



CSG: Exclusion of foreign employees who are not tax resident in Mauritius

The Contribution Sociale Généralisée (Amendment) Regulations 2021 (referred hereinafter as the “Regulations”) was gazetted earlier this month to amend the Contribution Sociale Généralisée (CSG) framework.

The main change brought in by the Regulations is the exclusion of **non-citizens employees, who are not tax resident in Mauritius** in line with the definition provided by the Income Tax Act 1995 (ITA), from the CSG framework i.e. employees falling in this specific category are not required to contribute CSG. This amendment is retrospective and is deemed to come into effect as from **1 September 2020**, which coincides with the date on which the CSG was introduced.

Under the ITA, an individual is considered to be tax resident in Mauritius if he/she:

- i. has his domicile in Mauritius unless his permanent place of abode is outside Mauritius;
- ii. has been present in Mauritius in that income year, for a period of, or an aggregate period of, 183 days or more; or
- iii. has been present in Mauritius in that income year and the 2 preceding income years, for an aggregate period of 270 days or more

Mauritian companies employing foreign nationals have to monitor the tax residency status of these foreign nationals and make the relevant salary adjustments, wherever applicable.

What is the CSG?

It will be recalled that the CSG was a measure stemming from the National Budget 2020/2021 and was introduced as from 1 September 2020 to replace the National Pension Fund (NPF). Contrary to the NPF, the CSG is an uncapped contribution and it aims to aid the low earning, including self-employed individuals as well as Small and Medium Enterprises (SMEs).

The MRA is the responsible body for the collection of the CSG. The rate of contribution is as follows:

	Participant	Monthly Basic Wage/ Salary	Employee contribution on remuneration	Employer contribution on remuneration
A	Other than public sector employee	Not exceeding MUR 50,000	1.5%	3%
B		Exceeding MUR 50,000	3%	6%
C	Public sector employee	Not exceeding MUR 50,000	N/A	4.5%
D		Exceeding MUR 50,000	N/A	9%
E	Employee in the domestic service (employment in a household such as cook, driver, gardener, garde malade or maid)	Not exceeding MUR 3,000 in total from one or more employers	N/A	3%
F	Self-employed		MUR 150 monthly	
G	Employee + Self-employed	Same as under A or B (as applicable) and F		

The deadline for effecting CSG payment electronically to the MRA is the last day of the month following the end of the month for which payment was due failing which a penalty of 10% and an interest of 1% per month/part of a month is applicable.

How can ITL assist?

ITL has a specialized tax team who can assist on any queries relating to the CSG and other tax related matters. For any information or clarification, please write to your usual contact person at ITL or simply drop us an e-mail on info@intercontinentaltrust.com

For any additional information please contact us.

Mauritius Office

Email: mauritius@intercontinentaltrust.com
Website: www.intercontinentaltrust.com

Seychelles Office

Email: seychelles@intercontinentaltrust.sc

South Africa Office

Email: sa@intercontinentaltrust.com

Singapore Office

Email: singapore@intercontinentaltrust.com.sg
Website: www.intercontinentaltrust.com.sg

Kenya Office

Email: ke@intercontinentaltrust.com



Proud Supporter of
THE GLOBAL GOALS
For Sustainable Development

ISAE 3402
COMPLETED TYPE II AUDIT



Best Real Estate & Infrastructure
Funds Administrator 2019 & 2020 | Best Investment Funds
Administrator 2018

PRIVATE EQUITY | AFRICA

GP & Advisor
Awards 2016

WINNER

Corporate
Finance Advisor
of the Year

DISCLAIMER

The information in this newsletter was prepared by Intercontinental Trust Limited to provide potential clients with a broad overview of the opportunities available in Mauritius. While all reasonable care has been taken in the preparation of this newsletter, Intercontinental Trust Limited accepts no responsibility for any errors it may contain, whether caused by negligence or otherwise, or for any loss, however caused, sustained by any person that relies on it. Readers are advised to consult with appropriate, qualified professional advisors before taking action. Intercontinental Trust Limited will be pleased to discuss any specific issues.

If you do not wish to receive further information from Intercontinental Trust Limited, please send an email to unews@intercontinentaltrust.com



Intercontinental Trust Ltd