

Summary of Tax & Regulatory Measures

The Finance (Miscellaneous Provisions) Bill 2022



PwC Legal
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Foreword



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Foreword



Towards a more judicious use of powers?

From a business perspective, the Finance (Miscellaneous Provisions) Bill 2022 (the “Bill”) promotes a return to normalcy, in particular, with the reinstatement of directors’ duties to consider liquidation or administration upon insolvency. Thus, in these uncertain times, directors are to remain vigilant on the solvency of companies they manage. Time will reveal the real effects of COVID-19.

Amendments are being proposed to the tax dispute resolution process seeking to resolve tax disputes expeditiously, but at what cost? With respect to VAT disputes, taxpayers would henceforth be prohibited from producing fresh evidence in their defence before the Assessment Review Committee (ARC) stage. This amendment deprives a taxpayer of his fundamental right to show the correctness of his tax return. This would particularly be relevant in cases where information requested by the MRA is not readily available (for example, where requested information is required to be translated within tight deadlines). Also, we have seen some cases where the tax assessments were baseless, or where requests for information were unreasonable and bulky.

Not only may this curtail a taxpayer’s right to a fair trial, but it also limits the ARC’s adjudicative powers.

On the other hand, the proposed introduction of mediation, to be conducted by the Chairperson or the Vice-Chairperson of the ARC, offers yet another consensual mechanism for the resolution of tax disputes. We anticipate mediation could assist in the speedy settlement of disputes revolving on factual disparities, provided, of course, that the intent to settle subsists. In addition, the availability of video conferencing facilities would assist in expediting the process in particular where witnesses from abroad are to depone in tax cases.

The Bill also proposes a series of amendments to the Workers’ Rights Act 2019 aimed at further protecting rights of employees: sick leaves can now be accumulated without any cap, employees are now eligible for leave to take care of their sick child and additional remuneration is to be paid to employees who work from home during a cyclone warning class III or IV. Moreover, an employer may not terminate an employment agreement where it relates to poor performance as a result of injury in the course of his employment.



Amendments are being proposed to the tax dispute resolution process seeking to resolve tax disputes expeditiously, but at what cost?

Foreword (cont.)

Towards a more judicious use of powers?

In line with the recent developments under the GloBE (Global Anti-Base Erosion) Rules, multinational enterprises (MNEs) with group turnover exceeding Euro 750M are required to pay at least 15% tax in every jurisdiction in which they operate. A Top-up Tax in Mauritius is being introduced to collect the additional tax in case an MNE pays tax at a lower rate in any jurisdiction. This means that Mauritius secures its taxing rights in relation to a company falling under the GloBE Rules. In the same vein, section 76 of the Income tax Act has been amended to deal with cross border tax disputes which may arise in the context of the implementation of the rules to address the challenges linked to taxation of the digital economy.

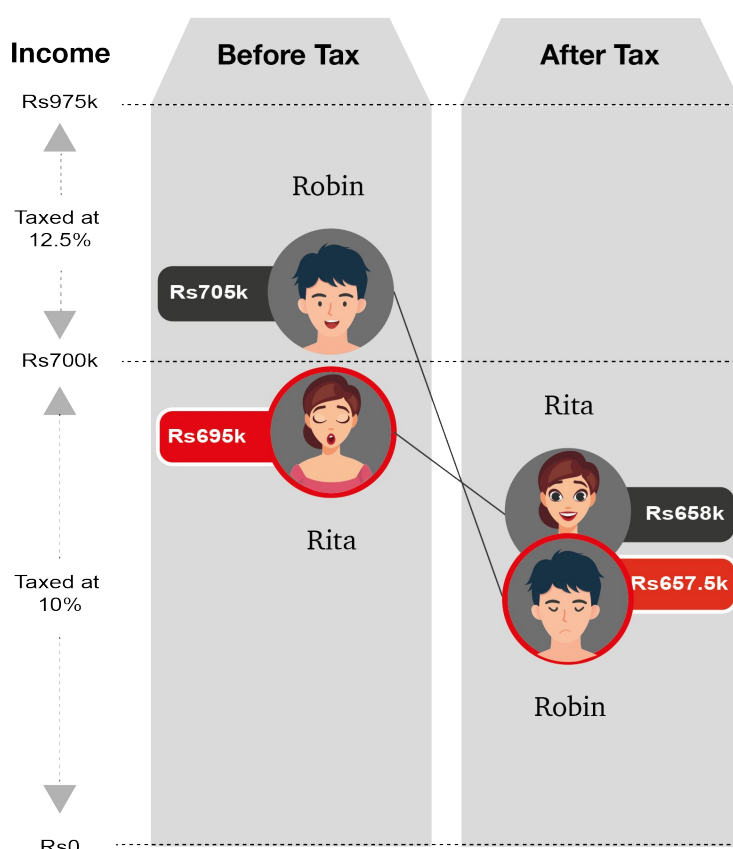
The introduction of a new tax band and tax rate of 12.5%, although providing relief to some taxpayers, creates a distortion for those earning slightly above Rs700,000 (See *Figure 1: Tax Distortion at 12.5%*). A fairer system would have been the introduction of a progressive system of taxation.

Overall, the provisions of the Bill are fairly contextual and do not bring about any major reforms in the legislative landscape. We nonetheless welcome the initiatives to drive efficiency in the resolution of tax disputes. ●

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Figure 1: Tax Distortion at 12.5%



Discover how Robin earns more than Rita but is worse off after paying 12.5% tax.





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Summary of Tax Measures

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2.1 Corporate Tax

Global Minimum Tax

- Effective from date gazetted, introduction of a Qualified Domestic Minimum Top-up tax applicable to companies resident in Mauritius forming part of a multinational enterprise group having a global annual revenue of more than EUR750m.

Freeport operators or developers

- As from Year of Assessment (“YOA”) commencing on 1 July 2023, 8-year tax holiday granted to newly set up freeport operators or private freeport developers with an investment of at least Rs50m provided that the companies:
 - start operations on or after 01 July 2022; and
 - satisfy prescribed conditions in relation to their substance.

Premium visa scheme

- As from date gazetted, income derived by holders of a Premium Visa where the core business activities of the person are outside Mauritius will not be considered as income derived from Mauritius.
- Foreign employers of Premium Visa holders will not have any social security contribution obligations.

Small and Medium Enterprises (“SMEs”)

- Annual turnover threshold to qualify as SME amended as follows:

	Annual turnover (Rs)
Microenterprise	Less than Rs10m
Small enterprise	Rs10m to Rs30m
Medium enterprise	Rs30m to Rs100m
Mid-market enterprise	Rs100m to Rs250m

- Effective as from the YOA commencing on 1 July 2023, additional tax deduction available to manufacturers on purchases of locally manufactured products from small and medium enterprises with a turnover not exceeding Rs100m as follows:
 - 10% on amount of expenditure incurred during the period 1 July 2021 to 30 June 2022; and
 - 25% of amount of expenditure incurred as from 1 July 2022.
- Penalties imposed on SMEs with regards to the late submission of income tax returns and late payment of income tax returns or statements of income for the years 2020 and 2021 and which remain outstanding as at 25 March 2022 will be waived.
- Effective as from date gazetted, salary compensation of Rs375 paid by an SME to its employees, for the period January 2022 to 30 June 2022, will be refunded.



2.1 Corporate Tax (cont.)

Refund of salary compensation for tourism Enterprises or other prescribed category of employer

- Effective as from date gazetted, salary compensation paid by an enterprise in the tourism sector or other prescribed category of employers to its employees for the period January 2022 to June 2022, will be refunded as follows:

	Basic wage threshold	Maximum monthly refund
Non-export/ tourism activities	Up to Rs13,500	Rs500 per employee
	Rs13,501 to Rs50,775	Rs400 per employee
Export activities	Up to Rs13,360	Rs360 per employee
	Rs13,361 to Rs50,635	Rs260 per employee

- An enterprise in the tourism sector includes companies engaged in tourism activities as prescribed.
- Refund of salary compensation not applicable to:
 - an employee employed by a Ministry, a Government department, a local authority, a statutory body or the Rodrigues Regional Assembly;
 - an employee employed by such category of employer as may be prescribed; or
 - such category of employees as may be prescribed.

Transfer of asset to a related company

- Transfer of assets to related companies at base value extended to include any assets of a capital nature and not limited to plant, machinery or industrial premises.

International arrangements

- Effective from date gazetted, the Minister of Finance may also enter into arrangements with the government of a foreign country:
 - for the purpose of alternative dispute resolution with a view to resolving cross-border tax disputes;
 - with a view to implementing internationally agreed standards to prevent base erosion and profit shifting.

Taxation of digital economy

- Extension of the power of the Minister of Finance to make regulations to cover internationally agreed measures to address the tax challenges arising from the digitalisation of the economy.

2.1 Corporate Tax (cont.)

Prime a l'Emploi scheme

- Introduction of Prime a l'Emploi Scheme for first 10,000 eligible employees in respect of whom an application has been made by an employer.
- Employer must undertake to safeguard the employment of the approved employees for a period of at least 3 years.
- The allowance to the employer in respect of the period 1 July 2022 to 30 June 2023 is capped at Rs15,000 and includes 13th month statutory bonus.
- Where the employer terminates the employment of an eligible employee before the end of the period of 3 years, any allowance received must be refunded.
- Payments made under the Prime a l'Emploi Scheme are funded by the COVID-19 Solidarity Fund.

Social Contribution Income Allowance

- Employees (both employed and/or self-employed) deriving monthly total aggregate income not exceeding Rs50,000 are eligible to receive a monthly income allowance of Rs1,000 (including 13th month) for the period July 2022 to June 2023, subject to meeting the eligibility criteria.
- The income allowance is also available to non-citizens registered with the MRA for the payment of social contributions.
- An application must be made by the eligible employees to the MRA in order to avail the income allowance.
- The income allowance will be paid directly in the bank account of the eligible employees at the start of each month.



2.2 Personal Tax

New tax rates

- As from income year commencing on 1 July 2022, applicable tax rates will depend on a person's annual net income derived, as follows:

Individuals earning annual net income of	Tax payable at
Rs0 - Rs700,000	10%
Rs700,001 - Rs975,000	12.5%
> Rs 975,000	15% (plus Solidarity Levy, where applicable)



Check the infographic that illustrates two scenarios



Tax deductions and exemptions

Effective from income year commencing on 1 July 2022:

- Exemption for dependent pursuing tertiary education increased to Rs500,000 and covers both full time undergraduate and postgraduate course.
- Medical insurance premiums increased to Rs25,000 for individual and first dependent and increased to Rs20,000 for every other dependent.
- Tax deduction up to Rs50,000 for contributions to personal pension scheme.
- Tax deduction up to Rs50,000 for donations to charitable institutions.
- Tax exemption for petrol or travelling allowance increased to Rs20,000.

- Repeal of tax credit of 5% available to individuals with total annual net income in an income year not exceeding Rs700,000.
- In respect of income year commencing on 1 July 2021 and every subsequent income year, tax deduction in respect of bedridden next of kin also applicable to spouses.

Solidarity Levy

- As from income year commencing on 1 July 2022, a person who has not submitted an Employee Declaration Form in an income year and derives emoluments (including pension in relation to past employment), annuity, pension or any other similar payment exceeding Rs230,769 in a month may request the person responsible for the payment to deduct Pay As You Earn ("PAYE") for Solidarity Levy at the rate of 10% or 25% and remit same to the MRA.
- The person responsible for the payment will have the same obligations as an employer.
- A request to withhold PAYE for Solidarity Levy remains applicable until revoked by the person or the Director General of the MRA.



2.2 Personal Tax (cont.)

Tax holidays and exemptions

As from year of assessment commencing on 1 July 2023:

- 8-year tax holiday on income derived by a person from an Integrated Modern Agricultural Morcellement Scheme administered and managed by the Economic Development Board (“EDB”).
- 8-year tax holiday on income derived by a person engaged in sustainable agricultural practices and registered with the EDB.
- Social contribution income allowance paid to civil servants is exempt from tax.

Angel investor allowance

- As from income year commencing on 1 July 2022, tax deduction equivalent to 50% of amount invested by angel investors (with a minimum of Rs100,000) to the seed capital of qualifying start-up SMEs by way of acquisition of shares, subject to prescribed conditions.
- Any unrelieved tax deduction can be carried forward and deducted against the net income of the 2 succeeding years.
- Total tax deduction available to angel investors in an income year capped at Rs500,000.
- Shareholding of angel investors should not exceed 25% of the share capital of the qualifying start-up SME.
- Where an angel investor has claimed a tax deduction and disposes of its equity investment in the qualifying start-up SME within 36 months from the acquisition date, the tax deduction must be clawed back and brought to tax in the year of disposal.



2.3 Value Added Tax

VAT refund to event organisers

- Effective from date gazetted, VAT refund on accommodation costs to event organisers registered with EDB is now applicable on events attended by a minimum of 50 participants instead of 100 participants.

VAT refund for small farmers

- Effective from date gazetted, VAT Refund Scheme is now available to small farmers with turnover less than Rs10m registered with the Small Farmers Welfare Fund.

VAT refund on residential building, house or apartment

- Effective from date gazetted, VAT refund to be effected no later than 30 days of receipt of all documents supporting an application.
- Effective as from 3 October 2022, to qualify for VAT refund, the floor area as per the building permit should not exceed 1,800 square feet.

Exempt supplies

- Effective as from 1 January 2022, exempt supplies now include unmanned aircraft designed for the carriage of passengers.
- Effective from date gazetted, a person operating a museum for motor vehicles and holding an Investment Certificate can benefit from VAT exemptions on construction of purpose-built building, motor vehicles and spare parts and automobilia for exhibition in the museum.

Zero-rated supplies

- Effective as from 1 January 2022, zero-rated supplies now include diagnostic or laboratory reagents.



2.4 Other Taxes

Land (Duties and Taxes) Act and Registration Duty Act

- Effective as from 1 January 2023, any acquisition by a company, holding immovable property or leasehold rights in state land, of its own shares by way of redemption, share buyback or in any other manner resulting in a change in ownership of that company, will be subject to registration duty and land transfer tax.
- Effective from date gazetted, exemption from payment of land transfer tax on transfer of land provided that the land is being used to carry out innovative agricultural practices under the Integrated Modern Agricultural Morcellement Scheme. Effective from date gazetted



2.5 Tax Administration

Tax Arrears Settlement Scheme (TASS)

Effective from date gazetted:

- TASS will be re-introduced providing full waiver of penalties and interests for tax arrears outstanding as at 7 June 2022 under the Income Tax Act, the Value Added Tax Act and the Gambling Regulatory Authority Act, provided the taxpayer registers by 31 December 2022 and pays the tax in full by 31 March 2023.

Rate of Tax Deduction at Source (TDS)

- Effective from date gazetted, the TDS rate has increased as follows:

	New TDS rate
Professional services	3% to 5%
Rent	5% to 7.5%

Extension of TDS

- Effective from date gazetted, 3% TDS now applicable on the following:

Services
Consultancy fees
Security services and cleaning services
Pest management services
Payment of fees made by insurance companies to motor surveyors and mechanics for repairs of motor vehicles of policy holders

Foundations and trust

- Effective from date gazetted, MRA may request information from a foundation or trust in order to make an assessment, collect tax or comply with any request for the exchange of information under a Double Taxation Avoidance Agreement.

Sharing of information with the Gambling Regulatory Authority (GRA)

Effective from date gazetted:

- The MRA allowed to share information on an applicant with the GRA.

E-publication of names of companies not submitting returns

- Effective from date gazetted, the MRA allowed to publish on its website the names of non-filers.

2.5 Tax Administration (cont.)

Tax Administration: Value Added Tax (VAT)

VAT compulsory registration

- Effective as from 3 October 2022, MRA is empowered to register a person who is required to be compulsorily VAT registered but fails to do so. The MRA shall allocate the person a VAT registration number and issue a VAT certificate.

Electronic publication by the MRA

- Effective as from 3 October 2022, MRA will publish a list of all VAT registered persons (name, trading name, BRN and VAT registration number) which will be updated on a quarterly basis.
- Effective as from 3 October 2022, where a taxable person fails to submit a VAT return, MRA can publish its name, address, directors and taxable period for which the VAT return was not submitted 3 months after the due date. The taxable person will be notified of the MRA's intention to make a publication unless the VAT return due is filed within 7 days of the date of the notice.

Agent to a principal

- Effective from date gazetted, a VAT registered agent should charge VAT on goods sold under consignment on the selling price of the goods as follows:
 - VAT charged by the agent where goods are sold in the name of the agent.
 - VAT charged by the agent in the name of the principal where sale of goods is made in the name of the principal.

E-invoicing system

- Effective from date gazetted, MRA is implementing an e-invoicing system which will allow businesses to connect to the system and issue fiscal invoices to customers. The fiscal invoice shall bear such data or mark to confirm that it has been duly registered on the e-invoicing system.
- Taxpayer carrying out prescribed business activities should compulsorily use the electronic fiscal device and issue fiscal invoices.
- MRA will issue the necessary guidelines and technical specifications for the implementation of the e-invoicing system.
- Penalty for non-compliance of Rs10,000 capped to Rs200,000, payable within 28 days from date of claim by MRA.

Heir/legatee to a succession

- Effective as from 3 October 2022, the heir/legatee of a deceased taxable person accepting the succession or any executor/liquidator of the estate will be deemed to be an agent of the deceased and liable to file VAT returns and pay VAT due with respect to VAT collected by the deceased.
- Any supply of goods or services made by an agent of the deceased taxable person shall be deemed to have been made by the succession of the deceased person.
- Succession taking over the business of a deceased taxable person is deemed to be VAT registered.



2.5 Tax Administration (cont.)

Tax Administration: Value Added Tax (VAT)

Deduction of amount from VAT by Public Sector Agency

- Effective as from a date to be fixed by proclamation, where a public sector agency makes a payment to a VAT registered person, it shall make the following deduction from the amount of VAT chargeable:

Goods and services	Rate of deduction (%)
Goods and services procured under a single contract and where the payment exceeds Rs300,000 (VAT excl.)	40
Goods procured under a contract and where the payment exceeds Rs100,000 (VAT excl.)	30
Services procured under a contract and where the payment exceeds Rs30,000 (VAT excl.)	60

- The public sector agency shall remit the amount deducted to the MRA electronically within one (1) month from the month the amount was deducted. It shall also give the VAT registered person a statement of VAT deduction.
- The VAT withheld can be offset against additional tax payable by the VAT registered contractors when submitting VAT returns.
- Non-compliance will lead to penalty of 10% of amount deducted and interest of 1% monthly until amount is paid.

Objection made by taxpayer

- Effective as from 3 October 2022, if the MRA lapses an objection due to failure to provide information, books and records within a required time frame, the taxpayer will not be able to produce those documents at the Assessment Revenue Committee (ARC) level.

Tax Administration: Registrar - General's department

Arrears Payment Scheme

Effective from date gazetted:

- The Arrears Payment Scheme under the Registrar-General's Department will be re-introduced. The Scheme will provide for full waiver of penalties and interest if a debtor of the Department settles any debt amount on or before 31 March 2023.
- This scheme will apply to tax arrears due as at 31 May 2022.

Digital Signatures

- Effective from date gazetted, provision will be made in the Registration Duty Act to accept a deed for registration where a secure digital signature has been affixed in conformity with the Electronic Transactions Act.

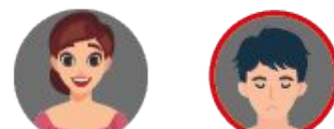


2.5 Tax distortion at 12.5%

Robin earns more than the Rs700,000 and is subject to tax at 12.5%.

Rita earns Rs10,000 less than Robin, falls into the Rs 0 - Rs 700,000 income bracket, and is subject to tax at 10%.

The newly introduced 12.5% tax rate results in Robin having less take home income than Rita.



Items	Rita (Rs)	Robin (Rs)
Net income	695,000	705,000
Less IET	(325,000)	(325,000)
Chargeable income	370,000	380,000
Tax Rate	10%	12.5%
Tax	37,000	47,500
Disposable income	658,000	657,500



Check the infographic that illustrates two scenarios





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Summary of Regulatory Measures

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3.1 Financial Services



Financial Services

- A Settlement Committee will be established to assess the possibility for early resolution of disciplinary matters with a licensee.
- Global headquarters administration, global shared services and global treasury activities will be removed from the definition of Financial Business Activities and will be referred to as “Global Activities”.
- A new licence for the conduct of Global Activities will be introduced.
- An audit firm will be required to be approved by the Financial Services Commission (**FSC**) prior to auditing the financial statements of a Collective Investment Scheme (**CIS**) or of a CIS manager.

Financial Reporting

- Professional services, in relation to professional accountant will be amended to include, *inter alia*, insolvency services, forensic accounting, fund accounting, tax advisory services and representing a client with tax authorities.
- A Public Interest Entity (**PIE**) may request the ROC to be exempted from the statutory requirements in relation to the preparation of its financial statements/group financial statement or its annual report.

Banking

- The Bank of Mauritius (**BOM**) Act will be amended to establish a Central KYC System to (i) facilitate electronic verification of the identity of customers, validate and extract KYC records of customers; (ii) establish a Central Accounts Registry; and (iii) require KYC institutions to provide information.
- The BOM may, in appropriate circumstances, require a financial institution or a service provider to comply with confidentiality requirements as it may specify in its guidelines, directives and instructions.
- The National Payment Systems Act will be amended such that the BOM shall, where it proposes to amend, vary or cancel any condition attached to, or impose new conditions on an authorisation granted or a licence issued, serve notice on the licensee, giving reasons for the proposed amendment, variation or cancellation of any condition, or imposition of any new condition and the licensee may, within 15 days of receipt of a notice, make representations in writing to the BOM.

Insurance

- Investment-linked insurance business will be introduced as a new class of policy for long term insurance business.



3.1 Financial Services (cont.)



Virtual Assets

- The FSC or any investigatory authority may make use of appropriate tool or information in carrying out any investigation or exercising their supervisory role, including (i) blockchain or distributed ledger analytics tools; (ii) law enforcement and intelligence reports; (iii) web-scraping or open-source information; (iv) information obtained from international co-operation; or (v) any other reliable or reputable source of information.
- The FSC or any investigatory authority shall share amongst them any information obtained in an investigation, supervision or other function when reasonably required for the purpose of any criminal investigation, prosecution or Court proceedings.
- Where the FSC or any investigatory authority obtains information that leads it to suspect that an offence has been, or is about to be committed, it shall immediately report the matter to any one of them.



3.2 Employment



Employment

- A worker who is required to work (whether on the employer's premises, from home or from any other place) during a cyclone warning class III or IV shall be entitled to an allowance equal to 3 times the basic rate per hour and adequate free meals (except when working from home).
- A worker shall be entitled to a free meal where he is required to perform a normal day's work of at least 10 hours.
- A worker may now accumulate his sick leaves without any cap.
- Entitlement of a maximum of 10 days' paid leave for a worker to take care of his sick child to be deducted at his option against any paid annual leave, sick leave or vacation leave.
- An agreement may not be terminated where the worker's performance at work is affected as a result of an injury sustained out of and in the course of work, where the worker produces a medical evidence from a Government medical practitioner that he has not fully recovered from the injury.
- A worker shall be given an opportunity to answer a charge relating to misconduct or poor performance (i) in writing; or (ii) in an oral hearing; or (iii) in an oral hearing following his written explanations. Any termination shall be effected not later than 7 days after the charge has been answered by one of the above prescribed means.
- Where a worker is terminated for any reason, other than reasons related to reduction of workforce or closure of employment, the worker may register a complaint with the supervising officer to claim reinstatement instead of claiming severance allowance. The supervising officer shall refer the matter to the Employment Relations Tribunal (ERT) where he is of the opinion that the worker has a bona fide case for reinstatement.
- The ERT shall hear a case for reinstatement and give its determination within 90 days of the date of referral by the supervising officer.
- The ERT shall order the reinstatement of a worker in justified circumstances with the consent of the worker and where it has reason to believe that the relationship between the employer and the worker has not irretrievably been broken.
- For the purposes of the Portable Retirement Gratuity Fund (**PRGF**), a self-employed shall include a person who has in his employment up to 5 workers and an employer shall include a self-employed who has in his employment up to 5 workers.
- To be eligible for exemption for contribution to the PRGF, the share of the employer's rate of contribution in a private pension scheme shall not be less than the rate prescribed in the Workers' Rights (Portable Retirement Gratuity Fund) Regulations 2020 (i.e 4.5%) and shall be certified in writing by the actuary of the private pension scheme.



3.2 Employment (cont.)



Employment (cont.)

- An employer shall pay to the MRA contribution for past services in connection with any worker who has resigned as from 1 January 2020.
- Where a public officer who had been transferred to or otherwise joined a statutory body, leaves the statutory body to take other employment or be self-employed in Mauritius, his portable benefits shall be transferred to the appropriate Pension Fund established in relation to the statutory body under the Statutory Bodies Pension Funds Act.
- An employer shall pay a gratuity upon the worker's retirement or death in lieu of contribution for past services, provided that where a worker voluntarily retires before attaining the age of 60 and after having completed 436 months with the same employer with whom he was in employment as at 1 July 2022 or one or more employers with whom he was in employment thereafter.
- Where a worker remains in employment with one and the same employer during the whole duration of his service or where the terms and conditions of employment of a worker are covered by a collective agreement, the payment of gratuity in his case shall be made in two instalments:
 - 90% of the accumulated fund on his retirement date for the period starting from his date of employment up to 2 months prior to the date of his retirement; and
 - the balance shall be paid 2 months following the retirement of the worker.



3.3 Tax Dispute Resolution



Tax Dispute Resolution

- Proceedings before the Assessment Review Committee (ARC) may now be conducted through video conferencing.
- Depending on the nature of the case, a panel constituting of the Chairperson or Vice-chairperson and 1 member (instead of 2) may determine a matter.
- The Chairperson may, with the consent of the parties, direct that a case shall continue before a reconstituted panel when a member can no longer form part of the panel.
- The statement of case, the witness statement and any other document shall be submitted to the ARC within 21 days of the pro forma date, subject to any extension of time which may be granted by the Chairperson or the Vice-chairperson.
- The Chairperson or the Vice-chairperson of the ARC may, with the consent of the parties, direct that a matter be decided solely on the basis of the statement of case, without any hearing.
- The Chairperson or the Vice-chairperson may fix a mediation meeting between the parties where he considers it appropriate and the Chairperson or the Vice-chairperson shall act as a mediator.

Tax Dispute Resolution (cont.)

- A settlement agreement between the parties as a result of a mediation meeting shall (i) cover all items in dispute; (ii) be final and binding on both parties; and (iii) include the terms and conditions for the settlement of the tax liability.
- For the purposes of the determination of an objection in respect of Value Added Tax (VAT), where a person fails to provide information requested by the MRA, the MRA shall grant additional time to the person to comply with the request and inform him non-compliance would lead to the objection being lapsed.
- Where a person fails to submit any information, or produce any books or records following a notice from the MRA during determination of a VAT objection, that person shall not be allowed to submit the information, books or records to the ARC upon making representations.



3.4 Corporate



Corporate

- The definition of a “small private company” will be amended to increase the threshold of the turnover from Rs50m to Rs100m.
- A small private company, whose turnover does not exceed Rs100m (previously Rs20m) may file a financial summary with the Registrar of Companies (**ROC**).
- The temporary time extension provided because of COVID-19 to call for annual meeting of shareholders (AGM) will be repealed such that AGMs shall be called not later than 6 months after the balance sheet date of the company, coming into operation on 3 October 2022.
- The temporary time extension provided because of COVID-19 to prepare and file financial statements will also be repealed such that a company shall file its financial statements within 6 months of its balance sheet date and file such financial statements within 28 days as from when they are required to be signed.
- The duty of directors to consider the appointment of a liquidator or an administrator in case of insolvency will be reinstated. Such duty shall not apply for such period as may be prescribed.
- For companies incorporated in other jurisdictions willing to transfer their registration to Mauritius, the ROC will issue a conditional certificate of registration upon an application being made. A final certificate of registration will be issued upon receipt of a certificate of deregistration in the foreign jurisdiction.
- Where a company wishes to transfer its registration to another jurisdiction, the ROC will require the applicant to provide the certificate of registration obtained in the foreign jurisdiction prior to removing the company from the register in Mauritius.



3.5 Others



Borrower Protection

- A credit agreement may provide for a penalty by way of interest where a borrower is in default of payment of one or more instalments in respect of a loan except where the mortgaged immovable property is the sole residence of the borrower.

Consumer Protection

- Contributions levied on petroleum products shall be collected by the State Trading Corporation (**STC**) and shall be paid to the Director-General of the Mauritius Revenue Authority (**MRA**) within a period of 60 days of the date of importation of the petroleum product.
- Within 5 working days of the subsequent month, the Director-General of the MRA shall remit the contributions collected to the Accountant-General for onward remittance to the accounts of the Road Development Authority and the Rodrigues Transportation and Storage, respectively.

Data Protection

- For the purposes of the Customs Act, no public sector agency or parastatal body shall disclose any information to a third unless the data subject consents.

Environment

- The Environment Protection Act will be amended to allow the Minister of Environment, Solid Waste Management and Climate Change to make regulations for the payment of a recycling fee to support the local recycling of recyclable wastes.

Financing

- For vehicles subject to a *gage sans déplacement*, it will now be mandatory for creditors to ask for the cancellation of the inscription after repayment of the debt, within a maximum of 1 month of the repayment.
- In relation to transcription and mortgages, any deed or document submitted electronically to the Conservator of Mortgages and saved in the Movable and Immovable Property Database, which has been signed by the parties with a digital signature in conformity with section 19 of the Electronic Transactions Act, shall be deemed to meet the requirements and to reproduce the contents of the original deed or document, as the case may be.
- In relation to inscription of privileges and mortgages, any deed or document submitted electronically to the Conservator of Mortgages and saved in the Movable and Immovable Property Database, which has been signed by the parties with a digital signature in conformity with section 19 of the Electronic Transactions Act, shall be deemed to meet the requirements and to reproduce the contents of the original deed or document, as the case may be.



3.5 Others (cont.)



Good Governance and Integrity Reporting

- The Good Governance and Integrity Reporting Act will be amended to provide for confiscation of virtual assets under an unexplained wealth order and the appointment of an expert to assist in the recovery and realisation of any confiscated virtual asset.

Intellectual Property

- The parameters of the intellectual property protected under the Customs Act through objection to customs clearance will be extended to capture utility models, layout-designs, breeder's rights, trade names or geographical indications.

Non-Citizens (Property Restriction)

- The term 'qualified entity' has been added and defined as an entity that owns property and in which a non-citizen directly or indirectly owns or controls all interests in the property. No qualified entity shall be wound up without the express authorisation of the Minister.

Public Procurement

- The Minister may introduce regulations to cater for procedures and standards for the performance rating of suppliers, contractors and consultants.





4

Useful links

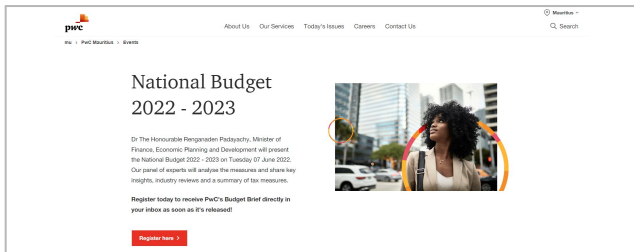
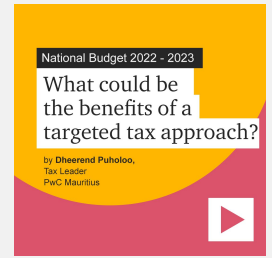




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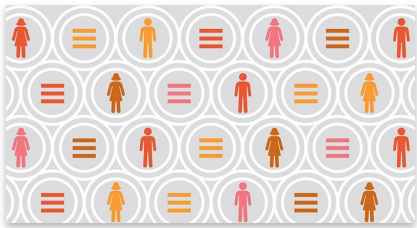




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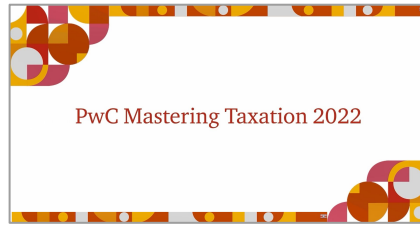
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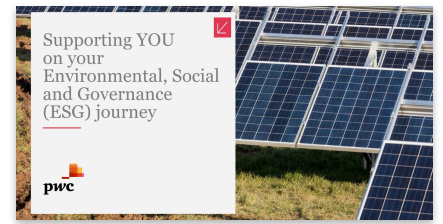
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