NATIONAL BUDGET 2020-2021

BUDGET BRIEF
JUNE 2020

THE ECONOMY OF LIFE- OUR NEW NORMAL

PREPARED BY

Perigeum Capital

EDITORIAL

Dr the Honourable Renganaden Padayachy, Minister of Finance, Economic Planning and Development, delivered his budget speech for year 2020/2021 in an exceptional and unprecedented climate characterized by the prevalence of the Covid-19 pandemic which has seen almost half of the world population being confined to their homes while the global economy has stalled, receding to a degree not witnessed throughout history either in terms of its contagious nature or unequalled quantum. The IMF prediction of a contraction of 3% of the world economy in 2020 is in tandem with the uncertainty surrounding the invigoration of all economies around the world through measures envisioned both individually and collectively in the propping up of critical growth sectors across the globe. The projected contraction for Mauritius is 11% for the current year and the different measures announced, if implemented successfully, should enable the country to embrace a return to normality or the "new normal" as coined by the Honourable Minister. The challenges are daunting and the tasks are gigantic indeed, especially where the veil of uncertainty allied with ambiguity is expected to hover around indeterminately and subsequently cloud our outlook for a return to normalcy.

INOCULATE THE ECONOMY WITH BOLD AND SURGICAL MEASURES TO RESTORE GROWTH, IMMUNITY AND RESILIENCE

The "Economy of Life" as the Honourable Minister would have it, rests on three maxims namely, Rolling out the 'Plan de Relance de l'investissement et de l'économie', Engaging in Major Structural Reforms, and Securing Sustainable and Inclusive Development. While major economies of the world, for instance, those in Europe, the US and Asian giants, have already adopted conservative stances of looking at the innards and are opposing resistance at completely opening up their economies due to the risk of conflagration of the Coronavirus, it remains to be seen how the country would fare in such a situation where nationalism and individualism are becoming the rule of the day in global trade and relations. The measures announced by the Minister of Finance somehow do also tread along those lines as one of the primary focus is towards protecting our local industries like construction, agriculture, manufacturing and the blue ocean economy. There is a tendency towards an import substitution strategy which would instill in the population the reflex of self-sustainability and enable SMEs to scale up their activities. Other important sectors like tourism and financial services are being awarded some proper attention given that they contribute a considerable share to GDP and employ a sizeable workforce.

The allocation of Rs100Bn for boosting investment in the above sectors needs to be undertaken with caution, professionalism and responsibility. There is no indication whatsoever on the mode of financing in relation to whether these would be in the form of equity, quasi-equity or simply debt finance. As the saying goes, "*nobody owes you a free lunch*", as such it remains to be seen to what extent enterprises which benefit from easing of their financial situation in whatever way from this Budget would be accountable and their performances monitored accordingly for the sake of using public finances.

The present Budget makes some hefty provisions on the social side with regards to pension which is seeing the establishment of a novel type of contributory scheme, namely the Contribution Sociale Généralisée (CSG) which is intended to ensure an additional guaranteed monthly income to citizens above the normal retirement age of 65 years old, leading to the repeal of the National Pension Fund. Although the general income tax rate remains untouched at 15%, Solidarity Levy of 5% for the excess amount of chargeable income plus dividends of a resident Mauritian earning citizen above Rs3M annually is being changed to 25%, thus suggesting an indicative rate of income tax of 40% for such relatively high income earners. A solidarity levy has also been introduced for corporates having gross income exceeding Rs500M with rates of 0.3% for insurance companies, financial institutions, service providers and property holding companies and 0.1% for other companies, with exemptions for companies operating in the tourism sector and those having a Global Business Licence. Those measures, while ensuring participation and empathy towards the poorer sections of the population, need to be carefully monitored and driven along judicious application of funds collected so that the right signal is sent to investors and potential workforce likely to consider Mauritius as a destination to do business.

"You have to take hold of the future or else the future will take hold of you." Dr. Patrick Dixon

As Oscar Wilde remarked, "*The only thing I cannot resist is temptation*", the amount put at the disposal of the Government by the Bank of Mauritius is colossal and will remain in the history books as the only one time that the Central Bank had to resort to such a situation as an exceptional measure under exceptional circumstances to support the revival of the economy and cannot recur for obvious reasons linked to depreciation of our currency and inflationary deflagration. The philosophy of the Minister of Finance in his Budget speech is laudable in the sense that may be, we would never witness a Minister of Finance come forward again to adopt such bold measures and vaccinate the economy in order to prevent any further fallout and build the foundations for future renaissance. The aphorisms used by the Minister in his concluding remarks, namely, social justice, innovation, inclusiveness, sustainability and empathy carry strong meanings the import of which must, as a matter of solidarity, be embedded in every action taken with regard to the implementation of this Budget.

Shamin A. Sookia
Managing Director

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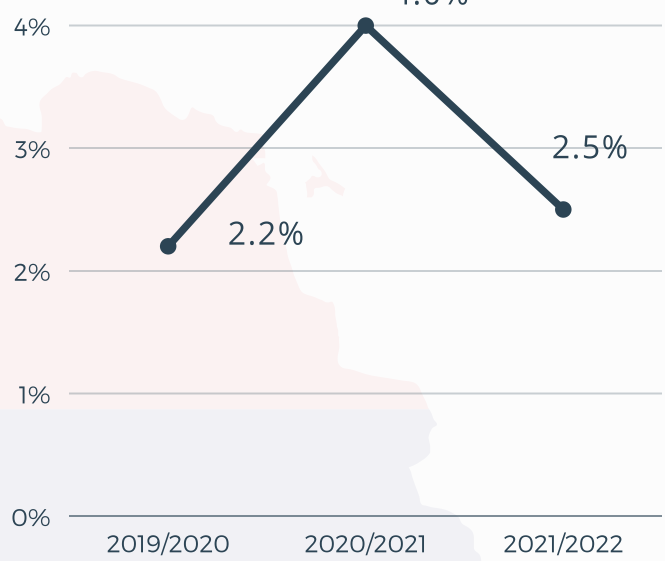
ECONOMIC REVIEW AND OUTLOOK

The Mauritian economy has not been spared by the coronavirus shock. Real GDP growth is projected to fall to -7.0% in FY 2020/2021 as compared to -5.8% in FY 2019/2020.

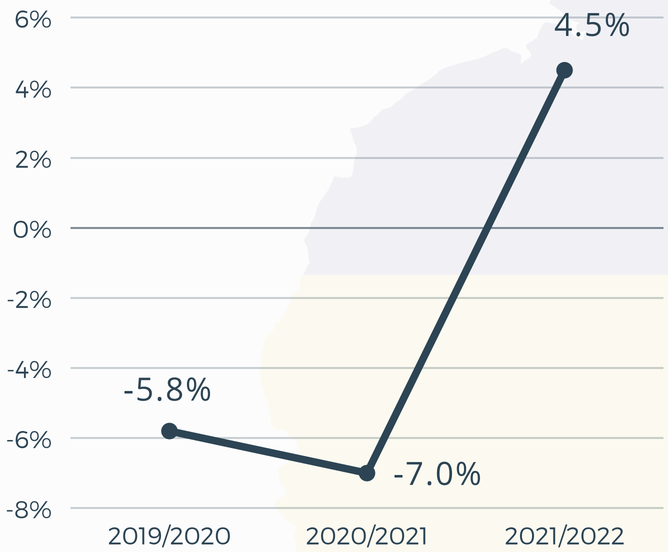
PROJECTED RECOVERY OF THE ECONOMY AS GLOBAL ACTIVITIES PICK UP IN 2021

INFLATION RATE



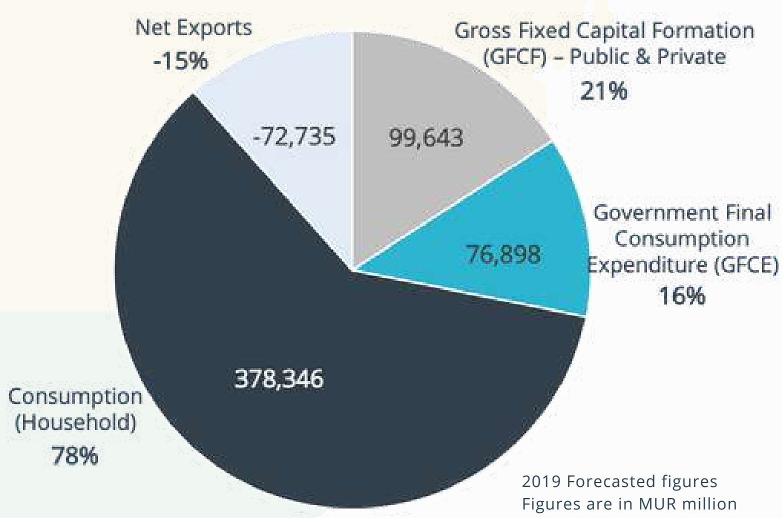
Source: *Ministry of Finance and Economic Development, Budget 2020-2021*

Real GDP Growth



Source: *Ministry of Finance and Economic Development, Budget 2020-2021*

2019 GDP COMPOSITION



Source: *Mauritius Statistics, National Accounts Estimates (2016-2019)*

Mauritius International Reserves

The Gross Official International Reserves (GOIR) of the country increased by **MUR 3.9 billion**, from MUR 276.7 billion (equivalent to USD 7.0 billion) as at end-March 2020 to **MUR 280.6 billion** (equivalent to USD 7.0 billion) as at end April 2020.

Source: *Bank of Mauritius. Gross Official International Reserves: End April 2020*

UNEMPLOYMENT RATE

2019 6.7%

2020 17.0%

According to the figures reported by IMF at April 2020, unemployment rate in Mauritius has ratcheted up and hit at **17%**, representing about 100,500 persons. This upsurge is a result of the collapse of several key industries amidst the COVID-19 pandemic.

Source: *International Monetary Fund, World Economic Outlook Database, April 2020*

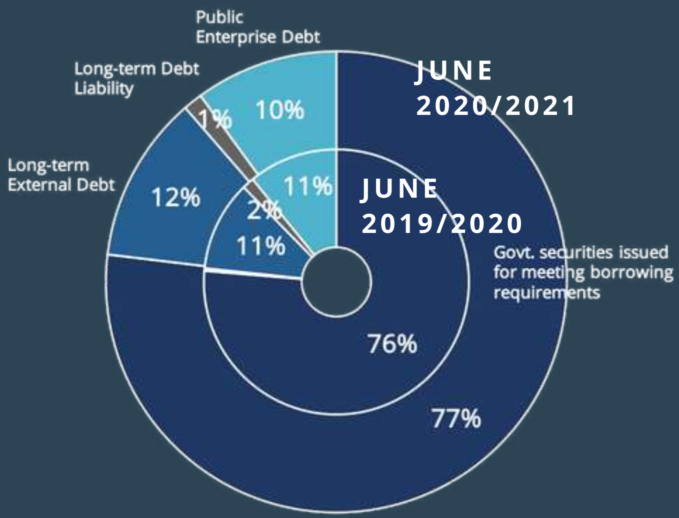
UNEMPLOYMENT RATE ON THE UPSURGE

PUBLIC SECTOR DEBT (AS % OF GDP)

2019/2020	2020/2021
72.7%	78.2%

Source: *Ministry of Finance and Economic Development, Budget 2020-2021*

PUBLIC DEBT COMPOSITION



*Consolidation adjustment of -MUR 4,000 million for 2019 and 2020 have not been considered

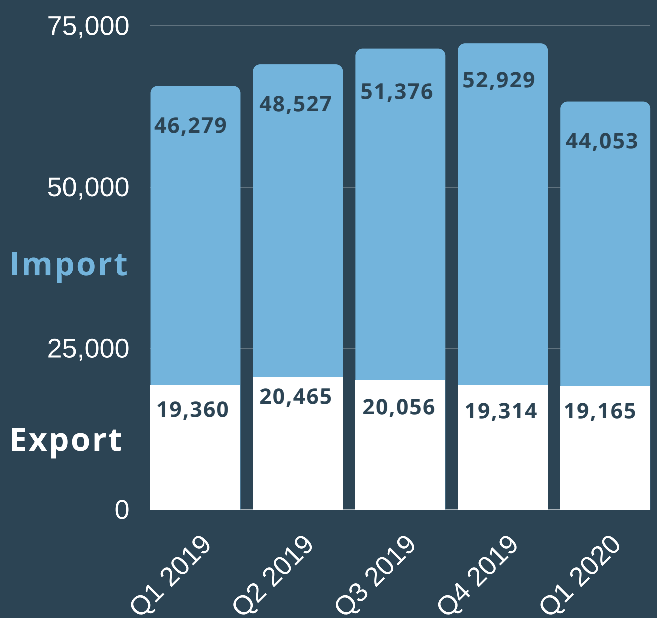
Extra Budgetary Units (EBU) Debt and Government Securities Issued for mopping up Excess liquidity have not been included

Source: *Ministry of Finance and Economic Development, Budget 2020-2021*

EXPORT & IMPORT

For the first quarter of 2020, total exports proceeds, including domestic exports, reexports and ship's stores and bunkers amounted to MUR 19,165 million, showing a decrease of 0.8% compared to the previous quarter. The trade deficit for the first quarter of 2020 worked out to **MUR 24,888 million**, 26.0% lower than the deficit of MUR 33,615 million of the previous quarter and 7.5% lower than the deficit of MUR 26,919 million of the corresponding quarter of 2019.

TOTAL EXTERNAL MERCHANDISE TRADE



Figures are in MUR million

Source: *Mauritius Statistics, External Merchandise Trade Statistics*

BUDGET 2020-2021 IN FIGURES

REVENUE

MUR **162.9** billion

EXPENDITURE

MUR **162.9** billion

The total revenue and expenditure for the year 2020/2021 both are MUR 162.9 billion.

2019/2020 Budget Deficit	2020/2021 Budget Deficit
-13.6% of GDP	**0.0%** of GDP

REVENUE

Taxes on Income and Profits	23.3
Taxes on Property	5.5
Tax on Goods and Services	55.7
Taxes on Intl. Trade and Transactions	1.1
Other Taxes	4.9
Social Contributions	4.3
Other Revenue	65.1
Grants	3.0

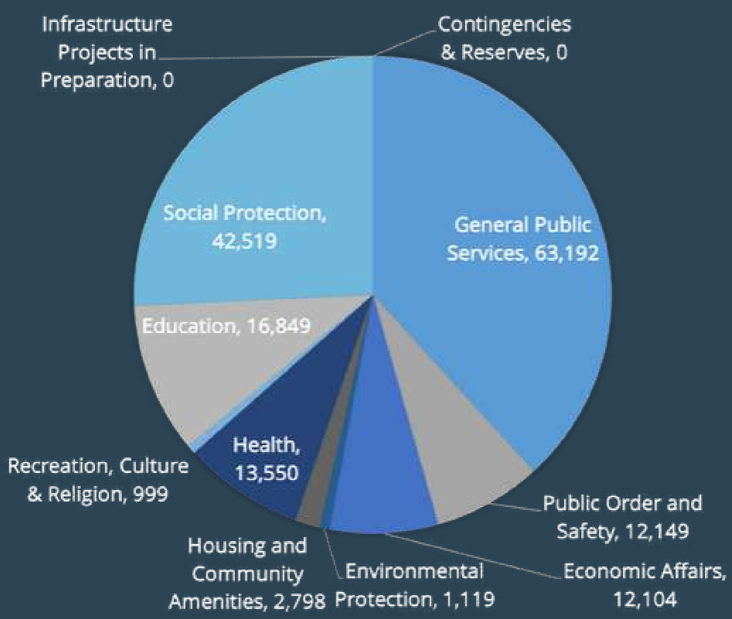
EXPENDITURE

Social Benefits	44.3
Compensation of Employees	30.6
Subsidies & Grants	30.8
Purchase of Goods & Services	10.5
Interest	12.7
Capital Expenditure	30.0
Other Expenses & Contigencies	4.0

Figures are in MUR billion
Source: *Ministry of Finance and Economic Development, Budget 2020-2021*

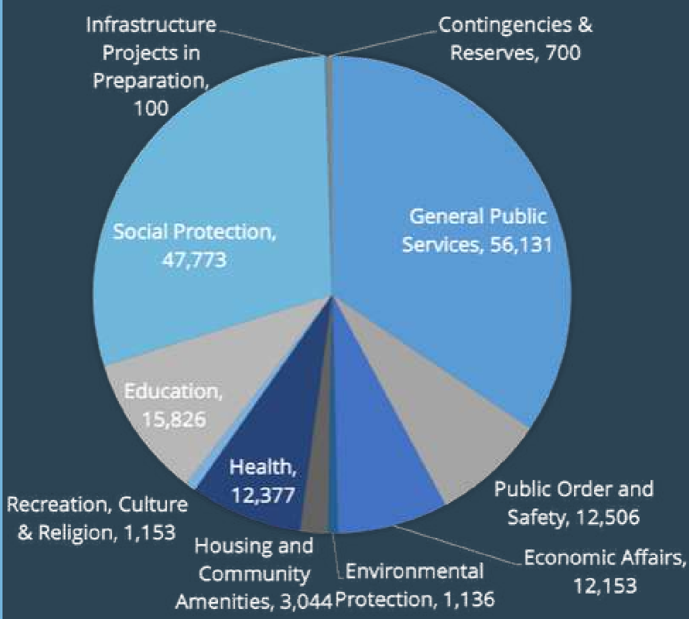
EXPENDITURE BREAKDOWN

EXPENDITURE BY SECTORS 2019/2020



All figures are in MUR million
Source: *Ministry of Finance and Economic Development, Budget 2019-2020*

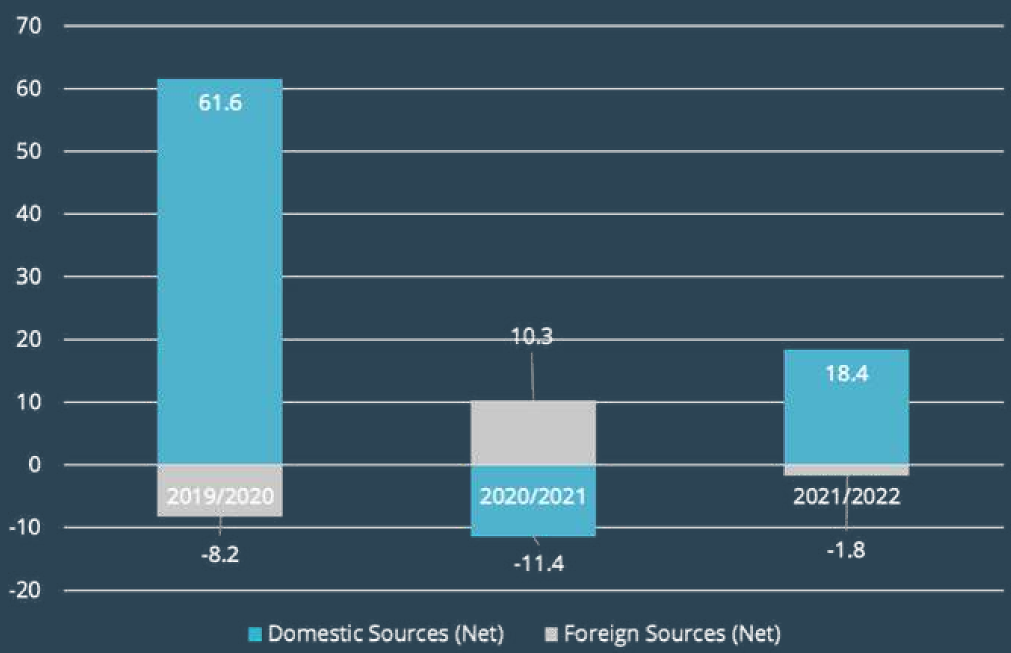
EXPENDITURE BY SECTORS 2020/2021



All figures are in MUR million
Source: *Ministry of Finance and Economic Development, Budget 2020-2021*

FINANCING PLANS

The Net Borrowing Requirements for the year 2020/21 is at - MUR 1.1 billion and will be financed through both domestic and foreign sources.



Figures are in MUR billion
Source: *Ministry of Finance and Economic Development, Budget 2020-2021*

FINANCIAL SERVICES

MEASURES TO ADDRESS CURRENT CHALLENGES FACED BY THE FINANCIAL SERVICES SECTOR

- The Government's top priority is to continue ensuring compliance with recommended international best practices and norms.

- The Government will implement the following measures to ensure compliance with the five remaining recommendations under the Financial Action Task Force (FATF) Action Plan for Mauritius by September 2020.

  a. Risk-based supervisions;
  b. Targeted outreach programmes to promote clear understanding of money-laundering and terrorist financing risks;
  c. Increased reporting of suspicious transactions;
  d. Targeted financial sanctions in cases of terrorist financing; and
  e. Timely access to beneficial ownership information.

- A new AML/CFT (Miscellaneous Provisions) Bill will be introduced to complement existing legislative framework.

- A dedicated and specialised Financial Offences Court will be set up.

DIVERSIFYING OUR FINANCIAL SERVICES SECTOR

- The following new products will be introduced in order to boost our financial services sector and increase competitiveness.

  a. The Central Bank digital currency.
  b. An Insurance Wrapper.
  c. Variable Capital Companies.
  d. An inaugural Sukuk issuance by the Bank of Mauritius.
  e. Green and Blue Bond frameworks by the Bank of Mauritius.

- New frameworks for digital banking, private banking and wealth management by banks, will be introduced by the Bank of Mauritius

THE STOCK EXCHANGE OF MAURITIUS LTD WILL SET UP A DEDICATED VENTURE CAPITAL MARKET FOR START- UPS AND SMES.

CHANGES TO LEGISLATIONS

(1) Securities Act 2005

Amendments will be brought to create an obligation for corporate finance advisory firms to keep and maintain records of debts raised on behalf of issuers.

(2) Financial Services Act 2007

Various amendments will be brought to the Financial Services Act, including the following:-

(a) A provision that the Board of the FSC may appoint an employee to exercise the powers of the FSC as set out under Part VIII of the Financial Services Act in the absence of an appointed Chief Executive;

(b) Giving a flexibility regarding the filing of annual financial statements during a curfew period or situation of emergency or natural disasters;

(c) cater for exemptions for filing of annual financial statements where the FSC believes that it is not applicable;

(3) Companies Act 2001

In line with international best practices and to increase shareholder's protection, changes will be made in the Companies Act to:-

(a) define conducts deemed prejudicial to shareholders and engage Director's liability for prejudicial conduct; and

(b) provide that a company listed on the Stock Exchange of Mauritius Ltd should have on its Board of directors at least 2 independent and non-executive directors.

FISCAL MEASURES

INCOME EXEMPTION THRESHOLD

Category	1 July 2019 to 30 June 2020	1 July 2020 to 30 June 2021
A. Individual with no dependent	MUR 310,000	MUR 325,000
B. Individual with one dependents	MUR 420,000	MUR 435,000
C. Individual with two dependents	MUR 500,000	MUR 515,000
D. Individual with three dependents	MUR 550,000	MUR 600,000
E. Individual with four or more dependents	MUR 600,000	MUR 680,000
F. Retired/disabled person with no dependent	MUR 360,000	MUR 375,000
G. Retired/ disabled person with dependents	MUR 470,000	MUR 485,000

SOLIDARITY LEVY

- As from the income year 2020-2021, Solidarity Levy will be applied on the chargeable income plus dividends in excess of Rs 3 million of a Mauritian citizen at the rate of 25%.
- Lump sum income received by a person by way of commutation of pension, death gratuity or as compensation for death or injury is excluded from the computation of the Solidarity Levy.
- The Pay As You Earn (PAYE) system will apply to the Solidarity Levy.

DOUBLE TAX DEDUCTION ON INVESTMENT

- Enterprises which have been affected by COVID-19 will be entitled to a double tax deduction on their investment in Plant and Machinery during the period 1st March 2020 to 30th June 2020.

INCOME TAX HOLIDAY

- A company engaged in the manufacture of nutraceutical products will be tax exempt for a period of 8 years provided it starts its operations on or after 4th June 2020.
- An inland aquaculture scheme will be introduced and will benefit an 8-year tax holiday.
- To encourage the top 500 institutions worldwide to set up branch campuses in Mauritius, the following incentives will be made available:
  (i) Tax holiday for the first 8 years of operation; and
  (ii) Exemption of tax on IT and IT related materials and equipment for the purpose of online education.

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PARTIAL EXEMPTION REGIME
The partial exemption regime on interest income does not cover:
(i) non-bank deposit taking institutions
(ii) money changers
(iii) foreign exchange dealers
(iv) insurance companies
(v) leasing companies; and
(vi) companies providing factoring, hire purchase facilities or credit sale facilities.

LEVY ON CORPORATES
A company, having gross income exceeding Rs 500 million in an accounting year or if it forms part of a group of companies where the gross income of the group exceeds Rs 500 million, will be subject to a levy on its annual gross income at the rate of:
(i) 0.3% for insurance companies, financial institutions, service providers and property holding companies; and
(ii) 0.1% for other companies.
The levy will not apply to a company which operates in the tourism sector or which holds a Global Business License.

INDIRECT TAX

1.VALUE ADDED TAX

Digital and electronic services provided through internet by non-residents for consumption in Mauritius will be subject to VAT. This will be a new category of service under the VAT Act.
Equipment under the inland aquaculture scheme will be VAT exempt.
Payment of VAT will be due on the receipt date instead of invoice date for Government contracts in relation to construction works.

2.TAX ADMINISTRATION

(I) INCOME TAX

- Income tax refunds will be effected within 60 days from receipt of all documents for all taxpayers.
- Previously this was 3 months and 6 months in the case of employees and other cases, respectively.

(II) VALUE ADDED TAX ACT

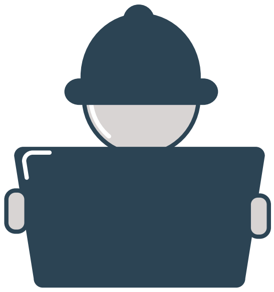
- VAT-registered persons supplying both taxable and exempt supplies may apply for an alternative basis of apportionment for input tax where it is engaged in a project spanning over several years. More guidance is required on the alternative basis of apportionment.
- An administrator, executor, receiver or liquidator has to inform the MRA of his appointment within 15 days of him being appointed to manage or wind up the business of a taxable person.
- For VAT refunds on residential building, claim for VAT refund of less than Rs 25,000 can be made where the amount of VAT paid during a quarter and the preceding three quarters do not exceed Rs 25,000. This measure aims to help persons at the lower rung whose constructions span over a long period.
- VAT e-invoicing system will be introduced by the MRA.

CONSTRUCTION

INCENTIVISING THE CONSTRUCTION INDUSTRY:

- Waiving fees related to the Building and Land Use Permit (BLUP) for construction of pharmaceutical manufacturing factories, food processing plants and warehouses.
- Facilitating purchases of immovable properties by foreign buyers through digital Power of Attorney.
- Extending the Construction of Housing Estate Scheme and Acquisition of Newly Built Dwellings Scheme for another period of two years; and also raising the eligibility threshold under these schemes from 6 to 7 million rupees.

EXCLUSIVITY FOR MAURITIAN COMPANIES WITH REGARDS TO PUBLIC PROJECTS WITH INVESTMENTS OF LESS THAN RS 300 MILLION AND WHERE PRE-QUALIFICATION IS NOT REQUIRED BY CENTRAL PROCUREMENT BOARD.



- Amendment of Construction Industry Development Board Act to review the grading of contractors.
- Exemption from Land Transfer Tax to Promoter undertaking the construction of housing projects for Mauritians
- No registration duty and land transfer tax payable on transfer of freehold bare land for construction of housing estate project provided transfer of land is made before 31st December 2020
- Exemption of land transfer tax to be granted on the sale of residential unit provide it is made to a Mauritian before 30th June 2022
- The Prime Minister may validate acquisition of property by non-citizen after transaction has been effected if he is satisfied of the credentials of the non-citizen

AGRO INDUSTRY

THE COVID-19 CRISIS HIGHLIGHTED THE NEED TO BE AS SELF-SUFFICIENT AS POSSIBLE.

- Inception of a comprehensive National Agri-Food Development Programme, promoting the Farm to Fork concept, ensuring food security and reducing dependence on imports.
- The Food and Agricultural Research & Extension Institute (FAREI) will develop the necessary standards and norms for production, storage, transformation and commercialisation of superfoods.
- The rate of customs duty on imported sugar will be increased from 80% to 100%.

Various loan schemes will be made available and will include, amongst others, the following:

- New Agricultural Loan Scheme - up to Rs 5 million to encourage return of abandoned land back under cultivation and assist planters to adopt new cultivation techniques.
- Agro-Industry Loan Scheme - up to Rs 5 million to encourage investment in the transformation, processing and packaging of agricultural produce.

FOR DISTRESSED AGRICULTURAL COMPANIES AFFECTED DIRECTLY BY THE COVID-19 PANDEMIC, THE DEVELOPMENT BANK OF MAURITIUS (DBM) WILL PROVIDE LOANS AT A RATE OF 0.5 % ANNUALLY.

MANUFACTURING

A COMPREHENSIVE STRATEGY UNVEILED

- A Buy Mauritian program which favours local entrepreneurship and industrial development will be fostered.
- Appropriate legislations will be enacted and quotas will be imposed, where needed to protect and promote the ‘Made in Mauritius’ brand.
- A Margin of Preference of 20% on public purchases to all local manufacturing companies and 30 percent for manufacturing SMEs, will be provided.
- The investment tax credit of 15% over 3 years will be extended to all manufacturing companies.
- A double deduction will be provided on the cost of acquisition of patents and franchises, as well as the costs incurred to comply with international quality standards and norms.
- ISP Ltd will financially support enterprises producing hygienic goods such as sanitizers, PPEs, masks, handwash, and medical devices.

EXPORT SECTOR – A PARADIGM SHIFT

- Port dues and terminal handling charges for exports will be waived from July to December 2020 and reduced by 50% for the period January to June 2021.
- Government will support the first 2 years of operation of a “Made in Mauritius” warehouse set-up in Tanzania and Mozambique.
- Companies will benefit from a 50% refund on the costs of certification, testing and accreditation of local laboratories and will also be exempted from the payment of registration duty and land transfer tax for the purchase of immovable property.

A MINIMUM SHELF SPACE OF 10% WILL BE IMPOSED, FOR LOCALLY MANUFACTURED GOODS IN SUPERMARKETS.

TOURISM

- Support to be extended to national carrier.
- New tourism branding strategy to be developed by the EDB.
- Starting September 2020, Mauritius to enter commercial partnership with Liverpool Football Club for the promotion of the Mauritius destination.
- Introduction of Aparthotels scheme to enable existing hotels to convert part of their accommodation units into services apartments that can be sold individually.
- Special arrangements will be made at the airport to accommodate visitors coming in private jets to attract High Net Worth tourists.
- Waiver on the rental payment of state lands for hotels for the upcoming financial year
- Increase in Hotel Reconstruction and Renovation Scheme rebate from 50 % to 100% on rental of state lands for hotels for two years up to 30 June 2022.
- Companies operating under the Deferred Duty and Tax Scheme as well as the Mauritius Duty Free Paradise to be allowed to sell their goods on the local market, provided they pay taxes.

AMENDMENTS TO INVEST IN HOTEL SCHEME TO ALLOW OWNERS TO OCCUPY THEIR UNITS FOR A PERIOD OF 90 DAYS INSTEAD OF 45 DAYS IN A YEAR

- Corporate levy on companies having gross income exceeding Rs 500 million in an accounting year will not apply to a company operating in the tourism sector.

DATA ECONOMY, INNOVATION AND ENERGY

FACILITATING EMERGENCE OF NEW SECTORS

- Vision to create a Mauritius driven by data technology, through the creation of a new Data Technology Park at Côte d'Or.

- The Côte d' Or Data Technology Park will leverage the latest technology, design principles, and business philosophies to create an entrepreneurial community aimed at expediting the innovation process from idea to creation.

VISION TO CREATE A MAURITIUS DRIVEN BY DATA TECHNOLOGY,

INNOVATION AND DIGITALISATION

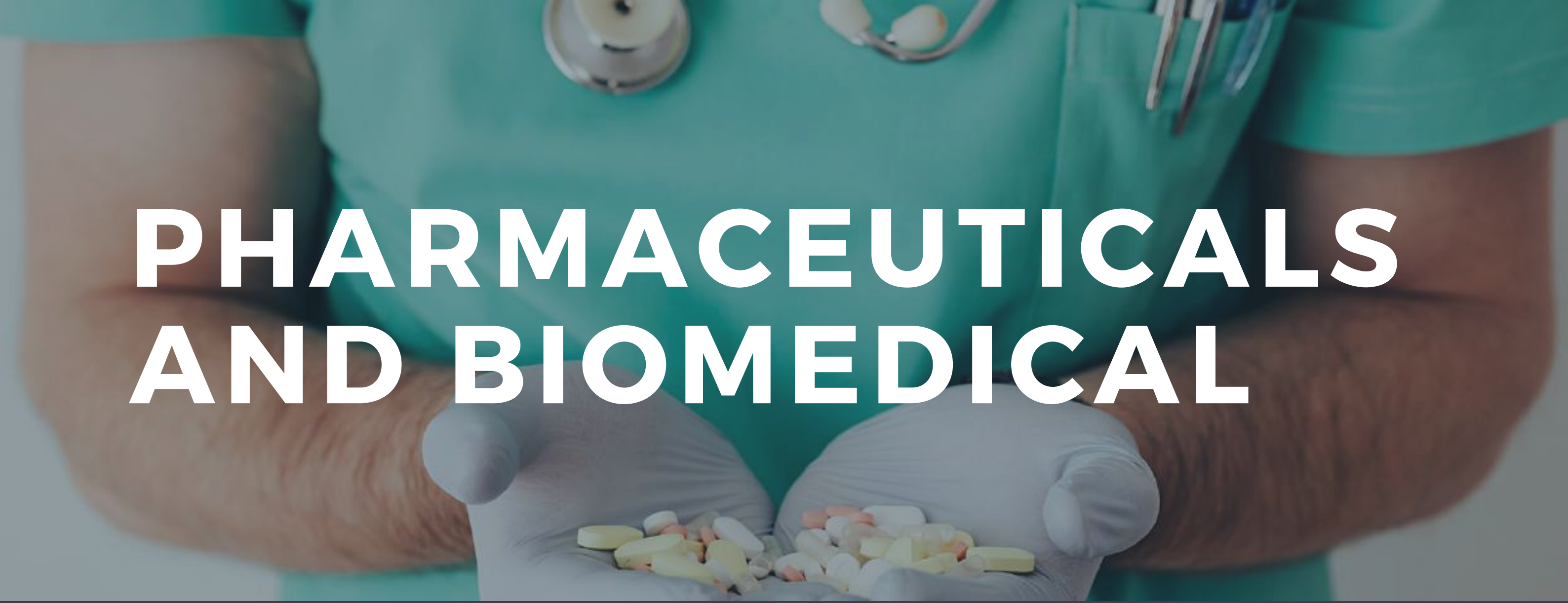
- A centralised digital Land Bank of State and Private Agricultural Land will be set-up under Landscope Mauritius Ltd and to operate as a platform to match demand and supply for land that can be used for food production.
- A new sandbox framework will be introduced to facilitate development of proof of concepts and pilot exercises to test the possibilities of innovative technologies.
- A series of additional measures will be implemented to ease business in the public sector, with a strong focus on digitalization.

The measures shall include amongst others:
- Mobile payment technology that will be integrated in Government online systems;
- Development e-services platform by the MRA to improve efficiency and transparency in service delivery to taxpayers; and
- Implementation of various online platforms to facilitate online submission of documents and applications.

ENERGY SECTOR – ENSURING SECURITY AND SUSTAINABILITY

A series of measures was announced in light with the endeavor to increase the share of local renewable energy in our energy mix to 40% by 2030.

- The Central Electricity Board (CEB) will introduce the following schemes to encourage the use of renewable energy:
  - i. A Medium-Scale Distributed Generation (MSDG) Scheme, for a maximum of 10 MW, to enable beneficiaries to produce electricity for their own consumption and sell the excess to CEB; and
  - ii. Installation of 25 MW of rooftop solar PV to cater for public and residential buildings.
- The residential units that will be constructed by the State under the Social Housing Scheme will also be equipped such that they make maximum use of renewable energy.



PHARMACEUTICALS AND BIOMEDICAL

- 50% refund to companies on the costs of certification, testing and accreditation of local laboratories
- Investment of Mauritius Investment Coporation Ltd in production of pharmaceutical products, medical devices and personal protective equipment through a public-private enterprise
- Waiving fees related to BLUP for construction of pharmaceutical manufacturing factories, food processing plants and warehouses
- Introduction of a Medical Products Regulatory Authority Bill to conform to international norms and standards
- Waiver on duty of acquisition of immovable property in the life sciences sector
- VAT exemption on construction materials and specialized equipment to medical R&D centres and double deduction on R&D expenditures
- Proclamation of Human Tissue Act
- Setting up of regulatory framework for telemedicine platforms

8-YEAR INCOME TAX HOLIDAY TO A COMPANY ENGAGED IN MANUFACTURING OF PHARMACEUTICAL PRODUCTS, MEDICAL DEVICES

- Setting up of National Centre for Disease Control and Prevention
- Medical, hospital and dental services to become zero-rated for VAT

BLUE ECONOMY

UNLOCKING THE POTENTIAL OF THE MAURITIAN BLUE ECONOMY

- The Mauritius Investment Corporation Ltd will invest in joint ventures engaged in fishing activities and its value chain to develop the fishing industry.

- An inland aquaculture scheme will be introduced with the following incentives:
  - an 8-year tax holiday; and
  - duty and VAT exemption on equipment.

- A Maritime Single Window will be introduced by the Mauritius Ports Authority to facilitate vessel clearances and reduce administrative bottlenecks at the port.

- In an attempt to curb the pollution emanating from non-biodegradable wastes, eco-bins and nets will be installed at strategic locations on beaches and at major sea outfalls to ensure that most of the plastic wastes are collected and diverted to recyclers.

AN INLAND AQUACULTURE SCHEME WITH AN 8-YEAR HOLIDAY INCENTIVE

ENTREPRENEURSHIP AND SMEs

- Provision of loans of up to MUR 10 million per enterprise at a concessional rate of 0.5 % per annum.
- One-off grant of up to a maximum of MUR 50,000 towards certification under 'Made in Moris' label in order to encourage local production.
- SMEs holding the 'Made in Moris' label will benefit from a Margin of Preference of 40% instead of 30 % under Public Procurement.
- Creation of a Technology and Innovation Fund of Rs 2 million to invest as equity in projects recommended by Mauritius Research and Innovation Council.
- The Procurement Policy Office will require Public Bodies to procure specific goods and services from SMEs only.
- SMEs and cooperative societies will benefit from a grant of 15 % on cost of assets of up to a maximum of Rs 150,000 under the DBM Enterprise Modernisation Scheme.
- A new Credit Check will be introduced to assess the credit worthiness of SMEs and Mid-Market Enterprises (MMEs) applying for funding under Government-sponsored schemes and guarantees.

made in moris TM

MUR 10 BILLION EARMARKED TO SUPPORT DISTRESSED SMALL AND MEDIUM ENTERPRISES (SMES) AND COOPERATIVE SOCIETIES.

- The SME Equity Fund Ltd will invest through the crowd lending mechanism to the tune of up to Rs 200,000 per project.

OPENING TO THE WORLD

- The Work Permit and Residence Permit will be combined into one single permit.
- Lengthening of the validity of an Occupation Permit (OP) and a Residence Permit for retirees to 10 years renewable.
- The minimum investment amount for obtaining an OP will be reduced from USD 100,000 to USD 50,000.
- The spouse of an OP holder will not need a permit to invest or work in Mauritius.
- OP holders will also be allowed to bring their parents to live in Mauritius.
- Professionals with an OP and foreign retirees with a Residence Permit will be able to invest in other ventures without any shareholding restriction.
- Non-citizens who have a residence permit under the various real estate schemes will no longer require an Occupation or Work Permit to invest and work in Mauritius.
- The Permanent Residence Permit will be extended from 10 to 20 years.
- OP and Residence Permit holders will be eligible to apply for a Permanent Residence Permit if they have held the permit for three consecutive years.
- The minimum monthly salary of Rs 30,000 for ICT professionals to obtain an occupation permit will be extended to other specified sectors.

THE MINIMUM INVESTMENT AMOUNT FOR AN INVESTOR TO OBTAIN THE STATUS OF PERMANENT RESIDENT OR A HOLDER OF AN IMMOVABLE PROPERTY UNDER AN EXISTING SCHEME TO OBTAIN THE STATUS OF RESIDENT WILL BE REDUCED FROM USD 500,000 TO USD 375,000.

- Non-citizens holders of Residence Permit, Occupation Permit or Permanent Residence Permit will be allowed to acquire one plot of serviced land not exceeding 2,100 m2 for residential purposes within smart cities.
    - This measure will be open for a period of 2 years ending 30th June 2022.
    - The non-citizens will have to complete the construction of a residential building within a period of 5 years.

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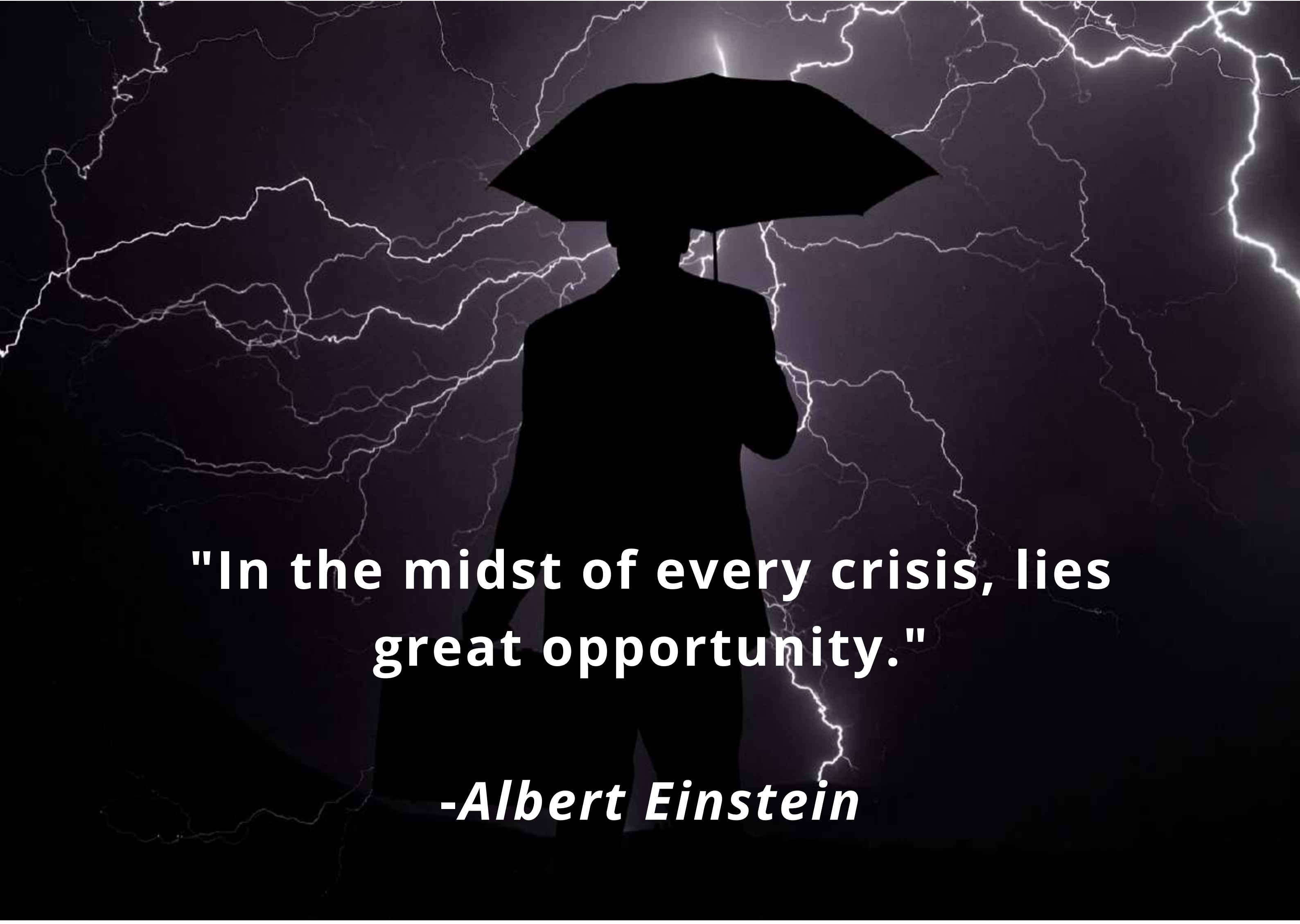

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