# Annex
# To
# Budget Speech
# 2017 – 2018

***BUDGET MEASURES***

***EXPLANATORY NOTES***

***MAIN PROVISIONS TO BE INCLUDED IN –***

***THE FINANCE (MISCELLANEOUS PROVISIONS) BILL 2017***

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# Part A – Taxation and Public Finance

## A.1. Income Tax

### (a) Negative Income Tax

As from 1st January 2018, Mauritians in full time employment with earnings of Rs 9,900 or less in a month will be granted financial support from Government, in the form of a negative income tax, as follows:

(i) an employee earning Rs 5,000 in a month: **Rs 1,000** (i.e., Rs 12,000 in a year);

(ii) an employee earning above Rs 5,000 but not exceeding Rs 7,000 in a month: **Rs 800** (i.e., Rs 9,600 in a year);

(iii) an employee earning above Rs 7,000 but not exceeding Rs 9,000 in a month: **Rs 500** (i.e., Rs 6,000 in a year);

(iv) an employee earning above Rs 9,000 but not exceeding Rs 9,750 in a month: **Rs 250** (i.e., Rs 3,000 in a year); and

(v) an employee earning above Rs 9,750 but not exceeding Rs 9,900 in a month: **Rs 100** (i.e., Rs 1,200 in a year).

For the purpose of the negative income tax, monthly income is inclusive of overtime, leave pay, and other allowances in relation to the employment of the individual but excludes travelling and end-of-year bonus. Any basic retirement pension received will also be included.

The first payment will be made by the Mauritius Revenue Authority (MRA) on or before 30th August 2018 in respect of the 6 months period January-June 2018.

The benefit will be payable only if:

(i) a person has been in continuous employment for 6 months prior to the first monthly payment becoming payable;

(ii) the employer and employee are fully compliant with their contributions to the National Pensions Fund and the National Savings Fund; and

(iii) the total taxable income of a couple plus any dividend and interest income does not exceed Rs 30,000 in a month.

**(b) Income Exemption Thresholds**

The existing income exemption thresholds are being increased by amounts ranging from Rs 5,000 to Rs 15,000 as shown in table below.

In addition, a new income exemption threshold of Rs 550,000 is being introduced to cater for taxpayers having 4 or more dependents.

| | From | To | Increase |
|---|---|---|---|
| Individual with no dependent | Rs 295,000 | Rs 300,000 | Rs 5,000 |
| Individual with one dependent | Rs 405,000 | Rs 410,000 | Rs 5,000 |
| Individual with two dependents | Rs 465,000 | Rs 475,000 | Rs 10,000 |
| Individual with three dependents | Rs 505,000 | Rs 520,000 | Rs 15,000 |
| Individual with four or more dependents (NEW) | | Rs 550,000 | Rs 45,000 |
| Retired/disabled person with no dependent | Rs 345,000 | Rs 350,000 | Rs 5,000 |
| Retired/disabled person with dependents | Rs 455,000 | Rs 460,000 | Rs 5,000 |

These new thresholds will be effective as from income year starting on 1st July 2017, i.e. on income received by an individual as from 1st July 2017.

**(c) Other Exemptions and Reliefs**

*(i)* *Deduction for Household Employees*

An individual will be allowed to deduct from his taxable income the wages paid during a year to his household employees subject to a ceiling of Rs 30,000, provided he is fully compliant regarding social security contributions in respect of his employees. The maximum aggregate deduction a couple (where both spouses are liable to income taxation) will be allowed to claim shall be Rs 30,000.

*(ii)* *Relief for Medical/ Health Insurance Premium*

The maximum allowable deduction for medical or health insurance policies premiums is being raised as follows:

- from Rs 12,000 to Rs 15,000 in respect of the tax payer;
- from Rs 12,000 to Rs 15,000 in respect of the first dependent; and
- from Rs 6,000 to Rs 10,000 in respect of each of two additional dependents.

*(iii)* *Exempt Income*

The following income is being exempted from Income Tax:

- financial assistance provided by Government to disabled persons under the National Pensions Act such as the basic invalidity pension, carer's allowance and contributory invalidity pension; and
- Interest income derived by both individuals and corporates from debentures issued to finance renewable energy projects ("Green Bonds") which

have been granted tax-exempt status by the Director-General of the MRA.

*(iv)* *Solar Energy Investment Allowance*

It is being clarified that the solar energy investment allowance applies only in respect of a solar photovoltaic system. It does not cover solar water heaters.

*(v)* *Mauritian Diaspora*

The 10-year tax holiday on local source income that can be claimed by a person registered under the Mauritian Diaspora Scheme will be only in respect of the income he derives from the specific employment, business, trade, profession or investment for which he has become registered under the Scheme.

**(d) Solidarity Levy**

Any resident individual having a chargeable income plus dividends in excess of Rs 3.5 million will be required to pay a Solidarity Levy equivalent to 5 percent of that excess.

For example, an individual who has received, during an income year, total chargeable income amounting to Rs 2 million as well Rs 2 million as dividends, will have to pay a levy of 5% on Rs 500,000, i.e. Rs 25,000.

Note: Interest income is not included in the computation of the Solidarity Levy.

**(e) 3% Reduced Rate of Corporate Tax on Exports of Goods**

A reduced corporate tax rate of 3% will, as from next financial year, be applied on the profits derived by any company from exportation of goods. The tax credit granted to those companies on investment in new plant and machinery will be prorated accordingly.

### (f) Income Tax Holiday

An 8-year income tax holiday will be granted to a company engaged in the:

(i) manufacture of pharmaceutical products, medical devices and high tech products provided it is incorporated after 8th June 2017; and

(ii) exploitation and use of Deep Ocean Water for providing air conditioning installations, facilities and services.

### (g) Tax Incentives for Research and Development (R&D)

A company investing or spending on innovation, improvement or development of a process, product or service will be eligible to the following incentives:

(i) accelerated depreciation of 50% in respect of capital expenditure incurred on R&D, that is the investment cost is fully amortised in 2 years;

(ii) a double deduction (i.e. an additional 100%) in respect of qualifying expenditure on R&D directly related to the entity's trade or business and provided the R&D is carried out in Mauritius. This double deduction will be granted up to the income year 2021-2022 (i.e. for 5 years); and

Qualifying expenditure includes:

- Staff costs
- Consumable items
- Computer software directly used in R&D

- Subcontracted R&D

(iii) where such expenditures are not related to an entity's existing trade or business they will be allowed as an expense, provided the R&D is carried out in Mauritius.

**(h) Double Tax Deduction**

A company will be allowed to set off against taxable profits twice the expenditures incurred in respect of:

(i) its deep ocean water air conditioning bill for a period of 5 consecutive years; and

(ii) the acquisition and setting up of a water desalination plant.

**(i) Unrelieved Income Tax Losses**

In the case of a manufacturing company, the accumulated unrelieved income tax losses will not lapse upon a change of more than 50% in its shareholding provided that the change in shareholding is deemed to be in the public interest and the conditions relating to safeguard of employment are complied with.

## A.2. Property Taxes

**(a) Hi-Tech Manufacturing Activities**

No registration duty and Land Transfer Tax will be payable on the transfer of a building or of land for construction of a building that will be used for qualifying Hi-Tech manufacturing activities.

**(b) Lease of Agricultural Land**

No registration duty will be payable by a small planter on an agreement for lease or sublease of land for agricultural use, not exceeding 10 hectares. Moreover, a stamp duty of only Rs 150 will be payable thereon.

**(c) Lease of land and building for operating a health institution**

The current registration duty exemption granted on acquisition or construction of a health institution is being extended to cover the lease or sublease of immovable property for operating a health institution. This provision is being given retrospective effect as from December 2016.

**(d) Invest Hotel Scheme**

The exemption from payment of the Tax on Transfer of Leasehold Rights in State Lands on the first acquisition of an immovable property under the Invest Hotel Scheme is being extended to cover a resale.

**(e) Remission/Refund of Duties and Taxes**

The Land (Duties and Taxes) Act will be amended to allow remission or refund of registration duty, Land Transfer Tax and Tax on Transfer of Leasehold Rights in State Land in the following 3 specific cases, namely, where:

(i) there is no effective change in ownership of an asset;

(ii) a person makes an application for an existing exemption within one year from the date the relevant deed was registered; and

(iii) several documents are required to be registered in order to complete a transaction or in relation to the same subject leading to multiplicity of taxation.

All such requests shall be examined by a joint Ministry of Finance & Economic Development and Registrar-General Committee which shall submit its recommendations to the Minister.

### (f) First time buyer exemption

A first time buyer of an ex-CHA residence or of a residence originally acquired from the NHDC will be eligible to registration duty exemption even if the property is on leasehold land or situated in a complex not governed by a 'règlement de copropriété'.

## A.3. Customs Duty

### (a) Removal of Customs Duty

Customs duty is being removed on the importation of –

(i) all animal feed, except poultry feed and pet feed; and

(ii) scaffolding, shuttering, propping or pit-propping equipment made of wood or plastics used by job contractors.

### (b) Furniture

With a view to encouraging value added processing/ assembly of furniture by local industries, customs duty exemption will be granted on Knocked–Down furniture imported in the context of a Smart City project on the condition that a 20 percent local value addition is incorporated therein.

### (c) Import by Post and Courier Services

Presently, the first Rs 2,000 of the value of an article imported by post and courier services is exempt from customs duty and VAT. Henceforth, this exemption value is raised to Rs 3,000.

**(d) Motor vehicle purchased by Trade Union Confederation**

A Trade Union Confederation will be exempted from customs duty on the purchase of a 15-seater motor vehicle (van).

## A.4. Excise Duty

### (a) Alcoholic Products

Effective as from 9th June 2017, the following rates of excise duty on alcoholic products will be applicable:

| | Current | New |
|---|---|---|
| Beer (per litre) | Rs 37.70 | Rs 39.60 |
| Spirit cooler (per litre) | Rs 49.20 | Rs 51.70 |
| Fruit wine (per litre) | Rs 30.60 | Rs 32.10 |
| Made wine (per litre) | Rs 65.50 | Rs 68.80 |
| Wine of grapes (per litre) | | |
| In bulk for bottling purposes | Rs 105.30 | Rs 110.60 |
| In bottle | Rs 184.80 | Rs 194.00 |
| Champagne (per litre) | Rs 880.00 | Rs 924.00 |
| Rum (per litre of absolute alcohol) | Rs 518.10 | Rs 544.00 |
| Cane spirits (per litre of absolute alcohol) | Rs 518.10 | Rs 544.00 |

| | | |
|---|---|---|
| Whisky (per litre of absolute alcohol) | | |
| In bulk for bottling purposes | Rs 1,001.00 | Rs 1,051.00 |
| In bottle | Rs 1,600.50 | Rs 1,680.00 |
| Liqueur (per litre of absolute alcohol) | Rs 352.00 | Rs 369.60 |

**(b) Tobacco Products**

Effective as from 9th June 2017, the following rates of excise duty on tobacco products will be applicable:

| | Current | New |
|---|---|---|
| Cigars (per kg) | Rs 16,056 | Rs 17,662 |
| Cigarillos (per thousand) | Rs 9,375 | Rs 10,313 |
| Cigarettes (per thousand) | Rs 4,646 | Rs 5,111 |

**(c) Tea Growers**

The duty exemption on purchase of a single/double space cabin vehicle is being extended to a small tea grower.

## A.5. Motor Vehicles- Vintage cars

The Excise Regulations, the Road Traffic Regulations and the Consumer Protection Regulations will be amended to change the definition of a “classic or vintage” motor car from “a motor car registered before 1st January 1970” to “a motor car aged at least 40 years”.

## A.6. Value Added Tax

(a) Amendment will be made to clarify that security patrolling and monitoring systems that are integral part of an overall burglar alarm system will also be zero-rated.

(b) The provision governing VAT exemption on construction of a purpose-built building by a provider of tertiary education will be amended to cover the case where the building is constructed by a third party, purposely and exclusively, for lease to the provider of tertiary education.

(c) The VAT exemption granted to a corporate body on construction of a private hospital, nursing home or residential care home will be extended to cover a charitable institution.

(d) Provision will be made to allow claw-back of the VAT amount exempted in the above cases in case the building has been put to another use than agreed.

(e) The zero-rating of fees payable for examination of vehicles (fitness) under the Road Traffic Act will be extended by another year, that is, up to 30$^{th}$ June 2018.

(f) VAT and customs duty exemption will be granted on sterile water used for pre-operative, per-operative or post-operative cleaning of wound.

(g) The VAT Refund Scheme whereby a planter, breeder, apiculturist, fisherman or baker is refunded VAT paid on specified equipment will be extended to a tea cultivator. New items will be added to the existing list of qualifying equipment as follows:

*(i)* *Tea Cultivator*

- Hand-held plucking shear
- Hand-held pruning machine
- Motorised tea harvester

*(ii)* *Planter*

- Sharlon shade, green house and shade screen

- Fertigation pump
- Irrigation equipment
- Hydroponic filter
- Water tank

*(iii)* *Pig Breeder*

- Farrowing/gestation /nursery crate
- Heat lamp/ hot blast
- Incubator
- Pig feeder/drinker
- Cooling fan

*(iv)* *Other Breeder*

- Feed grinder
- Ventilation fan
- Chicken crate
- Cages and coops
- Water tank

(h) Under the Deferred Duty and Tax Scheme, Mauritians travelling overseas will be allowed to purchase, free of taxes, articles from downtown duty-free shops subject to these not used for local consumption and delivery is made at the airport/seaport on the day of their departure.

(i) VAT is being removed on sanitary pads and tampons.

## A.7. Company under Special Administration

It is proposed to bring a number of specific legal amendments relating to sale of assets and disposal of liabilities of a company and its subsidiaries under special administration with a view to maximise funds available for policy-holders or depositors:

(a) registration duty and other transfer taxes will be exempted on the transfer of assets where the proceeds will be used, directly or indirectly, to repay policy holders or depositors;

(b) no surcharges will be payable in respect of contributions due to the National Pensions Fund, the National Savings Fund and the Training Levy. This exemption will also apply in respect of an undertaking taken over by a Government-owned company from such an insurance company or its subsidiaries. This exemption will be given retrospective effect as from 2015; and

(c) outstanding amounts of corporate tax, PAYE and VAT due to the MRA will be waived if deemed to be in the public interest.

## A.8. Tax Administration

### (a) Tax Administration: General

*(i) Tax Arrears Payment Scheme*

The Tax Arrears Payment Scheme is being re-introduced for another final year with new terms and conditions so as to expedite collection of long outstanding arrears of tax. The scheme will apply to assessments raised or a tax return submitted before 1st July 2015.

Under the new Tax Arrears Payment Scheme, up to 100% of interests and penalties due will be waived if the taxpayer agrees by 31st March 2018 to settle his debt and the full amount of the debt is settled by 31st May 2018. Upon full payment of the tax arrears, any on-going prosecution will be withdrawn by the MRA.

However, in case the taxpayer fails to abide by his undertaking and does not make the payment by the agreed date, the offer of full waiver of interests and penalty and suspension of prosecution under the Scheme will be withdrawn.

*(ii) Expeditious Dispute Resolution of Tax Scheme*

The Expeditious Dispute Resolution of Tax Scheme (EDRTS) will be re-introduced for another year. It will target settlement of disputes of less than Rs 10 million by allowing the MRA to review the assessed amount including penalties claimed from a taxpayer who could not lodge an objection, principally because of failure to pay the 30% or 10% of the amount assessed.

*(iii) Registration of Tax Agents*

As part of efforts towards modernisation of tax administration, the Mauritius Revenue Authority Act will provide for registration of Tax Agents with the MRA. A member of the Mauritius Institute of Professional Accountants or a member of the Bar Council will be deemed to be registered.

An individual who is not an accountant or a lawyer and wishes to act as tax agent must have at least ten years' experience:

- in the employment of a person who is a member of the Mauritius Institute of Professional Accountants;
- in the employment of a registered tax agent, or
- as a past officer of the MRA.

He must also satisfy the Director-General of the MRA that he is a fit and proper person to prepare returns and transact business under the revenue laws on behalf of taxpayers.

*(iv)* *Alternative Tax Dispute Resolution Panel*

The Alternative Tax Dispute Resolution Panel will be allowed to review, in cases where the amount involved exceeds Rs 10 million:

- assessments raised by the MRA under the Gambling Regulatory Authority Act;
- assessments raised by MRA in respect of Pay As You Earn (PAYE) and Tax Deduction at Source (TDS); and
- decisions taken by MRA.

*(v)* *Assessment Review Committee*

With a view to reducing the number of hearings at the Assessment Review Committee (ARC), the Mauritius Revenue Authority Act will be amended to provide for any written representations relating to income tax, value added tax and gambling taxes to be accompanied by written Statement of Case (in a format and form to be approved) and a Witness Statement.

Furthermore, each panel of the ARC will endeavour to fix a case for hearing within 2 months from the date a representation is lodged and to give its decision not later than 4 weeks from the end of the hearing.

(vi) *Receivership and Liquidation of a Company*

Revenue laws provide that PAYE, TDS and VAT collected do not form part of the estate of a business in liquidation or bankruptcy and any amount still outstanding in respect of these taxes should be paid in priority to the MRA before any distribution of property is made. The Insolvency Act will be amended to specify that the priority of the MRA in cases of a company in receivership will be the same as in the case of a liquidation.

(vii) *Payment of 10% of the amount assessed on objection*

It is clarified that an objection will be considered as valid by the MRA if a person who has appealed to the Assessment Review Committee against the payment of the 10% of tax assessed subsequently decides to effect that payment prior to the case being called Proforma.

(viii) *Director-General of MRA to have option to refuse to give ruling*

The Director-General of the MRA will not be bound to give a tax ruling under the Income Tax Act, the Value Added Tax Act and the Customs Act if the issue for which a ruling is being sought relates to a matter under objection or appeal.

(ix) *Declaration of assets by officers of the MRA*

The obligation on an officer of the MRA to include in his Declaration of Assets those of his grandchildren is being removed. He will however be required to declare the assets donated or transferred to his grandchildren.

**(b) Tax Administration: Income Tax**

*(i) <u>Annual Statement of Financial Transactions</u>*

Presently, the Director-General of the MRA is empowered to request, on a case-to-case basis, a bank, or other deposit taking institution to provide detailed information on conviction or suspected cases of dealings in dangerous drugs or weapons, or if he requires the information in order to prevent tax evasion or fraud on public revenue.

The confidentiality provision in the Banking Act does not apply in such cases and MRA can access the details of any account operated or opened or any deposit made by a client.

In line with the international move towards automatic information exchange and in order to enable the proper tracking through of the movements of substantial funds linked with drug dealing and money laundering schemes, the Income Tax Act will be amended to empower MRA to request from banks, insurance companies and non-bank deposit taking institutions, an Annual Statement of Financial Transactions in cases where a transaction by any person (individual, company, société, trust or succession) exceeds Rs 500,000 or if the aggregate amount of deposit in an income year exceeds Rs 4 million. Money changers and foreign exchange dealers will also be under obligation to submit a Statement of Financial Transactions to the MRA.

The details to be included in the Annual Statement will be finalised after discussions with the Mauritius Bankers Association and the Insurers Association.

The confidentiality of the information obtained by the MRA in the Annual Statements will be maintained in accordance with the secrecy provision of the Income Tax Act.

*(ii)* *Obligation to furnish information*

Necessary amendments will be made to ensure that the obligation on a person to furnish data and information at the request of MRA for purposes of enforcement of tax laws will not be constrained by the confidentiality provisions of the Data Protection Act, Information and Communication Technologies Act and the Companies Act.

*(iii)* *Annual Statement of Dividends paid by companies*

Companies will be required to submit to the MRA a list of individuals who have been paid in a year dividends exceeding Rs 100,000.

*(iv)* *Tax Deduction at Source (TDS)*

Royalty income derived by a Mauritian from an artistic or literary work will not be subject to Tax Deduction at Source (TDS).

A société or succession whose annual turnover does not exceed Rs 6 million will not be required to operate TDS.

TDS of 15% will be withheld in lieu of PAYE if director fees are paid to the employer of a director instead of to the director himself.

A company awarding contracts for construction works will be required to operate TDS irrespective of its level of turnover.

*(v)* *Statement of Assets and Liabilities by High Net Worth Individuals*

The Income Tax Act was amended last year to require an individual who derives net income and exempt income exceeding 15 million rupees or owns assets the cost of which exceed 50 million rupees in an income year to submit a statement of assets and liabilities in such form and manner as may be prescribed.

Appropriate amendments will be made to the Act to specify the following:

- The obligation to file this statement is on Mauritian citizens who are tax residents in Mauritius. Non-citizens who are tax resident in Mauritius will not be required to submit the statement.
- The Statement shall also provide for the disclosure of the assets of spouse and dependent children of the taxpayer.
- Assets costing less than Rs 200,000 are excluded from the disclosure requirements.
- A person will not be required to submit every year such statement but will have to report major additions to his net assets and those of his spouse and dependent children exceeding specified threshold values.
- Disclosure of wrong information will constitute an offence under the law.

*(vi)* *Electronic filing of tax returns*

It will be mandatory for all companies to file their income tax returns and pay taxes to the MRA electronically. Likewise, an employer will be required to submit a PAYE return and remit tax withheld electronically.

Where a taxpayer opts for payment of tax under direct debit, banks shall accept the instruction as sufficient mandate for giving effect to the transaction.

*(vii)* *Employees to provide National Identity Card Number*

An employee will henceforth be required to provide his National Identity Card Number or his Non-Citizen's Identification Number to his employer thus eliminating the obligation for the latter to seek a Tax Account Number from MRA.

(viii) *Transitional provisions for definition of Residence with respect to Individuals*

Following the tax year of 6 months from January to June 2015, the 270 days criterion used to determine tax residence is being reduced to 225 days for income years ending 30th June 2016 and 2017.

(ix) *Filing of income tax return on purchase of immovable property, motor vehicle or pleasure craft*

There will be no need for a person to compulsorily file an income tax return if he has acquired a high value immovable property, a motor vehicle or pleasure craft.

(x) *Deduction of contributions made to a superannuation fund*

An anti-avoidance provision is being re-introduced in the Income Tax Act to disallow, as an expense, contributions to a superannuation fund which are providing unreasonable benefits to selected employees.

(xi) *Application of withholding tax on pension and other emoluments*

A person liable to income tax and deriving pension from a pension scheme or other emoluments may opt to receive his pension or "other emoluments" net of PAYE of 15%.

(xii) *Secrecy in respect of unexplained wealth*

The secrecy provision of the Income Tax Act will be derogated to allow the Director-General of the MRA to report suspected cases of unexplained wealth to the Agency set up under the Good Governance and Integrity Reporting Act.

*(xiii)* *Exchange of information with other countries*

Legislative amendments will be brought to enable the MRA to meet the commitments undertaken by Mauritius for exchange of information with other countries including penalty provisions for persons not furnishing the required information to the MRA.

**(c) Tax Administration: Customs**

(i) New definitions are being introduced in the Customs Act, based on the Revised Kyoto Convention (the blueprint for modern and efficient Customs procedures) namely in respect of: –

- inward processing
- outward processing
- risk management

(ii) Presently, an importer has a statutory time limit of 14 days from the date of validation of a Bill of Entry to pay the required duties and taxes. The Customs Act will provide for automatic cancellation of the Bill in case of failure to respect that time limit.

(iii) In the context of the combat against money-laundering and illicit financial flows, especially in the wake of the recent drug seizures, MRA Customs is being empowered to detain currency where a departing passenger has in his possession undeclared amount exceeding Rs 500,000. In addition, the penalty payable for non-declaration is being substantially increased.

(iv) Similarly, MRA Customs will be empowered to detain imports suspected to be counterfeit or misleading as to their geographical origin.

(v) MRA will be empowered to recoup from an importer who has abandoned his goods at Customs any costs incurred by the Authority in disposing or destroying them.

(vi) The Mauritius Revenue Authority will further streamline its procedures with a view to facilitating trade without compromising on border control and society protection through –

- **clearance** in case of goods not flagged under the customs risk management system and which do not require any agency clearance or have obtained prior agency clearance; and

- **release and handing over of goods to a Government agency** where the latter's clearance has not been obtained but Customs requirements are satisfied.

MRA Customs will maintain its prerogative to carry out inspections in suspicious cases and post-control audit.

(vii) Provision is being made to allow the Mauritius Revenue Authority to release goods expeditiously in case of emergency or for national security reasons.

(viii) The Mauritius Ports Authority and Freight Forwarding Agents will henceforth be required to submit the statement of cargo movement electronically instead of manually.

(ix) As is the case under other revenue laws, the MRA will have a time limit of 5 working days to issue its tax claim after a decision has been reached by the ARC on a tax liability dispute. The taxpayer will have to settle the said amount within 28 days of the notice.

(x) An administrative penalty is being introduced for offences relating to import of specified prohibited goods (other than illicit drugs and counterfeit goods).

(xi) To avoid lengthy court procedures, upon payment of the penalty, the MRA may allow their re-exportation.

(xii) During the process of affixing the required tax stamp on cigarettes or alcoholic products, there are inevitably a few tax stamps that are spoilt and cannot be recovered. Accordingly, allowance of up to one percent for damaged is being made in management of tax stamps.

**(d) Tax Administration: Value Added Tax**

(i) It will be mandatory for all wholesalers of alcoholic drinks, irrespective of the turnover amount, to be VAT-registered.

(ii) A number of provisions of the Value Added Tax Act will be harmonised with those in the Income Tax Act, namely:-

- possibility for an aggrieved taxpayer to lodge an objection in respect of a VAT assessment through electronic means;
- setting the maximum penalty for failure to submit tax return and pay tax to Rs 100,000, compared to the current Rs 50,000;
- providing for the adjustment in respect of a bad debt to be made in the tax return for the taxable period during which it is actually written off; and
- adjusting the period for raising assessment by MRA, without the need to seek the authorization

of the Independent tax panel, to 4 years instead of 3 years.

(iii) Penalty provisions will be introduced to cater for failure to use or for tampering with an Electronic Fiscal Device, which records and transmits electronically fiscal data to the Mauritius Revenue Authority.

**(e) Tax Administration: Advertisements Regulation Act**

Many operators are illegally erecting advertising structures and evading payment of the advertising structure fee. Provision is will be made to impose a penalty on owners of such advertising structures with a view to eliminating all illegal activity.

**(f) Tax Administration: Registrar-General's Department**

*(i) Arrears Payment Scheme*

The Arrears Payment Scheme under the Registrar-General's Department is being re-introduced for another year. The Scheme will provide for full waiver of penalties if a debtor of the Department settles any debt amount by 31st May 2018. This Scheme will apply to tax arrears due as at 8th June 2017.

*(ii) Online Search*

The online search facility of the immovable property database of the Registrar-General's Department will be accessible to public sector bodies, banks, insurance companies, public notaries, and members of the legal profession involved in the property market, and the search fee reviewed.

*(iii) Conservator of Mortgages*

The Registrar-General Act will be amended to enable a person holding the post of Assistant Registrar-General to act as Conservator of Mortgages, concurrently with the Registrar-

General, a Deputy Registrar-General and any officer authorised by the Registrar-General.

It is also being clarified that:

- a pre-sale agreement, drawn before a notary, will be treated in the same manner for registration and taxation purposes as one under private signature; and
- the Registration Duty exemption granted on a secured housing loan of up to Rs 2 million is also applicable on a loan agreement that is drawn up by a notary.

## A.9. Land Conversion Tax

The Sugar Industry Efficiency Act will be amended to extend the land conversion tax exemption in respect of 18-hole golf courses to cover golf courses of 9 holes as well.

## A.10. Public Financial Management

### (a) Public Debt Management

The Public Debt Management Act will be amended to provide for:

(i) a new public sector debt ceiling, based on gross debt rather than net debt;

(ii) a new target and timeline for observance of the public sector debt ceiling; and

(iii) broadening of the coverage of loan guarantees by Government to include institution providing services solely to Government or to a public sector entity deemed to be in the public interest.

Public sector debt ceiling will comprise gross debt of Government, Extra Budgetary Units, Local Government, Rodrigues Regional Assembly and Public Enterprises.

## (b) Modernising Public Sector Accounting

### *(i) <u>Central Government</u>*

The Finance and Audit Act will be amended to include the preparation of financial statements in accordance with accrual International Public Sector Accounting Standards (IPSAS). The new statements in the accounts of Government will include, *inter-alia*:

- Statement of Financial Position;
- Statement of Financial Performance;
- Statement of Changes in Net Assets/Equity;
- Cash Flow Statement; and
- Statement of Comparison of Budget and Actual Amounts.

### *(ii) <u>Statutory Bodies</u>*

The Financial Reporting Act will be amended to provide for the 16 Public Interest Entities (PIEs) which are also listed in the Statutory Bodies (Accounts & Audit) Act to prepare their Financial Statements under accrual IPSAS. It should be noted that instructions have been issued under the Local Government Act, section 133(2)(a) for Local Authorities to prepare their Financial Statements as from Fiscal Year 2017/18 on accrual IPSAS.

## (c) Public Investment Management

The Finance & Audit Act will be amended to provide for instructions issued in respect of the Capital Project Process Manual (CPPM) to rest with the Minister of Finance instead of Minister of Public Infrastructure with a view to simplifying the framework of planning, financing and implementation of capital projects.

The Project Plan Committee will be restructured into a Public Investment Management Unit at the Ministry of Finance and Economic Development (MOFED). The new Unit will carry out systematic appraisal of project proposals and make appropriate recommendations. It will also monitor implementation of major projects from planning to completion stage to reduce cost overruns and address bottlenecks.

A two-stage process for approval of projects is being adopted to reduce delays in project implementation. In the first instance, MOFED will provide financial clearance on projects so that project preparation, including pre-feasibility studies, preliminary design, and preparation of tender documents, can start. Final approval will be provided at a second stage and budgetary provisions made depending on Government priorities and fiscal space.

**(d) Delegation of Powers**

With a view to improving efficiency and effectiveness in public service delivery and avoid excessive delays and administrative layers, a system of delegation of power will be established in particular cases, such as advance for car loan. The Finance and Audit Act will be amended accordingly.

**(e) Inventory Management System**

A computerized inventory management system will be introduced across all Ministries/Departments to automate stock management system in government warehouses in order to close the automation loop of the procurement and supply cycle. The proposed inventory management system will interface with the fixed asset register so as to have a comprehensive register of assets in Government.

**(f) Procurement & Warehousing Process**

Financial Instructions will be issued under the Finance and Audit Act to:

(i) improve procurement planning by Ministries and Departments with a view to better prepare the procurement process right from the start and getting better procurement outcomes; and

(ii) review management of warehouses so as to ensure that warehousing activities/ processes in Ministries/ Departments are carried out efficiently and effectively.

**(g) State Owned Enterprises**

The Statutory Bodies (Accounts & Audit) Act will be amended to cater for the following:

*(i) Fiscal risks emanating from SOEs*

Ensure that statutory bodies do not enter into financial obligations in excess of their present and future financial capacity which would lead to Government contingent liability.

*(ii) Oversight by Parent Ministries*

Require Parent Ministries to have yearly performance/output agreement established with their statutory bodies.

*(iii) Strengthening accountability and transparency*

Ensure compliance by Statutory Bodies in respect of submission of Report on Performance, Annual Estimates and Annual Report.

*(iv) Remuneration and fringe benefits of staff of statutory body*

Prior approval of the Minister shall be sought where the remuneration and fringe benefits of the staff of a statutory body is not governed by the Pay Research Bureau.

**(h) Pension**

*(i) Statutory Bodies Pensions Fund Act*

The Statutory Bodies Pensions Fund Act will be amended to provide for SICOM to report to every statutory body on a yearly basis information in relation to pension contributions on employees and beneficiaries. The objective is to enable the statutory body to better monitor performance and financial situation of its pension fund and its administration by SICOM.

*(ii)* *Pensions Act*

The Pensions Act will be amended to review the composition of the Public Pension Advisory Committee (PPAC) given that the academic or professional qualifications and proven experience required from members has proved to be restrictive for the choice of representatives of Trade Unions.

*(iii)* *Civil service family protection scheme*

The Civil Service Family Protection Act will be amended to take on board religious marriages which have been registered in the Register of Past Religious Marriages, enhance accountability with respect to preparation of Financial Statements and other operational issues.

**(i) Special Funds**

With a view to improving transparency in the management of public finances, all the revenues and expenditures of the Build Mauritius Fund and National Resilience Fund will, as from 1st July 2017, be accounted for in the Consolidated Fund.

Accordingly, these two Special Funds will be closed. The First Schedule to the Excise Act will be adjusted to incorporate the contribution to the Build Mauritius Fund of Rs 4 per litre of mogas (petrol) and gas oil (diesel), presently levied under the Consumer Protection (Control of Price of Petroleum Products) Regulations.

## PART B – OTHER BUDGET MEASURES

### B.1. Banking and Non-Bank Financial Services

### (a) Bank of Mauritius Act

The Bank of Mauritius Act will be amended to allow-

(i) the Central Bank to license and regulate the issue of commercial papers with a view to enable corporate borrowers to diversify their source of short-term borrowings and to provide an additional instrument for investment;

(ii) the Bank of Mauritius to invest in currencies as it may determine;

(iii) for the issue of Shariah compliant instruments as the Central Bank may determine.

### (b) Banking Act

The Banking Act will be amended to-

(i) allow for the licensing and regulation of the issue of commercial papers; and

(ii) raise the minimum capital of commercial banks from Rs 200 million to Rs 400 million. Transitional provisions will be provided to existing banks to increase their respective minimum capital to Rs 400 million.

### (c) Financial Services Act

The Financial Services Act will be amended to provide for an increase in the number of members on the Board of the Financial Services Commission from 7 to 9.

### (d) Promotion of Fintech

With a view to promoting Mauritius as a regional Fintech centre, the Financial Services Commission will issue relevant Rules.

### (e) Securities Act

To position Mauritius as a capital raising platform, the requirements pertaining to a prospectus as set forth under the Securities Act 2005 and Securities (Public Offer) Rules 2007 will no longer be applicable for companies holding a GBC1 Licence which are also listed in another jurisdiction. Only the requirements under the SEM Listing Rules will henceforth apply.

## B.2. Water and Energy

### (a) Water

With the objective to achieving regular water supply and modernizing the water supply and distribution, various projects will be implemented including –

(i) *Construction of steel tanks at the following 21 sites:*

1. Alma Hill Reservoir
2. Alma Reservoir
3. Beau champ
4. Beemanique
5. Bonne Mere
6. Camp Thorel
7. Chamarel
8. Etoile
9. Gros Cailloux
10. Melrose
11. Mon Loisir Rouillard
12. Nouvelle France
13. Palma
14. Plaine des Papayes
15. Quartier Militaire
16. Quatre Bornes
17. Rample le Moirt
18. St Aubin
19. St Julien D'Hotman
20. Terre Rouge
21. Trois Mamelles

(ii) *Installation of 15 mobile containerised pressure filtration plants at the following 9 sites:*

1. Mont Loisir Rouillard Reservoir
2. Plaines Des Papayes Reservoir
3. Trianon
4. Tyack
5. Grand Riviere Sud Est
6. Riviere Du Poste Water Treatment Plant
7. Mont Blanc Water Treatment Plant
8. Rouge Terre
9. Unite Reservoir

## (b) Renewable Energy

### *(i) <u>SSDG Net Metering Scheme for households</u>*

With a view to democratizing access to the grid, the Small Scale Distributed Generation (SSDG) Net Metering Scheme has been developed to allow customers, also known as Prosumers (Producers/ Consumers), to generate electricity using solar photovoltaic system primarily for their own consumption.

Any surplus energy generated are exported to the CEB grid which is stored as units of kilowatt-hour (kWh) credit at no cost. The credit is used when the customer's system is not generating enough electricity to meet his/her demand that is during night time and on cloudy days. The energy offset is done within each billing period and any excess bill credit remaining at the end of a month is carried over to the subsequent month and so on.

If a Prosumer takes more electricity from the CEB than she/he has sent into the grid, the quantity imported in excess of the quantity exported will first be reduced by any quantity of energy already in balance, if any, before the final energy charge is raised.

The Scheme will be extended for a capacity of 2 MW for about 1,000 households.

### *(ii) <u>Green Energy for SMEs</u>*

The Central Electricity Board, through its subsidiary CEB (Green Energy) Co. Ltd will install 2,000 grid tie solar PV kits of 2 kW each on the rooftop of small businesses in the commercial category, which are registered under the Central Electricity Board Tariff 215. The project will be implemented over a period of three years.

The CEB (Green Energy) Co. Ltd will undertake the procurement, installation, operation and maintenance of the installations. It will retain the ownership of the assets and will sign Electricity Supply Purchase Agreement with the small businesses.

Each kit is estimated at Rs 100,000. The small businesses will be required to contribute 50% of this cost, without any interest, over a period of 24 months. There will be no operational and financial risks for the enterprise.

The electricity tariff for small businesses under the commercial category is Rs 10.01 per kWh. The installation of rooftop solar PV will enable them to achieve savings on electricity charges and reduce their operation costs. The small businesses will thus contribute to the promotion of a green economy.

**B.3. Arts and Culture & Sports**

**(a) Lotto Fund**

The Lotto Fund has been set up to contribute to the financing of projects, schemes and events in relation to, *inter-alia*, sports, culture, leisure, heritage or art development and the preservation and rehabilitation of historical and cultural heritage sites and structures. Funds are being provided under the Lotto Fund for the implementation of, *inter alia* -

(i) a scheme to give performance opportunities to emerging Local Artists to perform and showcase their talents;

(ii) a Production Grant scheme to support creative arts projects;

(iii) a scheme to encourage Local Production for Artists through the Mauritius Broadcasting Corporation;

(iv) activities of the National Art Fund;

(v) a National Award for Artists for their outstanding achievements;

(vi) formulation of a National Sports Policy;

(vii) a scheme for the professional development of Athletes;

(viii) support to Professionalisation of Football;

(ix) sports activities for School Children;

(x) youth empowerment against Social ills;

(xi) Sports Training Programme for Adolescents; and

(xii) wellness programme for senior citizens.

The Lotto Fund will also finance the rehabilitation of the following 14 historical and cultural heritage sites and structures:

(i) Grand Port Battle Memorial, Mahebourg;

(ii) French Battery, Pointe du Diable;

(iii) Ruins of World War II, Pointe du Diable;

(iv) Tour Hollandais, Vieux Grand Port;

(v) Old Fort/ Fort Albert Baie du Tombeau;

(vi) Donjon St Louis, Grand River North West;

(vii) Martello Tower, La Preneuse;

(viii) La Tour Koenig;

(ix) Batterie Bourgogne at Anse Petit Sable;

(x) Old French Battery at Vieux Grand Port;

(xi) Dutch Cemetery at Vieux Grand Port;

(xii) Bain des Negresses;

(xiii) Batterie de l'Harmonie; and

(xiv) Powder Mills, Pamplemousses.

**(b) Retired Athletes Scheme**

A Scheme for retired high level athletes will be set up to give due recognition to our athletes who have won medals at African Championships, African Games, Francophone Games, Commonwealth Games, World Championships and Olympic Games and have made the nation proud of their performances.

Accordingly, fund is being provided in the budget of Trust Fund for Excellence in Sports for the payment of a monthly allowance to the retired athletes as follows:

| Level of competition (Senior Category only) | Monthly Allowance (Rs) | |
|---|---|---|
| | Olympic Sport | Non-Olympic Sport |
| African Championships and African Games | 5,000 | 3,000 |
| Francophone Games and Commonwealth Games | 7,000 | 5,000 |
| World Championships and Olympic Games/ Paralympics Game | 10,000 | 7,000 |

## B.4. Housing, Construction Industry and Land Use Planning

### (a) Social Housing Policy

The income eligibility criteria for social housing schemes of the National Empowerment Foundation (NEF) and the National Housing Development Company Ltd (NHDC) are being aligned with the new poverty threshold on an adult basis of the Social Register of Mauritius (SRM) as per table at Appendix I.

### (b) Professional Land Surveyors' Council

Section 52 of the Professional Land Surveyors' Council Act 2014 will be proclaimed to allow for the setting up of a Professional Land Surveyor' Council. The Council will act as a mechanism to ensure that there is a more professional approach in the handling of land issues by Land Surveyors in accordance with the Cadastral Survey Act 2011.

### (c) Council of Professional Planners

Professional Planners' Council Bill, which will be similar to the Professional Architects' Council Regulation, will be introduced.

The Professional Planners' Council would be a body corporate and would, amongst others, regulate and control the practice of planners, ensure that the codes of practice prescribed by the Council are complied with and promote the advancement of land use planning.

### (d) Local Government Act

An amendment was brought to the Local Government Act 2011 last year to enable charging the General Rate on a property which has been the subject of an alteration in the valuation list between 15th December 2011 and 1st July 2016, i.e., retrospectively. Decision has been taken to apply this measure as from Financial Year 2016/17. Steps will be taken for the writing off of unpaid claims that have already been issued in respect of years up to 2015/2016.

### (e) Real Estate Development

#### *(i) Morcellement Act*

Excision of land into lots provided each lot exceeds 5 hectares will not require a Morcellement Permit but only approval of the relevant local authority, in cases where there is no material change to the land.

#### *(ii) Investment Promotion (Smart City Scheme)*

The time-limit imposed on a Mauritian citizen who purchases a serviced plot of land under the Smart City Scheme for completing construction of his residence will be extended from 5 years to 10 years.

The owner of such a serviced plot will be allowed to transfer his property even if construction works have not started, provided the new owner undertakes to abide by the time-limit of 10 years as from the date of the first acquisition.

The provisions in the Code Civil Mauricien relating to '*Association Syndicales' (Syndics)* will be reviewed to ensure smooth administration of common areas in a smart city.

As part of their social obligation, promoters of Smart City projects will have to make a contribution of Rs 25,000 upon the sale of every residential unit or serviced plot to a Social Fund to be set up as a Special Fund under the Finance and Audit Act. This contribution will be over and above the normal CSR obligations and will be applicable to all Smart City projects, including those already issued with a Letter of intent or an SCS Certificate.

The Social Fund will finance programmes, infrastructural works, social amenities and other facilities to be undertaken by the relevant local authority, for the benefit of the local community.

*(iii)* *Property Development Scheme*

The processing fee payable on an application for acquisition of a property under the Property Development Scheme will be increased two-fold to Rs 20,000.

*(iv)* *Invest Hotel Scheme*

A non-citizen who has invested at least USD 500,000 in the acquisition of a unit under the Invest Hotel Scheme (IHS) will be eligible to a residence permit so long as he retains ownership of the unit.

Acquisition of a unit under the Scheme will be governed by the standard provisions of the Code Civil Mauricien. Accordingly, the clause contained in the IHS Regulations relating to right or interest on the State land on which the hotel is located, will be removed.

**B.5. Non-citizens**

Non-citizens will be allowed to acquire life rights in residential care homes and other similar facilities outside smart cities on production of an authorisation from the Board of Investment granted after it has obtained the approval of the Minister.

A retired non-citizen will be given the option of transferring at least USD 2,500 monthly to be eligible to a residence permit.

### B.6. Enhancing Control on Gambling Activities

The Gambling Regulatory Authority Act will be amended to:

(a) introduce international best practices including updates that take into account avenues of innovative IT enabled operations. This will allow Gambling Regulatory Authority (GRA) to better combat illegal betting and associated problems related to money laundering offences;

(b) introduce the Personal Management Licence for the horseracing and gaming sectors to foster integrity and better supervise gambling activities, as is applicable under the UK Gambling Commission and the British Horseracing Authority;

(c) reinforce its regulatory functions and powers as regards the horseracing industry, as well as the betting activities carried therein and for establishing a level playing field among operators;

(d) ban cash betting transactions above Rs 2,000 and introduction of an account based betting together with a player card program/ system. This will increase audit trail on betting activities and facilitate the tracking of offences related to money laundering;

(e) make it mandatory for licensees /operators earning Rs 10 million or above, to report and file suspicious transaction reports to relevant Authorities for a more effective fight against illegal activities in the gambling sector;

(f) make provisions for every licensee, other than a collector or an operator of dart games, to:

   (i) prepare and submit his financial statements in accordance with the International Financial Reporting Standards (IFRS);

   (ii) have his financial statements audited by an auditor licensed by the Financial Reporting Council; and

   (iii) not later than 6 months after the closing of the account submit the audited financial statements to the GRA and the Mauritius Revenue Authority;

(g) transfer the licensing of coin operated machines from Local Authorities to the GRA to increase control on these machines;

(h) make provisions for penalties in respect of failure to comply to conditions of licence relating to the Central Electronic Monitoring System; and

(i) make provisions for payment of the appropriate fees for coin operated machines.

The GRA has already formulated a framework for responsible gambling, which includes a code of conduct for the gambling industry. This framework will be applicable as from November 2017. It will be mandatory for licensees and stakeholders to adopt this framework, which will promote responsible gambling.

Hotels will be allowed to host gaming machines within their premises and such games will be restricted to non-residents/ foreigners.

## B.7. Controlling Stray Dogs

The Ministry of Agro-Industry and Food Security will set up an animal control unit and re-organize its operations to deal with the issue of stray dogs.

The role, functions and responsibilities of the Mauritius Society for Animal Welfare and the Animal Welfare Unit, which operate under the aegis of the Ministry of Agro-Industry and Food Security, will be reviewed to tackle the problem of stray dogs.

### B.8. Foreign Labour

Foreign Labour policy will be reviewed to better address manpower shortages. Eight years contract are normally provided to foreign workers in the textile sector. This arrangement will be extended to some other sectors, namely, the construction industry and furniture making and agro industry.

In addition, a short-term bridging work permit is being introduced to address delays in processing of applications for the renewal of work permits.

### B.9. Insurance Premium waiver for 2017 crop

Financial resources equivalent to the total amount of insurance premium payable by planters with up to 60 tons of sugar accrued in respect of the 2017 sugar crop will be made available to the Sugar Insurance Fund Board (SIFB).

### B.10. Protecting Local Handicraft

In order to protect traditional handicraft, the Commodities (Indication of Origin) Regulation 1981 will be amended to ensure that all products should, as from 1st October 2017, mandatorily display their country of origin. This will allow consumers, including tourists to make an informed choice when making a purchase. Non-compliance will entail a fine of up to Rs 500,000.

SME Mauritius Ltd will introduce a hologram to be affixed on all locally made handicraft products.

The Consumer Affairs Unit of the Ministry of Commerce will step up its enforcement action against importers and sellers providing false and misleading information as to the origin of products.

## PART C – OTHER LEGISLATIONS

### C.1. Borrower Protection Act

The Borrower Protection Act will be amended to:

(a) allow for the lender to be debarred from claiming from the guarantor any arrears left unpaid where the lender has failed to inform the borrower within 2 months following the default; and

(b) provide for the Sale of Immovable Property Act not to be applicable for a period of 2 years from the date of the intention to serve a notice of date of sale where the mortgaged immovable property is the sole residence of a worker who has been made redundant on economic grounds.

### C.2. Build Operate Transfer Projects Act

The Build Operate Transfer Projects Act will be amended to-

(a) include Build Own Operate (BOO) models within the definition of the Act as BOO model is an important variant of BOT models;

(b) allow the BOT Projects Unit to monitor value for money and budget affordability during operational stage of a BOT Project;

(c) provide the necessary powers to the BOT Projects Unit to collect the necessary information on projects to deliver on value for money above and to initiate corrective actions in case contracting authorities deviate from best practice; and

(d) specify BOT procurement methods to consolidate the provisions of the BOT Projects Act.

### C.3. Commissions of Inquiry Act

Technical amendment will be made to the Commissions of Inquiry Act to align it with the Banking Act.

## C.4. Companies Act

The Companies Act will be amended to:

(a) allow Islamic financial institutions and Islamic banks to adopt accounting standards issued by the Accounting and Auditing Organisation for Islamic Financial Institution instead of those issued by International Financial Reporting Standards;

(b) allow the Registrar to keep a register of beneficial owner/ultimate beneficial owner;

(c) allow companies using Extensible Business Reporting Language (XBRL) to pay a fee to the Registrar;

(d) allow companies to include a Corporate Governance Report in their Annual Report; and

(e) align the obligations of Special Purpose Funds under the Act with those of Category 1 Global Business Companies.

## C.5. Financial Reporting Act

The Financial Reporting Act will be amended to provide that wholly owned subsidiaries need not comply with the National Code of Corporate Governance if its ultimate holding company is already complying with the same.

## C.6. Mauritius Cane Industry Authority

The Mauritius Cane Industry Authority Act will be amended to –

(a) clarify that the contribution made by a distiller-bottler should be based on the potable alcohol derived from cane and cane products;

(b) apply the Rs 40 contribution per litre of absolute alcohol produced by a local distiller-bottler from cane and cane products to similar import; and

(c) empower MRA Customs to collect the contribution from a distiller-bottler or an importer (instead of the Mauritius Sugar Syndicate) for ease of administration.

**C.7. National Identity Card Act**

The National Identity Card Act will be amended to allow reading card data by both public and private agencies as may be determined by the Ministry of Technology, Communication and Innovation according to set criteria.

**C.8. Public Procurement Act**

The Public Procurement Act will be amended to:

(a) allow a Public Body, in a bidding exercise, to exclude bidders whose performance in previous public contract has shown deficiencies including failure to deliver or perform with regard to contractual requirements but does not warrant a formal disqualification;

(b) reinforce the powers of the Director, Procurement Policy Office to enforce debarment procedures;

(c) specify the types of works contracts and values that may be reserved for small and medium enterprises; and

(d) define a small and medium enterprise as per the definition in the Small and Medium Enterprises Development Authority Act.

**C.9. Sale by Auction Act**

The Sale by Auction Act will be reviewed and a new Sale by Auction Bill will be prepared.

**C.10. Sale of Immovable Property Act**

The Sale of Immovable Property Act will be amended to:

(a) fix the ‘mise a prix’ at a price which is not less than half of the value of the property mortgaged;

(b) allow an inscribed or judgement creditor to ask for subrogation in the proceedings where there has been collusion, fraud or negligence on the part of the creditor or the financial institution, legal adviser and their agents to sue the person responsible for damages.

**C.11. Statistics Act**

The Statistics Act will be amended to provide for:

(a) members of committees set up by the Statistics Board to take the oath of confidentiality before a Magistrate; and

(b) fieldworkers for surveys conducted by Statistics Mauritius in Rodrigues and Agalega, and researchers from abroad who wish to obtain micro data from Statistics Mauritius to make a declaration of confidentiality in such form as the Director may approve without having to be physically present in Mauritius to take the declaration.

**C.12. Miscellaneous**

Some technical amendments will be brought to clarify, fine-tune, plug loopholes and harmonise various provisions in revenue laws and other enactments.

# APPENDIX I

***Income eligibility criteria for Social Housing Schemes***

| Social Housing Schemes | Previous income eligibility criteria and subsidy level | New income eligibility criteria |
|---|---|---|
| **Scheme I: Implementing Body: NEF** *(for NEF beneficiaries who are owners of land /or lessee of state land)* | ▪ Less than Rs 6,200 per household per month<br>▪ Government contribution: 75%<br>▪ Beneficiary's contribution: 25% | ▪ SRM income thresholds on adult basis |
| **Scheme II: Implementing Body: NHDC** *(10% of NHDC integrated houses earmarked for NEF beneficiaries who are not land owners)* | ▪ Less than Rs 6,200 per household per month<br>▪ Government contribution: 75%<br>▪ Beneficiary's contribution: 25% | ▪ SRM income thresholds on adult basis |
| **Scheme III: Implementing Body: NHDC** *NHDC Housing Schemes*<br><br>*The NHDC scheme is for households not falling under Scheme I and II above* | (i) Between Rs 6,200 -Rs 10,000 per household per month<br>▪ Government contribution: 2/3<br>▪ Beneficiary's contribution: 1/3 | ▪ **Less than Rs 10,000.**<br>▪ Households earning below Rs 10,000 monthly and not found eligible under the SRM.<br>▪ No change in contribution rate. |
| | (ii) Between Rs 10,001 to Rs 15,000 per household per month<br>▪ Government contribution: 50%<br>▪ Beneficiary's contribution: 50% | ▪ No change in income eligibility criteria and contribution. |
| | (iii) Between Rs 15,001 to Rs 20,000 per household per month<br>▪ Government contribution: 20%<br>▪ Beneficiary's contribution: 80% | ▪ No change in income eligibility criteria and contribution. |

# Appendix II

***List of Projects Funded under Indian Financial Assistance***

| SN | Projects | Estimated Project Value (USD Million) |
|---|---|---|
| 1 | Metro Express | 535 |
| 2 | Social Housing | 100 |
| 3 | New Administrative City Project (Government Buildings) | 100 |
| 4 | Water Projects | 55 |
| 5 | Energy Project | 10 |
| 6 | New Supreme Court Building | 30 |
| 7 | E-Health Project | 15 |
| 8 | Education – Tablets | 14 |
| 9 | New ENT Hospital | 14 |
| 10 | National Archives and National Library Project | 13 |
| 11 | Construction of New Building for Printing | 11 |
| 12 | National Wholesale Market Project | 10 |
| 13 | Construction of Market Fairs at Mahebourg, Bel Air, Goodlands and Chemin Grenier | 17 |
| 14 | Construction of Traffic Centres at Ebene, Pointe aux Sables and Piton | 9 |
| 15 | Hi Tech Equipment for Cancer Hospital | 8 |
| 16 | Renovation of Plaza Theatre at Rose Hill | 8 |
| 17 | Construction of Mediclinics at Quartier Militaire, Bel Air and Stanley | 7 |
| 18 | Flyover at Ebene | 7 |
| 19 | Acquisition of Fire Fighting vehicles | 6 |
| 20 | Purchase of Linear Accelerator | 4 |
| 21 | Renovation of Town Hall at Curepipe | 3 |
| 22 | Administrative buildings for Councils at Flacq, Pamplemousses and Savanne | 3 |
| 23 | Acquisition of Incinerators | 3 |
| 24 | High Volume Water Pumps for Flooding | 1 |
| **Total** | | **983** |

| | |
|---|---|
| **Total (Rs Equiv.)** | **35.2 billion** |

# APPENDIX III

## *Key Community-Based Projects*

**Rs Million**

| SN | Projects | Project Value | 2017/18 Estimates | 2018/19 Planned | 2019/20 Planned |
|---|---|---|---|---|---|
| 1 | **Construction and Upgrading of Drains:** *Fond du Sac, Pereybere, Poste de Flacq, Quatre Bornes, Camp Carol-Grand Baie, Pointe Aux Sables, Vallée Pitot, Chitrakoot, Sebastopol, Bramsthan, Trois Boutiques, Argy, Bel Ombre and other regions* | 1,669 | 829 | 420 | 420 |
| 2 | **Construction and Upgrading of Secondary Roads:** *Congomah, Richelieu, Cite La Cure, Olivia, Riviere du Poste, Vacoas and other regions* | 750 | 250 | 250 | 250 |
| 3 | **Construction and Upgrading of Amenities:** *Minor Sports Infrastructure, Landscaping works, Cremation Grounds, Children's Playgrounds and others* | 1,132 | 495 | 343 | 293 |
| 4 | **Construction of Market Fairs:** | | | | |
| | (a) Bel Air | 115 | 20 | 30 | 60 |
| | (b) Goodlands | 300 | 25 | 30 | 215 |
| | (c) Chemin Grenier | 125 | 10 | 20 | 80 |
| | (d) Mahebourg | 85 | 15 | 20 | 40 |
| 5 | Multipurpose Complex at Riviere du Rempart | 50 | 5 | 10 | 20 |
| 6 | Multipurpose Complex at Plaine Verte | 50 | 5 | 10 | 20 |
| 7 | **Construction of Swimming Pools:** | | | | |
| | (a) Phoenix | 75 | 5 | 10 | 20 |
| | (b) Curepipe *(Consultancy for design and tender)* | 75 | 1 | - | - |
| | (c) Riviere des Anguilles *(Consultancy for design and tender)* | 75 | 1.8 | - | - |



*Table continues on next page*

Rs Million

| SN | Projects | Project Value | 2017/18 Estimates | 2018/19 Planned | 2019/20 Planned |
|---|---|---|---|---|---|
| 8 | Multi-sports Complex at Port Louis | 75 | 5 | 15 | 20 |
| 9 | Multi-sports Complex at Triolet | 75 | 5 | 15 | 20 |
| 10 | Leisure Park at Quartier Militaire | 45 | 5 | 10 | 25 |
| 11 | Waterfront at Deux Freres | 60 | 5 | 15 | 15 |
| 12 | Renovation of Plaza Theatre, Rose Hill | 324 | 10 | 97 | 187 |
| 13 | Renovation of the Town Hall, Curepipe | 110 | - | 15 | 55 |
| 14 | **Construction of Incinerators:** | | | | |
| | (a) Camp Le Vieux and Quatre Bornes | 12 | 3.5 | 7.5 | 1 |
| | (b) Tombeau, Mahebourg | 12 | 3.5 | 7.5 | 1 |
| | (c) Highlands and Allée Brillant | 15 | 3.5 | 9.5 | 2 |
| | (d) Souillac | 12 | 2.5 | 8.5 | 1 |
| | (e) Montagne Longue | 12 | 3 | 6 | 3 |
| 15 | **Construction of District Council Head Office:** | | | | |
| | (a) Pamplemousses | 30 | 8 | 13 | 9 |
| | (b) Flacq | 30 | 8 | 13 | 9 |
| | (c) Savanne | 40 | 9 | 19 | 12 |
| 16 | **Construction of Mediclinics:** | | | | |
| | (a) Quartier Militaire | 80 | 5 | 20 | 38 |
| | (b) Coromandel | 67 | 8 | 15 | 20 |
| | (c) Stanley | 80 | 1 | 20 | 42 |
| | (d) Bel Air | 87.2 | 1 | 20 | 45 |
| 17 | **Construction of Area Health Centres:** | | | | |
| | (a) Bambous | 45 | 5 | 15 | 15 |
| | (b) Petite Riviere | 45 | 5 | 15 | 15 |
| 18 | **Construction of Community Health Centres:** | | | | |
| | (a) St Francois Xavier | 38 | 5 | 15 | 18 |
| | (b) Esperance Quartier Millitaire | 38 | 5 | 10 | 18 |
| | (c) Cap Malheureux | 38 | 2 | 10 | 10 |
| | (d) Trou d'Eau Douce | 38 | 2 | 5 | 15 |
| | (e) Camp de Masque | 38 | 2 | 9 | 12 |
| | (f) Grand Baie | 38 | 2 | 11 | 11 |

**Rs Million**

| SN | Projects | Project Value | 2017/18 Estimates | 2018/19 Planned | 2019/20 Planned |
|---|---|---|---|---|---|
| | (g) Baie du Cap | 38 | 2 | 10 | 25 |
| **Total** | | **6,023** | **1,778** | **1,569** | **2,062** |