



Republic of Mauritius

BUDGET SPEECH 2019-2020

EMBRACING A BRIGHTER FUTURE TOGETHER AS A **NATION**

Hon. Pravind Kumar Jugnauth
Prime Minister

Minister of Home Affairs, External Communications and National Development Unit
Minister of Finance and Economic Development

EMBRACING A BRIGHTER FUTURE TOGETHER AS A NATION

Madam Speaker,

1. I move that the Appropriation 2019-2020 Bill No. X of 2019 be read a second time.
2. Madam Speaker, it is my honour to present the annual budget to the House and the nation for a fourth consecutive year.
3. Four and a half years ago, the economy and society were on a precarious and uncertain path.
4. Economic growth was on a declining trend.
5. The prospects were gloomy, especially for the poor. An increasing number of families was sliding into poverty.
6. Income inequality was widening.
7. As a new Government, it was our responsibility to reconstruct our economy, secure social justice and provide Mauritius with a new beginning.
8. We, therefore, made it our resolve to usher in a new era of development and put the country on a transformative journey.
9. We spared no effort.
10. The results speak for themselves.

11. Today, the economy is on stronger foundations.
12. The unemployment rate is trending down.
13. So is poverty.
14. The income gap between the richest and the poorest is narrowing.
15. Workers are now better paid, especially those at the lower rung- with the introduction of the minimum wage last year.
16. Our elderly are receiving a much higher pension.
17. Inflation is low and under control.
18. We are building the infrastructure of the future across our country.
19. Openness is displacing the inward-looking mind-set.
20. Even more impressive, is that this year, we have made a significant stride towards achieving full sovereignty on the entire length and breadth of our Republic's territory.

Embracing a Brighter Future Together

21. Today, we are building further on these foundations. We must at all times aim higher.
22. That is why Budget 2019-20 charts out **Ten Avenues to Embrace a Brighter Future Together as a Nation.**

23. A brighter future:

- where Mauritius will be in the league of High Income Countries and where Mauritians will live a healthier life style;
- where Mauritius will be a more inclusive nation, with better sharing of wealth and income and where prosperity is for all;
- where development will be sustainable for present and future generations; and
- where Mauritius will be an innovative country that glows with modernity.

24. The ten avenues to embrace a brighter future together as a nation are:

First, **strengthening the pillars of economic growth.**

Second, **consolidating the productive sectors while shaping a more democratised economy.**

Third, **expanding our economic space while deepening regional integration.**

Fourth, **building the infrastructure that matches our development vision.**

Fifth, **deepening our national reform agenda.**

Sixth, reaching a higher social development path with a focus on gender mainstreaming and improving quality of life.

Seventh, promoting a safer and more secure living environment.

Eighth, facing the challenge of climate change and further building the resilience of our environment.

Ninth, building stronger foundations for the infrastructural development of Rodrigues, Agalega and Outer Islands.

And tenth, securing sound public finances and sustainable debt.

25. Before outlining the strategies and policies to achieve our development objectives, I will first provide a review of the economy. I propose to touch only on some highlights of our recent experience. A more elaborate review of the economy is provided in the Strategic 3-year Plan document which is being circulated. The 3-year plan also sets out the core components of our long term Vision 2030 along with the goals and the strategies.
26. Let me also announce that the Budget Speech includes an Annex which is an integral part of the Budget, giving greater details on the measures, policies and legislative amendments.

Review of the Economy

27. I now turn to the review of the economy.
28. The world is caught up in the midst of a potential trade war and other geopolitical events, the outcome of which is not easy to predict. Brexit is an example. Latest data show that the world economic upswing of recent years has decelerated in 2018 to 3.6 percent. Last April, the IMF has forecast a global growth rate of 3.3 percent for 2019, and last week the World Bank predicted a global growth rate of only 2.6 percent for 2019.
29. The global economic trends can have far reaching implications for our country – we must therefore remain vigilant.
30. However, our real GDP has been increasing at an annual average rate of 3.7 percent since 2015 and is firmly on a rising trend. The growth rate was 3.8 percent in 2018 and is forecast to rise further to 3.9 percent in 2019 and 4.1 percent in 2020. Our country has reached another milestone in its production capacity. In fact, our GDP has passed the half trillion rupee mark this year.
31. This positive outlook is justified by the fact that growth is becoming more broad-based. We have been able to turn the construction industry which was in a lingering recession into one of the fastest growing sectors of our economy. That industry grew by 7.5 percent in 2017 and 9.5 percent in 2018 - its best performance in many years. For 2019, the construction

industry is expected to maintain its regained dynamism with a growth rate of 8.6 percent.

32. Unemployment and inflation have been the two big scourges of economic life for more than two decades. We have brought both of them under control.
33. The unemployment rate which is 6.9 percent is now at its lowest level since 2001, that is, in 17 years and is clearly on a declining trend.
34. Mauritius is now a low and stable inflation country. The average annual inflation rate for the period 2015 to 2018 is a mere 2.3 percent. And Statistics Mauritius is forecasting an inflation rate of 1.5 percent for 2019.
35. In 2019, we are expecting total investment as a ratio of GDP to rise to 20.5 percent, breaking the 100 billion rupee mark for the first time. Mauritius has also received an impressively high level of Rs 70.5 billion of foreign direct investment during the four-year period from 2015 to 2018.
36. During the same time span, in spite of running trade and current account deficits, this country has generated a total of Rs 91 billion as Balance of Payments surplus.
37. As a result, since this Government took office to date, our country's reserves broke all records, increasing by Rs 117 billion to reach Rs 241 billion, that is by 94 percent and now representing 11.2 months of import cover. These are also

the safest levels of foreign currency reserves our country has ever known.

38. Madam Speaker, this Government has always deeply believed that economic progress must be paired with the upliftment of the less fortunate of our society.
39. We have, therefore, raised the Basic Retirement Pension for our elderly by 71 percent since we took office. Such caring for our elderly by a Government is unprecedented.
40. We introduced the Marshall Plan Against Poverty which included a programme of Income Support to 11,000 low income families.
41. We have also implemented a Negative Income Tax and a special allowance which are supporting some 70,000 employees by substantially raising their purchasing power and standard of living.
42. The minimum wage has corrected a major social injustice. Today, due to this action by Government, some 73,800 workers and their families and children are living a better and more dignified life. Many of them have even been able to escape poverty due to the higher wage they are now earning.

STRENGTHENING THE PILLARS OF ECONOMIC GROWTH

43. I now turn to the measures and policies of this Budget starting with our strategy to strengthen the pillars of economic growth.

Developing the Innovation Eco-System

44. Globally the innovation race is on.
45. We must imperatively be among the leaders in that race if we want faster economic growth.
46. Last month, we passed the necessary legislation to set up the Mauritius Research and Innovation Council as the apex body to oversee the development of Innovative Mauritius.
47. This new legislation also provides for the setting up of the National Innovation and Research Fund. We are today injecting a seed capital of Rs 100 million in that Fund.
48. More financial resources will be mobilised for the Fund, from private sector contribution and through a special Lotto draw to finance good causes. There will, in fact, be four such special draws. The details are provided in the Annex to the Budget.
49. To promote innovation, it is also crucial that we equip our youths with the required skills. To that end:
 - The Université des Mascareignes will offer a Masters in AI and Robotics in collaboration with Université de Limoges and Université de Nice.
 - And HRDC will set up a 6-month AI Skills Development Programme for 100 students with the support of the local universities and international experts.

50. We will also further open up our country to foreign skills and expertise. I am introducing a “Post-Study Work Visa” to allow international students to work for 3 years in Mauritius after completion of undergraduate studies in sectors where there is scarcity of skills such as ICT, Fintech, AI and Biotechnology.
51. I am also providing for the employment of 20 more international lecturers under the “Recruitment of International Faculty Scheme”.

Securing Inclusive Innovation

52. To ensure inclusiveness of innovation, I am pleased to announce that some 11,000 families, who are on the Social Register of Mauritius (SRM), will be given totally free access to Broadband Internet. This will be a giant step in bridging the digital divide and will be funded jointly by Government and Mauritius Telecom.

Boosting Productivity - Maximising the Skills and Talents of our Youths

53. I will now announce our measures to boost productivity, with a focus on training that is relevant to the job market.
54. First, Government in cooperation with Business Mauritius is creating a National Skills Matching Platform to assess the training requirement of job applicants and direct them towards the relevant employability scheme with the guarantee of a job at the end. The tourism industry will be used as the pilot, to be

followed by other sectors. This measure will be financed through the National Training Fund and with private sector contribution.

55. Second, Business Mauritius will also set up an 'Espace des Métiers' for alumni of the National Apprenticeship Programme which will offer services such as networking opportunities and mentoring on entrepreneurship, among others.
56. Third, we will expand the number of trades under the National Apprenticeship Programme from 23 to 30.

Spurring Private Investment

57. Madam Speaker, a sine-qua-non condition for economic growth is investment.
58. To give a spur to private investment, we will build on our recent impressive progress in the World Bank Ease of Doing Business ranking. In fact, we are coming with a new Business Facilitation Bill which will amend 26 legislations.
59. These amendments will, among others:
 - expedite the start of businesses;
 - eliminate unnecessary licences and permits;
 - expedite clearances at the port and airport; and
 - align with international best practices regarding protection of minority investors and sharing of information.

CONSOLIDATING THE PRODUCTIVE SECTORS WHILE SHAPING A MORE DEMOCRATISED ECONOMY

60. I now come to the second avenue for embracing a brighter future. It is about consolidating the productive sectors while democratising the economy.

Strengthening the Productive Sectors

61. For some of our industries, the near term challenges are formidable but the medium and long-term opportunities are encouraging. We must support them to overcome the challenges and also help them to seize the opportunities that lie in the future.

Supporting the Sugar Cane Industry: Building its Long Term Resilience

62. Let me start with the sugar cane industry, which is facing a sharp decrease in the world sugar price, rising costs and falling production.
63. This Government cannot be insensitive to the difficulties of that sector, in particular the plight of small planters. Many of them are facing reduced income and even losses and as a consequence are abandoning their fields.
64. I am therefore coming up with a package of measures to provide immediate and substantial relief to the planters and the industry.

65. First, I am waiving the amount due by small planters under the FORIP (Field Operations Regrouping Project) Scheme.
66. Second, I am waiving 50 percent of the advance on fertilizers provided to planters through the Mauritius Cane Industry Authority (MCIA).
67. Third, the insurance premium paid to the Sugar Insurance Fund Board by planters producing up to 60 tons of sugar is also being waived for Crop 2019.
68. Fourth, we are making provision in the budget of the MCIA to meet the shortfall arising from the suspension of CESS payments for Crop 2019.
69. Fifth, I am providing funds under the Cane Replantation Programme to encourage planters to bring their lands back under cultivation.
70. Sixth, I am providing Rs 15 million for the MCIA to acquire equipment for harvesting sugar cane of small planters.
71. Seventh, a National Biomass framework will be developed for the use of sugar cane biomass, including cane trash, for electricity generation.
72. Eighth, Government has already sought the assistance of the World Bank to provide strategic policy options for making the sugar cane industry sustainable, in the medium and long term.

73. And ninth, I am pleased to announce that for crop 2019, all planters will benefit from a special unprecedented price of Rs 25,000 per ton of sugar for the first 60 tons of sugar accrued to them. This is more than double the price they would otherwise have obtained.

Giving a Boost to Non-Sugar Cane Agriculture

74. While the sugar industry is facing tough challenges, there is steady growth in the non-sugar cane agricultural sector which must be encouraged.
75. Our tea industry is being buoyed up by increasing demand globally.
76. To ride on the new dynamism:
- Government is working with the FAO for the branding of the Mauritian tea as a pesticide free product with unique health benefits.
 - I am doubling the three months winter allowance that we provide to tea growers during the low harvest winter season.
 - And tea growers will also benefit from the concessionary road tax allowance on double cab pick-ups as is the case for other planters.

77. As regards bee-keeping, inspired by the success of existing bee keeping zones, more such zones will be developed at River Tamaka and Palma.
78. I am also exempting duty on the purchase of single/double space cabin vehicles as well as granting concessionary road tax thereon to registered bee-keepers holding a minimum of 20 beehives.
79. As regards flowers, there is an excess demand on the local market for chrysanthemum that cannot be met because of lack of facilities. I am therefore providing for consultancy services to advise the growers on the production of that flower and for setting up greenhouses.
80. Sheltered farming is opening up opportunities for young agro-entrepreneurs. To give a further spur to that new sector, 100 more sheltered farms will be constructed across the island over the next two years, starting at Melrose, Plaine Magnien, Solitude, Beau Climat and Caroline.
81. As we produce more, we must also improve the quality and safety of our agricultural products. I am, therefore, providing for ripening plants for bananas and tomatoes on agricultural stations of FAREI.

Livestock Sector

82. As regards the livestock sector, we are sensitive to the request of pig breeders for improving the conditions under which they carry out their production. I am, therefore, making provision for the rehabilitation of pig rearing sites at St Martin and Bassin Requin.
83. To give a boost to cattle breeding, a heifer farm will be operational in Melrose and a livestock farm is being set up soon next to the heifer farm.
84. For sheep and goat breeding, a farm will soon be operational at Salazie to allow for a rapid increase of the herd thus reducing our dependence on importation.

Revitalising the Manufacturing Sector

85. I now come to the manufacturing sector.
86. Some of the enterprises in that sector have obsolete plants and equipment resulting in low productivity.
87. Today, I am announcing measures that will give comprehensive support for firms to embrace the most appropriate technologies to be more competitive.
88. First, to maintain our export competitiveness to Europe, the “Support for Trade Promotion & Marketing” scheme is being extended for another year. An amount of Rs 120 million is being

earmarked for this purpose. The scheme will be reviewed so as to assess the possibility of extending it to cover the US market.

89. Second, EDB has enlisted the services of “Idea Foundry” from USA to propose the most appropriate technology and processes required to foster a new ecosystem to adapt to the modern requirements of the international market.

90. Third, the Investment Support Programme Committee will be restructured and converted into a company, namely, ISP Limited.

91. The object of the Company will be to:

- collaborate with other relevant public sector bodies for the development of the new eco-system;
- support enterprises in the adoption of the most appropriate modern technologies; and
- arrange for financial support towards modernisation of processes.

92. Some Rs 1 billion will be available for the ISP Limited to achieve these objectives.

93. Fourth, there are companies that tend to close down because they cannot easily find buyers or because they do not have any succession planning. To prevent such closures, EDB will seek investors and strategic partners, with the support of the ISP Ltd, to re-engineer and re-capitalise these firms.

The Ocean Economy

94. I will now elaborate on our measures to enhance productive capacity in the Ocean Economy.
95. I am pleased to announce that the daily rate of bad weather allowance for fishermen will be increased from Rs 310 to Rs 340.
96. An online and physical fish auction market will be set up to act as an interface between local fishermen, fishing companies and buyers both local and international.
97. To consolidate and diversify our fisheries and seafood industry, a stock assessment will be conducted to better manage and protect species such as lobsters, squid and other small commercial pelagic fish.
98. The bunkering sector is a promising new growth pole in our ocean economy that must be encouraged. I am, therefore, announcing a series of measures to give a boost to this emerging sector.
99. First, a four year tax holiday will be granted on income derived from bunkering of low Sulphur Heavy Fuel Oil.
100. Second, existing storage facilities will be refurbished to cater for low Sulphur Heavy Fuel Oil.
101. Third, the Mauritius Ports Authority will allow ship-to-ship bunkering.

Tourism: Enhancing Visibility, Attractiveness, Accessibility and Sustainability

102. I now turn to the tourism industry, which is also facing near term challenges but with nonetheless a bright future.
103. To surmount the current difficulties and build stronger foundations for its future growth, I am allocating Rs 535 million to the MTPA and an additional Rs 160 million to redynamise the Shanghai and Kenya routes.
104. The MTPA will reinforce the visibility of the Mauritius destination in traditional markets as well as in China, Saudi Arabia, Kenya, Scandinavian countries, Ireland and Eastern Europe.
105. It will also develop a new tourism brand to reposition Mauritius as a premium destination.
106. Cruise Tourism has been growing at a fast pace in the recent years. To ride on this positive development, a Passenger Cruise Terminal Building with shopping and other facilities is being built to cater for some 4,000 Cruise as well as Inter-Island passengers.
107. To attract more visitors who come on their own by sea, Government will incentivise the development of marinas.

108. Accordingly:

- regulations will be published for the operations of commercial marinas;
- a yacht code will be introduced;
- an 8-year income tax holiday will be granted to a newly set-up company developing a marina; and
- VAT exemption will be provided on the construction of marinas.

109. We must also better harness the potential from Meetings Incentives Conferences and Exhibitions (MICE) tourism.

110. To this end, MTPA will revive the Special Incentive Scheme which provides grants of up to Rs 200,000 to MICE promoters and wedding planners.

111. In addition, I am introducing a VAT refund scheme on accommodation costs for events with at least 100 foreign attendees staying for a minimum of 3 nights. This will include business meetings, conferences and weddings.

112. I will later announce a national campaign of cleanliness and embellishment of the whole island which should have a positive impact on our tourism destination.

113. To encourage hotels to participate in this national campaign, I am proposing a deduction of 150 percent of the expenditure incurred by such hotels on cleaning, renovation and embellishment works in the public realm, from their taxable income.

Creating New Opportunities in Financial Services

114. I now come to financial services, which year after year is experiencing steady growth and maintaining its course as one of the fastest growing sectors of our economy.
115. One key strength of that industry is its good international repute.
116. And this is not fortuitous.
117. Our policies to be compliant with international standards are paying off.
118. Mauritius is rated as fully compliant with the OECD standards on transparency and exchange of information for tax purposes.
119. We do not have any harmful feature in our tax regimes.
120. With respect to AML/CFT, our sustained commitments are showing results. In the ESSAMLG Follow Up report on Mauritius, published on 24th May 2019, we have successfully obtained an upgrade of 11 FATF recommendations, thus demonstrating significant progress in meeting technical compliance.

121. We will strive to make more headway on the development of the sector and the Mauritius International Financial Centre.
122. To this end, we will first, expand accessibility of our products across the world by:
- establishing a new framework for fund administration and fund management;
 - revamping the existing Special Purpose Fund regime to ease access to new markets; and
 - FSC entering into an agreement with the Gujarat International Finance Tec-City to recognise Mauritian licensed funds and management companies as qualified to operate in the Gujarat jurisdiction as well.
123. Second, to diversify the product base of our IFC, the following will be introduced:
- new rules and an attractive tax regime to promote the development of Real Estate Investment Trusts (REITs);
 - an ‘umbrella licence’ for wealth management activities;
 - a scheme for headquartering of ‘e-commerce’ activities;
 - a framework for Green Finance in line with the ‘Marrakech Pledge’ – a continental coalition of African Capital Markets Regulators and Exchanges committed to foster green financing on the continent; and

- a new trading platform at the Stock Exchange of Mauritius to allow medium sized profitable enterprises that do not qualify for listing on the official and DEM markets to raise capital and trade their shares.

124. Third, to facilitate conduct of business in the sector, a ‘single-window system’ will be set up at the FSC to allow for submission of documents for financial services and global business applications.

125. Fourth, we will pursue our journey to make of Mauritius a Fintech hub in the region. Accordingly, FSC will:

- establish a regime for Robotics and AI enabled financial advisory services;
- introduce a new licence for Fintech Service providers;
- encourage self-regulation for Fintech activities in consultation with the United Nations Office on Drugs and Crime;
- introduce the use of e-signatures and e-licences on a pilot basis; and
- create Crowd Funding as a new licensable activity.

126. Fifth, we are significantly strengthening the regulatory framework to fight fraud, corruption and financial crimes to increase investors’ confidence in our financial services sector.

127. In this connection:

- a Financial Crime Commission will be set up to act as an apex body to ensure greater coordination and coherence among the various investigative agencies, including ICAC, the Financial Intelligence Unit and the enforcement department of the Financial Services Commission in carrying out their functions, in particular in dealing with drugs investigations and other financial crimes;
- FSC will develop a financial data handling code of conduct to address cyber risks; and
- The BoM, FIU and FSC will introduce industry-wide Practice Notes with respect to handling clients' requests.

Democratising Our Economy

128. As we grow our GDP, we must also make it inclusive. Our economy must be more democratised.

129. We are, therefore, taking a series of measures on multiple fronts, to give greater support to Micro, Small and Medium sized enterprises. They are at the very heart of our democratisation policies.

130. First, for micro enterprises, I am increasing the maximum loan amount under the existing DBM Micro-Credit Loan Scheme from Rs 250,000 to Rs 500,000.

131. Second, under the SME Financing Scheme, commercial banks have so far granted credit facilities of more than Rs 10 billion. We are extending the Scheme for another three years.
132. Third, I am reducing the annual interest rate under LEMS I and SME Factoring Scheme from 5.5 percent to 3.9 percent.
133. Fourth, the cost of financing under the SME Equity Fund will be reduced from 8 percent to 6 percent as from 1st July 2019.
134. Fifth, I am extending the suspension of trade fees of up to Rs 5,000 for another period of 3 years. More than 300,000 businesses will benefit from this measure this year.
135. Sixth, SME Mauritius will extend the grant of Rs 5,000 per SME towards certification under 'Made in Moris' label for another year.
136. Seventh, Government will provide a one-off grant of Rs 3,000 to SMEs for subscription to the E-Commerce Platform of the MCCI.
137. Eighth, I am increasing the Margin of Preference for contracts under Public Procurement for locally manufactured products by SMEs, from 20 percent to 30 percent, if they have the 'Made in Moris' label.
138. Ninth, SME Mauritius will set up a Design Centre for Leather Products in Coromandel to provide assistance to SMEs on 3D technologies and the centre will also dispense training for the region.

139. Tenth, the SME Employment Scheme which was applicable to graduates only will now be open to diploma holders as well.
140. Eleventh, we are also extending the SME Employment Scheme to enterprises with turnover of up to Rs 100 million.
141. Twelfth, enterprises having annual turnover not exceeding Rs 10 million and engaged in specific activities such as manufacturing or trading of goods will be given the option to pay 1 percent of its turnover as final income tax on its business income or file the normal income tax return.

Creating a New Category of Enterprises

142. This year, we are bringing a major change to the grouping of our enterprises according to their size. We are creating a new category of enterprises, namely the Mid-Market Enterprises (MMEs) with annual turnover between Rs 50 million and Rs 250 million.
143. I am proposing a new Financing Scheme for this category of enterprises, to be known as the MME Financing Scheme under which they will benefit from concessionary interest rate on new loans from commercial banks.
144. Government will also introduce a line of credit facility in USD and EURO for export factoring services for the MMEs.
145. And I am extending LEMS II to the MMEs and reducing the annual interest rate under that scheme from 6 percent to 4.25 percent.

146. The MMEs will also be eligible to financing under the SME Equity Fund.

Supporting the Cooperative Sector

147. Another effective channel for inclusiveness and economic democratisation is the cooperative sector. And we will support them as well – as we have always done.
148. I am thus earmarking Rs 12 million for the setting up of a Cooperative Seafood Processing Unit at Tamarin. This will enable the fishermen cooperatives to transform their fish and other marine catches into value-added products.
149. I am also providing a grant of Rs 25,000 to twenty cooperative societies for setting up ornamental fish breeding farms.
150. The grant to fishermen cooperatives to purchase outboard engines and fishing nets is being increased from Rs 60,000 to Rs 80,000.

Improving Workers' Rights

151. As we expand productive capacity, democratise our economy and secure economic inclusion, it is also imperative that we have an appropriate and fair Industrial Relations System and greater labour mobility.

152. Government took a commitment in its Programme to review the labour law in order to better protect workers' rights. I am pleased to announce that a new Workers' Rights Bill will be introduced shortly.
153. The Bill will provide, among others, a new mechanism for computation of gratuity which will recognise the full length of service of a worker, irrespective of the number of employers he has worked for.
154. I wish to inform the House that necessary consultations have been held with the stakeholders and broad consensus has been reached, among representatives of employers, trade unions and government for the introduction of the new mechanism.
155. A Portable Retirement Gratuity Fund will be set up for that purpose and a technical committee will address the modalities for the implementation of the scheme. Necessary measures will be introduced to assist the SME sector.
156. The proposed Workers' Rights Bill will also provide for a Wage Guarantee Fund which will guarantee remuneration up to Rs 50,000 to workers who lose their jobs in case of insolvency.
157. Madam Speaker, I am aware of the difficulties that some sectors of the economy are experiencing which bring in their wake sudden loss of jobs. In order to ensure that workers are not unduly penalised, Government has already set up a Committee to examine the priority of claims in case of insolvency.

EXPANDING OUR ECONOMIC SPACE TO DEEPEN ECONOMIC DIVERSIFICATION

158. I will now elaborate on our third avenue to embrace a brighter future. It is about expanding our economic horizon. Our aim is to further extend the production space of Mauritius beyond our frontiers in partnership with other African countries. Africa Rising calls for massive investment, quality expertise and more trade.

159. With regards to creating new assets in Africa, we will:

First, build on the agreement with Mozambique towards the setting up of a regional value chain for Liquefied Natural Gas (LNG).

Second, develop a Textile City on the 80 hectares of land in Moramanga, which the Malagasy Government has agreed to allocate to Mauritius.

Third, develop projects to take advantage of the Industrial and Technology Park in Naivasha, Kenya.

And fourth, consolidate our ongoing initiatives in the Special Economic Zones in Senegal, Côte d'Ivoire and Ghana.

160. As regards cross-border financing, the Mauritius-Africa Fund will further expand its strategic partnerships with Pan-African and international multilateral development financial institutions, such as the Trade and Development Bank, AFREXIM Bank and

Fonds de Solidarité Africain to mobilize project finance for the benefit of Mauritian enterprises willing to expand in Africa.

BUILDING THE INFRASTRUCTURE THAT MATCHES OUR DEVELOPMENT AMBITIONS

161. I now turn to the fourth avenue of this Budget, which is about building the infrastructure that matches our development ambitions.
162. Let me start with our plan to further expand and modernise our air and sea connectivity with the rest of the region and the world.
163. Airports of Mauritius has completed its master plan.
164. The main aim of the master plan is to develop a new growth pole with the airport as the linchpin.
165. As the existing airport terminal is expected to reach full capacity by 2022 with some 4.5 million passengers, the master plan provides for the construction of a new terminal building of about 50,000 square metres to cater for a total of 8 million passengers.
166. And the aircraft parking capabilities will be increased to accommodate 22 wide-bodied aircrafts simultaneously.

167. The development of the new growth pole will also include:
- a. First, a new road to connect directly the airport to Mahebourg. This will facilitate the development of Mahebourg as a tourist village.
 - b. Second, the development of an airport city comprising:
 - new infrastructure to enable training for pilots and Licensed Aircraft Maintenance Engineers;
 - extension of the Cargo and Freeport area at the airport towards Rose-Belle Industrial park to accommodate light industries;
 - a new fully fledged cargo terminal; and
 - a solar farm in the vicinity of the airport with a view to being more environmental friendly and fully autonomous and run by green energy.

Transforming our Port - Expanding its Role & Boosting its Competitiveness

168. Concerning the port, new investments are being made to expand its capacity, boost productivity and competitiveness.
169. The Mauritius Ports Authority (MPA) will, with the participation of the private sector, invest some Rs 12 billion to construct a breakwater to reduce downtime at the port during bad weather conditions.

170. The MPA is also investing some Rs 2.2 billion in another breakwater at Fort William to allow for the safe mooring of some 120 ocean-going fishing vessels thus creating a fully functional fishing port.
171. The navigational channel will be dredged further to a depth of 18 metres to make Port Louis the deepest port in the region.
172. The dredged materials will be used to reclaim some 60 hectares of land to create an Island Terminal of containers that will more than double the stacking capacity.
173. To increase crane productivity at the port, the Cargo Handling Corporation is acquiring one additional Ship-to-Shore crane along with associated equipment at a cost of Rs 750 million.

Modernising Infrastructure across the Country

174. As regards other infrastructure across the country, I am providing funds for financing offsite works at the Côte D'Or City as well as for the development of the Côte D'Or Industrial Park.
175. Landscape (Mauritius) Ltd will now embark on the second phase of the renovation of the Port Louis Waterfront estimated to cost some Rs 200 million.
176. Detailed design for the Rivière des Anguilles Dam will be completed by end of January 2020.
177. As regards the Metro Express, phase one will be completed as scheduled, that is by September this year.

178. A study is being carried out on extending the Metro Express beyond the Port Louis – Curepipe corridor.
179. The bus terminals modernisation programme currently meant for the Port Louis – Curepipe Metro corridor will be extended to rural areas.
180. This year, I am providing Rs 1.5 billion to continue works on the following projects:
- Jumbo Phoenix roundabout and the A1M1 Bridge;
 - A1–A3 link road from Coromandel to Gros Cailloux;
 - new link road at La Croisette;
 - upgrading of Pointe aux Sables Road at Petit Verger; and
 - the Cap Malheureux by-pass.
181. Over the next 3 years, some Rs 1.5 billion will be invested in new projects, including:
- construction of Hillcrest fly-over;
 - upgrading of Ebene fly-over;
 - upgrading of road from Deux Frères to Beau Champ;
 - upgrading of road at Palmerstone, Vacoas;
 - upgrading of Pont Bruniquel, Baie du Tombeau ; and
 - landslide stabilisation works at Montagne Ory, Chamarel and Souillac.

182. We are earmarking Rs 500 million for the construction and upgrading of secondary roads across the island.
183. While I am on the subject of land transportation, I would like to announce a series of measures to support operators of public transport.
184. First, individual bus operators will benefit from the same base price as for bus companies in respect of diesel compensation.
185. Second, taxi operators will benefit from a duty-free car every 4 years instead of 5 years.
186. Third, I am reducing the road tax for vans, with up to 15 seats, used as school buses from Rs 3,000 to Rs 2,000 per annum.
187. Fourth, I am removing customs duty on importation of vans to be used as school buses.
188. And fifth, a study will be carried out to assess the need for a Taxi Operators Welfare Fund.
189. I will now elaborate on our plan to improve and modernise community infrastructure across the country.
190. Since 2015, the Local Authorities and the National Development Unit have implemented some 2,900 community-based projects across the island for a total project value of Rs 3.5 billion.

191. In this Budget, we will invest some Rs 1.2 billion in more such infrastructure projects, including:

- 6 gymnasiums and open gyms at Stanley - Rose Hill, St Félix, D'épinay, Providence, Rivière du Poste and Curepipe;
- 6 football fields at Pointe aux Sables, Tranquebar, Vallée Pitot, Pamplemousses, Plein Bois and Chamarel;
- 25 mini football pitches across the Island;
- 2 pétanque courts at Telfair and Carreau Accacia;
- 2 health tracks at Nouvelle France and Mare Tabac;
- 8 Children playgrounds at Vallée Pitot, Tranquebar, New Grove, Malakoff, Rivière du Poste, Mahebourg, Quatre Bornes and Camp Le Vieux;
- 3 new market fairs at Beau Bassin, Bambous and Fond du Sac;
- 2 multipurpose halls at Petite Julie and Petit Raffray; and
- 4 new village halls at Grande Retraite, Rivière du Poste, Tyack and Tamarin.

192. An amount of Rs 72 million is being earmarked for the construction of six Multi User Games Area (MUGA) at Rivière du Rempart, Flacq, Moka, Port Louis, Black River and Savanne.

DEEPENING OUR NATIONAL REFORM AGENDA

193. I now come to the deepening of our national reform agenda in the public sector.

194. The three pillars of our reform will be:

- i. First, rebalancing the role of Government in the economy.
- ii. Second, improving efficiency and delivery of public services.
- iii. Third, implementing the Asset-Liability Management (ALM) Approach to ensure optimal management of public finances.

195. The first pillar is about creating opportunities for private sector entrepreneurs to invest in public sector projects so as to reduce Government's borrowing requirement. In this context, the PPP Act and the BOT Projects Act are being simplified.

196. We will also dispose of certain non-strategic assets to reduce the level of government debt.

197. I will now elaborate on the second pillar of the reform agenda.

198. This is about improving efficiency and delivery of services.
199. Weaknesses, shortcomings and abuses must not be allowed to linger in the system.
200. We will thus introduce a new expenditure framework that will be firmly rooted in the principles of evidence-based budgeting. The key elements of the framework are:
- the systematic review of available evidence on the effectiveness of public programs;
 - implementation oversight; and
 - outcome monitoring.
201. In this vein, I am continuing this year the efforts I have been making to reduce the expenditure on overseas mission. In fact, I am reducing the provision for overseas mission costs for ministries and departments from Rs 160 million to Rs 120 million.
202. The Efficiency Management Committee set up at the Ministry of Health and Quality of Life will serve as a pilot project to be replicated across all ministries and departments.
203. The e-health project will soon be implemented as a major reform in the public health sector so that data on the medical history of patients are available to all hospitals across the country in real time. This will save time for patients, give them more flexibility to seek treatment in hospitals and also greatly facilitate the treatment of patients.

204. With the forthcoming roll out of the National Payment Switch by the Bank of Mauritius, Government agencies will be able to integrate the e-payment system as part of their service delivery.
205. To pursue our reforms, we will also fully leverage the potential of digitisation. To this end, Government will implement a National Authentication Framework providing users a unique ID and password to access, through a single window, any e-government service.
206. Government agencies will adopt the 'Require-Once Principle' to request information from the public where such information is already available within government.
207. To further reduce costs and avoid long queues for the population and move towards a paperless administration, Government will make available online facilities for the following:
- delivery of free copies of birth and marriage certificates;
 - application for enrolment of children in primary and secondary schools;
 - searching information on land titles;
 - registering of vehicles; and
 - making application for SC and HSC examinations by private candidates.

208. As regards the third pillar, a comprehensive study will be carried out to establish the ALM framework. Our aim is to move beyond debt and deficits to provide the most comprehensive view of public finances and develop the country's balance sheet – that is the Mauritius Balance Sheet. This will give us a clearer picture of the nation's net worth.

REACHING A HIGHER SOCIAL DEVELOPMENT PATH WITH A FOCUS ON GENDER MAINSTREAMING

209. I will now announce our policies and measures to reach a higher social development path.
210. As we pursue our goal of a High Income Economy, it is important that wealth creation and social development are coupled under the inclusiveness umbrella.
211. Prosperity must be shared by all.
212. And how to share the prosperity is reflected best in the priorities that Mauritian families set for themselves and their children.

Health care: The Healthier the Population, the Happier the Nation.

213. One of these priorities is to have access to quality health care.
214. We are therefore investing significantly to expand and modernise public hospitals.

215. Our plan is to:

- set up a new Renal Transplant Unit at the Jawaharlal Nehru hospital;
- construct a modern warehouse for pharmaceutical products;
- complete the new Cancer Hospital and the ENT Hospital;
- start construction of a New Eye Hospital at the Réduit Triangle; and
- build the New Flacq Teaching Hospital.

216. We are also providing for:

- a new Mediclinic at Floréal which will start operations this year;
- the construction of four other Mediclinics at Quartier Militaire, Stanley, Coromandel and Bel Air; and
- seven Health Centres at Petite Rivière, Baie du Tombeau, Phoenix, Roche Bois, Pointe Aux Sables, Grand Baie and St Francois Xavier. And there are plans to construct 12 new Health Centres in Chemin Grenier, Bambous, Cap Malheureux, Camp De Masque, Trou D'Eau Douce, Henrietta, New Grove, Grand Bois, Baie Du Cap, Vale, Plaine Magnien and L'Espérance-Moka.

217. A new mobile caravan will be purchased for HIV testing.

218. I am providing for the recruitment of 538 medical and non-medical personnel. This includes some 40 more Nursing Officers to be trained in community health nursing to reinforce the on-going vaccination programme.
219. Madam Speaker, the food we eat determines our state of health.
220. A Food Standards Agency will be established to set standards on fast food and soft drinks and also for the certification of vegetarian and halal foods, among others.
221. And we will encourage the supply of wheat flour that is fortified with iron and folic acid to address the problem of high incidence of anaemia among women.
222. We will also more fully harness the potential of Biotechnology for improving food processes and health care. To that end:
- A regulatory framework will be introduced for classification and registration of nutraceuticals.
 - The Clinical Trials Act (CTA) will be amended to provide for registration of Contract Research Organizations with the Clinical Research Regulatory Council.
 - The CTA will also be reviewed to make necessary amendments regarding trials involving medical devices.
 - And a regulatory framework aligned with the EU-Directives and US standards will be introduced for stem cell research and therapy.

223. As we speak of improving the health of our population, I am pleased to announce today a significant support to public sector employees. I am providing Rs 200 million for implementing a Medical Insurance Scheme for public sector employees. For those earning less than Rs 10,000, Government will pay fully the insurance premium. For those earning more than Rs 10,000, Government will contribute 50 percent of the premium.
224. The budget for the public health sector is thus being increased from Rs 12.2 billion to Rs 13.1 billion.

Pursuing the Reform of our Education System

225. I now turn to education - another top priority for families and rightly so. It is clear today as it has ever been that education is what fosters social progress and offers a sure pathway to a better life. To better serve that purpose, our education system must be modern and inclusive.

Fostering a more Inclusive Education System

226. Earlier this year, I announced free tertiary education in public institutions, including Technical and Vocational Education and Training (TVET). Some 20,000 students are already benefiting from this measure. An amount of Rs 600 million is being earmarked for financing the Free Tertiary Education Scheme.

227. And funds are being provided for introducing a new programme in 20 schools, for students of Grade 7, namely the “Leader In Me Programme”. The aim is to equip these students with the socio-emotional competencies they need to achieve the desired outcomes of education.
228. Madam Speaker, tablets have already been distributed to students of Grades 1, 2 and 3 in all primary schools. I am pleased to announce that the tablet project will now be extended to Grade 4 students.
229. Inclusiveness also means an education system that fully caters for students with special needs.
230. I am, therefore, making the necessary provision to operationalise the Special Education Needs Authority (SENA).
231. I am providing a total amount of Rs 138 million to NGOs running Special Education Needs Schools.
232. I am also providing for equipping 20 State Secondary Schools with ramps, handrails and adapted toilets for disabled students.
233. Rs 10 million will be provided under the National CSR Foundation for the setting up of a Fortified Learning Environment Unit. This is another concept that is being introduced in our education system to better support vulnerable children and raise their performance standards.

234. Rs 50 million are being earmarked for transforming 50 primary schools in poverty areas into Fortified Learning Environment Schools with the support of NGOs. This will counter the effect of poverty on educational attainment of the child.
235. Furthermore, Rs 20 million are being earmarked to provide specialised and focussed support to students in the Extended Programme. These will be delivered by a network of NGOs.
236. As we pursue our educational reforms, MIE will dispense courses to Prevocational Educators to upgrade their knowledge to facilitate their integration in the mainstream programme.
237. I will now announce measures for supporting vocational education and training.
238. A modern training centre will be constructed for the MITD at Beau Vallon at the cost of Rs 219 million.
239. In the same vein, I am providing for the setting up of a Skills Development Authority to act as an independent regulator, ensure quality assurance and confer awarding powers to training institutions in the TVET sector.

Conducive Learning Environment

240. We will also invest to expand and upgrade the learning environment in our schools and give greater non-academic support services to students.

241. Funds are being earmarked for the construction and upgrading of:
- 8 Government Schools;
 - 6 Multi-Purpose halls;
 - 4 playfields;
 - 3 new Science Blocks in Secondary Schools; and
 - 58 specialist rooms in State Secondary Schools for Food and Textile Studies and Design and Technology.
242. As regards non-academic support aimed at promoting the psychological and social well-being of students, I am providing for the recruitment of 8 more Educational Psychologists, 6 more Educational Social Workers and 34 Discipline Masters.
243. The Drug Use Prevention Programme which is currently in place in 48 secondary schools will be extended to all secondary schools.
244. To achieve better synergy in implementing our education reforms, we are creating an Education Hub at Côte D'Or.
245. It will include among others, an Academy for Teachers, the Mauritius Institute of Education and the University of Technology Mauritius.

246. In the meantime, the Academy for Teachers will operate at the Polytechnic in Montagne Blanche.
247. This year, I am providing Rs 17.1 billion in the budget for the education sector.

A Decent Dwelling for Every Family

248. I now come to another top priority of families which is about a decent dwelling. It is also high on Government's agenda as we believe in a decent home and suitable living environment for all our citizens.
249. To achieve this goal, we will make significantly more efforts this year to support low and middle income families.
250. First, to meet the need of low income families, 6,000 units will be constructed on 16 sites around the country over the next three years, with necessary amenities. These will be in high rise buildings with a maximum of 6 floors.
251. Second, I am reviewing the Building Materials Grant Scheme to provide significantly more support to families for the construction of their dwellings.
- For a family with monthly income of up to Rs 10,000 the maximum grant is being increased from Rs 65,000 to Rs 100,000.
 - I am extending the scheme to families with monthly income above Rs 10,000 and not exceeding Rs 15,000. For these families the grant will be up to Rs 70,000.

- For families with monthly income above Rs 15,000 and not exceeding Rs 20,000, the grant will be up to Rs 50,000.

252. I am also extending the Building Materials Grant Scheme and the Roof Slab Grant Scheme to households who have already benefitted from Corrugated Iron Sheet and Concrete cum Corrugated Iron Sheet housing units and also to families living in Ex-CHA houses which contain asbestos.

Giving More Support to Middle Income Families Who are Investing in their Own Dwellings

253. I will now announce our measures to support middle income families who are investing in their own dwellings.

254. First, I am raising the threshold value of bare land that a first time buyer may acquire, free of registration duty, to build a house. The exemption will apply on the first Rs 2.5 million of land value instead of on the first Rs 2 million, provided the acreage does not exceed 20 perches. This would represent an additional benefit of up to Rs 25,000 per buyer.

255. Second, a first time buyer will benefit from full exemption from registration duty on the purchase of an existing house or apartment of up to Rs 5 million instead of Rs 4 million currently, representing an additional benefit of up to Rs 50,000.

256. Third, no registration duty will be payable on a secured housing loan for an amount not exceeding Rs 2.5 million, instead of the current threshold of Rs 2 million.

257. Fourth, to enable more of our citizens to benefit from the VAT Refund Scheme on the construction of their residence or the purchase of an apartment, I am reviewing the following eligibility criteria:

- the upper limit for the cost of construction of a residence or the purchase price of an apartment is being increased from Rs 4 million to Rs 5 million.
- the household income threshold is being increased from Rs 2 million to Rs 3.5 million.

258. I am also extending the duration of the Scheme to 30th June 2025 instead of 30th June 2020.

259. Fifth, affordability is a key factor in determining ownership of a dwelling as well as its quality. We are, therefore, announcing measures to make NHDC houses more affordable to a larger number of families. To that end:

- Households earning monthly income between Rs 10,000 and Rs 15,000 will benefit from a subsidy of 60 percent instead of 50 percent on the cost of a housing unit;
- Households earning monthly income above Rs 15,000 and not exceeding Rs 20,000 will benefit from a subsidy of 30 percent instead of 20 percent.

And I am introducing two new thresholds so that our support can reach out to more families:

- Households earning monthly income above Rs 20,000 and not exceeding Rs 25,000 will now benefit from a subsidy of 25 percent; and
- Households earning monthly income above Rs 25,000 and up to Rs 30,000 will now benefit from a subsidy of 15 percent.

Strengthening Social Protection

260. I now turn to our social security policies. In the past 4 years, this Government has increased the Social Security Budget by 86 percent.

261. We have done so because we have always believed that we must stand by our citizens who are striving to face and escape the difficulties and vicissitudes of life.

Helping our Elderly to Build Up a Steady and Predictable Stream of Income in Retirement Years.

262. Today, we will build further on past efforts to support those in need.

263. I will start with our support for our elderly.

264. I am increasing the monthly carer's allowance from Rs 3,000 to Rs 3,500 for some 23,000 bedridden pensioners.

265. Presently only bedridden persons aged 75 years or older are eligible for domiciliary visits of doctors. I am extending this service to bedridden persons of 60 years and above.
266. Besides health care, we will also provide for leisure and recreation facilities for our elderly. I am providing Rs 15 million for renovation works at the 3 Recreational Centres for elderly persons. A fourth Recreational Centre at Riambel will be operational by the end of this year. And they will also have free access to public swimming pools to promote greater participation in physical activities.
267. I am increasing the annual grant to the Senior Citizens Council by Rs 500,000.
268. We will also improve the financial means for our elderly. To that end, Government will issue two Silver Bonds offering an annual interest rate of 5.5 percent to increase return on their savings and also to encourage savings towards retirement. The main features of the bonds are outlined in the Annex to the Budget.
269. The underlying principles of government's policies towards the elderly in our society are clear – they are about gratitude, respect and compassion. That is why the very first action of this Government has been to substantially raise the Old Age Pension. Today, the old age pension stands at Rs 6,210 compared to only Rs 3,623 in 2014. We have thus made a significantly positive difference in the lives of thousands of our elderly. And it is in that same spirit, that I am announcing today another increase of Rs 500 on the monthly old age pension as from January 2020, to bring the old age pension to Rs 6,710 per month.

Better Empowering Families under the Social Register of Mauritius

270. I am also pleased to announce better support to families under the SRM. Thus, I am extending the school premium awarded to successful students at the secondary level under SRM to tertiary students as well. They will benefit from a one-off grant of Rs 40,000.
271. 5,000 families who are presently benefitting from Social Aid will be transitioned to the Marshall Plan Social Contract Scheme. These families will thus benefit from substantially higher support, under the SRM, empowering them to better fight their way out of poverty.

More Support to those who Help Others

272. We will also give more support to those who help others.
273. We cannot overlook the priceless role of religious bodies in shaping and preserving the social and moral fabric of our society. They deserve all the support that we are giving to them and more. That is why I am increasing the grant to religious bodies by 10 percent from Rs 85 million to Rs 93 million.
274. In the same vein, for Residential Care Homes eligible under the Social Aid Act, I am doubling the monthly grant for the maintenance of their buildings.

275. The NGOs are making positive contribution to the social development of our country and need our recognition. I am therefore increasing the grant-in-aid by 10 percent.
276. Moreover, the National CSR Foundation (NCSRF) will be transformed into a National Social Inclusion Foundation with a new Charter and will identify National Programmes for better impact on poverty alleviation. In the first instance, the national programmes will focus on Crèches/Nursery and on additional support to vulnerable children at primary and secondary level.
277. For maximising the role and effectiveness of the NGOs, they will be classified as community based NGOs and NGO d'Utilité Publique.
278. The Budget earmarked for the Ministry of Social Security is Rs 27 billion, which represents an increase of 9.3 percent on last year's budget.

Investing in Sports and Physical Activity

279. I now come to Sports and Physical Activity.
280. Madam Speaker, it is alarming that only around 14 percent of the population aged 15 years and older meet the levels of physical activity recommended by the WHO.
281. To address this issue will require fundamental reforms in the sports and physical activity sector. That is why we are focussing on four key priorities namely:

- The creation of Active Mauritius for Sports for All. To encourage the population to become active, I am increasing the budget of Mauritius Sports Council under the Lotto Fund to Rs 40 million;
- The development of Team Mauritius for our elite sports;
- The setting up of Coaching Mauritius for our workforce development; and
- The establishment of Sports Facilities Mauritius to optimise the use of sports infrastructure.

282. In order to implement this new policy, the Ministry of Youth and Sports will review the Sports Act 2016 with a new Sports and Physical Activity Bill. The new Bill will introduce provisions related to:

- A Code of Sports Governance
- A Coaches Code of Ethics
- A Safeguarding and Safe Sport Policy
- The Rules of the Mauritian Anti-Doping Agency

283. Madam Speaker, we have created a world class sports facility at Côte D'Or. It will be a signature venue for the upcoming 'Jeux des Iles' but equally important is that it will offer world class facilities for our athletes and for promoting wider participation of the population in sports and physical activities for many years to come.

284. Côte D'Or will become the 'home of sports' in Mauritius, acting as a base for our High Performance Centre to support the newly created Team Mauritius, that will also take on responsibility for developing a portfolio of Sport Academies of international standard for our youth.
285. I am announcing today a major game changer in the history of Mauritian Sports. Indeed, Mauritius Multi-Sports Infrastructure Ltd will sign an agreement with the Liverpool Football Club and Athletics Grounds Limited from the UK to set up an International Football Academy Soccer School at Côte D'Or. This is the very first international sports academy that will be set up at Côte D'Or.
286. There is also a potential to develop a sports cluster in our economy that must be fully harnessed. A Sports Economic Commission will be established at the EDB to look into ways of fostering the development of that new sector.
287. The countdown is on for the 'Jeux des Iles de L'Océan Indien' which Mauritius is proudly hosting in 38 days from today. I am confident that all citizens of the Republic of Mauritius will once more unite behind our athletes and support them to give the best of themselves.

Investing in Arts and Culture to Promote Well Being

288. Another crucial contributor to well-being in a society is arts and culture. That is why we will invest further to promote its development.

289. First, I am earmarking funds to undertake preliminary works for the setting up of the Intercontinental Slavery Museum.
290. Second, Rs 30 million have been earmarked for phase 2 of the renovation of the Port Louis Theatre.
291. Third, the Conservatoire de Musique Francois Mitterrand will decentralise its services by offering syllabus-based programmes at its branches in Grand Baie and Rodrigues.
292. And fourth, Government will finance the fees for the practical examinations of the London College of Music and the Associated Board of the Royal School of Music for candidates at the Grade 8, pre-diploma, diploma and post-diploma levels.

Promoting Gender Equality and Women Empowerment

293. Madam Speaker, the social development path must be lifted up for all. An inclusive development must necessarily address the issue of gender gaps in our society.
294. In last year's Budget Speech, I announced that a study will be carried out on Gender Budgeting. I am pleased to report that the Commonwealth Secretariat is conducting the study and will make its recommendations in the coming months.
295. The study will also help to finalise the National Gender Policy 2019-2029.

296. I am also making provision to implement the gender mainstreaming programme in Government ministries and departments.

297. I am providing Rs 11 million for the Women`s Empowerment Centres to be revamped with the following additional facilities:

- equipment to promote wellness;
- Day Care centres for elderly women;
- an " Atelier des Métiers/ Savoirs" for unemployed and vulnerable women; and
- maintaining the crèche scheme to regularise the Child Day Care Centres.

298. Madam Speaker, maternity leave on full pay is currently limited to 3 confinements in the public service. This restriction is being removed.

299. Moreover, an officer in the Public Service, who is nursing her unweaned child will be entitled to permission on the same basis as working mothers in the private sector, that is for a period of six months as from date of birth.

300. I will now announce a historic decision to further advance gender equality. There is a flagrant underrepresentation of women on corporate boards of directors in our country. This is an injustice. It cannot be allowed to continue. Public Companies and Statutory Bodies will therefore be required to

have at least one woman on their board of directors. Our aim is to eventually have a fair gender balance on the boards. The Companies Act and the Statutory Bodies (Accounts and Audit) Act will be amended accordingly.

Providing more Support to Improve Child Protection and Welfare

301. For children in distress, our support must be comprehensive and effective. Children should grow up in life free from trauma of a difficult childhood.

302. I am therefore providing for the recruitment of :

- 10 additional Family Welfare Protection Officers; and
- 5 more Enforcement Officers.

303. I am also increasing the budget of the Foster Care programme by Rs 1 million, that is by 14 percent.

304. To improve care and support to new born children, I am increasing the existing monthly social aid benefit in the case of multiple births, from Rs 2,275 to Rs 2,500.

PROMOTING A SAFER AND MORE SECURE LIVING ENVIRONMENT

305. I now come to our policies for promoting a safer and more secure living environment for the population.

306. We must have the ambition to make of Mauritius one of the safest and most secure countries in the world.

Securing our Border and Combatting Drugs

307. That is why there will be no relenting in my fight against drug dealing.
308. The war against drug trafficking and use is a tough one – but one that I am facing with a ‘must win’ attitude.
309. Our actions in the recent years, speak of my determination to combat this scourge – we have no mercy for those who are dealing in illicit drugs but we must show compassion for the innocent victims.
310. Since 2015, ADSU, in collaboration with other enforcement agencies, has seized some 750 kgs of drugs worth more than Rs 5.7 billion and made over 9,900 arrests.
311. Let me add that in recent years, we have considerably deepened and widened collaboration with countries in the region and internationally to combat drug trafficking and with very positive outcomes. In fact, due to our collaboration, there have been significant arrests of drug dealers and seizure of drugs in Reunion and Madagascar.
312. Notwithstanding the battles we are winning on various fronts, we will not stop until the war is won – for our children and all those who are devastated and very often helpless.

313. To step up our fight, a National Drug Secretariat has been established under the aegis of the Ministry of Defence and Rodrigues to:

- ensure overall coordination of all drug control activities; and
- advise Government on the adoption of evidence-based drug policies, strategies and programmes.

314. The Secretariat reports to the High Level Drug and HIV Council chaired by myself.

315. New equipment will be acquired to detect and sanction drivers found under the influence of drugs.

316. I am providing for the ADSU to acquire specialised vehicles and security and communication equipment.

317. I now come to our actions to improve road safety.

318. In recent years, there were too many accidents on our roads. The causes are wide-ranging. However, our efforts to reduce road accidents are bearing fruit and must be pursued further.

319. I am providing some Rs 275 million for the Road Safety Programme. This includes:

- Provision for road safety devices and accident countermeasures along hazardous roads;

- Installation of conspicuous traffic signage and road markings;
- Safer infrastructure and facilities for cyclists and pedestrians;
- Improving the road crash data management system;
- Establishment of a National Traffic Data Management System for traffic management, modelling and decongestion program;
- Coordination of traffic signal systems; and
- the issue of smart driving licence cards with security control mechanisms to counter the production of fake driving licences.

320. I will now announce the measures to improve law and order in our country.

321. We must uphold the reputation of Mauritius as a country where crime rates are low and police are trusted, easy to contact and quick to respond.

322. To reach that goal:

- 4,000 Intelligent Surveillance Cameras and 300 Intelligent Traffic Surveillance Cameras are installed as part of the Safe City Project;

- a Drone Team will be set up to increase surveillance and support targeted operations; and
- the Reform Institutions Act is being amended to include murder as a category not to be eligible for remission or release on parole.

323. Police officers must also operate in a conducive environment. I am, therefore, providing for:

- three new Divisional Headquarters at Piton, Rose Belle and Rose Hill;
- a new Police Station to cater for Cité La Cure and Vallée Des Prêtres; and
- two new Police Stations at Phoenix and Triolet.

324. Moreover, I am providing some Rs 450 million for:

- upgrading the Dornier aircraft;
- implementing the Advance Passenger Information System at the airport; and
- acquisition of vehicles for the Police Force.

325. To improve Police services, a New Driving Licence and Test Centre will be set up at Centre de Flacq and the Oral Test Centre in Line Barracks will be upgraded.

326. For a safer and more secure Mauritius, we also need a Fire and Rescue Service that responds quickly and effectively.

327. I am therefore providing for the acquisition of:

- a vehicle for rapid and effective intervention during incidents involving hazardous materials;
- 3 Swift Water Rescue Vehicles; and
- 3 more water tenders.

328. I am also providing for a Fire Safety and Prevention Information Management System to improve response time.

Judiciary

329. To uphold the rule of law in our country, we must also have a strong Judiciary.

330. The Supreme Court Building will be completed by the end of this year.

331. Going forward, I am making provision for a New District Court for Upper Plaines Wilhems on State Land at Forest Side.

332. All District Courts will be maintained and upgraded to ensure better services.

333. A modern computerized revenue collection system will be introduced to allow on-line payment of fines and other fees.

334. New legislations will be introduced to set up a separate Court of Appeal, a separate Land Division of the Supreme Court and a Children's Court.

335. Madam Speaker, we want to see justice restored in the cases of dispossession of land, highlighted before the Truth and Justice Commission. To this end, I am pleased to announce that a Land Research and Monitoring Unit and a Special Fund will be set up under the Ministry of Housing and Lands. An amount of Rs 50 million has been earmarked for that Fund.

FACING THE CHALLENGE OF CLIMATE CHANGE AND BUILDING THE RESILIENCE OF OUR ENVIRONMENT

336. I now come to the challenge of climate change.

337. An increasing number of our citizens are taking at heart the concern about the resilience of our environment and the sustainability of our country's development.

338. It is a concern that this Government also shares and that is why we are doing the most that we can afford, to protect and enhance the environment.

Mitigating the Impact of and Adapting to Climate Change

339. To mitigate the impact of and adapt to climate change, 40 high risk flood prone sites have been identified across the island. And Rs 650 million have been earmarked for carrying out drainage works in these areas, including in Fond Du Sac, Cottage, Amitié, Gokhoola, Mapou, Résidence Roma,

Résidence La Cure, Le Hochet Terre Rouge, Pointe aux Sables, Baie du Tombeau, Morcellement Raffray, Résidence Hibiscus Flacq, Montagne Blanche, Coromandel, Nouvelle France, Plaine Magnien, Carreau Esnouf, Trois Boutiques, Chemin Grenier, Tranquebar, Vallée Pitot, Belle Source Pamplémousses, Clémencia, Rivière des Anguilles, Bambous, Richelieu, Port Mathurin and other sites in Rodrigues.

340. I wish to highlight that to date, around 50 percent of drainage works at Cottage have been completed and works at Fond du Sac have already started. Moreover, works at Tranquebar, namely at Canal Kitchry and Bangladesh are expected to be completed in early 2020.
341. The Land Drainage Authority is being reinforced and it will enlist 5 Technical Experts to provide assistance for better planning and emergency response.

Fostering the Production and Use of Local Renewable Sources of Energy

342. Another crucial leg of our sustainability strategy is the shifting to clean and renewable sources of energy away from fossil fuel.
343. This is a long term endeavour that we will continue to pursue relentlessly.

344. First, Government is coming up with a Renewable Energy Roadmap to optimise the use of the various renewable sources of energy to produce electricity. This will facilitate private investment in the renewable energy sector.
345. Second, to give a fillip to the production of electricity from solar sources, the imposition that a producer can produce from solar energy sources only 30 percent of the electricity it consumes is being removed. Moreover, the monthly fee for supplying electricity from solar energy sources to the national grid is being removed.
346. Third, a Waste to Energy project will be implemented where some 1,000 tons of municipal solid wastes will be used to generate some 20 MW of electricity.
347. Fourth, CEB will introduce a new scheme for the installation of Solar PV systems for religious bodies. They will thus benefit from part of their electricity consumption free of charge.
348. Fifth, for domestic customers and Social, Religious and Charitable organisations who are located up to 5 poles away from the grid, CEB will provide connection, free of charge.
349. And sixth, as a major first step to pave the way for automatic metering and development of the smart grid, the CEB will install 75,000 smart meters over the next 3 years to replace the traditional electro-mechanical ones. This is in addition to the 25,000 smart meters already installed.

Pursuing the Moris Nou Zoli Pei Campaign

350. Madam Speaker, the lack of cleanliness, be it for our beaches, lagoons, streets and all areas for living and doing business, can become a serious impediment to health and quality of life for our citizens and the attractiveness of Mauritius as a tourist destination.

351. This needs to be addressed with a sense of urgency. And it requires a national collective effort – a change in mind-set and habits.

352. It is our duty and responsibility towards our youths and the upcoming generations to engage in a transformation of our society towards a sustainable and environmentally friendly model.

353. That is why two years ago, I initiated the Moris Nou Zoli Pei campaign, alongside citizens in different localities. Ensuring a clean and sustainable environment is my personal struggle for our country.

354. Our strategy is three-fold:

First, engaging in the cleaning and embellishment of our environment and public spaces.

Second, transforming our waste management strategy to promote the 3Rs - Reduction, Re-Use and Recycling of generated wastes.

And thirdly, to promote eco-friendly and sustainable initiatives to reduce the impact on our environment.

355. To engage in the cleaning of Mauritius, a Centralised Cleaning Coordination (3C) Committee will be set up under the aegis of the Ministry of Local Government and Outer Islands. This Committee will coordinate all cleaning activities in the different regions across the island.
356. Madam Speaker, the first task of the Committee will be to organise a 'Mega National Cleaning and Embellishment Campaign' over two days in July this year, with the support and collaboration of Government institutions, private sector, civil society and the population. This campaign will be carried out across the island and we encourage each and every one to join us in this initiative to embellish our beautiful island.
357. This mega campaign will be followed by focussed cleaning up actions in seven priority areas. For each of these areas, there will be a single agency responsible and accountable for proper cleaning. These seven areas are as follows:
358. First, the public beaches and lagoons will be under the responsibility of the Beach Authority. The latter will enter into a public-private collaboration to use the resources of hotel groups in order to embellish and improve cleanliness of public beaches starting with Flic-en-Flac, Grand-Baie, Péreybère, Mon Choisy, Blue-Bay and Belle Mare.

359. Amendments will further be made to the Beach Authority Act to empower the Beach Enforcement Officers to serve notice to littering offenders on public beaches.
360. Second, the cleaning of tourist sites, including our different islets will be under the responsibility of the Tourism Authority, which will be supported by Mauri-Facilities Ltd, and National Parks and Conservation Service, among others.
361. Third, local authorities which are responsible for keeping city centres clean will enhance their services.
362. Fourth, the Road Development Authority will be responsible for ensuring the cleaning along the motorways with the support of the local authorities and the Living Environment Unit.
363. Fifth, the Road Development Authority will also have the responsibility for seeking private sector sponsorship of individual roundabouts along motorways for their embellishment and regular maintenance.
364. Sixth, main public roads will be maintained and cleaned by Local Authorities using both in-house employees and through outsourced services on a daily basis. Government will provide local authorities with modern equipment such as road sweeper trucks.
365. Seventh, rivers, canals, watercourses and drains will be cleaned and embellished by local authorities with the support of other relevant institutions or outsourced to the private sector.

366. Madam Speaker, these seven priority areas and the effective implementation of this comprehensive action plan for the embellishment of our country will be monitored on a regular basis by the 3C Committee and the National Environment Fund.

367. Madam Speaker, our commitment to the sustainable environment does not stop here. This new 3C Committee will come up with a comprehensive Waste Recycling Programme comprising the segregation of waste for recycling.

368. And to further promote waste recycling and the circular economy:

- we are increasing the financial incentive for export of used PET bottles from Rs 5 to Rs 15 per kilogram;
- local authorities will be provided with lorries for collection of sorted waste; and
- a national campaign will be carried out by the 3C committee to sensitise the population on the importance of waste segregation and management for the country. At a later stage, free bags will be provided to households to facilitate collection of PET bottles.

369. Madam Speaker, we will do more to optimally manage the solid waste generated based on the 3R's principles.

370. First, I am providing a tipping fee of Rs 300 per ton of waste taken from transfer stations to be recycled. We expect that this measure can lead to the recycling of 600 tons of waste per day.
371. Second, Government will refund an amount of Rs 2,000 per ton of waste tyres that are recycled locally or exported.
372. Third, I am providing Rs 32 million for the collection and storage of hazardous waste at the Hazardous Waste Facility at La Chaumière for their eventual export.
373. Fourth, an e-waste management system will soon be set up in collaboration with the Mauritius Chamber of Commerce and Industry for the collection and export of e-waste. An amount of Rs 9 million is being earmarked for the export of e-wastes.
374. Fifth, a pilot site will be set up at La Chaumière transfer station for temporary storage bays of Construction and Demolition (C&D) wastes generated from the western part of Mauritius. These C&D wastes can be used for backfilling or recycling purposes. This project, if successful, will be replicated for the other parts of the island.
375. Sixth, Government will facilitate private operators to set up a scrapyards facility for managing and recycling scrap vehicles in an environmentally sound manner.
376. Seventh, the ban on export of scrap metals is being lifted.

Addressing the Problem of Pollution

377. Moris Nou Zoli Pei Campaign also extends to the problem of environment pollution.
378. First, to reduce the number of diesel-powered buses on our roads, the Bus Modernization Scheme will be extended to also subsidize the acquisition of buses with fully electric engines.
379. Second, to encourage the use of environmentally friendly outboard motors in our lagoons, I am removing the 50 percent excise duty on non-fossil outboard motors.
380. Third, I am lowering the rate of excise duty on an electric car of more than 180 kilowatt from 25 percent to 15 percent. In the same vein, I am reducing the excise duty on a plug-in hybrid car. The reductions will be in the range of 5 percent to 15 percent, depending on cylinder capacity.
381. Fourth, an individual will be allowed to deduct from his taxable income the total investment in the acquisition of a fast charger for an electric car. As regards a business, it will be able to deduct twice the amount invested in a fast charger from its taxable income.
382. Fifth, with funding from the Adaptation Fund, we will promote the establishment of coral farming and nursery facilities to restore degraded reefs and our marine eco-system.

383. And sixth, we will also develop a National Protocol to control the population density of crown-of-thorns sea star which is a natural predator of reef-building corals.

Wastewater Sector

384. Wastewater is another major concern that must be effectively managed at all times. That is why some Rs 4 billion will be invested in wastewater management over the next three years.
385. This Budget provides for the construction of sewerage facilities at Grand Baie, Pailles, Camp Rouillard, Morcellement Goolamally and St Paul.
386. Furthermore, I am providing funds for preparation of the sewerage networks at Bain des Dames and Vallée des Prêtres.

Water Sector

387. I now come to our policies and measures for the water sector which is also at the very core of sustainable development.
388. Since my Government took office, some 440 kms of old and defective pipes have been replaced across the island.
389. Some Rs 1.5 billion will be invested over the next 3 years to replace more old and defective pipes across the country, including at Curepipe, Beau Bassin, Rose Hill, Pierrefonds, Montagne Fayence, Roche Bois, Quartier Militaire and Plaine Verte.

390. Rs 40 million will be invested in pipe replacement projects that are being completed in the coming financial year, namely in Moka, Rose Belle, Surinam, Ville Noire, Plaine Magnien, Péréybère and Candos.
391. I am also providing Rs 530 million for several projects as listed in the Annex.
392. Another Rs 300 million will be invested over the next 3 years to increase support under the Water Tank Scheme to reach out to an additional 37,500 households. I am also raising the income eligibility threshold under that scheme from Rs 30,000 to Rs 50,000.
393. Henceforth, these households will benefit from a grant of Rs 8,000 instead of Rs 5,000 to also cover the purchase of a water pump.

**BUILDING STRONGER FOUNDATIONS FOR THE
INFRASTRUCTURAL DEVELOPMENT OF RODRIGUES,
AGALEGA AND OUTER ISLANDS**

394. I now come to our measures and policies to build stronger foundations for the infrastructural development of Rodrigues and Outer Islands.
395. The Airport of Mauritius Ltd will construct a new Runway at Plaine Corail Airport to enable landing and take-off of larger aircrafts.

396. In the last two months, Rodrigues was hit by two cyclones. I personally travelled to Rodrigues to take stock of the extent of damage that was caused.
397. A new housing scheme will therefore be introduced to upgrade and strengthen the Corrugated Iron Sheet and ex-Trust Fund houses.
398. The CEB and the Rodrigues Regional Assembly will continue to implement the undergrounding of the electricity network for essential services.
399. During my visit to Rodrigues, I promised that the increase in airfare scheduled for September this year will be deferred in order to support its tourism industry. Today, I am keeping that promise. There will be no increase in airfare this year. I am providing Rs 92 million for the Special Rodrigues Holiday Package and the Subsidy on Airfare from Rodrigues.
400. An antenna of the Food and Agricultural Research and Extension Institute will be set up for better agricultural services pertaining to crop management and control of pests.
401. And the number of MBC channels broadcasted will be increased from 4 to 11 by November this year.
402. Rodrigues is today digitally connected to the world. I personally inaugurated the MARS cable on 16 February 2019. High speed internet connectivity is now a reality for our Rodriguan citizens and this will contribute towards faster economic development of the island.

403. I am providing Rs 3.8 billion for the Rodrigues Regional Assembly budget.

Agalega

404. We are also taking measures to improve the quality of life in Agalega and lift up its development.

405. Our compatriots in Agalega will benefit from a new runway and a new jetty that will substantially improve air and sea connectivity. Works are progressing smoothly and are expected to be completed by February 2021.

406. To further support the development of Agalega, I am providing for:

- greater support to patients requiring overseas emergency treatments;
- the upgrading of the existing dispensary into a modern full-fledged mediclinic with necessary medical equipment and facilities such as telemedicine for complex medical cases;
- a fully equipped gym to promote health and wellbeing of the citizens;
- a full-fledged library for the inhabitants;
- an additional first response vehicle for immediate interventions during fire and other disasters; and
- the construction of a refugee centre in the south of the island.

Chagos Archipelago

407. Madam Speaker, the 25th February 2019 will forever be remembered as a very special day for our country. That was the day when the International Court of Justice delivered its Advisory Opinion on the two questions submitted by the United Nations General Assembly on the legal consequences of the separation of the Chagos Archipelago from Mauritius in 1965.
408. This landmark Advisory Opinion has confirmed our long-standing position that the Chagos Archipelago is and has always formed an integral part of the territory of the Republic of Mauritius.
409. The adoption by an overwhelming majority of votes of a UN General Assembly resolution on 22nd May 2019 to give effect to the Advisory Opinion of the International Court of Justice is another important milestone in our endeavour to complete the decolonization process of Mauritius.
410. As a Government, we have always believed in the legitimacy of our relentless struggle and deployed the necessary legal and diplomatic efforts, including mobilization of the international community that contributed to this successful outcome.
411. I wish to take this opportunity to once again express our gratitude to the Minister Mentor, Sir Anerood Jugnauth for the passion and determination with which he led this fight.

412. We expect that as a country, highly reputed for its respect for human rights, democracy and the rule of law, the United Kingdom will abide by the findings of the International Court of Justice, thereby enabling the decolonisation of Mauritius to be completed.
413. I am making a special provision of Rs 50 million in this Budget for meeting, inter alia, expenses relating to the preparation for eventual resettlement on some of the islands of the Chagos Archipelago.

SECURING SOUND PUBLIC FINANCES AND SUSTAINABLE DEBT

414. I will now elaborate on measures and policies to ensure that public finances and macroeconomic fundamentals remain sound while achieving our development goals and realising our nation's vision.

Budget Outturn 2018-2019

415. I will start with the budget outturn for the fiscal year 2018-19. Last June, I forecast a budget deficit of Rs 16.3 billion equivalent to 3.2 percent of GDP. The latest estimate shows a deficit of Rs 15.9 billion equivalent to 3.2 percent of GDP.

Income Tax

416. I now come to our personal income tax measures.

417. As regards personal income tax, I am increasing the income exemption thresholds for all categories of taxpayers for the income year 2019-2020 as follows:

- For a taxpayer who has no dependent or one dependent, the threshold will increase by Rs 5,000;
- For a taxpayer with two dependents, the threshold will increase by Rs 20,000;
- For a tax payer with three dependents, the threshold will increase by Rs 25,000; and
- For a taxpayer who has four dependents, the threshold will increase by Rs 45,000.

418. Moreover, the additional deduction for a child pursuing tertiary studies and relief for medical insurance premium will now be available for a maximum of 4 dependents instead of 3 dependents.

419. And, the additional income tax exemption of Rs 50,000 will be granted to a retired or disabled person having more than one dependent, instead of being restricted to those having one dependent only.

420. I am pleased to announce that I am granting a tax credit of 5 percent to an employee, if his salary, inclusive of salary compensation in the first month is below Rs 50,000 and he earns annual net income below Rs 700,000 in that income year. This will allow an estimated additional 5,000 employees to benefit from the reduced 10 percent personal income tax rate.

421. As regards the Solidarity Levy, lump sum income received by a person as pension or death gratuity is being excluded from the computation of the levy. However, the levy will now apply on an individual's share of dividend in a société or succession.
422. I now come to changes in the taxation of products.
423. Madam Speaker, in each of the budgets presented by this Government we have shown our deep commitment to consumer protection and to raising the purchasing power of the population. And we have done so on all fronts, by raising wages, lowering income tax rate, raising income tax threshold, increasing government transfers, providing subsidies on basic consumer goods and by acting directly on excise taxes.
424. Today, we are doing more by lowering excise duties and waiving VAT on certain basic commodities so as to lower their prices and further raise purchasing power of the population.
425. As from tomorrow 11th June:
- The price of mogas will be reduced from Rs 47 per litre to Rs 44 per litre.
 - The price of diesel will be reduced from Rs 38 per litre to Rs 35 per litre.
 - And the price of a 12 kg cylinder of cooking gas will be reduced from Rs 240 to Rs 210.

- The prices of seven other items are also being reduced. They are listed in the Annex.
- I am providing Rs 1.7 billion as subsidy to maintain the retail prices of rice, flour and LPG.
- Furthermore, the STC will invest Rs 1 billion in the construction of new warehouses in Mauritius and Rodrigues for rice and flour. This will increase stock of rice from 45 to 90 days and that of flour from 12 to 30 days.

426. I will now give some main highlights of the Budget Estimates for 2019-20.

- Total expenditure would amount to Rs 138.6 billion, of which Rs 121.6 billion for recurrent expenditure and Rs 17 billion for capital expenditure.
- Total revenue is estimated at Rs 121.7 billion, comprising tax receipts of Rs 104.7 billion, non-tax and other revenue of Rs 10.7 billion and grants of Rs 6.3 billion.
- The overall budget deficit for 2019-20 will be Rs 16.9 billion, that is 3.2 percent of GDP.

427. The borrowing requirement for 2019-20 will be Rs 19.2 billion, most of which will be from domestic sources.

Public Sector Debt

428. As regards public sector debt, the statutory requirement was to bring it down to 60 percent as a ratio of GDP by end of June 2021. However, we plan to reach this target much earlier.
429. We will make early repayment of public sector debt by using part of the accumulated undistributed surplus held at the Bank of Mauritius.
430. Madam Speaker, the PRB Report is due in January 2021. I am pleased to announce that pending the publication of the Report, I am providing for the payment of an interim monthly allowance of Rs 1,000 to all public officers as from 1st January 2020.
431. Our country will be blessed this year with the visit of the Pope. I am pleased to announce that the 9th of September will be declared a public holiday, so that we can as a nation, welcome His Holiness to our country.
432. In preparing this Budget, we have received valuable inputs from people from all walks of life, from organisations and professional groups. Their perspectives have contributed significantly to shape this 2019-2020 Budget. Before concluding, I would like to sincerely thank all of them.
433. The Financial Secretary, the staff at the Ministry of Finance and Economic Development and my staff and advisers at the Prime Minister's Office have worked long hours and very assiduously to produce this Budget. I would like to express my appreciation to all of them.

434. And let me also thank all my colleague Ministers, Parliamentary Private Secretaries and Members of the National Assembly for their contribution.

CONCLUSION

435. I will now conclude.

436. Budget 2019-20 is a budget that speaks to the aspirations of our youth, men and women, indeed to the well-being of Mauritian families.

437. We have focused on the realities of our nation – on the here and now – on the challenges that lie ahead –on the promise of a brighter future.

438. There will certainly be a lot standing in our way.

439. But our history shows us how much we can accomplish when we work together, “**lame dan lame**”.

440. Let’s embrace this **BRIGHTER FUTURE TOGETHER AS A NATION.**

I now commend the Bill to the House.

Thank you.

ANNEX
TO
BUDGET SPEECH
2019 – 2020

BUDGET MEASURES

EXPLANATORY NOTES

MAIN PROVISIONS TO BE INCLUDED IN—

THE

FINANCE

(MISCELLANEOUS PROVISIONS) BILL 2019

AND

THE

BUSINESS FACILITATION

(MISCELLANEOUS PROVISIONS) BILL 2019

Contents

Part A – Taxation and Public Finance

A.1.	Income Tax.....	1
A.2.	Property Tax	8
A.3.	Customs Duty	8
A.4.	Excise Duty	9
A.5.	Road Tax for School Bus.....	10
A.6.	Value Added Tax	10
A.7.	Tax Administration	12
A.8.	Public Financial Management.....	22

Part B – Other Budget Measures

B.1.	Business Environment.....	23
B.2.	Financial Services	33
B.3.	Public Infrastructure.....	36
B.4.	Clean and Sustainable Environment.....	37
B.5.	Our Elderly	40
B.6.	Citizens Facilitation.....	41
B.7.	Tourism	41
B.8.	Social Aid	42
B.9.	Inclusive Education, Skills and Talents	42
B.10.	Cadastral Database	44
B.11.	Rental of State Land	45
B.12.	Online Betting	45
B.13.	Incineration of Dead Animals	45

Part C – Other Legislations

C.1.	Banking and Non-Bank Financial Services	46
C.2.	Civil Service Family Protection Scheme Act	52
C.3.	Construction Industry Development Board Act	53

C.4.	Companies Act	53
C.5.	Competition Act	54
C.6.	Cooperatives Act	54
C.7.	Courts (Civil Procedure) Act	54
C.8.	Deposit of Powers of Attorney Act	55
C.9.	Gambling Regulatory Authority Act	55
C.10.	Good Governance and Integrity Reporting Act	59
C.11.	Human Resource Development Act.....	61
C.12.	Independent Broadcasting Authority Act.....	61
C.13.	Information and Communication Technologies Act	62
C.14.	Insolvency Act	62
C.15.	Limited Liability Partnerships Act	63
C.16.	Limited Partnerships Act.....	63
C.17.	Local Government Act	63
C.18.	National Solidarity Fund Act.....	63
C.19.	Newspapers and Periodicals Act	64
C.20.	Non-Citizens (Property Restriction) Act	64
C.21.	Pensions Act.....	64
C.22.	Ports Act.....	65
C.23.	Sales by Auction Act.....	65
C.24.	Statutory Bodies (Accounts and Audit) Act	66
C.25.	Statutory Bodies Pension Funds Act.....	66
C.26.	Sugar Industry Pension Fund Act	67
C.27.	Sugar Industry Efficiency Act	68
C.28.	Sugar Insurance Fund Act	68
C.29.	Miscellaneous.....	70
Appendix I		i
Appendix II		ii

Acronyms

ARC	Assessment Review Committee
BEPS	Base Erosion and Profit Shifting
BLUP	Building and Land Use Permit
BOM	Bank of Mauritius
CFC	Controlled Foreign Company
CIDB	Construction Industry Development Board
CSR	Corporate Social Responsibility
DBM	Development Bank of Mauritius
EIA	Environmental Impact Assessment
EU	European Union
FSC	Financial Services Commission
GRA	Gambling Regulatory Authority
ICAC	Independent Commission Against Corruption
iEPA	Interim Economic Partnership Agreement
MACCS	Mauritius Cargo Community System
MCIB	Mauritius Credit Information Bureau
MPA	Mauritius Ports Authority
MQA	Mauritius Qualifications Authority
MRA	Mauritius Revenue Authority
OECD	Organisation for Economic Co-operation and Development
PAYE	Pay As You Earn
PER	Preliminary Environment Report
PV	Photovoltaic
RIA	Regulatory Impact Assessment
SMEs	Small and Medium Enterprises
UNODC	United Nations Office on Drugs and Crime
VAT	Value Added Tax

Part A – Taxation and Public Finance

A.1. Income Tax

(a) Income Exemption Thresholds

The existing income exemption thresholds are being increased by amounts ranging from Rs 5,000 to Rs 45,000 as shown in table below.

Category	From	To	Increase
	Rs	Rs	Rs
A. Individual with no dependent	305,000	310,000	5,000
B. Individual with one dependent	415,000	420,000	5,000
C. Individual with two dependents	480,000	500,000	20,000
D. Individual with three dependents	525,000	550,000	25,000
E. Individual with four or more dependents	555,000	600,000	45,000
F. Retired/disabled person with no dependent	355,000	360,000	5,000
G. Retired/disabled person with dependents	465,000	470,000	5,000

These new thresholds will be effective as from income year starting on 1st July 2019, i.e. on income received by an individual as from 1st July 2019.

(b) Tax Band of 10%

The reduced income tax rate of 10% will continue to apply in the case of an employee who earns, in the first month of the income year, a basic salary inclusive of compensation not exceeding Rs 50,000 provided his annual net income in that income year does not exceed Rs 700,000.

To this end, such an employee will benefit from a tax credit of 5% of chargeable income at time of submission of his income tax return.

Moreover, the employee will be subject to Pay As You Earn (PAYE) at the rate of 10% if his average cumulative emolument in a month is below Rs 53,845.

This measure will ensure that employees earning annual net income just above the threshold of Rs 650,000 are not penalised.

(c) Negative Income Tax / Special Allowance

The Mauritius Revenue Authority (MRA) needs information from employers to pay household employees the Negative Income Tax Allowance or Special Allowance. Household employers will accordingly be given the option to either pay the NPF/NSF contribution on a monthly basis or continue to pay NPF/NSF contribution at the end of the year but submit quarterly statements to the MRA. The National Pensions Act will be amended accordingly.

Furthermore, all employers will be required to submit their returns to MRA electronically and pay via e-payment.

(d) Other Exemptions and Reliefs

(i) Additional Deduction for Tertiary Education

The additional deduction in respect of a dependent child who is pursuing tertiary studies will now be available for a maximum of 4 dependents instead of 3 dependents.

(ii) Relief for Medical or Health Insurance Premium

An individual will be allowed to claim up to Rs 10,000 as relief in respect of medical insurance premium paid for a fourth dependent.

(iii) Exempt Income

The SIC Development Co. Ltd will be exempted from income tax with effect from 14th December 2017.

(e) Peer-to-Peer Lending

Interest income received by an individual from Peer-to-Peer lending will be subject to income tax at the rate of 3%.

Any bad debt and fees payable to the Peer-to-Peer operator will be deductible from the taxable interest income.

No tax deduction at source will be applied to Peer-to-Peer interest income.

(f) Solidarity Levy

Lump sum income received by a person by way of commutation of pension, death gratuity or as compensation for death or injury will be excluded from the computation of the Solidarity Levy. This change will be backdated to take effect as from 1st July 2017, that is the date the solidarity levy was introduced.

The law will be amended to clarify that an individual's share of income in a société or succession will be taken into account in the computation of the solidarity levy.

(g) Income Tax Holiday

(i) Innovation Box Regime

A newly set-up company involved in innovation-driven activities benefits from a tax holiday of 8 years on income derived from its intellectual property assets developed in Mauritius.

Existing companies will, henceforth, benefit from the 8-year income tax holiday on income derived from intellectual property assets developed in Mauritius after 10th June 2019.

In order to benefit from the income tax holiday, companies will have to satisfy pre-defined substantial activities requirement in compliance with the Base Erosion and Profit Shifting (BEPS) Action 5 report.

(ii) E-commerce Platform

A 5-year tax holiday will be introduced for a company setting up an e-commerce platform provided the company is incorporated in Mauritius before 30th June 2025.

The Economic Development Board Act will be amended to allow for the issuance of e-Commerce Scheme Certificate.

(iii) Peer-to-Peer Lending

A 5-year tax holiday will be granted to a Peer-to-Peer lending operator provided the company starts its operation prior to 31st December 2020.

(h) Accelerated Depreciation

Presently, capital expenditure incurred on plant or machinery may be fully expensed in the year incurred if the amount does not exceed Rs 30,000. The threshold will be raised to Rs 60,000.

(i) Fine-tuning of Taxation of Banks

- (i) The new taxation system of banks will be fine-tuned as follows:
 - a. income derived by banks from Global Business Companies will be exempted from the levy under the Value Added Tax Act;
 - b. the rate of the levy will be increased from 4% to 4.5% of operating income for banks having operating income exceeding Rs 1.2 billion in a year;

- c. a cap will apply on the increase in levy payable by a bank in order to ensure that no bank is burdened by an excessive levy amount;
 - d. it will be clarified that the levy is not a deductible expense under corporate tax; and
 - e. no foreign tax credit will be allowed.
- (ii) A reduced tax rate of 5% is applicable on the chargeable income of a bank in excess of its chargeable income in the base year (year of assessment 2017/2018) if the bank grants at least 5% of its new banking facilities, to any of the following categories of businesses:
 - a. Small and Medium Enterprises (SMEs) in Mauritius;
 - b. enterprises engaged in agriculture, manufacturing or production of renewable energy in Mauritius; or
 - c. operators in African or Asian countries.

(j) Freeport Regime

A freeport operator engaged in manufacturing activities in the Freeport will be allowed to apply as private freeport developer to build, develop and manage its own infrastructural activities provided that it carries out the same manufacturing activity.

A freeport operator or private freeport developer engaged in the manufacture of goods will be liable to income tax at the rate of 3% on profits derived from the sale of goods on the local market.

Existing manufacturing companies issued with a Freeport certificate will have to meet the following substance criteria:

- (i) employ a minimum of 5 employees; and
- (ii) incur an annual expenditure exceeding Rs 3.5 million.

Freeport Operators will be liable to pay Corporate Social Responsibility (CSR) on sale of goods on the local market.

(k) Tax on Winnings

- (i) Appropriate amendments will be made to the Income Tax Act to reduce the possibility for a casino or a gaming house to split payment to winners in order to avoid the 10% tax on winnings exceeding Rs 100,000.
- (ii) The threshold amount of wins to be reported upon in the statement of winnings to the MRA will be lowered from Rs 100,000 to Rs 50,000.

(l) Carry Forward of Unrelieved Tax Losses

The accumulated losses of a company presently lapse if there is a change in the ownership of the company. However, in the case of a manufacturing company, the Minister may allow the carry forward of the losses if he is satisfied that it is in the public interest to do so and provided conditions relating to safeguard of employment are complied with. This derogation will be extended to any company facing financial difficulty and which is taken over by another shareholder provided conditions imposed by the Minister are met. This amendment will be deemed to be effective as from 1st July 2018.

A.2. Property Tax

- (a) Registration duty, land transfer tax and tax on transfer of leasehold rights in State land will not be leviable on the transfer of immovable property between a statutory body, a company where Government holds directly at least 90% of its shareholding or a wholly owned subsidiary of that company.
- (b) It will be clarified that transfer of a movable property between spouses will be registered free.
- (c) A descendant returning back to an ascendant a property donated by the latter is exempted from payment of registration dues. This exemption will, henceforth, apply equally to the spouse of the descendant if the donated property was jointly owned by the spouses.

A.3. Customs Duty

(a) Exemption on Packing Materials

A producer or manufacturer engaged in agriculture or agro-based industry is being granted customs duty exemption on packing materials.

(b) Interim Economic Partnership Agreement with the European Union

The tariff liberalisation process for raw materials and intermediate goods under the Interim Economic Partnership Agreement (iEPA) has been completed since 2017. For finished goods, phased reduction in tariff started in 2013 and it will be completed in 2022. The next round of tariff reduction is scheduled for 1st January 2020.

The iEPA tariff reduction will also be applicable for goods imported from Turkey under the **Bilateral Free Trade Agreement**.

A.4. Excise Duty

(a) Electric and Plug-in Hybrid Cars

The rate of excise duty is being lowered as follows:

Type of Motor Car	Current	New
Electric Car		
Up to 180 kW	0%	0% (no change)
Above 180 kW	25%	15%
Plug-in Hybrid Car		
Up to 550 c.c.	0%	0% (no change)
551 - 1,000 c.c.	25%	10%
1,001 - 1,600 c.c.	25%	15%
1,601 - 2,000 c.c.	45%	30%
2,001 – 3,000 c.c.	70%	55%
Above 3,000 c.c.	70%	65%

(b) Mogas and Gasoil

The rate of excise duty on mogas is being reduced from Rs 14.80 to Rs 12.20 per litre and that of gasoil from Rs 7.30 to Rs 4.70 per litre. As a result, the price of mogas and gasoil will be Rs 44 per litre and Rs 35 per litre respectively.

A.5. Road Tax for School Bus

The road tax payable by an owner of a public service vehicle of up to 15 seats, used under a contract bus licence, for conveying school children or students only will be Rs 2,000 instead of Rs 3,000.

A.6. Value Added Tax

(a) Cooking Gas (LPG)

Cooking gas for domestic use by households in cylinders of up to 12 kg is being made zero-rated for Value Added Tax (VAT) purposes.

(b) VAT Refund Scheme for Planters/Breeders

The list of equipment on which VAT is refunded to a planter/breeder under the VAT Refund Scheme will be extended to include the following:

- | | |
|---|--|
| (i) Greenhouse cooling pads; | (ii) Greenhouse fans; |
| (iii) Greenhouse growlights; | (iv) Agricultural dehumidifiers; |
| (v) Hydroponic trough systems; | (vi) Vertical grow towers; |
| (vii) Dutch buckets/pots system; | (viii) Netcups and pots; |
| (ix) Plant support clips; | (x) Meshbags; |
| (xi) Insect traps; | (xii) Aquaponics test kits; |
| (xiii) Generators; | (xiv) Machinery for preparing animal feed; and |
| (xv) Pregnancy diagnosis kits for cows. | |

(c) Foodstuff

VAT is being removed on vermicelli, toukmaria, linseed (*graine de lin*), sagoo, appalam, mustard seed and sesame seed.

(d) Compression Garments

VAT is being removed on specialised compression garments used for medical purposes

(e) VAT and Customs Duty Refund and Voucher Scheme for tourists

The existing VAT and Customs Duty Refund Scheme provides for tourists to be refunded taxes paid on goods purchased in Mauritius. In addition, under the Voucher Scheme, tourists who spend a minimum of Rs 1,000 on Mauritian handicraft products are given a discount voucher of Rs 200.

The two schemes will, henceforth, be operated concurrently to create a synergy and give a boost to tourism shopping. The Voucher Scheme will be extended to cover all locally manufactured products.

(f) Bilateral Air Services Agreement

In line with the Bilateral Air Services Agreement, airlines will be exempted from payment of VAT and customs duty on printed materials which bear their insignia, publicity materials and uniforms.

(g) Transport Fares of Passengers by Light Rail

The transport fares of passengers by light rail will be made zero-rated for VAT purposes.

(h) Bread

Bread has been classified as zero-rated good instead of exempt for VAT purposes with retrospective effect as from 1st March 2019.

A.7. Tax Administration

(a) Tax Administration: General

(i) Voluntary Disclosure of Income Scheme - Foreign Assets

Since September 2018, MRA is receiving information from overseas financial institutions regarding financial assets held by Mauritians abroad.

Before the MRA embarks on a tax audit of suspected cases of tax avoidance or evasion, a scheme will be introduced to allow a voluntary disclosure of previously undeclared income held in a bank account overseas or used to purchase foreign assets.

A person making a voluntary disclosure on or before 31st March 2020 under the scheme will be subject to tax on the disclosed chargeable income at the rate of 15 % free from any penalty and interest. A person involved in drugs-trafficking, corruption, terrorism activities or money laundering will not qualify for the scheme.

(ii) Voluntary Disclosure of Income Scheme - SMEs

Small and medium enterprises, that is enterprises having turnover not exceeding Rs 50 million will be given the opportunity to regularise any undeclared or under-declared income with the MRA free from penalty and interest.

(iii) Arrears Payment Scheme – SMEs

A small and medium enterprise will be allowed to pay arrears of tax owed to the MRA as at 10th June 2019 free from penalty and interest provided payment is made on or before 31st March 2020.

(iv) Assessment Review Committee – Filing of Statement of Case

An aggrieved taxpayer will be given sufficient time to file his statement of case and other relevant documents to the Assessment Review Committee (ARC). Furthermore, if the Chairperson or the Vice-Chairperson of the ARC is satisfied that failure to submit the required statement of case or other documents is due to a reasonable cause, the ARC will proceed with the hearing of the appeal.

(b) Tax Administration: Income Tax

(i) Service Fee for Tax Residence Certificate

An artist will be exempted from the payment of the service fee required to obtain a Tax Residence Certificate from MRA.

(ii) Admissibility of Documents Produced by Computer

Provision will be made for admissibility of documents produced by computer in Court.

(iii) Corporate Social Responsibility Assessment

A company which does not spend its CSR funds as per the law is required to remit any unspent amount to the MRA for onward remittance to the NCSR Foundation. The MRA will be allowed to raise an assessment on a company which has neither spent the CSR fund nor remitted same to the MRA.

(iv) Arm's Length Transaction

The legal provision relating to the arm's length test will be fine-tuned to remove any doubt or uncertainty about its application.

(c) Tax Administration: Customs Act

- (i) The existing definition of "clearance" will be amended and a definition of "release" will be introduced to clearly distinguish between these two customs procedures.
- (ii) The MRA will be empowered to enforce customs laws, including performing security checks, at the airport, port and freeport zone, in addition to customs areas.
- (iii) Provision will be made to allow a shop under the Deferred Duty and Tax Scheme to sell goods to a diplomatic agent.

- (iv) A definition of “document” will be introduced to give clarity to operators regarding the records to be submitted, examined or kept.
- (v) Presently, payment of duties and taxes on petroleum products is deferred by 30 days from the date of importation. This deferred payment facility will be extended to petroleum products stored in bonded warehouses or the freeport zone.
- (vi) A ruling by MRA Customs on the classification or origin of goods will not be binding where a new ruling has been given by the World Customs Organisation, ARC or any Court.
- (vii) A claim for refund of duties paid on goods damaged during a voyage, ordered to be destroyed or exported will have to be made within 3 years from the date of the payment of the duties.
- (viii) MRA will be empowered to destroy counterfeit goods at the expense of the importer provided that the holder of the Intellectual Property Rights on the goods agrees to the destruction and confirms that he does not intend to take any legal action.
- (ix) When goods in a bonded warehouse are sold or transferred to an operator in a freeport zone, that operator will not be allowed to re-enter those goods into any other bonded warehouse.
- (x) The customs procedures applicable for aircraft bunker fuel will be harmonised with that for vessels.

- (xi) All existing customs agents (employees of freight forwarding agents) have been authorised to act as customs brokers after the completion of a Recognition of Prior Learning Course conducted by MRA Customs. Accordingly, the function of customs agent will be removed in the Customs Act.
- (xii) The date of termination of the grandfather provision allowing a freight forwarding agent to make Bills of Entry will be extended from 31st December 2019 to 31st December 2020.
- (xiii) MRA Customs will be empowered to suspend a freight forwarding agent or customs broker in case of suspected acts of misconduct or fraud to ensure proper conduct of investigation.
- (xiv) The power of MRA to enforce customs laws within customs areas, the airport, port and freeport zone will be enlarged to combat, in addition to money laundering and the financing of terrorism, other criminal offences.
- (xv) Provision will be made to allow officers of MRA Customs to carry out search on a suspected person through scanning or other imaging equipment.
- (xvi) The MRA will be empowered to sell, through public auction or tender, seized goods which are the subject matter of criminal proceedings where such goods will lose their value due to depreciation or their cost of storage/maintenance is likely to exceed their value. The owner of the seized goods will have to give his consent for the sale. Similar provision will also be made under the Excise Act.

- (xvii) Any person who shoots at a drone of MRA Customs will commit an offence and, on conviction, will be liable to penal servitude.
- (xviii) Provision will be made to allow MRA Customs to provide information relating to customs matters for audit exercises carried out under other revenue laws.

(d) Tax Administration: Customs Tariff Act

- (i) MRA Customs will be empowered to recover duties and taxes in cases where customs/excise duty exemptions have been granted under laws other than Customs laws but there is a breach of conditions attached to the exemptions.
- (ii) A beneficiary of customs/excise duty exemption on a good will be given a right of appeal where MRA Customs makes a claim for payment of duties and taxes on the good due to a breach of conditions of the exemption by the beneficiary.

(e) Tax Administration: Value Added Tax

- (i) A wholesale dealer in liquor and alcoholic products will, henceforth, have to be compulsorily registered with the MRA as a VAT-registered person.
- (ii) It is being clarified that, where a local company supplies services to a foreign company who is outside Mauritius, the services will be zero-rated for VAT purposes provided the foreign company does not in turn supply these same services to another local company.

- (iii) VAT exemption on payment of subscription fees, which is currently applicable for trade unions, statutory bodies and associations under the Registration of Association Act, will be extended to cover prescribed professional bodies.
- (iv) It is being clarified that, where there is a splitting of a business entity into different entities to avoid registration for VAT purposes, each entity will be required to be compulsorily registered for VAT.
- (v) Where a VAT invoice is issued to a non VAT-registered person in business, his name, business address and Business Registration Number will have to be stated.
- (vi) It is being clarified that the management of insurance schemes is exempted from VAT.
- (vii) Presently, a VAT-registered person may claim repayment of input tax in respect of capital goods such as building, plant, machinery or equipment. Provision will be made to allow repayment of VAT paid on –
 - a. goodwill on acquisition of a business; and
 - b. the acquisition of intangible assets such as software, patents or franchise agreements.
- (viii) With a view to expediting the processing of VAT refunds, all VAT-registered persons will have to file their VAT return and pay VAT electronically as from 1st March 2020.

(f) Tax Administration: Excise Act

- (i) The definition of “new motor vehicle” will be amended to bring greater clarity.
- (ii) With the re-engineering and streamlining of excise licensing procedures, Police clearance will be required only for granting of occasional licences such as for trade fairs.
- (iii) Importers and manufacturers of alcohol and tobacco products will be given the option to use digital markings as an alternative to excise stamps.
- (iv) Non-holders of excise licences for alcoholic products will not be allowed to display or store alcoholic products on their business premises to prevent fraudulent sale.
- (v) For the purpose of assessing the import value of a second-hand car, MRA Customs will also be authorised to use the value of the car when new as provided by a recognized body in the country of export.

(g) Tax Administration: Mauritius Revenue Authority Act

- (i) A person will have the right to make a representation at the ARC if he is not agreeable to a claim made by the MRA for payment of duties and taxes on an exempted good due to a breach of conditions attached to the exemption.
- (ii) With a view to expedite resolution of disputes and recover revenue, the scope of the Expeditious Dispute Resolution Tax Scheme and Alternative Tax Dispute Resolution will be enlarged to cover tax assessments raised in connection with the Environment Protection Fee and duties and taxes under Customs Laws.

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

- (i) In the context of ease of doing business, the Stamp Duty Act 1990 will be repealed. The Registration Duty Act will be amended to introduce an administrative fee which shall not exceed the amount of stamp duty. Consequential amendments will be made in the Transcription and Mortgage Act.
- (ii) The Arrears Payment Scheme under the Registrar-General's Department will be re-introduced for another year. The scheme will provide for full waiver of penalties and interest if a debtor of the Department settles any debt amount on or before 31st March 2020. This scheme will apply to tax arrears due as at 10th June 2019.
- (iii) No claim for additional duty or tax will be issued by the Registrar-General for an amount of less than Rs 5,000 following a re-assessment of the value of an immovable property.
- (iv) No penalty and interest on registration dues will be payable by a statutory body, a company where at least 90% of its shareholding is held directly by Government or a wholly-owned subsidiary of that company.
- (v) A notice issued by the Registrar-General for additional duty or tax pursuant to a reassessment of the value of an immovable property will now be accompanied by a concise version of the valuation report giving the reasons for the assessment, the basis of assessment, valuation methodology and comparable transactions used, if applicable.

- (vi) The right of pre-emption (*droit de préemption*) in favour of the State under the Registration Duty Act will be repealed.
- (vii) The composition of the objection unit at the Registrar-General's Department will be reviewed.
- (viii) The objection and appeal process for a person who is dissatisfied with a decision of the Registrar-General to levy additional duty or tax on the transfer of shares in a company will be reviewed to improve our ease of doing business environment.
- (ix) An aggrieved party who agrees to a settlement at the level of the objection unit will not be allowed to subsequently lodge a representation with the ARC. In addition, it will be specified in law that the value of immovable property agreed at the objection unit cannot be automatically used as a precedent or a reference for other appeal cases.
- (x) Presently, a person who is dissatisfied with an assessment of the Registrar-General may have recourse to the objection unit and the ARC against that decision. This right of objection and appeal will be extended to certain other decisions of the Registrar-General.
- (xi) The Registrar-General will amend its IT system to enable the publication on its website of information on transfers of immovable property which have been registered, giving inter alia particulars of the property, its location, the declared value for land/buildings but excluding the name of the parties.

- (xii) It will be made mandatory for information regarding the spouse of a party to be provided to the Registrar-General for certain specific transactions in order to enable accurate updating of the registry.
- (xiii) A person who has not benefitted from an exemption from registration duty or land transfer tax to which he was eligible may, within 3 years from the date the deed was registered, apply to the Committee chaired by the Registrar-General to examine his case for a refund. The time limit for an application is currently one year.

A.8. Public Financial Management

(a) Addressing Issues identified by the Director of Audit

With a view to addressing issues identified in the Director of Audit Reports, a Committee has been set up under the Ministry of Justice, Human Rights and Institutional Reforms. The Committee will examine the Reports in consultation with Ministries/Departments and propose measures to address the weaknesses and shortcomings mentioned therein.

(b) Strengthening of the Governance Structure in the Civil Service

A Steering Committee will be set up under the Ministry of Finance and Economic Development to consider strengthening the governance structure in the civil service. The current structure, composition and functioning of audit committees and internal control will be reviewed.

Part B – Other Budget Measures

B.1. Business Environment

In the latest publication of the World Bank's Ease of Doing Business report, Mauritius was ranked 20th globally and 1st in Africa. To further improve the business environment for our investors and foster further economic development, a series of measures will be implemented.

(a) Facilitating Start of Businesses and Implementation of Projects

(i) Reviewing the Process of Payment of Trade Fees

- a. The Local Government Act will be amended to:
 - empower the Corporate and Business Registration Department to collect trade fees on account of local authorities;
 - extend the suspension of trade fees of Rs 5,000 and below for another period of 3 years;
 - remove the requirement of trade fees for all business activities which are regulated by the Tourism Authority; and
 - harmonise trade fees across all local authorities.
- b. The Business Registration Act will be amended to provide for transfer of the trade fees to the respective local authority on a monthly basis.

(ii) *Ensuring Efficiency and Higher Degree of Compliance with Construction Permitting*

- a. The Local Government Act and the Building Control Act will be amended to provide that application for Building and Land Use Permit (BLUP) for a building having floor area above 150 m² should be made through the National Electronic Licensing System.
- b. The processing fees for plan approval from utilities will be removed. The Local Government (Application for Building and Land Use Permit) (Collection and Transfer of Fees) Regulations will be repealed and consequential amendments will be made to the Wastewater (Miscellaneous Waste Water Services) (Fees) Regulations.
- c. The requirement for the Local Authority to seek clearance of the Mauritius Fire and Rescue Service on a BLUP under the Local Government Act will be exempted.
- d. In view of ascertaining compliance with fire safety norms, the Mauritius Fire and Rescue Service Act will be amended to:
 - provide strict timelines for issue of a fire certificate; and
 - remove any overlap as regards fire safety with the Occupation Safety and Health Act.

e. The Mauritius Fire and Rescue Service (Fire Safety Plan and Fire Certificate) Regulations will also be amended to:

- introduce the requirement of a Fire Certificate on buildings as determined by their risk profile; and
- enable an owner, prior to construction of a building, to voluntarily engage with the Mauritius Fire and Rescue Services to ensure that the building layout and construction plans are in conformity with fire safety requirements.

Consequential amendments will be made to the Occupational Safety and Health Act, Inflammable Liquid and Substance Act and other related regulations such as the Inflammable Liquid and Substance Regulations, Inflammable Gases Regulations and the Carbide of Calcium Regulations.

f. Guidelines will also be introduced by the Construction Industry Development Board (CIDB) to provide for risk-based inspections of construction sites.

g. The Environment Protection Act will be amended:

- to introduce a timeframe of 7 days for the Preliminary Environment Report (PER) committee to submit its recommendations to the Minister of Environment; and

- such that the Minister of Environment shall approve or reject an Environmental Impact Assessment (EIA) within 5 working days or otherwise to refer the EIA to a Technical Assessment Committee within 7 days.

(iii) Streamlining of Licensing Procedures

- a. To define clear rules of engagement between an operator and the Dangerous Chemical Control Board, the Dangerous Chemicals Control Act will be amended to introduce timelines for assessment of application for a licence to trade in dangerous chemicals and registration of extremely dangerous chemicals.
- b. The Mauritius Qualifications Authority Act and its Regulations will be amended to:
 - eliminate the registration requirement for managers, trainers and programme officers;
 - eliminate the requirement for approval from the Mauritius Qualifications Authority (MQA) for a Non-Award course; and
 - empower the Director of the MQA to grant final approval for the issue of a license.
- c. The Tourism Authority Regulations will be amended to provide for payment of license fees on an instalment basis for a period of 3, 6, 9 and 12 months.

- d. The Excise Act will be amended to streamline the licensing process for the manufacture and import of excisable goods by:
 - removing police inspection and clearance for proposed premises for the manufacturing unit; and
 - introducing timelines for the determination of a license application.
- e. The Occupational Safety and Health (Employees' Lodging Accommodation) Regulations will be amended by repealing the Lodging Accommodation Permit, in an effort to streamline and reduce the effective time for the processing and issue of a work permit.

(iv) Reviewing the Processing of Applications for Work and Residence Permits by Foreign Nationals

- a. With a view to providing more certainty in the processing of work permit applications, the Non-Citizens (Employment Restriction) Act will be amended to introduce strict timelines for assessment of completeness of application, obtaining clearances from other authorities and determination of an application.
- b. The process for issuing Occupation Permit, including the Schedule under the Economic Development Board Act will be reviewed making provisions for clearly defined eligibility criteria and introduction of guidelines.

(b) Trade Facilitation

(i) Facilitating Issue of Import and Export Permit

With a view to streamlining and harmonising the procedures for issue of import and export permits, the following measures will be implemented.

- a. The authorised officer, as designated by the Permanent Secretary or Head of Division, will be empowered to issue permits or clearances.
- b. All applications for import and export permit will be made electronically through TradeNet.
- c. A statutory time frame will be introduced for authorised officers of regulatory agencies to issue a permit.
- d. In cases where verification or testing of goods will be required, the authorised officer will issue the permit within a defined timeframe after the verification of the good or from the receipt of the test report.
- e. The authorised officer will be allowed to take the goods or sample of goods where a clearance from a Government agency has not been received by the Director General of the MRA.
- f. The MRA will be empowered to collect fees relating to import and export permits on behalf of agencies.

In this respect, legislations and regulations which will be amended are at Appendix I.

(ii) Reviewing Clearance Fee for 'Other Tea Products'

The National Agricultural Products Regulations will be amended to review the clearance fee of 'other tea products'.

(iii) Working Under One Roof at Customs Office

The Customs Act will be amended to allow Ministries and agencies, which are responsible for the administration of permits and authorisations of goods at the border, to work under one roof that is at the Customs Office.

(iv) Providing time to Freight Forwarding Agents for Customs Formalities

The Customs Regulations will be amended to provide enough time to Freight Forwarding Agents to complete customs formalities with respect to submission of full and complete house manifest.

(v) Radiation Safety and Nuclear Security (Import and Export Permit for Radiation Sources and Other Controlled Items) Regulations

The Radiation Safety and Nuclear Security (Import and Export Permit for Radiation Sources and Other Controlled items) Regulations will be introduced to allow a person to import or export radiation source including nuclear material and other radioactive material or radioactive waste or any controlled item.

(vi) Access to Mauritius Cargo Community System

Access will also be provided on the Mauritius Cargo Community System (MACCS) to Banks and Shipping Agents to reduce the timeframe for the issue of delivery orders.

(vii) Maritime Single Window

Provision is made for the setting up of a Maritime Single Window by the Mauritius Ports Authority to expedite the process for vessel clearance and the authority to issue clearances will be transferred from the Director of Shipping to the Mauritius Ports Authority (MPA). The Merchant Shipping Act and the Ports Act will be amended accordingly.

(viii) Logistics Performance Index

Logistics are the backbone of Trade. Good logistics reduce trade costs and help countries compete globally. In the 2018 Logistics Performance Index, Mauritius scored of 2.72 out of a maximum of 5 points. To improve the score under the Logistics Performance Index, a series of other measures will be implemented, namely:

- a. Cargo Handling Corporation Ltd will implement an electronic payment system to expedite the payment process;
- b. working hours of MRA Customs and other port operators and agencies will be harmonized; and
- c. MPA will reduce the cut-off time from 24 hours to 12 hours for compliant traders for export consignment.

(c) Alignment to International Best Practices

(i) Increasing Protection to Minority Investors

To improve the safety net for minority investors, as recommended by the World Bank, the following measures will be undertaken:

- a. the Securities Act will be amended to ensure immediate disclosure to the public if the transaction has a value of at least 10% of the Company's assets;
- b. the Companies Act will be amended such that individual compensation of directors are disclosed in the annual report;
- c. the Companies Act will be amended such that dividend declared by the Board is paid within a maximum period of 15 months subject to solvency test;
- d. the Companies Act will also allow disqualification of a director upon a successful claim by shareholders; and
- e. the Listing Rules will be reviewed to provide for the requirement of obtaining shareholders' approval for Related Party Transactions, where the percentage ratios as specified in the Rules, represent 10% or more.

(ii) Resolving Insolvency

The Insolvency Act will be amended to allow an administrator to call separate meetings for different classes of creditors. The Creditors shall vote separately, and the Administrator shall ensure equal treatment for each class. The Administrator shall also ensure that creditors are not worse off than they would have been in a liquidation.

(iii) Sharing of Information to Expedite Doing Business

The Electronic Transactions Act will be amended to:

- a. include the possibility of sharing information electronically between public sector agencies and between public agencies and authorised institutions listed in the schedule to the Act; and
- b. use InfoHighway for the sharing of company information with all licensed commercial banks to facilitate due diligence requirements.

The Civil Status Act will be amended to expand the nature of information which can be shared.

(iv) Introducing RIA for Business-Related Rule Making

A Regulatory Impact Assessment (RIA) framework for evidenced-based business-related rule making will be established in collaboration with the Organisation for Economic Co-operation and Development (OECD) for a cost of Euro 500,000 funded by the European Union (EU). The project is scheduled to start in September 2019.

(v) Expediting Dispute Resolutions

The Income Tax Act will be amended such that parties attempting a mediation or a conciliation or an arbitration be allowed a deduction from taxable income of an amount equivalent to 150% of the case filing fee.

B.2. Financial Services

(a) Ensuring Compliance with International Best Practices

(i) Tax Residency of Companies

The Income Tax Act will be amended to implement the recommendation of industry stakeholders regarding the determination of tax residency for companies so that a company shall not be considered as tax resident in Mauritius if it is centrally managed and controlled outside Mauritius.

Consequential amendments will be made to Section 71A of the Financial Services Act.

(ii) Reforms to the Tax Regime of Global Business Companies

To address the deficiencies identified by the EU in our partial exemption regimes, the following reforms will be implemented:

a. Partial Exemption Regime

The Income Tax Regulations 1996 will be amended to:

- define the detailed substance requirements that must be met in order for a taxpayer to enjoy the partial exemption benefit; and

- lay down the conditions that must be satisfied where a company outsources its core income generating activities, namely:
 - the company must be able to demonstrate adequate monitoring of the outsourced activities;
 - the outsourced activities must be conducted in Mauritius; and
 - the economic substance of service providers must not be counted multiple times by multiple companies when evidencing their own substance in Mauritius.

Consequential amendments will be made to Section 71 of the Financial Services Act.

b. Anti-abuse rule

The Income Tax Act will be amended to set out rules on controlled foreign company (CFC).

(b) Developing the Financial Services Sector

(i) Coordinated Approach to Private Banking and Wealth Management Licensing

Given that the Financial Services Commission (FSC) already regulates activities under the ambit of wealth management which are provided by private banks, the Bank of Mauritius (BOM) and the FSC will explore the convergence of Private Banking and Wealth Management licences.

(ii) *Broadening the Network*

The partial exemption regime will be extended to cover companies engaged in leasing and provision of international fibre capacity, companies engaged in reinsurance and reinsurance brokering as well as those engaged in the sale, financing arrangement and asset management of aircraft and its spare parts, including aviation related advisory services.

The limit on the number of shareholders permitted for private companies incorporated under the Companies Act will be reviewed.

(iii) *Head-Quartering of E-Commerce activities in Mauritius*

The Financial Services Act will be amended to introduce a scheme for the Head Quartering of E-Commerce activities in Mauritius.

(iv) *Upgrading the Regulatory Sandbox Licence Framework*

The Economic Development Board (EDB) will pursue consultations with the United Nations Office on Drugs and Crime (UNODC) and relevant stakeholders with a view to proposing appropriate amendments to the Economic Development Board Act to upgrade the Regulatory Sandbox Licensing Framework for Fintech Activities.

B.3. Public Infrastructure

(a) Building Standards and Maintenance of Government Buildings

In order to provide for a unified rule for the design of buildings and structures, a National Annex for building standards is being developed to adapt the international standards to the local context.

In addition, a new framework is being developed for maintenance of Government Buildings to ensure that they are done more efficiently and are well maintained at all time. In this respect, appropriate guidelines will be issued to all public bodies.

(b) Materials Testing Laboratory

A centralized state-of-the-art Materials Testing Laboratory is being set up under the aegis of the Ministry of Public Infrastructure.

(c) e-Registration Platform

An e-Registration Platform will be developed by the CIDB to allow consultants and contractors to apply for registration online, and also to effect payment of fees electronically.

(d) Hawkers in the new Urban Terminals at Victoria and Immigration Stations

Eligible hawkers willing to buy their own stalls in the new urban terminals at Victoria and Immigration Square stations in Port Louis will be given concessional financing assistance through the Development Bank of Mauritius (DBM).

B.4. Clean and Sustainable Environment

(a) Energy

(i) Energy Efficiency

To promote efficient use of energy, the importation of incandescent lamps of 50W and 75W will be banned as from 1st January 2020 and standards for LED lights will be enforced.

(ii) Renewable Energy

With the objective of progressing towards the target of 35% of electricity produced from renewable sources by 2025, -

- a. new Renewable Energy Generation Schemes will be set up to encourage smart cities, small and medium scale power producers and public sector entities to generate electricity from solar photovoltaic (PV). The Schemes will operate on a gross metering principle and will eliminate the limit of 30% of consumption capacity and the connection fee;

- b. a new scheme will be introduced to encourage religious bodies to produce electricity from solar PV under a net billing scheme; and
- c. additional 14MW battery energy storage systems will be installed to regulate frequency and promote the integration of intermittent renewable energy on the national grid.

(b) Access to Water

Moving towards the objective of providing access to water round the clock to the population, -

- a. the water treatment plant at Bagatelle will be completed and will treat 60,000 m³ of water per day;
- b. service reservoirs will be constructed at Cluny, Riche en Eau, Riviere Dragon, Salazie, Eau Bouille and Montagne Fayence;
- c. 20 additional mobile containerised pressure filtration plants will be installed across the island; and
- d. preparatory works are being undertaken to construct a new water treatment plant at Pont Lardier and upgrade existing ones at Rivière du Poste, Piton du Milieu and Mont Blanc.

(c) Installation of Rainwater Harvesting System

With a view to reducing water run-offs from roof tops into drains and encouraging households to collect rain water, the DBM will provide soft loans up to Rs 50,000 at a concessionary interest rate of 3% per annum per household for the installation of rainwater harvesting systems.

(d) Exporting and Recycling Scrap Metals

The Consumer Protection (Scrap Metal) Regulations 2007 will be amended to cater for recycling companies, besides manufacturing ones, to export their scrap metal produced as a by-product without the requirement of a licence.

(e) Rehabilitation of Coastal Zones

A public-private initiative for the rehabilitation of coastal zones in Mauritius will be set up with Business Mauritius to collaborate on the implementation of coastal rehabilitation projects. The private sector will be invited to participate financially in coastal rehabilitation works.

In this context, Business Mauritius has already partnered with Agence Francaise de Developpement for the deployment of resources from the SUNREF 3 credit line programme on climate adaptation, including lagoon and beach-related issues, with a potential of Rs 3 billion (€ 75 million) of loans to private companies for them to invest in adaptation measures.

(f) Lottery Draws

There will be four lottery draws, the proceeds of which will be used for good causes. The proceed from each draw will go towards the following:

- (i) innovation initiatives;
- (ii) health, sports and physical activities;
- (iii) rehabilitation of natural heritage sites (Patrimoine); and
- (iv) protection of the environment and supporting victims of natural calamities.

B.5. Our Elderly

(a) Silver Bonds

Government will issue two Silver Bonds for the elderly to improve return on their savings and also for encouraging savings towards retirement.

Bond holders will be paid interest once every quarter at a rate of 5.5% per annum. Only Mauritian residents 65 years and older will be eligible to purchase these bonds. The bonds may be sold before maturity to the Government at par together with accrued but unpaid interest.

To encourage savings and the build-up of a steady and predictable stream of income for retirement, Government will issue a Retirement Savings Bond that reaches maturity when the holder turns 65 years of age. The annual interest on the bonds will be 5.5%. Bond holders will get back their capital including capitalised interest at maturity. Only Mauritian residents 60 years and younger will be eligible to purchase these bonds.

(b) Silver Economy

Silver economy is today a global reality and particular attention must be paid to it as it has a great potential to contribute to national growth. The monthly transfer required for retired non-citizens will be lowered from USD 2,500 to USD 1,500.

B.6. Citizens Facilitation

(a) Digitalised Queue Management System

A digitalised Queue Management System will be integrated in Government services which will help organizations to manage queues more efficiently and organize the waiting process by informing customers about their place in the queue and waiting time. Citizens will also be able to register in the Digital Queuing System via the Internet or through mobile apps. In the first instance, the service will be offered for issuance of Identity Cards and registration of vehicles.

(b) Registration of Vehicles

Currently, vehicles already registered in Rodrigues have to re-register in Mauritius. To avoid the double payment for re-registration of vehicles in Mauritius, the double registration of vehicles will be removed.

The Online Registration of Motor Vehicle Licences for private cars is operational since November 2018 to enable owners to complete the registration process, including payment, electronically. By December 2019, the online service will be extended to include registration and transfer of ownership of all types vehicles.

B.7. Tourism

To encourage alternative tourism beyond our beaches, a long-term programme, along with the private sector, will be initiated to develop 200 km of walkable and cycling trails over the Island. For the coming year, a pilot project totalling 20 km of trails will be built together with the private sector.

B.8. Social Aid

The allowance payable in respect of incontinence will be doubled, that is, will increase from Rs 450 monthly to Rs 900 to eligible cases under Social Aid.

B.9. Inclusive Education, Skills and Talents

(a) Grant to Pre-primary Schools

A one-off grant of Rs 60,000 will be provided to 125 private pre-primary schools in disadvantaged regions in order to equip them with pedagogical tools and materials, upgrade their infrastructure including logistics support.

(b) Day-Time Security Services

The day-time security services will be extended to 14 additional Primary schools and 11 additional Secondary schools situated in high risk areas.

(c) Hall of Residence

A Hall of Residence will be set up at Réduit. The building will be designed as a Green building comprising some 110 rooms which will be used by international and local students from the different local Higher Education Institutions, on a rent basis, as well as visiting professors, external examiners and guests.

(d) “Les Amis De Zippy” Project

A project “Les Amis De Zippy” will be introduced for children aged between 3 and 5 years which focuses on social and emotional wellbeing of children. The project will be started on a pilot basis with 20 Public Pre-Primary schools for extension at a later stage all across Mauritius as well as in Rodrigues.

(e) Scholarships for HSC Pro Students

In order to encourage students to enrol in professional streams as from an early stage of education, two Scholarships will be awarded, under the Laureate Scheme, to the two best performing candidates having opted for the HSC Pro.

(f) National Apprenticeship Programme

A list of the 30 trades covered under the National Apprenticeship Programme is at Appendix II.

(g) Significant Employers Scheme

A Significant Employers Scheme will be introduced by the EDB to support businesses. A foreign worker, employed by a company under this scheme, will obtain an entry permit at arrival, valid for a period not exceeding 3 months, allowing them work while the employer completes the Occupational Permit Procedure. This Scheme will replace the Foreign Manpower Scheme to support businesses operating in fields where local talents are scarce.

To qualify for the Significant Employers Scheme, a business will need to:

- (i) publish all positions on the employment portal of the Ministry of Labour and in newspapers;
- (ii) demonstrate that recruitment policy gives first preference to Mauritian workers; and
- (iii) commit half month salary per year to the Workfare Programme, for each worker employed under the Scheme, to support re-skilling of workers.

In addition, the foreign worker will have to meet the necessary criteria under Work Permit or Occupation Permit.

(h) Attracting Talents from Abroad

The capital outlay requirement of USD 40,000 under the innovator Occupation Permit for Start-ups, who will be mentored by an accredited incubator will be waived. The Economic Development Board Act will be amended accordingly.

B.10. Cadastral Database

The Local Government Act makes provision for the levy of local rate instead of general rate once a cadastral database of all immovable properties situated in the rating area of a municipal council is compiled. Presently, under the law, an officer of the Valuation Department is conferred the power to enter on, survey and value any property in a municipal council area for the purpose of levying general rate. Valuation officers will be given the same powers to compile and update a cadastral database for each municipal council area.

B.11. Rental of State Land

A promoter implementing a private health institution or ayurvedic wellness centre project on State land will benefit from a 75% reduction in annual rent for the first 10 years of the lease.

A company taking over a manufacturing company in receivership or liquidation whose premises are situated on State land or acquiring its assets will benefit from a reduced rent if the acquirer is being required to pay an increased rental under a fresh lease agreement. The annual rent will be reduced by 50% for the first 10 years of the lease provided conditions relating to safeguard of employment are met.

B.12. Online Betting

In line with the intention to developing Mauritius as an online betting platform for foreigners, the EDB would be issuing a “Sandbox Licence” to enable interested parties to develop a licensing programme that would include the elaboration of an appropriate legal framework, the choice of latest software solutions for real-time tax deduction at source for every online betting transaction and exploring risk-assessed Blockchain and Crypto Currency initiatives.

B.13. Incineration of Dead Animals

In order to provide a greater convenience to farmers and breeders, a central incinerator plant will be constructed for an environmentally clean disposal of dead livestock and horses.

Part C – Other Legislations

C.1. Banking and Non-Bank Financial Services

(a) Bank of Mauritius Act

The Bank of Mauritius Act will be amended to:

- (i) allow the BOM to provide facilities, including intra-day credit, to payment, clearing and settlement systems and their participants, to ensure the safety, soundness and efficiency of such systems;
- (ii) provide that the Equal Opportunities Act will not apply to the BOM with respect to appointment of consultants;
- (iii) require the BOM to publish its report on monetary policy at least twice a year instead of at least once a year. The report will include a review of price and financial stability and an assessment of the policies;
- (iv) provide greater clarity on the governance, process of reserves management, investment objectives and actual investment of the foreign exchange reserves;
- (v) provide for the BOM to determine the investment policy regarding the management of the official foreign reserves of Mauritius;
- (vi) allow the BOM to appoint external parties to manage the official foreign exchange reserve on its behalf;

- (vii) require the BOM to submit a report on the management of the official foreign exchange reserves to the Minister of Finance twice a year;
- (viii) allow use of funds from the Special Reserve Fund for fiscal policy purposes as well;
- (ix) allow crowdlending platforms to have access to and become participants of the Mauritius Credit Information Bureau (MCIB); and
- (x) allow the BOM to seek the collaboration and co-operation of the FSC and any other agency for the establishment of the Central KYC Registry.

(b) Banking Act

The Banking Act will be amended to:

- (i) allow the BOM to consider applications for a banking licence from a subsidiary of a bank incorporated abroad;
- (ii) empower the BOM to suspend a banking licence;
- (iii) require directors to report any matter which comes to their knowledge which is against the Companies Act, including AML/CFT matters;
- (iv) make wilful default be an offence for which a borrower may face criminal proceedings;
- (v) provide for the protection of whistle-blowers;

- (vi) provide for every financial institution to put in place policies and procedures requiring their employees to disclose any interest in relation to any matter which they may have with the financial institution and not take part in any deliberation or decision-making process; and
- (vii) allow a financial institution to disclose information relating to risk-management functions as may be approved by the BOM.

(c) Financial Reporting Act

The Financial Reporting Act will be amended to:

- (i) provide for a representative of the Ministry of Financial Services and Good Governance to be a member of the Financial Reporting Council;
- (ii) require every licensed auditor to comply with relevant regulations issued by the Financial Intelligence Unit; and
- (iii) impose a fine not exceeding Rs 5 million where a licensed auditor or an audit firm has breached the Financial Reporting Act or any rule, code, guidelines or standards relating to auditing issued by the Financial Reporting Council.

(d) Financial Services Act

The Financial Services Act will be amended to:

- (i) allow the FSC to carry out investigations and take measures to suppress financial crime;
- (ii) cater for the independence of the FSC;
- (iii) extend the scope of the offence with respect to licensees who provide false and misleading information;
- (iv) allow an investigator of the FSC to have access to any program or data and to take extracts of any file, document or record held electronically in any computer or other electronic device;
- (v) preclude the Chief Executive from transmitting an investigation report to the Board;
- (vi) widen the scope of “investigator” to include any staff of the FSC or any other person appointed by the FSC to conduct an investigation, either jointly or separately;
- (vii) cater for whistleblowing such that immunity is provided to any person who makes a disclosure in good faith to the FSC;
- (viii) allow the Chief Executive to issue directions with immediate effect to prevent any prejudice to be caused to the clients of the licensee;

- (ix) enable the FSC to appoint an administrator where it considers that the conditions of a licence are no longer met;
- (x) provide for a method of service by registered post where the Enforcement Committee issues a notice to a licensee;
- (xi) cater for the independence of the Financial Services Review Panel such that an application for review no longer has to be in the form and manner approved by the FSC;
- (xii) ensure that decisions of the Enforcement Committee are published;
- (xiii) clarify that penalties have to be paid into the General Fund;
- (xiv) allow the Financial Services Review Panel to publish its determination in such form and manner as it thinks fit;
- (xv) allow the FSC to regulate 'crowdfunding', Fintech Service Provider and Robotic Advisory Services;
- (xvi) provide for the Financial Services Fund to transfer Rs 100 million to the Consolidated Fund; and
- (xvii) remit any balance in the General Reserve Fund in excess of Rs 100 million as at 1st July 2019 to the Consolidated Fund.

(e) Insurance Act

The Insurance Act will be amended to allow an insurance salesperson to make electronic payments through credit or debit cards or other modes of payment facilities provided by any banking institution for the payment of premiums by policyholders.

(f) Ombudsperson for Financial Services Act

The Ombudsperson for Financial Services Act will be amended to:

- (i) ease procedures for making a complaint;
- (ii) allow the Ombudsperson or any officers of his office to make on-site visits in a financial institution to ensure that guidelines, instructions or other requirements imposed by the Ombudsperson are being complied with;
- (iii) provide for any person to lodge a complaint in writing with the Ombudsperson in the case of a non-receipt of a decision from the Financial Institution within 10 days from the date of the written representation;
- (iv) allow any person aggrieved by the decision of the Ombudsperson to apply to the Supreme Court for a judicial review of the decision or award within 21 days; and
- (v) provide for the Ombudsperson to compound any offence committed by a person under the Act with the consent of the Director of Public Prosecutions where the person agrees in writing to pay such amount.

(g) Securities Act

The Securities Act will be amended to:

- (i) clarify that an acquisition is significant when the value of the asset is at least 10% of the net assets of the reporting issuer;
- (ii) allow for an investigation to be conducted under Section 44A of the Financial Services Act relating to Special Investigations;
- (iii) provide for the authorisation of agents of investment dealers; and
- (iv) provide for the authorisation and supervision of Real Estate Investment Trusts.

C.2. Civil Service Family Protection Scheme Act

The Civil Service Family Protection Scheme Act will be amended to:

- (a) review the definition of “annual salary” for it to cater for members of the National Assembly aged more than 65 years;
- (b) address a gender issue regarding restoration of children’s pension by changing the definition of “female child” to “child”;
- (c) re-style the post of “Secretary” to “General Manager”;
- (d) clarify the definition of Basic Unreduced Pension for Members of the National Assembly;

- (e) remove “associates” from the Composition of the Board given that there is no active (contributing) associates; and
- (f) clarify that refund of contribution to a Member of the National Assembly can be made after the age of 65.

C.3. Construction Industry Development Board Act

The Construction Industry Development Act will be amended to:

- (a) increase the minimum threshold, requiring any person undertaking construction works to be registered with the CIDB, from Rs 500,000 to Rs 1 million; and
- (b) 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.

C.4. Companies Act

The Companies Act will be amended to:

- (a) provide that a small private company is a company which, amongst others, is not qualified as a ‘Public Interest Entity’ under the Financial Reporting Act;
- (b) provide for the definition of beneficial owner with a view to fulfilling the requirements of OECD;
- (c) request the applicant to pay for the publication cost in relation to the notice for the vesting of the property of a company; and
- (d) require the board of a public company to consist of at least one-woman director.

C.5. Competition Act

The Competition Act will be amended to allow for officers of the Competition Commission of Mauritius to fall under the Public Officers Protection Act.

C.6. Cooperatives Act

The Cooperatives Act will be amended to allow the National Co-operative College to award diplomas on its own or in collaboration with other educational institutions.

C.7. Courts (Civil Procedure) Act

The Courts (Civil Procedure) Act will be amended to:

- (a) provide for the definition of authorised company, collective investment scheme and protected cell company; and
- (b) allow for the filing and service, or the issue and service out of the jurisdiction of an initial process where any action, relief, dispute, third party claim in which a corporation holding Global Business Licence or an Authorised Company or a collective investment scheme company or protected cell company is one of the parties.

C.8. Deposit of Powers of Attorney Act

The Deposit of Powers of Attorney Act will be amended to exclude the requirement for a power of attorney drawn outside Mauritius to be deposited with a notary in Mauritius in circumstances where:

- (a) an evidence is to be given before a court or a Judge by a representative or agent authorised as provided for under article 1985 of the Code Civil Mauricien to give evidence on behalf of a person or body corporate; or
- (b) an attorney registered, acting as *mandataire ad litem*, under the Law Practitioners Act.

The Deposit of Powers of Attorney Act will also be amended to increase the fine from Rs 500 to Rs 10,000 for contravention and conviction under the Act.

C.9. Gambling Regulatory Authority Act

The Gambling Regulatory Authority Act will be amended to:

- (a) define 'horse-race' to also include a combination of horse races since foreign pool promoters offer pool betting on combination of horse races;
- (b) define 'foreign pool promoter' to make it a statutory requirement for the pool promoter to be duly authorised in the relevant foreign country;
- (c) empower the Gambling Regulatory Authority (GRA) to set an age limit for gaming machines in Casinos and Gaming Houses;

- (d) cause the setting up of an appeal committee to review the decisions taken by racing stewards from the horse-racing organiser to the GRA in line with good governance practice;
- (e) require that a horse-racing organiser should seek the approval of the GRA prior to the implementation of its Rules of Racing and for any proposed amendment to these rules. The Directions issued by GRA under Section 100 of the GRA Act will be given statutory force so that the Mauritius Turf Club, in managing the organisation of horse racing has to abide by the Directions;
- (f) require the Horse Racing Organiser to simultaneously and freely disseminate to the press and also any sports publication, information on race meetings including fixtures and race cards to ensure fairness in the release of such information;
- (g) add to the responsibility of the Horse Racing Organiser the provision for same treatment to all the licensees of the GRA including but not limited to the display of odds and other information to correct any unfair treatment;
- (h) repeal sections related to the licensing of bookmakers conducting fixed odds betting on local races outside the racecourse;
- (i) align provisions in Section 44(5) with the elimination of licensees conducting fixed odds betting on local races outside the racecourse so that the GRA issues a licence for the conduct of fixed odds bet on any event or contingency other than a local race at such place as may be approved by the GRA;

- (j) provide under Section 44 (7) that licences will be issued only to a company for a bookmaker conducting fixed odds betting on local races at the racecourse with a view to ensure greater transparency and accountability;
- (k) provide for a pool betting collector to be registered as is the case for the lottery retailers and sweepstakes retailers;
- (l) exempt from the requirement for Police clearance with regard to the premises of a local pool promoter, agent of foreign pool promoter and facility centre prior to the issue of a licence. Instead, the GRA inspectors will perform inspection and due diligence exercise prior to licensing;
- (m) require a licensee to record the name and Identity Card Number of a punter receiving winnings above Rs 100,000;
- (n) provide that winning tickets should display a bar code which will allow online recording of actual payment of winnings on the Central Electronic Monitoring System;
- (o) allow the GRA to take disciplinary action, such as non-renewal, suspension, revocation or cancellation of a licence, for non-submission of requested documents or other information by a licensee within the time frame provided;
- (p) empower a GRA inspector to conduct a search, inspection or investigation, on his own initiative, on the premises of licensed operators as well as any person licensed by those operators;

- (q) authorise the GRA to seek from the Court authorisation to obtain from the telecom operators information regarding phones and phone records in relation to jockeys or horse owners to assist the Authority in its enquiries;
- (r) allow a GRA officer or Police des Jeux inspector to place bets during the course of an investigation in order to secure required evidence;
- (s) introduce a fine not exceeding Rs 500,000 for non-remittance of unclaimed prizes or other winnings to the National Solidarity Fund by a licensee within the specified time frame;
- (t) make every Limited Payout Machine operator to pay monthly a gaming tax equivalent to 10% of its gross takings or Rs 500,000 whichever is higher to be commensurate with the volume of transactions of that operator;
- (u) allow a GRA inspector to inspect the premises of any person, other than a licensee, suspected of carrying out a gambling activity;
- (v) issue adhoc lottery licences for specific approved programmes in order to raise funds to contribute in catering for innovation initiatives, health, sports and physical activities, rehabilitation of natural heritage sites (Patrimoine) and protection of the environment and supporting victims of natural calamities;

- (w) amend the Third Schedule to the GRA Act to remove licences for-
 - a. fixed odds betting on local races outside the racecourse; and
 - b. Pool Collector Licence and also to provide for payment facilities to Limited Payout Machine licensees as provided to licensees of Gaming House 'B'; and
- (x) empower the MRA to request records for taxation purposes.

C.10. Good Governance and Integrity Reporting Act

The Good Governance and Integrity Reporting Act will be amended to –

- (a) include the Mauritius Police Force in the definition of the “enforcement authority”;
- (b) capture unexplained wealth which cannot be satisfactorily accounted for in the definition of “unexplained wealth”;
- (c) provide for the definition of local authority, public sector agency and statutory body;
- (d) make any property acquired or been in the possession or under the custody or control of a person before 1st January 2016 will fall under the purview of the Act;
- (e) provide for unexplained wealth of more than Rs 2.5 million to be under the purview of the Act;

- (f) cause information given by the Integrity Reporting Services Agency to another agency be subject to conditions that it may specify;
- (g) allow public sector agencies to exchange information with the Integrity Reporting Services Agency which is relevant to the latter for the purpose of discharging its functions;
- (h) allow the Board of the Integrity Reporting Services Agency not hold monthly meetings;
- (i) include the duty of confidentiality while reporting on the unexplained wealth of a person;
- (j) empower the Commissioner of Police to make a written report to the Integrity Reporting Services Agency where, in the exercise of his functions, the latter has reasonable ground to suspect that a person has acquired unexplained wealth;
- (k) restrict transfer, pledging or disposal of a property where a statutory request has been served;
- (l) provide for renewal of the inscription of privilege;
- (m) allow the Integrity Reporting Services Agency to report to the Integrity Reporting Board and recommend an award where it is of the opinion that a public body, body corporate or any other person has disclosed any matter which has led to the confiscation of unexplained wealth;
- (n) allow the Judge in Chambers to make an Unexplained Wealth Order or an order for the payment of its monetary equivalent in the case of a Mauritian citizen wherever he is located;

- (o) exempt the Integrity Reporting Services Agency from payment of any duty, levy, rate, charge, fee or taxes; and
- (p) add a new schedule to include any Ministry or Government Department, Local authority, Statutory Body and the Mauritius Police Force.

C.11. Human Resource Development Act

The Human Resource Development Act will be amended for an employer, whose employees earn salary not exceeding Rs 10,000 per month during the period 1st July 2019 to 30th June 2020, to pay 0.5% of training levy instead of 1%.

C.12. Independent Broadcasting Authority Act

The Independent Broadcasting Authority Act will be amended to:

- (a) allow the Mauritius Broadcasting Corporation to hold more than one licence for it to provide public radio and television broadcasting services; and
- (b) increase the percentage of shares owned by a foreign national to 50% less one share with a view to attracting more foreign investment in telecommunication and media sector while providing better services and choices to the Mauritian customers.

C.13. Information and Communication Technologies Act

The Information and Communication Technologies Act will be amended to also empower a Judge in Chambers to make an order, upon an application made by the Independent Commission Against Corruption (ICAC), to authorise a public operator or any of its employees or agents, to intercept or withhold a message or disclose to the ICAC a message or any information relating to a message.

C.14. Insolvency Act

The Insolvency Act will be amended to:

- (a) provide that an insolvency practitioner shall be ordinarily resident in Mauritius;
- (b) provide that a body corporate shall not be appointed or act as a liquidator;
- (c) provide for remuneration of the liquidator to be prescribed;
- (d) allow the administrator to call separate meetings for each class of creditors who shall vote separately;
- (e) provide that the administrator shall state whether it would be in the creditors' interest to carry out a watershed meeting by ascertaining that the dissenting creditors will not be worse off than they would have been had the company been liquidated;
- (f) allow for any appeal against an order by the Court under the Act be subject to leave being granted by the Court or the Court of Civil Appeal or the Appellate Jurisdiction of the Supreme Court; and
- (g) clarify the rules governing the insolvency of global business companies incorporated in Mauritius.

C.15. Limited Liability Partnerships Act

The Limited Liability Partnerships Act will be amended to provide for the definition of beneficial owner to be in line with the requirements of OECD.

C.16. Limited Partnerships Act

The Limited Partnerships Act will be amended to provide for the definition of beneficial owner with a view to fulfill the requirements of OECD.

C.17. Local Government Act

The Local Government Act will be amended to:

- (a) allow the Ministry of Housing and Lands to retrieve the 6 portions of State land, situated at Guy Rozemont Square in Port Louis, from the City Council of Port Louis;
- (b) empower a local authority to revoke a permit/licence in case the holder of the permit/licence has ceased operation of its business or is not trading according to its permit/license; and
- (c) cater for the amendments, relating to collector, made in the Gambling Regulatory Authority Act.

C.18. National Solidarity Fund Act

The National Solidarity Fund Act will be amended to require the Board of the National Solidarity Fund to remit such amount of surplus funds at such times into the Consolidated Fund as requested and determined by the Minister responsible for the subject of Finance.

C.19. Newspapers and Periodicals Act

The Newspapers and Periodicals Act will be amended to provide for publications to be made through electronic means as well so as to target a larger audience.

C.20. Non-Citizens (Property Restriction) Act

The Prime Minister will be empowered to give his covering approval for the acquisition of shares by a non-citizen after the transfer has been made 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.21. Pensions Act

The Pensions Act will be amended to:

- (a) define “Actuary” as per the definition in the Statutory Bodies Pension Funds Act;
- (b) provide for the payment of accruing benefits on death of an officer, notwithstanding the age of 55, to his heirs;
- (c) provide for an enabling clause in respect of the pension scheme applicable to an officer who re-joins service as from 1st January 2013 after a break of 7 years;
- (d) clarify that an actuarial review of the Defined Contribution Pension Scheme should be carried out by an Actuary and not by the Committee or the Minister responsible for the subject of Social Security;

- (e) provide for the modalities of the actuarial review of the pension scheme, which has to be carried out at an interval of not more than 5 years;
- (f) allow an officer recruited after 1st January 2013 and who has previously served in the private sector or a statutory body or the public sector to bring in his past accumulated fund to his individual account; and
- (g) provide for an enabling clause with respect to the compulsory retirement date.

C.22. Ports Act

The Ports Act will be amended to:

- (a) allow for an application for a licence to provide a port service or facility, to be made in electronic form; and
- (b) empower the Mauritius Ports Authority to accept and process applications as well as issue, amongst others, notices, approvals and clearances, bills, claims and to accept or make payments in electronic form.

C.23. Sales by Auction Act

The Sales by Auction Act will be repealed and replaced by a new Auctioneers Bill whereby the MRA will be the licensing and supervisory body for auctioneers.

C.24. Statutory Bodies (Accounts and Audit) Act

The Statutory Bodies (Accounts and Audit) Act will be amended to:

- (a) require every statutory body to agree with its parent ministry on a performance agreement not later than 15th June instead of 1st April;
- (b) require the Board of a statutory body, upon request of the Minister responsible for the subject of Finance, to remit the surplus or accumulated revenue reserve into the Consolidated Fund or invest in Treasury Certificates or other Government securities;
- (c) provide for at least one woman as member of the Board of a Statutory Body; and
- (d) review its Schedules.

C.25. Statutory Bodies Pension Funds Act

The Statutory Bodies Pension Funds Act will be amended to:

- (a) align the provisions of pensionable service across the public sector;
- (b) provide for an enabling clause in relation to the pension benefits officers appointed after 1st July 2008 but before 1st January 2013 and who retires on ground other than compulsory retirement, marriage, medical and abolition of office;

- (c) provide for an enabling clause in respect of the pension scheme applicable to an officer who re-joins service as from 1st January 2013 after a break of 7 years; and
- (d) allow an officer recruited after 1st January 2013 and who has previously served in the private sector or a statutory body or the public sector to bring in his past accumulated fund to his individual account.

C.26. Sugar Industry Pension Fund Act

The Sugar Industry Pension Fund Act will be amended to:

- (a) re-define “actuary” as a Fellow of the Institute or Faculty of Actuaries or firm of such Fellows appointed by the Board as actuary to the Fund;
- (b) re-style “artisan” and “labourer” to “Non Agricultural Workers” and “Agricultural Workers” to be in line with the Employment Rights Act, Sugar Industry Efficiency Act and National Pensions Act;
- (c) repeal paragraph 23(1)(g), as the management company referred to has been dissolved; and
- (d) align the time frame in accordance with the rules established by the FSC, the Private Pension Scheme Rules 2015 and in the Financial Reporting Act.

C.27. Sugar Industry Efficiency Act

The Sugar Industry Efficiency Act presently allows a person to convert, from agricultural use, one hectare of land free of land conversion tax for every Rs 5.5 million of expenditure incurred on specific projects such as financing of factory closure, Voluntary Retirement Scheme and production of fuel ethanol.

This facility will be extended to a promoter of a smart city project which bears cost of road infrastructure which would otherwise be payable by Government under a cost sharing mechanism.

C.28. Sugar Insurance Fund Act

The Sugar Insurance Fund Act will be amended to:

- (a) assign the responsibility of the Sugar Insurance Fund to the Minister of Agro-Industry and Food Security instead of the Minister responsible for the subject of Finance;
- (b) abstain, on account of good corporate governance, the Chairman of the Board from being also the Chairman of the Investment Committee;
- (c) allow the Sugar Insurance Fund Board (SIFB) to assess a large planter holding cane plantations in several adjoining factory areas but does not supply canes for milling from one of its accounts;

- (d) apportion the general insurance premium and compensation payable in respect of each accounts held by a large planter in proportion to the harvested acreage of his plantation in each factory area;
- (e) specify the correct crop year canes would have been harvested, notwithstanding the crop year during which the fire occurred;
- (f) provide for the payment of fire compensation for partial loss as a result of fire, where a cane plantation damaged by fire has been maintained and the regrown cane plantation has been harvested in the subsequent crop year, subject to the approval of the SIFB;
- (g) abstain from the payment of fire compensation in respect of canes which were not due to be harvested in the crop year due to fire occurrence in the previous year;
- (h) abstain from the payment of fire compensation where the SIFB is satisfied that the cultivation and maintenance of the cane plantation have been neglected before the occurrence of the fire;
- (i) provide for the circumstances in which a transport allowance will be paid for burnt canes;
- (j) provide for payment of transport allowance from the Fire Insurance Account;
- (k) allow for any deficit in the Fire Insurance Account as at 31st December 2016 to be offset through a transfer from the General Insurance Account;

- (l) replace Mauritius Sugar Authority by Mauritius Cane Industry Authority;
- (m) pay a one-off financial assistance to a planter or métayer for the crop year beginning on 1st June 2017 and ending on 31st May 2018 amounting to a sum of Rs 1,250 per tonne of sugar accrued or part thereof;
- (n) pay an additional one-off financial assistance for the crop year beginning on 1st June 2017 and ending on 31st May 2018 amounting to one third of Rs 257 per tonne of sugarcane or part thereof to a planter or métayer having total sugar accrued not exceeding 60 tonnes; and
- (o) delete first loss.

C.29. Miscellaneous

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

Appendix I

Legislations and Regulations to be Amended

1. Animal Diseases Regulations
2. Consumer Protection (Export Control) Regulations
3. Consumer Protection (Control of Imports) Regulations 2017 amended
4. Consumer Protection (Price and Supplies Control) Act
5. Consumer Protection (Safety Requirements) Regulations
6. Dangerous Chemicals Control (Fees) Regulations
7. Dangerous Chemicals Control Act
8. Excise Regulations
9. Films Act
10. Films Regulations
11. Fisheries and Marine Resources (Export of Fish and Fish Products) Regulations
12. Fisheries and Marine Resources (Import of Fish and Fish Products) Regulations
13. Fisheries and Marine Resources Act
14. Food Regulations
15. Information and Communication Technologies (Licensing and Fees) Regulations
16. Mauritius Agricultural Marketing (Cess) Regulations
17. National Agricultural Products Regulations
18. National Agricultural Products Regulatory Office Act
19. Pharmacy Act
20. Plant Protection Act
21. Plants (Importation and Exportation) Regulations
22. Plastic and Polyethylene Pipes and Fittings (Mauritius Standard Specifications) Regulations
23. Radiation Safety and Nuclear Security Act
24. Toys (Safety) Regulations

Appendix II

Trades covered under the National Apprenticeship Programme

1. NC 3 Aluminium
2. NC 3 Front Office
3. NC 3 Food Production
4. NC 3 Restaurant and Bar Services
5. NC 3 Hair Dressing
6. NC 3 Beauty Therapy
7. NC 3 House Keeping
8. NC3 Landscaping
9. NC 3 Plumbing
10. NC3 Masonry
11. NC 3 Electrical Installation Works
12. NC 3 Automotive Spray Painting
13. NC 3 Welding
14. NC 3 Tractor and Heavy Vehicle Mechanics
15. NC 3 Automotive Electricity
16. NC 3 Automotive Mechanic
17. NC 4 Engineering Machining and Tool Making
18. NC 3 Refrigeration and Air-Conditioning
19. NC 3 Maintenance of Yard and Garden Equipment
20. NC 3 Automotive Electricity and Electronics
21. NC 3 Bakery
22. NC 3 Pastry
23. NC 3 Wood Trade
24. Smart Agriculture
25. E-Commerce
26. 3D animators
27. Sales
28. Micromechanics
29. Pattern drafting
30. Home Carers

