

Taxation in Mauritius



Every country exercises its sovereignty by choosing a tax system adapted to its needs and ambitions. For the past ten years, the Republic of Mauritius has chosen a simple, lowered tax system which has resulted in a considerable drop in the number of tax evasion. This environment has become an attraction, and Mauritius has seen its foreign direct investment grow significantly.

This tax simplification has been put into practice whilst also ensuring that transparency and compliance with the principles laid down by the international authorities are respected. Therefore, the OECD rightly considers Mauritius as one of the most virtuous countries in terms of taxation.

Income tax is capped at 15%.

There are no significant deductions, allowances or tax credits. The effective rate is generally very close to the marginal tax rate.

Corporate tax is also capped at 15%, including on rental income. This rate is applied to the profits made by the company. An additional 2% CSR is levied for poverty alleviation.

There is a tax treaty on direct taxes signed between France and Mauritius, clearly establishing the duties of each state.

VAT is also set at 15% and there are no reduced rates, although certain goods are exempt from VAT.

Notes:

- ☞ The profits and dividends of companies located outside Mauritius can be repatriated without any restrictions with a tax rate of 15%
- ☞ No inheritance tax for heirs with Mauritian residence status
- ☞ No tax on wealth in Mauritius; the Mauritian heritage is also excluded from the assets subject to the ISF in France
- ☞ No taxation on dividends or capital
- ☞ No tax on capital gains
- ☞ No property tax or housing tax
- ☞ No substantial payroll taxes
- ☞ Certain freeport activities are exempt from tax

This common-law regime is supplemented by a "Global" scheme, which is aimed at companies registered in Mauritius, but whose activity lies outside the island. These, under certain conditions, benefit from a tax credit of 80% applicable on the rate of 15%, giving rise to an effective tax of 3%.

Hermès Advisory is your interlocutor for tax planning, and helps you to set up and structure your activity in Mauritius.