



**COVID-19
BILL**

Main tax and non-tax amendments in Mauritius

COVID-19 Bill

The COVID-19 Bill was issued on 9 of May 2020. It will amend 56 other pieces of legislation after debate in Parliament starting 13 May 2020. Regulations will also be prescribed wherever applicable.

The COVID-19 period has been defined as the period from 23 March to 1 June 2020 or such other date as the Prime Minister may prescribe by way of regulations.

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Disclaimer:

This document summarises the main changes that are proposed to be brought by the COVID-19 (Miscellaneous Provisions) Bill (the "Bill"). It does not cover every aspect of the Bill, nor does it cover aspects of all other Bills and Acts mentioned in the publication. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. In any event, Baker Tilly Consulting Ltd, its members and employees shall not have any liability, including claims for damages of any nature, to any parties, in connection with this summary.

1. Income Tax Act

(a) COVID-19 Levy

- Every employer who took advantage of the Government Wage Assistance Scheme (“GWAS”) should, subject to conditions pay back same in the form of a levy as follows:
 - For companies, individuals, and sociétés having year end during the period from 1 May to 31 December 2020, the levy shall be payable in the Year of Assessment (“YOA”) starting 1 July 2020.
 - For companies having year end during the period from 1 January to 30 April 2021, the levy should be payable as from the YOA starting 1 July 2021.
- Company or société employers will pay the lower of the total amount paid under GWAS or 15% of their adjusted chargeable income.
- Individual employers will pay the lower of the total amount paid under GWAS or 15% of their net income, subject to specific deductions.
- The levy is not applicable if the employer is not liable to Income Tax.
- The levy should be reported and paid through the annual income tax return.
- In the event of non-compliance, the MRA may claim back the amount due within 3 years from the date the levy is payable.
- A penalty of 10% of the levy and interest at 1% per month or part of the month will then be applicable on the levy.
- In case an employer makes a false or misleading declaration to the MRA, the person will, on conviction, be liable to a fine not exceeding MUR1M and imprisonment not exceeding 2 years.

- The GWAS is applicable for the months of March, April, and May 2020.
 - An employer who benefits from the GWAS and also terminates the contract of an employee in a relevant month would not benefit from the GWAS in subsequent months.
- ### (b) GWAS and Self-Employed Assistance Scheme (“SEAS”)
- Both schemes have been extended for the month of May 2020.
- ### (c) Contribution to COVID-19 Solidarity Fund
- Contribution made by individuals and companies to the COVID-19 Solidarity Fund up to 30 June 2021 may be deducted from their net income when calculating their annual income tax liability. Any unrelieved amount may be carried forward for up to the next 2 income years.

2. Mauritius Revenue Act

- The statutory delay relating to proceedings before the Assessment Review Committee (“ARC”) falling during the COVID-19 period or within 21 days after the COVID-19 period will be suspended and restart from the day following the last day of the COVID-19 period or 21 days post the COVID-19 period.
- The statutory delay provided for any assessment, decision, determination, notice or claim which falls during the COVID-19 period is extended up to 2 months post the COVID-19 period. Where the statutory delay falls within a period of 30 days post the COVID-19 period, same is also extended up to 2 months post this 30-day post COVID-19 period.
- Where payment of any fee, duty or tax payable under any revenue law under this Act falls due during the COVID-19 period, such payment should

be made by 25 June 2020. Otherwise, penalty and interest become applicable.

- Under any revenue law under this Act, any fee, duty or tax payable that falls due during the month of June 2020 should be paid by 26 June 2020. Otherwise, penalty and interest become applicable.

3. Bank of Mauritius Act

The Bank of Mauritius (“BOM”) will assist Government in the form of grants to support fiscal measures taken.

- BOM will approve grant from the Special Reserve Fund to invest in any corporation or company set up for the purpose of facilitating economic development.
- BOM will have the possibility to invest from its foreign reserves in shares of a corporation/ company set up to facilitate economic development.

4. Companies Act

- The time limit to hold the annual meeting of shareholders has been extended to 9 months (previously 6 months) after the balance sheet date.
- The board of directors should ensure that Financial Statements are prepared within 9 months of balance sheet date (previously 6 months).
- The time limit for filing of Financial Statements with the Registrar has been extended to 3 months after the COVID-19 period lapses (previously 28 days).

5. Insolvency Act

Several changes have been brought to prevent companies from going bankrupt during the COVID-19 period.

- Shareholders or creditors resolution for winding up passed from the start of the COVID-19 period or

within 3 months after the COVID-19 period will be considered as invalid.

- Only a Court Order may allow a for a winding up during the COVID-19 period. Simple resolution or special resolution will be void during and 3 months after the COVID-19 period.
- The above is not applicable to a Global Business Company.
- A debtor may comply with a bankruptcy notice within 28 days (previously 14 days).
- Only a Court can appoint a receiver during the COVID-19 period.
- The first Creditor’s meeting is to be made 10 days within the lapse of the COVID-19 period.

6. Landlord and Tenant Act

Non-payment of rent for the months of March to August 2020 shall not constitute a breach of tenancy agreement provided that the unpaid rent is paid by instalments by 31 December 2021 or such other date as may be prescribed.

7. Freeport Act

- A private Freeport Developer may provide warehousing facilities for the storage of goods that have been cleared from Customs under the Customs Act in a freeport zone to any person during the COVID-19 period and such further period as may be prescribed after the COVID-19 period lapses.
- Fee payable to the Private Freeport Developer is MUR3,000 when within the due date or MUR4,500 after the due date.

- The maximum period of storage is 36 months where the goods are entered during the period from 1 October 2018 to 31 December 2020.

8. Land (Duties and Taxes) Act

The statutory time limits that fall during the COVID-19 period in respect of various stages of assessment of additional duty have been extended.

9. National Pensions Act

The payment of medical benefit payable to a claimant will continue if it lapses during the COVID-19 period or during such other period as may be prescribed after the COVID-19 period.

10. Workers' Right Act 2019

- An employer may, during a period of 18 months following the expiry of the COVID-19 period, withhold up to 15 days' annual leave of a worker. However, if a worker was working during the COVID-19 period, the employer may withhold on half of these days.
- Employers who benefited from financial assistance from the Government cannot terminate the contract of workers during the period the employer is in receipt of this assistance.
- The Minister may, by regulations, exempt an employer who provides services in certain specific sectors in respect of the reduction of workforce in some enterprises in the services sector.
- An employer should give a minimum 48-hour notice to request a worker to work from home or on flexitime.
- Workers employed on shift work will not be entitled to any allowance for night shifts during COVID-19 period.

11. Criminal Code

- Any person who spits in public may be liable to a fine of MUR5,000 and imprisonment of 30 days.
- A person who damages light rail infrastructure commits an offence and may be fined up to MUR1 million and be subject to imprisonment up to a maximum term of 5 years.
- The Criminal Code will be amended to double the fine and imprisonment for several offences - see Annex 1.

12. Others

- A hotel, guest house or tourist residence of more than 4 bedrooms will be exempted from payment of the Environment Protection fee for the period starting 1 March 2020 and ending 30 December 2020.
- National Sports Federations cannot organise or authorize activities locally or participation in international events abroad during the COVID-19 period. Training and competition may resume behind closed doors subject to certain conditions.
- The Gambling Regulatory Board may extend validity of Gaming licences during the COVID-19 period.
- In the event of infectious diseases occurring in epidemic forms, the closure of educational institutions shall not be limited to the epidemic period but may extend to such further period.
- Distance education and online learning along with broadcasting of lessons can be performed by educational institutions during their closure.
- The Minister can cancel and reschedule assessments and examinations.

- The declaration of birth period that is currently 45 days has been extended by 30 more days after the COVID-19 period.
- An immigration permit may be extended or varied whilst the person is in Mauritius. Where a permit issued under the Immigration Act expires during the COVID-19 period, the permit shall remain valid for a period of 30 days after the COVID-19 period lapses or for such further period as may be prescribed. Where a permit issued under the Immigration Act expires during a period of 21 days after the COVID-19 period lapses, the permit shall remain valid for a period of 30 days after the period of 21 days lapses or for such further period as may be prescribed.
- Visas expiring during the COVID-19 period or a period of 21 days after the COVID-19 period lapses will remain valid for a period of 30 days after the above periods.
- No surcharge on utility bills, namely electricity, water and wastewater supply, that have remained outstanding during the COVID-19 period or any subsequent prescribed period after the COVID-19 period lapses.
- The amount payable for a contravention due to lack of prevention or mitigation of any epidemic, endemic, infectious or communicable disease is increased from MUR500 to MUR200,000 and imprisonment from 6 months to a maximum of 5 years.

Thank you and stay safe

Please feel free to contact us for assistance

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Annex 1

Proposed Amendments to the Criminal Code			
Section	Offence	Current Fine and Imprisonment Term	Proposed Fine and Imprisonment Term
4	Crimes	Minimum of MUR 5,000	Minimum of MUR 10,000
5	Misdemeanours	Minimum of MUR 5,000 Minimum of 10 days imprisonment	Minimum of MUR 10,000 Minimum of 30 days imprisonment
6	Contraventions	Maximum of MUR 5,000 Maximum of 10 days imprisonment	Maximum of MUR 10,000 Maximum of 30 days imprisonment
378	First class contraventions	Maximum of MUR 1,000	Maximum of MUR 3,000
382	Second class contraventions	Maximum of MUR 2,000 Maximum of 4 days imprisonment	Maximum of MUR 5,000 Maximum of 10 days imprisonment
385	Third class contravention	Maximum of MUR 3,000 Maximum of 10 days imprisonment	Maximum of MUR 5,000 Maximum of 30 days imprisonment