

INDIVIDUAL

Income Year:	Proposed		
	2008-09	2007-08	2006-07
Income Exemption Threshold			
Category A (no dependent)	Rs 240,000	215,000	215,000
Category B (1 dependent)	Rs 350,000	325,000	325,000
Category C (2 dependents)	Rs 410,000	385,000	385,000
Category D (3 or more dependents)	Rs 450,000	425,000	425,000
Category E (Retired with no dependent)	Rs 285,000	N/A	N/A
Category F (Retired with 1 dependent)	Rs 395,000	N/A	N/A

Personal tax rates

On first Rs 25,000	%	15%	15%	15%
On next Rs 25,000	%	15%	15%	15%
On next Rs 450,000	%	15%	15%	15%
Excess	%	15%	15%	22.5%
Interest income	%	15%	15%	15%

For income year commencing 1st July 2007 and in respect of every subsequent income year, personal tax will be at

Other personal reliefs & deductions (maximum amounts deductible)

Overseas passage provided by an employer (as from 1st July 2006) - as a % of monthly basic salary	%	6%	6%	6%
Travelling allowance	Rs	7,375	7,375	7,375
Deduction for medical expenses - 75% of expenses less refund up to a maximum of:				
treatment in Mauritius	Rs	N/A	N/A	25,000
treatment outside Mauritius	Rs	N/A	N/A	35,000
Donations to approved charities	Rs	N/A	N/A	40,000
Expenditure on education an training (self)	Rs	N/A	N/A	50,000

Personal tax reduction

Expatriate employees & certain specified Mauritian employees of certain companies (limited to 2 employees per company in certain cases)	%	50%	50%	50%
Expatriates - Global Business, freeport & pioneer financial services, equity fund management and ICT	%	50%	50%	50%

The above reduction will be available only to those employees benefiting from it as at 30th June 2006.

Due date for payment and submission of personal tax return

30 September following income year.

Taxable fringe benefits - effective as from 1st January 2007**(a) Car benefit - where car is used for both business & private purposes - monthly taxable benefit**

Up to 1600cc	Rs	4,000	4,000	4,000
1601 to 2000cc	Rs	4,500	4,500	4,500
Above 2000cc	Rs	5,000	5,000	5,000

(b) Car benefit - where car is used exclusively for private purposes - monthly taxable benefit

Up to 1600cc	Rs	12,000	12,000	12,000
1601 to 2000cc	Rs	13,500	13,500	13,500
Above 2000cc	Rs	15,000	15,000	15,000

(c) Interest free loans or loans at reduced rates

Amount of monthly interest at 8% p.a. less amount of monthly interest paid by employee

(d) Housing benefit

	Owned	Rented
Unfurnished (as a % of employees monthly emoluments)	10%	15% or rent paid if lower
Furnished (as a % of employees monthly emoluments)	15%	20% or rent paid if lower

(e) Repayment or write-off of employees' debt by employer

Amount of debt repaid or written off in the month

(f) Domestic and private expenses borne by employer

Actual amount paid for the month

INDIVIDUAL (CONTINUED)

Taxable fringe benefits - effective as from 1st January 2007 (continued)**(g) Tax paid by employer (depending on the contractual terms between employer & employee)**

Tax payable on actual emoluments /Factor which varies according to marginal tax rate applicable. Yearly bonus should be excluded in the computation of 'emoluments' for housing benefit. In the case of car benefit and housing benefit, the taxable amount is reduced by any contribution made by the employee.

Income Year:	Proposed			
	2008-09	2007-08	2006-07	
Exempt emoluments of PAYE purposes				
Monthly emoluments above	Rs	18,500	16,500	16,500

Monthly tax to be withheld under PAYE

Tax Rate * (Cumulative Emoluments in Income Year - Cumulative Income Exemption Threshold in Income Year) - Cumulative tax already withheld in Income Year)

PAYE for Directors

Tax must be withheld at 15% from fees paid to directors of companies whether resident or non-residents.

National pension and other contributions

Employers: % of earnings (max.: Rs 8,640 monthly)	%	6%	6%	6%
Employees: % of earnings (max.: Rs 8,640 monthly)	%	3%	3%	3%
NSF: payable by employer (max.: Rs 8,640 monthly)	%	2.5%	2.5%	2.5%
Training Levy: payable by employer (no max. limit)	%	1%	1%	1%

BUSINESS

Capital allowances**Assets eligible for 100% allowance in the first year**

Plant & mach. cost < or = Rs 30,000 (Rs 10,000)	%	100%	100%	100%
Aircrafts and aircraft simulators leased by a company engaged in aircraft leasing	%	100%	100%	100%

Annual allowances computed on a straight line basis

Commercial premises	%	5%	5%	5%
Industrial premises excluding hotels	%	5%	5%	5%
Other item of capital nature	%	5%	5%	5%

Annual allowances computed on a reducing balance basis

Plant & mach. costing > Rs 30,000 (Rs 10,000)				
(a) ships or aircrafts	%	20%	20%	20%
(b) furniture & fittings	%	20%	20%	20%
(c) motor vehicles	%	25%	25%	25%
(d) electronic & high precision machinery or equip.	%	50%	50%	50%
(e) other	%	35%	35%	35%
Hotels	%	30%	30%	30%
Agricultural improvement on agricultural land	%	25%	25%	25%
Capital expenditure on scientific research	%	25%	25%	25%
Setting up of golf courses	%	15%	15%	15%

Investment allowances withdrawn as from year of assessment 2007/2008, except in certain limited cases.

Deduction of tax at source - effective as from 1st October 2006

Interest (applies to residents individuals and resident societe, succession on deposits > Rs 2m)	%	15%	15%	15%
Royalties	%	10%	10%	10%
Rent	%	5%	5%	5%
Payments to contractors and sub-contractors	%	0.75%	0.75%	0.75%
Payments to architect, engineer, land surveyor, project manager, property valuer and quantity surveyor	%	3%	3%	3%

Remittance of withholding tax

Deduction by a financial institution:

- (a) during first 15 days of a month - by 22nd day of that month
(b) after the 15th day of a month - by 7th day after the end of the month

Deduction by any other person - by the 20th day after the end of the month in which the deduction occurs.

BUSINESS (CONTINUED)**Tax losses**

Losses can be carried forward to the following 5 succeeding years for set-off against net income as from the year of assessment 2007/08. However, losses arising from annual allowances in respect of capital expenditure incurred after 30 June 2006 can be carried forward indefinitely.

Income Year:	Proposed		
	2008-09	2007-08	2006-07
Gross income for the purposes of the CPS threshold			
Trade (per quarter) < or =	Rs 300,000	300,000	300,000
Profession, vocation or occupation (per quarter) < or =	Rs 75,000	75,000	75,000
Rent (per month) < or =	Rs 20,000	20,000	20,000

CPS submission of statement of income and payment of tax

Quarter 1st July to 30th September: following 31st December

Quarter 1st October to 31st December: following 31st March

Quarter 1st January to 31st March: following 30th June

The income/loss of the quarter to 30th June should be included in the annual return.

A statement of income (SOI) should be submitted in the in the following instances:

- the gross income does not exceed CPS thresholds and there is a chargeable income
- if the individual has submitted a SOI for a quarter he should do so for the remaining quarters

Value added tax (VAT)

Standard rate	%	15%	15%	15%
Certain supplies are exempt or zero-rated				

VAT compulsory registration threshold - effective as from 1st October 2006

Every person whose turnover of taxable supplies exceeds or is likely to exceed the following amounts corresponding to any of the following periods:

any period of 3 months	Rs	N/A	N/A	N/A
any period of 6 months	Rs	N/A	N/A	N/A
any period of 9 months	Rs	N/A	N/A	N/A
any period of 12 months	Rs	2,000,000	2,000,000	2,000,000

For certain services (like consultancy, accountant, architects) registration is mandatory irrespective of turnover level (10th Schedule VAT Act 1998).

VAT monthly returns - effective as from 1st October 2006

Annual turnover = or >	Rs	12,000,000	12,000,000	12,000,000
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As from taxable period starting 1st January 2007 time limit for a registered person to submit his VAT return and payment of VAT is extended from 20 days to 1 month if done electronically.

Solidarity Levy - deemed to be effective as from 1st July 2006

Payable by Hotels, Hotel Management Companies and Tour Operators up to 30th June 2010.

Rate based on turnover	%	0.85%	0.85%	0.85%
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No levy is payable if:

- company makes a loss in the accounting year
 - profit before tax = or < 5% of turnover of preceding accounting year
- Turnover in the case of a hotel is net of management fees payable to a hotel management company.

Corporate tax

Applicable to Companies, Trusts, Unit Trust Schemes & Societies.

Corporate tax rates

As from year of assessment 2008/09 (i.e income year ending 30 June 2008) and in respect of every subsequent year of assessment, all companies (except for a limited number of tax incentive companies) will be taxable at 15%.

Due date for payment and submission of corporate tax return

- 30 Sept (where accounting year ends on a date other than 30 June) following financial year end
- 31 January (where accounting year ends on 30 June) following financial year end

Presumed Foreign tax credit for a qualified corporation

Where, in case of a company holding a Category 1 Global Business Licence written evidence is not given to the Director-General showing the amount of foreign tax paid, the amount of foreign tax paid is presumed to be equal to 80% of the Mauritius tax.

OTHER**Societe (partnership) and succession**

A resident societe is not liable to tax. Instead every associate of the societe is liable to tax on his/her share of income. A resident societe is liable to National Residential Property tax as from year of assessment 2007/08. A non-resident societe is liable to tax as if it is a company.

A succession is also not liable to tax. Instead every heir of the succession is liable to tax on his/her share of income.

Campement tax

Payable at the rate of 0.5% on the open market value of the campement as at 1 July 2002.

Payable in 2 equal installments: first installment by 31 July and second installment by 31 January following income year.

Exemption: if use as sole residence and open market value is less than Rs 5 million.

National Residential Property Tax (NRPT) - effective 1st July 2006

Payable by owners (including individuals, companies, non-residents and IRS owners) of residential property, lessees of campement sites, persons entitled to recover rent on property and occupiers of property where owner cannot be found.

Exemption: individuals whose taxable and exempt income does not exceed Rs 385,000 in an income year and exempt bodies. Payable at the time the owner furnishes its annual return.

Flat/Apartment - Rs 30 per sq metre - general rate

Other property - Rs 10 per sq metre of land only - general rate

An individual resident in Mauritius is liable to NRPT to an amount not exceeding 5% of his/her total income.

Land transfer tax (payable by vendor)

10% for a transfer made within 5 years of acquisition, and 5% thereafter.

Proposed: where value of land exceeds Rs 50m, rate will be 15% for a transfer made within 5 years of acquisition and 10% thereafter.

Proposed: Land Transfer Tax will be payable on transfer of shares in companies holding immovable property

Registration duty on transfer of properties (payable by purchaser)

5% (prior to 1st October 2006: 8% or 10%) on value of land.

The following is exempt:

- transfer of assets or shares between companies forming part of a group of companies as defined by the Companies Act 2001
- transfer of shares, where the transfer takes place between companies having the same shareholders for the sole purpose of achieving a merger

Due date for submission of Income by companies

Not later than 6 months from the end of the month in which their accounting year ends with effect from 1st July 2008.

Advance Payment System (APS)

Effective 1st July 2008, companies are required to submit APS statement and pay tax on a quarterly basis based on either's last year income or the income of the current quarter.

The effective date to operate APS for companies with Turnover exceeding 100 million rupees is 1 July 2008 while that for companies with turnover less than 100 million rupees is 1 July 2009.

Where a company commences business in an income year in respect of which it is required to submit an APS statement, the chargeable income of the company for each quarter in that income year should be ascertained on the basis of its gross income and the allowable deductions for the current year.

The tax liability for the year of assessment 2008/2009 may be paid by large companies in 3 equal yearly instalments. The same facility is granted to other companies in respect of their tax liability for the year of assessment 2009/2010.

Special Levy on banks

Every bank shall, in every year be liable to pay a special levy calculated by reference to its book profit and its operating income derived in the preceding year.

The rate shall be in the year of assessment commencing:

- 1st July 2007: 30% of the rate specified
- 1st July 2008 and after: 1.70% of book profit or 0.50% of operating income

The levy shall be paid at the time the bank submits its return of income.

No levy shall be paid in a year where in the preceding year

- the bank incurred a loss;
- the book profit of the bank did not exceed 2 per cent of its operating income