



Republic of Mauritius



BUDGET SPEECH

2018-2019

PURSUING OUR TRANSFORMATIVE JOURNEY

Hon. Pravind Kumar Jugnauth
Prime Minister
Minister of Home Affairs, External Communications
and National Development Unit
Minister of Finance and Economic Development

INTRODUCTION

Madam Speaker,

1. I move that the Appropriation 2018-2019 Bill No. VII of 2018 be read a second time.
2. Madam Speaker, it is indeed an honour to present the fourth national budget in this Government's mandate.
3. 2018 is a special year in our history. It marks the golden jubilee celebrations of our country. It is an opportunity for us to reflect on our achievements as a nation.
4. Five decades that are testimony to our countrymen and women who have fought together against all odds to enable sustained economic development and prosperity for our Republic.
5. Today, we follow in the footsteps of those great men and women who have showed us that the path to achieving success is hard work, constant dialogue between Government, private sector and civil society, but most importantly a shared vision of unity and harmonious living.
6. These fundamental values have not changed but the times have.

Pursuing our Transformative Journey

7. That is why two years ago, we ushered in a New Era of Development. Indeed, Madam Speaker, Budget 2018-19 is about pursuing that transformative journey.
8. A journey on which our achievements shall not only be measured by the amount of wealth and jobs we create but it shall also be about inclusiveness and sustainability.
9. A journey that is mapped out in a spirit of unity – “**LAME DAN LAME**”.
10. The “virtuous economic cycles” that I pledged in my 2016-17 Budget are now firmly anchored in our growth path.
11. Both Moody’s and the IMF have praised our economic performance as being strong and resilient.
12. Our GDP is expected to grow by 4.1 percent in fiscal year 2018-19 compared to 3.9 percent in 2017-18.
13. Unemployment has been falling consistently. It was 7.3 percent in 2016 and fell to 7.1 percent in 2017 and is expected to further decline to 6.9 percent in 2018.
14. Inflation rate, estimated at 4.3 percent for fiscal year 2017-18, is forecasted to fall to around 3.5 percent in 2018-19.

15. Private investment as a percentage of GDP went up from 12.8 percent in 2016 to 13.2 percent in 2017, whilst Foreign Direct Investment in 2017 rose to Rs 17.5 billion, from Rs 13.6 billion in the previous year.
16. As of May 2018, the foreign currency reserves were at their highest recorded level. Our reserves have in fact increased from Rs 124.3 billion in December 2014 to Rs 222 billion representing some 10.7 months of import cover. This speaks about the strength of our financial position as a country.
17. The firm upswing in business and consumer confidence reflects these positive trends.
18. On the social front, with the introduction of the Negative Income Tax in the last budget and the Minimum Wage this year, we have no doubt created new dynamics and increased the purchasing power of those at the lower end of the economic ladder.
19. The 2017 Household Budget Survey of Statistics Mauritius shows a significant reduction in relative poverty whilst income inequality has also decreased.
20. Madam Speaker, this Government is clearly delivering on its commitment.
21. Going forward, we will further build on this robust momentum to position Mauritius as a dynamic economy for the future.

The Seven Pathways on Our Transformative Journey to a High Income Country

22. Indeed, Madam Speaker, we are charting seven main pathways and creating new poles of economic growth as we pursue our Transformative Journey to attain the status of an Inclusive High-Income country based on innovation and sustainable value-creation.
23. First, we will focus on our youth and their future. We will develop a comprehensive approach to equip them with the right set of skills and values to integrate the labour market of now and tomorrow.
24. Second, we will be even more driven by innovation. We will create new opportunities for private investment and job creation by accelerating the country's move to an age of digitisation through Artificial Intelligence (AI), blockchain technologies and Fintech.
25. Third, we will foster a new wave of import substitution industry and revive export-led production.
26. Fourth, we will build the strategic and modern infrastructure that is essential for an economy aiming to achieve high-income status.
27. Fifth, to secure sustainable development, we will make significant investment to protect and enhance our environment.

28. Sixth, we will work towards lifting the standard and quality of life of the population by investing in health, sports, education, and most importantly, ensuring that all families have a decent dwelling.
29. Seventh, this Government will continue to fully uphold its public responsibility to create an inclusive and caring society. Accordingly, we will further consolidate our welfare system, enhance the role and participation of women and strengthen support to the elderly.
30. And this will be done by ensuring strong and stable macroeconomic fundamentals and sound public finances.

I. OUR YOUTH OUR FUTURE

31. Madam Speaker, I will now elaborate on our policies to chart the first pathway which is to enhance employability.
32. Our young people need the opportunity and the means to access the labour market, broaden their career aspirations and pursue their personal dream.
33. To this end, I am earmarking Rs 1 billion to target some 14,000 unemployed. The following measures form part of our comprehensive approach to tackle youth unemployment.

- First, some 3,000 youths will join the National Skills Development Programme (NSDP) for technical training. To further enhance this scheme, we are integrating a new component, the Youth Service Programme (YSP), for an initial batch of 1,000 young adults aged 17 to 25. The YSP will develop such soft skills as team building, discipline, communication and work ethics to improve their employability;

The YSP will be launched under the aegis of the Ministry of Youth and Sports;

Henceforth, all successful trainees under the NSDP will be awarded a 'Certificat de Compétence'. This will give them a sense of achievement and make it easier for them to get a job;

- Second, another 3,000 unemployed will be enrolled in the National Apprenticeship Programme run by the Mauritius Institute of Training and Development (MITD);
- Third, we are deeply conscious of the essential role of our SMEs in the economy. They underlie the entrepreneurial spirit of our nation, a spirit which we want to inculcate to the next generation;

- In order to instil in our graduates this entrepreneurial spirit while supporting the development of our SMEs, we are introducing an unprecedented measure – the SME Employment Scheme which will target some 1,000 graduates;
- Under this Scheme, the HRDC will pay each graduate a monthly stipend of Rs 14,000 over a period of two years of employment. The employer will pay the monthly travelling costs;
- And finally, the Youth Employment Programme (YEP) will now cater for post HSC unemployed and put some 3,500 youngsters in job placements.

Promoting Work@Home

34. Madam Speaker, our path to a high-income economy will rest on productivity. And to raise productivity we must go beyond the traditional workspace. Accordingly, we are introducing a Work@Home Scheme.
35. The Government will allow for a double deduction from tax, of the wage and salary costs of employees under the Work@Home for the first two years.
36. In addition, employers under that scheme will be granted an annual tax credit of 5 percent for three years on investment in the required IT system.

37. Madam Speaker, we are targeting some 3,500 new job opportunities under that scheme and I am sure that this initiative will empower more women to join the labour force.
38. In an era of rapid change, our workforce needs to continuously upskill itself.
39. This is equally true for public servants. We are, therefore, investing some Rs 160 million in the construction of the Civil Service College at Réduit.

II. CREATING NEW OPPORTUNITIES FOR PRIVATE INVESTMENT

40. Madam Speaker, I will now elaborate on our policies to chart the second pathway, which is about creating new opportunities for private investment and employment.
41. Innovation is the basis for long-term economic growth and improvements in living standards. Digital revolution allows smaller economies to unleash their creative potential and leapfrog traditional industrial development.
42. In that spirit, we aim to foster the development of a new growth pole revolving around Artificial Intelligence (AI), blockchain technologies and Fintech.

43. To strengthen the foundations and ecosystem for AI to develop, we are setting up a Mauritius Artificial Intelligence Council (MAIC), comprising members from the public and private sectors, as well as international experts in this new field. The Council will spearhead and drive AI related activities and advise Government on the way forward.
44. Moreover, we are setting up a Steering Committee, under the Prime Minister's Office, comprising representatives of relevant Ministries to ensure greater coherence in the digitisation of public-sector services and the monitoring of its implementation in a timely manner.
45. Madam Speaker, data hosting is a key component in the digital eco-system. To support the development of this activity, CEB will offer a special rate of electricity to accredited data centre operators having at least a Tier 3 infrastructure.
46. Government will set up a new scholarship scheme for 50 students annually who wish to specialise in digital technologies, including AI and Blockchain. This will no doubt build capacity for this sector.
47. We are also giving the necessary support to the University of Mauritius to double its intake of students in Computer Science and Software Engineering to 240.

48. And, finally, I am making provision for the training of 2,000 more students in primary schools and 2,500 students in secondary schools in coding.

Moving Mauritius on the Fintech journey

49. Madam Speaker, our next endeavour is Fintech. Based on the recommendation of the High-Level Committee on Fintech chaired by Lord Desai, Government will set up a National Regulatory Sandbox Licence Committee to consider all issues relating to Sandbox licencing for Fintech activities.
50. The FSC will create new licensable activities, namely Custodian of Digital Assets and Digital Asset Marketplace. This will provide a regulated environment for the safe-custody of digital assets by investors and enable digital assets exchange. The Regulator will also put in place guidelines on investment in crypto currency as a digital asset.
51. It will ensure as well that applicants for Fintech activities have appropriate cyber-security and cyber-resilience policies and capacities.
52. The regulatory framework against money-laundering and terrorist financing for banking and non-banking financial services will be harmonized and updated in line with development in Fintech.

Reforming our Financial Services Sector

53. The Blueprint which I had announced in last year's budget to take our financial centre to a new level of development has now been completed with the support of international consultants.
54. A Steering Committee will be set up at the Prime Minister's Office to ensure the timely and effective implementation of the recommendations of the Blueprint.
55. In light of the ever-increasing challenges faced by the Global Business sector, Government is committed to give its full support to the global business sector whilst ensuring compliance with the best international norms and standards. The two can only go hand in hand. To this end, I am announcing the following measures:
 - First, we are introducing a new harmonised fiscal regime for domestic and Global Business Companies and a specific fiscal regime for banks;
 - Second, the FSC will cease to issue Category 2 Global Business Companies licences as from January 2019, with a grandfathering provision for existing companies;
 - Third, Global Business Companies will be required to comply with enhanced substance conditions; and

- Fourth, we will establish a new framework to govern and improve the oversight of Management Companies.

56. Madam Speaker, the FSC will further develop equivalence frameworks with other key jurisdictions in view of enhancing our competitiveness as a financial centre.

57. And the FSC, in collaboration with the Organisation of Economic Cooperation and Development (OECD), will host a Regional Centre for capacity building and best practices in our mutual combat against financial malpractices.

III. FOSTERING A NEW WAVE OF IMPORT SUBSTITUTION INDUSTRY AND REVIVE EXPORT-LED PRODUCTION

58. Madam Speaker, I now come to the third pathway which is to foster a new wave of import substitution industry and revive export-led production.

59. This strategy is essential not only to boost private investment and generate jobs but also to reduce our trade and current account deficits.

A New Era of Import Substitution

60. Indeed, we are ushering in a new era of import substitution.

61. Our focus will be on the production of food crops. The potential is there since we import 77 percent of our foodstuffs, annually. To put this import-substitution endeavour on a strong footing, Government will give the necessary support to set up 100 farms over the next two years under a Sheltered Farming Scheme.

62. This new scheme will have the following features:

- First, the farms will be made available on a Ready-To-Operate basis;
- Second, facilities including security and marketing, amongst others, will be provided. EDB will assist these new agripreneurs to market their products both domestically and abroad;
- Third, Food and Agricultural Research and Extension Institute (FAREI) will give the necessary technical assistance and mentoring to young graduates and SMEs as they develop their agri projects;
- Fourth, access to finance at the Development Bank of Mauritius (DBM) and Maubank will be at the concessional rate of 3 percent; and
- Fifth, all income derived from these projects will be exempted from tax for the first 8 years.

63. As we move towards a sustainable development model, we shall ensure that sheltered farms will be equipped with rain harvesting systems and photovoltaic technology.
64. Government is also coming up with a Mini Sheltered Farming Scheme to promote micro gardens, vertical agriculture and roof top gardening. A grant of up to Rs 10,000 will be given under that scheme to eligible families.
65. I am also providing funds for the sensitisation and training of households in aquaponics for the production of water adaptive vegetables in freshwater ponds and basins. The Albion Fisheries Research Centre will provide fish fingerlings freely for the aquaponics projects.
66. Small planters and cooperatives will not be left behind. They will be able to benefit from a new Scheme that promotes a mix of agricultural and electricity production, giving them the opportunity to improve their income.
67. Madam Speaker, today there are too many abandoned agricultural land throughout the island. We must bring those land back under cultivation. In this respect, we will create a land data bank to map out all such areas. And we will further encourage research on how to best optimise the yield of these lands.

Giving a Boost to Our Food Security Programme

68. Furthermore, to give a boost to our food security programme I am announcing the following measures:

- First, Government is contributing Rs 30 million towards a new Crop Insurance Scheme for planters to be operated by the Small Farmers Welfare Fund;
- Second, Government will increase the subsidy on the production of onion and potato seeds;
- Third, to better protect livestock from outbreak of diseases, we are setting up a National Animal Identification System to electronically identify each animal with a unique number;
- Fourth, to provide an outlet for the sale of fattened pigs at a reasonable price and ensure timely payment to the breeders, the Mauritius Meat Authority will set up a new system for the collection, slaughter and sale of pigs; and
- Fifth, we are exceptionally offering a solution to a heavy financial burden that some pig breeders have been carrying for too long. I am pleased to announce that the DBM has agreed to write off all outstanding loans contracted under the Pig Breeders Re-launching Scheme.

69. Madam Speaker, the tea sector is experiencing new dynamism but is still vulnerable. From July to September, the amount of tea leaves harvested falls due to the winter season. This causes a drop in the income of small tea growers.
70. I am therefore providing a monthly income support of 50 cents per kilo of tea leaves harvested by small planters during the 3 months winter period.
71. The cane industry continues to be a mainstay of our economy and occupies a place of prominence in our environment, local renewable energy policies as well as in our trade equation. In recent years, the industry has been buffeted by a sharp decrease in the world sugar price.
72. To this end, Government has set up a Ministerial Committee to assess the situation and to come up with an appropriate action plan for the cane industry to meet its challenges.
73. In the meantime, to support planters, in particular small planters, we are:
- i. Increasing the customs duty on import of sugar from 15 percent to 80 percent. I will be moving for a resolution to that effect;
 - ii. And we are making provision in the budget of the Mauritius Cane Industry Authority (MCIA) to meet the

shortfall arising from the suspension of CESS payments for Crop 2018.

Maximising Opportunities from the Ocean Economy

74. The next avenue for our import substitution strategy and for export growth in the medium and long-term lies in our ocean economy.
75. To fully tap the economic possibilities in our ocean:
 - We are first setting up an Ocean Economy Unit with the responsibility of preparing a National Ocean Policy Paper;
 - Second, to boost up research capacity on the ocean economy and in line with the institutional rationalisation strategy we have been adopting, we will merge the Mauritius Oceanography Institute and the Albion Fisheries Research Centre into one single institution;
 - Third, an Ocean Observatory e-platform will be developed to support the Marine Spatial Planning Initiative of Mauritius;
 - Fourth, a geotechnical study will be conducted in the extended continental shelf management area of the Mascarene region to explore its potential;

- Fifth, we will introduce a Group Life Insurance Scheme for registered fishermen to cover any accidents and losses at sea;
- Sixth, to increase the availability of fish locally and in line with our import substitution strategy, we will allow foreign industrial fishing companies to fish in our shallow water banks provided they sell all their catch on the local market; and
- Seventh, I am introducing a grant of 60 percent of the cost of acquisition of outboard engines and fishing nets, by fishermen cooperatives, up to a maximum of Rs 60,000. Furthermore, all registered fishermen will be provided with a free ice box.

76. I now come to our manufacturing sector.

77. To boost this important sector, we are expanding the industrial infrastructure and logistics facilities. New business parks will be set up across the island. We will start with:

- A High-Tech Park at Côte D'Or extending over 150 acres of land;
- A Logistic Park at Riche Terre; and
- A Pharmaceutical and Life Sciences Park at Rose Belle.

78. We will also strengthen our trade policy and use all necessary economic diplomacy and mechanisms to address the issue of dumping which is harming our domestic-oriented enterprises and eroding our industrial base.
79. Furthermore, we will set higher standards of quality and safety for imported products. We want to make sure that products sold are safe for consumption. Certain food items will not be allowed to enter our country if only less than fifty percent of the expiry date is left.
80. Madam Speaker, one of the most important constraints to expanding production in the manufacturing industry is the availability of appropriate skills.
81. We are taking a bold step to address this problem. We are streamlining the procedures for recruitment of foreign workers to make it easier and more efficient. This new policy is articulated in greater details in the Annex to the Budget Speech.

Forging New Path for our Economic Diplomacy

82. The next sine qua non condition for the growth of our export sector is the availability of markets.
83. To boost up demand for Mauritian products, we are forging new path for our economic diplomacy - going beyond the concentric circles of regional cooperation with SADC, COMESA, IOR-ARC and IOC.

84. Government is thus finalising negotiations as follows:

- The Comprehensive Economic Cooperation Partnership Agreement (CECPA) with India;
- The Free Trade Agreement with China;
- The enhanced bilateral cooperation with Saudi Arabia and Middle East countries;
- Renewed partnership with the member states of the Commonwealth Group; and
- We have signed a framework agreement for the continental FTA in Africa.

Making Headway on our Africa Strategy

85. The headway we are making on our Africa Strategy will enable new cross-border investment opportunities for our entrepreneurs. Last December, I had the pleasure of launching the Twin Technology Towers project in the Technology Park in Grand Bassam, Côte d'Ivoire. Driven by the Mauritius-Africa Fund, this landmark project is being realized through Mauritian private sector investment exceeding USD 50 million. The construction of the towers is due to start in October this year.

86. The development of Phase 2 of the “Parc Industriel International” in Senegal will also start this year.

87. Such realisations take time. But our ambition is becoming reality. It is now crucial that we build momentum into the process.

- I am therefore introducing a 5-year tax holiday for Mauritian companies collaborating with the Mauritius Africa Fund for the development of infrastructure in the Special Economic Zones. The tax holiday will cover investments in SEZ infrastructure development and will benefit two eligible categories of firms: project developers and project financing institutions;
- Second, we are working with EU on the setting up of a loan guarantee facility to support cross border investment within our Africa Strategy; and
- Third, SBM and Mauritius Africa Fund have set up an Africa Infrastructure and Industrialisation Fund to assist Mauritian investors to execute projects in the SEZs on the African continent.

88. Madam Speaker, two and a half years ago, the prospects of Brexit were the cause of major uncertainty for our exporters. We have been closely monitoring the situation. The preferential access of our products on the UK market will be maintained until end 2020, following the extension of the transitional period for the EU-UK trade arrangement. As we engage in negotiations with the UK, we are hopeful that the new Economic Partnership Agreement being negotiated

between UK and Eastern and Southern Africa will preserve our preferential access on the UK Market after BREXIT.

Enhancing our Tourism Product

89. I now come to our plan to further develop our tourism industry which is a main pillar of our economy.
90. The strategy going forward will be to widen and diversify our tourism product while at the same time increasing arrivals during the low season.
91. Our policy will focus on enhanced connectivity, sustainability and promoting new tourist attractions.
92. We have now two additional airlines Saudi Airlines and Kenya Airways serving Mauritius.
93. Moreover, Air Mauritius, is receiving two new aircrafts this year that will increase its capacity and flight frequency while expanding its destination network.
94. Mauritius is well poised to be a leading cruise destination in the Indian Ocean. The construction of a dedicated cruise Terminal Building with cutting edge technologies and modern facilities capable of handling up to 4,000 passengers will greatly contribute to position Port-Louis harbour as a cruise hub in the region and as the preferred 'fly-cruise' gateway to the Indian Ocean.

95. To expand our tourism product and create more linkages with local businesses, we will encourage community-based and inclusive tourism.
96. As a pilot project, we will fully harness the potential of Mahebourg as a 'Village Touristique' and as a major cultural and eco-tourism attraction. Mahebourg has rich historical and green assets; the Blue Bay Marine Park, Vallée de Ferney, the Naval Museum, the site of the epic Grand Port naval battle, and near-by islets, amongst others.
97. These existing advantages of Mahebourg will be reinforced with new facilities for cultural shows. Selected streets will be made solely pedestrian during certain hours to encourage street art, musical performances and sales of handicrafts.
98. This Mahebourg regeneration project will be implemented through a public-private partnership endeavor.
99. To make the Mauritian tourism product more visitor-friendly, new digital platforms will be created to provide information on safety, costs of inland travel, road maps, dining, shopping and exchange rates of currencies, amongst others.
100. To improve safety at sea, all pleasure crafts will mandatorily be equipped with an Automatic Identification System to monitor their activities.

Further Expanding our Creative Industries

101. Madam Speaker, last year I announced a series of measures to boost up our creative industries and support cultural entrepreneurs. Today, we add more building blocks to that endeavour.

102. New Grant Schemes will be set up under the National Arts Fund, for:
 - i. Encouraging emerging talents;

 - ii. Production of art work;

 - iii. And stimulating research in various fields of arts and culture.

103. I am also providing funds for:
 - i. An Intercontinental Slavery Museum at the Ex-Labourdonnais Military Hospital in Port Louis;

 - ii. The rehabilitation of 8 heritage sites; and

 - iii. Renovation of the Grand River North West Hospital Building (ex-Borstal) to accommodate the National Art Gallery and the National Heritage Fund.

104. I am increasing the subsidy for the production of CDs from Rs 30,000 to Rs 40,000 and I am also extending the VAT Refund Scheme to cover musical instruments purchased by

our local artists registered with the Mauritius Society of Authors (MASA).

Developing our Film Industry

105. I now come to the film industry which is showing significant potential for job creation and new opportunities for our artists to maximize their talents. The Film Rebate Scheme is gaining momentum, delivering strong outcomes and attracting world renowned film producers. To build up on that momentum, a Film Promotion Fund will be created under the EDB, with a seed capital of Rs 500 million.

Further Opening up our Economy and Country

106. Madam Speaker, on our Transformative Journey it will be imperative and indeed crucial that we further open up our economy and country to the rest of the world.
107. To this end, the EDB will manage two schemes to attract High Net Worth individuals who satisfy defined criteria and after due diligence. The first scheme will offer foreigners the opportunity to obtain Mauritian citizenship provided they make a non-refundable contribution of USD 1 million to a Mauritius Sovereign Fund. For their spouse and dependents, they will have to make an additional contribution of USD 100,000 per member of family.

108. The second scheme will offer the opportunity to obtain a Mauritian passport provided they make a contribution of USD 500,000 to the Mauritius Sovereign Fund. For their spouse and dependents, they will have to make an additional contribution of USD 50,000 per passport.
109. The Mauritius Sovereign Fund will be managed by the Mauritius National Investment Authority. Any withdrawal from the Fund will be used to meet disbursements for new capital projects and public debt repayments.
110. The EDB will also operate a Foreign Manpower Scheme to attract foreign talents, particularly in emerging sectors such as AI, Biotechnology, smart agriculture and the Ocean Economy, amongst others. An application for an occupation permit will be processed within 5 days by the EDB and the employer will have to contribute the equivalent of one-month salary per foreign worker recruited.
111. Government will also offer a new package of fiscal and non-fiscal facilities to attract foreign retirees. Besides the right to acquire an apartment, they will be exempted from payment of customs duties on the import of personal effects up to a value of Rs 2 million.

Further Promoting Innovative Entrepreneurship

112. Madam Speaker, on our Transformative Journey, as I have said earlier, our achievements will be judged not only by how much wealth we create but also by how inclusive they are.

That is why this Government will always stand by the micro, small and medium sized enterprises (MSMEs) as they take risks, venture in new activities and create jobs.

113. Indeed, we are today addressing in a very significant way one of the biggest concerns of these enterprises, which is access to finance.

114. DBM will earmark an amount of Rs 1 billion to support the MSMEs through a set of schemes.

- First, it will offer loan facilities for start-ups, young entrepreneurs and women entrepreneurs at an interest rate of 3 percent;
- Second, it will provide loans of up to Rs 3 million to planters engaging in sheltered farming at an interest rate of 3 percent, with a moratorium on capital repayment in the first year;
- Third, it will offer loan up to a maximum of Rs 1 million to operators of organic farms with a moratorium of 2 years, on capital repayment, depending on the project;
- Fourth, DBM will operate an Enterprise Modernisation Scheme aimed at providing finance lease facilities to MSMEs with turnover up to Rs 10 million to modernize their plant and equipment;

- Fifth, DBM will operate a factoring window aimed at providing quick working capital to MSMEs by discounting their invoices;
- And sixth, to ease the cash flow of businesses, a VAT-registered person will henceforth not be required to pay VAT on import of machinery and equipment, if the amount payable is Rs 150,000 or more.

115. The DBM will also provide non-financial support to the MSMEs through a new Hand-holding and Mentoring cell.

IV. BUILDING THE INFRASTRUCTURE THAT OUR POPULATION DESERVES AND THAT OUR TRANSFORMATIVE JOURNEY REQUIRES

116. I now come to the fourth pathway which is about the infrastructure that our population deserves and that our transformative journey requires.

117. Our aim is to create the physical infrastructure that measures up to our vision of the future – a future of modernity, high income and smart living.

118. I am earmarking some Rs 37 billion that will be invested in transport infrastructure over the next three years.

119. Our historic programme for modernising our land transport system is moving forward as planned.

120. Phase 1 of the Metro Express project linking Port Louis to Rose Hill will be operational in September 2019. An additional 13 kilometers linking Rose Hill to Curepipe will be operational by September 2021.
121. For seamless transfers between the two modes of transport, we need to modernise the bus terminals. The construction of the Victoria Urban Terminal project is expected to start in February 2019. And, Government is working with the Local Authorities to construct two additional urban terminals at Immigration Square and Rose Hill.
122. Besides the investment being made in the Metro Express, Government is earmarking Rs 12 billion over the next three years for the construction and upgrading of roads.
123. Ten major projects are either in progress or will be implemented under the Road Decongestion Programme. These include:
 - a. The Jumbo-Phoenix roundabouts;
 - b. The A1M1 bridge linking Coromandel to Sorèze;
 - c. The fly-over at Decaen Street, Port Louis;
 - d. A third lane on the M2 between Jin Fei roundabout and Port Louis;
 - e. The Cap Malheureux bypass;

- f. The motorway Terre Rouge-Verdun will be made fully operational by December 2019;
 - g. A fly-over across Motorway M1 at Hillcrest Avenue in Quatre Bornes;
 - h. The upgrading of Radier St Martin at Bel Ombre;
 - i. And the procurement process has been launched for the upgrading of Ebène Flyover as well as for the construction of the La Vigie - La Brasserie Link Road.
124. Our plan to transform our port into a regional hub is also progressing at a rapid pace.
125. Going forward, some Rs 3 billion will be invested in three major projects to expand our port facilities and improve its productivity, namely the construction of breakwaters, a fishing port at Fort William and the Cruise Terminal Building.
126. To enhance productivity, the Cargo Handling Corporation Ltd will recruit and train 150 more staff to be able to operate on a 24/7 basis.
127. As regards air transport, the Airport of Mauritius Limited (AML) will initiate procedures for the extension of the new passenger terminal. The aim is to ultimately increase passenger handling capacity to 8 million annually.

128. The old passenger terminal which is being refurbished will be completed in December this year and will cater for an additional 500,000 passengers annually.

Creating New Urban Space

129. Madam Speaker, last year, I announced the Côte D'Or City project at Highlands as part of our plan to create new and modern urban spaces.

130. A masterplan has already been prepared for developing the Côte d'Or City on 920 hectares of land belonging to Landscape (Mauritius) Ltd.

131. To regenerate and revitalise the central areas of our city, towns and large villages, we will be introducing a National Regeneration Scheme under the Smart City Regulations.

Investing to upgrade infrastructure across Mauritius

132. As we develop new urban space, we will also support some 1,178 new NDU projects with a project value of Rs 5.6 billion across Mauritius. In this Budget, I am earmarking some Rs 1.2 billion for the NDU projects for, amongst others, construction and upgrading of drains, secondary roads and small sports facilities across the island.

133. I am providing another Rs 1.2 billion for Local Government projects and fire services. These include:

- First, a new market fair and commercial complex at Rose Hill;
- Second, upgrading of the Fish and Poultry Section of the Port Louis Central Market to ensure that proper hygiene and sanitary conditions prevail;
- Third, construction of multipurpose complexes at Abercrombie, Camp Leveux and Petit Verger;
- Fourth, 9 additional funeral incinerators will be installed;
- Fifth, a new jogging track at Camp Leveux;
- Sixth, upgrading of Pamplémousses market;
- Seventh, a new market fair at Chemin Grenier;
- Eighth, 40 new scavenging lorries for municipal and district councils over the next two years;
- Ninth, construction of new fire stations at Goodlands, Montagne Blanche, Quatre Bornes and Mahebourg;
- Tenth, purchase of 5 new water lorries and a turntable ladder;

- And Eleventh, Rs 400 million have been earmarked for:
 - Construction and upgrading of secondary roads;
 - Small sports infrastructure;
 - Renovation of public toilets;
 - Upgrading and renovation of village and municipal halls; and
 - Provision of street lighting.

134. We are also providing Rs 14 million for the upgrading of various Community Centres across Mauritius and for the construction of a new one at Tranquebar under the SILWF.

V. SECURING SUSTAINABLE DEVELOPMENT BY MAKING SIGNIFICANT INVESTMENT TO PROTECT AND ENHANCE OUR ENVIRONMENT

135. I will now elaborate our plan to secure sustainable development.

136. Our citizens and residents, present as well as future, deserve a country with a sustainable environment that enables a healthy, productive and meaningful life.

137. Yet climate change is dramatically altering the equation – putting at risk the very sustainability of our development.
138. We have experienced recently a series of extreme weather conditions, in particular flash rains and flooding that have caused miseries to thousands of families.
139. We must, as a nation, be up to the challenge.
140. That is why this year our effort to mobilise resources to address our environmental issues is unprecedented.
141. Indeed, an amount of Rs 2 billion will be transferred in this fiscal year to the National Environment Fund, created under an Act of Parliament in 2002. We have already circulated a Supplementary Appropriation Bill for the appropriation of that amount.
142. The Fund will be revamped to further mobilise funding from international sources, such as the Green Climate Fund and the Global Environment Facility.
143. In this respect, I am pleased to announce that we have mobilised some Rs 450 million from the King Salman Humanitarian Aid and Relief Centre and the Adaptation Fund Board of the United Nation.

144. The National Environment Fund will be used as follows:

- First, for the construction of drain infrastructure in more than 25 flood prone regions across the country;
- Second, to equip the 12 Local Authorities to undertake continuous maintenance and cleaning of drains, rivers and canals;
- Third, to acquire a high resolution and aerial 3D imagery Digital Elevation Model to update our flood map and prepare a full-fledged Land Drainage Master Plan;
- Fourth, the rehabilitation, protection and management of our beaches, lagoons and coral reefs;
- Fifth, to carry out the Clean Up Mauritius and Embellishment Campaign – “Moris Nou Zoli Pei”;
- Sixth, expansion of Solid Waste Management facilities and developing a comprehensive Waste Recycling Framework;
- Seventh, undertaking Landslide Management initiatives; and
- Eighth, conducting Disaster Risk Reduction Operations.

145. In addition, to better protect lives and properties and support the victims of floods and other calamities, we are providing for -

- i. the acquisition of 3 additional automatic rainfall monitoring stations over the next three years to get real time data on flash floods in regions that are vulnerable;
- ii. the recruitment of 114 more firefighters who will be trained in the Swift Water and Rope Rescue Programme;
- iii. the recruitment of another 100 additional firefighters and 30 additional Fire Station Officers to increase inspection and enforcement in buildings;
- iv. the recruitment of 100 Officers in the inspectorate cadre of the local authorities for stricter control of planning conditions; and
- v. the operation of the Doppler Weather Radar by October this year. This will bring a significant improvement in our early warning systems.

146. Furthermore:

- The granting of morcellement permit will be reviewed with a provision for a Drain Impact Assessment to be undertaken as part of the EIA report;
- The legal framework will be amended to allow for pulling down of illegal constructions, especially those affecting the drainage system;
- An audit of rivers and water courses will be carried out to assess their carrying capacity with a view to taking remedial action; and
- Climate resiliency will be integrated in all infrastructure projects of the public sector including new Social Housing projects. This will be a sine-qua-non condition for financing by Government.

147. Madam Speaker, we must also tackle the issue of proliferation of stray dogs that has an impact on our living environment. And we must do so with humanity.

148. To this end, Government is earmarking two plots of land to be provided to NGOs to develop shelters for the stray animals.

Elimination of Waste through Recycling

149. Another aspect of our strategy to protect the environment is to engage in recycling activities to reduce waste.
150. With a view to promoting local recycling of used PET bottles, I am increasing the financial incentive given to local manufacturers from Rs 5 to Rs 15 per kilo of used PET bottles.

Controlling Pollution on our Roads

151. To better control pollution caused by vehicles, the importation of new auto cycles and motor cycles will be restricted to those complying with Euro standards. Those fitted with 2-stroke engines and which emit high level of pollutants will be banned.
152. Appropriate legislative framework will be established to regulate the disposal of vehicles in specialised Scrap Yard at the end of their economic life. The vehicles declared total loss will not be allowed to be used again on our roads and scrapping of these vehicles will be made mandatory.

Pursuing our Commitment to 24-7 Water Supply

153. I will now elaborate on our plan for the water sector which is at the very core of our environmental policy - critical for our socio-economic development and healthy ecosystems.

154. Our resolve to have 24-7 water supply across the country for all households is undiminished. We are making good progress in upgrading, rebuilding and expanding our water infrastructure.
155. Today, some 227,400 households have 24-7 access to water supply compared with 166,750 in 2014. This is an increase of 36 percent.
156. Our plan is to speed up that progress. An important part of that progress is due to the Water Tank Scheme that allows families to have 24-7 access to water even when there are disruptions in the supply system.
157. I am pleased to announce that we will increase our support under the Water Tank Scheme to reach out to an additional 30,000 households over the next three years. I am also raising the income eligibility threshold under that scheme from Rs 25,000 to Rs 30,000.
158. Furthermore, an individual investing in a rainwater harvesting system will be allowed to deduct the total cost of such a system from his taxable income.
159. Some Rs 3.3 billion will be invested in the replacement of 300 kilometers of pipeline, construction of 5 service reservoirs, replacement of 75,000 water meters and construction of the water treatment plant at Bagatelle, amongst others, over the next three years.

160. Madam Speaker, let me reassure the population that this Government will not increase the water tariffs.

161. However, we need to discourage excessive water usage. To this end, domestic customers who have a swimming pool will have to pay a fixed additional monthly charge of Rs 500 if their monthly water consumption exceeds 50 cubic meters.

162. I now come to our energy policy.

163. Our goal is to maintain an energy system that features environmental and economic sustainability while ensuring an adequate supply at all times. To this end,

- We are first, commissioning up to 6 additional solar farms;
- Second, we are increasing battery storage from 4 MW to 18MW;
- Third, we are implementing a waste-to-energy project that will generate at least 20 MW of electricity;
- Fourth, we are introducing a new Small-Scale Distributed Generation (SSDG) Scheme;
- Fifth, CEB will invest around Rs 1.2 billion over the next 3 years for the undergrounding of some 150 kms of its low voltage distribution lines to improve reliability of supply; and

- Sixth, CEB will install around 25,000 smart meters annually to pave the way for automatic metering and development of the smart grid.

164. As regards wastewater this Budget provides for the construction of sewerage facilities to connect 7,800 more buildings and residences to the system.

VI. LIFTING UP THE QUALITY OF LIFE BY INVESTING IN HEALTH, SPORTS AND LEISURE, EDUCATION, A DECENT DWELLING FOR ALL FAMILIES AND SAFETY FOR EVERYBODY

165. I now turn to the sixth pathway on our Transformative Journey which is to lift up the quality of life by investing in Health, Sports and Leisure, Education, a decent dwelling for all families and safety for everybody.

166. I will start by elaborating our policies for health care. On health care this Government is delivering on all its promises. And today we are doing more because we know it is the single most important determinant of quality of life.

- First, a new Teaching Hospital will be built in Flacq;
- Second, a medical hub is being developed at Côte d'Or City comprising a modern Eye Hospital, a warehouse for medical products, a New National Health Laboratory Services Centre and the AYUSH Hospital for ayurvedic treatment;

- Third, a New Cancer Centre will be set up;
- Fourth, we are making provision for the acquisition of a fully-fledged mobile caravan to promote early detection of breast and cervical cancer;
- Fifth, I am providing Rs 100 million for the e-Health;
- And sixth, we are providing for the recruitment of 10 Specialists, 10 Community Physicians, 7 Clinical Psychologists, 50 Trainee Nurses and 30 Trainee Midwives, amongst others.

Sports and Leisure

167. As we prop up health care we cannot overlook the importance of sports for the physical and mental well-being of our citizens. This is why we must carefully plan and promote its development.
168. The first National Sports and Physical Activity Policy for Mauritius will be published in July 2018 with the vision of healthier citizens, happier communities and a stronger nation.
169. As part of that policy, we will be investing Rs 38 million to provide sports and physical activity programmes that will motivate and encourage regular participation of our children, youth, adults and senior citizens.

170. The 'Jeux des Iles de l'Océan Indien' 2019 will be an event that will have to be remembered as a proud achievement for our athletes and our nation. We must therefore prepare our athletes to give the best of themselves.
171. To this end, I am providing Rs 75 million to support their training and a further Rs 195 million for the organisation of the games.
172. In addition to investment in the Côte d'Or Sports Complex, an amount of Rs 375 million will be provided for the upgrading of 17 sporting facilities, including 2 in Rodrigues.

Education – an Important Bridge to the Future

173. I now come to the Education sector.
174. Education is the bridge that lies between where we stand now as a nation and where we want to go on our transformative journey– a modern economy and an inclusive high-income country.
175. I am allocating Rs 17.2 billion to the education sector, so that the reforms can be implemented expeditiously while achieving significant improvement in the education infrastructure.
176. For the youngest of our school goers, we are providing for the construction of 2 pre-primary units – one at Grand Baie and another one at Montagne Ory.

177. For primary school children, we are providing for serving hot meals at Pointe aux Piments and Bois des Amourettes Government Schools on a pilot basis; for extending the Tablette project to grade three students and for the reconstruction of 7 Government Schools.
178. And I am providing for the recruitment of an additional 150 Trainee Primary School Educators.
179. As regards secondary education, I am providing for the construction of a gym in six State Secondary Schools.
180. Specialist rooms for Food and Textile Studies and Design and Technology will be set up in all regional State Secondary Schools and new Science Blocks will be constructed at three secondary schools.
181. And I am providing for the recruitment of 114 Educators for the secondary schools.
182. As regards tertiary education, we want to give more support to parents who are investing in the education of their children.

183. The additional income tax deduction in respect of a dependent child who is pursuing tertiary studies is being raised as follows –

- if abroad, from Rs 135,000 to Rs 200,000; and
- if in Mauritius, from Rs 135,000 to a maximum amount of Rs 175,000.

184. Madam Speaker, our Special Education Needs students require specifically designed learning environment and facilities with specialised teachers. I am making provision for the setting up of the SEN Authority.

185. Currently, there is an annual per capita grant for teaching aids, utilities, furniture and equipment for SEN students. I am pleased to announce that the grant for these three items is being increased fourfold, that is, from Rs 1,300 to Rs 5,200.

186. Students with special needs benefit from taxi fares if they are attending tertiary institutions. I am extending this facility to those students with special needs who are attending secondary schools as well as primary schools.

Pursuing our Objective of a Decent Dwelling for Every Family

187. Madam Speaker, the next most important pillar of the quality of life in any society for any family is having a decent dwelling that one can call home.
188. Today, I am making a pledge to accelerate our programme to construct decent houses and apartments for low income families. Too many of them have been on the waiting list for too long.
189. I am pleased to announce that the NHDC will start a vast programme of construction in 2018-19. Our aim is to build 6,800 new social housing units over the next two years. This endeavour has a Project Value of Rs 12.7 billion.
190. These social housing units will be in Ground-Plus-Three buildings on 19 sites across the country and will provide such amenities as crèches, commercial and recreational facilities.
191. I am also providing:
- Rs 1.3 billion for the completion of 3,041 housing units; and
 - Rs 176 million for rehabilitation of 41 NHDC housing estates which are more than 20 years old to improve the living conditions of some 6,200 families.

Supporting Families as they Invest in a Dwelling

192. We will also improve our support to families in their efforts to invest in a house.
- First, I am increasing the maximum grant for the casting of roof slab for families earning up to Rs 10,000 monthly, from Rs 75,000 to Rs 100,000;
 - Second, for families earning between Rs 10,001 – Rs 15,000, the maximum grant is being increased from Rs 40,000 to Rs 70,000; and
 - Third, for the first time, families earning between Rs15,001 and Rs 20,000 will benefit from a maximum grant of Rs 50,000.
193. Furthermore, I am pleased to announce that, following discussions with the Bank of Mauritius, the Bank has agreed to remove all restrictions on commercial banks with regard to limits applicable on loans, be it for residential or business purposes.
194. Consumers and businesses should, with this measure, be able to fully benefit from the loan facilities offered by commercial banks without necessarily having to finance part of the property upfront.

Ensuring the Safety of our Citizens, in particular on our Roads

195. I now come to our action to ensure the safety of our citizens in particular on our roads.
196. Too many victims – too many cruel tragedies for the families and for the whole nation. Our resolve to improve safety on our roads will remain unflinching.
197. The law will be amended to provide for tougher penalties for road traffic offences, including speeding, driving under the influence of alcohol and drugs and dangerous driving.
- First, the list of offences in relation to which a Fixed Penalty Notice may be served will be consolidated and increased from 141 to 204;
 - Second, the fine in respect of speeding by more than 25 km per hour above the speed limit will be increased from Rs 2,500 to Rs 10,000;
 - Third, fines in respect of driving while under disqualification, driving without a licence and authorizing a person prohibited from driving by reason of age to drive, will be increased from Rs 10,000 to Rs 100,000;

- Fourth, after committing three Cumulative Road Traffic Offences listed under the new Penalty system, a driver will be issued with a Cumulative Road Traffic Notice informing him that on being convicted for two more Cumulative Road Traffic offences, his licence will be suspended for a period of 6 to 12 months;
- Fifth, a probationary driving licence will be issued to new drivers for a probationary driving period of 2 years wherein certain offences committed will entail extension of his probationary driving period or revocation of his probationary driving licence when he commits major road traffic offences;
- And sixth, zero tolerance of alcohol in the blood will be applied to drivers.

198. In addition, the Police Force will be provided with additional mobile speed cameras to undertake spot checks.

199. And to further improve safety on our roads, I have earmarked Rs 275 million in this Budget to:

- Reengineer hazardous roads;
- Install conspicuous traffic signs to alert drivers of accident-prone areas; and

- Intensification of the educational and awareness programmes, training of driving instructors and review of driving testing standards;
200. The Road Development Authority is being provided with Rs 600 million for road maintenance, including Rs 75 million for construction of pavements and Rs 75 million for restoring road markings and signage.

Law and Order: Enhancing the Capacity of our Police Force to Combat Crime

201. Let me now turn to Law and Order.
202. I am providing Rs 8.5 billion to the Police Department in this budget. Our priority will be to further enhance its capacity to combat crime.
203. To this end:
- 1,000 additional police constables will be recruited including 200 woman police constables;
 - 5 new Police Stations will be constructed;
 - A regional detention centre will be set up at Piton and 2 existing centres will be upgraded; and
 - 38 additional prison officers will be recruited.

204. I am providing:

- Rs 107 million to modernise the fleet of vehicles of the Police Department;
- Rs 88.3 million for the acquisition of Equipment, including Security and Disaster Equipment;
- Rs 4 million for the implementation of CCTV cameras in all Police stations, so that investigations are conducted in a more professional manner; and
- Rs 97.4 million for the implementation of the Mauritius Forces Training Academy.

205. The Safe City Project which I announced last year is being implemented. It comprises the installation of 4,000 intelligent surveillance cameras, 4,500 trunking smart handsets, 500 trunking vehicle radios and an Emergency Response System.

206. The project will help to reduce the occurrence of crime, fight drug trafficking and decrease the number of road accidents.

207. As regards financial crimes, the Working Group on the Financial Crime Commission project will submit its report soon. The Report will also address all the recommendations made in the 2018 ESAAMLG Mutual Evaluation of Mauritius' compliance with the international anti-money laundering and combating terrorist financing standards.

208. I will now articulate our policies and action to combat drug trafficking.
209. My determination to eradicate that scourge remains unshakable. Drug trafficking and addiction are ripping apart the fabric of our society. And we know very well that government alone will not be able to curb that scourge. We must all as a nation be on the frontline in that war. The Report of the Commission of Enquiry should give us more insights into the problem and enable us to consolidate our strategy to eradicate that plague.
210. In the meantime, we have seen a record amount of drugs being seized by ADSU in collaboration with Customs during the period 2015 to date, amounting to Rs 3.7 billion in terms of street value.
211. We will further intensify our combat against drug trafficking and abuse.
- First, I am providing for the acquisition of a specialised equipment to detect and sanction persons under the influence of drugs, including drivers. The Road Traffic Act and the Dangerous Drugs Act will be amended accordingly;
 - Second, I am providing financial resources to the Mauritius Revenue Authority to procure additional hand-held non-intrusive scanning devices such as

Buster contraband detectors, mini z scanners, wireless fiberscopes and narcotics analysers;

- Third, I am providing Rs 10 million for a new Synthetic Drugs Prevention Programme to sensitise students, workforce and the community at large on the ravages of synthetic drugs;
- Fourth, we have earmarked Rs 30 million for the Rehabilitation Programme for Alcoholics and Drug Addicts;
- Fifth, the Forensic Science Laboratory will be equipped with a new specialised equipment to enable them to enhance the quality and timeliness of their reports to the Police on crime cases;
- Sixth, Government is further enhancing the capacity and response of ADSU to meet more complex challenges posed by drug traffickers and their drug networks locally, regionally and internationally. I am therefore providing Rs 25 million to ADSU for the acquisition of modern specialised technological tools and equipment in the pursuit of operations on all fronts;
- And seventh, the National Coast Guard will acquire a new Multi-Purpose Offshore Patrol Vessel for coastal surveillance.

Strengthening the Judiciary

212. With regards to the Judiciary, construction works on the New Supreme Court Tower are well underway. Arrangements are being made for the construction of a new Court House for Curepipe for which land has already been identified at Forest Side.

213. Furthermore, I am providing an amount of Rs 49 million for:

- The upgrading of the Pamplémousses, Souillac, Flacq and Rose Hill district courts;
- The revamping of the Digital Court Recording System as well as the E-Judiciary system for the Commercial Court;
- And the computerization of the revenue collection system for all courts.

214. The District and Intermediate Courts (Civil Jurisdiction) Act will be amended as follows to allow:

- Small Claims Tribunal to henceforth hear cases of up to Rs 100,000 instead of up to Rs 25,000;
- District Courts to hear cases of up to Rs 250,000 instead of up to Rs 50,000; and
- Intermediate Courts to hear cases of up to Rs 2 million.

215. The legal delay for entering a small claim case before the District Court will be extended to two years instead of one year.

216. Intermediate Courts will also have the mandate to hear mediation cases.

VII. GENDER MAINSTREAMING, ENHANCING SUPPORT TO OUR ELDERLY AND CONSOLIDATING OUR WELFARE SYSTEM

217. I now come to the seventh pathway on our Transformative Journey – that of enhancing the role and participation of women in our development, strengthening support to our elderly and consolidating our welfare system.

218. I will start with gender mainstreaming.

219. Too many gender gaps have been with us for too long.

220. As a nation, we must get the right perspective on the gender issues.

221. I am therefore taking the historic decision to introduce gender considerations at all levels of policy making and implementation.

- First, we are including for the first time a chapter on gender mainstreaming in our 3 Year Rolling Strategic Plan;

- Second, a study will be carried out on the introduction of gender-based budgeting;
- Third, presently women workers reckoning less than 12 months of service are not entitled to payment of a remuneration during their 14 weeks of maternity leave. This is unfair. Government will therefore amend the Employment Rights Act to allow payment of a remuneration for those mothers reckoning less than 12 months service;
- Fourth, Government will come up with a Gender Equality Bill to set a strong and comprehensive legal framework for gender mainstreaming;
- Fifth, each Ministry and public-sector institution will be required to publish a Gender Policy Statement in its Annual Report. And we are hoping that the large corporations in the private sector will follow suit;
- Sixth, I am making provision in this Budget to train some 250 government officials across all ministries and departments, to deal with gender issues;
- Seventh, Rs 200,000 is being allocated to each Ministry to promote sensitisation and awareness programmes and implement activities on gender mainstreaming;

- Eighth, each Ministry will be required to have a Gender Cell that will encourage greater gender balance in the decision-making process and serve as a platform for dialogue on gender mainstreaming issues; and
- Ninth, one of the barriers for women to join the labour force is access to crèches. I am therefore more than doubling the current one-off grant under the Crèche scheme from Rs 200,000 up to Rs 500,000 to promote investment in crèches; and companies that invest in a crèche will benefit from a double deduction under corporate tax.

222. Madam Speaker, domestic violence is unfortunately a failing of our modern society, undermining not only the strength of our society's growth but also endangering our women and children. This is why government will support the relevant NGOs to set up additional emergency shelters for women and children.

223. Furthermore, a training programme will be run for social workers on rehabilitation of perpetrators of violence.

224. And we are making provision for the recruitment of 15 additional Family Welfare and Protection Officers to better assist women and children victims of violence in their rehabilitation.

Enhancing Support to Our Elderly

225. I will now articulate our policies to enhance support to our elderly.
226. As life expectancy goes up, which is an achievement we are all proud of, we must also ensure that our society provides for healthy ageing – for our elderly to get all the care they deserve.
227. I am providing for two elderly day care centres at Bambous and Chemin Grenier.
228. I am also providing for specialised training for 50 carers initially with the collaboration of the MITD.
229. I am increasing the monthly grant to employees of residential care homes and institutions that are caring mostly for our elders with disabilities, from Rs 6,071 to Rs 8,500, that is by 40 percent.
230. As regards the monthly Basic Retirement Pension, let me recall that between December 2014 and December 2017 we have increased it from Rs 3,500 to Rs 5,450. In January 2018 we have further increased it to Rs 5,810. Since December 2014 to date the BRP has thus gone up by more than 65 percent.

Enhancing Consumer Welfare

231. I will now announce our measures to enhance consumer welfare.

- First, regulations under the Hire Purchase and Credit Sale Act will be amended to remove any surcharge on late payments;
- Second, the Ombudsperson for Financial Services Bill is being finalized in consultation with relevant stakeholders to better protect consumers of banking and financial services;
- Third, Blood Glucose Strips will be placed on the list of controlled commodities under the maximum mark-up system. This should result in a decrease of between Rs 40 and Rs 170 per pack of 50 strips; and
- Fourth, there will be stricter control on the quality of consumer goods produced both locally and imported.

232. Madam Speaker, let me now come to the issue of petroleum prices. Due to the surging price of petroleum products on the world market in recent months, there has been an increase in the prices of Mogas and Gas Oil locally. Today, as a gesture of solidarity with consumers, I am pleased to announce that:

- First, the price of Mogas will be reduced by Rs 2.35 per litre, that is, from Rs 52 to Rs 49.65; and
- Second, the price of Gas oil (Diesel) will be reduced by Rs 1.90 per litre, that is, from Rs 41.90 to Rs 40.

233. And it is not all. In spite of an increase in the price of LPG on the world market we have not raised the price locally for LPG for domestic use, which is subsidised by Government. Today, in our determination to further enhance consumer welfare, especially for families with modest income, I am announcing a reduction in the price of a cylinder of LPG of 12 kg by Rs 30, that is, from Rs 270 to Rs 240.

Consolidating Our Welfare State

234. I will now elaborate on our policies to consolidate our welfare state and give more support to the poor and vulnerable.

235. The progress we are making on combating poverty is exemplary.

236. This Government has gained the right perspective on poverty.

237. As success breeds success, we will continue our relentless resolve by taking more families out of poverty.

238. We are thus providing for reinforcing the Case Management Approach under the Empowerment Support Scheme in the Marshall Plan as follows:

- First, we will double the number of social field workers to sixty;
- Second, the unemployed who are benefiting from training and placement opportunities will henceforth be offered start-up tool kits to enable them to practice and work on their own and to start a business; and
- Third, I am providing for the construction of a housing unit for some 200 families who have land but not the means to build a house.

239. In all, we are making a total provision of Rs 760 million in this Budget for poverty alleviation and empowerment of the poor and vulnerable groups.

240. To improve outcomes from the funds utilised to combat poverty and alleviate social problems, a coordinated approach with regard to disbursement of funds to NGOs will be introduced. The National CSR Foundation will be the central body to receive and allocate public funds to NGOs.

241. As regards the CSR, private firms will have to remit, as from January 2019, 75 percent of their CSR contribution to the MRA, as announced two years ago. However, for CSR programmes which have already started and which are in accordance with the guidelines set by the National CSR Foundation, firms will be allowed, upon approval by the Foundation, to retain an additional amount of up to 25 percent.
242. I now come to our Social Aid system.
243. I am doubling the kind assistance for wheelchairs, hearing aids, spectacles and dentures to Rs 30 million.
244. The income threshold for persons to benefit from legal aid will be raised from Rs 10,000 to Rs 15,000.
245. I am also raising the monthly carer's allowance to bed-ridden persons under the Basic Invalid Pension from Rs 2,500 to Rs 3,000.
246. To increase the mobility of disabled persons, I am providing full duty exemption on the purchase of a motor car of engine capacity of up to 1,600 cc.
247. We will also invest to make it easier for disabled persons to have access to public buildings.
248. To support the rehabilitation and reintegration process of children in distress, I am providing for a new shelter at Pointe Aux Sables at a cost of Rs 60 million.

249. And provision is being made for upgrading of the following shelters: Oasis at Grand River North West, La Colombe at Pointe Aux Sables and Oiseau du Paradis at Cap Malheureux.
250. We are also providing for 4 psychiatric nurses to assist children with behavioural problems.
251. I am providing for the construction of 9 new children playgrounds and the upgrading of 19 existing playgrounds across the island.

VIII. STRENGTHENING OUTER ISLANDS DEVELOPMENT

252. Madam Speaker, on our Transformative Journey it will be important that we deepen the integration of outer islands in the development mainstream.
253. I am providing a total budget of Rs 5 billion for the sustained socio-economic development of Rodrigues. The total budget of the Rodrigues Regional Assembly amounts to Rs 3.5 billion and a further amount of Rs 1.5 billion is being provided from the votes of different Ministries and Departments.
254. A Technology Park will be constructed in Rodrigues to promote entrepreneurship and employment in the field of ICT.

255. The new runway at Plaine Corail Airport is another landmark project, which will further improve air connectivity, tourism development and socio-economic conditions in Rodrigues Island. The project will cost around Rs 3.2 billion and works are expected to start in mid-2019.
256. As regards Agalega, I am making a historic announcement. For the first time, the inhabitants will, as from September 2018, have internet connectivity through satellite bandwidth.
257. In addition, I am providing in this budget for a number of projects to lift up the well-being of our compatriots in Agalega.
- First, the EDB will work towards the development of fishing and seafood hubs in Agalega and other outer islands;
 - Second, 50 housing units will be constructed by the NHDC;
 - Third, an initial engineering study for a sewerage system to preserve the fragile ecosystem;
 - Fourth, construction of a new dispensary at La Fourche;
 - Fifth, additional equipment for increased production of coconut oil and onion;

- And sixth, to ensure safe and timely transportation of fuel and food provisions to Rodrigues and Agalega, the Mauritius Shipping Corporation Ltd will acquire a new multipurpose cargo vessel with a capacity of 700 containers. This vessel will also be used to strengthen inter-regional maritime trade opportunities with Eastern Africa.

258. Madam Speaker, Government is sparing no efforts for the completion of the decolonization of Mauritius so that we can effectively and fully exercise our sovereignty over the entirety of our territory, including the Chagos Archipelago.

259. Mauritius will take part in the public hearings which the International Court of Justice will hold in September 2018 in the context of the request by the UN General Assembly for an Advisory Opinion of the Court on the legal consequences of the separation of the Chagos Archipelago from Mauritius in 1965. I am providing the necessary funds for that purpose.

IX. SOUND MACROECONOMIC FUNDAMENTALS

260. As in the past three and a half years under the stewardship of this Government, fiscal integrity will remain a cornerstone of our macroeconomic policies.

Budget Outturn

261. The Budget Deficit for the current fiscal year would turn out to be 3.2 percent of GDP, with total revenue of Rs 106.8 billion and total expenditure of Rs 122.3 billion.
262. The deficit in the recurrent budget would be lower at 1.7 percent of GDP compared to the previous Estimates of 2 percent.
263. As for public sector debt, it is estimated to decline from 64.8 percent of GDP at end June 2017 to 63.4 percent by end June 2018.

Budget Estimates for 2018-19

264. I will now summarize the Budget Estimates for 2018-19. Total expenditure will amount to Rs 133.8 billion, of which Rs 115.9 billion for recurrent spending and Rs 17.9 billion for capital expenditure. The revised estimate for capital spending in 2017-18 is Rs 15.7 billion.
265. Total revenue is estimated at Rs 117.4 billion, including tax receipts of Rs 99.7 billion, non-tax and other revenue of Rs 8.8 billion and grants of Rs 8.9 billion.
266. The overall budget deficit for 2018-19 will amount to Rs 16.3 billion, that is 3.2 percent of GDP.

267. An amount of Rs 9.5 billion has also been provided by way of loans and equity injection for implementation of various projects. This will bring the total capital outlay in the Budget to Rs 27.4 billion.
268. On the financing side, during 2018-19 we will be borrowing Rs 2.6 billion from foreign sources while we will be repaying Rs 4.4 billion of foreign loans. We will be raising some Rs 27.4 billion, on a 'net basis', from domestic sources.

Public Sector Debt

269. With the policies and proposals announced in this Budget, we expect public sector debt to further decline to 63.1 percent of GDP by end June 2019.
270. The share of foreign debt in total public-sector debt will be further brought down to 18 percent from 19.5 percent at present.
271. I would here like to reiterate the commitment of Government to continue to pursue sound fiscal policies in order to bring down the public sector debt to GDP ratio to the statutory level.

Strengthening Accountability and Transparency

272. I believe that taxpayers deserve the utmost in accountability and transparency. Each ministry and department is required to submit an annual report on its performance every year. Yet the level of compliance is still around 80 percent only. I am therefore requiring that by December 2018, we need to have a compliance rate of 100 percent.
273. On expenditure management we cannot overlook the weaknesses that the Director of Audit has brought to light. When things go wrong in public finance, we must get them right. The Finance and Audit Act will be amended for Ministries and Departments to include an implementation plan in their Annual Report for preventing recurrence of shortcomings reported by the Director of Audit.

Tax Policies

274. I will now announce our tax policies.
275. The Solidarity levy on telephony service providers which was introduced in 2009 will be extended until June 2020. And the requirement for book profit of a company to exceed 5 percent of its turnover to be liable to the levy is being removed.
276. The current formula for Special Levy on Banks which is scheduled to end by June 2018 will be maintained up to June 2019.

277. A final withholding tax of 10 percent will be introduced on the winning amount exceeding Rs 100,000 obtained from the Mauritius National Lottery - 'Lotto' and Government Lotteries - 'Loterie Verte'. The 10 percent tax will also apply to winnings in excess of Rs 100,000 in casinos and gaming houses.
278. I now turn to income tax.
279. Madam Speaker, the flat income tax rate of 15 percent for all individuals is an unfair taxation model with negative consequences on our socio-economic fabric.
280. Indeed, between 2006 and 2014, income inequalities have been on the rise, with a decline in the purchasing power of the poor and the middle-income class.
281. The very essence of our Government is to work towards reducing the gap between the rich and the poor and incentivise people to work. Sustainable economic growth and economic development cannot be achieved without the integration of the population, social justice and economic empowerment.
282. This is why, since my first year as Minister of Finance in this Government's mandate, I implemented a monthly subsistence allowance for some 6,400 individuals who were on the Social Register to completely eradicate absolute poverty in this country.

283. Last year, we introduced an innovative model of taxation, the negative income tax regime for all working individuals earning less than Rs. 9,900 monthly. This historic measure is so far supporting some 75,000 working individuals. We also implemented the national minimum wage to ensure that no individual is today paid a meagre salary for the hard work they are doing.
284. Madam Speaker, just as we give support to the lower end, we are in no way forgetting the middle class.
285. Since December 2014, we have engaged in corrective measures to bring social justice to the middle-income earners. Since the Government's first budget, we have increased the income exemption threshold by a minimum of Rs. 25,000 for those with no dependent and some Rs. 65,000 for those with dependents.
286. This year, we are going much further.
287. We are increasing the income exemption threshold of all employees by Rs 5,000. Hence, an employee with an annual income of Rs 305,000 will not have to pay any income tax.
288. Madam Speaker, when we look at the latest figures from Statistics Mauritius, more than 60,000 employees today gain less than Rs 50,000 monthly. It is unfair to put the same taxation burden on them.

289. That's why, for those earning between Rs 305,000 and Rs 650,000 annually, I am decreasing the income tax rate from 15 percent to only 10 percent.
290. Income tax payers earning a maximum of Rs 50,000 monthly will hence pay up to Rs 18,000 less in income taxation annually.
291. Madam Speaker, this is an unprecedented measure which will increase the income of households and offer a much-needed respite to the middle-income class.
292. Madam Speaker, this measure will bring greater fairness and equality in our tax model and a higher level of social equity.
293. Madam Speaker, we are going further in our income tax reforms.
294. For employees who receive a lump sum as severance, pension or retiring allowance, we are increasing the exemption threshold from Rs 2 Million to Rs 2.5 Million.
295. Madam Speaker, we are aware that a number of retired individuals continue to receive a minimum emolument amount and we do not want to burden them with excessive taxation.
296. Madam Speaker, a retired person will now be eligible to the enhanced income exemption threshold granted to retirees even if he derives emoluments provided that such income does not exceed Rs 50,000 in an income year.

297. Before concluding, I would like to express my appreciation to all the organizations, professional groups that presented papers, as well as to all Mauritians who have taken time to express their insights and ideas on what this Budget should be about. Their contributions have indeed helped to shape this Budget.
298. Let me also announce that the Budget Speech documents include an Annex which is an integral part of the Budget and which gives greater details on some of the measures, policies and legislative amendments. We are also circulating a Budget Supplement on the performance of the economy and the 3-Year Rolling Plan.
299. And I would like to thank the Financial Secretary, the staff at the Ministry of Finance and Economic Development and my staff and advisers at the Prime Minister's Office who have worked diligently on this Budget. Let me also express my gratitude to all my colleague Ministers, Parliamentary Private Secretaries and Members of the National Assembly for their contribution.

X. CONCLUSION

300. I shall now conclude.
301. Madam Speaker, the past fifty years have been a remarkable testimony of Mauritian hard work, ingenuity, talent, and dedication of which we can all be proud.

302. There were times along our journey when our nation faced fundamental challenges and made vital and game-changing choices.
303. Today, I am confident that Budget 2018-19 charts the right pathways and make the right choices to continue building up the strengths of our economy and society.
304. I have no shred of a doubt that we are facing the challenges of today with much resolve, together - Government, private sector and the civil society - to continue building up the foundations of a strong, sustainable and inclusive economic and societal pathway which shall shape the character of our nation in the years to come.
305. Let it be said by future generations that we set the right goals, that we worked hard to achieve them and that we created a strong foundation on which they can in turn build for their future.

I now commend the Bill to the House.

Annex

To

Budget Speech

2018 – 2019

BUDGET MEASURES

EXPLANATORY NOTES

MAIN PROVISIONS TO BE INCLUDED IN –

THE FINANCE (MISCELLANEOUS PROVISIONS) BILL 2018

Table of Contents

Part A – Taxation and Public Finance	1
A.1. Income Tax	1
A.2. Customs Duty.....	10
A.3. Excise Duty	11
A.4. Road Tax on Single/Double Space Cabin Vehicle.....	12
A.5. Value Added Tax.....	12
A.6. Tax Administration.....	14
Part B – Other Budget Measures.....	25
B.1. Single Licensing Agency	25
B.2. Processing Work Permit Applications	25
B.3. Refund of Training Cost.....	26
B.4. Improving Safety and Security at the Airport.....	27
B.5. Lease of State Lands– Facilities for Hotel Reconstruction and Renovation	27
B.6. National Regeneration Scheme.....	28
B.7. Research and Innovation Schemes	29
B.8. Recycled Telecommunication and Electronic Devices.....	29
B.9. Improving Safety in our Schools	30
B.10. Energy Efficiency Labelling	30
B.11. Transition to Green Energy	30
B.12. Boosting Small and Medium Enterprises	31
B.13. Road Safety	31
B.14. IT Infrastructure	32
B.15. Citizens Facilitation	32
B.16. Access to Key Information.....	33
B.17. Insurance Premium waiver for 2018 crop	33

B.18.	Incontinence Allowance to Elderly Persons	33
B.19.	Harnessing Artificial Intelligence to Foster Innovative Entrepreneurship.....	34
B.20.	Use of Pepper Spray	35
B.21.	Funeral Incinerators	35
B.22.	Social Housing	36
B.23.	Indian Ocean Island Games	36
Part C – Other Legislations.....		37
C.1.	Banking and Non-Bank Financial Services.....	37
C.2.	Cadastral Survey Act.....	42
C.3.	Companies Act.....	43
C.4.	Consumer Protection (Price and Supplies Control) Act	44
C.5.	Co-operatives Act.....	44
C.6.	Economic Development Board Act	44
C.7.	Employment Rights Act	46
C.8.	Environment Protection Act	46
C.9.	Finance and Audit Act	50
C.10.	Finance (Miscellaneous Provisions) Act 2017	50
C.11.	Financial Reporting Act	50
C.12.	Foundations Act	50
C.13.	Gambling Regulatory Authority Act.....	50
C.14.	Human Resource Development Act.....	52
C.15.	Immigration Act	53
C.16.	Insolvency Act	53
C.17.	Law Practitioners Act and Law Officers Act	54
C.18.	Legal Aid and Legal Assistance Act	54
C.19.	Limited Liability Partnerships Act.....	54
C.20.	Limited Partnerships Act.....	55
C.21.	Local Government Act.....	55

C.22. Mauritius Fire and Rescue Act.....	56
C.23. Mauritius Standards Bureau Act.....	57
C.24. Morcellement Act.....	57
C.25. Non-Citizens (Employment Restriction) Act.....	58
C.26. Nursing Council Act.....	58
C.27. Passports Act.....	58
C.28. Protection of Human Rights Act.....	58
C.29. Public Procurement Act.....	59
C.30. Rajiv Gandhi Centre Science Centre Trust Fund Act.....	59
C.31. Road Traffic Act.....	59
C.32. Statutory Bodies (Accounts and Audit) Act.....	59
C.33. Sugar Insurance Fund Act.....	60
C.34. Town and Country Planning Act.....	60
C.35. Miscellaneous.....	60
Appendix I.....	i

Acronyms

AI	Artificial Intelligence
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
BoM	Bank of Mauritius
CSR	Corporate Social Responsibility
EDB	Economic Development Board
EDRTS	Expeditious Dispute Resolution of Tax Scheme
EIA	Environmental Impact Assessment
FSC	Financial Services Commission
IPSAS	International Public Sector Accounting Standards
KYC	Know Your Customer
MLIRET	Ministry of Labour, Industrial Relations, Employment and Training
MRA	Mauritius Revenue Authority
NELS	National Electronic Licensing System
NPF	National Pensions Fund
NRS	National Regeneration Scheme
NSF	National Savings Fund
OECD	Organisation for Economic Co-operation and Development
PAYE	Pay As You Earn
PER	Preliminary Environment Report
PIN	Parcel Identification Number
PIS	Passenger Information System
RSL	Regulatory Sandbox License
SMEs	Small and Medium Enterprises
SSS	State Secondary School
TDS	Tax Deduction at Source
VAT	Value Added Tax

Part A – Taxation and Public Finance

A.1. Income Tax

(a) Negative Income Tax

The Negative Income Tax is an innovative measure which has been introduced to provide financial support to low income employees deriving emoluments less than or equal to Rs 9,900 per month.

The Income Tax Act will be amended, with effect as from 1st July 2017, to ratify the decision of Government to relax the eligibility criteria and conditions for paying the Negative Income Tax as follows –

- (i) the Negative Income Tax allowance is now computed on the basis of the monthly basic salary instead of total earnings criteria. However, an employee whose monthly total earnings exceed Rs 20,000 will not be eligible to Negative Income Tax. This will ensure that employees performing overtime are not penalised and that the Negative Income Tax does not act as a disincentive to additional work;
- (ii) the condition that the beneficiary should be in full-time employment has been waived. However, to be eligible, a part time employee should work for a minimum of 24 hours over at least 3 days in a week;

- (iii) the condition that the employee has to be in continuous employment for the preceding 6 months has been removed. An employee earning basic salary not exceeding Rs 9,900 is thus eligible for the Negative Income Tax in the month he takes up employment;
- (iv) an employee is eligible to Negative Income Tax if his/her monthly income does not exceed Rs 9,900 and that of his or her spouse does not exceed Rs 30,000. The initial condition was that an employee would not be eligible to the Negative Income Tax if the aggregate monthly income of the employee and that of his or her spouse exceeded Rs 30,000; and
- (v) both the employee and the employer were required to be up to date with all their contribution payments to the National Pensions Fund (NPF) and the National Savings Fund (NSF). This condition has been changed so that an employee will benefit from the Negative Income Tax once the contribution to the NPS and the NSF is paid in respect of the month in which the Negative Income Tax is being claimed.

In addition, the Mauritius Revenue Authority (MRA) will pay the Negative Income Tax allowance on a monthly basis, not later than one month following the date on which the employer files the Pay As You Earn (PAYE)/NPF/NSF return for the concerned month.

The requirement for a full time employee to compulsorily register for the allowance will be removed as his employer would provide the relevant information in the monthly PAYE/NPF/NSF return.

(b) Allowance payable under the Additional Remuneration and Other Allowances (2018) Act 2017 to supplement the National Minimum Wage.

The basic salary for considering the eligibility to the allowance shall be the monthly basic wage payable to an employee in accordance with the relevant Remuneration Order or contractual monthly salary before any deduction for unpaid leaves or absences.

(c) Income Exemption Thresholds

Increase in the income exemption thresholds by Rs 5,000 as shown in table below.

Category	From	To
A. Individual with no dependent	Rs 300,000	Rs 305,000
B. Individual with one dependent	Rs 410,000	Rs 415,000
C. Individual with two dependents	Rs 475,000	Rs 480,000
D. Individual with three dependents	Rs 520,000	Rs 525,000
E. Individual with four or more dependents	Rs 550,000	Rs 555,000
F. Retired/disabled person with no dependent	Rs 350,000	Rs 355,000
G. Retired/disabled person with dependents	Rs 460,000	Rs 465,000

These new thresholds will be effective as from income year starting on 1st July 2018, i.e. on income received by an individual as from 1st July 2018.

(d) Introduction of a Tax Band of 10%

An individual having annual net income of up to Rs 650,000, will be taxed at the rate of 10% instead of 15%.

(e) 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 be raised as follows –

- if abroad, from Rs 135,000 to Rs 200,000; and
- if in Mauritius, from Rs 135,000 to tuition fees paid in a year in excess of Rs 135,000 up to Rs 175,000.

(ii) Income Exemption Threshold for a Retired Person

A retired person who in an income year derives emoluments not exceeding Rs 50,000 will be eligible to the enhanced income exemption thresholds granted to retirees.

(iii) Rain Harvesting Investment Allowance

An individual investing in a rainwater harvesting system for his house will be allowed to deduct from his taxable income the total amount invested in such a system, including consultancy and design, earthworks, gutters and specialised water tanks.

(iv) Interest Relief

The profit charge payable under an Islamic Financing Arrangement for the construction of a house will qualify for interest relief if the arrangement is secured on immovable property.

(v) Exempt Income

- The exemption threshold on the lump sum received as severance allowance, pension or retiring allowance will be raised from Rs 2 million to Rs 2.5 million.
- The Insurance Industry Compensation Fund will be exempted from income tax.

(f) Income Tax on Winnings

A final withholding tax of 10% will be introduced on winning amount exceeding Rs 100,000 obtained from the Mauritius National Lottery – ‘Lotto’ and Government Lotteries – ‘Loterie Verte’. The 10% tax will also apply to winnings in casinos and gaming houses in excess of Rs 100,000.

(g) Investment Tax Credit

An investment tax credit of 5% over 3 years will be granted in respect of expenditure in new plant and machinery (excluding motor cars) by a company importing goods in semi knocked-down form on the condition that at least 20% local value addition is incorporated therein. The credit will be available in respect of investment made up to 30th June 2020.

(h) Review of Taxation of Global Business Companies

The Deemed Foreign Tax Credit regime available to companies holding a Category 1 Global Business Licence will be abolished as from 31st December 2018.

A partial exemption regime will be introduced whereby 80% of specified income will be exempted from income tax. The exemption will be granted to all companies in Mauritius, except banks, and shall apply to the following income –

- (i) foreign source dividends and profits attributable to a foreign permanent establishment;
- (ii) interest and royalties; and
- (iii) income from provision of specified financial services.

Companies licensed by the Financial Services Commission (FSC), claiming the partial exemption, will have to satisfy pre-defined substantial activities requirement of the Commission.

The existing credit system for relief of double taxation will continue to apply where partial exemption is not available.

The Category 2 global business regime will be abolished and the Income Tax Act provisions applicable to that regime will be reviewed accordingly.

The current regime will continue to apply until 30th June 2021 for companies, which have been issued a licence prior to 16th October 2017.

(i) Taxation of Banks

The Deemed Foreign Tax Credit regime available to banks will be abolished as from 1st July 2019.

In its place, a new regime specific for banks will be introduced which will make no distinction between Segment A and Segment B income. The tax rates will be as follows –

- (i) chargeable income up to Rs 1.5 billion will be taxed at 5 %;
and
- (ii) chargeable income above Rs 1.5 billion will be taxed at 15%.

In addition, an incentive system will be introduced for banks having chargeable income exceeding Rs 1.5 billion. Under this system, any chargeable income in excess of the chargeable income for a set base year will be taxed at a reduced tax rate of 5% if pre-defined conditions are satisfied.

(j) Special Levy on Banks

The Special Levy on Banks is currently –

- (i) 10% of chargeable income for Segment A banking business; and
- (ii) 3.4% on book profit and 1% on operating income for Segment B banking business.

The current formula which is scheduled to end by June 2018 will be maintained up to June 2019.

The Special levy under the Income Tax Act will be removed with effect from 1st July 2019. A Special levy will be introduced under the Value Added Tax Act and will be charged on the net operating income derived by banks from its domestic operations.

(k) Taxation of Artists

A registered unsalaried Mauritian artist, earning less than Rs 300,000 in a year, will be given the option to deduct 50% of earnings generated from his artistic work other than a literary work without having to document or specify his/her expenses.

An enterprise, not engaged in the business of buying and selling of artwork, will be allowed to deduct the cost of acquisition of artworks from a local artist up to a maximum of Rs 500,000 if they are displayed in the place of business where the public can view them and the artworks are kept for at least 3 years.

(l) Review of the Freeport Regime

The Freeport regime will be amended as follows –

- (i) the corporate tax exemption granted to freeport operators and private freeport developers on export of goods will be removed;
- (ii) Freeport operators and private freeport developers will continue to be exempted from the Corporate Social Responsibility (CSR) contribution;
- (iii) the current tax regime will continue to apply until 30th June 2021 to companies which have been issued with a freeport certificate before 14th June 2018;

- (iv) repair and maintenance of heavy duty equipment will be introduced as a freeport activity;
- (v) an exhibition area being used for the purpose of vault activities will be authorised;
- (vi) the 50% cap imposed on sales of goods on the local market will no longer apply;
- (vii) the maximum period for warehousing of goods in the Freeport will be aligned to that of a bonded warehouse, that is 24 months. A moratorium period of 42 months will be granted on goods warehoused in the Freeport before 14th June 2018;
- (viii) provision of services relating to mobile capital will not be allowed within the Freeport. The holder of a freeport certificate, issued before 16th October 2017, may continue to provide services within the Freeport until 30th June 2021;
- (ix) manufacturing activities will not be allowed in the Freeport. A transitional period will be granted to existing manufacturing companies; and
- (x) enterprises outside the freeport zone will not be allowed to store goods in a freeport zone. However, authorisation already granted to a third party freeport developer to provide warehousing facilities to an enterprise outside the freeport zone for storage of goods will continue to apply until 30 June 2020.

(m) 3% Reduced Rate of Corporate Tax

The corporate tax rate of 3% applied on profits derived by any company from export of goods will be extended to global trading activities effected by companies.

(n) Taxes and Levies under Income Tax Act

(i) Solidarity Levy on Telephony Service Providers

The Solidarity levy on telephony service providers [5% of book profit + 1.5% of turnover], which was introduced in 2009 and subsequently extended, will be further extended for 2 years, that is up to June 2020.

The levy will be payable by profitable companies. The requirement for book profit of a company to exceed 5% of its turnover to be liable to the levy will be removed.

(ii) Corporate Social Responsibility

Companies will not be allowed to offset any unused tax credit such as the foreign tax credit against CSR payable. Companies which have been granted tax holidays will be required to contribute to CSR.

A.2. Customs Duty

(a) Import in Semi Knocked-Down Condition

Goods imported in semi knocked-down condition will be exempted from customs duty, provided there is at least 20% value addition domestically.

(b) Acoustic Doors and Iron Bars

The 15% customs duty on acoustic doors and the 10% customs duty on iron bars will be abolished.

(c) Mixture of Edible Oil

Presently, imported non-blended edible oil is subject to 10% customs duty whereas blended oil is duty free. To correct this anomaly, customs duty on imported blended oil will be aligned to 10%.

A.3. Excise Duty

(a) Disabled Persons

Presently, a concessionary rate of excise duty of 15% (instead of 45%) is granted on a motor car of up to 1,450 cc to a disabled person or a parent/legal guardian of a disabled person. To encourage mobility of disabled persons, full duty exemption on a motorcar of up to 1,600 cc will be granted.

(b) Hydroponic Activities

Full duty exemption on the purchase of a single/double space cabin vehicle will be extended to a planter engaged in hydroponic activities.

(c) Plastic containers

An excise duty of Rs 2 per unit on non-biodegradable disposable plastic containers, namely take-aways, plates, bowls, cups, and trays, will be introduced with effect from 1st February 2019.

(d) Utility Task Vehicles (also known as buggies)

Following a change in the domestic classification of a Utility Task Vehicle (also known as buggy) from pick-up type vehicle to motorcar on the advice of the World Customs Organisation, it is now subject to 45% excise duty, as for motorcars of 551–1,000cc. However, these vehicles are not used on public roads but rather in leisure parks. To correct this anomaly in rate, the excise duty will be adjusted downwards to 10% as was the case previously.

A.4. Road Tax on Single/Double Space Cabin Vehicle

The concessionary road tax (Rs 4,000 instead of Rs 13,000), granted to planters, breeders and fishermen, will be extended to include farmers engaged in sheltered farming, poultry breeders and growers of fine herbs on commercial scale.

A.5. Value Added Tax

(a) VAT Refund Scheme

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

- | | |
|-----------------------|-----------------------------------|
| (i) Branch chopper | (iv) Handy blower |
| (ii) Earth auger | (v) Irrigation hose |
| (iii) Fogging machine | (vi) Mini tiller, including blade |

In addition, a planter will also benefit from VAT refund on the following services –

- (i) Land preparation works; and
- (ii) Rental of land leased for agricultural purposes

A new category of beneficiary will be added namely local artists registered with the Mauritius Society of Authors. They will benefit from refund of VAT paid on musical instruments including guitar, drum set, dhol, flute, and violin.

(b) Supply of Manual Labour in the Agricultural or Construction Sector

The supply of manual labour by an individual, such as a *sirdar* or a labour contractor, to a VAT-registered person, operating in the agricultural or construction sector, will be made VAT exempt.

(c) Burglar Alarm Systems

It is being clarified that the services related to upgrading, repairs and maintenance, patrol and monitoring or rental of burglar alarm systems will be zero-rated for VAT purposes.

(d) Public Buses

The VAT exemption granted on bus bodies built on chassis for semi low-floor buses will be extended to cover bus bodies built on chassis for all buses meant for public transport.

(e) Examination of Vehicles (Fitness)

The zero-rating of fees payable for the examination of vehicles will be extended by another two years up to 30th June 2020.

(f) Photovoltaic System

Presently, no VAT is payable on photovoltaic panels, generators, batteries and inverters. Henceforth, all components forming an integral part of a photovoltaic system will not be subject to VAT.

(g) Recovery of VAT in Hospitality Sector

It is being clarified that a VAT-registered person, whose main activity is the supply of accommodation, catering, entertainment or rental/lease of motor vehicles services, will be able to recover VAT paid on these activities.

(h) Watch Straps

VAT will be abolished on watch straps, other than those made of precious or base metal.

(i) Anti-Smoking Tablets

VAT exemption granted on anti-smoking chewing gums and patches will be extended to cover anti-smoking tablets.

(j) Claw Back of VAT on Capital Goods

A number of operators register voluntarily for VAT purposes solely for benefitting from VAT refund on capital goods, following which they de-register. To avoid abuse of the system, MRA will be empowered to claw back VAT refunded on capital goods exceeding Rs 100,000 (other than building) in such cases.

A.6. Tax Administration

(a) Tax Administration: General

(i) Authorisation to Conduct Prosecution for Offences

Presently, only officers of the Legal Services Department of the MRA are authorised to conduct the prosecution for offences under the Revenue Laws before any court except the

Supreme Court. To cope with the increasing number of cases, this authorisation will be extended to include any competent officer designated by the Director-General.

(ii) 5% Payment on Objection

Currently, a person dissatisfied with a tax assessment made by the MRA and the Registrar-General's Department pays 10% of the amount assessed prior to lodging an objection. He will be required to pay an additional 5% if he is still not satisfied with a determination at objection and intends to appeal before the Assessment Review Committee.

(iii) Return of Information

Casinos, Gaming Houses and bookmakers/totalisators will be required to submit a return of information to the MRA on wins exceeding Rs 100,000 giving the name, address and National Identity Number of the winners.

(iv) Efficient Recovery of Arrears of Revenue

Provision will be made in the Mauritius Revenue Authority Act for enforcement actions regarding arrears of revenue instead of in the various revenue laws. This will allow the MRA to streamline its actions for efficient recovery of debts.

(v) Allocation of Payment of Arrears

Being given that the MRA is acting as collecting agent for various government agencies, the MRA will set rules as to the order in which the different tax debts and other debts will be cleared.

(vi) Expeditious Dispute Resolution of Tax Scheme

The Expeditious Dispute Resolution of Tax Scheme (EDRTS), targeting settlement of disputes of less than Rs 10 million, will be extended to assessments raised from 1st July 2015 to 30th June 2016.

(vii) Alternative Tax Dispute Resolution

If a taxpayer does not agree with the decision of the Alternative Tax Dispute Resolution Panel and the case is referred back to the Objection Directorate of the MRA, the time limit for determination starts as from that date and not the date the objection was initially lodged. This principle will apply to assessments raised by the MRA under the Gambling Regulatory Authority Act.

(viii) Electronic Submission of Declaration of Assets

Provision will be made for an employee of the MRA to submit his Declaration of Assets electronically.

(b) Tax Administration: Income Tax

(i) Statement of Assets and Liabilities by High Net Worth Individuals

An individual who derives net income and exempt income exceeding 15 million rupees in an income year or owns assets the cost of which exceed 50 million rupees, is required to submit a statement of assets and liabilities together with his income tax return.

The Income Tax Act will be amended to ratify the decision taken to extend by one year the due date for submission of the statement, i.e. together with the income tax return for the income year starting on 1st July 2017.

Furthermore, an amendment will be made to specify that an individual, who has submitted his income tax returns during the last five years, will not be required to submit a statement of assets and liabilities, along with his/her income tax return.

(ii) Tax Deduction at Source

Tax Deduction at Source (TDS) will be extended to 'commission payment' at the rate of 3%. In addition the TDS rate applied on rent paid to a non-resident will be increased from 5% to 10%.

TDS will not apply to director fees.

(iii) Exchange of Information with Other Countries

Penalties will be imposed on a person who fails to furnish information needed for automatic exchange of information with other countries.

(iv) Additional Assessment

The provisions regarding an amended assessment by the MRA will be reviewed and an objection and appeal procedure will be set out for any additional assessment raised by the MRA.

(v) Islamic Finance

The income tax exemption granted on interest income received from debentures and bonds quoted on the stock exchange will be extended to returns from sukuks.

(c) Tax Administration: Customs

- (i) The definition of security (i.e. guarantee) will be enlarged so that it covers not only payment of duties and taxes but also instances where compliance with the conditions of the Customs Act require a security.
- (ii) A definition of Single Window, which is an electronic platform for a single entry point for the submission of data required to obtain permits/authorisations, will be introduced.
- (iii) Due to a dynamic environment, any ruling on the classification or origin of goods will henceforth be time bound for a period of three years. Any person dissatisfied with the ruling will be given the right to appeal.
- (iv) In case an imported good, on which taxes have been paid, is found to be prohibited and the importer exports the good, MRA will be authorised to refund taxes paid thereon to the importer.
- (v) The agent of a landing aircraft will, henceforth, be required to submit a statement of cargo movement electronically instead of manually.

- (vi) The powers of MRA to combat the sale of counterfeit goods will be reinforced by allowing it not only to seize counterfeit goods placed on the local market for sale but also those concealed in warehouses and other places.
- (vii) Bonded warehouses will be required to be equipped with CCTV cameras to reinforce the control of movement of goods.
- (viii) The powers of MRA to perform security check will not be restricted to a passenger but will be extended to cover any person circulating in a customs area.
- (ix) In case there is suspicion of money laundering, MRA will be empowered to detain undeclared currency exceeding Rs 500,000 of an incoming or outgoing passenger for a reasonable time to carry out an investigation.
- (x) Presently, any person importing goods with a value exceeding Rs 30,000 for personal use by post or courier services is required to hire the services of a customs broker to make a Bill of Entry. With a view to reducing cost and facilitating e-commerce, only a simplified form will have to be submitted for the clearance of goods for personal use irrespective of the value.
- (xi) The tax-free allowance of an incoming passenger in respect of goods in his accompanying luggage will be doubled to Rs 30,000 for an adult and Rs 15,000 for a child.

- (xii) Presently, an incoming passenger is entitled to tax-free purchase of one litre of spirit (e. g. whisky, rum, gin) and two litres of wine, ale or beer. The tax-free allowance of a passenger will henceforth be as follows –
 - a. one litre of spirit and two litres of wine; or
 - b. two litres of spirit; or
 - c. four litres of wine.
- (xiii) With a view to facilitating trade and reducing cost to the importer, the Environment Protection Fee on imported mobile phones, batteries for motor vehicles and tyres will be payable at MRA Customs at the time of clearance of goods instead of the MRA Head Office.

(d) Tax Administration: Value Added Tax

- (i) Presently, a VAT-registered person pays VAT on import of capital goods and then claims a refund of the VAT paid in his VAT return. To ease the cash flow of businesses, a VAT-registered person will henceforth not be required to pay VAT on import of capital goods in case the VAT payable exceeds Rs 150,000. However, the VAT-registered person will still have to declare the import in his VAT return.
- (ii) A VAT-registered person who submits his return electronically also has to submit electronically a consolidated list of the taxable supplies made to any person, other than a final consumer. For taxpayer facilitation, the list will henceforth be submitted in terms of serially numbered invoices, that is, invoice-wise instead of taxpayer-wise.

- (iii) Penalty provisions will be introduced to deter misuse of or tampering with an Electronic Fiscal Device.

(e) Tax Administration: Excise

- (i) The definition of beer will be enlarged to cover manufacturing of beer from agricultural products other than malt.
- (ii) Presently, it is mandatory to affix tax stamps on bottles of spirits, such as whisky and rum, to combat tax evasion and smuggling. This obligation will be extended to include bottles of beer and wine with a moratorium of nine months. MRA Customs will work out the modalities in consultation with stakeholders.
- (iii) Provision will be made to give an allowance of –
 - a. up to one percent for tax stamps that are damaged during the process of affixing the stamp on a bottle of spirit; and
 - b. up to five percent on the test result of the sugar content of sugar-sweetened non-alcoholic beverages.
- (iv) A returning citizen coming back to Mauritius with a collection of alcoholic products for personal use will be exempted from the requirement to purchase and affix tax stamps on the alcoholic products.

(f) Tax Administration: Advertisements Regulation Act

The owner of a registered advertising structure has to affix a registered mark on the structure for identification purposes. However, many owners are not complying with this requirement. To deter non-compliance, provision will be made to impose a penalty of Rs 10,000 for each quarter during which the registered mark remains un-affixed, up to a maximum of Rs 50,000.

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

(i) Review of Penalty

The graduated penalty, imposed in respect of land transfer tax and registration duty, based on the extent of undervaluation of an immovable property is being halved.

A penalty of 10% will be imposed where the difference between the market value of the property and the value declared in the deed is between 10% and 50% of the declared value.

A penalty of 25% will apply where the difference exceeds 50% of the declared value.

Interest will apply on the amount of tax or duty owed to the Registrar-General at the rate of 0.5 % per month up to a maximum of 50 % of the tax or duty remaining unpaid.

(ii) Introduction of e-payment facility for professionals

The Registrar-General will authorise certain categories of professionals (such as notaries, banks, attorneys) to pay an amount not exceeding Rs 2 million through the 'direct debit scheme' operated by the Bank of Mauritius. The Registration Duty Act and related laws will be amended accordingly.

Provision will also be made –

- a. for any such payment to be deemed to have been effected once the electronic instruction for payment is received by the Registrar-General even if same is yet to be cleared at the Bank of Mauritius (BoM) (i.e. similar to a cheque);
- b. in the event that there are insufficient funds in a person's bank account to honour a payment, this would constitute an offence. The professional will be debarred from this payment mode for future transactions and he will be liable to a penalty of 30% and interest at the rate of 2% per month on the amount remaining unpaid;
- c. the recovery powers of the Registrar-General shall apply to any duty and tax under the direct debit scheme; and
- d. the Registrar-General may waive any arising penalty and interest if he is satisfied that failure to comply was attributable to a just and reasonable cause.

(iii) Fresh site plan not required on registration

A fresh site plan shall not be required at registration provided that –

- a. the immovable property being transferred had already been assigned a Parcel Identification Number (PIN);
and
- b. there has been no change in the extent and boundaries of that property since the PIN issue date.

The notary will be required to annex to the new deed the existing site plan or copy of the PIN certificate and insert a clause in the deed to that effect.

(iv) Movable Collateral Registry

An electronic movable collateral registry will be set up at the Registrar-General's Department and search facility will be given to the public.

Part B – Other Budget Measures

B.1. Single Licensing Agency

A Single Licensing Agency will be set up to establish a one-window system for investors to apply for business permits and licenses. The Economic Development Board (EDB), which is already implementing the e-Licensing platform, will be the Single Licensing Agency for permits and licenses. EDB will receive applications, liaise with the relevant Ministries and Authorities for determination, and issue licenses and permits. Relevant Authorities will remain responsible for policy, enforcement and monitoring.

B.2. Processing Work Permit Applications

With a view to streamlining and expediting the processing of applications for work permit, the following measures will be taken –

- (a) the checklist for documents required for application of work permits will be reviewed;
- (b) applications, not supported by appropriate documents as per the checklist, will be classified as '*Missing Documents Cases*' and will not be entertained;
- (c) companies, having less than 20 employees, will no longer be required to advertise jobs in the press. Instead, they will use the facilities provided by the Employment Information Centres;

- (d) a special dedicated Unit will be set up at the Ministry of Labour, Industrial Relations, Employment and Training (MLIRET) to update information regarding accommodation permits and quotas of companies;
- (e) the policy regarding ratio of local workers to expatriates will be reviewed in respect of certain sectors;
- (f) the InfoHighway Platform will be accessible for sharing of data among MLIRET, Passport and Immigration Office and Prime Minister's Office;
- (g) a Dormitory Facilities Scheme will be introduced under which promoters/investors will be allowed to rent dormitories to employers for lodging their foreign labour;
- (h) late applications for work permit/renewal will be accepted against payment of penalties; and
- (i) companies will be allowed to effect payment for work permit fees within a maximum period of 30 days instead of 10 days.

B.3. Refund of Training Cost

In order to encourage employers to invest in continuous professional development of their employees for productivity gains, the refund of training cost for employers contributing to the National Training Fund will be increased from 60% to 70%. For Small and Medium Enterprises (SMEs), the refund of training cost will be increased from 60% to 75% as an additional incentive to upgrade the skills of their employees.

B.4. Improving Safety and Security at the Airport

With a view to enhancing the performance of airport rescue and fire-fighting services, an Aircraft Rescue and Fire Fighting Simulator will be acquired to increase the number of practical trainings towards handling any emergency relating to an aircraft.

To ensure national security and effective border control management, a Passenger Information System (PIS) will be implemented. The PIS will be designed to receive data from airlines and to act as a single window providing passenger information to law enforcement agencies. The system will also ease the identification of potentially high-risk passengers in the border management process.

B.5. Lease of State Lands– Facilities for Hotel Reconstruction and Renovation

The scheme for hotel reconstruction and renovation, which is ending on 30th June 2018, will be renewed for 2 years that is covering renovation/reconstruction which starts in the financial years 2018-2019 or 2019-2020.

Under the scheme, a hotel on State Lands that closes to undergo renovation or reconstruction is granted a reduction of 50 % in its rental payable in respect of its lease for a maximum of one year provided that the –

- (a) hotel had opted for a fresh lease under the Industrial Lease Policy; and
- (b) hotel safeguards employment, including the terms of service of all employees during the period of renovation/reconstruction.

B.6. National Regeneration Scheme

A National Regeneration Scheme (NRS) will be introduced under the Smart City Regulations. The NRS is an initiative to regenerate and revitalise the central areas of our cities, towns and large villages.

The EDB in consultation with the Ministry of Housing and Lands, Municipal Councils, District Councils and other stakeholders will identify areas and delineate the area of the towns and villages considered appropriate under the scheme. A town or village regeneration plan will be prepared for that area identifying buildings, groups of buildings and key infill sites where effective improvement may be achieved. Such a plan will be effective for a period of 2 years and it will also comprise improvement to the public realm. Any promoter or group of promoters intending to do a project within a selected area may submit their project for approval.

A package of incentives will be provided to an approved project including the following –

- (a) a property developer undertaking substantial renovation works on an existing building, demolishing and reconstructing an existing building or providing basement parking within an existing building will be eligible to the following incentives provided it is completed within 2 years from the approval date –
 - (i) be eligible to claim refund of VAT on buildings, capital goods, professional fees and fit-out works;
 - (ii) an investment income tax credit of 5% over 3 years over qualifying capital expenditure; and

- (iii) benefit from customs duty on import of construction materials, machinery, equipment and other inputs including on furniture in semi knocked down form on the condition that at least 20% local value addition is incorporated therein.
- (b) a 5-year income tax holiday on income derived from smart parking solutions and other green initiatives;
- (c) exemption from income tax over 2 years on newly rented space for cultural purposes or to artists as from the date the plan is approved; and
- (d) expenditure on approved renovation, embellishment works in the public realm by private companies as well as cleaning of public infrastructure will be deductible for income tax purposes.

B.7. Research and Innovation Schemes

The Mauritius Research Council will implement a number of Research and Innovation schemes including the Pole of Innovation, National SME Incubator and the Collaborative Research and Innovation Grant Scheme to usher the country on a higher growth trajectory.

B.8. Recycled Telecommunication and Electronic Devices

Necessary support will be provided to the private sector to encourage them to invest in recycling and refurbishment of telecommunication and electronic devices.

B.9. Improving Safety in our Schools

In order to contribute towards safety of students as well as school personnel and assets, emergency staircases will be constructed and fire alarm systems will be installed in 276 schools over the next 5 years.

Moreover, laybys are being constructed, in a phased manner, to cater for adequate security of staff and children especially where there is heavy flow of vehicles in the vicinity of the school.

To ensure that students develop and learn in a conducive environment, new schools along with necessary amenities will be constructed to replace the existing ones, at Ramsoondar Prayag State Secondary School (SSS), Renganaden Seeneevassen SSS, Emmanuel Anquetil SSS, Black River Government School and Labourdonnais Government School.

B.10. Energy Efficiency Labelling

In order to promote the judicious use of electricity, mandatory efficiency labelling will be extended to include air conditioners and washing machines. Also, a framework will be developed to encourage the use of efficient air conditioners.

B.11. Transition to Green Energy

With the objective of promoting production of electricity from renewable sources in Rodrigues, a 1 MWh battery energy storage system will be installed and the capacity of the solar photovoltaic farm at Grenade will be expanded by 800 kW to reach 1 MW in 2019.

B.12. Boosting Small and Medium Enterprises

In view of encouraging the emergence of SMEs, the following additional measures, as recommended in the 10 - Year SME Master Plan, will be implemented –

- (a) a Certification Scheme will be introduced to provide technical assistance to SMEs and cooperatives for accreditation to international standards and certifications;
- (b) an SME Productivity Improvement Programme will be launched to offer opportunities to SMEs to have access to technicians in order to review their operations for enhancing productivity and minimising waste;
- (c) a Foreign Expertise and Technical Assistance Scheme will be set up to boost the Handicraft Sector. This will bring innovation in product development, design in order to remain competitive on the market; and
- (d) a National Entrepreneurship Campaign will be undertaken to bring a new dynamism to the sector and to disseminate information on SME products and services.

B.13. Road Safety

In order to regulate the use of power assisted and electric cycles, regulations will be made to provide for necessary technical specifications for these two-wheelers.

B.14. IT Infrastructure

With the objective of ensuring a secured IT infrastructure, investments will be made in –

- (a) an Anti-Cyber Threat Monitoring System to better respond, monitor and coordinate cyber-threats at the national level;
- (b) a new Certification Authority for issuance of digital signatures in order to consolidate trust in electronic transactions; and
- (c) a Disaster Recovery Site at the Government Online Centre to ensure delivery of vital business processes and Government services on a 24/7 basis in a user friendly and fully secured manner.

B.15. Citizens Facilitation

In view of reducing administrative burdens on citizens and easing business processes, banks and insurance companies will be authorised to conduct the “Know Your Customer” (KYC) verifications online with the Civil Status Division system via the InfoHighway platform of the Ministry of Technology, Communication and Innovation.

The National Transport Authority is working on the online registration of Motor Vehicle Licenses which will allow vehicle owners to renew registration of their vehicles including payment of fees electronically.

B.16. Access to Key Information

With the objective of allowing better access to key information on crime rates, diseases, nearest health facilities, accident and flood-prone areas, the geospatial data will be added to the Open Data Portal to enrich the already available public datasets. Businesses and citizens will be empowered to develop mobile apps and to create innovative products in diverse fields.

B.17. Insurance Premium waiver for 2018 crop

Financial resources equivalent to the total amount of insurance premium payable by planters with up to 60 tons of sugar accrued in respect of the 2018 sugar crop will be made available to the Sugar Insurance Fund Board (SIFB).

B.18. Incontinence Allowance to Elderly Persons

Presently, around 1,500 elderly persons aged 75 years and above benefit from an Incontinence Allowance of Rs 450 monthly. These elderly persons –

- (a) are bedridden and suffer from incontinence, as certified by an approved medical practitioner; and
- (b) would have been eligible for Social Aid, if they were not in receipt of basic pensions.

In view of the increasing demand from elderly persons for the Incontinence Allowance, the existing facility will be extended to eligible cases between the age of 70 and 74 years.

B.19. Harnessing Artificial Intelligence to Foster Innovative Entrepreneurship

(a) Mauritius Innovation and Entrepreneurship Framework

Artificial Intelligence (AI) will be harnessed to establish a new Mauritius Innovation and Entrepreneurship Framework for young inventors and entrepreneurs to –

- (i) push their ideas into the market and refine them accordingly;
- (ii) adopt state-of-the-art technologies to build prototypes from 3D printing, machining, to having a local datacentre to sandbox their technologies, a digital library with access to all journals, regular workshops from world experts and innovators; and
- (iii) allow investors to help them to raise capital and push their product forward.

It will also provide a free service to Small and Medium businesses that wish to operate internationally to develop their online presence, use quantitative and computational methods to improve their business, and connect them with local entrepreneurs who can help them improve their process.

The framework will provide the young generation with a free 24/7 open space for cross-disciplinary thinking, brainstorming, and prototyping so that they can create globally competitive technologies in the future.

(b) National Regulatory Sandbox License Committee

A National Regulatory Sandbox License (RSL) Committee will be set up, following the recommendation by the High-Level Committee chaired by Lord Desai, comprising representatives of the BoM, FSC, the EDB, and the Financial Intelligence Unit. The Committee will consider all issues relating to the issue of Sandbox licensing for Fintech activities and provide guidance to stakeholders on the functioning of the RSL framework.

These guidelines will cover the investment and development of blockchain technologies and cryptocurrencies as digital assets.

B.20. Use of Pepper Spray

With a view to protecting vulnerable groups of our society, especially girls, women and elderly persons, use of pepper spray as a self-defense will be encouraged. However, the use of this spray will be subject to strict conditions to be imposed by the Commissioner of Police. To this effect, appropriate amendments will be made to the Firearms Act 2006 to authorise the sale, purchase and use of such spray.

B.21. Funeral Incinerators

9 additional funeral incinerators will be installed at Vallée des Prêtes, La Marie, Solferino, Bigara, Montagne Blanche, Richelieu, Calebasses, Chamouny and Congomah.

B.22. Social Housing

3,041 social housing units are being constructed on 17 sites across the country to provide decent housing units to low income households. The 17 sites are listed at Appendix I.

B.23. Indian Ocean Island Games

In the context of the Indian Ocean Island Games, the following 17 sporting facilities will be upgraded.

- Anjalay Stadium
- Phoenix Gymnasium
- National Weightlifting Centre
- National Badminton Centre
- Serge Alfred Swimming Pool
- Table Tennis Gymnasium
- St. Francois Xavier Stadium
- Dojo GRNW
- Malabar– Rodrigues
- George V Stadium
- National Boxing Centre
- Pandit Sahadeo Gymnasium
- Quartier Militaire Stadium
- Beau Bassin Sport Complex
- Germain Comarmond Stadium
- Auguste Voltaire Stadium
- Camp du Roi– Rodrigues

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) reinforce the powers of the BoM with a view to counter money laundering and for the prevention of financing of terrorism; and
- (ii) increase the fine to Rs 1 million where a financial institution fails to comply with guidelines issued by the BoM.

(b) Banking Act

The Banking Act will be amended to allow –

- (i) allow for banks carrying on exclusively private banking business in Mauritius, to import gold and other precious metals as part of managing their clients' investment portfolio and provide safety vault services;
- (ii) allow for the identification and certification of good conduct of beneficial owners in determining an application for a banking licence;
- (iii) allow the BoM to impose a fine of up to Rs 1 million where confidential information of bank customers has been disclosed;
- (iv) allow for the fine-tuning of the provision on licensing of issuers of commercial papers;

- (v) allow every financial institution using new or developing technologies for both new and pre-existing products to –
 - a. undertake a risk assessment prior to the launch or use of such products, practices and technologies;
 - b. identify and assess the money laundering and terrorism financing risks that may arise in relation to the launch or use of such products, practices and technologies;
 - c. take appropriate measures to manage and mitigate the risks identified; and
 - d. implement programmes against money laundering and terrorism financing, having regard to the money laundering and terrorism financing risks and the size of its business, which include, amongst others internal policies, procedures and controls.
- (vi) clarify that a non-bank deposit taking institution has to maintain a minimum capital of Rs 200 million or such higher amount as may be prescribed, after deduction of the accumulated losses;
- (vii) allow every financial institution and every holder of a licence operating in a group structure to implement group-wide programmes against money laundering and terrorism financing which are applicable to all branches and subsidiaries of the financial group and include, amongst others, the internal policies, procedures and controls;

- (viii) allow the BoM to revoke the appointment of auditors of a financial institution where the circumstances so warrant; and
- (ix) allow financial institutions and every holder of a licence to ensure that their foreign branches and subsidiaries apply measures to combat money laundering and terrorism financing –
 - a. consistent with the home country requirements, where the minimum requirements of the host country are less strict than those of the home country, to the extent that host country laws and regulations permit; and
 - b. where the host country does not permit the proper implementation of anti-money laundering and combatting the financing of terrorism measures and inform their home supervisors.

(c) Captive Insurance Act

The Captive Insurance Act will be amended to be in conformity with the substance requirements of the Organisation for Economic Co-operation and Development (OECD) Standards.

(d) Financial Intelligence and Anti-Money Laundering Act

The Financial Intelligence and Anti-Money Laundering Act will be amended to allow for necessary sanctions to be imposed where a financial institution fails to comply with guidelines of the BoM for the prevention of money laundering and financing of terrorism.

(e) Financial Services Act

The Financial Services Act will be amended to –

- (i) allow the FSC to –
 - a. give directions to any person as may be required, for the purposes of its functions, to ensure compliance with licensing conditions;
 - b. take actions against a licensee which fails to comply with section 52 or section 52A of the Bank of Mauritius Act; and
 - c. appoint an administrator in relation to the business activities of a person whose authorisation has been withdrawn;
- (ii) ensure that licensees maintain the requirements needed for the grant of a licence at all times;
- (iii) extend the scope of the offence with respect to licensees who provide false and misleading information;
- (iv) extend the scope of the offence with respect to a person who destroys, falsifies, conceals or disposes of, or causes or permits the destruction, falsification, concealment or disposal of any document, information stored on a computer or other device where such information is relevant to the Commission;
- (v) clarify that the Review Panel needs to receive the application for review within 21 days of the issue of the written notification;

- (vi) allow for any determination of the Review Panel to be published except that any information which the Review Panel considers to be sensitive shall be omitted;
- (vii) allow the FSC to regulate Custodian Services (Digital Asset) and Digital Asset Marketplace;
- (viii) allow the FSC to regulate Compliance Services and Global Shared Services;
- (ix) cease the issuance of Category 2 Global Business Licence as from 1st January 2019;
- (x) rename the Category 1 Global Business Licence as Global Business Licence;
- (xi) remove all restrictions applicable to dealings in Mauritius;
- (xii) provide that all resident companies and partnerships incorporated/registered under the laws of Mauritius whose majority shareholdings/parts are held by non-resident and which conduct business mostly outside Mauritius will be required to seek a Global Business Licence or an authorisation from the FSC, through a duly appointed Management Company. The latter will be responsible for Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT), Legal, Regulatory & Corporate Governance compliance of these companies/partnerships; and
- (xiii) provide for enhanced substance requirements for entities holding a Global Business Licence.

Consequential amendments will be made to sections in other legislations relating to companies holding a Category 1 or 2 Global Business Licence, namely, the Companies Act, Foundations Act, Insurance Act, Limited Liability Partnership Act, Limited Partnerships Act, Private Pension Schemes Act, Non-Citizens (Property Restriction) Act, Protected Cell Companies Act, Securities Act, and Trusts Act.

(f) Insurance Act

The Insurance Act will be amended to allow an insurance manager to manage domestic insurance business.

(g) Securities Act

The Securities Act will be amended to allow the FSC to make Rules to cater for any new market participants for Derivatives and Commodities Market.

C.2. Cadastral Survey Act

The Cadastral Survey Act will be amended to –

- (a) make provision for a land surveyor to submit to his client an electronic copy of a memorandum of survey, survey report or plan;
- (b) provide that if a land surveyor does not submit an electronic copy of a memorandum of survey, survey report or plan to his client, without reasonable excuse, he shall commit an offence; and
- (c) define the term “client” as being a person who retains the services of a land surveyor for the survey of a plot of land.

C.3. Companies Act

The Companies Act will be amended to –

- (a) make provision for an offence being committed by a director for breach of duty where the director fails to disclose that he has an interest in a transaction or a proposed transaction with the company. On conviction, the Director will be liable to a fine of up to Rs 100,000 and to imprisonment for a term of up to 1 year;
- (b) make provision for the Annual Report of a company to also mention any major transaction which took place during the accounting period to which it refers;
- (c) provide that where the Registrar restores a company on his own motion, the requirement to give public notice in 2 daily newspapers will no longer apply to avoid unnecessary costs in relation to publication;
- (d) eliminate the requirement for a certificate of current standing to contain a statement regarding payment of licence fees as same are no longer applicable;
- (e) allow for disclosure and availability of Beneficial Ownership Information following enquiries related to AML/CFT;
- (f) allow for the time for keeping the share register to be extended to 7 years following the removal of the company from the register;
- (g) allow for enhanced protection to minority shareholders;
- (h) allow for more transparency to shareholders; and
- (i) allow for recovery of outstanding fees during liquidation process.

C.4. Consumer Protection (Price and Supplies Control) Act

The Consumer Protection (Price and Supplies Control) Act will be amended to allow the Minister, responsible for the subject of consumer protection, to make regulations regarding the collection of contribution by the State Trading Corporation.

C.5. Co-operatives Act

The Co-operatives Act will be amended to allow the use of money from the Co-operative Development Fund for financial assistance to secondary society, and tertiary society.

C.6. Economic Development Board Act

The Economic Development Board Act will be amended to –

- (a) empower the EDB to re-engineer business processes of Ministries, Government Departments and Local Authorities, as well as to conduct regulatory impact assessments with a view to facilitating business;
- (b) provide for the establishment of the National Electronic Licensing System (NELS), which will be operated and managed by the EDB for the application processing and determination of a permit. A permit includes a licence, authorization or clearance issued by any Ministry, Government Department and Local Authority;
- (c) provide that the form and manner for the making of application for, processing and determination of, a permit to be prescribed;
- (d) make provision for an electronic permit to have legal effect, validity and enforceability;

- (e) empower the EDB to obtain and share information to concerned public sector agencies, and allow for the EDB to publish reports, status, statistics and analysis on permits processed/issued;
- (f) provide for the establishment of a Film Promotion Fund whose object is to contribute to the financing of Film Rebate Scheme. The Fund will –
 - (i) receive contributions from film production companies and film studio companies as may be prescribed, in order to make the Fund sustainable;
 - (ii) receive such amount or such percentage as may be prescribed, in respect of income tax and value added tax , as soon as practicable, after the end of every quarter, by the Director-General of the MRA;
 - (iii) receive such sum from the Consolidated Fund, during such period, as the Minister responsible for the subject of finance may determine;
 - (iv) receive any other sum which may lawfully accrue to the Fund; and
 - (v) pay such percentage of expenses incurred by film production companies.
- (g) provide for the EDB to establish the criteria for determining big film projects and to determine, after the end of every financial year, any excess amount in the Fund which shall have to be repaid to the Director-General of the MRA;

- (h) allow the EDB to administer and manage the prescribed Film Rebate Scheme and to determine the refundable prescribed percentage of qualifying production expenditure incurred by film production companies;
- (i) provide that every application for a work permit under the Non-Citizens (Employment Restriction) Act in respect of specified activities; and
- (j) provide that where a work permit holder or his employer fails to comply with set terms and conditions, the EDB may request the Prime Minister's Office to suspend or revoke the work permit.

C.7. Employment Rights Act

With a view to promoting work from home, the Employment Rights Act will be amended to define “homeworker” and “employment relationship” and to allow for prescription of terms and conditions of employment of a home worker who is in employment.

C.8. Environment Protection Act

The Environment Protection Act will be amended to –

- (a) define “National Electronic Licensing System” as established under the Economic Development Board Act 2017;
- (b) provide for the electronic submission of a preliminary environment report (PER) through the NELS, and to clarify that a PER has to be in conformity with the policy or relevant environmental guidance. Provision will also be made for a PER to specify the particulars of the applicant of the undertaking or his duly appointed legal representative;

- (c) make provision for the applicant to submit electronically any additional information, specified in guidelines issued by the Director of Environment. Likewise, provision will be made for the Director of Environment to request public department, enforcing agency, non-governmental organisation or any other person to submit their observations on the PER electronically;
- (d) provide a time frame of 5 days, from the date of receipt of a PER, for the Minister responsible for the subject of the environment to make a determination (i.e. approve, reject or request submission of an application for an Environmental Impact Assessment (EIA) licence);
- (e) provide for the electronic application of an EIA Licence and submission of an EIA report electronically, through the NELS. Furthermore, only 3 printed copies, instead of 15, will have to be submitted by the applicant;
- (f) remove the requirement for an EIA report to be signed by the proponent or his duly appointed legal representative. The EIA report will, however, have to specify the particulars of the proponent or his duly appointed legal representative;
- (g) provide for a time frame of 3 working days from the date of receipt of the application, for the Director of Environment to issue to the applicant an acknowledgement receipt, electronically where the application is complete and, where the application is not complete, request electronically any remaining information to be submitted within 5 working days of the request for missing information;

- (h) clarify that an EIA report need not be signed but only certified by the proponent and all principal consultants who prepared or assisted in the preparation of the EIA;
- (i) provide for a reduced time frame of 3 days, instead of 14 days from the submission of an application for an EIA licence, for the Director of Environment to give notice for public inspection of an EIA report submitted;
- (j) remove the requirement for publication of the notice for public inspection in the Government Gazette while maintaining publication in 2 consecutive issues of 2 daily newspapers;
- (k) reduce the time frame for the EIA Committee to examine an application within 28 days instead of 42 days of the date of expiry of the time limit set for public comments;
- (l) make provision for the Director of Environment to request public departments, enforcing agency, non-governmental organisation or any other person to submit their observation on the EIA report electronically;
- (m) eliminate the requirement for a transferor in the case of a transfer of undertaking to send notification by registered post;
- (n) provide that the EIA Committee will have to submit its recommendations to the Minister responsible for the subject of the environment, within a reduced time frame of 7 days instead of 14 days of the date the application for an EIA licence was referred to it by the Director of Environment;

- (o) reduce the time frame from 14 days to 7 days for the technical advisory committee to advise the Minister of Environment regarding an EIA application. The Minister shall, within 7 instead of 14 days of receiving the advice of the technical advisory committee, approve or reject an EIA application;
- (p) provide that the Director of Environment makes arrangements to publish within 3 days instead of 7 working days of the date of the Minister's decision, a summary of decision in respect of the approval or rejection of an EIA with relevant details, in the same newspapers, in which the notice of application was initially provided;
- (q) eliminate the requirement for a PER regarding the parcelling out of land above 5 hectares for agricultural purposes, where the parcelling involves infrastructure work;
- (r) repeal part IX relating to the National Environment Fund; and
- (s) provide that, as regards parcelling of land, an EIA licence will be required where –
 - (i) land clearing, road infrastructure and utility services are involved in environmentally sensitive areas referred to in the Development Management Maps of the Outline Schemes or as determined by the Ministry of Environment; and
 - (ii) the parcelling is other than by way of division in kind among heirs.

C.9. Finance and Audit Act

For greater accountability and transparency, the Finance and Audit Act will be amended to make it mandatory for Ministries/Departments to report on measures taken to address weaknesses identified by the Director of Audit, including wastage of public funds.

C.10. Finance (Miscellaneous Provisions) Act 2017

The Finance (Miscellaneous Provisions) Act 2017 will be amended to repeal relevant sections of the Act which had brought amendments to the Income Tax Act, Insolvency Act and the VAT Act, respectively and were subsequently not proclaimed.

C.11. Financial Reporting Act

In the interest of the Financial Services Sector, the Financial Reporting Act will be amended to provide for sanctions to Audit Firms, Licensed Auditors and Public Interest Entities who failed to comply with the requirements of the Act and any rule, code, guideline and standard issued by the Financial Reporting Council.

C.12. Foundations Act

The Foundation Act will be amended to provide for the disclosure and availability of Beneficial Ownership Information following enquiries related to AML/CFT.

C.13. Gambling Regulatory Authority Act

The Gambling Regulatory Act will be amended to –

- (a) introduce a definition for “Hotel Casino”, “Hotel Casino Gaming Operator” and “Financial Intelligence and Anti Money Laundering

as defined in the Financial Intelligence and Anti Money Laundering Act” ;

- (b) restrict the use of the words “ Hotel Casino” as a name or as part of the name of any trade or business premises, unless it is licensed by the Gambling Regulatory Authority;
- (c) increase the maximum prize value payable by a Limited Payout Machine from Rs 3,000 to Rs 5,000;
- (d) introduce technical standards for gaming machines and amusement machines;
- (e) require sweepstakes retailers to be registered with the Gambling Regulatory Authority;
- (f) include Hotel Casino and Hotel Casino Gaming Operators in the list of stakeholders which should be connected to the Central Electronic Monitoring System;
- (g) provide that Independent Broadcasting Licensee will not be required to obtain a lottery games licence to organise daily games by a radio station up to the prize value of Rs3,000;
- (h) empower an inspector as well as an officer of Police des Jeux to seal material evidence for the purpose of further investigation;
- (i) introduce specific provisions to combat money laundering;
- (j) provide for the assessment on a person other than a licensee for the purpose of applying duty/tax or levy as is applicable to a licensee under the Gambling Regulatory Authority Act;

- (k) require an agent of a foreign pool promoter, local pool promoter and Sweepstakes to remit any unclaimed winnings to the National Solidarity Fund;
- (l) provide quarterly payment facilities for amusement machine operator licence and amusement machine licence, as is presently the case for other licences;
- (m) enable the collection of tax/ duty and levy on the Friday immediately following the week, starting from Monday to Sunday, in which the bet is accepted for the following –
 - (i) a bookmaker taking bets on foreign races through remote communication; and
 - (ii) an agent of a foreign pool promoter offering bets in respect of foreign horse pool
- (n) implement the decision of the Mediation Court in respect of the “Loterie Vert”; and
- (o) revise upward the contribution made by Mauritius National Lottery Operator from 46.16% to 47.16% of its net proceeds from all lottery games.

C.14. Human Resource Development Act

The Human Resource Development Act will be amended for the Human Resource Development Council to fall under the purview of the Prime Minister and for the review of its Board composition.

C.15. Immigration Act

The Immigration Act will be amended to –

- (a) provide for applicant of an occupational permit to pay the prescribed fees at time the application for the occupation permit is approved instead of the date of application. The application must, however, be accompanied in the case of a professional by a written undertaking by the employer that he will bear any expense to be incurred for the maintenance, support or repatriation of the holder of the occupation permit;
- (b) provide that, the immigration officer will, in respect of a non-citizen, also share through an electronic system, the identification number allocated to that non-citizen; and
- (c) empower the Minister for the subject of immigration to amend the Schedule to the Immigration Act, by way of regulations.

C.16. Insolvency Act

The Insolvency Act will be amended to –

- (a) allow for specific provision for the continuation of supply of essential goods to an insolvent company throughout the insolvency process;
- (b) allow for the filing of the declaration of solvency with the Director of Insolvency Service to be effected on the same date as the resolution for winding up of the company;

- (c) allow for the period for which a liquidator can keep records of a company from the date of dissolution of the company to be extended from 3 to 5 years;
- (d) allow for the FSC to make a petition to wind up a company which is a past licensee of the FSC to cater for situations where the licences have been terminated and the company is no longer a licensee; and
- (e) review the order of payment to MRA in the context of a receivership or a winding up.

C.17. Law Practitioners Act and Law Officers Act

The Law Practitioner’s Act and the Law Officers Act will be amended so that Officers in the new cadre, namely the Legislative and Litigation Counsel, are considered as “Legal Officers” and “Law Officers” for the purpose of these two Acts.

C.18. Legal Aid and Legal Assistance Act

The Legal Aid and Legal Assistance Act will be amended to increase the eligibility criteria to qualify for a legal aid from Rs 10,000 monthly to Rs 15,000 monthly.

C.19. Limited Liability Partnerships Act

The Limited Liability Partnerships Act will be amended to provide for the –

- (a) disclosure and availability of Beneficial Ownership Information following enquiries related to AML/CFT; and

- (b) no-objection of the MRA and the FSC for the removal of the Limited Liability Partnership from the register.

C.20. Limited Partnerships Act

The Limited Partnerships Act will be amended to –

- (a) provide for the disclosure and availability of Beneficial Ownership Information following enquiries related to AML/CFT;
- (b) fails to file financial statements or a summary thereof or an annual return within 30 days from the date of the notice; and
- (c) allow the Registrar of Companies to remove the name of the limited partnership from the Register where a limited partnership –
 - (i) has ceased to carry on business; and
 - (ii) has failed to pay any fee due under the Act within 30 days from date of the notice.

C.21. Local Government Act

The Local Government Act will be amended to –

- (a) provide that for an application in respect of land or building within a morcellement, no clearance will be required from Central Electricity Board, Central Water Authority and Wastewater Management Authority if approval of the PER or an EIA licence has already been obtained;

- (b) define “EIA licence” as per the definition in the Environment Protection Act and “approved preliminary environmental report” as a preliminary environmental report approved under section 16(6)(a) of the Environment Protection Act;
- (c) harmonise and strengthen legal provisions pertaining to illegal constructions and developments, giving more powers to the enforcement and prosecuting authorities;
- (d) increase the penalties for such offences namely fines; and
- (e) include mandatory pulling down orders by the Courts in specific circumstances.

C.22. Mauritius Fire and Rescue Act

The Mauritius Fire and Rescue Act will be amended to –

- (a) give a legal status to the Fire Code;
- (b) define ‘owner’ in relation to any premises, as the person, who, for the time being, owns or is entitled to receive the rent in respect of the premises on his own account, or as an agent or a trustee for any other person and which includes where the premises are not occupied by the owner, the occupier;
- (c) allow the Local Authority to cancel any authorisation to carry out a classified trade in the premises in case of an emergency or where a fire certificate has been revoked;
- (d) define the compliance requirements and validity of a fire certificate; and

- (e) allow the Chief Fire Officer to issue a notice to an owner to remove any hazardous material from any premises.

C.23. Mauritius Standards Bureau Act

The Mauritius Standards Bureau Act will be amended to repeal relevant sections relating to examination, testing or analysis of controlled goods and the issuance of an electronic conformity reporting by the Mauritius Standards Bureau and to provide for a saving clause. The repealed sections will be covered in the Consumer Protection Regulations to be made by the Ministry of Commerce.

C.24. Morcellement Act

In order to eliminate undue delay in the processing of applications for Morcellement Permits, the Morcellement Act will be amended to –

- (a) introduce the same definitions for Early Retirement Scheme, Voluntary Retirement Scheme and Land Surveyor as provided in the Sugar Industry Efficiency Act and the Land Surveyor's Council Act respectively;
- (b) provide a revised definition for morcellement, as the division of a plot of land or land of a holder of a title deed into two or more lots does not include State Land;
- (c) eliminate the requirement for the submission of a PER when applying for a morcellement permit;
- (d) provide that the Morcellement Board may, within 2 weeks of receipt of an application, make only one written request for additional information specifying the time limit for submission;

- (e) reflect that section 15 of the Additional Stimulus Package (Miscellaneous Provisions) Act, relating to Morcellement Act, has lapsed; and
- (f) provide that an excision or a morcellement under the Property Development Scheme or the Smart City Scheme will not require a morcellement permit.

C.25. Non-Citizens (Employment Restriction) Act

Amendments will be brought to the Non-Citizens (Employment Restriction) Act as a consequence of amendments that will be made to the Economic Development Board Act.

C.26. Nursing Council Act

Currently, only 3 categories of the Nursing cadre are mentioned in the Nursing Council Act, namely, General Nurse, Midwife and Mental Health Nurse. The Nursing Council Act will be amended to allow private healthcare institutions to recruit trained qualified nurses in other fields and also to better respond to the emerging needs of the profession.

C.27. Passports Act

The Passport Act will be amended to allow for a fee to be charged for issuing passports to high net-worth individuals.

C.28. Protection of Human Rights Act

The Protection of Human Rights Act will be amended to provide for the National Human Rights Commission to prepare its Financial Statements on accrual International Public Sector Accounting Standards (IPSAS) issued by IFAC.

C.29. Public Procurement Act

The Public Procurement Act will be amended to –

- (a) make prequalification in respect of procurement of large or complex works optional;
- (b) streamline and consolidate provisions relating to exempt Public Bodies; and
- (c) include disqualification of a potential bidder or supplier in a procurement process in addition to suspension and debarment.

C.30. Rajiv Gandhi Centre Science Centre Trust Fund Act

The Rajiv Gandhi Centre Science Centre Trust Fund Act will be amended for its Board of Trustees to include a representative of the Ministry responsible for the subject of information technology and telecommunications.

C.31. Road Traffic Act

The Road Traffic Act will be amended to allow the National Transport Authority to extend Registration Marks beyond FM 2500, covering any combination of 2 letters from FN to ZZ followed by a number between 1 and 1000, with exceptions as may be determined by the Road Transport Commissioner.

C.32. Statutory Bodies (Accounts and Audit) Act

The Statutory Bodies (Accounts and Audit) Act will be amended by repealing section 7B relating to remuneration and fringe benefits of staff of a Statutory Body.

C.33. Sugar Insurance Fund Act

Pursuant to the last assessment of the Sugar Insurance Fund by the Consulting Actuaries, the Sugar Insurance Fund Act will be amended to ensure the long term solvency of the Fund.

C.34. Town and Country Planning Act

The Town and Country Planning Act will be amended to reduce the deposit period of draft Outline Schemes from 3 months to 1 month.

C.35. 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

On-going Social Housing Projects

SN	Site	No. of Housing Units
1	Calebasses	44
2	Baie du Tombeau – A	12
3	Quatre Bornes (Bassin)	102
4	Chebel – A	92
5	St. Julien	206
6	Camp Levieux	60
7	Wooton	350
8	Mare D'Albert	216
9	Gros Cailloux	135
10	Chebel – B	99
11	Argy	130
12	Petite Julie	179
13	Plein Bois	150
14	Baie du Tombeau – B	150
15	Dagotiere	656
16	Mare Tabac	300
17	La Valette	160
Total		3,041