



National Budget

2026/27

Key insights

Mauritius National Budget – 19 June 2026

Foreword

You can't change how the story starts, only how it ends.



The Prime Minister and Minister of Finance presented his second National Budget under the banner of “L’Alliance du Changement,” even though three members of the alliance, including the former Deputy Prime Minister, are not part of the government.

In the lead-up to today’s presentation, the 2026–2027 National Budget was widely expected to be a difficult exercise, given various uncertainties and, in particular, rising geopolitical tensions. On several occasions, the Prime Minister and the Ministry of Finance signalled that everyone would need to make sacrifices to secure a better future. What we witnessed today, however, is that the Prime Minister and Minister of Finance used this moment to correct some unfairness from the previous budget. Credit is due: recognizing and rectifying mistakes is a hallmark of leadership, and progress is built on lessons learned.

The Budget rests on four core pillars:

1. *Responsibility*
2. *Solidarity*
3. *Economic efficiency*
4. *Social justice*

With measures spanning all existing sectors and the introduction of new high-tech industries, especially the long-awaited port development, which will strengthen the economy at a pivotal moment in global sea transport, we believe the country is poised for a renewed, synchronized trajectory that benefits the population. The readjustments to fiscal policy are welcome and bring a breath of fresh air to the economy’s lungs.

On the other hand, the reform of the Basic Retirement Pension (BRP) into the State Age Pension (SAP), with an added benefit for the most vulnerable, again corrects the bold measures taken last year.

In sum, this Budget marks a deliberate reset, pairing acknowledgement of past missteps with concrete steps to correct them. Anchored in responsibility, solidarity, economic efficiency, and social justice, it signals a pragmatic course toward shared prosperity. If the pledged reforms and high-tech initiatives are executed with discipline and transparency, this “new beginning” can translate into tangible gains for households, businesses, and the broader economy, turning intention into impact.

We are pleased to share our summary of the key measures announced in the National Budget and invite you to contact us with any queries or matters you wish to discuss.

Ravi Kowlessur
Managing Partner



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PERSONAL TAX MEASURES

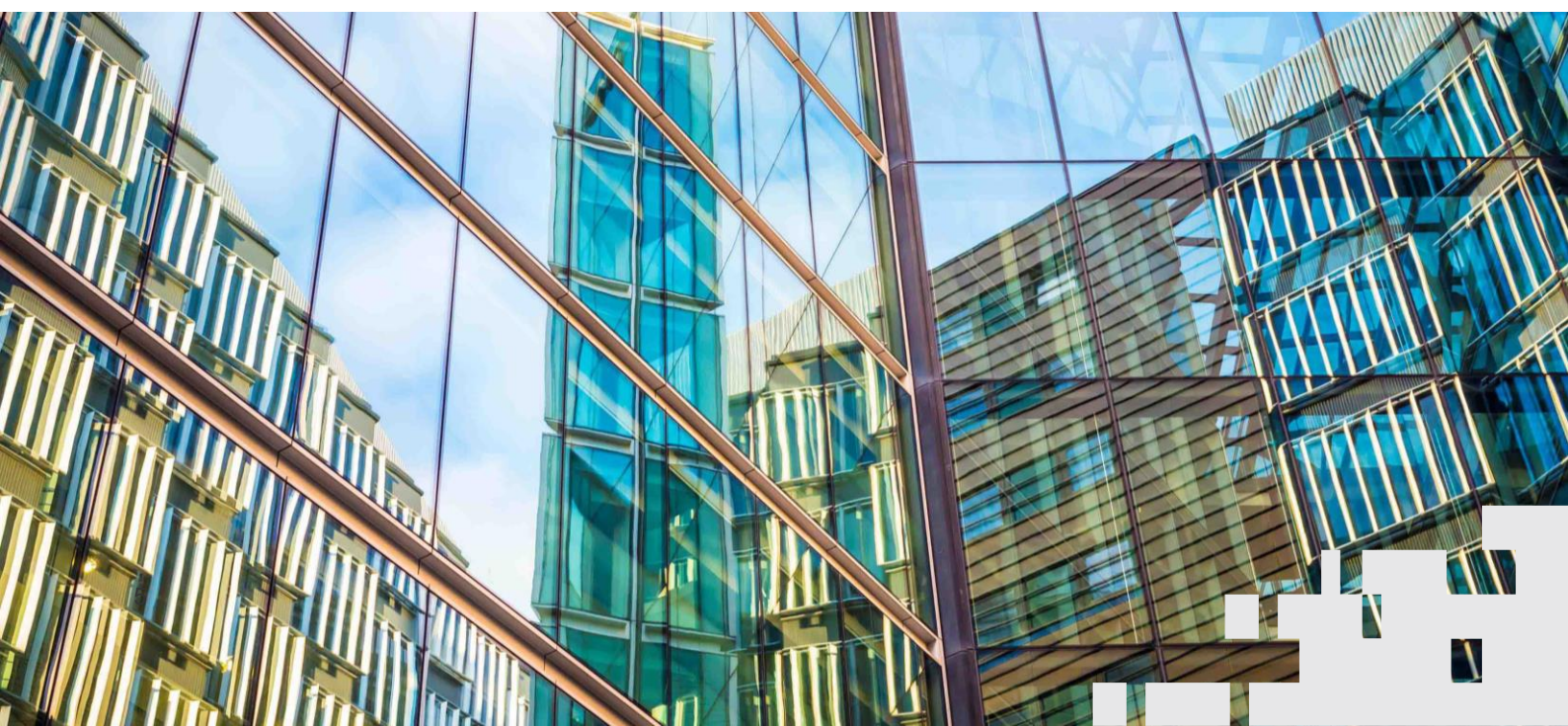


Personal tax measures

Replacement of Fair Share Contribution for Individuals and Introduction of New Tax Band

The fair share contribution of 15% applicable on the net income of individuals including dividend exceeding MUR 12 million will be removed. Instead, a new tax band for individuals with chargeable income exceeding MUR 12 million will be applicable as per table below:

Current regime		New regime	
Chargeable Income	Rate (%)	Chargeable Income	Rate (%)
first Rs 500,000	0	first Rs 500,000	0
Rs 500,001- Rs 1,000,000	10	Rs 500,001- Rs 1,000,000	10
> Rs 1,000,000	20	Rs 1,000,001 - Rs 12,000,000	20
Above Rs 12,000,000 (including dividends)	FSC of 15%	Above Rs 12,000,000	35



Personal tax measures

Income Tax Exemption for Expatriates employed in Solar Photovoltaic Manufacturing Companies

- A qualifying expatriate employee of a company engaged in the manufacturing of solar photovoltaic systems is entitled to an income tax exemption. The exemption will be for a period of four years, subject to meeting the relevant eligibility requirements.

Exemption Threshold for lump sum

- The exemption threshold applicable to lump sum amounts received as a pension, retiring allowance, or severance allowance has been increased from Rs 3 million to Rs 3.5 million.

Exemption on Disturbance Allowance

- The disturbance allowance paid to public officers serving on a tour of duty in Rodrigues or the Outer Islands is exempt from tax.

Emoluments of President and Vice President

- Emoluments of the serving President and Vice-President and pensions of retiring Presidents and Vice Presidents, and wherever applicable the pensions of surviving spouses will no longer be exempt and will be fully subject to tax.



CORPORATE TAX MEASURES



Corporate tax measures

Rate of corporate tax on export of live animals

Profits derived from export of live animals will not be eligible for the reduced corporate tax rate of 3% applicable on export of goods.

Income Tax Holiday

- i. Captive insurance companies with licenses issued prior to 19 June 2026 will be entitled to another 5 years tax holiday, in addition to the existing 10-year tax holiday.
- ii. Start-ups will be entitled to a 10-year tax holiday, applicable from day of operations. Further clarity on who will qualify as a start-up is expected to ascertain who will benefit from this measure.

Fair Share Contribution (“FSC”) on Companies

Previously, the FSC on companies was applicable on companies:

- having supplies for Value Added Tax (VAT) of MUR 24 million or required to be registered for under the VAT Act **and**;
 - having a chargeable income exceeding MUR 24 million in an accounting year.
- i. The requirement for a company to have supplies for VAT exceeding MUR 24 million will no longer apply. Companies with chargeable income exceeding MUR 24 million in an accounting year, irrespective of their amount of VAT supplies will be liable to the FSC.

Taxation of ICT Service Providers

Non-resident companies engaged in the supply of software, software licenses, software applications and software maintenance services as well as distance maintenance of programmes and ICT equipment will be subject to income tax in Mauritius.

Partial Exemption Regime

The 80% partial exemption applicable to Investment Advisors or Asset Managers will be broadened to include the management of non-securities instruments such as loan receivables, mortgage-backed exposures and invoice financing portfolios in the definition of core-income generating activities.

Annual allowance for Hotels

Capital expenditure on hotels will be entitled to 15% annual allowance instead of 30%.

Investment Tax Credit for manufacturing companies

- i. Manufacturing companies will be granted an investment tax credit of 15% over 3 years (i.e 45% in all) in respect of capital expenditure incurred on the acquisition of:
 - new plant and machinery (excluding motor cars)
 - artificial intelligence solutions
 - patents
- ii. Unrelieved investment tax credit may be carried forward for 10 years.
- iii. Investment tax credit will be granted on qualifying investment incurred from 1 July 2026 till 30 June 2029. This measure extends the application of the existing investment tax credit ending on 30 June 2026 for another 3 years.

Review of allowable deductions for companies

The following deductions will be removed as from 1 July 2026:

- 150% deduction on expenditure incurred by hotels on cleaning, renovation and embellishment works;
- 200% deduction on expenditure on Joint Tertiary Education contract with African Universities.

Corporate Climate Responsibility Levy (“CCR levy”)

- i. CCR levy will be payable on a quarterly basis under the Advance Payment Statement.
- ii. A phased application will be put into place as follows:
 - 25% of CCR levy will be payable under APS in FY 2026/2027
 - 50% of CCR levy will be payable under APS in FY 2027/2028
 - 75% of CCR levy will be payable under APS in FY 2028/2029
 - 100% of CCR levy will be payable under APS in FY 2029/2030
- iii. Credit for foreign tax suffered will no longer be offset against the CCR levy.

Corporate Social Responsibility

- i. The proportion of CSR Fund companies are allowed to spend on approved CSR schemes revised to 50% for CSR Funds set up after 1 January 2026 last year has been changed back to 25%.

Corporate tax measures

Qualified Domestic Minimum Top-up Tax (“QDMTT”)

- i. Effective as from 1 July 2025, an investment fund and a real estate vehicles will be exempted from the QDMTT if they are the parent entity of a Multinational Enterprise (“MNE”).
- ii. Consolidated adjustments relating to intra-group transactions for the calculation of the net income or loss will be allowed.
- iii. The fiscal year of an MNE will be the accounting period used by its ultimate parent entity to prepare its consolidated financial statements if such statements have been prepared according to acceptable accounting standards.
- iv. The deadline for the submission of the QDMTT returns will be not later than 15 months from end of the month in which the fiscal year ends.
- v. Amendments to the QDMTT return can be made within a period of 3 years, instead of 2 years.
- vi. The penalty for non-payment of QDMTT has been reviewed to 2.5%, instead of 5%.

VALUE ADDED TAX AND VAT ADMINISTRATION



VAT and VAT administration measures

AREA	PREVIOUS POSITION	NEW POSITION	WHAT IT MEANS
Global Business & Financial Services			
FSC licensed management companies providing services to GBL corporations, qualifying trusts & foundations	Zero-rated	VAT exempt	Providers lose the right to recover input VAT on costs, increasing their cost base. Clients no longer receive a VAT invoice, so no reverse-charge obligation arises for offshore entities.
Payment service by a Bank of Mauritius licensed Payment Service Provider (PSPs) provided to GBL corporations	VAT exempt	Zero-rated	PSPs can now recover input VAT on related costs. GBL clients pay no VAT on payment fees, aligning with international finance-centre norms.
Foreign Digital & Electronic Service Suppliers			
Registration obligation for foreign digital suppliers	Required to register if making taxable supplies above threshold, regardless of customer type	No registration required if all supplies are to VAT-registered persons; reverse charge applies instead	B2B digital services shift compliance burden to the local registered recipient. Foreign suppliers serving only registered businesses avoid Mauritius registration entirely.
Tax representative & registration threshold	Tax representative required; compulsory registration applied at lower threshold	No tax representative required; registration threshold Rs 3 million; confidential recipient data protected	Significant compliance reduction for foreign platforms. Removes a key barrier that deterred smaller foreign suppliers from serving the Mauritius market.
Online marketplaces & digital platforms	Was not expressly defined scope of 'digital/electronic services'	Explicitly included in digital & electronic services	Clarification closes any ambiguity. Marketplace operators (aggregators, app stores, etc.) are now clearly within scope.
Specific Goods & Services			
Electronic books	Standard-rated (15%)	VAT exempt	Brings e-books in line with the treatment typically applied to physical books. Reduces retail price, encouraging digital reading.

AREA	PREVIOUS POSITION	NEW POSITION	WHAT IT MEANS
Common salt	VAT exempt	Zero-rated — local & imported	Suppliers can now recover input VAT on production and importation costs (packaging, transport, processing). No price change for consumers. Uniform treatment across local producers and importers removes any previous inconsistency, levelling the playing field.
Postal services	VAT exempt	Zero-rated	Postal operators can now recover input VAT on costs (equipment, fuel, premises). No change in price for end users, but improved cash flow and cost position for providers.
Photovoltaic systems & components (panels, batteries, inverters)	Zero-rated	No VAT	Additional clarity is required to understand what this change in measure will encompass.
Accommodation, Events & Sports			
Remittance currency of VAT on accommodation	Full VAT remittable in Mauritian rupees	50% of VAT must be remitted in foreign currency	Targets hotels and tourist residences serving foreign visitors. Aims to increase foreign exchange inflows to the Bank of Mauritius; adds an FX management obligation for operators.
VAT exemption on accommodation for qualifying events	Limited to specified event categories	Extended to international sports events (excl. regional/international federation championships/leagues) and international TV & cinema award events	Broader incentive to attract high-profile events to Mauritius. The carve-out for federation-level championships prevents blanket exemption abuse.
Entrance fees to sports events	Exemption limited to specific sports/events	Exempt for any discipline under a National Sports Federation	Widens the exemption significantly. Any sanctioned sport benefits, reducing the cost of attending local sporting events.
Goods donated from abroad to National Sports Federations		VAT exempt	Removes an import VAT cost on donated sports equipment and materials, directly benefiting federation budgets.

AREA	PREVIOUS POSITION	NEW POSITION	WHAT IT MEANS
NGOs & Non-Profit Organisations			
NGOs receiving NSIF Funding Instrument 1 — imported donated goods		VAT exempt on donated goods from abroad related to normal activities	Reduces the administrative and financial burden on charities funded under NSIF FI-1. Donated goods arrive without an import VAT cost, maximising the value of donations.
Administration & Compliance			
VAT ruling fees — individuals	Rs 3,000	Rs 5,000	67% increase. Reflects administrative cost recovery; modest impact on individual applicants.
VAT ruling fees — companies, sociétés & trusts	Rs 15,000	Rs 75,000	400% increase. Significant jump; likely to deter speculative or low-value ruling requests from corporate entities.
Time of supply	No specific deeming rule for this scenario. Was earlier of payment or invoice.	Deemed to occur 3 months after delivery/performance	Closes a gap where suppliers could delay VAT accounting indefinitely by not invoicing. Creates a firm backstop for the MRA to assess output tax.
Period to claim unclaimed input VAT credits	36 months	24 months	One year shorter window. Businesses must be more diligent in identifying and claiming credits promptly. Unclaimed credits after 24 months are permanently lost.
VAT compliance sanctions	Existing penalties for various compliance failures	Tightened — covers failure to submit information, produce records, grant device access, obstruction, failure to issue fiscal invoices, failure to use e-invoicing	<p>Broader and stricter enforcement regime. The inclusion of e-invoicing failures signals that the MRA intends to enforce the e-invoicing rollout actively. Businesses should review their systems now.</p> <p>Failure to use e-invoicing system = Rs 500,000</p> <p>Failure to issue fiscal invoices = a daily penalty of Rs 5,000, max at Rs 1,000,000.</p> <p>Failure to produce books and records or grant access to electronic devices or obstruct an officer during an inspection = Rs500,000</p> <p>Failure to submit information requested by the MRA = Rs 100,000</p>

TAX ADMINISTRATION AND OTHER TAX MEASURES



Tax administration and other tax measures

Power to Raise Assessments

The MRA may raise assessments beyond the statutory time limit in cases of fraud or wilful neglect.

Stay of Assessment

- i. Stay of assessment provisions will also apply to non-remission of Tourist Fee collected.
- ii. The time limit to issue an assessment will be extended from 1 year to 2 years where an enquiry, investigation, or criminal case is discontinued or following a court decision.

Compliance Agreements

- i. The MRA and taxpayers may enter into binding Compliance Agreements before an assessment is issued, covering tax, interest, and payment terms.
- ii. Taxpayers will not be able to object or appeal on matters agreed under the Compliance Agreements.
- iii. Penalties may be reduced for full cooperation during the audit process.
- iv. The agreement will no longer apply if its terms are breached or if relevant information is withheld.

Director's liability on unpaid income tax

Liability for unpaid company income tax will be limited to officers in executive management positions, based on the definition of "principal officer" under the VAT Act.

Tax deducted at source

The scope of Tax Deduction at Source will be extended to the following payments:

- 1% TDS on payments to resident and non resident service providers on supply of software, software licenses, software applications and software maintenance services or distance maintenance of programmes and equipment. TDS will apply on payments exceeding Rs 300,000.

- 5% TDS on payments for advertising, promotional, endorsement, digital content, and marketing services provided through social media or similar platforms.

Additional statements to be furnished to the MRA

- i. The Central Water Authority and Central Electricity Board must annually report customers whose utility payments exceed Rs 100,000.
- ii. Insurance companies must annually report motor vehicles with an insured value exceeding Rs 2 million, including the insured amount and policyholder details.
- iii. MRA will collect information from crypto-asset service providers to facilitate the automatic exchange of tax information with foreign authorities under the OECD Crypto-Asset Reporting Framework.

Tax Residence Certificate Fee

Service fees for the issuance of a Tax Residence Certificate will be increased as follows:

- Collective Investment Schemes: from USD 1,000 to USD 2,000.
- Individuals: from Rs 1,000 to Rs 2,000.
- Other applicants: from USD 200 to USD 500.

Tax administration and other tax measures

Tax Administration: Revenue Tribunal

- i. Appeals to the Revenue Tribunal against a determination of the Registrar-General or a claim under Customs Act, the Customs Tariff Act and the Excise Act will require payment of 5% of the amount claimed or Rs 5 million (whichever is lower).
- ii. The Registrar-General and Director-General of the MRA will also be empowered to summon MRA employees and former employees to provide evidence before the Tribunal.



Zainab Peeroo
Tax Director



Aanas Ramdin
Tax Manager



Other measures - customs

Customs clearance

Goods will now be released only after full payment of duties and taxes to reduce non-payment risk.

Import controls

The MRA may require importers to declare and justify the source of funds for imports of Rs 500,000 or more, on a risk-based approach.

Administrative coordination

Ministries and government agencies must respond within 30 days to customs queries on suspected prohibited goods.

Enforcement presence

Customs officers must be present during examination, seizure, or removal of goods in customs-controlled areas, even under a warrant, to ensure proper documentation.

Goods in infringement of Intellectual Property Rights

Goods infringing intellectual property rights will be destroyed by Customs at the cost of the right holder, if an out-of-court settlement is reached.

Passenger declarations

Passengers must declare currency, precious stones, metals, or jewellery exceeding Rs 500,000.

False or no declaration may result in a fine up to Rs 5 million, and medical examination may be ordered if concealment is suspected.

Detention period

Customs detention for search based on suspicion will be limited to 24 hours, after which the person must be released or referred to Police.

Import flexibility

The restriction on bringing small vehicle spare parts for personal use will be removed.

VAT on imports of capital goods

VAT-registered persons importing capital goods of Rs 500,000 or more may defer VAT payment, subject to declaration in VAT returns

Non-compliance attracts a Rs 10,000 penalty, with recovery of unpaid VAT if not corrected.

Sampling-based assessment

The MRA may raise tax assessments for an entire consignment based on results from tested or verified samples.

Strengthened penalties for customs offences

Penalties will be increased for offences such as tampering with aircraft/ship stores, misuse of the drawback scheme, smuggling or importing prohibited/restricted goods, and other Customs Act offences without specific penalties.

Revision of penalty and fee structure

- i. Goods value up to Rs 1,500: fine not exceeding Rs 100,000.
- ii. Goods value above Rs 1,500: fine of 3 times duties/taxes or Rs 200,000 (whichever is higher).
- iii. Compounded offences: In addition to unpaid duties and taxes and the compounding amount, offenders may pay a penalty of up to 50% of unpaid duties and taxes, plus 0.5% monthly interest.
- iv. Deferred enforcement: Penalties for failure to submit a Bill of Entry or amend a manifest within 5 working days will be deferred until 30 June 2028.
- v. Increased fees for Customs ruling regarding classification or origin: increase from Rs 500 to Rs 1,000.
- vi. Fees payable for electronic seal: increased from Rs 150 to Rs 350.
- vii. The TradeNet user submitting a Bill of Entry will be responsible for collecting the processing fee and must remit it to the MRA within 30 working days after month-end.

Other measures

Customs Tariff

The MRA may recover VAT exemptions on imported goods if exemption conditions are breached, and duty-exempt motor vehicle beneficiaries may only purchase another exempt vehicle after the exemption period as per the PRB 2026 provisions.

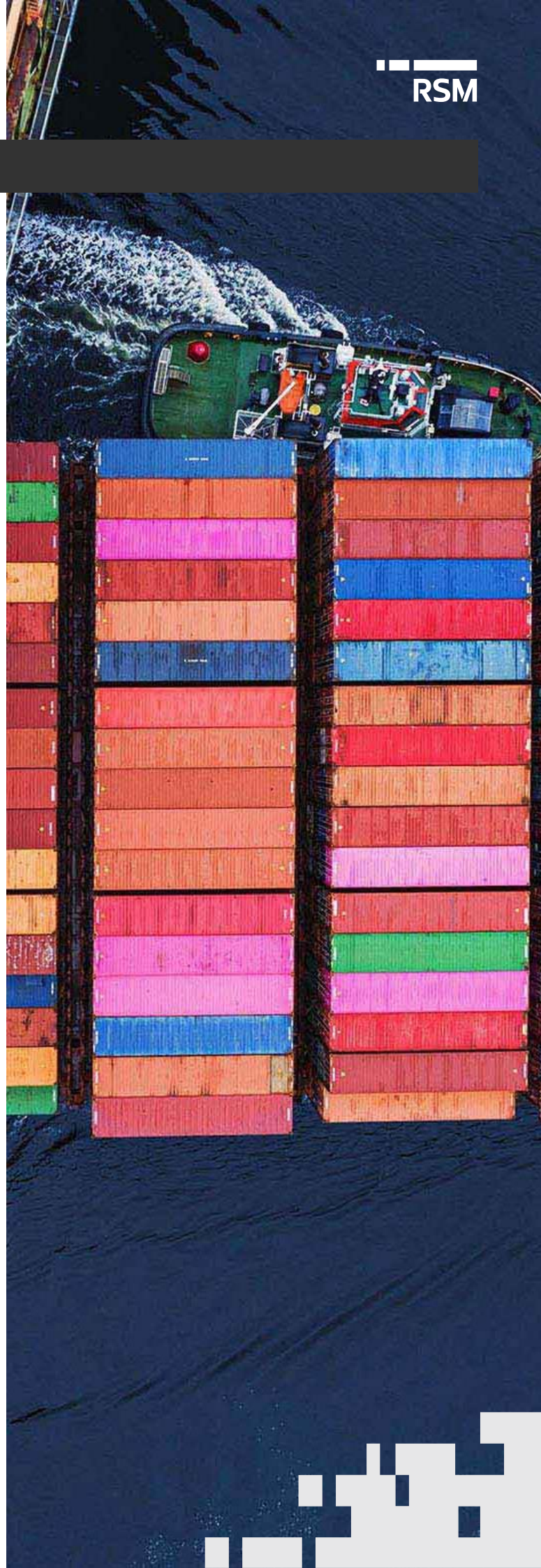
The MRA will also be empowered to publish National Notes on its website to guide importers on the local classification of goods.

Excise Act

Stocktaking of bottled water will no longer be quarterly and will instead be carried out over a period determined by the MRA, similar to sugar-sweetened beverages.

Registrar-General's Department

- i. All fixed penalties under the Registration Duty Act will be increased to a minimum of Rs 500.
- ii. Recommendations for refund or remission of duties or taxes under the Registration Duty Act and Land (Duties and Taxes) Act will now require approval from the Ministry of Finance.
- iii. Attorneys-at-law must now submit deeds or documents for registration electronically through the Registrar-General's Registration of Deeds and Documents System.
- iv. The Registrar-General may recover exempted duties on first acquisition of immovable property if the buyer's exemption declaration is found to be false or misleading.



SOCIAL MEASURES



Social measures

Introduction of an Insurance Premium Tax

- As from 1 January 2027, an insurance premium tax of 5% on short-term general insurance will be applicable on new and renewed policies.

Social Register of Mauritius (SRM) – Increase in Eligibility Income Thresholds

- To enhance support for vulnerable households, the Government will raise the monthly income thresholds for eligibility under the Social Register of Mauritius (SRM) in two phases: 1 July 2026 and 1 July 2027.

Category	Current Threshold	From 1 July 2026	From 1 July 2027	Increase by 2027
Adult	Rs 3,575	Rs 4,000	Rs 4,250	Rs 675 (+18.9%)
Child	Rs 2,500	Rs 2,800	Rs 3,000	Rs 500 (+20.0%)
Maximum Household Income	Rs 14,650	Rs 16,400	Rs 17,500	Rs 2,850 (+19.5%)

- These higher thresholds will allow more low-income individuals and families to qualify for assistance under the SRM, helping to ensure that social support reaches a broader group of vulnerable households amid rising living costs.

Mauritius BRP transition to SAP

Phase 1 — Before Sep 2025 The old system (BRP)

<p>Who got it Everyone from age 60 No income check at all</p>	<p>Monthly amount Rs 15,000 Age 60-89</p>	<p>Age 75 bonus + Rs 1,500 Automatic</p>	<p>December bonus One extra month Every year</p>
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Simple. Universal. If you were 60 and living in Mauritius, you got Rs 15,000 a month — whether you were a millionaire or had no income at all.

↓

Phase 2 — Sep 2025 to Dec 2026 The bridge (Income Support)

The government raised the BRP age toward 65. People turning 60 in this period could no longer get the BRP automatically. Instead they got a smaller bridging payment — **Income Support** — managed by MRA.

Who got it

Turned 60 from Sep 2025

Not yet BRP age

Monthly amount

Rs 10,000

Much less than BRP

Income limit (single)

≤ Rs 10,000/month

Only low earners qualify

Income limit (couple)

≤ Rs 20,000/month

Combined household

This was only for **low-income** people. If you or your spouse earned more than these limits, you got nothing until BRP age. It was managed by MRA — you had to apply online, declare your income and provide bank details.



Phase 3 — From 1 January 2027 The new system (State Age Pension — SAP)

Both the BRP and Income Support are replaced by one single scheme — the **State Age Pension (SAP)**. The Income Support ends in December 2026. Everyone now falls under SAP.

Standard age

65

But you choose 60–70

Base amount at 65

Rs 16,555

Before income check

Draw early (age 60)

Rs ~11,589

30% less — permanent

Draw late (age 70)

Rs ~24,005

45% more — permanent

KEY DATES TO REMEMBER

- **Before Sep 2025** — BRP: Rs 15,000/month for everyone aged 60+, no questions asked.
- **Sep 2025 – Dec 2026** — Income Support: Rs 10,000/month via MRA, only if you earn ≤ Rs 10,000 (single) or ≤ Rs 20,000 (couple). Must apply online.
- **31 December 2026** — Income Support ends. BRP phasing plan scrapped.
- **1 January 2027** — SAP begins. Everyone already on BRP is moved over automatically. New claimants apply and declare income.
- **Ongoing** — SAP amount reviewed each year based on your income declaration. Higher pension if you waited past 65; lower if you drew early.

Phase 1 (before Sep 2025): You turn 60, you get Rs 15,000/month. No forms, no income check, no conditions.

Phase 2 (Sep 2025 – Dec 2026): Government raises the BRP age toward 65. As a bridge, MRA pays Rs 10,000/month to low-income people (≤ Rs 10,000 if single, ≤ Rs 20,000 for a couple) who aren't yet old enough for BRP. You had to apply online and declare your income.

Phase 3 (from Jan 2027): Everything is replaced by SAP. You now choose when to start — earlier means permanently less, later means permanently more. But crucially, the higher your income, the less you get — and above Rs 50,000/month, you get nothing. The big catch many miss: dividends and interest are excluded from the income test, so investment income doesn't count against you.

• The Means Test: How SAP Is Adjusted For Income

Income bracket (monthly)	Single / one spouse drawing SAP	Couple — both drawing SAP
Rs 0 – Rs 14,000	Full SAP — no reduction	Full SAP — no reduction
Rs 14,001 – Rs 49,999	SAP reduced by 50 cents per Rs 1 of income above Rs 14,000	Each spouse assessed individually first; then combined SAP reduced by 50% of combined income (additional test); reduction capped at 25%
Rs 50,000 and above	No SAP payable (Rs 1,000 de minimis up to ceiling)	No SAP payable per spouse above Rs 50,000 (Rs 1,000 de minimis)
Minimum floor	Rs 1,000 de minimis benefit — guaranteed up to Rs 50,000 income	

• Early Or Deferred Draw: Permanent Adjustment Rates

Decision	Adjustment	Example (base SAP Rs 16,555 at 65)
Draw at 60 (5 years early)	-30% (0.5% × 60 months)	≈ Rs 11,589/month — for life
Draw at 62 (3 years early)	-18% (0.5% × 36 months)	≈ Rs 13,575/month — for life
Draw at 65 (standard)	No adjustment	Rs 16,555/month
Draw at 68 (3 years late)	+27% (0.75% × 36 months)	≈ Rs 21,025/month — for life
Draw at 70 (5 years late)	+45% (0.75% × 60 months)	≈ Rs 24,005/month — for life

• Transitional Arrangements (Persons Reaching 60 Between Sep 2026 – Aug 2029)

Who	Transitional rule
Turns 60 between 1 Sep 2026 – 31 Dec 2026	May opt to receive SAP from 1 January 2027. Pension discounted at 0.5%/month for each month before their "pension age" under the phased BRP schedule (up to 65).
Turns 60 between 1 Jan 2027 – 31 Aug 2029	May opt to receive SAP from age 60. Discount of 0.5%/month before pension age; defer beyond pension age: 0.5%/month up to 65, then 0.75%/month from 65 to 70.
Currently drawing BRP on 31 Dec 2026	Automatically migrated to SAP — continues receiving pension subject to means test.
Persons below 65 drawing BRP of Rs 15,555	Will receive Rs 1,000 increase in SAP upon reaching 65 (i.e. SAP becomes Rs 16,555).
2025 Finance Act phased increase (BRP age 60→65 over 10 years)	Discontinued from 31 December 2026 — superseded by SAP.
Income Support (Rs 10,000 bridge for those not yet BRP-eligible)	Ends December 2026.
Widow's / Invalidity Pension	Continues unchanged until beneficiary reaches 65 and becomes eligible for SAP.

The core shift in plain terms: The BRP was a universal, unconditional pension — if you were the right age and a resident, you got it. The SAP introduces two fundamental changes: flexibility on *when* you draw it (between 60 and 70, with permanent actuarial adjustments either way), and a means test that tapers the pension for anyone earning above Rs 14,000/month and eliminates it entirely above Rs 50,000/month.

A few points worth highlighting for your clients or advisory work:

Means test income definition is narrow by design. Dividends and interest income are explicitly excluded, which means investment-heavy individuals may still qualify for full or partial SAP while wage-earners at a similar net worth do not. This is a notable planning point.

The early draw discount is permanent and irrevocable. Someone drawing at 60 takes a 30% lifetime cut — the break-even against waiting until 65 is roughly 10–12 years, so longevity assumptions matter significantly.

The CSG benefit consolidation is a simplification — the separate Rs 1,000 (at 65) and Rs 1,500 (at 75) CSG retirement benefits disappear as separate payments and are baked into the SAP base amount. Net effect for most existing pensioners is broadly neutral.

Administration moves to MRA (jointly with the Ministry) for the interim period, which signals the government intends the income self-declaration and verification process to be enforced with MRA's existing tax compliance infrastructure.



**OTHER MEASURES BY
SECTOR**



FINANCE & GAMBLING



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This section discusses the key measures announced for the financial services and their potential implications for businesses and investors.

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The 2026/27 National Budget introduces some key measures aimed at strengthening Mauritius' position as a trusted and competitive international financial centre. The measures focus on enhancing regulatory oversight, reinforcing anti-money laundering and transparency frameworks, supporting sustainable finance initiatives, and promoting innovation across the financial services sector.

Notable developments include the introduction of sustainability reporting requirements, enhanced beneficial ownership reporting, new frameworks for private wealth management, fintech activities, stablecoins, tokenisation of real-world assets, and open banking. The Budget also contains significant reforms affecting the banking, insurance, pension, global business, and gambling sectors.

This section discusses the key measures announced for the financial services and their potential implications for businesses and investors. We trust that it will assist our clients and stakeholders in navigating the evolving regulatory and business landscape in Mauritius.

Viraj Cushmajee
Assurance Partner



Banking and financial services

Bank of Mauritius (BoM) and Banking Sector

Bank of Mauritius Act

- Government will be empowered to inject capital into the Bank of Mauritius (BOM) to strengthen its balance sheet and paid-up capital.

The BOM will introduce a Threat Intelligence Sharing Platform to enable banks to share cybersecurity threat information and intelligence in real time, strengthening the sector's resilience against cyber risks.

Banking Act

- Banking confidentiality provisions will be relaxed in specific circumstances involving:

- Financial Crimes Commission investigations.
- United Nations sanctions enforcement.

- Financial institutions will be required to provide information where legally ordered.

- Disclosure mechanisms for customer information will be expanded beyond money laundering investigations to cover wider financial crimes.

Financial Reporting and Sustainability Reporting

Financial Reporting Act

A comprehensive sustainability reporting framework will be introduced:

- Adoption of internationally recognised sustainability reporting standards.

- Sustainability reporting may be voluntary or mandatory depending on the size and significance of the entity.

- The Minister may prescribe regulations upon recommendation of the Financial Reporting Council (FRC).

- The FRC will be granted enforcement powers for non-compliance with sustainability reporting requirements.

Implication: Mauritius is aligning with emerging global ESG and sustainability disclosure standards.

Financial Services Commission (FSC) and Financial Services Sector

Financial Services Act

Key amendments include:-

Regulatory Oversight:

- FSC may conduct on-site inspections as part of international regulatory cooperation.

- FSC can take action against misleading advertisements and promotional activities affecting investor confidence.

- False or misleading information offences will apply even after a licence has ceased.

Global Business Sector:

- Global Business Licensees will be required to comply with FSC guidelines on bank signatory arrangements.

- Designated FSC officers may issue directions to licensees where no Chief Executive is appointed.

Wealth Management & Fintech:

- Introduction of a **Private Wealth Management Licence** to position Mauritius as a family office and wealth management hub.

- Establishment of a **National Fintech Governance Committee**.

- FSC will introduce:

- Shared fintech licensing and passporting framework.
- Modular private wealth management licensing.
- Pension income drawdown framework.

Banking and financial services

Resolution Framework:

- Introduction of a **conservatorship regime** enabling FSC to appoint conservators for distressed licensees.
- Legal protection and immunity extended to administrators and conservators acting in good faith.

Governance & Administration:

- FSC Board delegation limit for capital expenditure increased from Rs 1 million to Rs 3 million.
- Mandatory electronic filing through the FSC One Platform.
- FSC financial statements to be audited by the Director of Audit with statutory reporting timelines.

AML/CFT and Regulatory Enhancements

Financial Intelligence and Anti-Money Laundering Act (FIAMLA)

FSC's powers to impose AML/CFT administrative sanctions will be clarified.

Expanded definition of "credit union".

Third-party insurance administrators excluded from AML/CFT obligations due to lower risk profile.

Increased use of supervisory technology and AI-driven financial intelligence tools.

Beneficial Ownership & Corporate Transparency

Companies, Partnerships, Foundations and Sociétés will face enhanced beneficial ownership reporting obligations.

Date of birth of beneficial owners to be maintained in registers.

Beneficial ownership filing requirements extended to Sociétés.

Securities and Capital Markets

Securities Act

Formal recognition of:

MINDEX Limited as an official exchange.

MINDEX Clearing Limited as an official clearing and settlement facility.

This formalises the legal status of entities already licensed by the FSC.

Variable Capital Companies (VCC)

Variable Capital Companies Act

Protected Cell Companies (PCCs) will be allowed to convert into Variable Capital Companies while preserving legal continuity.

Implication: Enhances flexibility for investment fund structures and supports Mauritius' international financial centre strategy.

Supporting Fintech and Digital Finance

Virtual Asset and Initial Token Offering Services Act

Clarification that senior executives of Virtual Asset Service Providers must:

- Be resident in Mauritius; and
- Hold a senior management position.

Unlicensed persons will be prohibited from soliciting investors for virtual asset transactions or token offerings.

The Government is preparing a legal and regulatory framework for emerging financial technologies.

Stablecoins

Introduction of regulations governing:

- issuance of stablecoins;
- investment in stablecoins; and
- regulatory oversight of stablecoin activities.

Tokenisation of Real-World Assets (RWAs)

- Traditional assets such as real estate, bonds, shares, and commodities will be able to be digitally represented on blockchain networks.

Open Banking Framework

Implementation of an Open Banking Framework to facilitate the secure sharing of customer financial data between:

- licensed banks;
- virtual asset service providers (VASPs); and
- authorised fintech companies.

Banking and financial services

Insurance Sector

Captive Insurance Act

FSC may extend regulatory filing deadlines for captive insurers upon valid justification.

Pension and Private Pension Sector

Private Pension Schemes Act

Abandoned pension entitlements will be transferred to the Curator of Vacant Estates instead of remaining in an FSC-administered fund.

Pension Sector Reform

FSC is expected to introduce a pension income drawdown framework.

New National Pensions Fund framework based on defined contributions from July 2027 is proposed.

Global Business and International Financial Centre Measures

Regulatory Framework of Businesses

Waiver of Debenture Holders' Representative requirement for Global Business Companies and Authorised Companies issuing debentures exclusively outside Mauritius.

Enhanced beneficial ownership and AML transparency requirements.

International Financial Organisations Act

Modernisation of the framework governing Mauritius' participation in the IMF, World Bank and IFC.

Alignment with updated international agreements and standards.

Gambling Sector Reforms

Gambling Regulatory Authority Act

The gambling sector faces one of the most extensive legislative overhauls.

Structural and Governance Changes

Creation of:

- Responsible Gambling and Communications Division.
- Finance and Procurement Division.

Board may delegate certain powers to management.

Authority may engage a professional firm to act as Board Secretary.

Digital Gambling

Introduction of a legal definition for "digital games".

Licensing framework for digital games operated by:

- Casinos,
- Gaming houses,
- Limited payout machine operators.

Mandatory certification of digital games and platforms by accredited independent gaming laboratories.

Casino Industry

Hotel casinos will cease to be authorised activities.

Existing provisions relating to hotel casino licensing and operations will be repealed.

Betting & Gaming Operations

Betting platform suppliers will require GRA licensing.

Registration of croupiers and dealers becomes mandatory.

Registration fee of Rs 1,000 per application.

Foreign employees and technicians of amusement machine operators must register with GRA.

Gaming Machines

Importation of gaming and amusement machines restricted to licensed operators.

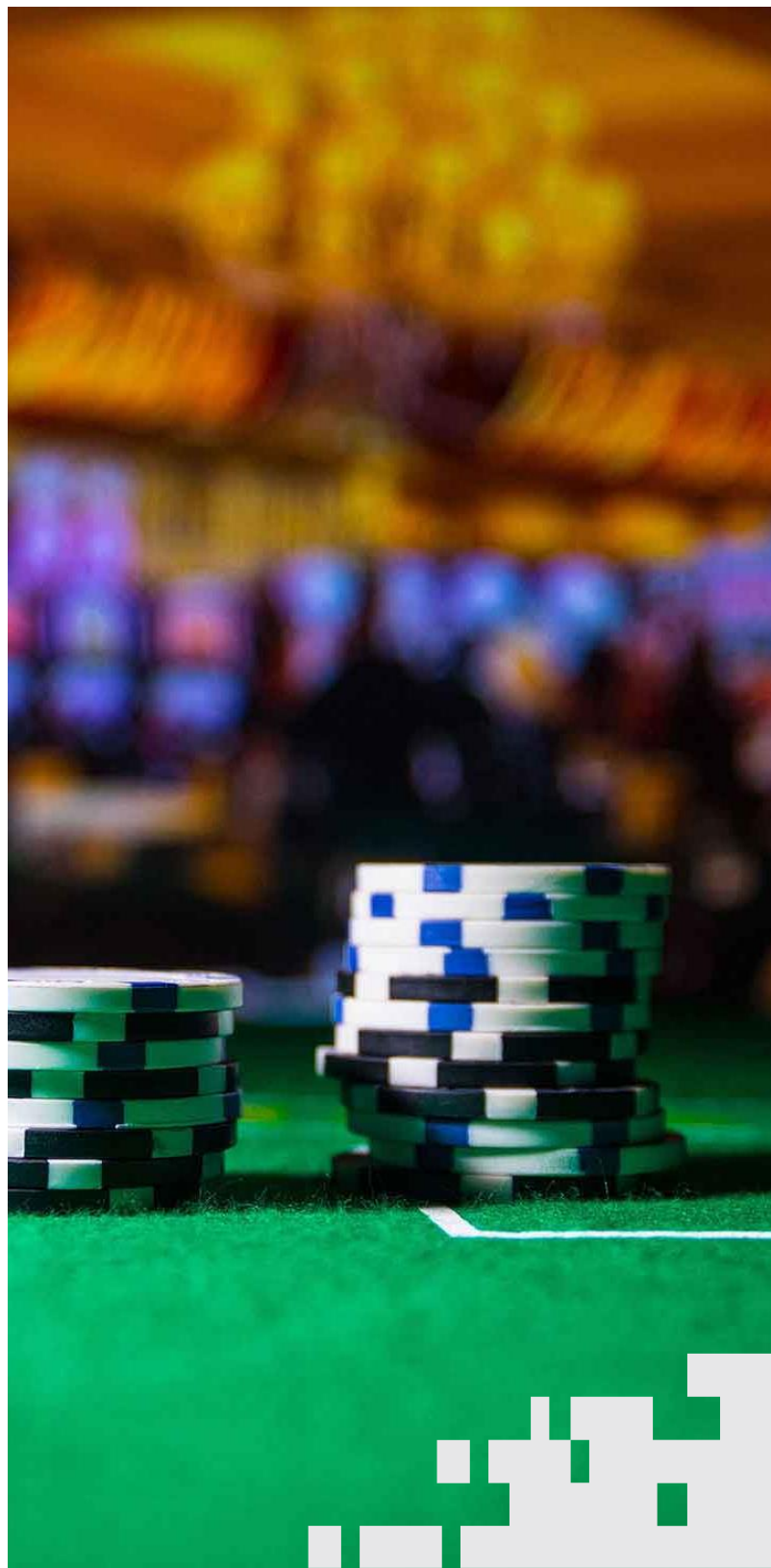
Amusement machine operators may operate only from their principal place of business.

Annual tax per amusement machine increased from Rs 500 to Rs 1,000.

Horse Racing

GRA empowered to promote training of local apprentice jockeys.

In parallel, the gambling sector is being modernised through enhanced governance, stricter oversight, digital gaming regulation, and the phasing out of hotel casino activities.





**REAL ESTATE AND
ENERGY**



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Real estate reform, the Côte d'Or Special Economic Zone, and renewable energy incentives form a connected agenda to expand housing access, attract technology-led investment, and accelerate Mauritius' transition to cleaner energy.

”

The Minister of Finance has outlined a series of proposed administrative, regulatory and financial measures concerning the real estate, special economic zone, and energy sectors.

The 2026-2027 budget details various modifications to property taxation mostly designed to help acquisition of housing for first time buyers, providing housing development frameworks for low and medium income earners, and renewable energy incentives.

The Special Economic Zone at Côte d'Or represents a flagship measure aimed at boosting IT related infrastructure and businesses while the incentives around renewable energy are aimed at providing incentives to households and major energy producers so as to reach the government's target of renewable energy in Mauritius.

Bipin Gooriah
Risk & Compliance Director

Real Estate

(a) Cote d'Or Special Economic Zone:

A new high-tech Special Economic Zone is being set up on 83 arpents of land at Côte d'Or.

Under the Scheme, a comprehensive package of incentives will be granted. Key incentives under the Scheme include: (a) 100% foreign-ownership allowed with concessionary rental rate equivalent to 40% of the market rate for a period of 10 years; and (b) long-term leases of 30 years, renewable for 2 more consecutive periods of 30 years each.

(b) The duties and taxes applicable on the transfer of residential properties under the EDB property schemes will be reviewed.

(c) Amendment of the relevant legislation to enforce a Green Building Code.

(d) Housing projects by government

- For low-income social housing, Rs 2 billion is provided for off-site infrastructure under Phase one of the 8,000 social housing project.
- Government will partner with the private sector to deliver mixed-income housing projects on privately owned land. A proportion of these units will be reserved at preferential rates for both low and middle-income families through the National Housing Development Company Ltd and New Social Living Development Ltd.
- State land will be made available for the development of around 1,000 housing units for middle-income families in partnership with the private sector on a pilot basis.
- Rs 150 million is provided for the implementation of 100 serviced plots with essential infrastructure on a pilot basis for middle-income families.

(e) Incentives for first-time buyer, of:

- bare land - exempted from Registration Duty on the first Rs 3 million of the value of the property instead of the first Rs 2.5 million.
- an apartment or a house - exempted on the first Rs 6 million of the acquisition price instead of the first Rs 5 million.
- agricultural land – similar exemptions as for other first time buyers

(f) Ground + 2 Apartment schemes

Government will no longer grant, under the G+2 Scheme, leases authorising the sale of apartments constructed on state lands and Pas Géométriques, and will accordingly not authorise the sale of such apartments to foreigners.

A special levy of 10 percent will be imposed on the sale of such apartments payable by the vendor. This levy will not apply to notarial reservation contracts that have already been signed.

(g) A deed of transfer witnessing the transfer of immovable property by the National Housing Development Company Ltd or the New Social Living Development Ltd to a 'syndicats de copropriétaires' will be exempted from the payment of Registration Duty, Land Transfer Tax and Tax on Transfer of Leasehold Rights in State land.

(h) The fixed duty applied on registration of land surveyor reports will henceforth be charged on each lot specified in the reports.

(i) The fees applicable on searches made on the immovable property database of the Registrar-General's Department will be increased as follows: (a) from Rs 200 to Rs 300 in respect of a day... (b) from Rs 2,000 to Rs 5,000 in respect of monthly subscriptions.

(j) The Morcellement Act will be amended to remove the requirements relating to 'Association Foncière' and 'Green Forest' to enhance public health and safety. The requirement for the provision of 2% green space for morcellements of more than 20 lots will be maintained.

(k) The State Lands Act will be amended to remove the deferment facilities introduced for industrial site lessees following the Covid-19 pandemic to strengthen Government revenue mobilisation.

Energy sector

(a) Flagship project of the budget is about Building Energy Secure Mauritius with a goal to achieve 60 percent renewable energy mix by 2035. The strategy will be anchored on expanding storage capacity, inclusivity, efficiency and grid stability.

(b) The CEB has invited bids for 220 megawatts of Solar PV generation integrated with battery storage.

(c) Households and businesses are incentivised to invest into their own renewable energy projects under the new net metering arrangements and the carbon neutral schemes.

(d) The CEB will transfer ownership of the solar PV kits installed on the rooftop of 1,000 beneficiary households, enabling them to benefit from 100 percent of the electricity generated, compared to 50 percent currently.

(e) The CEB will increase its feed-in tariff payable to households exporting to the grid by 15 percent that is from Rs 4.20 to Rs 4.83 per unit.

(f) Eligible households will be provided a grant of 25 percent of the cost of acquisition of a rooftop solar PV, up to a maximum of Rs 75,000 per application, under the Household Rooftop Solar PV Scheme.

(g) Income tax exemption of 4 years will be granted to a qualifying expatriate employee of a company engaged in the manufacturing of solar photovoltaic systems.

(h) A photovoltaic system, as well as its components, namely photovoltaic generators, photovoltaic panels, photovoltaic batteries and photovoltaic inverters, would not be subjected to VAT.

(i) The Energy Efficiency Act will be amended to empower the Energy Efficiency Management Office to promote, facilitate, and regulate Energy Performance Contracting arrangements, thereby, providing the necessary legal and institutional framework to support the achievement of the national energy efficiency and renewable energy targets.

(j) A framework for solar-powered charging stations will be developed for buses to encourage the adoption of electric mobility.

(k) Amendments will be made to the relevant legislation to enforce a Green Building Code.





TOURISM AND HOSPITALITY

Tourism and hospitality

The Budget outlines measures to strengthen the sustainability, diversification and competitiveness of Mauritius' tourism and hospitality sector. The initiatives announced aim to enhance the visitor experience while creating broader economic opportunities across the industry.

Key tax measures affecting the Sector

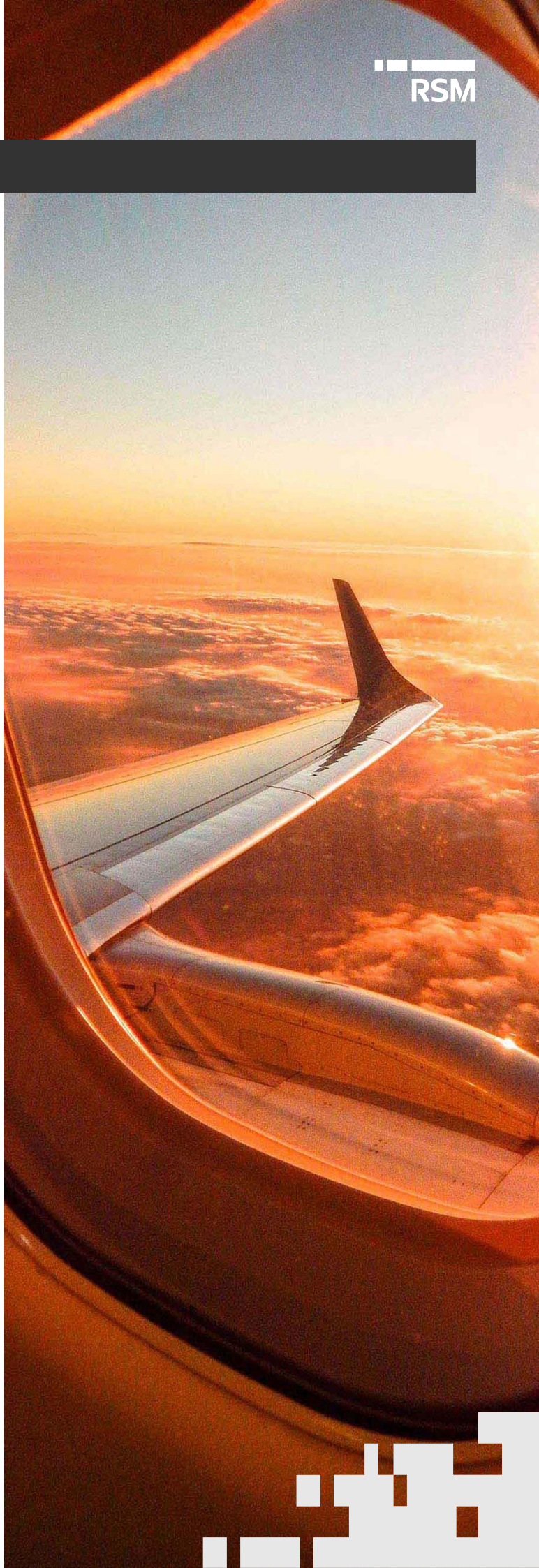
The rate of annual allowance applicable to capital expenditure incurred on hotels will be reduced from 30% to 15%.

From 1 July 2026, companies will no longer be able to claim the 150% tax deduction previously allowed on expenditure incurred by hotels for cleaning, renovation, and embellishment works.

Where a VAT-registered person is engaged in the provision of accommodation services in a hotel or tourist residence, he will be required to remit 50% VAT in foreign currency.

Development of Eco-Integrated Tourism Villages - Government will support the development of eco-integrated tourism villages across different regions of Mauritius. These villages will showcase the country's cultural heritage, local cuisine, handicrafts, history, agriculture and natural attractions while offering visitors authentic experiences beyond the traditional resort environment.

Overall, the Budget supports the transformation of the tourism sector through targeted development and modernisation initiatives. However, operators should also consider the impact of the fiscal and compliance measures introduced.





Agriculture and start-ups revolution and SMEs



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Building a diversified economy requires a stronger pipeline of start-ups, more competitive SMEs, and a more productive agricultural base.

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The Budget introduces a broad set of measures to strengthen the start-up and SME landscape and promote economic diversification. A comprehensive start-up ecosystem will be developed through a dedicated Start-Up Act, a Start-up Hub at Côte d’Or, a public-private Start-Up Council, and an Accelerator Scheme. Start-ups will benefit from a 10-year income tax holiday, a digital patent system, and a tailored labour framework, alongside innovation scholarships providing seed funding to university students.

SMEs will be supported through a new SME Bill, continued duty exemptions on selected assets, and the creation of a single digital platform providing access to schemes, incentives, and financing. Additional measures include a women-focused incubator and improved access to public procurement through a 40% margin of preference for locally produced goods.

In agriculture, reforms aim to enhance productivity and resilience through land rehabilitation, tea replantation incentives, agroforestry initiatives, and expanded livestock support

Parvish Bisnauthsing
Assurance Partner



Agriculture

The Economic Development Board Act will be amended to provide for the discontinuation of the Integrated Modern Agricultural Morcelllement Scheme, in view of the absence of applications since its introduction. Consequential amendments will be effected to the Income Tax Act, the Sugar Industry Efficiency Act and the Land Duties and Taxes Act.

To increase sugar production and attain the target of 250,000 tonnes by 2030, Rs 100 million will be provided yearly over the next three years for the rehabilitation of 500 hectares of land owned by small and medium planters.

To enhance tea production, a grant of 50 percent of replantation cost, up to a maximum of Rs 25,000 per arpent, will be made available to small tea growers. This is expected to result in a 50 percent increase in tea production by 2029.

To promote agroforestry while building climate resilience, a Forest Bill will be introduced. An agroforestry project will be implemented to serve as a resource centre for researchers and farmers, while producing safe foods for the local market and strengthening our food security policy.

To further boost the agricultural sector, Government is investing in increasing livestock production as follows:

- Rs 45 million for upgrading farm buildings, goat reproduction farms and scaling up cattle and sheep reproduction farms to increase the supply of breeding stock.
- Rs 75 million to subsidise the purchase of animal feed by breeders.
- Rs 27 million under the Livestock Development Scheme for incentives for the purchase of animals, equipment and assistance for veterinary services.
- Rs 50 million for the construction of a modern, state-of-the-art veterinary hospital.



Start-up & SMEs

Key Actions

The key measures involving start-up include the creation of an eco-system comprising a dedicated Start-Up Act, a Hub at the upcoming Special Economic Zone at Cote D'Or, a high-level public-private Start-Up Council to oversee implementation and coordination, an Accelerator Scheme at the EDB, a digital patent management system, a dedicated start-up labour framework that draws on international best practices and **an income tax holiday of 10 years for start-ups, applicable from the day of operations**

Innovation Scholarships of up to Rs 500,000 in seed funding will also be awarded to ten university students

Most start-ups will qualify as SMEs and they will also benefit from the existing and new policies to support SMEs.

The new policies for SMEs include:

- An SME Bill to create a more conducive business environment;
- An extension of custom duty exemption on eligible utility vehicles to registered SMEs operating in transformative sectors
- A single digital platform to be developed by SME Mauritius sharing information on all schemes, grants, tax incentives, and financing facilities

Rs 5 million will be provided for a dedicated incubator for Women under the SME scheme.

The Procurement Policy Office will issue new directives for **SMEs holding Made in Moris Certificate to submit proof of local production to qualify for the 40% margin of preference applicable to public contracts.**

Sayaka

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