

# Navigating the post COVID-19 era



What started as a localized health crisis rapidly turned into a global pandemic that is severely disrupting the way we live and do business. Consequently, stakeholders are stepping up to the challenge with initiatives to secure a better tomorrow in the **new normal** era.

This brief helps you navigate key government-led measures implemented to provide immediate relief to businesses, households, and self-employed individuals in Mauritius as at 23 April 2020\*.

\* As at 23 April 2020, a Covid-19 Bill is being drafted to pave the way for easing the lockdown in place since 20 March 2020.



## Challenges faced by businesses

From a practical perspective, business owners are concerned with varying levels of urgency about the following issues:

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Secure liquidity and financing
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Protect the workforce
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Manage upstream and downstream supply chain
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Plan for business continuity
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Anticipate impacts of contractual commitments that cannot be met

The Government and the Bank of Mauritius are responding with a mix of macroeconomic measures complemented by tangible measures to build stakeholders' resilience.

## Key enabling measures



### Bolster domestic economic activity

Lower interest rates on loans resulting from the reduction of the Key Repo Rate from 2.85% to 1.85%



### Provide more flexibility to commercial banks

More liquidity available to businesses with:

- The reduction of cash reserve ratio from 9% to 8% for commercial banks
- The Guideline on Credit Impairment Measurement and Income Recognition put on hold



### Mobilize financial resources from local authorities and government-owned companies

More liquidity available to businesses from parastatal financial institutions (e.g. SIC and DBM)

# Tangible financial relief measures

Support available	Eligibility criteria	Who to contact
<b>To businesses</b>		
<b>Government Wage Assistance Scheme</b> <ul style="list-style-type: none"> <li>March 2020: 50% of basic wage, capped at Rs 12.5k</li> <li>April 2020: 100% of basic wage, capped at Rs 25k</li> </ul>	Private sector employees with monthly basic wages of up to Rs 50k	Register on the MRA website <a href="https://eservices.mra.mu/eservices_eashome/">https://eservices.mra.mu/eservices_eashome/</a> Contact our Tax Partner <a href="mailto:byerkiah@bakertilly.mu">byerkiah@bakertilly.mu</a>
<b>Cash flow and working capital support</b> <ul style="list-style-type: none"> <li>Loans with a maturity of 2 years at an interest rate of 2.5% per annum inclusive of a moratorium of 6 months on capital and interest payments</li> <li>Working capital facility up to a maximum of Rs 1m, maximum repayment period of 2 years, interest free if repaid within 9 months, interest rate of 6% annually thereafter</li> </ul>	Operators being affected by COVID-19 across all sectors  Annual turnover ≤ Rs 10m	Contact your commercial bank  Contact SIC Tel: 260 9200 <a href="mailto:covid19support@stateinvestment.mu">covid19support@stateinvestment.mu</a>
<b>Moratorium of existing loans repayment</b> Moratorium of 6 months on capital repayment	Businesses impacted by Covid-19, as assessed by the lending commercial bank	Contact your commercial bank
<b>Equity participation</b> <ul style="list-style-type: none"> <li>State Investment Corporation Limited (SIC)</li> <li>SME Equity Fund Ltd</li> </ul>	Annual turnover ≥ Rs 250m Annual turnover ≤ Rs 250m	Contact SIC Tel: 260 9200 <a href="mailto:covid19support@stateinvestment.mu">covid19support@stateinvestment.mu</a>
<b>Reduced interest rates on</b> <ul style="list-style-type: none"> <li>Leasing equipment - Investment Support Programme Ltd</li> <li>SME Factoring - Investment Support Programme Ltd</li> <li>Enterprise Modernisation Scheme loans</li> </ul>	Annual turnover ≤ Rs 1.5b Annual turnover ≤ Rs 50m Annual turnover ≤ Rs 10m	Contact SIC Tel: 260 9200 <a href="mailto:covid19support@stateinvestment.mu">covid19support@stateinvestment.mu</a>
<b>To households</b>		
<b>Moratorium on existing household loans repayment</b> Moratorium of 6 months on capital repayments to commercial banks as from 1 April 2020	Households impacted by Covid-19, as assessed by the lending commercial bank	Contact your commercial bank
<b>Interest relief on existing household loans</b> Interest relief on interest payable for the period 1 April to 30 June 2020 on outstanding household loans with commercial banks	Households impacted by Covid-19, as assessed by the lending commercial bank AND earning a combined monthly basic salary of up to Rs 50k	Contact your commercial bank
<b>To self-employed individuals</b>		
<b>Cash support</b> <ul style="list-style-type: none"> <li>Rs 5,100 for the period from 16 March to 15 April 2020</li> <li>Rs 2,550 for the period from 16 April to 30 April 2020</li> </ul>	Self-employed people who is in business or operating in the informal sector	Register on the MRA website <a href="https://eservices.mra.mu/eservices_eashome/">https://eservices.mra.mu/eservices_eashome/</a>

## By your side

During this uncertain time, we are here to help you with tools and practical advice on keeping your business running, including:



### Review the strategy

Stress-test your strategic market positioning



### Manage risks

Reassess your risk exposure



### Streamline processes

Optimize internal controls in the supply chain management



### Ensure business continuity

Foster your readiness to face unforeseen disasters

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