

COVID – 19

Update for Mauritius

Dear [personalised],

The Mauritian authorities are taking protective measures to minimise the impact of the coronavirus (COVID-19) on the island. In order to protect its citizens, the government has issued a Curfew Order on 22 March 2020 which provides that no person shall remain outdoors in Mauritius as from 23 March 2020 at 20.00 hrs until 02 April 2020 at 20.00 hrs. It has now been further extended to 15 April 2020. As part of the business continuity plan, the Mauritius regulators have also come implemented a series of measures in the provision of services.

This document summarises the salient measures announced by the regulators and we will continue our efforts to keep you updated on any new developments.

At IQ-EQ Mauritius, almost all of our 300+ people are now working from home and we're proud to have been able to maintain client service standards given the current situation.

1 April 2020

Regulatory updates

Financial Services Commission ('FSC')	<p>The FSC has issued a communique highlighting that they will show flexibility towards companies which may face challenges in meeting their forthcoming reporting obligations including regulatory filings. The FSC will consider, on a case to case basis, such measures that may alleviate the immediate regulatory burden for financial institution during these challenging time. The FSC has also reiterated that they will not charge administrative penalties for late filing and reporting obligations due for end March 2020, arising strictly because of the COVID-19 curfew period, provided submissions due for end March 2020 are made on or before 30 June 2020. However, this protocol shall not apply to outstanding filing and reporting obligations and outstanding penalties for previous years which are in non-compliance with regulatory requirements</p>
Bank of Mauritius	<p>The measures to ensure continuity in the provision of basic banking services by commercial banks during the confinement period are:</p> <ul style="list-style-type: none">• Banks will keep open branches in strategic locations to ensure a fair coverage. These branches will operate from Monday to Friday from 09:30 to 15:00 with minimal staff to provide basic banking services. A list of branches which will be open will be communicated to the public by the respective banks.• Banks will waive the fees applicable on shared ATM services. This will enable customers to have access to the ATM of any bank regardless of the issuer of the card without having to pay any fee.• The Bank of Mauritius will continuously supply commercial banks with adequate banknotes for their ATMs.• The Bank of Mauritius will maintain the operation of its payment and settlement systems.
Mauritius Revenue Authority ('MRA')	<p>It is to be noted that taxpayers who are unable to submit returns or effect payment of tax due to the lockdown will not be charged any penalty or interest for late submission/payment by the MRA.</p>
Registrar of Companies ('ROC')	<p>The ROC has issued a communique to reassure that the Corporate and Business Registration Department ('CBRD') will maintain its online facilities in respect of online incorporation and online filing.</p>

Measures announced by the Government

Protection of Business

The Government Wage Assistance Scheme (Scheme). The Scheme is applicable to businesses in the private sector and with respect to their employees drawing a monthly basic wage of up to Rs50,000 and covers both Mauritians and expatriate employees working in Mauritius.

The Eligible Employers will benefit financial assistance from the Government as per the table below:

For every employee with basic salary in March 2020	Basis	Assistance per employee (Rs)
From Rs9,700 to Rs25,000	15-days wages	From Rs4,850 to Rs12,500
From Rs25,000 to Rs50,000	Fixed Amount	Rs12,500
Above Rs50,000	Nil	Nil

Measures announced by the Government

Tax & Economic Stimulus Measures

- COVID-19 Wage Support Scheme will be extended to cover workers in other formal sectors of the economy for the two weeks' restriction period.
- The State Investment Corporation ('SIC') Ltd will launch an Equity Participation Scheme to assist enterprises to overcome their financial difficulties.
- Enterprises being affected by COVID-19 will be entitled to a double tax deduction on their investment in Plant and Machinery for the period 1 March 2020 to 30 June 2020.
- All work permits that expire this year will be extended automatically up to 31 December 2021.
- Schemes under the Investment Support Programme Ltd and SME Equity Fund Ltd will be reviewed.
- The training levy will be reduced from 1% to 0.5% for operators in the tourism sector as from 1 April 2020 up to 31 July 2020.
- The Freight Rebate Scheme will be extended for exports to South Africa and Tamatave up to 31 December 2020.
- The Speed to Market Scheme will be extended for exports of the manufacturing sector to Africa, Japan, Australia, Canada and the Middle East up to 31 December 2020.

Measures announced by the Government

Fiscal Incentives

- A Revolving Credit Fund of Rs 200 million would be established at the Development Bank of Mauritius Ltd to help companies with turnover of up to Rs 10 million to ease their cash flow difficulties up to 31 December 2020
- The Passenger Fee on Air Ticket would be suspended for tourists from Reunion Island, Australia and South Africa up to 31 July 2020.

Health & Safety Measures

- To minimise human contacts, Government will give full support to promote the Work at Home Scheme that was announced in the 2018-2019 Budget Speech.
- An e-Government Digital Bureau will be set up to fast track the provision of public services through electronic means.
- Funds to the tune of Rs208 million are being made available to the Ministry of Health and Wellness for the acquisition of new medical accessories and equipment, of which Rs108 million have already been disbursed

Measures announced by the Government

Force Majeure

- In contrast to France which has legislated that COVID-19 is a Force Majeure event with respect to contracts entered with the State, nothing to that effect announced in Mauritius.
- Force Majeure- in simple words, a 'Force Majeure' event is an event refers to the occurrence of an event which is outside the reasonable control of a party and which prevents that party from performing its obligations under a contract. Invoking successfully a Force Majeure exonerates a party from contractual liability.
- There are certain common criteria across several jurisdictions including Mauritius which characterises a Force Majeure such as:
 - the event must be beyond the reasonable control of the affected party (exteriority);
 - the affected party's ability to perform its obligations under the contract must have been prevented, impeded or hindered by the event (unforeseeability); and
 - the affected party must have taken all reasonable steps to seek to avoid or mitigate the event or its consequences (irresistibility)
- Parties remain free to decide contractually what amount to a Force Majeure event. The Courts in most major jurisdiction have a tendency to take a very restrictive interpretation. Having events like 'pandemic', 'virus' expressly stated as a Force Majeure event would certainly make things easier.
- Causal link must be established in any circumstances.

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