 30 June 2025**
	MUR	**MUR**
Annual salary	1,300,000	1,300,000
Annual travelling allowance	240,000	240,000
Total gross income [A]	1,540,000	1,540,000
Less: Exempt income	(240,000)	(240,000)
Total net taxable income	1,300,000	1,300,000
Less: Deduction for one dependent	(110,000)	(110,000)
Chargeable income	1,190,000	1,190,000
Income Tax	88,000	76,800
Contribution Sociale Généralisée	39,000	39,000
Total income tax and contribution payable by employee [B]	127,000	115,800
Effective tax rate [B] / [A]	8.25%	7.52%
Disposable income [A] – [B]	1,413,000	1,424,200
Increase / (Decrease) in disposable income	(11,200)	

Appendix: Income Tax simulation (cont.)

Example 2 – High income earner (earning emoluments exceeding MUR 12m per annum)		
Year of Assessment	**2025/2026**	**2024/2025**
Income year	**1 July 2025 to 30 June 2026**	**1 July 2024 to 30 June 2025**
	MUR	**MUR**
Emoluments including bonuses	26,000,000	26,000,000
Annual petrol allowance	1,500,000	1,500,000
Dividend income from resident company	500,000	500,000
Rental Income	900,000	900,000
Total gross income [A]	28,900,000	28,900,000
Less: Exempt income		
- Petrol allowance [Capped at MUR 20,000 per month]	(240,000)	(240,000)
- Dividend income from resident company	(500,000)	(500,000)
Total net taxable income	28,160,000	28,160,000
Less: Deduction for two dependents	(190,000)	(190,000)
Chargeable income	27,970,000	27,970,000

Example 2		
Year of Assessment	**2025/2026**	**2024/2025**
Income year	**1 July 2025 to 30 June 2026**	**1 July 2024 to 30 June 2025**
	MUR	**MUR**
Income Tax	5,444,000	5,388,800
Fair Share Contribution (FSC) Liability	2,470,500	Not Applicable
Contribution Sociale Généralisée	195,000	195,000
Total income tax, FSC and contribution payable by employee [B]	8,109,500	5,583,800
Effective tax rate [B] / [A]	28%	19.32%
Disposable income [A] – [B]	20,790,500	23,316,200
Increase / (Decrease) in disposable income	(2,525,700)	

Glossary of terms

Definition	Term
Alternative Minimum Tax	AMT
Corporate Climate Responsibility	CCR
Corporate Social Responsibility	CSR
Economic Development Board	EDB
Effective Tax Rate	ETR
Euro	EUR
Fair Share Contribution	FSC
Financial Services Commission	The Commission
Foreign Tax Credit	FTC
Global Anti-Base Erosion	GloBE
Land Transfer Tax	LTT
Mauritius Institute of Professional Accountants	MIPA
Mauritius Revenue Authority	MRA
Mauritius Rupee	MUR
Multinational Enterprise	MNE

Definition	Term
Non-Governmental Organisation	NGO
Occupation Permit	OP
Organisation for Economic Co-operation and Development	OECD
Partial Exemption Regime	PER
Pay As You Earn	PAYE
Qualified Domestic Minimum Top-up Tax	QDMTT
Registration Duty	RD
Residence Permit	RP
Tax Arrears Settlement Scheme	TASS
Tax Deducted at Source	TDS
The Finance Act 2025	The Finance Act
United States Dollar	USD
Value Added Tax	VAT
Voluntary Disclosure Settlement Scheme	VDSS
Year of Assessment	YOA

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Disclaimer

The information in this alert has been extracted from The Finance Act 2025. The content of this summary is intended to provide a general guide to the subject matter and should not be regarded as a basis for ascertaining liability to tax or determining investment strategy in specific circumstances. In such cases, specialist advice should be taken.