



REPUBLIC OF MAURITIUS

SEVENTH NATIONAL ASSEMBLY**PARLIAMENTARY****DEBATES****(HANSARD)****FIRST SESSION****THURSDAY 04 JUNE 2020****CONTENTS**

PAPERS LAID**MOTION****BILL (*Public*)**

The Appropriation (2020-2021) Bill 2020 (No. III of 2020)

BUDGET SPEECH**ADJOURNMENT**

THE CABINET

(Formed by Hon. Pravind Kumar Jugnauth)

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| Hon. Pravind Kumar Jugnauth | Prime Minister, Minister of Defence, Home Affairs and External Communications, Minister for Rodrigues, Outer Islands and Territorial Integrity |
| Hon. Ivan Leslie Collendavelloo, GCSK, SC | Deputy Prime Minister, Minister of Energy and Public Utilities |
| Hon. Mrs Leela Devi Dookun-Luchoomun, GCSK | Vice-Prime Minister, Minister of Education, Tertiary Education, Science and Technology |
| Dr. the Hon. Mohammad Anwar Husnoo | Vice-Prime Minister, Minister of Local Government and Disaster Risk Management |
| Hon. Alan Ganoo | Minister of Land Transport and Light Rail |
| Dr. the Hon. Renganaden Padayachy | Minister of Finance, Economic Planning and Development |
| Hon. Nandcoomar Bodha, GCSK | Minister of Foreign Affairs, Regional Integration and International Trade |
| Hon. Louis Steven Obeegadoo | Minister of Housing and Land Use Planning |
| Hon. Mrs Fazila Jeewa-Daureeawoo, GCSK | Minister of Social Integration, Social Security and National Solidarity |
| Hon. Soomilduth Bholah | Minister of Industrial Development, SMEs and Cooperatives |
| Hon. Kavydass Ramano | Minister of Environment, Solid Waste Management and Climate Change |
| Hon. Mahen Kumar Seeruttun | Minister of Financial Services and Good Governance |
| Hon. Georges Pierre Lesjongard | Minister of Tourism |
| Hon. Maneesh Gobin | Attorney General, Minister of Agro-Industry and Food Security |
| Hon. Yogida Sawmynaden | Minister of Commerce and Consumer Protection |
| Hon. Jean Christophe Stephan Toussaint | Minister of Youth Empowerment, Sports and Recreation |

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| Hon. Mahendranuth Sharma Hurreeram | Minister of National Infrastructure and Community Development |
| Hon. Darsanand Balgobin | Minister of Information Technology, Communication and Innovation |
| Hon. Soodesh Satkam Callichurn | Minister of Labour, Human Resource Development and Training |
| Dr. the Hon. Kailesh Kumar Singh Jagutpal | Minister of Health and Wellness |
| Hon. Sudheer Maudhoo | Minister of Blue Economy, Marine Resources, Fisheries and Shipping |
| Hon. Mrs Kalpana Devi Koonjoo-Shah | Minister of Gender Equality and Family Welfare |
| Hon. Avinash Teeluck | Minister of Arts and Cultural Heritage |
| Hon. Teeruthraj Hurdoyal | Minister of Public Service, Administrative and Institutional Reforms |

PRINCIPAL OFFICERS AND OFFICIALS

| | |
|---|-------------------------------|
| Mr Speaker | Hon. Sooroojdev Phokeer, GOSK |
| Deputy Speaker | Hon. Mohammud Zahid Nazurally |
| Deputy Chairperson of Committees | Hon. Sanjit Kumar Nuckcheddy |
| Clerk of the National Assembly | Lotun, Mrs Bibi Safeena |
| Adviser | Dowlutta, Mr Ram Ranjit |
| Deputy Clerk | Ramchurn, Ms Urmeeah Devi |
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| Clerk Assistant | Seetul, Ms Darshinee |
| Hansard Editor | Jankee, Mrs Chitra |
| Parliamentary Librarian and Information Officer | Jeewoonarain, Ms Prittydevi |
| Serjeant-at-Arms | Pannoo, Mr Vinod |

MAURITIUS**Seventh National Assembly**

FIRST SESSION

Debate No. 14 of 2020

Sitting of Thursday 14 June 2020

The Assembly met in the Assembly House, Port Louis, at 5.00 p.m.

The National Anthem was played

(Mr Speaker in the Chair)

PAPERS LAID

The Prime Minister: Mr Speaker, Sir, the Papers have been laid on the Table.

A. Office of the President

The Annual Report 2019 of the National Human Rights Commission. (In Original)

B. Prime Minister's Office, Ministry of Defence, Home Affairs and External Communications, Ministry for Rodrigues, Outer Islands and Territorial Integrity

Certificate of Urgency in respect of the Appropriation (2020-2021) Bill 2020 (No. III of 2020). (In Original)

C. Ministry of Education, Tertiary Education, Science and Technology

(a) The Annual Report 2017/2018 of the Mauritius Examination Syndicate.

(b) The Annual Report 2015 of the Mauritius Institute of Education.

D. Ministry of Land Transport and Light Rail

(a) The Road Traffic (COVID-19 Sanitary Measures) Regulations 2020. (Government Notice No. 90 of 2020)

(b) The Light Rail (COVID-19 Sanitary Measures) Regulations 2020. (Government Notice No. 91 of 2020)

(c) The Road Traffic (Crop Season) Regulations 2020. (Government Notice No. 94 of 2020)

(d) The Road Traffic (COVID-19 Sanitary Measures) (Amendment) Regulations 2020. (Government Notice No. 102 of 2020)

(e) The Light Rail (COVID-19 Sanitary Measures) (Amendment) Regulations 2020. (Government Notice No. 103 of 2020)

E. Ministry of Finance, Economic Planning and Development

Estimates 2020-2021 & Indicative Estimates 2021-2022 and 2022-2023.

F. Ministry of Commerce and Consumer Protection

(a) The Consumer Protection (Shelf Life of Imported Food Products) Regulations 2020. (Government Notice No. 93 of 2020)

(b) The Consumer Protection (Consumer Goods) (Maximum Mark-Up) (Amendment No. 3) Regulations 2020. (Government Notice No. 95 of 2020)

(c) The Rodrigues Consumer Protection (Control of Price of Taxable and Non-taxable Goods) (Amendment No. 12) Regulations 2020. (Government Notice No. 96 of 2020)

(d) The Rodrigues Consumer Protection (Control of Price of Taxable and Non-taxable Goods) (Amendment No. 13) Regulations 2020. (Government Notice No. 97 of 2020)

G. Ministry of Labour, Human Resource Development and Training

(a) The Workers' Rights (Exempt Employers) Regulations 2020. (Government Notice No. 98 of 2020)

(b) The Employment Relations (Amendment of Schedule) Regulations 2020. (Government Notice No. 99 of 2020)

H. Ministry of Health and Wellness

(a) The Prevention of Resurgence and Further Spread of Epidemic Disease (COVID-19) Regulations 2020. (Government Notice No. 92 of 2020)

(b) The Prevention and Mitigation of Infectious Disease (Coronavirus) (Amendment No. 4) Regulations 2020. (Government Notice No. 100 of 2020)

(c) The COVID-19 (Closing Down of Premises and Restriction of Activities and Movement in Public Places) Regulations 2020. (Government Notice No. 101 of 2020)

(d) The Prevention and Mitigation of Infectious Disease (Coronavirus) (Amendment No. 5) Regulations 2020. (Government Notice No. 104 of 2020)

I. Ministry of Arts and Cultural Heritage

(a) The Annual Reports 2011, 2012 and 2013 of the Nelson Mandela Centre for African Culture.

(b) The Consolidated Annual Report of the Nelson Mandela Centre for African Culture for the year ended December 2014.

(c) The Annual Reports 2014 - 2015 of the Mauritius Council of Registered Librarians.

MOTION**SUSPENSION OF S. O. 10(2)**

The Prime Minister: Mr Speaker, Sir, I move that all the business on today's Order Paper be exempted from the provisions of paragraph (2) of Standing Order 10.

The Deputy Prime Minister seconded.

Question put and agreed to.

PUBLIC BILL

First Reading

On motion made and seconded, the Appropriation (2020-2021) Bill 2020 (No. III of 2020) was read a first time.

Second Reading

**THE APPROPRIATION (2020-2021) BILL 2020
(NO. III OF 2020)**

Order for Second Reading read.

The Minister of Finance, Economic Planning and Development (Dr. R. Padayachy):

Budget Speech 2020-2021

Our New Normal: The Economy of Life

Mr Speaker, Sir,

1. I move that the Appropriation 2020-2021 Bill No. 3 of 2020 be read a second time.
2. Mr Speaker, Sir, I am presenting the National Budget at a time of unprecedented crisis.
3. Without any doubt, one of the worst in modern history.
4. Yet, just a few months ago no one would have imagined that we would be faced with such a calamity.
5. That nearly half of the population worldwide would be confined in their homes.
6. That airplanes would be grounded, that schools would be closed, that Work from Home would become the norm, that the doors to places of worship and entertainment would be closed.

7. That our daily life would be put on hold.
8. It is premature to predict if ever the world will be back to what we once knew, and considered as normal.

Mr Speaker, Sir,

9. A deep contraction, globally and locally, is unfolding before our eyes.
10. This is what international and local institutions are predicting.
11. But none of them are able to forecast today, with confidence, the depth and the duration of this contraction.
12. As at today, the IMF is forecasting that the world GDP, in its best-case scenario, would contract by around 3 percent in 2020.
13. According to the ILO, the impact on the global world of work will be far-reaching, pushing millions of people into unemployment.
14. Mauritius has not been spared.
15. The fallout on our economy is without comparison.
16. Latest forecasts point to a GDP contraction of up to 11 percent this year, the worst GDP contraction ever for our country.

Mr Speaker, Sir,

17. In these unknown unknowns, what remains constant is the commitment of this Government towards its people.
18. Today, I will unveil before this House our strategy.
19. The challenge is daunting, but, our response is nothing but historical.
20. We will, as a nation, rise up together to this New Normal.
21. Our “New Normal” will be the Economy of Life. That is why this Budget is focusing on the following triptyc -
 - A. Rolling out the '*Plan de Relance de l'investissement et de l'économie*'.
 - B. Engaging in Major Structural Reforms.
 - C. Securing Sustainable and Inclusive Development.

A. ROLLING OUT OUR PLAN DE RELANCE DE L'INVESTISSEMENT ET DE L'ECONOMIE

Mr Speaker, Sir,

22. We must protect the jobs of thousands of men and women.
23. We must secure the means of livelihoods for thousands of small businesses.
24. We have earmarked Rs 100 Billion in this Budget for our ***Plan de Relance de L'Investissement et de l'Economie***. This will enable us to -
 - (a) give a boost to the construction sector;
 - (b) go back to basics with investment in smart agriculture;
 - (c) rebuild our local manufacturing fabric;
 - (d) support our tourism industry;
 - (e) consolidate our financial services sector;
 - (f) stimulate the development of data economy;
 - (g) diversify and deepen the blue economy value-chain;
 - (h) build a strong biomedical and pharmaceutical industry;
 - (i) reinforce our regional partnerships; and
 - (j) foster entrepreneurship and protect the livelihood of SMEs.

Reviving our Traditional Sectors

Mr Speaker, Sir,

25. In our economic recovery plan, we will start by reviving our traditional sectors.

Construction Sector

26. The construction sector will be the engine of our recovery.
27. First, we are providing Rs 12 billion for the construction of 12,000 social housing units across the whole island.
28. Second, the Rivière des Anguilles dam will be constructed at an estimated cost of around Rs 7.5 billion.
29. Third, investment of around Rs 6 billion are expected in the main bus terminals along the Port Louis – Curepipe corridor into multi-modal Urban Terminals.
30. Fourth, we are providing some Rs 5.2 billion for the construction of new roads and bridges

31. Fifth, another Rs 5 billion is provided for the completion of the Metro System from Rose Hill to Curepipe.
32. Sixth, the bus terminal modernisation programme will be extended to other main agglomerations of the country, starting with Flacq, St Pierre, Mahebourg and Rivière du Rempart with the participation of the private sector who will invest some Rs 3.2 billion over the next 3 years.
33. Seventh, some Rs 2.2 billion will be invested in a Breakwater, Fishing Port and the Cruise Terminal Building.
34. We will also stimulate private investment, including in the construction sector.
35. There are currently some 34 projects in the pipeline at the EDB worth some sixty-two billion rupees. A High-Level Committee chaired by the Prime Minister will be set up to expedite processing and approval of these projects.
36. Government will further incentivise the construction industry by -
 - (a) Waiving fees related to the Building and Land Use Permit (BLUP) for construction of pharmaceutical manufacturing factories, food processing plants and warehouses.
 - (b) Facilitating purchases of immovable properties by foreign buyers through digital Power of Attorney.
 - (c) 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.
37. We will allow for payment of VAT as from the date of receipt instead of the date of invoice for Government contracts in relation to construction works.
38. For Government projects of up to Rs 300 Million, contractors will be paid within a shorter period of 28 days instead of 56 days currently. Any retention amount will be paid fully within six months instead of twelve months.
39. The Construction Industry Development Board Act will be amended to review the grading of contractors.
40. As we stimulate construction, we have the will and the means to promote our local expertise, favour input from local firms and ensure that the employment created can be taken up by Mauritians.

41. Henceforth, public projects with investments of less than Rs 300 million and where pre-qualification is not required by the Central Procurement Board, will be opened to Mauritian companies only.

Agricultural Sector – Back to Basics

Mr Speaker, Sir,

42. Our economic recovery plan also extends support to the other traditional sectors besides construction.
43. One of the early lessons of the Covid-19 crisis is the need to be as self-sufficient as possible in what we consume.
44. We have the means, the land and the expertise today to become more independent in our food supplies.
45. I am therefore announcing the inception of a comprehensive National Agri-Food Development Programme.
46. This programme will promote the Farm to Fork concept, ensure food security and reduce our dependence on imports.
47. To achieve so, we need to bring more land under cultivation.
48. A centralised digital Land Bank of State and Private Agricultural Land will be set up under Landscape Mauritius Ltd and be made publicly accessible.
49. It will operate as a platform to match demand and supply for land that can be used for food production.
50. Upon approval of Landscape Mauritius Ltd, a small planter, having up to 10 acres of agricultural land will be allowed to convert up to 10 per cent of his land for residential or commercial purpose.
51. There are currently some 20,000 acres of abandoned land which will be put on the platform for immediate use.
52. Landscape Mauritius Ltd will have a new mandate to acquire more private agricultural lands with the support of the State Investment Corporation (SIC).
53. The Food and Agricultural Research & Extension Institute (FAREI) will develop the necessary standards and norms for production, storage, transformation and commercialisation of super foods.
54. The Agricultural Marketing Board Act will be amended to broaden the role and functions of the Agricultural Marketing Board (AMB).

55. This institution will, among others -

- (a) Prepare and implement a production plan for strategic food crops based on local demand;
- (b) Manage the National Wholesale Market for fruits and vegetables before end of 2020;
- (c) Establish a price guarantee mechanism for producers to earn a sustainable flow of income;
- (d) Invest in regional storage facilities to improve on-shelf life for seasonal crops such as tomatoes;
- (e) Engage with local firms for agro-processing; and
- (f) Ensure availability of quality seeds and develop new crop varieties.

56. We will also give further technical support to small planters to allow them to participate fully in the National Agri-Food Development Programme.

57. To boost the production of potatoes and onions, we will increase the subsidy for the purchase of seeds from Rs 5,000 per ton to Rs 25,000.

58. Moreover, Government will waive the payment of the annual premium in respect of the Crop Loss Compensation Scheme operated by the Small Farmers Welfare Fund.

59. Under the Fruit Protection Scheme, a grant of 50% of the cost of permanent netting structures will be provided to orchard owners.

60. For distressed companies affected directly by the Covid-19 pandemic in the agricultural sector, the Development Bank of Mauritius (DBM) will provide loans at the concessional rate of 0.5 per cent per annum.

61. The sugar cane planters will need our continued support.

62. For crop 2020, Government will ensure that planters receive a guaranteed price of Rs 25,000 per ton for the first 60 tons of sugar.

63. The insurance premium payable to the Sugar Insurance Fund Board by planters producing up to 60 tons of sugar will be waived for Crop 2020.

64. The Mauritius Cane Industry Authority (MCIA) will meet the shortfall arising from the suspension of CESS payments for Crop 2020.

65. The Cane Replantation Programme will be maintained to encourage planters to bring back land under sugarcane cultivation.

66. The rate of customs duty on imported sugar will be increased from 80% to 100%.

Manufacturing Sector- Expanding our Local Manufacturing Fabric

Mr Speaker Sir,

- 67. The manufacturing sector is a pillar of our economy and we need to build on that.
- 68. We will foster a Buy Mauritian program, one which favours local entrepreneurship and industrial development.
- 69. We will thus enact appropriate legislations and impose quotas where needed to protect and promote the ‘Made in Mauritius’ brand.
- 70. We will impose a minimum shelf space of 10 per cent for locally manufactured goods in supermarkets.
- 71. Ministries and Government Bodies will be required to have a minimum domestic content of 30 per cent in their purchases of goods, wherever possible.
- 72. We will also provide for a Margin of Preference of 20 per cent on public purchases to all local manufacturing companies and 30 per cent for manufacturing SMEs.

Mr Speaker, Sir,

- 73. Manufacturing calls for new production lines, new processes, new R&D and new technologies.
- 74. The investment tax credit of 15 per cent over 3 years will be extended to all manufacturing companies.
- 75. We will provide a double deduction on the cost of acquisition of patents and franchises and also the costs incurred to comply with international quality standards and norms.
- 76. ISP Ltd will financially support enterprises producing hygienic goods such as Export Sector – A Paradigm Shift

Mr Speaker Sir,

- 77. We also require a paradigm shift in our export strategy.
- 78. 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.
- 79. We are extending the Freight Rebate Scheme for exports to Africa; and the Trade Promotion and Marketing Scheme for exports to Japan, Australia, Canada and the Middle East.
- 80. The Export Credit Insurance Scheme will be extended to cover all our exports.

81. Government will support the first two years of operation of a “Made in Mauritius” warehouse set-up in Tanzania and Mozambique.
82. To foster the transformation of the textile industry, a reputable international firm will conduct a comprehensive review of our export model.
83. Companies will benefit from a 50 per cent refund on the costs of certification, testing and accreditation of local laboratories.
84. They will also be exempted from the payment of registration duty and land transfer tax for the purchase of immovable property.

Support to our Tourism Sector

Mr Speaker, Sir,

85. The tourism industry has come to a complete stop.
86. To kick-start the recovery process in this industry, Government will take the following measures.
87. A protocol will be established to ensure all sanitary precautions from arrival to departure.
88. Moreover, to maintain the competitiveness of the industry -
 - (a) Support will be provided to our national carrier.
 - (b) The MTPA and EDB will develop a new tourism branding strategy.
 - (c) Furthermore, we will enter a commercial partnership with the Liverpool Football Club (LFC) for the promotion of the Mauritius destination, starting this September 2020.
89. We will introduce the Aparthotels Scheme to enable existing hotels to convert part of their accommodation units into serviced apartments that can be sold individually.
90. The Invest Hotel Scheme will allow owners to occupy their units for a total period of 90 days instead of 45 days in a year.
91. To attract High Net Worth tourists, special arrangements will be made at the airport to accommodate visitors coming in private jets.
92. MTPA will organise major events in Mauritius where various tour operators, travel agents and international press will be invited to experience our tourism industry.
93. To further help operators in the tourism sector -

- (a) The licensees of Tourism Authority and Beach Authority will be exempted from payment of licence fee for a period of two years.
- (b) The rental payment of state lands for hotels will be waived for the upcoming financial year.
- (c) The Hotel Reconstruction and Renovation Scheme rebate of 50% on rental of State lands for hotels will be increased to 100% for two years up to 30 June 2022.
- (d) Up to December 2021, companies operating under the Deferred Duty and Tax Scheme as well as the Mauritius Duty Free Paradise will be allowed to sell their goods on the local market, provided they pay the taxes.

Enhancing our Financial Services Sector

Mr Speaker, Sir,

- 94. Our financial services sector is facing a number of challenges requiring fundamental reforms.
- 95. Our utmost priority is to continue ensuring compliance of our jurisdiction with recommended international best practices and norms.

FATF Action Plan

- 96. Government is committed to completing the five remaining recommendations under the Financial Action Task Force (FATF) Action Plan for Mauritius by September 2020.
- 97. To comply with these 5 recommendations, we will implement the following measures -
 - (a) Risk-based supervisions in accordance with the recommendations of the FATF;
 - (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.
- 98. Furthermore, a new AML/CFT (Miscellaneous Provisions) Bill will be introduced to complement existing legislative framework.
- 99. A dedicated and specialised Financial Offences Court will also be set up.

Diversifying our Financial Services Sector

100. To further enhance competitiveness of the Financial Services Sector, the following new products will be introduced in line with the recommendations of the 10-Year Blueprint.
 - (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.
101. The Bank of Mauritius will also come up with new frameworks for digital banking, private banking and wealth management by banks.
102. Moreover, a dedicated Venture Capital Market will be set up at the Stock Exchange of Mauritius for start-ups and SMEs.

Mr Speaker, Sir,

Creative and Cultural Sector

103. Arts and Culture are key elements of a strong social fabric.
104. To expand opportunities for our local artists, we will provide -
 - (a) Rs 19 Million to finance the COVID-19 Action Plan 2020 to support the production of virtual concerts; and
 - (b) Rs 15 Million to finance events under a *Calendrier Culturel*.
105. An amount of Rs 35 Million is being earmarked for the preservation and rehabilitation of historical and cultural sites.
106. An expression of interest will be launched to develop an Art District in Port-Louis.
107. Moreover, strategic public places will be opened up for busking, art installations and for performing arts.
108. The EDB and the National Art Gallery will create an Online Fine Art Gallery to host art exhibitions and facilitate sales to the public.
109. Space will be made available at the Multi-sports Complex at Côte d'Or for fine art exhibitions and for performing art events.
110. An Art Festival will be organised on the weekend of the National Music Day 2021 to provide a platform to our artists to display their talents.

Facilitating Emergence of New Sectors

Mr Speaker, Sir,

111. Our economic recovery plan is also about propelling Mauritius into the era of innovation and new technologies.
112. This is a sine-qua-non condition for putting our economy on a higher growth path.
113. The world is changing and we can no longer wait for others to drive innovation for us nor can we wait for them to react to global changes.
114. We are now taking the reins and leading our nation towards a new horizon that is prepared for any eventuality.
115. For this, we need a game changer.
116. This is our vision for the future - a Mauritius driven by data technology.

Côte d'Or Data Technology Park

117. Indeed, today I am announcing a new Data Technology Park at Côte d'Or.
118. This Park, based on knowledge and skills, will lay the foundation for a data driven economy and would create the right eco-system to accelerate the innovation process from idea to creation.
119. The Park will encompass 12 highly skilled and specialised centres from additive manufacturing to deep artificial intelligence.
120. This Park will endow Mauritius with a Carbon Neutral Green Certified Tier 4 Data Centre.
121. The Deep Artificial Intelligence Centre will provide the necessary support for start-ups, existing businesses and government services to achieve a major digital transformation.

Pharmaceutical Industry

Mr Speaker, Sir,

122. The pandemic has proved the importance of having a full-fledged pharmaceutical sector.
123. To this end, the Mauritius Investment Corporation Ltd (MIC) will invest in the production of pharmaceutical products, medical devices and personal protective equipment through a public-private enterprise.
124. To ensure conformity with international norms and standards, a Medical Products Regulatory Authority Bill will be introduced.

- 125. To bring more research and development in Mauritius, registration duty on acquisition of immovable property in the life sciences sector will be waived.
- 126. Medical R&D centres will benefit from VAT exemption on construction materials and specialised equipment, and also double deduction on R&D expenditures.
- 127. The Human Tissue Act will be fully proclaimed.
- 128. A regulatory framework will be set up for telemedicine platforms.

Blue Economy

Mr Speaker, Sir,

- 129. We will also further unlock the potential of the blue economy.
- 130. To develop the fishing industry, the MIC will invest in joint ventures engaged in fishing activities and its value chain.
- 131. An inland aquaculture scheme will be introduced with the following incentives -
 - (a) an 8-year tax holiday; and
 - (b) duty and VAT exemption on equipment.
- 132. The daily rate of the bad weather allowance to fishermen will be increased from Rs 365 to Rs 425.
- 133. Ship registration is another segment of the blue economy.
- 134. In this context, a single licence for chartered yacht calls in Mauritius will be introduced encompassing multiple berthing options, rights for helicopter flights and gaming.

Africa

Mr Speaker Sir,

- 135. Africa is our future.
- 136. It is hand in hand that our socio-economic pathway will be written.
- 137. Our Economic Recovery plan thus also focuses on reinforcing our partnerships with the rest of Africa.
- 138. The MIC has earmarked Rs 10 billion to invest in African projects, including SEZ projects under a G2G framework.

Fostering Entrepreneurship and Ideas

Mr Speaker, Sir,

- 139. Both our recovery and the future growth will be built on a strong commitment towards an inclusive economy and society.
- 140. One which supports entrepreneurship, creativity and ideas.
- 141. DBM Ltd has earmarked Rs 10 billion to support distressed SMEs and Cooperative Societies.
- 142. The DBM will provide loans of up to Rs 10 million per enterprise at a concessional rate of 0.5 percent per annum.
- 143. In the same vein, DBM will provide loan facilities to taxi operators based at hotels.
- 144. Furthermore, to encourage local production, I am increasing the one-off grant towards certification under 'Made in Moris' label from Rs 5,000 to a maximum of Rs 50,000.
- 145. SMEs holding the 'Made in Moris' label will benefit from a Margin of Preference of 40 per cent instead of 30 per cent under Public Procurement.
- 146. A Technology and Innovation Fund will be created to invest up to Rs 2 million as equity in projects recommended by Mauritius Research and Innovation Council.
- 147. To promote a culture of entrepreneurship among our university students, DBM Ltd will scale up its Campus Entrepreneur Challenge competition. The first 10 best projects will be financed at a rate of 0.5 per cent per annum for an amount of up to Rs 500,000.

Mr Speaker, Sir,

- 148. To ease cash flow of SMEs, we will encourage the broadening of access to factoring facilities through Maubank.
- 149. The ISP Ltd will subsidise fifty percent of the factoring fee per invoice for SMEs.
- 150. The Procurement Policy Office will require Public Bodies to procure specific goods and services from SMEs only.
- 151. Public Bodies will pay SMEs within 14 days from date of invoices in respect of supply of goods and services.
- 152. SMEs and cooperative societies will benefit from a grant of 15 per cent on cost of assets of up to a maximum of Rs 150,000 under the DBM Enterprise Modernisation Scheme.
- 153. With a view to boosting local production, the Cooperatives Development Fund will provide a grant of up to Rs 50,000 to cooperative societies for:
 - (a) the purchase of livestock; and

(b) acquisition of equipment involved in the production of food items.

B. ENGAGING IN STRUCTURAL REFORMS

Mr Speaker, Sir,

- 154. Let me now come to our reform agenda.
- 155. The *status quo* is no longer an option
- 156. The Covid-19 crisis reminds us of the urgency to conduct wide-ranging structural reforms across our economy and society.
- 157. Founded on the principles of inclusiveness, sustainability, and efficiency, this Budget will help to shape the future of Mauritius.

A Sustainable Pension System

- 158. The pandemic has changed the lives and livelihoods of billions of citizens worldwide, and our country has not been spared.
- 159. We are no longer in an era of endless growth.
- 160. And our demographic trend, with an ageing and decreasing population, as underlined by various international institutions, make our pension system unsustainable for the future.
- 161. We need to act and we need to act today.
- 162. We are therefore proposing a pension reform which is fair, equitable and sustainable for our economy.
- 163. We are maintaining and guaranteeing the Basic Retirement Pension (BRP) to all individuals at the age of 60 years and above.
- 164. This universal monthly benefit of Rs 9,000 will continue to be paid to each and every one.

Mr Speaker, Sir,

- 165. Henceforth, all increases in benefits to our elderly will be paid through a completely new mechanism.
- 166. We are introducing a contributory, participative and collective system, the *Contribution Sociale Généralisée (CSG)*.
- 167. This will ensure an additional guaranteed monthly income to citizens above the normal retirement age of 65 years old.
- 168. The first payment of benefits under the CSG will be in July 2023.

- 169. Under this new system which will be effective as from 1st September 2020, employees earning up to Rs 50,000 monthly, will contribute 1.5% and their employers 3% on monthly salary.
- 170. For employees earning more than Rs 50,000 monthly, the contribution will be 3% and that of employers 6% of monthly salary.
- 171. This new system will also include self-employed individuals.

Mr Speaker, Sir,

- 172. As a result of this reform, we are abolishing the contribution to the National Pension Fund, while continuing to pay benefits to each and every one who has previously contributed to the NPF Fund.
- 173. We are abolishing the NPF as it is not only unsustainable but also unfair and regressive.
- 174. Under the NPF, an employee contributes 3% of his basic salary and the employer 6%. The rate of contribution is applied on a ceiling of Rs 18,740, irrespective of the basic salary.
- 175. That is, if an employee earns the minimum wage, he currently contributes Rs 306 monthly, that is, 3% of his basic salary.
- 176. If an employee earns Rs 1,000,000 monthly, Mr Speaker, Sir, he contributes Rs 562 that is less than 0.06 per cent of his salary.
- 177. This shows how unfair is the NPF system.
- 178. Under the *Contribution Sociale Généralisée*, we will thus move towards a more progressive system of contribution which will benefit those at the lower end of the ladder as well as SMEs.
- 179. It is a contributory, participative and collective system.
- 180. Today's generation will contribute towards ensuring higher benefits to our elders.
- 181. And tomorrow, our children will contribute to ensure that we enjoy a decent retirement.
- 182. If an employee is earning the minimum wage today, instead of contributing Rs 306 under the NPF, he will contribute only Rs 153.
- 183. If an employee is earning Rs 25,000 today, instead of contributing Rs 562 under the NPF, he will contribute only Rs 375.

184. Under this mechanism, more than 70 per cent of employees will be contributing less today and earning more tomorrow.

Mr Speaker, Sir,

185. Whilst we transform our system to make it more equitable, we are aware that there are today tens of thousands of Mauritians working informally as household employees, construction workers, gardeners, helpers and carers.

186. The majority of them are unable to access the contributory pension system and do not benefit from their years of service.

187. To this end, Mr Speaker, Sir, I am introducing the Service Employment Cheque in Mauritius as from September 2020.

188. This measure will ensure that these workers benefit, over and above the Basic Retirement Pension (BRP), from the CSG.

189. We are further enhancing our means to help the most vulnerable group.

190. The practical difficulties faced in financially helping them during the lockdown period lead us to the following -

- (a) Government will facilitate the setting up of a Bank Account for each citizen at birth.
- (b) An amount of Rs 150 will be paid by Self-Employed individuals to the CSG.

Improving our Doing Business Environment

Mr Speaker, Sir,

191. The reforms implemented by Government to facilitate business over the last 3 years have moved Mauritius amongst the top-ranking economies in the world for ease of doing business.

192. Our aspiration is to be amongst the best.

193. We must ensure that when a young entrepreneur in Africa wants to do business, he or she will think about Mauritius first.

194. We have reformed our doing business environment, and we will continue to do so.

195. We will make it easier to create a company, operate a business, hire talents, export to the world, and resolve commercial disputes.

196. We have to continue to facilitate business related public service delivery. This goes through e-services.

- (a) An **Integrated Single Window for Trade** will be developed to connect all stakeholders within the port community.
- (b) A **Maritime Single Window** will be introduced by the Mauritius Ports Authority to facilitate vessel clearances and reduce administrative bottlenecks at the port.
- (c) The **Corporate and Business Registration Department (CBRD)** will become the central repository for all business information and licences through a digital platform.
- (d) All deeds for registration of property shall be submitted through the **Mauritius e-Registry System**.
- (e) We will invest in a new **Land Use and Valuation Information Management System (LAVIMS)** based on Blockchain technology.
- (f) A new online system will be developed for services delivered by the **National Land Transport Authority**.
- (g) The implementation of the **Centralised-KYC project by the Bank of Mauritius** will be expedited.
- (h) The Bank of Mauritius will also upgrade the Mauritius Credit Information Bureau (MCIB) to provide credit score of potential borrowers.
- (i) The e-Procurement System will become mandatory for public sector bodies.

197. We are also coming up with a series of measures to reduce cost of doing business in the aftermath of the COVID-19 pandemic.

- (a) The Mauritius Revenue Authority will regulate fees charged by freight forwarders for Groupage cargo.
- (b) The fees for re-instatement companies will be reviewed downwards from Rs 15,000 to Rs 5,000 and the requirements for giving notice shall be done online.
- (c) Application fee for a Building and Land Use Permit will be waived.

Opening to the World

Mr Speaker, Sir,

198. Our country is facing a major structural challenge - that of demographic decline.

199. Alarmingly, last year, our country's population declined for the first time in more than 50 years.

200. If this trend is maintained, our population will fall by more than 200,000 between now and 2050.

201. We have to counter the adverse impact of this trend.

202. Economic growth should not be hindered by lack of labour nor by an exiguous domestic market.

203. We have no choice but to open ourselves to talents, ideas and knowledge.

204. To achieve these objectives, we are coming up with a new set of policies.

205. Investors, professionals and retirees need visibility and certainty before opting for a place where they may be spending a significant part of their lives. To this end -

- (a) The Work Permit and Residence Permit will be combined into one single permit.
- (b) We are lengthening the validity of an Occupation Permit (OP) and a Residence Permit for retirees to 10 years renewable.
- (c) The minimum investment amount for obtaining an OP will be reduced from USD 100,000 to USD 50,000.
- (d) The minimum turnover and investment requirement for Innovator Occupation Permit are being removed.
- (e) The spouse of an OP holder will not need a permit to invest or work in Mauritius.
- (f) OP holders will also be allowed to bring their parents to live in Mauritius.
- (g) The EDB will be the only agency responsible to determine and recommend applications for the OP.
- (h) Professionals with an OP and foreign retirees with a Residence Permit will be able to invest in other ventures without any shareholding restriction.
- (i) 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.

(j) The Permanent Residence Permit will be extended from 10 to 20 years.

(k) 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.

Public Sector Transformation Strategy

Mr Speaker, Sir,

206. We rely on our public sector to relaunch our economy.
207. We will publish an Implementation Plan of the main measures of this Budget.
208. A High-Level Committee, under the Chair of the Prime Minister will monitor the implementation of measures contained in the Plan.
209. This year, the Director of Audit has recommended improvements in the management of public funds.
210. We are acting upon these recommendations.
211. We are reducing our recurrent expenditure, excluding social benefits, by some 10 per cent on average for the coming financial year.
212. The provision for overseas mission will be reduced by some 60 per cent and the rates for Per-Diem and entertainment allowances will be revised downwards accordingly.
213. Ministers and Private Parliamentary Secretaries will be allowed to renew their official cars every 5 years instead of 4 years, irrespective of the fuel type, but in accordance with authorised purchase price ceilings.

Mr Speaker, Sir,

214. Digital Transformation is already underway.
215. To speed up this transformation, we need a strong institutional champion.
216. The Central Informatics Bureau (CIB), Central Information Systems Division (CISD), IT Security Unit (ITSU), National Computer Board (NCB), State Informatics Limited (SIL) and the Government Online Centre (GOC) will be completely restructured.
217. A Mauritius Digital Transformation Agency (MDTA) will be set up under the aegis of the Prime Minister's Office to lead this transformation.
218. Furthermore, a new sandbox framework will be introduced to facilitate development of proof of concepts and pilot exercises to test the possibilities of innovative technologies.

Mr Speaker, Sir,

Ensure Social Justice through Fiscal Policies

- 219. I will now come to the reform of our fiscal policies.
- 220. We need to bring more progressivity and fairness in our taxation system and we call upon the high income earners to further contribute to rebuild our economy while preserving our social fabric.
- 221. We will ensure that each citizen will automatically receive a Tax Account Number (TAN).

Solidarity Levy

- 222. To ensure more social justice, we are reviewing the solidarity levy.
- 223. The levy of 5 per cent on the excess amount of chargeable income plus dividends of a resident Mauritian citizen will now be 25 per cent and applicable as from Rs 3 Million annually.
- 224. The solidarity levy will be payable on a Pay As You Earn (PAYE) basis.
- 225. This is the patriotic appeal which we make to those who earn most.
- 226. We expect to receive more than Rs 3.5 billion of additional revenue from this levy.
- 227. As representatives of the people, we are proud to contribute to this levy.

Corporate Tax

Mr Speaker, Sir,

- 228. We will also call upon the solidarity of our most successful economic operators to contribute towards building resilience.
- 229. I am introducing a levy on companies 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.
- 230. The levy will be on the annual gross income at the rate of –
 - (a) 0.3% for insurance companies, financial institutions, service providers and property holding companies; and
 - (b) 0.1% for other companies.
- 231. The levy will not apply to a company which operates in the tourism sector or which holds a Global Business License.

Income Exemption Thresholds for the Middle Class

232. This economic solidarity from those who have the most enables us to reduce the tax burden on middle-income households.

Mr Speaker, Sir,

233. I am therefore increasing income exemption thresholds for all categories of taxpayers. The thresholds for the income year 2020-2021 are being raised by –

- Rs 15,000 for a taxpayer with up to two dependents;
- Rs 50,000 for a taxpayer with three dependents; and
- Rs 80,000 for a taxpayer with four or more dependents.

234. We are effectively either reducing or eliminating income tax for some 55,000 middle-income households.

235. An individual with three dependents will effectively pay Rs. 7,500 less taxes in a year.

236. An individual with four dependents will effectively pay Rs 12,000 less taxes in a year.

237. This is what this reform entails today – a fairer, and more redistributive income tax regime.

C. SECURING SUSTAINABLE AND INCLUSIVE DEVELOPMENT

Mr Speaker, Sir,

238. Our Government's strategy is to secure a greener and more inclusive development while preserving a strong social fabric. To this end, we have earmarked some Rs 100 Billion in this Budget.

239. The “*Assises de l'Environnement*”, launched by the hon. Prime Minister in December 2019, has urged for an acceleration towards an ecological transition.

240. A transition to a cleaner, greener, sustainable, low emission and climate resilient country.

241. We are proposing to transfer Rs 2 billion to the **National Environment Fund** through an Estimates of Supplementary Expenditure in this fiscal year. I will introduce a Supplementary Appropriation Bill to cover exceptional expenditure with COVID-19 pandemic.

242. Significant investments will thus be made to address climate change challenges.

243. Rs 314 Million are being earmarked to continue landslide stabilisation works on our roads.

244. Rs 215 Million will be used for the protection of our beaches, lagoons and coral reefs.

245. And Rs 207 Million will be provided for the Cleaning and Embellishment Programme of drains, roads, rivers and public sites including places of worship.

Reduce, Re-Use, Recycle, Recover

Mr Speaker, Sir,

246. We need to move towards a circular economy model.

247. We need to take the necessary measures to manage our wastes.

- (a) Eco-bins will be made available at strategic places across the island for the collection of plastic wastes.
- (b) We will provide for the setting up of a network of Civic Amenity Centres (CAC) (*déchetteries*) at the 5 Transfer Stations.
- (c) The Ministry of Environment will encourage segregation of waste at source.
- (d) Local Authorities will carry out composting of market waste.
- (e) As regards dry wastes, a feasibility study will be conducted on the construction and operation of sorting units on a PPP basis at Forbach and at La Chaumière.

248. To encourage the recycling of waste tyres -

- (a) Tyre retreading will be classified as a recycling activity.
- (b) The refund mechanism for exporters and recyclers of waste tyres will be extended to local retreading of tyres.
- (c) The rate of refund will be Rs 25 per retreaded tyre.

249. Finally, all recycling activities will be classified as a manufacturing activity and will, therefore, benefit from the various fiscal and other incentives.

Air Quality Index

250. Air pollution poses a major threat to health, climate and the environment.

251. We need to ensure that Mauritius remains a country with a good quality of air.

252. We will thus provide for the introduction of the Air Quality Index to enable the monitoring of the quality of air in Mauritius.

Drainage Infrastructure and Flood Management

Mr Speaker, Sir,

- 253. The effects of climate change and weather disruptions have caused flash floods in several regions across the island.
- 254. It is thus imperative that we improve our country's resilience to flooding.
- 255. Rs 1.2 billion will be provided from the National Environment Fund to construct drainage infrastructure in high risk flood-prone areas across Mauritius and Rodrigues.

Energy

Mr Speaker, Sir,

- 256. Today, we need to ensure energy security and sustainability.
- 257. This is why we need to increase the share of local renewable energy in our energy mix to 40% by 2030.
- 258. In this context, the following new projects will be pursued -
 - (a) Setting up of a 2 MW floating solar PV plant at Tamarind Falls reservoir.
 - (b) Increasing the capacity of the solar PV farm at Henrietta from 2 MW to 10 MW.
 - (c) Installing 1,000 solar panels on houses of low income families.
 - (d) Commissioning a battery energy storage system of 14 MW.
- 259. The Central Electricity Board (CEB) will introduce the following schemes to encourage the use of renewable energy -
 - (a) 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
 - (b) Installation of 25 MW of rooftop solar PV to cater for public and residential buildings.
- 260. Furthermore, the CEB Renewable Energy Scheme for Religious Bodies will be extended to cover NGOs and Charitable Institutions.

Wastewater

Mr Speaker, Sir,

- 261. We are committed to connect more households to the sewerage system.
- 262. Two major wastewater projects are being implemented at Grand Baie and Pailles Guibies to connect some 7,000 houses to the sewerage system.

- 263. Provision is also being made to implement wastewater projects in Terre Rouge, Curepipe, St Paul, Dubreuil, Wooton and Pointe aux Sables.
- 264. A feasibility study will be carried out for the implementation of wastewater network in Port Mathurin, Rodrigues.

Social Housing

Mr Speaker, Sir,

- 265. Development is first and foremost about people.
- 266. No citizen will be left behind in the development process.
- 267. This is why today, I have announced an exceptional effort to construct 12,000 residential units over the next 3 years for Mauritian families with monthly income of up to Rs 60,000.
- 268. For families earning monthly income of up to Rs 10,000, Government will construct 1,800 housing units and subsidise 80 per cent of the cost.
- 269. For families earning monthly income between Rs 10,000 and Rs 30,000, Government will construct 5,200 housing units and subsidise 67 per cent of the cost.
- 270. For families earning monthly income between Rs 30,000 and Rs 45,000, Government will construct 3,500 housing units and subsidise 40 per cent of the cost.
- 271. And for families earning monthly income between Rs 45,000 and Rs 60,000, Government will construct 1,500 housing units and subsidise 30 percent of the cost.
- 272. Families will have the option to repay the remaining amount on a monthly basis over a period of up to 35 years.
- 273. This housing programme will meet the needs of the most vulnerable families as well as low and middle-income families.
- 274. The housing units will make maximum use of renewable energy.

Community Development

Mr Speaker, Sir,

- 275. Our towns and villages are also being provided with modern and lively community infrastructure.

276. Rs 1.3 billion are being allocated to Local Authorities and the National Development Unit for the following projects -

- (a) Completion of Market Fairs at Bel Air, Goodlands and Mahebourg and construction of new ones at Chemin Grenier, Bambous and Pamplemousses;
- (b) Completion of District Council Headquarters at Flacq and Pamplemousses;
- (c) Completion of a Multipurpose Complex at Camp Levieux and construction of new ones at Montagne Blanche, Rivière du Rempart and Abercrombie;
- (d) Construction and upgrading of 18 incinerators around the island;
- (e) Construction of a Leisure Park at Quartier Militaire;
- (f) Construction of a new Sports Centre at Plaine Verte; and
- (g) Completion of 200 secondary roads and 27 amenities projects around the island by the National Development Unit.

277. Some Rs 300 Million will be invested on a PPP basis on:

- (a) The construction of an Integrated One Stop Shop at Beau Bassin; and
- (b) An integrated Market, Gymnasium and Sports amenities at Bassin, Quatre Bornes.

Access to Water

Mr Speaker, Sir,

278. We will work towards improving the distribution of water, reducing water losses, and further increasing our water storage and treatment facilities.

279. We will engage in the following major projects to improve our water storage and treatment facilities -

- (a) Construction of a dam at Rivière des Anguilles and rehabilitation of La Ferme Reservoir;
- (b) Construction of new water treatment plants at Pont Lardier and Rivière des Anguilles and upgrading and rehabilitation of existing ones at Piton du Milieu, Rivière du Poste and Mont Blanc;

- (c) Completion of pipe laying and other associated works at the Bagatelle Water Treatment Plant;
- (d) Drilling of additional boreholes at Piton, Petite Retraite, Camp Thorel, Petit Paquet, Valriche, St Martin and Moka; and
- (e) Installation of mobile treatment plants in Mare d'Australia, Poudre d'Or, Tyack, Britannia, Beau Songes, Rivière du Poste, Beau Champs, La Marie, Valetta, Vuillemin and Goodlands.

280. To reduce water losses and improve the distribution of water -

- (a) 100 km of pipes will be replaced across the island;
- (b) 50,000 defective water meters will be replaced over the next 2 years;
- (c) Service Reservoirs at Montagne Fayence and Rivière Dragon will become operational before end of 2020 and 4 additional service reservoirs will be constructed at Salazie, Eau Bouillie, Cluny and Riche en Eau;
- (d) Some 12,500 households will benefit from the Water Tank Grant Scheme; and
- (e) 20 water tankers and 6 Emergency Response Vehicles will be acquired.

For an Advanced Healthcare System

Mr Speaker, Sir,

- 281. We have managed the COVID-19 pandemic by taking very bold actions under a very strong leadership at an early stage.
- 282. Our strategy has produced good results.
- 283. But the fight is not fully over.
- 284. We are therefore allocating Rs 12 billion to the health sector over the next fiscal year.
- 285. The Ministry of Health and Wellness is coming up with a new 5-year Strategic Plan 2020-2024 to ensure that our national health services can cope with new challenges.
- 286. To effectively control infectious diseases, Government is setting up a National Centre for Disease Control and Prevention.
- 287. We will invest massively to expand, diversify and modernise our public health infrastructure. To this end -
 - (a) A new Cancer Hospital, using state-of-art technology, will be operational by December 2020;

- (b) The construction of a new Eye Hospital at the Réduit Triangle will start by October 2020;
- (c) The construction of a new Teaching Hospital at Flacq will begin early 2021;
- (d) A renal transplant unit will be set up at JNH Hospital;
- (e) A new National Laboratory will be set up with latest technologies to substantially improve testing capacity;
- (f) A new warehouse for the storage of medicines under optimal conditions will be constructed; and
- (g) A National Laboratory Information Management System (LIMS) will be implemented.

Mr Speaker, Sir,

- 288. The prevalence of diabetes in Mauritius is one of the highest in the world.
- 289. We need to reverse this trend and effectively reduce sugar contents in products.
- 290. Therefore, I am doubling the existing sugar tax of 3 cents per gram of sugar.
- 291. The coverage of the tax will be extended to a number of locally manufactured and imported non-staple sweetened products. A complete list is at the Annex to the Budget Speech (**APPENDIX I**).

Education

Mr Speaker, Sir,

- 292. Education is what will forge the Mauritius of tomorrow.
- 293. We need to secure an inclusive education system fully adapted to the new developmental needs of our economy and society.
- 294. We are allocating Rs 15 billion to the Ministry of Education, Tertiary Education, Science and Technology.
- 295. Government will invest in the renovation, upgrading and refurbishment of over 70 primary and secondary schools.
- 296. E-learning technologies are fundamental in improving access to and delivery of education. To this end -
 - (a) Government will invest some Rs 100 M in the deployment of wireless local area network in 155 secondary schools in Mauritius and Rodrigues.

- (b) A National e-Learning Platform will be developed to connect educators of secondary schools with their students.
- (c) The DBM Ltd will provide financing facilities to households for acquisition of IT equipment for educational purpose.

297. As we move towards a knowledge based and innovation driven economy, we need to expand capacity, and have a greater diversity of courses especially in the fields of new technologies and innovation.

298. I am therefore coming up with a comprehensive package of incentives to encourage the top 500 institutions worldwide to set up branch campuses in Mauritius. They will benefit from -

- (a) Tax holiday for the first eight years of operation; and
- (b) Exemption of tax on IT and IT materials and equipment for the purpose of online education.

299. As we develop and modernise our education system, we also have to ensure its inclusiveness.

300. I am therefore earmarking an amount of Rs 138 million as the grant-in-aid to NGOs running Special Education Needs (SEN) Schools.

301. In addition, I am providing a one-off grant of Rs 100,000 to each Special Education Needs (SEN) school run by NGOs to help them improve their learning environment.

Social Integration and Social Security

Mr Speaker, Sir,

- 302. Bedridden and severe disability persons aged above 60 years and those below 18 years benefit from medical domiciliary visits.
- 303. We are extending this benefit to all persons aged above 18.
- 304. A taxpayer will be allowed to claim as dependent a bedridden next of kin who is in his care.
- 305. For better protection of the elderly, funds are being earmarked in this Budget to double the number of anti-influenza vaccines from 75,000 to 150,000.
- 306. A new Recreational Centre will become operational at Riambel by December 2020 to provide recreational and leisure facilities.

- 307. To enhance policy effectiveness in our fight against poverty, a National Database for Vulnerable Groups will be set-up to cover both absolute and relative poverty cases.
- 308. Some 2,570 tablets will be provided to students of Grades 10 to 13 for families in the existing SRM.
- 309. Free broadband internet facilities will be extended to an additional 5,000 families under the existing SRM including 2,000 families in Rodrigues.
- 310. The National Social Inclusion Foundation will provide Rs 700 million to support NGOs in implementing projects and programmes approved by the Foundation.
- 311. This will assist some 350 NGOs and service providers and will focus on:
 - (a) Empowering students and families in deprived areas through the Fortified Learning Environment Unit.
 - (b) Enhancing crèche activities.
 - (c) Promoting social innovation and entrepreneurship.
 - (d) Building sustainable communities.
 - (e) Facilitating small scale initiatives by NGOs.
- 312. We will increase the provision in respect of the grant-in-aid to NGOs accordingly.
- 313. The Public Collections Act will be amended to allow for collections of donations through online platform and by retail outlets for NGOs.
- 314. We will continue to support religious bodies by increasing the provision in respect of their annual grant from Rs 93 million to Rs 103 million.

Law and Order

Mr Speaker, Sir,

- 315. Government will continue to enhance security and ensure that law and order prevails in the country. An amount of Rs 8.4 billion has been provided to the Police Force.
- 316. This includes -
 - (a) Rs 642 million to continue to expand the Safe City Project so as to combat crimes and ensure better traffic management;
 - (b) Rs 137 million for the implementation of the Advance Passenger Information System;
 - (c) Rs 100 million will be provided for the construction of a new Forensic Science Laboratory;

- (d) Rs 100 million for the National Coast Guard to track all illicit activities on the high seas;
- (e) Rs 77.4 million for a new Automated Fingerprint Identification System;
- (f) Rs 50.8 million for the upgrading of drug analytical services and purchase of new Hi-Tech equipment for the Forensic Science Laboratory;
- (g) Rs 50 million for the acquisition of vehicles to increase the operational capabilities of the Police Force;
- (h) Rs 6 million for the acquisition of two full body scanners at Central Prison and Eastern High Security Prison; and
- (i) Rs 5 million for the acquisition of specialised vehicles for the Anti-Drug Smuggling Unit.

Judiciary

- 317. The New Supreme Court, a state of the art building with 24 court rooms and latest amenities, will be operational in August 2020.
- 318. Provision has been made for additional 50 posts in the Judiciary, including Puisne Judges, District Magistrates and Court Officers.

Gender and Family Welfare

Mr Speaker, Sir,

- 319. Gender based violence is a stain on our society.
- 320. The Protection Against Domestic Violence Act will be amended to strengthen the protection given to victims and make Perpetrators Rehabilitation Programme compulsory.
- 321. A Gender Based Violence Observatory will be set up.
- 322. For women entrepreneurs, DBM Ltd will provide Rs 200 million for loans at a concessional rate of 0.5 per cent per annum.
- 323. I now come to measures to improve the rights of Children.
- 324. Additional Child Protection Services will be set up in the Districts of Grand-Port, Moka, Pamplemousses and Plaine Wilhems.
- 325. The Cap Malheureux Relay Shelter for boys will be upgraded and the Notre Dame Women Empowerment Centre will be converted into a Relay Shelter for girls.

326. The Foster Care Programme will be extended to also cover children above 10 years old.

327. We will continue the Programme for the upgrading of crèches to enable them to be licensed.

Youth Empowerment, Sports and Recreation

Mr Speaker, Sir,

328. We remain fully committed to providing opportunities for physical activity, sport and recreation to all.

329. To this end, the Ministry of Youth Empowerment, Sports and Recreation in collaboration with the Prime Minister's Office and the Mauritius Sports Council will set up 'Local Active Mauritius Partnerships' (LAMPS) across each of our 21 Constituencies.

330. For our high level athletes, we are providing -

- (a) Rs 5 million for the preparation for the Tokyo Olympics; and
- (b) Rs 10 million for the preparation for the Paris Olympics.

331. A Sports Facilities Management Unit will be set up to manage the upgrading and maintenance of our sport facilities.

Consumer Protection

Mr Speaker, Sir,

332. We value consumer welfare and protection.

333. To this end, we will -

- (a) Introduce a mandatory labelling on food products to indicate vegetarian products;
- (b) Develop a new consumer protection framework that will cater for e-commerce; and
- (c) Provide a subsidy of Rs 2 billion to maintain the retail prices of rice and flour at their current levels and to bring down the price of one cylinder of 12 Kg of LPG from Rs 210 to Rs 180.

Rodrigues and Outer Islands

Mr Speaker, Sir,

334. I now turn to Rodrigues and our outer islands.

- 335. The funding of the new runway at Plaine Corail Airport is being finalized and the construction works will start next year.
- 336. Construction of the new Technopark at Baladirou has started. With the availability of higher bandwidth with the MARS project, this will give a boost to development of information technology in the island and create jobs.
- 337. The Economic Development Board will set up an office in Rodrigues to promote economic development in the island.
- 338. A new shipping vessel will be delivered before the end of next year to service the Mauritius-Rodrigues route and outer islands.
- 339. The Outer Islands Development Corporation will be restructured and the new institution will prepare an Economic Development Plan for Agalega.

Mr Speaker, Sir,

- 340. The recent change made by the United Nations to its official world map to clearly show the Chagos Archipelago as part of the territory of the Republic of Mauritius is further recognition by international institutions of our sovereignty over the Chagos Archipelago.
- 341. Government will pursue all political, legal and diplomatic avenues to achieve the completion of our decolonization process.
- 342. Government also remains unwavering in its commitment to implement a programme for resettlement in the Chagos Archipelago.
- 343. The necessary funds are being provided to support these efforts.

Budget Outturn and Outlook

Mr Speaker, Sir,

- 344. I now come to the budget outturn for the year 2019-2020.
- 345. The impact of COVID-19 on public finances has been significant.
- 346. The budget deficit would reach 13.6 per cent of GDP.
- 347. This will be due to the combined effect of lower revenue and higher expenditure.
- 348. As regards the outlook for 2020-2021, total revenue will amount to Rs 162.9 billion and total expenditure will amount to Rs 162.9 billion.

CONCLUSION

M. le Président,

349. Le présent budget intervient à un moment pavé de doutes et de difficultés.

350. Pourtant, malgré les circonstances, ce Gouvernement s'engage à préserver l'essentiel.

351. Garantir ce que nos concitoyens ont acquis au fil des années, mais aussi veiller à la soutenabilité de nos finances publiques.

352. En plaçant la justice sociale et la durabilité au cœur de notre vision, je suis fier de pouvoir annoncer que le Budget 2020-21 est un budget en équilibre.

353. A la facilité de calculs comptables détachés, nous avons préféré le courage, l'innovation et l'empathie.

354. A cet égard, nous préservons:

- (a) Le Basic Retirement Pension (BRP) à partir de 60 ans;
- (b) Le salaire minimum;
- (c) Le Negative Income Tax pour les personnes à faibles revenus;
- (d) Le bonus de fin d'année;
- (e) L'accès à une éducation gratuite et de qualité;
- (f) La subvention sur les frais d'examens pour le SC et la HSC;
- (g) L'accès sans frais à un système de santé qui a montré sa résilience;
- (h) Le transport gratuit pour les personnes âgées et les écoliers; tout comme
- (i) La subvention sur la farine et le riz.

M. le président,

355. Nous avons fait le choix de maintenir ces acquis, sans pour autant céder aux sirènes de la tentation de réformes punitives et régressives.

356. Ce faisant, nous nous engageons:

- (a) A maintenir une fiscalité réduite pour la classe moyenne et une fiscalité compétitive sur les sociétés;
- (b) A ne pas taxer les intérêts;
- (c) A ne pas augmenter le taux de la Taxe sur la Valeur Ajoutée (TVA);
- (d) A baisser le prix du gaz ménager de 30 roupies. La bonbonne de 12 kilos coutera désormais 180 roupies au lieu de 210 roupies; et enfin
- (e) A verser une prime de 15 000 roupies aux policiers et aux personnels hospitaliers qui ont été mobilisés durant la période de confinement.

M. le président,

357. Nous serons à la hauteur de la situation pour assurer la pérennité de notre système et préparer un avenir meilleur pour tous les mauriciens.

358. Le budget présenté aujourd'hui est la promesse dont le Gouvernement s'assermente pour répondre à la crise qui nous ébranle.

359. A travers ce budget, nous allons :

- (a) Préserver les emplois et les moyens de subsistance des plus vulnérables.
- (b) Reconstruire notre économie.
- (c) Assurer ensemble un développement inclusif, robuste et durable.

M. le président,

360. Nous investissons massivement au profit de notre population et de nos entreprises.

361. A cet effet, nous allons allouer plus de 40 milliards de roupies pour de grands projets d'infrastructures tels que la construction de 12 000 logements sociaux, l'aménagement de nouveaux espaces communautaires, la construction du barrage de Rivière des Anguilles ainsi que de nouvelles routes et ponts, le développement de nos infrastructures portuaires et la construction du métro sur le segment Rose Hill-Curepipe.

362. Par ailleurs, 80 milliards de roupies seront investies par l'intermédiaire du Mauritius Investment Corporation Ltd (MIC) afin de -

- (a) Soutenir les entreprises mauriciennes systémiques et viables qui sont en difficulté financière en raison de la pandémie du Covid-19;
- (b) Promouvoir la production alimentaire et pharmaceutique en vue de notre autosuffisance;
- (c) Assister les entreprises orientées vers un futur innovant et intelligent pour Maurice; et enfin
- (d) Investir dans des projets d'importance stratégique pour le pays.

363. En outre, 20 milliards de roupies seront injectées pour soutenir les petites et moyennes entreprises ainsi que les ménages vulnérables.

364. En sus, la *Development Bank of Mauritius* débloquera 10 milliards de roupies au profit des PME pour relancer les petites et moyennes entreprises via des taux préférentiels à 0,5 % par an.

365. Enfin et surtout, l'Etat mettra tout en œuvre pour protéger l'emploi mais aussi pour soutenir ceux qui subissent une période de chômage technique. A ce titre, pour les six prochains mois, 15 milliards de roupies seront provisionnées pour apporter une aide mensuelle exceptionnelle allant de 5,100 roupies minimum pour chaque bénéficiaire.
366. La DBM, la MIC, la MRA, le Ministère du Travail, des ressources humaines et la formation ainsi que la *Tourism Authority* s'assureront de la mise en œuvre de ce soutien.

M. le président,

367. Dans cette période troublée par la pandémie du Covid-19, nous avons peu de certitudes mais beaucoup de convictions.
368. Si la crise de 1929 a trouvé sa réponse dans le « New Deal », la crise d'aujourd'hui trouvera son salut dans le « New Normal ».
369. Cette Nouvelle Normalité ne nous est pas imposée, elle est choisie, elle est Notre Nouvelle Normalité.
370. A travers ce budget, nous initions les réformes dont Maurice a besoin.
371. Ces réformes courageuses, c'est avant tout en tant que Mauricien que je suis fier de les porter.
372. Soyons un peuple uni et visionnaire, il en va de l'avenir de notre nation.
373. Tel est d'ailleurs le fondement de l'Economie de la vie.
374. Une économie qui se détache du superflu et qui se concentre sur les secteurs stratégiques.
375. Le futur de Maurice appartient à ceux qui s'engagent dans les industries de la vie.
376. Il nous faut dégager des filières stratégiques et prioritaires, moteurs de la croissance de demain.
377. Pour cela, nous redonnons à l'agriculture ses lettres de noblesse, en faisant de Maurice notre terre nourricière.
378. Nous mettons en place l'écosystème adapté pour permettre aux entrepreneurs d'ici et d'ailleurs de transformer leurs idées en réalité.
379. Nous créons une synergie nouvelle avec l'Afrique, berceau de l'humanité et pour lequel notre sens d'appartenance est si fort.

- 380. Nous misons sur une économie de la connaissance où la technologie, le partage et l'innovation sont au cœur de notre projet.
- 381. Nous faisons de la santé un pilier de notre économie, en investissant dans un système de santé efficient et en accueillant les entreprises tournées vers l'innovation médicale.
- 382. Car il nous faut sortir du manichéisme « l'économie OU la santé».
- 383. L'économie c'est la vie. Il faut l'aborder avec la même détermination.

Mr Speaker, Sir,

- 384. I would like to seize this opportunity to thank the Prime Minister for his continuous and undivided support for the preparation of this Budget as well as the valuable input of my colleague Ministers.
- 385. I would also like to thank my team, in particular the Financial Secretary.
- 386. I now commend the Bill to the House.
- 387. Thank you.

(Applause)

The Prime Minister seconded.

The debate stood adjourned to the next sitting of the Assembly, in accordance with S.O. 73(2).

MOTIONS

URGENT BUSINESS UNDER S.O. 17(3)

The Minister of Finance, Economic Planning and Development (Dr. R. Padayachy): Mr Speaker, Sir, in terms of Standing Order 17(3), I move to take the time of the Assembly for urgent business.

The Prime Minister seconded.

Question put and agreed to.

SUSPENSION OF S.O. 29(1)

The Minister of Finance, Economic Planning and Development (Dr. R. Padayachy): Mr Speaker, Sir, having obtained your permission, I beg to move the suspension of Standing Order 29(1) in order that I may present the financial resolutions without notice.

The Prime Minister seconded.

Question put and agreed to.

FINANCIAL RESOLUTIONS

FIRST RESOLUTION

The Minister of Finance, Economic Planning and Development (Dr. R. Padayachy): Mr Speaker, Sir, having obtained your permission, I now present the First Financial Resolution.

Mr Speaker, Sir, I move that this Assembly resolves that, with effect from 05 June 2020, customs duty shall, in respect of the goods falling under their respective H.S. Codes, as specified in the Schedule to this Resolution, be levied at the rate corresponding to those H.S. Codes and goods, as specified in that Schedule and not at the rate corresponding to those H.S. Codes and goods as specified in Part I of the First Schedule to the Customs Tariff Act. **(APPENDIX II)**

The Prime Minister seconded.

Question put and agreed to.

SECOND RESOLUTION

The Minister of Finance, Economic Planning and Development (Dr. R. Padayachy): Mr Speaker, Sir, I now present the Second Financial Resolution.

Mr Speaker, Sir, I move that this Assembly resolves that, with effect from 05 June 2020, Excise duty shall, in respect of the excisable goods falling under their respective H.S. Codes, as specified in the Schedule to this Resolution, be levied at the rate corresponding to those H.S. Codes and excisable goods, as specified in that Schedule and not at the rate corresponding to those H.S. Codes and excisable goods as specified in Part I of the First Schedule to the Excise Act. **(APPENDIX III)**

The Prime Minister seconded.

Question put and agreed to.

ADJOURNMENT

The Prime Minister: Mr Speaker, Sir, I beg to move that this Assembly do now adjourn to Monday 08 June 2020 at 11.30 a.m.

The Deputy Prime Minister seconded.

Question put and agreed to.

Mr Speaker: The House stands adjourned.

At 6.51 p.m., the Assembly was, on its rising, adjourned to Monday 08 June 2020 at 11.30 a.m.

APPENDIX I

BUDGET MEASURES
EXPLANATORY NOTES
MAIN PROVISIONS TO BE INCLUDED IN –

THE
FINANCE (MISCELLANEOUS PROVISIONS) BILL 2020

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Part A – Taxation and Public Finance

A.1. Income Tax

(a) Income Exemption Thresholds

The income exemption thresholds will be increased by amounts ranging from Rs 15,000 to Rs 80,000 as shown in table below.

| Category | From | To | Increase |
|--|-------------|-----------|-----------------|
| | Rs | Rs | Rs |
| A. Individual with no dependent | 310,000 | 325,000 | 15,000 |
| B. Individual with one dependent | 420,000 | 435,000 | 15,000 |
| C. Individual with two dependents | 500,000 | 515,000 | 15,000 |
| D. Individual with three dependents | 550,000 | 600,000 | 50,000 |
| E. Individual with four or more dependents | 600,000 | 680,000 | 80,000 |
| Retired/disabled person with no dependent | 360,000 | 375,000 | 15,000 |
| Retired/disabled person with dependents | 470,000 | 485,000 | 15,000 |

These new thresholds will be effective as from income year starting on 1st July 2020, i.e. on income received by an individual as from 1st July 2020.

(b) Deduction for Dependent

A taxpayer will be allowed to claim as dependent a bedridden next of kin who is in his care. He/she will thus benefit from an additional annual deduction in the range of Rs 80,000 to Rs 110,000 provided that the total number of dependents does not exceed 4.

(c) Special Allowance

A Special Allowance is paid by Government through the Mauritius Revenue Authority (MRA) to supplement the National Minimum Wage.

During the calendar year 2020, Government has decided to secure for every full-time Mauritian employee a monthly guaranteed income of Rs 10,200.

Since January 2020, the MRA is, accordingly, paying a Special Allowance as follows –

- (i) Rs 500 to a Mauritian employee of a Non-Export Oriented Enterprise bringing his monthly guaranteed income to Rs 10,200;
- (ii) Rs 500 to a migrant employee of a Non-Export Oriented Enterprise already in employment as at 31st December 2019 bringing his monthly guaranteed income to Rs 10,200;
- (iii) no allowance is paid to a migrant employee taking up employment for the first time in a Non-Export Oriented Enterprise on or after 1st January 2020;
- (iv) Rs 860 plus an additional allowance of Rs 340 (i.e. a total allowance of Rs 1,200) to a Mauritian employee of an Export Oriented Enterprise bringing his monthly guaranteed income to Rs 10,200;
- (v) Rs 860 to a migrant employee of an Export Oriented Enterprise already in employment as at 31st December 2019 bringing his monthly guaranteed income to Rs 9,860;
- (vi) no allowance is paid to a migrant employee taking up employment for the first

time in an Export Oriented Enterprise on or after 1st January 2020; and

(vii) in the case of a public officer, the Rs 1,000 interim allowance paid to him/her as from January 2020 is taken into account in the computation of the monthly guaranteed income.

The Workers' Rights Act will be amended in the Finance (Miscellaneous Provisions) Bill 2020 to provide for the payment of the Special Allowance.

(d) Solidarity Levy

A Solidarity Levy is currently applicable on resident individuals having chargeable income plus dividends in excess of Rs 3.5 million in a year. These individuals are required to pay 5% of the excess as Solidarity Levy.

As from the income year 2020-2021, the 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.

(e) Accelerated depreciation

Capital expenditure incurred on electronic, high precision machinery or equipment and automated equipment will be allowed as a deduction in the year in which it is incurred instead of being amortised over more than two years.

Green technology equipment, which is depreciated over two years, will now include equipment and machinery used for eliminating, reducing or transforming industrial wastes.

(f) 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.

(g) Income Tax Holiday

An 8-year income tax holiday will be granted to a company engaged in the manufacture of nutraceutical products provided it starts its operations on or after 4th June 2020.

The 8-year income tax holiday granted to a company engaged in the manufacturing of pharmaceutical products, medical devices or high-tech products will apply to a company which has started or starts its operation on or after 8th June 2017.

(h) Solidarity Levy on Telephony Service Providers

The Solidarity Levy on telephony service providers [5% of accounting profit + 1.5% of turnover], which was introduced in 2009 and subsequently extended, will be made permanent.

A profitable company will pay 5% of its accounting profit and 1.5% of its turnover as Solidarity Levy.

A company which has not made profits will pay 1.5% of its turnover as Solidarity Levy.

(i) Alternative Minimum Tax on companies carrying on life insurance business

A company carrying on life insurance business will pay tax based on the existing system of taxation or under an alternative minimum tax, whichever is the higher.

The alternative minimum tax will be computed at the rate of 10% of profit attributable to

shareholders adjusted for capital gains or losses.

(j) Partial Exemption Regime

For avoidance of doubt, it will be clarified that 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.

(vii)

(k) 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.

A.2. Property Tax

(a) Exemption from Registration Duty on Acquisition of a Newly- Built Dwelling

A Mauritian who acquires a newly-built dwelling during the period 1st September 2016 to 30th June 2020 for an amount not exceeding Rs 6 million is eligible to full exemption from registration duty.

The Scheme will be extended for two years i.e. covering acquisition of a newly-built dwelling up to 30th June 2022. Furthermore, the threshold value of a newly-built dwelling will be raised from Rs 6 million to Rs 7 million.

The exemption is also granted if the dwelling is purchased on the basis of a plan or during construction (i.e. under vente à terme or vente en l'état futur d'achèvement).

This exemption does not apply to a property on Pas Géométriques or within the Integrated Resort Scheme, Real Estate Scheme, Property Development Scheme or Invest Hotel Scheme.

(b) Exemption from Land Transfer Tax to a Promoter Undertaking Construction of Housing Projects for Mauritians

The construction of housing estate scheme will be extended as follows –

- (i) the Scheme will run, from 1st July 2020 to 31st December 2020, for registration of projects comprising of at least 5 residential units with the MRA;
- (ii) no registration duty and land transfer tax will be payable on the transfer of freehold bare land for the construction of housing estate project provided the land is transferred by 31st December 2020;
- (iii) construction must be completed before 31st December 2021; and
- (iv) exemption of land transfer tax will be granted on the sale of a residential unit (including by way of ‘Vente en Etat Future d’Achèvement - VEFA’) provided it is made to a Mauritian before 30th June 2022.

In addition, the maximum price of Rs 6 million of a residential unit under the Scheme will be raised to Rs 7 million.

(c) First-Time Buyer Exemption

Presently, a person is eligible to the first-time buyer registration duty exemption even if he or his spouse is or was the co-owner of an immovable property acquired by

inheritance provided the land area is less than 10 perches.

Henceforth, a person will be considered as a first-time buyer even if he or his spouse is or was the –

- (i) owner of an immovable property acquired by inheritance where the land area is less than 20 perches; or
- (ii) co-owner of an immovable property acquired by inheritance where their share in that property is less than 20 perches of land.

A.3. Customs Duty

(a) Customs Duty Exemption on Goods Imported by Post or Courier Services

Presently, the first Rs 3,000 of the value of an article imported by post or courier services is exempt from customs duty and Value Added Tax (VAT). Henceforth, this exemption value will be reduced to Rs 1,000.

(b) Sugar

The rate of customs duty on import of sugar will be increased from 80 percent to 100 percent.

A.4. Excise Duty

(a) Excise Duty on Sugar Sweetened Products

The existing sugar tax of 3 cents per gram on sugar sweetened beverages will be doubled with effect from 5th June 2020. In addition, the tax of 6 cents per gram of sugar will be extended to the following **locally manufactured and imported non-staple sweetened products** with effect from 1st November 2020 –

- (i) pastries

- (ii) sugar confectionery (e.g. sweets, candies, chewing gums, fruit jellies)
- (iii) chocolates
- (iv) biscuits
- (v) waffles and wafers
- (vi) ice creams
- (vii) jams, fruit jellies, marmalades, fruit or nut purées and fruit or nut pastes
- (viii) fruits, nuts, fruit-peels and other parts of plants preserved by sugar (including drained, glacé or crystallised)
- (ix) mixes and doughs for the preparation of bakers' ware
- (x) crispbreads, gingerbreads
- (xi) rusks, toasted breads and similar products

- (xii) food preparations of flour, groats and malt extract such as custard powder and ovaltine
- (xiii) cereal products
- (xiv) whey

(xv) yoghurts, buttermilk

Excise regulations will be amended to licence importers and manufacturers of sugar sweetened products as in the case of sugar sweetened beverages.

(b) Motor Vehicles

A rebate on the amount of customs/excise duty payable will be granted on vehicles, provided they were in a bonded warehouse before 5th June 2020 and are cleared from Customs before 30th June 2021, as follows –

| Motor Vehicles | Customs/Excise Duty Rebate |
|---|--|
| Motor Cars: | |
| <i>Up to 1,000 cc</i> | 40% of the excise duty payable on the motor car or Rs 100,000, whichever is the lower. |
| <i>1,001 to 1,600 cc</i> | 30% of the excise duty payable on the motor car or Rs 125,000, whichever is the lower. |
| Buses, Double/ Single Space Cabin Vehicles and Vans | 30% of the customs/excise duty payable on the motor vehicle or Rs 125,000, whichever is the lower. |

(c) Extension of Moratorium Period for Non-Affixing of Tax Stamps on Bottles of Beer and Wine

The obligation to affix tax stamps on alcoholic products was extended to bottles of beer and wine in containers of more than 50 ml and up to 200 ml. A moratorium period was given to allow the existing stock to be sold without tax stamps up to 2nd August 2020. However, in view of the impact of COVID-19, especially on the

hotel sector, the moratorium period will be extended to 2nd February 2021.

A.5. Value Added Tax

(a) Exempt Goods to become Zero-Rated

- (i) Unprocessed agricultural and horticultural produce;
- (ii) Live animals of a kind generally used as, or yielding or producing, food for human consumption other than live poultry;
- (iii) Transport of passengers by public service vehicles excluding contract buses for the transport of tourists and contract cars; and
- (iv) Medical, hospital and dental services.

(b) Digital and Electronic Services

Digital and electronic services provided through internet by non- residents for consumption in Mauritius will be subject to VAT.

A.6. Duty Free Shops and Deferred Duty and Tax Scheme (DDTS) Shops

Duty Free Shops and DDTS shops will be allowed to sell goods on the local market without any limit on quantity but with payment of duties and taxes up to 31st December 2021.

A.7. Tax Administration

(a) Tax Administration: Income Tax

(i) Income Tax Refund by the MRA

The time limit to effect income tax refunds will be standardised to 60 days for all taxpayers. The time limit will run as from the date all necessary documentation pertaining to the application is received by the MRA.

(ii) E-services platforms

The MRA will develop further its e-services platform to improve efficiency and transparency in service delivery to taxpayers.

(b) Tax Administration: Customs Act

- (i) A definition of “passenger” will be introduced to differentiate between a passenger, crew member and master of an aircraft or ship in view of the forthcoming application at Customs of the Advanced Passenger Information and Passenger Name Record system for risk management purposes.
- (ii) Provision will be made for the Principal Officer of a private company to be liable for any taxes due by the company. As in the case of the VAT Act, the Principal Officer may be the executive director or any other person who is entitled to exercise the powers of the Board of directors.
- (iii) Presently, where there is underpayment of duties, excise duties, taxes and penalties under the Customs Act, the MRA issues a notification of

underpayment to the importer/manufacturer. The latter has 28 days to settle the amount due. However, there is no provision for notification and time frame to settle the underpayment in the case of –

- a. default on deferred payment facilities;
- b. non-submission of cargo report for an aircraft or ship; and
- c. importation of selected prohibited goods.

The time frame of 28 days to settle any underpayment will be extended to cover the above cases. Any aggrieved importer/manufacturer will have the right to appeal against the claim of underpayment.

- (iv) Goods imported in multiple consignments or shipments to be assembled into a complete finished good, such as a photovoltaic system or a greenhouse, will be given the same tariff classification as the finished good.
- (v) Any customs declaration (Bill of Entry) made in respect of imports will be deemed to be a self-assessment with a view to making operators more compliant with customs laws.
- (vi) Presently, a master, owner or duly authorised agent of an aircraft or ship who fails to give a cargo report in respect of the aircraft or ship, its cargo and passengers is liable to a fine not exceeding Rs 50,000 rupees on conviction. Instead, a penalty of Rs 500 per day of non-compliance subject to a maximum of Rs 5,000 will be imposed. An aggrieved person will have a right of appeal against the penalty.

- (vii) Where MRA Customs suspends the clearance of imported goods or detains goods on the local market which are suspected of infringement of industrial property rights, whether following an application by the rights holder or on its own initiative, it will give public notice of its action.
- (viii) MRA Customs will not suspend the clearance of imported goods or detain goods on the local market which are genuine but have not been imported by the rights holder in case the goods –
 - a. are imported for personal use in small non-commercial quantities or are in the luggage of a passenger, master or crew;
 - b. were shipped before the date of a public notice issued by MRA Customs to the effect that it has granted an application by a right holder for suspension/detention of goods infringing industrial property rights provided the goods are imported within one year from the date of the public notice; and
 - c. were in bonded warehouse or had already been manufactured in Mauritius for home-consumption/export prior to the public notice.
- (ix) Where MRA Customs suspends the clearance of imported goods or detains goods on the local market on grounds of suspected infringement of industrial property rights but the rights holder does not initiate legal proceedings for two consecutive cases during a period of 6 months, MRA Customs will not suspend/detain any similar future consignments unless and until the right holder initiates legal proceedings.
- (x) The MRA will be empowered to authorise a person from the company of a Freight Forwarding Agent, who has been authorised to act as such

prior to March 2006, to act as broker, provided that the person –

- a. has continuously worked for the Freight Forwarding Agent in the capacity of director or employee related to the entry of goods from the time the authorization as agent was granted;
- b. successfully completes a Recognition of Prior Learning Course conducted by MRA Customs; and
- c. is successful in an oral examination conducted by MRA Customs.

(c) Tax Administration: Customs Tariff Act

The rate of exchange to be used for valuation purposes will, henceforth, be posted on the website of the MRA.

(d) Tax Administration: Value Added Tax Act

- (i) It will be clarified that, where a transaction is not at arm's length, the market value of the supply should be taken as the taxable value.
- (ii) Currently, a VAT-registered person supplying both taxable and exempt supplies apportions input tax over a one-year period. However, where he is engaged in a project spanning over several years, he may apply for an alternative basis of apportionment. The MRA will be empowered to request a VAT- registered person to apply an alternative basis of apportionment for input tax.
- (iii) Where an administrator, executor, receiver or liquidator is appointed to manage or wind up the business of a taxable person, he will have

to inform the MRA of his appointment within 15 days.

- (iv) Currently, no VAT refund in respect of a residential building may be claimed if the amount is less than Rs 25,000 in a quarter unless it is a final application. To allow persons at the lower rung whose constructions span over a long period to benefit from the refund, provision will be made to allow a claim of less than Rs 25,000 to be entertained where the amount of VAT paid during a quarter and the preceding three quarters do not exceed Rs 25,000.
- (v) A VAT e-invoicing system will be introduced at business level, on a pilot basis, to enhance tax compliance.

(e) Tax Administration: Mauritius Revenue Authority Act

Assessment Review Committee

The case of an aggrieved party who repeatedly fails to attend or to be represented upon being convened before the Committee will be struck out if such failure is not due to illness or other reasonable cause.

(f) Tax administration: Registrar-General's Department

Sale of a residential unit by NEF to an individual

A person who is registered on the Social Register of Mauritius will be exempted from the payment of registration duty on the acquisition of a residential unit from the National Empowerment Foundation.

A.8. Public Financial Management

(a) Gradual Implementation of accrual International Public Sector Accounting Standards

With a view to modernising the accounting and reporting framework, a roadmap has been established to implement accrual International Public Sector Accounting Standards (IPSAS) in the public sector.

To be in line with the established roadmap, Statutory Bodies listed in Part II of the Second Schedule of the Statutory Bodies (Accounts & Audit) Act will have to prepare their Financial Statements on IPSAS basis instead of IFRS.

(b) Inventory Management System

A computerized inventory management system (e-IMS) has been introduced to automate stock management system in Government warehouses. The e-IMS has already been deployed on 20 sites during the first phase.

By the end of June 2020, the deployment of the System will be completed at the Ministry of Health and Wellness, thus raising the level of efficiency in the management of inventory. It is expected that by December 2021, the system will be extended across all Ministries and Departments.

(c) Procurement and Warehousing Process

With a view to enhancing the processes in Procurement and Supply operations, Financial Instructions will be issued to –

- (i) uplift the whole procurement cycle across all Ministries and Departments so as to better prepare the procurement process from

planning to contract administration; and

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

(d) Strengthening Internal Audit & Risk Management in the Public Sector

As an important component in public financial management system, the structure, effectiveness and function of internal audit will be improved so as to provide quality internal audit services to Government in meeting its objectives.

Since risk management is a fundamental element of corporate governance, it is important that a risk management framework be established across Ministries and Departments.

The Internal Control Cadre and the Audit Committees will assist Accounting Officers in establishing the risk management framework.

(e) Controlling Recurrent Expenditure

In order to exercise tighter control on recurrent expenditure, -

- (i) recruitment in the civil service will be limited to priority sectors. A Committee, to be chaired by the Secretary to Cabinet and Head of Civil Service, will be set up to make recommendations on the new posts to be filled. The Committee will comprise representatives of the Ministry of Finance, Economic Planning and Development and the Ministry of Public Service, Administrative and Institutional Reforms;

- (ii) the implementation of the PRB Report is being deferred in view of the current economic and financial situation. However, the monthly interim PRB allowance of Rs 1,000 paid to civil servants is being maintained;
- (iii) exceptionally, there will be no cash refund for unutilised sick leaves for this year. These leaves will be accumulated in the sick leave bank;
- (iv) encashment of passage benefits will be limited to travelling abroad and local tourism, meeting medical expenses and for educational purposes;
- (v) the implementation of the medical scheme is being deferred;
- (vi) subsidies to private fitness centres are being removed; and
- (vii) grants to parastatal bodies and local authorities are being reduced.

Part B – Other Budget Measures

B.1. Support from the Development Bank of Mauritius Ltd

The Development Bank of Mauritius (DBM) Ltd will offer facilities to the agriculture and education sectors as well as will also provide industrial space.

(a) Agriculture Sector

The following loan schemes will be made available –

- (i) up to Rs 5 million under the **New Agricultural Loan Scheme** to encourage return of abandoned land back under cultivation and assist planters to adopt new cultivation techniques;
- (ii) up to Rs 1 million under the **Mechanisation Loan Scheme** for acquisition of machinery and farm equipment to reduce cost of production;
- (iii) up to Rs 1 million under the **Seeds and Seedling Loan Scheme** to encourage planters to invest in seeds and seedling production;
- (iv) up to Rs 5 million under the **Agro-Industry Loan Scheme** to encourage investment in the transformation, processing and packaging of agricultural produce; and
- (v) up to Rs 25,000 under the **Backyard Gardening Loan Scheme** to housewives to encourage backyard gardening and roof top production.

(b) Education Sector

The DBM Ltd will provide the following loan facilities –

- (i) computer loans up to Rs 50,000 to parents for the purchase of laptops, printers and internet connections for online digital educational platforms; and

- (ii) loans up to Rs 1 million to private colleges for the Upgrade of IT Infrastructure including purchase of laptops, overhead projectors, printers to enable them to provide online courses to students.

(c) Industrial Space

DBM Ltd will acquire industrial buildings at Coromandel, Terre Rouge and Vallée des Prêtres and will construct new SME Parks at Plaine Magnien and Vuillemin.

B.2. Boosting SMEs and MMEs

- (a) A new Credit Check will be introduced to assess the credit worthiness of Small and Medium Enterprises (SMEs) and Mid-Market Enterprises (MMEs) applying for funding under Government-sponsored schemes and guarantees. ISP Ltd will provide a grant to help SMEs and MMEs to obtain a Credit Check report.
- (b) The SME Equity Fund Ltd will invest through the crowd lending mechanism to the tune of up to Rs 200,000 per project.
- (c) The one-off grant towards certification under 'Made in Moris' label will be increased from Rs 5,000 to a maximum of Rs 50,000.

B.3. Côte d' Or Data Technology Park

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.

The Park will comprise the following 12 centres –

(a) ICT Operation Centre

The Centre will implement best Cloud Native practices for development of secure and scalable software.

(b) Business Operation Centre

The Centre will provide business intelligence solutions and strategic development oversight to reduce redundancy in business operations.

(c) Sustainable Technology Centre

The Centre will oversee all engineering, planning, and operations to ensure that future infrastructure will have a net zero carbon footprint, adopt the best green practices, to continually research and support forward looking sustainable practices.

(d) Centre for Additive Manufacturing and Design Innovation

The Centre will enable entrepreneurs to move rapidly from idea to prototype and start mass production through novel 3D Printing technologies and other advanced manufacturing processes.

(e) Deep Artificial Intelligence Centre

The Centre will provide Mauritius with the very first carbon Neutral Green Tier 4 Data Centre to become a central pillar and be the accelerator for the digital transformation of

Mauritius.

(f) Centre for Advanced Sciences

The Centre will focus on repositioning Mauritius within the competitive international science and engineering landscape.

(g) Technical Education Acceleration Centre

The Centre will provide a fast-paced educational bridge program to ensure that Mauritians acquire market-driven skill sets and learn while working.

(h) Logistics and Facilities Centre

The Centre will be responsible for monitoring and driving the Côte d'Or Data Technology Park through data collection and ensure the smooth operation of all centres.

(i) Food Technology Centre

The Centre will focus on reducing our dependencies on imported food through cost-effective, small-footprint, high-tech farming initiatives and promoting smart agriculture.

(j) Health and Wellness Centre

The Centre will provide technically driven services to promote physical and mental health. It will also carry out research and assist in the development of pharmaceutical products and medical devices.

(k) Mixed Media Centre

The Centre will provide a new venue for artists of all forms, fostering a creative environment to support Mauritian businesses and culture.

(I) Reform and Policy Centre

The Centre will advise, and implement critical structural reforms of accreditation agencies, governing bodies, and consumer services to ensure that Mauritius meets American or European standards.

B.4. Improving our Doing Business Environment

Mauritius is presently ranked at the 13th position globally as per the World Bank's Ease of Doing Business Report 2020. A series of measures will be implemented to improve the Country's ranking with a strong focus on digitalisation.

(a) Improving Registration of Property

The Registrar General's Department has over the past years automated the system of registering property. To improve technology adoption and efficiency, -

- (i) online submission of deeds of transfer and other documents for registration will be made mandatory through the Mauritius E-Registry System (MERS) for notaries, banks, insurance companies, leasing companies and new and imported second hand dealers in motor vehicles;
- (ii) the number of access granted to each notary for search and registration on the MERS will be increased; and

- (iii) the requirement for a Certificate of Registration from the Economic Development Board (EDB) for Warehouses will be eliminated. However, the buyer will have to submit an undertaking at the time of registration of the deed to the Registrar-General.

In addition, the accuracy of cadastre of the City Council of Port-Louis will be increased to cover the whole area.

(b) Easing of Construction Permits

With a view to boosting the construction sector and simplifying procedures,

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- (i) online application for a Building and Land Use Permit (BLUP) will be made mandatory for all construction types and sizes; and
- (ii) the Environment and Land Use Appeal Tribunal Act will be amended to specify clearly who can appeal against the decision of the Ministry of Environment, Solid Waste Management and Climate Change to issue, or not, an EIA License.

(c) Getting Electricity

The Utility Regulatory Authority will start licensing of operators in the power sector during the next financial year.

(d) Alignment with International Best Practices

- (i) To increase shareholder's protection, the Companies Act will be amended to -

- a. define conducts deemed prejudicial to shareholders and engage Director's liability for prejudicial conduct; and
 - b. provide that Board of Directors of entities listed on the Stock Exchange of Mauritius should comprise at least 2 independent and non-executive directors.
- (ii) Registration of Ultimate Beneficial Owners as well as VAT registration will be done at time of business registration and company incorporation.
- (iii) Some temporary measures relating to, amongst others, extension of time limits in the Companies Act, Limited Liability Partnerships Act, Limited Partnerships Act, Foundations Act and the Insolvency Act will be reviewed.
- (iv) The framework for contracting with Government will be made more efficient and transparent. The Procurement Policy Office will –
 - a. publish statistics on key milestones of a procurement lifecycle to monitor performance and contract management; and
 - b. issue Directives requiring Public Bodies to publish signed contracts and contract amendments on the e-procurement platform.
- (v) All public sector agencies will establish and publish Service Level Agreements for investors and businesses.
- (vi) Special efforts will be made to ensure timely enforcement of contracts

and settlement of commercial disputes.

(e) Regulatory Framework

The EDB will start the review of our regulatory framework in four key sectors of the economy, namely –

- (i) Land Use and Construction;
- (ii) Trade & logistics;
- (iii) Tourism; and
- (iv) Healthcare and Lifesciences.

(f) Openness

- (i) 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.
- (ii) To attract and retain foreign talents and businesses, 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. The total area of all plots of serviced land for sale should not exceed 25% of the land area planned for the construction of residential properties.

- (iii) The minimum monthly salary of Rs 30,000 for ICT professionals to obtain an occupation permit will be extended to other specified sectors.

(g) Streamlining Business Licensing Processes

- (i) The EDB will collaborate with Ministries and Public Sector agencies to review, re-engineer and streamline relevant licenses issued by these institutions in the context of facilitating businesses and investments. The licenses to be reviewed are at Appendix I.
- (ii) The EDB will set-up a Business Obstacles Alert Mechanism for businesses to report constraints faced in delivery of licences and permits.

B.5. Digital Transformation

With the objective of digitalising our public sector, the following measures will be implemented -

- (a) the implementation of an electronic Document Management System (eDMS) will be accelerated for the whole of Public Service to effectively and efficiently manage and exchange electronic documents between Government agencies and ensuring operational continuity irrespective of location;
- (b) video conferencing as well as online collaboration platform will be deployed across the Public Service to host meetings, connect with stakeholders as well as enable remote collaboration between Government Officers;

- (c) research and innovation projects in areas like telemedicine, e-education, agri-tech solutions and digital platforms will be initiated;
- (d) electronic queue management systems across the Public Sector will be set up;
- (e) mobile payment technology will be integrated in Government online systems;
- (f) at least 30% of documents issued to citizens and businesses will be provided in a digitally-signed online format;
- (g) a Digital Government Safe will be created to provide facilities for citizens to safekeep their electronically-signed documents;
- (h) a one-stop-shop facility will be set up at the Registrar-General Department for the registration of motor vehicles;
- (i) a Public Sector Transformation Scheme will be introduced by the Mauritius Research and Innovation Council (MRIC) to encourage innovative companies and start-ups to develop applications for the public sector;
- (j) the Central Informatics Bureau, Central Information Systems Division and the IT Security Unit will operate as a single directorate of the Mauritius Digital Transformation Agency (MDTA) to support implementation of digital solutions for government; and
- (k) the Government Online Centre, under the MDTA, will provide the appropriate digital infrastructure to enable government to deliver digital services faster and more efficiently.

B.6. Improving Public Procurement

With a view to improving public procurement and bringing efficiency in public spending, -

- (a) all public procurement exercises will have to be mandatorily carried out through the e-Procurement System. In the first instance, as from 1st July 2020, 55 Public Bodies listed at Appendix II will have to undertake all procurement exercises on the e-Procurement System. The remaining Public Bodies will have up to 31st December 2020 to fully shift on the e-Procurement System;
- (b) the compliance unit of the Procurement Policy Office will be reinforced to undertake procurement and contract compliance audit of major projects;
- (c) a Procurement Committee will be set up in all Public Bodies to replace existing Departmental Bid Committee and to ensure, amongst others, that –
 - (i) the e-Procurement System is being implemented; and
 - (ii) adherence to timelines set and monitor the whole procurement cycle from planning to contract completion in order to ensure delivery of projects within time, cost and required quality;
- (d) the Procurement Policy Office will come up with a list of goods to be procured under framework agreements;
- (e) the National Schedule of Rates will be reviewed to enable Public Bodies to work out their cost estimates more accurately;

- (f) evaluators from the public sector will be allowed to carry out bid evaluations at the Central Procurement Board during working hours for projects of national interest; and
- (g) for ICT Projects, –
 - (i) Public Bodies will be required to carry out early market engagement based on performance requirements to benefit from systems with proven track record; and
 - (ii) the Procurement Policy Office will issue Directives to facilitate procurement exercises in relation to ICT projects.

In addition, the Public Procurement Act will be amended to –

- (a) allow for procurement of consultancy services under emergency situations;
- (b) provide for the validity period of a bid to be extended for a period not exceeding 180 days after the lapsing of the initial bid validity period provided in the bidding documents;
- (c) allow for reservation of specific types of goods and other services for micro-enterprises, small enterprises and medium enterprises;
- (d) repeal Section 11A of the Public Procurement Act relating to award of public-private partnership project which is already provided for in the Build, Operate and Transfer Projects Act and Public Private Partnership Act; and
- (e) allow a Public Body to cancel a bidding process where –

- (i) defects or gaps in the specifications have been revealed, which prevent consideration of a substantially less expensive and functionally equivalent item other than the one called for in the bidding documents, or which prevent consideration of all items of cost to the public body in the evaluation process; and
- (ii) the bidding document requires substantial modification making it more convenient to restart a new bidding process in the public interest;

These provisions, which are already provided for in subsidiary legislations, will be included in the Public Procurement Act.

B.7. Sustainable Development

(a) Protection of our Beaches, Lagoons and Coral Reefs

To address beach erosion, coral bleaching, degradation of the reef system and reduce infrastructural damage to our coastal assets from storm surges and sea water intrusion, the following measures will be implemented –

- (i) coastal protection works will be implemented at St Martin, Providence, Pointe aux Feuilles to Grand Sables, Petit Sable to Bambous Virieux and Flic en Flac to Tamarin;
- (ii) site assessment for rehabilitation will be initiated at eroded/degraded sites, namely, Baie du Cap, Trou aux Biches, Blue Bay, Albion, Le Morne, Riambel, Pointe des Lascars, Pointe des Regates, Pointe d'Esny, St Felix, La Prairie, La Preneuse, Rivière des Galets, La Mivoie Riviere Noire, and Bois des

Amourettes;

- (iii) the coastal flora will be re-established at Flic en Flac, Mon Choisy and Le Morne, by phasing out casuarina trees and replacing them with varieties that have more sand retention potential;
- (iv) degraded coral reefs will be restored with thermal tolerant corals;
- (v) Mangrove propagation programme will be expanded to the East coast in collaboration with local communities; and
- (vi) the mass cultivation of selected rare or threatened coral species will be undertaken for locally adapted nurseries prior to transplantation to recipient degraded reef sites and coral gardens at 3 sites around Mauritius, namely Le Morne, Poudre d'Or, and Bambous Virieux.

(b) Moving towards a Plastic-Free Mauritius

To curb plastic pollution, the following measures will be implemented –

- (i) The Environment Protection (Banning of Plastic Bags) Regulations will be amended to –
 - a. include possession of plastic bags as an offence; and
 - b. delist transparent roll-on bags and pocket bags of less than 300 cm² as exempted plastic bags.
- (ii) 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; and

- (iii) the sound management and disposal of empty plastic pesticide containers will be undertaken with the collaboration of planters.

B.8. Port Charges

The Cargo Handling Corporation Ltd will, for the period between 1st January and 30th June 2021, increase stevedoring and shore charges for all –

- (a) laden import containers by 10%; and
- (b) import vehicles by 100%.

The Mauritius Ports Authority will, for the period between 1st January and 30th June 2021, increase Quay Fees for all laden import containers by 10%.

B.9. Social Housing

The construction of 12,000 housing units will be financed through the COVID-19 Projects Development Fund.

In addition, funds have been earmarked under the National Environment Fund to meet expenses for the rehabilitation of ex-CHA Housing Estates including the removal of asbestos.

B.10. Encouraging Consumer Protection

With the objective of ensuring that products imported with less than a few weeks left before expiry are not dumped in our markets, the number of products, excluding fresh products, with a minimum of 50 percent lifetime before importation will be increased.

In addition, mandatory quality standards and norms will be enforced to prevent unfair competition from imported products.

Part C – Other Legislations

C.1. Bank and Non-Bank Financial Services

(a) Banking Act

The Banking Act will be amended to –

- (i) provide for clarity in the definition of “significant interest” and “related party”;
- (ii) encourage digital banking;
- (iii) provide for the ground for refusing an application for a foreign exchange dealer or money changer licence be set out in the law;
- (iv) transfer the responsibility for supervision of money lenders from the Bank

of Mauritius (BOM) to the Financial Services Commission (FSC);

- (v) allow the BOM to vary the capital adequacy ratio to a lower level should the need arise or in exceptional circumstance;
- (vi) allow flexibility for commercial banks to submit financial statements to the BOM;
- (vii) allow the BOM the discretion to extend the time period for rotation of audit firm for an additional period of 2 years;
- (viii) vest the conservator with the powers to execute any instruments in the name of the financial institution and to initiate, defend and conduct in its name any action or proceedings to which the financial institutions may be a party;
- (ix) align section 96A of the Banking Act, relating to protection of customers of financial institutions, with the requirements of the Ombudsperson for Financial Services Act; and
- (x) empower the BOM to issue directives in addition to guidelines and instructions.

(b) Financial Services Act

The Financial Services Act will be amended to –

- (i) provide for the definition of ‘peer to peer’ lending;

- (ii) provide that in the absence of an appointed Chief Executive, the Board may appoint such employee to exercise the powers set out under Part VIII, relating to powers of the FSC;
- (iii) empower the FSC to collect information on a conglomerate group, including unregulated entities, which would impact on the safety and soundness of the financial group;
- (iv) provide for prior notice to be given when a licensee wishes to surrender its licence and to provide a timeframe to licensees for a proper transfer of business operations to the transferee;
- (v) give a flexibility regarding the filing of annual financial statements during a curfew period or situation of emergency or natural disasters;
- (vi) cater for exemptions for filing of annual financial statements where the FSC is of the opinion that it is not applicable;
- (vii) provide that the Enforcement Committee shall consist of not more than 4 employees designated by the Board; and
- (viii) provide for the duties of auditors of all licensees of the FSC to include the reporting of irregularities to the FSC.

(c) Insurance Act

The Insurance Act will be amended to provide for the management committee of the Insurance Industry Compensation Fund to properly discharge its functions and effect payments, other than compensation to victims, in line with the objectives of the Hit and Run Sub-Fund.

(d) Mauritius Deposit Insurance Scheme Act

The Mauritius Deposit Insurance Scheme Act will be amended to -

- (i) provide for indemnity of employees of the Mauritius Deposit Insurance Company (MDIC);
- (ii) allow for investment of the deposit insurance fund to be outsourced to the BOM; and
- (iii) provide for payment of insured deposit by MDIC to apply only when the conservatorship has failed and the financial institution is in compulsory liquidation.

(e) Private Pensions Scheme Act

The Private Pensions Scheme Act will be amended to –

- (i) allow for a member of a private pension scheme to transfer the amount of accrued benefits to another private pension scheme; and
- (ii) establish a procedure for unclaimed funds under a private pension scheme to be transferred to a special fund to be set up by FSC.

(f) Securities Act

The Securities Act will be amended to create an obligation on corporate finance advisory to keep and maintain records of debts raised on behalf of issuers.

C.2. Build Operate Transfer Projects Act

The Build Operate Transfer Projects Act will be amended to provide for –

- (a) the BOT Projects Unit and Contracting Authorities to appoint technical advisory firms or consultants in the preparation of BOT projects. Similar amendments will be brought to the Public Private Partnership Act;
- (b) a threshold value for BOT Projects to be referred to the Central Procurement Board; and
- (c) the Central Procurement Board to authorise, approve and carry out pre-selection exercises for a BOT project above a prescribed amount.

C.3. Civil Service Family Protection Scheme Act

The Civil Service Family Protection Scheme Act will be amended to clarify –

- (a) the definition of Basic Unreduced Pension for Members of the National Assembly;
- (b) that the applicability of pension rights of Members of the National Assembly; and
- (c) that refund of contribution to a Member of the National Assembly can also be made after the age of 65.

C.4. Civil Status Act

The Civil Status Act will be amended to –

- (a) bring check and balance with a view to minimising the risk of fake marriages and to prevent the existing discrimination and infringement of the right of citizen to get married in a place of his/her choice;
- (b) include the Registrar or his representative and a Secretary who shall be a Civil Servant in the composition of the Muslim Family Council as established under the Civil Status Act and to determine the terms and conditions of the Chairperson and members;
- (c) change the compulsory registration of death within 24 hours to 48 hours as declarants or funeral undertakers face difficulties to declare the death within this short time period; and
- (d) solve the problem of tardy declaration of birth, where the parents are untraceable, declaration may be made by the Ministry of Health.

C.5. Code Civil Mauricien

- (a) The provisions of the Code Civil Mauricien relating to Copropriete des Immeubles et Les Ensembles Immobiliers will be amended to –
 - (i) give more flexibility in appointing a proxy for an annual general meeting of a syndic;
 - (ii) clarify the determination of majority of votes of co- owners; and

- (iii) provide for the definition of an “*administrateur*”.
- (b) In addition, Article 312 of Code Civil Mauricien will be amended to allow the registration of a child born hors mariage.

C.6. Construction Industry Development Board Act

The Construction Industry Development Board Act will be amended to review the grade ceilings for value of contract that a contractor is allowed to undertake. The new ceilings will be revised upwards to reflect the prevailing market value of works and offer more opportunities to eligible contractors.

The CIDB (Registration of Consultants and Contractors) Regulations 2014 will be reviewed to allow a Joint Venture Contractor, comprising two or more contractors, to undertake works of higher grades, as may be approved by the Council.

C.7. Cooperatives Act

The Cooperatives Act will be amended to allow –

- (a) retrieval of a state land leased to an Agricultural Cooperative Society for non-compliance to the Cooperatives Act; and
- (b) the Registrar of Cooperative Societies to issue such guidelines consistent with Government General Policy in the context of national emergency situations, natural disasters or force majeure.

C.8. Environment Protection Act

The Environment Protection Act will be amended to set up an Extended Producer Responsibility on management of E-wastes, end of life vehicles and waste batteries, in close partnership with the private sector.

C.9. Food and Agricultural Research and Extension Institute Act

The Food and Agricultural Research and Extension Institute Act will be amended to provide for officers of the Institute have access to production systems including fields, farms, agro-processing enterprises and sheltered farms in the discharge of their duties.

C.10. Gambling Regulatory Authority Act

The Gambling Regulatory Authority Act will be amended to –

- (a) widen the definition of “Limited Pay out Machines” to include virtual, multiplayer station and/or stand-alone roulette machine or other devices which comply with such technical standards as approved by the Board. The maximum pay-out will be increased from Rs 5,000 to Rs 10,000;
- (b) allow the Gambling Regulatory Authority (GRA) to make regulations to define the manner in which the Appeal Committee should operate;
- (c) make it a requirement for every gaming machine operator to ensure that every gaming machine on its premises complies with such technical standards to be approved by the Board and gazetted;
- (d) provide for gaming machines and the jackpot system of any gaming machine to be tested by gaming laboratories approved by the Board;

- (e) empower GRA Inspectors to seal the mechanical meters, game box, jackpot and logic area of a gaming machine to prevent tampering of such gaming machines;
- (f) repeal the section relating to the installation of a multi-terminal Limited Pay Out Machine on a premise as it will be covered in the wider definition of Limited Pay Out Machine;
- (g) provide for an operator to notify the GRA when he displaces a Limited Pay Out Machine from one site to another instead of having to obtain the approval of the GRA;
- (h) provide for every Limited Pay Out Machine operator to have all Limited Pay Out Machines on its premises complying with the technical standards to be approved by the Board and gazetted;
- (i) amend the definition of “sporting event” and other relevant sections to limit the conduct of fixed odds betting to horse race and football league taking place outside Mauritius;
- (j) streamline the information to be furnished to the Authority at the time of submission of an application for registration of a sweepstakes retailer, lottery retailer or pool promoter;
- (k) empower the Board to approve new specified events for which an adhoc licence to carry out gaming activities may be granted;
- (l) exempt from the requirement for police clearance with regard to the premise of a Limited Pay Out Machine prior to the issue of a licence;

- (m) allow a licensee to sponsor activities for charitable, benevolent and social purposes;
- (n) allow computer-generated documents to be admissible evidence in any legal proceedings;
- (o) provide for payment of Bookmaker licence for conducting fixed odds betting on any event or contingency other than a local race on a “yearly or part thereof” basis instead of 12 months’ basis;
- (p) make it an offence for those persons who are offering or conducting bet related services without a valid licence; and
- (q) change the tax rates for certain categories of licensees listed at Appendix III.

C.11. Information and Communication Technologies Act

The Information and Communication Technologies Act will be amended to strengthen existing legal provisions.

C.12. Mauritius Agricultural Marketing Act

The Mauritius Agricultural Marketing Act will be amended to allow the Agricultural Marketing Board to –

- (a) intervene to stabilise the price of agricultural produce;
- (b) be mandated to deal with a variety of food products to ensure regular

supply of same at affordable price; and

- (c) look into the operations of the National Wholesale Market.

C.13. Mauritius Cane Industry Authority Act

The Mauritius Cane Industry Authority Act will be amended to provide for –

- (a) the Control and Arbitration Committee of the MCIA to process application for the manufacture of another type of sugar, i.e., Integral Sugar;
- (b) a miller to deliver cane juice or any other intermediate product in sugar processing to a person engaged in the production of products other than sugar, subject to approval of the Board.

C.14. Mauritius Ex-Services Trust Fund Act

The Mauritius Ex-Services Trust Fund Act will be repealed as –

- (a) there has been a continuous fall in number of beneficiaries which will result in the natural death of the Trust Fund; and
- (b) the Ministry of Social Security is serving the same group of persons under Basic Retirement Pension, thus consolidating payment of all benefits through one organisation is justified.

C.15. Medical Council Act

The Medical Council Act will be amended to –

- (a) provide for the registration of a general practitioner with the Medical Council only if he has successfully undergone examinations conducted by a medical examination body of international repute approved by the Minister of Health in consultation with the Medical Council; and
- (b) remove the requirement that it is mandatory for a person to undergo an entry examination before being registered as a pre-registration trainee.

C.16. National Pensions Act

The National Pensions Act will be amended for an employee who is a driver to be entitled to payment of an Industrial Injury Allowance in case the employee suffers an injury while travelling to or from his place of work.

C.17. National Savings Fund Act

The National Savings Fund Act will be amended to exempt a Non-Citizen employed by a Non-Citizen Contractor from payment of contributions to the National Savings Fund.

C.18. Non-Citizens (Property Restriction) Act

The Prime Minister may validate the acquisition of a property by a non- citizen after the transaction has been effected if he is satisfied of the credentials of the non-citizen and that omission to seek prior authorisation for the transaction was due to a mistake or oversight.

C.19. Outer Islands Development Corporation Act

The Outer Islands Development Corporation Act will be amended to allow –

- (a) a committee, delegated by the Outer Islands Development Board, or the General Manager of the Corporation to enter into a transaction in respect of a capital expenditure of up to Rs 200,000 instead of Rs 100,000; and
- (b) the Outer Islands Development Corporation to incur expenditure without the approval of the Minister to whom responsibility for the Outer Islands is assigned.

C.20. Pensions Act

The Pensions Act will be amended to review the role, functions and composition of the Public Pensions Advisory Committee.

C.21. Pharmacy Act

The Pharmacy Act will be amended to extend the definition of “*specified standards*” to also include Indian Pharmacopoeia.

C.22. Plant Protection Act

The Plant Protection Act will be amended to regulate the importation of plant and plant products to ensure our food security.

C.23. Public Collections Act

The Public Collections Act will be amended to allow alternative collection mechanisms

including, amongst others, online collections and collections by retail outlets for NGOs.

C.24. Road Act

The Road Act will be amended to allow controlled advertising on footbridges. This will encourage the private sector to sponsor the maintenance and embellishment of the allocated footbridges with a view to making them more conducive and secure for pedestrians.

C.25. Road Traffic Act

The Road Traffic Act will be amended to enable Holders of a ‘B Carrier’ Licence to lease their vehicles including the carriage of goods.

C.26. Small Farmers Welfare Fund Act

The Small Farmers Welfare Fund Act will be amended to –

- (a) broaden the definition of “small planters” to also include those in aquaponics activities;
- (b) broaden the definition of “small farmers”, to include the grouping of farmers having an annual turnover not exceeding Rs 10 million, in view of Government’s policy to encourage farmers to regroup themselves so as to benefit from economies of scale;
- (c) provide that only small farmers registered with the Small Farmers Welfare Fund will be qualified for assistance under the Small Farmers Welfare Fund Act;
- (d) provide for farmers to submit data and statistics on the sector to the fund for informed decision making;
- (e) enable the traceability of food from farm to market;
- (f) provide that officers of the Small Farmers Welfare Fund to have access to fields, farms and agro-processing enterprises in the discharge of their

duties; and

- (g) increase the maximum number of poultry head that a small poultry breeder can breed to 25,000 instead of 5,000.

C.27. Special Education Needs Authority Act

The Special Education Needs Authority Act will be amended to extend the transitional period for the registration of the Special Education Needs Institutions until December 2020.

C.28. Statutory Bodies Pension Funds Act

The Statutory Bodies Pension Funds Act will be amended to include the Central Electricity Board in the First Schedule of the Act in order to allow the institution to create a defined contribution pension scheme for its employees who have joined service as from 1st September 2016.

C.29. Sugar Industry Efficiency Act

The Sugar Industry Efficiency Act will be amended to exempt the Sugar Investment Trust from the provisions of the Companies Act, more specially for sending written notice of time and place of annual general meeting to every shareholder. Instead, the notice for annual meeting will be published in newspapers.

C.30. Sugar Insurance Fund Act

The Sugar Insurance Fund Act will be amended to –

- (a) provide for the prolongation of cane harvest period, in any crop year, up to 30th April, so as to align with the deadline for finalization of general premium;

and

- (b) extend financial support given to small planters for Crop 2018 to a miller or a planter having total sugar accrued exceeding 60 tonnes.

C.31. Sugar Industry Pension Fund Act

The Sugar Industry Pension Fund Act will be amended to introduce a Defined Contribution Fund for employees joining service as from 1st July 2020.

C.32. Workers' Rights Act

The Workers' Rights Act will be amended to -

- (a) harmonise the definition of earning with that specified in the Remuneration Regulations;
- (b) facilitate the implementation of the Protocol on Heavy Rainfall for the Private Sector as regards the remuneration to be paid to workers where work has been stopped as a result of climatic conditions;
- (c) reinforce the protection against discrimination;
- (d) avoid double payment in respect of the Portable Retirement Gratuity Fund where severance allowance is paid;
- (e) better protect the rights of workers against abusive termination by extending the provision of the Protection Order to the ruling of the Redundancy Board;
- (f) provide for employees earning up to Rs 100,000 monthly to be entitled to

end of year bonus under the Worker' Rights Act. Employees earning more than Rs 100,000 monthly will be covered under the End of Year Gratuity Act;

- (g) reinforce the provisions against violence at work in line with International Labour Office Convention, which Government intends to ratify; and
- (h) provide a better income security to laid off workers by increasing the amount of Transition Unemployment Benefit payable in view of the impact of the COVID-19 pandemic on employment.

C.33. Miscellaneous

Some technical amendments will be brought to clarify, fine-tune, plug loopholes and harmonise various provisions in revenue laws and other enactments to provide for the implementation of measures announced in the Budget Speech as well as those contained in its Annex and for matters connected, consequential or incidental thereto.

Appendix I - Licenses/Permits/Authorisations to be Re-engineered

| Public Sector Agency | Licenses/Permits/Authorisations | Corresponding legislations |
|--|---------------------------------|----------------------------|
| Ministry of Agro-Industry and Food Security | | |

| | | |
|-----------------------------------|--|--|
| Forestry Service | <ul style="list-style-type: none">▪ Permission to fell trees▪ Clearance for construction of residential building▪ Clearance for Excision of Land▪ Permission to carry out ecotourism activities | <ul style="list-style-type: none">▪ Forest and Reserves Act▪ The Shooting and Fishing Lease Act of▪ Pas Géometriques Act <hr/> <ul style="list-style-type: none">▪ Mauritius Cane Industry Authority Act <hr/> <ul style="list-style-type: none">▪ Mauritius Cane Industry Authority (Delivery of canes for production of juice) Regulations |
| Mauritius Cane Industry Authority | License to use cane for making juice | |

| <i>Public Sector Agency</i> | <i>Licenses/Permits/Authorisations</i> | <i>Corresponding legislations</i> |
|--|---|--|
| Ministry of Education, Tertiary Education, Science and Technology | | |
| Higher Education Commission | <ul style="list-style-type: none"> ▪ Certificate of Approval for Establishment of Post-Secondary Educational Institutions ▪ Certificate of Registration of Post-Secondary Educational Institutions ▪ Application for Certificate of Accreditation of Programme | <ul style="list-style-type: none"> ▪ Higher Education Act ▪ Tertiary Education Commission (Registration of Post -Secondary Educational Institutions) Regulations |
| Private Secondary Education Authority | <ul style="list-style-type: none"> ▪ Registration of a Private Secondary School | <ul style="list-style-type: none"> ▪ Education Act ▪ Private Secondary Education Authority Act |

| | | |
|---|--|---|
| <p>Early Childhood Care and Education Authority</p> | <ul style="list-style-type: none"> ▪ Registration Certificate of Pre-Primary School ▪ Registration Certificate of Pre-Primary School Educator ▪ Renewal of Registration Certificate of Pre-Primary School | <ul style="list-style-type: none"> ▪ Child Protection Act ▪ Education Act ▪ Early Childhood Care and Education Authority Act |
|---|--|---|

| Public Sector Agency | Licenses/Permits/Authorisations | Corresponding legislations |
|----------------------|--|---|
| Head Office | <ul style="list-style-type: none"> ▪ Registration of Private Primary School ▪ Licensing of Recruitment Agents for Overseas Training Institutions | <ul style="list-style-type: none"> ▪ Education Act ▪ Licensing of Recruiting Agents for Overseas Educational and Training Institutions Act ▪ Education (Private Primary Schools) Regulations |

| | | |
|--|---|--|
| <p>Fisheries Protection Service</p> <p>Seafood Hub</p> | <ul style="list-style-type: none"> ▪ Gear License (bait, gill net, large net, canard net, shrimp net) ▪ Registration of Boats ▪ Application for Departure clearance of boats/vessels | <ul style="list-style-type: none"> ▪ Fisheries and Marine Resources Act |
| <p>Public Sector Agency</p> | <p>Licenses/Permits/Authorisations</p> | <p>Corresponding legislations</p> |
| <p>Fisheries Planning and Licensing Division</p> | <ul style="list-style-type: none"> ▪ Fishing License for Mauritian Fishing Vessels ▪ Fishing License for Foreign Fishing Vessels ▪ Certificate of Authorisation to fish in high seas | |

Marine Conservation
Division

- Temporary Interference Permit
- Permanent Interference Permit
- Boat and Vessel Permit
- Commercial Activity Permit
- Line Fishing/Basket Trap fishing in Multiple Use Zone Permit
- Permissible Activities Permit (Pole & Line fishing in designated fishing zones)
- Recreational Permit in Multiple Zone and Conservation Zone
- Photography for Commercial Uses Permit

| Public Sector Agency | Licenses/Permits/Authorisations | Corresponding legislations |
|--|---|--|
| Ministry of Industrial Development, SMEs and Cooperatives (Industrial Development Division) | | |
| Assay Office | <ul style="list-style-type: none"> ▪ Certificate of Registration as Dealer in Jewellery ▪ Certificate of Registration of outlet | <ul style="list-style-type: none"> ▪ Jewellery Act ▪ Jewellery (Dealer's Registration and Transactions) Regulations |
| Ministry of Commerce and Consumer Protection | | |
| Trade Division | <ul style="list-style-type: none"> ▪ Kimberley Certificate | <ul style="list-style-type: none"> ▪ Consumer Protection (Price and Supplies Control) Act |
| Head Office | <ul style="list-style-type: none"> ▪ Trade License for Bunker Fuels | <ul style="list-style-type: none"> ▪ Consumer Protection (Control of Imports) Regulations ▪ Ports Act ▪ Customs Act |
| Ministry of Social Integration, Social Security and National Solidarity | | |
| Head Office | <ul style="list-style-type: none"> ▪ License to operate a Residential Care Home | <ul style="list-style-type: none"> ▪ Residential Care Homes Act ▪ Residential Care Homes Regulations |

Appendix II - List of Public Bodies

1. Agricultural Marketing Board
2. Airports of Mauritius Ltd
3. Beach Authority
4. Cargo Handling Corporation Ltd
5. Central Electricity Board
6. Central Water Authority
7. District Council of Black River
8. District Council of Flacq
9. District Council of Grand Port
10. District Council of Moka
11. District Council of Pamplemousses
12. District Council of Riviere du Rempart
13. District Council of Savanne
14. Financial Services Commission
15. Mauritius Broadcasting Corporation
16. Mauritius Cane Industry Authority
17. Mauritius Fire and Rescue Service
18. Mauritius Ports Authority
19. Mauritius Prison Service
20. Mauritius Qualifications Authority
21. Mauritius Revenue Authority
22. Ministry for Rodrigues, Outer Islands and Territorial Integrity
23. Ministry of Agro Industry & Food Security
24. Ministry of Blue Economy, Marine Resources, Fisheries and Shipping
25. Ministry of Defence, Home Affairs and External Communications
26. Ministry of Education, Tertiary Education, Science and Technology

27. Ministry of Energy and Public Utilities
28. Ministry of Finance, Economic Planning and Development
29. Ministry of Financial Services and Good Governance
30. Ministry of Foreign Affairs, Regional Integration and International Trade
31. Ministry of Gender Equality and Family Welfare
32. Ministry of Health and Wellness
33. Ministry of Housing and Land Use Planning
34. Ministry of Industrial Development, SMEs and Cooperatives (SMEs Division)
35. Ministry of Industrial Development, SMEs and Cooperatives (Cooperatives Division)
36. Ministry of Information Technology, Communication and Innovation
37. Ministry of Labour, Human Resource Development and Training
38. Ministry of Land Transport and Light Rail
39. Ministry of National Infrastructure and Community Development (National Development Unit)
40. Ministry of National Infrastructure and Community Development (National Infrastructure Division)
41. Ministry of Social Integration, Social Security and National Solidarity (Social Security and National Solidarity Division)
42. Ministry of Youth Empowerment, Sports and Recreation
43. Municipal City Council of Port Louis
44. Municipal Council of Beau Bassin Rose Hill
45. Municipal Council of Quatre Bornes
46. Municipal Council of Vacoas Phoenix
47. National Computer Board
48. National Housing Development Co. Ltd
49. Office of the President (State House)
50. Outer Islands Development Corporation
51. Procurement Policy Office
52. Road Development Authority
53. State Trading Corporation
54. The Mauritius Police Force
55. Wastewater Management Authority

Appendix III – Duties and Taxes on Gambling

| Licensee | Duties and Taxes | |
|--|--|---------------------|
| | From | To |
| HORSERACING | | |
| Bookmaker conducting fixed odds betting on local race at the race course and - | | |
| (a) where the bookmaker operates inside the stand | 10% of gross stakes + Rs 24,000 in respect of each race meeting | 12% of gross stakes |
| (b) where the bookmaker operates outside the stand | 10% of gross stakes + Rs 16,000 in respect of each race meeting | 12% of gross stakes |

| | | |
|--|--|---------------------|
| Bookmaker conducting fixed odds bet through remote communication | 10% of gross stakes + Rs 24,000 per week | 12% of gross stakes |
| Totalisator operator at the race course, outside the racecourse, operating bets through remote communication, conducting local race inter-totalisator betting or conducting foreign race inter-totalisator betting | 10% of gross stakes | 12% of gross stakes |

| Licensee | Duties and Taxes | |
|---|--|---|
| | From | To |
| FOOTBALL | | |
| Bookmaker conducting fixed odds betting on foreign football matches | 10% of gross stakes + Rs 24,000 per week per place of business | 12% of gross stakes |
| OTHER | | |
| Sweepstake organizer | 10% of gross proceeds | 12% of gross proceeds |
| Limited pay out machine operator | 10% of gross takings or Rs 500,000, whichever is higher | 12% of gross takings or Rs 1 million, whichever is higher |
| Amusement machine operator | Rs 5,000 | Rs 500 per machine |

APPENDIX II

SCHEDULE

| Heading | H.S. Code | Description | Statistical Unit | General | COMESA * Group I | COMESA * Group II | SADC | IOC | INDIA | PAKISTAN | EC | TURKEY |
|---------|------------|-----------------|------------------|---------|---------------------|----------------------|------|-----|-------|----------|-----|--------|
| | | | | % | % | % | % | % | % | % | % | % |
| | 1701.99.10 | --- White sugar | kg | 100 | 0 | 10 | 0 | 0 | 100 | 100 | 100 | 100 |
| | 1701.99.90 | --- Other | kg | 100 | 0 | 10 | 0 | 0 | 100 | 100 | 100 | 100 |

APPENDIX III

SCHEDULE

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|--|------------------|---------------------------|------------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| 04.02 | | Milk and cream, concentrated or containing added sugar or other sweetening matter. | | | |
| | | | | | |
| | 0402.99.10 | --- In liquid form containing sugar | Kg | Specific duty per gram | 6 cents per gram of sugar |
| | | | | | |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|-----------|--|------------------|--------------|---------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| 04.03 | | Buttermilk, curdled milk and cream, yogurt, kefir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa. | | | |
| | | | | | |
| | | - Yogurt: | | | |
| | | | | | |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|--|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | 0403.10.10 | --- In liquid form containing sugar | Kg | Specific duty per gram | 6 cents per gram of sugar |
| | | - Other: | | | |
| | 0403.90.10 | --- In liquid form containing sugar | Kg | Specific duty per gram | 6 cents per gram of sugar |
| | | | | | |
| 17.02 | | Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar | | | |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|-----------|---|------------------|--------------|---------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | | syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel. | | | |
| | | - Lactose and lactose syrup: | | | |
| | | | | | |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|--|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | | -- Containing by weight 99% or more lactose, expressed as anhydrous lactose, calculated on the dry matter: | | | |
| | | | | | |
| | 1702.11.10 | --- Syrup | Kg | Specific duty per gram | 6 cents per gram of sugar |
| | | | | | |
| | | -- Other : | | | |
| | 1702.19.10 | --- Syrup | Kg | Specific duty per gram | 6 cents per gram of sugar |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|---|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | | - Maple sugar and maple syrup: | | | |
| | | | | | |
| | 1702.20.10 | --- Syrup | Kg | Specific duty per gram | 6 cents per gram of sugar |
| | | | | | |
| | | - Glucose and glucose syrup, not containing fructose or containing in the dry state less than 20% by weight of fructose : | | | |
| | | | | | |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|--|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | 1702.30.10 | --- Syrup | Kg | Specific duty per gram | 6 cents per gram of sugar |
| | | - Glucose and glucose syrup, containing in the dry state at least 20% but less than 50% by weight of fructose, excluding invert sugar : | | | |
| | 1702.40.10 | --- Syrup | Kg | Specific duty per gram | 6 cents per gram of sugar |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|---|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | | - Chemically pure fructose : | | | |
| | 1702.50.10 | --- Syrup | Kg | Specific duty per gram | 6 cents per gram of sugar |
| | | - Other fructose and fructose syrup, containing in the dry state more than 50% by weight of fructose, excluding invert sugar: | | | |
| | 1702.60.10 | --- Syrup | Kg | Specific duty per gram | 6 cents per gram of sugar |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|---|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | | - Other, including invert sugar and other sugar and sugar syrup blends containing in the dry state 50% by weight of fructose: | | | |
| | | | | | |
| | 1702.90.10 | --- Syrup | Kg | Specific duty per gram | 6 cents per gram of sugar |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|--|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| 20.09 | | Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter. | | | |
| | | - Orange juice: | | | |
| | 2009.11.00 | -- Frozen | L | Specific duty per gram | 6 cents per gram of sugar |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|---|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | 2009.12.00 | -- Not frozen, of a Brix value not exceeding 20 | L | Specific duty per gram | 6 cents per gram of sugar |
| | 2009.19.00 | -- Other | L | Specific duty per gram | 6 cents per gram of sugar |
| | | - Grapefruit (including pomelo) juice: | | | |
| | 2009.21.00 | -- Of a Brix value not exceeding 20 | L | Specific duty per gram | 6 cents per gram of sugar |
| | 2009.29.00 | -- Other | L | Specific duty per gram | 6 cents per gram of sugar |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|---|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | | - Juice of any other single citrus fruit: | | | |
| | 2009.31.00 | -- Of a Brix value not exceeding 20 | L | Specific duty per gram | 6 cents per gram of sugar |
| | 2009.39.00 | -- Other | L | Specific duty per gram | 6 cents per gram of sugar |
| | | - Pineapple juice: | | | |
| | 2009.41.00 | -- Of a Brix value not exceeding 20 | L | Specific duty per gram | 6 cents per gram of sugar |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|---------------------------------------|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | 2009.49.00 | -- Other | L | Specific duty per gram | 6 cents per gram of sugar |
| | 2009.50.00 | - Tomato juice | L | Specific duty per gram | 6 cents per gram of sugar |
| | | - Grape juice (including grape must): | | | |
| | | -- Of a Brix value not exceeding 20: | | | |
| | 2009.61.90 | --- Other | L | Specific duty per gram | 6 cents per gram of sugar |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|-------------------------------------|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | | -- Other : | | | |
| | 2009.69.90 | --- Other | L | Specific duty per gram | 6 cents per gram of sugar |
| | | - Apple juice: | | | |
| | 2009.71.00 | -- Of a Brix value not exceeding 20 | L | Specific duty per gram | 6 cents per gram of sugar |
| | 2009.79.00 | -- Other | L | Specific duty per gram | 6 cents per gram of sugar |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|--|------------------|---------------------------|------------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | | - Juice of any other single fruit or vegetable : | | | |
| | | | | | |
| | 2009.81.00 | --Cranberry (Vaccinium macrocarpon, Vaccinium oxycoccus, Vaccinium vitis-idaea) juice | L | Specific duty per gram | 6 cents per gram of sugar |
| | 2009.89.00 | -- Other | L | Specific duty per gram | 6 cents per gram of sugar |
| | | | | | |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|--|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | 2009.90.00 | - Mixtures of juices | L | Specific duty per gram | 6 cents per gram of sugar |
| | | | | | |
| 21.06 | | Food preparations not elsewhere specified or included. | | | |
| | | | | | |
| | | - Other: | | | |
| | 2106.90.60 | --- Syrup | Kg | Specific duty per gram | 6 cents per gram of sugar |
| | 2106.90.70 | --- Concentrate for dilution into ready to drink beverages | Kg | Specific duty per gram | 6 cents per gram of sugar |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|-----------|---|------------------|--------------|---------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| 22.02 | | Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09. | | | |
| | | - Waters, including mineral waters and aerated waters, containing added sugar or other sweetening | | | |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|-------------------------|------------------|---------------------------------|--|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | | matter or flavoured: | | | |
| | | | | | |
| | | --- Aerated waters: | | | |
| | | | | | |
| | 2202.10.11 | ---- In plastic bottles | L | Specific duty per gram/per unit | 6 cents per gram of sugar plus Rs 2 per unit |
| | 2202.10.12 | ---- In can | L | Specific duty per gram/per unit | 6 cents per gram of sugar plus Rs 2 per can |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|-------------------|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | 2202.10.19 | ---- Other | L | Specific duty per gram | 6 cents per gram of sugar |
| | | | | | |
| | | --- Other: | | | |
| | | | | | |
| | 2202.10.91 | ---- Fruit drinks | L | Specific duty per gram | 6 cents per gram of sugar |
| | | | | | |
| | 2202.10.99 | ---- Other | L | Specific duty per gram | 6 cents per gram of sugar |
| | | | | | |
| | | - Other: | | | |
| | | | | | |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|-----------------------|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | 2202.91.00 | -- Non-alcoholic beer | L | Specific duty per gram | 6 cents per gram of sugar |
| | | -- Other: | | | |
| | 2202.99.10 | --- Soya milk | L | Specific duty per gram | 6 cents per gram of sugar |
| | 2202.99.20 | --- Aloe vera drinks | L | Specific duty per gram | 6 cents per gram of sugar |
| | 2202.99.40 | --- Almond milk | L | Specific duty per gram | 6 cents per gram of sugar |
| | 2202.99.50 | --- Oat milk | L | Specific duty per gr | 6 cents per gram of sugar |

| Column 1 | | Column 2 | Column 3 | Column 4 | Column 5 |
|----------|------------|---|------------------|------------------------|---------------------------|
| Heading | H.S. Code | Excisable Goods | Statistical Unit | Taxable Base | Rate of Excise Duty |
| | 2202.99.60 | --- Rice milk | L | Specific duty per gram | 6 cents per gram of sugar |
| | 2202.99.70 | --- Other beverages of milk, tea, coffee, cocoa and chocolate | L | Specific duty per gram | 6 cents per gram of sugar |
| | 2202.99.90 | --- Other | L | Specific duty per gram | 6 cents per gram of sugar |