

BUDGET HIGHLIGHTS

2020-2021



The Minister of Finance, Economic Planning and Development of Mauritius presented on 4 June 2020 the 2020-2021 budget speech entitles “Our new normal: the economy of life”. The Government embarked into the post COVID-19 era with measures presented under a “Plan de Relance de L’investissement et de L’Economie”, “Major Structural Reforms” and “Securing Sustainable and Inclusive Development”. In view to further open up the economy, the following measures have been announced:

- ❖ Diversifying our financial services sector
- ❖ Opening the country to the World by simplifying the existing permits and related procedures, extending their validities and providing more flexibility in terms of investments.

Diversifying our financial services sector

New products will be introduced in line with the recommendations of the 10-Year Blueprint:

- The Central Bank digital currency;
- An Insurance Wrapper;
- Variable Capital Companies;
- An inaugural Sukuk issuance by the Bank of Mauritius; and
- Green and Blue Bond frameworks by the Bank of Mauritius.

Opening to the World by attracting talents and expertise

In order to encourage foreign talents to support our local growth, several incentives have been elaborated and they include:

➤ **Occupational Permit (OP)**

- The validity of an OP will be increased to 10 years, renewable
- The minimum investment requirement for an OP as Investor will be reduced to USD 50,000
- The minimum turnover and investment requirement for Innovator Occupation Permit will be removed
- The salary criteria of MUR 30,000 will be extended to other specified sectors
- Holders of an OP as Professional will be able to invest in other ventures without any shareholding restriction
- EDB will be solely responsible for processing of OP applications

➤ **Dependants of Occupational Permit holders**

- OP holders will be allowed to bring their parents as their dependents
- No restriction for spouses of OP holders to work in Mauritius

➤ **Permanent Residence Permit (PRP)**

- Permanent Residence Permit will be extended from 10 years to 20 years. The existing turnover and salary criteria are being removed
- Existing OP holders, who have held the permit for three consecutive years will be eligible to apply for the 20-Year PRP
- The minimum investment amount for an investor to directly obtain a Permanent Residence Permit will be reduced from USD 500,000 to USD 375,00

➤ **Acquisition of Property**

- Non-citizens holding a Residence Permit, an Occupation Permit or a Permanent Residence Permit will be able to acquire one plot of serviced land not exceeding 2,100m² for residential purposes in Smart Cities. This measure will be valid for a period of 2 years ending 30th June 2022

➤ **Work Permit**

- The work permit and resident permit will be combined into one single permit

➤ **Residence Permits**

- The validity of Residence Permit as Retired non-citizens will be increased to 10 years
- Holders of Residence Permits who have held the permit for three consecutive years will be eligible to apply for the 20-Year PRP
- Holders of a Residence Permit as Retired non-citizens will be able to invest in other ventures without any shareholding restriction
- Non-citizens who have a residence permit under IRS, RES, PDS or Smart City Schemes will be exempted from an Occupation or Work Permit to invest and work in Mauritius
- The minimum investment amount for a holder of an immovable property to obtain a residence permit will be reduced from USD 500,000 to USD 375,000

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DISCLAIMER:

Manual is derived from the Budget Speech of the Honorable Minister of Finance, Dr the Hon Renganaden Padayachy, available on the following link:

http://budget.mof.govmu.org/budget2020-21/2020_21budgetspeechEng.pdf

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