

The Finance (Miscellaneous Provisions) Bill was introduced in Parliament on 14 July 2009. The Bill contains the provisions set out in the Budget (refer to our Budget Highlights of 22 May 2009). We have summarized below the main tax measures contained in the Bill. These measures may be subject to changes upon enactment.

A. Personal taxation

Annual Return filing

Period July to December 2009

- Income derived during this period to be taxed in the year of assessment ending 31 December 2010
- Return to be filed and tax paid by 5 April 2010
- The Income Exemption Thresholds (IET) to be used are as follows:
 - Category A – Rs129,230
 - Category B – Rs188,460
 - Category C – Rs220,770
 - Category D – Rs242,310
 - Category E – Rs153,460
 - Category F – Rs212,690
- No IET deduction may be claimed in respect of the following categories where the net income and exempt income of dependents exceeds the following thresholds:
 - Category B or F – Rs59,230
 - Category C – Rs32,310 (for second dependent)
 - Category D – Rs21,540 (for third dependent)
- An individual to be considered tax resident in Mauritius if he:
 - has his domicile in Mauritius;
 - is present in the income year for minimum 90 days; or
 - is present in the income year and the two preceding income years for minimum 225 days

Year 31 December 2010 and onwards

National Residence Property Tax (NRPT)

- Return to be filed and tax paid by 31 March each year
- No NRPT be applicable in respect of owner's total income below Rs207,310 for period from July to December 2009. If no tax is payable but total income exceeds Rs207,310 and individual owns a resident property, an income tax return should be filed
- NPRT rates (i.e. Rs30 for apartments etc and Rs10 for other property) be reduced by 50% (i.e. Rs15 and Rs5 respectively) for the filing period July to December 2009

Current Payment System (CPS)

- Individual to file a Statement of Income and pay the resulting tax by 31 December 2009 in respect of income derived during the CPS quarter 30 September 2009
- New CPS quarters as follows:

CPS quarter	Due date for submission
1 January to 31 March	30 June
1 April to 30 June	30 September
1 July to 30 September	31 December

- New CPS thresholds as follows:

	CPS threshold
Turnover	Rs500,000 per quarter
Gross income from profession, vocation or occupation	Rs100,000 per quarter
Rent	Rs25,000 per month

B. Corporate tax

Annual Return filing

- Filing to remain within 6 months from end of company financial year
- Electronic filing of return to become compulsory for companies whose gross and exempt income are Rs10 Million and above
- New return date to be as follows:

Current approved return date ending between	Deemed income year ending on:
- 1 January and 30 June	31 December of preceding year <i>(e.g. approved return date 31 March 2010 – return deemed to have been made in relation to income year ending 31 December 2009)</i>
- 1 July to 31 December	31 December following that return date <i>(e.g. approved return date 30 September 2010 – return deemed to have been made in relation to income year ending 31 December 2010)</i>

- GBL1 companies preparing accounts in USD, EUR or GBP to submit their APS Statements and Annual Return and pay the resulting tax in these currencies
- Banks (in respect of their transactions with non-residents and GBL companies)

Corporate Social Responsibility (CSR)

and GBL1 companies pay income tax in Mauritius rupee at the exchange rate in force at the date of payment of tax

- First year Annual Return to cover period of up to 18 months ending with the financial year of the company
- Applicable as from 1 July 2009 to all companies other than banks (in respect of their transactions with non-residents and GBL companies), GBL1 companies and IRS companies
- Companies to set up a CSR Fund equivalent to 2% of their book profit derived during the preceding year to implement an approved programme by the company, or implement an approved programme under the National Empowerment Foundation or contribute to an approved NGO

Book profit means profit computed in accordance with International Financial Reporting Standards (IFRS) after income tax and adjusted for profit/loss on disposal/revaluation of fixed assets credited/debited to P&L

- The Minister of Finance to appoint a Committee consisting of a Chairperson and a maximum of 6 members being representatives from public sector, private sector and civil society. Committee to issue guidelines for an approved programme or an approved NGO
- If amount paid out of the CSR Fund is less than 2% of the book profit, the difference has to be remitted to the MRA upon submission of Annual Return.
- Since CSR contribution is an income tax, such contribution is not tax deductible
- CSR for year of assessment ending 30 June 2010 to be calculated by using the following formula:

$$2\% \times b/12 \times n$$

b: book profit derived in the year forming basis for the year of assessment ending 30 June 2010

n: number of months (starting 1 July 2009 to end of accounting year forming basis for the year of assessment ending 31 December 2010)

Example	
<i>FYE</i>	31 March 2009
<i>Approved return date</i>	31 March 2009
<i>Accounting year forming basis for year of assessment ending 31 December 2010</i>	31 March 2010
<i>n i.e. number of months from 1 July 2009 to 31 March 2010</i>	9
<i>CSR calculation</i>	2% x b/12 x 9

Solidarity levy

Telephone service providers¹

- Service providers to be subject to solidarity levy at 5% of their book profit + 1.5% of turnover in respect of each year of assessment commencing 1 July

¹ Service provider

- includes provider of public fixed or mobile telecommunications networks and services; and

- includes information and communication services such as value added services and mobile internet; but does not include provider engaged exclusively in provision of internet services or internet telephony services or international long distance services as referred to in the Information and Communication Technologies Act

2009 and 1 January 2010

Book profit is the profit derived from all activities computed as per the IFRS

- Levy payable on submission of the income tax return and is not tax deductible
- No solidarity levy payable if, in the preceding year, service provider has incurred a loss or the book profit does not exceed 5% of its turnover for the previous year

Banks

- Solidarity levy to be as follows:
 - Years of assessment commencing 1 July 2009 and 1 January 2010– 3.4% of book profit + 1% of operating income
 - Years of assessment commencing 1 January 2011 and onwards – 1.7% of book profit + 0.5% of operating income

Private freeport developer or freeport operator

- Private freeport developer or freeport operator deriving income from paper trading activities are exempt from income tax on such income until income year ending 30 June 2011

C. Resident Sociétés and trusts

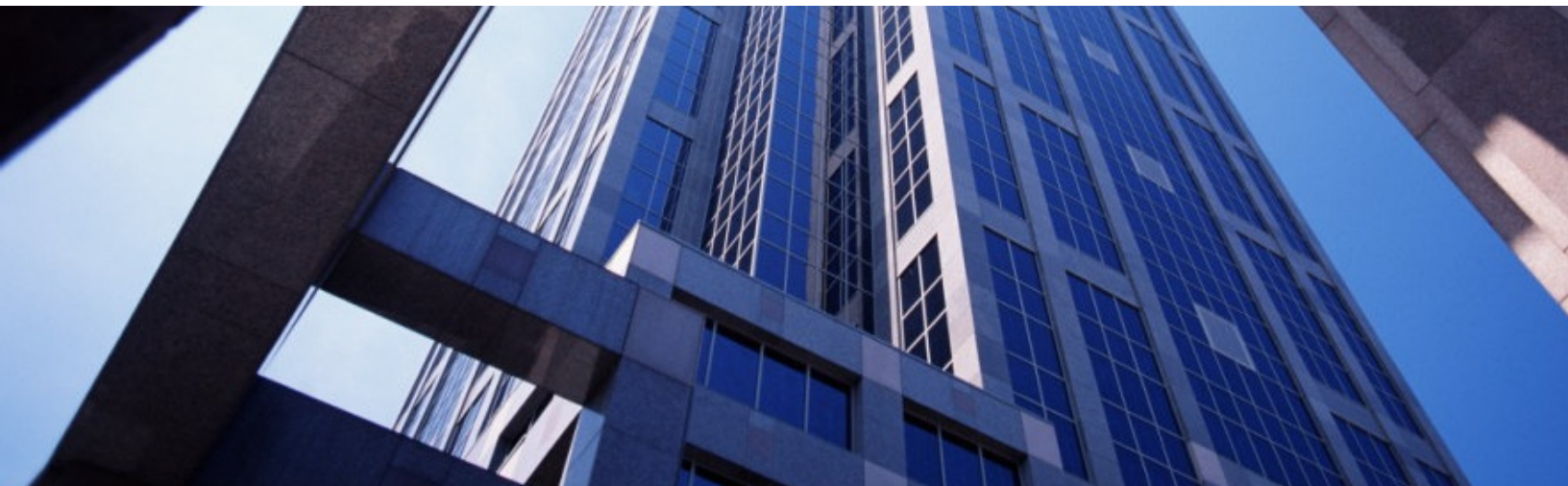
Annual Return

- As from 1 January 2010 Annual Return to be filed by 31 March of each year
- Penalty for late filing (Rs2,000 per month with a maximum of Rs20,000) and late payment of tax (5% of tax payable) is extended to resident sociétés and trusts

D. Others

- Annual Statement of Income Received and annual Statement of Amount Paid and Tax Deducted in respect of Tax Deduction at Source (TDS) to be issued by 15 February each year, applicable as from 1 January 2010
- Arrangement may be entered into with government of foreign countries for exchange of information in respect of any person not resident in Mauritius
- Arrangement may be entered into with government of foreign countries for purposes of providing assistance in the collection and recovery of foreign taxes

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