Mauritius
Budget Highlights 2026-2027

Strengthening Confidence, Competitiveness and Growth

19 June 2026

Contents

Foreword

Strengthening Confidence, Competitiveness and Growth

Mauritius enters this Budget cycle against a backdrop of heightened global uncertainty, geopolitical tensions and continuing fiscal pressures. At home, businesses and households continue to face inflationary pressures, the depreciation of the Mauritian Rupee and tighter foreign currency liquidity, all of which have increased costs and created additional challenges for investment and growth.

Against this backdrop, the challenge is no longer simply achieving economic growth, it is creating sustainable, competitive and inclusive growth while preserving fiscal resilience.

The Budget sets out an ambitious roadmap to support that objective. Its success, however, will ultimately depend not only on the measures announced, but on their effective implementation.

Confidence is the Currency of Growth

One of the clearest messages from this Budget is the continued commitment to restoring fiscal sustainability while investing in the country's future. A budget deficit of 3.7% of GDP is projected for the upcoming year, compared to 6.0% for the current year.

Fiscal discipline is not simply about balancing public finances. It is fundamental to maintaining investor confidence, preserving macroeconomic stability and strengthening Mauritius' reputation as a trusted International Financial Centre. Confidence remains one of the country's greatest economic assets. It is built through sound public finances, strong institutions, regulatory certainty and consistent implementation of policy.

Competitiveness Cannot Be Taken for Granted

Mauritius has never competed on size or natural resources. Its success has been built on its ability to adapt, innovate and continually reinvent itself.

The Budget's emphasis on digital transformation, artificial intelligence, innovation and skills development reflects a clear recognition that future competitiveness will increasingly depend on knowledge, technology and human capital. The commitment to train 50,000 Mauritians in practical AI skills is a welcome investment in the country's future capabilities.

Artificial intelligence should be viewed not simply as a technology initiative, but as a productivity and competitiveness initiative. Ultimately, competitiveness is built through sustained investment in people, innovation and a business environment that encourages enterprise and investment. In addition, the budget's port measures emphasize expanding and modernizing the port with smart, green infrastructure to enhance trade efficiency.

Growth is a Shared Responsibility

Economic growth cannot be delivered by Government alone. The Budget provides an important framework, but sustainable growth will ultimately depend on businesses that invest, entrepreneurs who innovate and a workforce equipped with the skills needed for tomorrow's economy. Measures such as the proposed Start-Up Act, enhanced support for SMEs and incentives for innovation are positive steps towards building a more dynamic and productive economy.

The combined measures to attract foreign labour while strengthening local skills development represent a pragmatic approach to addressing workforce shortages and improving national competitiveness.

Experience consistently shows that organisations which continue to invest in productivity, technology and people during periods of uncertainty are often best positioned to create long-term value. The same principle applies to the Mauritian economy.

Trust is Mauritius' Competitive Advantage

Mauritius' reputation as a trusted International Financial Centre has been built over decades through good governance, regulatory credibility and a stable business environment.

The proposed reforms to the banking and financial services framework, together with measures supporting fintech, open banking and digital finance, reinforce the importance of remaining internationally competitive while maintaining the high standards expected by global investors. In an increasingly competitive global environment, trust remains one of Mauritius' greatest differentiators.

The Challenge Now is Execution

The Budget sets out an ambitious programme of economic reforms alongside significant social measures, including the review of the pension reform. Achieving the right balance between social protection, fiscal sustainability and long-term competitiveness will remain one of the country's key challenges.

The direction of travel is clear. The challenge now is implementation.

Businesses make investment decisions based on confidence, predictability and policy certainty. Delivering on the reforms announced will require effective execution, continued collaboration between Government, business and society, and a sustained focus on strengthening confidence, competitiveness and productivity.

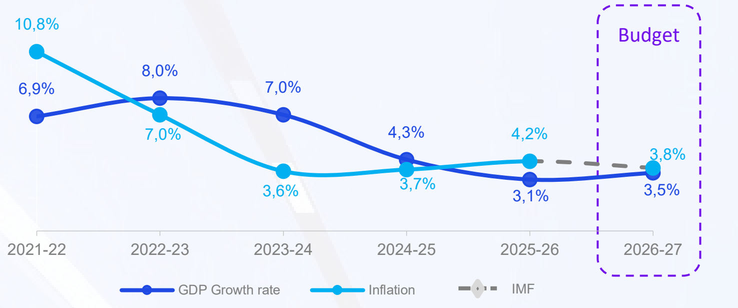
If these ambitions are realised, Mauritius will be well positioned to build a stronger, more resilient and more prosperous economy.

The Budget sets the direction. Execution will determine the outcome.

Budget Financials

Macroeconomic overview

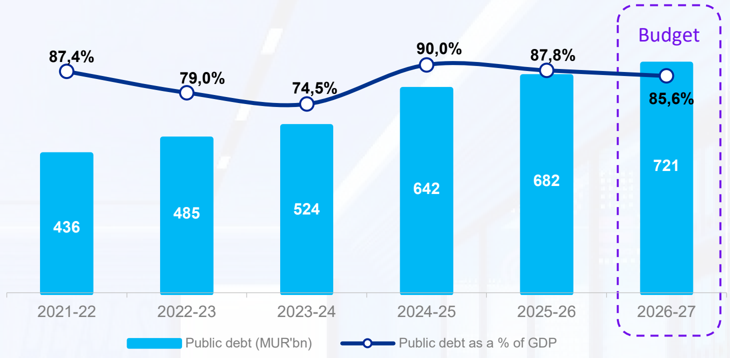
GDP growth & inflation rate



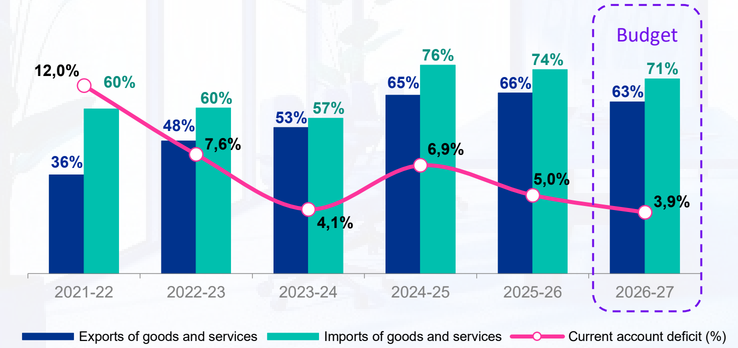
Growth is expected to rebound to 3.5% from 3.1%, after higher inflation weighed on activity

Historical public gross debt

Debt is projected to ease to 85.6% of GDP, though it remains above the IMF's 75% target by 2030



Trade balance as a % of GDP

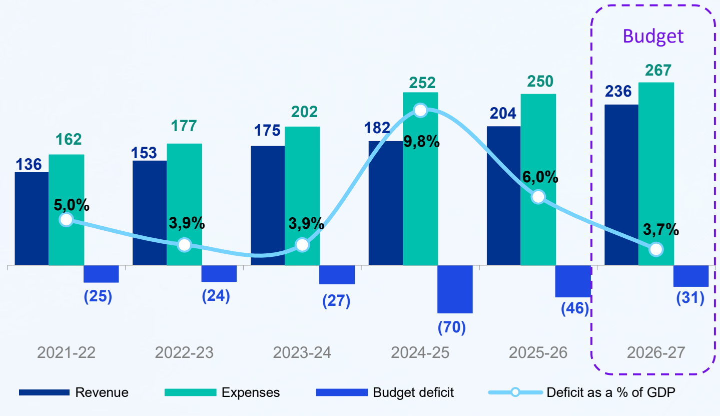


The current account deficit improved to 5% of GDP, after widening in the previous year due to a higher import bill

Budget surplus / deficit evolution (MUR'bn)

Outturn for 2025-26 budget deficit reported at 6.0% of GDP, compared to a budgeted 4.9%, primarily due to delay in anticipated funds from the Chagos deal

Budget deficit is projected to narrow to 3.7% of GDP



Main budget allocations 2026-27

Revenue

MUR 235.5bn
↗ 15.6%
(2025-26)

Taxes on goods and services
MUR 117.5bn
(50% of total)

Taxes on income and profits
MUR 67.2bn
(29% of total)

Social security
MUR 15.7bn
(7% of total)

Property income
MUR 15.1bn
(6% of total)

Grants from foreign governments
MUR 1.2bn
(1% of total)

*Other sources of revenue amount to **MUR 18.8bn** accounting for **8%** of total revenue*

Expenses

MUR 266.7bn
↗ 6.6%
(2025-26)

Social protection
MUR 89.4bn
(34% of total)

General public services
MUR 77.7bn
(29% of total)

Education
MUR 25.9bn
(10% of total)

Health
MUR 20.6bn
(8% of total)

Economic affairs
MUR 18.8bn
(7% of total)

*The remaining **13%** of total expenditure **(MUR 34.3bn)** is spread across various expense categories*

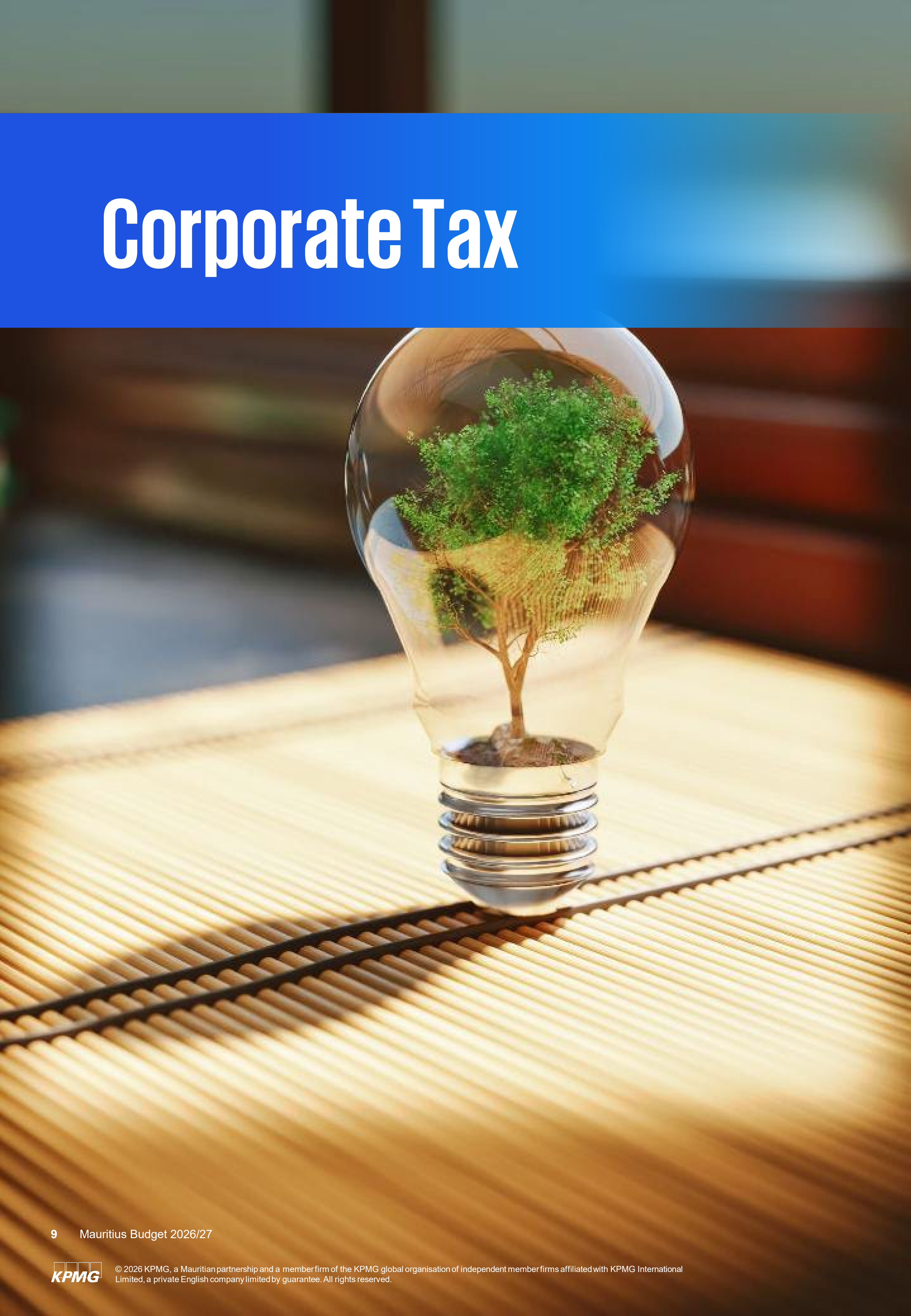
Estimated budget deficit 2026–27
MUR 31.2bn
↘ 33.0%
(2025-26)

Tax Analysis

Key Tax Changes on One Page

Topic	What has changed	Impact
New band rate	35% tax rate introduced for chargeable income above MUR 12m, replacing the Fair Share Contribution.	Removes double taxation on local dividends. No sunset clause announced for the new band rate.
Corporate Climate Responsibility (CCR) Levy	Foreign tax credits cannot be offset against the CCR levy, subject to tax treaty.	Higher taxes for structures relying on foreign tax credits.
Pension reform	CSG and PRGF replaced by a new National Pension Fund.	Lower contributions for high-income earners.
Golden visa	USD 1m investment visa with income tax exemption and access to permanent residence in Mauritius.	Attracting HNWIs to Mauritius.
Directors' liability	Liability limited to executive directors.	Greater certainty on liability to tax.
VAT on digital services	Foreign suppliers no longer required to register for VAT if customer is VAT registered.	Reduced compliance burden.
Foreign ICT companies	Non resident ICT companies providing services to Mauritius customers will be subject to income tax in Mauritius, subject to tax treaty.	Registration and tax filing obligations in Mauritius.
VAT on services by Management Companies	Services provided by Management companies become VAT exempt instead of zero-rated.	Potential increase in VAT costs for management companies.

Corporate Tax



Corporate Tax

Key measures announced

Change in criteria of Fair Share Contribution (FSC)

- The test based on supplies above MUR 24m or VAT registration no longer applies
- The threshold of MUR 24m of chargeable income remains the key criterion

Corporate Climate Levy (CCR)

- Unused tax credits, including foreign tax credits, can no longer be offset against CCR levy
- CCR levy will now be payable quarterly under the Advance Payment System (APS) on a phased basis.

Corporate Social Responsibility (CSR)

- Companies can use up to 25% of their CSR funds, and remit the remaining 75% to the National Social Inclusion Foundation (NSIF) through the MRA compared to the 50:50 ratio introduced last year

Tax Incentives

- EDB Investment Certificate tax exemption to start on commencement of operations (not incorporation date)
- Captive insurance: existing 10-year tax holiday extended by 5 years for those licensed before 19 June 2026
- Investment tax credit for manufacturing companies: 15% investment tax credit being extended on plant and machinery, artificial intelligence and patents acquired until 30 June 2029
- 10-year income tax holiday for start-ups from date of operations
- Combined with SME status , start-ups may also access:
  - customs duty exemption on eligible utility vehicles for SMEs in transformative sectors
  - a single SME Mauritius digital platform centralising schemes, grants, tax incentives and financing

KPMG View

- The restriction on using foreign tax credits against the CCR levy is a notable change. For example, an investment holding company earning foreign dividend income of USD 100m and suffering foreign tax of USD 20m previously had no additional tax to pay in Mauritius, as the foreign tax credit was sufficient to offset both the 15% corporate tax and the 2% CCR levy. Under the new rules, the company would still be liable to the USD 2m CCR levy in Mauritius, in addition to the USD 20m foreign tax suffered overseas. This measure will increase the overall tax burden for investment holding companies and could be of relevance to the global business sector.
- However, where there is a tax treaty between the two countries, we expect the MRA to allow the foreign taxes against CCR levy and result in no taxes in Mauritius.
- Where an investment holding company derives foreign dividend income not subject to foreign tax and claims the 80% partial exemption regime, there would generally be no impact on its effective tax rate, which would remain at 3.4%.
- The Government expects collections from the CCR levy to increase by MUR 2bn in the next financial year, bringing total collections to MUR 7.4bn. The restriction on offsetting foreign tax credits against the levy is likely to contribute to this increase.

Corporate Tax

Key measures announced

Qualified Domestic Minimum Top-Up Tax (QDMTT)

- The QDMTT applies to Multinational enterprise (MNE) groups with annual consolidated revenue exceeding EUR 750m and is effective for fiscal years ending on or after 1 January 2025.
- The legislation will be amended to clarify the following provisions, which are in line with the OECD model rules:

Exemption	Investment funds and real estate investment vehicles will be exempt from the QDMTT where they are the parent entity of a MNE, with effect from 1 January 2025.
Net income/loss	Consolidation adjustments relating to intra-group transactions will be permitted in the computation of net income or loss.
Fiscal year	The fiscal year of an MNE will follow the accounting period used by its ultimate parent entity for consolidated financial statements, if prepared under acceptable accounting standards.
Filing deadline	QDMTT returns must be filed within 15 months from the end of the month in which the fiscal year of the UPE ends.
Amendment period	The period for filing an amended return has been extended from two to three years from the date of submission.
Penalty	The penalty for non-payment has been reduced from 5% to 2.5%.

KPMG View

- While the Budget provides for a 15-month filing deadline for the QDMTT return, we are of the view that the government should consider extending beyond 15 months for the first year, as implemented in several jurisdictions, particularly given that the detailed regulations, have yet to be enacted and the QDMTT return form is not yet available.
- In the absence of such an extension, groups with a 31 March 2025 year-end would need to file by 30 June 2026.
- Although the penalty has been reduced from 5% to 2.5%, we are of the view that the MRA could waive penalties and interest in line with the OECD transitional penalty relief framework, where the company is acting in good faith.
- The QDMTT regulations which are much awaited by MNEs remain outstanding and we hope these will be enacted as soon as possible. Moreover, the Government announced in the last year budget that it will come up with new tax incentives that are effective in a post QDMTT environment. The issuance of such tax incentives remains outstanding as well and hope these will be announced as soon as possible.
- We note an increase of MUR 7bn in expected tax revenue for corporate tax. This increase could be explained by additional taxes collected under QDMTT and taxation of non-resident ICT service providers.

Corporate Tax

Key measures announced

Exports

- 3% reduced tax rate on export profits not available for exports of live animals

Hotels

- Annual allowance on hotel capital expenditure reduced from 30% to 15%
- 150% deduction for cleaning, renovation and embellishment removed from 1 July 2026

Taxation of non–resident ICT Service Providers

- Non-resident companies supplying software, software licences, applications, maintenance services, or providing remote maintenance of programmes and ICT equipment will be subject to income tax in Mauritius

Tax Deducted at Source (TDS)

- Resident and non-resident software-related service providers under a single contract greater than MUR 300k subject to TDS at 1%
- Persons providing social media / digital advertising, promotion, endorsement and marketing services subject to TDS at 5%

Tertiary Education

- Double deduction for Joint Tertiary Education contracts with African universities withdrawn from 1 July 2026

Partial Exemption Regime (PER)

- Broadened core income-generating activities for Investment Advisers and Asset Managers to include non-securities instruments (e.g., loan receivables, mortgage-backed exposures, invoice financing portfolios)

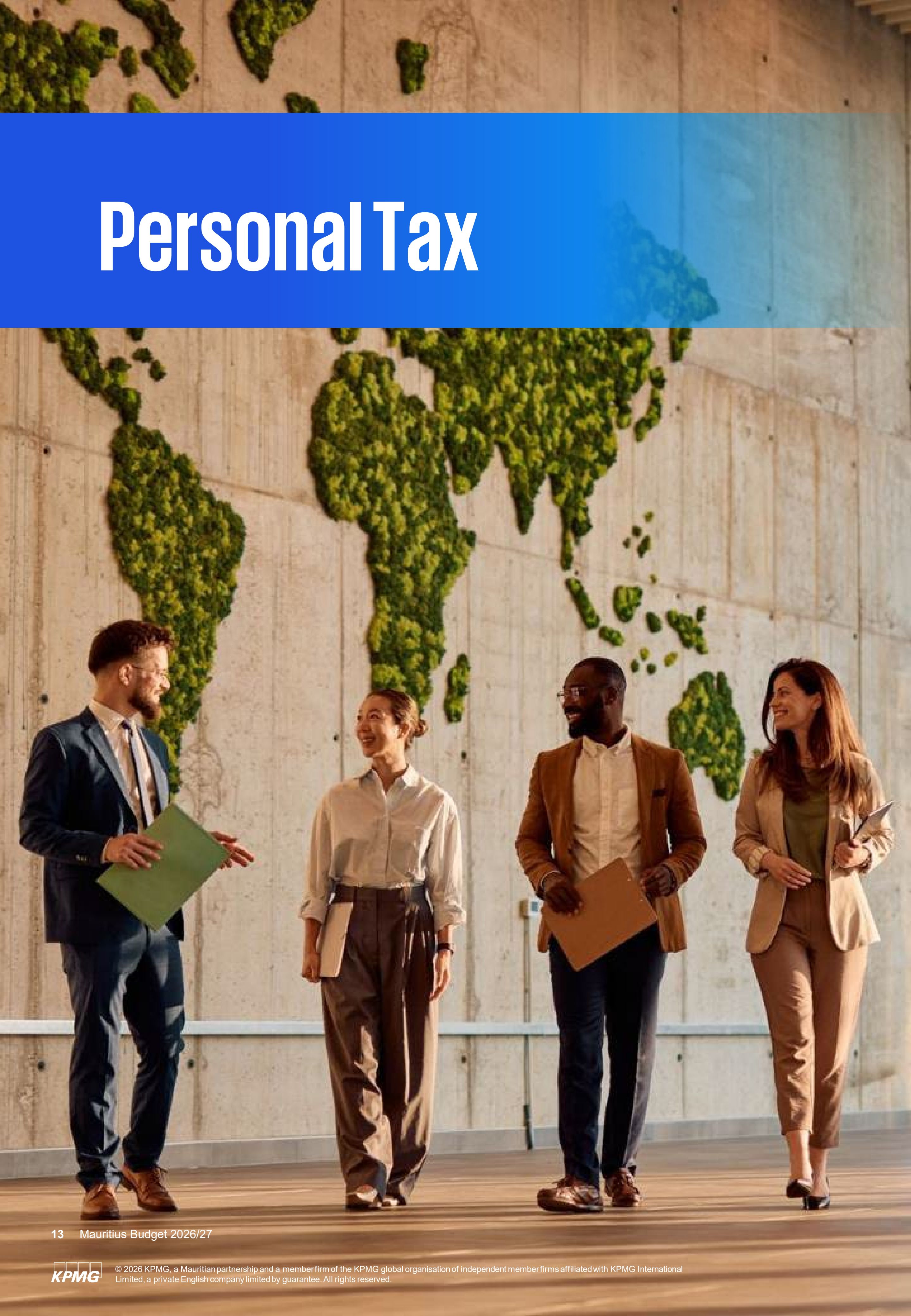
Global Business Licence (GBL)

- GBL definition to exclude:
  - trust with resident settlor/beneficiaries
  - foundations with resident founder/beneficiary

KPMG View

- In line with global digital taxation trends, Mauritius is increasing the tax burden on non-resident suppliers of software and digital services. These suppliers will now be subject to income tax and withholding tax in Mauritius, in addition to existing VAT registration obligations, although relief may be available under applicable Double Taxation Avoidance Agreements.

Personal Tax



Personal Tax

Key measures announced

FSC replacement with a 35% tax band

Year of Assessment	2026/2027	2025/2026
Income year	**1 July 2026 to 30 June 2027**	**1 July 2025 to 30 June 2026**
Chargeable income		
- First 500,000	0%	0%
- Next 500,000	10%	10%
- Above 1,000,000 up to 12,000,000	20%	20%
- Above 12,000,000	35%	20% + FSC (15%)

Please refer to the Appendix for illustrative income tax simulations for different categories of income earners.

Key Tax impact

- No change for individuals with chargeable income below MUR 12m
- The new 35% tax rate applies to individuals earning chargeable income above MUR 12m
- Dividend income from resident companies will continue to be exempt from income tax and will no longer be subject to FSC

KPMG View

- Under FSC, where an individual owned a company, the same profits could effectively be taxed twice. The company could be subject to tax of up to 24% and, upon distribution of dividends, the individual could be subject to an additional 15% FSC on dividend exceeding MUR 12 million. The abolition of the FSC therefore removes this economic double taxation.
- The FSC was originally scheduled to expire on 30 June 2028. It is now unclear whether the new tax band of 35% applicable to taxable income above MUR 12 million is intended to be a permanent feature or a temporary measure.

Personal Tax

Key measures announced

Abolition of CSG & PRGF and revamping of NPF

As from 1 July 2027, the Contribution Sociale Généralisée (CSG) and the Portable Retirement Gratuity Fund (PRGF) will cease and be replaced by contributions to the new National Pensions Fund (NPF).

Year of Assessment	2028/2029	
Income Year	1 July 2027 to 30 June 2028	
Monthly Salary Range	Employee contributions	Employer contributions
Up to MUR 50,000	1.5%	7.5%
MUR 50,001 – MUR 225,000	3.0%	10.5%

Income Tax Exemption

– Introduction of two new income tax exemptions:
  - 4-year tax holiday granted to qualifying expatriate employee of a company engaged in the manufacturing of solar photovoltaic systems
  - Disturbance allowance payable to public officers serving on a tour of service in Rodrigues or the Outer Islands

– Increase in exemption threshold from MUR 3m to MUR 3.5m on lump sum received as pension, retiring allowance or severance allowance.

Personal deductions and reliefs

– No change in existing personal deductions and reliefs.

KPMG View

- It appears that where monthly salary exceeds MUR 225,000, employee and employer contributions continue to be computed at 3% and 10.5% respectively, capped at a monthly salary ceiling of MUR 225,000.

Value Added Tax (VAT)

Value Added Tax (VAT)

Key measures announced

Digital or electronic services

- Clarification provided that a foreign supplier of digital or electronic services will NOT be required to:
  - Register for VAT if its annual taxable supplies are below MUR 3m
  - Register for VAT if it makes taxable supplies exclusively to VAT registered persons. In that case, the reverse charge mechanism will apply
  - Appoint a tax representative in Mauritius for submission of VAT return and remittance of VAT
  - Provide customer details where this would breach confidentiality rules in its own jurisdiction
- Clarification that online marketplaces and digital platforms fall within the scope of digital and electronic services

Zero-rated supplies

- Payment services provided to a GBL by a holder of a payment service provider licence.
- Postal services (previously exempt)

VAT exemption

- Services by management companies to the following entities (previously zero-rated):
  - Corporations holding a GBL
  - Trusts whose settlor and majority of beneficiaries are non-residents
  - Foundations whose founder and majority of beneficiaries are non-residents.
- Electronic books
- Exemption on accommodation for qualifying events extended to:
  - International sports events (excluding championships or leagues organised by regional or international sports federations)
  - International television and cinema awards events.
- Clarification that photovoltaic system and its components (photovoltaic generators, panels, batteries and inverters) are exempt

Foreign currency remittance

- Hotel and tourist residence accommodation services provider to remit 50% of VAT in foreign currency

KPMG View

- VAT on supply of digital or electronic services by foreign suppliers has been introduced effective 01 January 2026. Several clarifications are being provided on when a foreign supplier will not be required to register for and charge VAT. The foreign suppliers will need to properly assess whether they are required to be VAT registered in Mauritius.
- It is not clear whether those suppliers that have already registered should consider deregistering. We expect clarification from the MRA.

Value Added Tax (VAT)

Key measures announced

Time of supply

– Time of supply deemed to be three months after delivery of goods or performance of services where no invoice is issued and no payment is received

Credit for input tax

– Reduction in time limit to claim input VAT credit from 36 months to 24 months

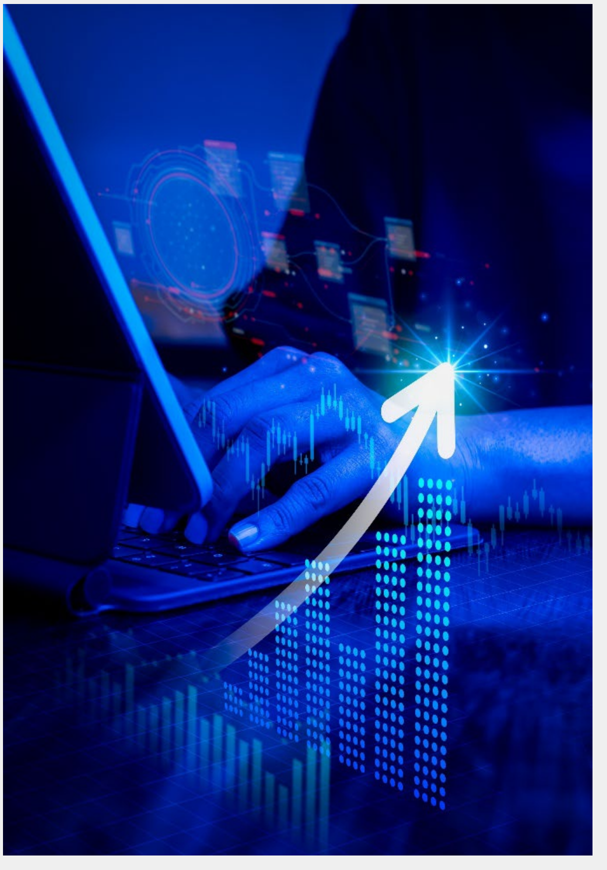
VAT recovery

– VAT recovery on buildings and capital goods under the Special Economic Zone Scheme at Cote d'or

Fines for various offences

– Increase in fines and imprisonment for various offences, including failure to:
  - Submit information requested by MRA
  - Produce books and records, grant access to electronic devices or obstruction during an inspection
  - Issue a fiscal invoice
  - Use the e-invoicing system, where required

– Non-compliance with the declaration of non-payment of VAT on import of capital goods of MUR 500k or more will result to a penalty of MUR 10k, with a right of appeal given to the importer. MRA will claim back the unpaid VAT in case of continued non-declaration.



KPMG View

- The three month after delivery of goods or performance of services rule provides clarity on when VAT becomes due in cases of delayed billing or payment.
- Reducing the time limit to claim credit for input tax from 36 to 24 months heightens the importance of timely and accurate VAT reconciliations.

Tax Administration

Tax Administration

Key measures announced

Director Liability

- Liability for a company's unpaid income tax will now be restricted to principal officers in executive management position so as to align with VAT Act
- A principal officer is the executive director, or any other person who exercises or who is entitled to exercise or who controls or who is entitled to control, the exercise of powers which would fall to be exercised by the Board of directors

Power to raise assessments

- MRA will now also be allowed to raise assessments beyond the statutory time limit in cases of fraud and wilful neglect

Tax Residence Certificate Fee

- Increase in fees payable on issuance of Tax Residence Certificate :

Category	Current	New
Collective Investment Scheme	USD 1,000	USD 2,000
Individual	MUR 1,000	MUR 2,000
Other applicants	USD 200	USD 500

VAT Ruling

- Increase in fees payable for application of VAT rulings:

Taxpayer	Current	New
Individual	MUR 3,000	MUR 5,000
Other	MUR 15,000	MUR 75,000

Information to be furnished to MRA

- Statement of Utility Transactions by the Central Water Authority and the Central Electricity Board in respect of all customers whose total payments exceed MUR 100k
- Statement of Insured Vehicles by insurance companies in respect of motor vehicles where the insured value exceeds above MUR 2m
- MRA to have access to system of the Registrar of Civil Status
- Implementation of the OECD Crypto-Asset Reporting Framework to allow MRA to collect information from Reporting Crypto-Asset Service Providers for automatic exchange with relevant foreign tax authorities

Notice to officers to provide evidence to the Tribunal

- Power of Registrar-General and Director-General of the MRA to issue a notice for a public officer to attend a hearing at Revenue Tribunal will also be applied to current and former employees of the MRA.

Tax Administration

Key measures announced

Compliance agreement

– Introduction of a Compliance Agreement framework to facilitate the early resolution of tax matters before the issuance of an assessment or claim.

– Where the taxpayer has fully cooperated during the audit process, the Director-General may waive or remit assessing penalties and penalties for non-compliance.

KPMG View

- The several tax amnesty schemes which were previously applicable have not been renewed. These schemes have historically been used as mechanisms to encourage settlement of outstanding liabilities and to mobilise additional revenue.
- Taxpayers should now consider entering a compliance agreement with the MRA and reach an agreement on the amount of tax, interest payable and payment terms.

Others

Property Taxes

Key measures announced

Restriction on sale of G+2 apartment on state land

- Foreigners will no longer be able to acquire apartments constructed on State lands and Pas Géométriques under new G+2 projects
- Existing approved projects and current owners will continue to be able to dispose of such apartments
- A 10% levy will apply on the sale of such apartments, payable by the vendor, except where a notarial reservation contract has already been signed

EDB Property Schemes

- Duties and taxes applicable to transfers of residential properties under EDB property schemes will be reviewed

Registration Duty exemption for first time buyer

- Exemption from Registration Duty for first-time buyers acquiring bare land will increase from 5% on the first MUR 2.5m to 5% on the first MUR 3m of the property value
- Exemption from Registration Duty for first-time buyers acquiring a house or apartment will increase from 5% on the first MUR 5m to 5% on the first MUR 6m of the acquisition price

Immigration

Key measures announced

Introduction of the Golden Visa Scheme

– Granted to an applicant investing at least USD 1m within the first 12 months of stay in Mauritius in high-value sectors such as FinTech, global treasury, artificial intelligence, biotechnology and renewable energy

– Allowed to stay in Mauritius for up to two years, with the possibility of renewal.

– Golden Visa holders to benefit from the same tax incentives as Premium Visa holders, including:

  - foreign employment income being taxable only if remitted to Mauritius;
  - expenditure incurred locally through foreign credit or debit cards not being treated as a remittance; and
  - funds deposited into a Mauritius bank account not being taxed where evidence is provided that applicable taxes have been paid abroad.

– Golden Visa holders making the minimum investment of USD 1m will be eligible to apply for a Permanent Residence Permit.

– Work permits for domestic workers accompanying Golden Visa holders will be processed within five working days.

Digitalisation of Immigration Services

– Introduction of an E-Visa system allowing non-citizens to apply online prior to travelling to Mauritius.

– Residence permits may be issued in digital, card or paper-based format.

Post-Study Work Visas Introduced

– Introduction of post-study work visas to encourage foreign graduates to remain and work in Mauritius after completing their studies.

KPMG View

- The proposed reforms demonstrate Government's continued efforts to enhance Mauritius' attractiveness as a destination for foreign investment and skilled talent. While the measures introduce greater flexibility in certain areas, they also place increased emphasis on economic contribution and performance requirements. Compared to some other International Financial Centres, Mauritius continues to adopt a targeted approach by linking immigration incentives to specific investment sectors and economic activity. The effectiveness of these reforms will ultimately depend on their ability to attract and retain investors, entrepreneurs and professionals in an increasingly competitive global environment

Immigration

Key measures announced

Occupation Permit (OP)

Category	Pre-Budget 2026	Post-Budget 2026
Investor OP	– Initial investment of USD 50k or USD 100k (two options available) – Renewal: Minimum annual turnover of MUR 5m from year six	– Initial investment of USD 50k option removed – Renewal: Minimum annual turnover requirements set at: • MUR 5m from year three of registration; and • MUR 8m from year five of registration to qualify for OP renewal.
Investor OP for innovative start-ups	– Submission of an innovative project to the EDB, or registration with an accredited incubator in Mauritius	– Performance indicators to be introduced
Professional OP (including Expert OP and ProPass OP)	– Minimum monthly basic salary of MUR 30k	– ProPass and Expert Pass categories merged into a single category – Minimum monthly basic salary of MUR 50k across all sectors – Transitional provisions to apply to existing permit holders

Immigration

Key measures announced

Occupation Permit (OP)

Category	Pre-Budget 2026	Post-Budget 2026
Self employed OP	– **Renewal:** Minimum Business income of MUR 1.5m per year from year six	– **Renewal:** Minimum Business income requirement revised to: • MUR 2m from year three of registration; and • MUR 3m from year five for permit renewal.
Family OP	– Contribution of USD 250k or equal in convertible foreign currency into a COVID-19 Projects Development Fund	– Abolished
Technical OP	– Not Applicable	– Introduction of a new Technical OP under a Government-to-Government framework, with OPs granted for an initial three-year period and renewable thereafter

Global Business and Regulatory

Key measures announced

Framework for Stablecoins, Tokenisation and Open Banking

– Introduction of a regulatory framework governing the issuance of and investment in stablecoins

– Introduction of a framework for the tokenisation of real-world assets

– Introduction of an Open Banking Framework to enable the secure sharing of customer financial data between licensed banks, virtual asset service providers and authorised fintech providers

Introduction of a New Private Wealth Management Licence

– Introduction of a new Private Wealth Management Licence, with additional permitted activities to be specified in FSC Rules, to support the development of Mauritius as a wealth management and family office hub

Conversion of PCCs into VCCs

– A Protected Cell Company will be allowed to convert into a Variable Capital Company while maintaining legal continuity.

KPMG View

- The proposed measures are aimed at broadening Mauritius' value proposition as an International Financial Centre and technology hub. The introduction of a Private Wealth Management Licence and enhancements to the Variable Capital Company framework are likely to be welcomed by the financial services industry. The proposed frameworks for stablecoins, tokenisation of real-world assets and open banking demonstrate Government's intention to support the development of fintech and digital finance activities.

Others

Key measures announced

Incentives for AI and Digital Technology Businesses in the Côte d’Or Special Economic Zone (SEZ)

– A new incentive scheme will be introduced to attract AI and digital technology businesses to the SEZ at Côte d'Or

– Eligible projects must comply with the SEZ masterplan and sustainability standards, provide modern digital infrastructure and commit to the employment and training of Mauritians

– Key Incentives:
  - 100% foreign ownership permitted.
  - Special electricity tariff for data centres.
  - Reliefs and exemptions on duties and taxes.
  - VAT recovery on buildings and capital goods.
  - Fast-track work and occupation permit processing for specialised foreign personnel.

– Additional incentives for developers
  - Concessionary rental rate equivalent to 40% of the market rate for 10 years.
  - Long-term leases of 30 years, renewable for two additional periods of 30 years each.

Insurance Premium Tax Introduced

– 5% tax on short-term general insurance from 01 January 2027

– Applies to new and renewed policies

KPMG View

- The Côte d’or Special Economic Zone represents a more targeted effort to attract investment in high-growth and technology-driven sectors.

Appendix

Appendix : Income Tax Simulations

Example 1 - Monthly basic salary of MUR 100,000		
Year of Assessment	**2026/2027**	**2025/2026**
Income year	**1 July 2026 to 30 June 2027**	**1 July 2025 to 30 June 2026**
	MUR	**MUR**
Annual salary (including statutory bonus)	1,300,000	1,300,000
Annual travelling allowance (MUR 20,000 per month)	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	88,000
Contribution Sociale Généralisée	39,000	39,000
Total income tax and contribution payable by employee [B]	**127,000**	**127,000**
Effective tax rate [B] / [A]	**8.25%**	**8.25%**
Disposable income [A] - [B]	**1,413,000**	**1,413,000**
Increase / (Decrease) in disposable income	**-**	

Example 2 - High income earner (earning emoluments exceeding MUR 12m per annum)		
Year of Assessment	**2026/2027**	**2025/2026**
Income year	**1 July 2026 to 30 June 2027**	**1 July 2025 to 30 June 2026**
	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	2,500,000	2,500,000
Rental income	900,000	900,000
Total gross income [A]	**30,900,000**	**30,900,000**
Less: Exempt income		
- Petrol allowance [Capped at MUR 20,000 per month]	(240,000)	(240,000)
- Dividend income from resident company	(2,500,000)	(2,500,000)
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**
Income Tax	7,839,500	5,444,000
Fair Share Contribution (FSC)	**Repealed**	2,770,500
Contribution Sociale Généralisée	195,000	195,000
Total income tax and contribution payable by employee [B]	**8,034,500**	**8,409,500**
Effective tax rate [B] / [A]	**26%**	**27.22%**
Disposable income [A] - [B]	**22,865,500**	**22,490,500**
Increase in disposable income	**375,000***	**-**

*****_The increase in disposable income is driven by the abolition of the FSC and exemption of local dividend income._

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