



**Regional Consultation on Air Quality, Clean  
Vehicles and Sustainable Mobility Roadmap  
August 24-25, 2016 Nairobi, Kenya  
Eastland Hotel**

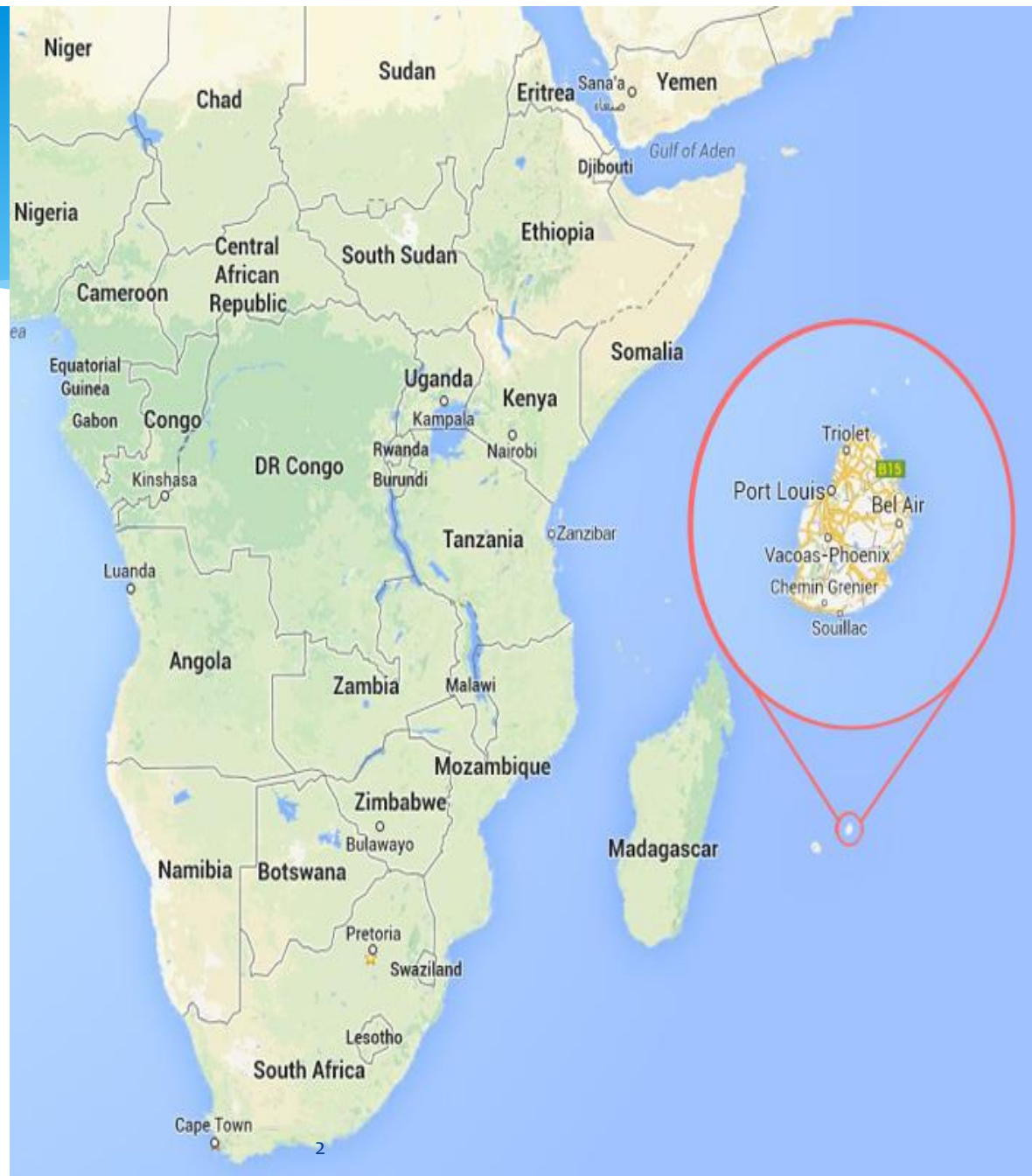
***Fiscal measures and taxation to  
control of vehicle imports in  
Mauritius..***

**Ajaye Juggurnath, Environment Officer  
Ministry of Environment, Sustainable Development, and Disaster and Beach Management  
Republic of Mauritius**

# Location of Mauritius:

- Small Island Developing States (SIDS), located 2000 km off southeast coast of African Continent in the Indian Ocean.

- Comprised of mainland Mauritius and the following islands: Rodrigues, Agaléga, St Brandon, Tromelin and the Chagos Archipelago, including Diego Garcia.



# **Outline of presentation**

- Policy objectives for imposing taxes on motor vehicles
- Motor vehicles related taxes
- Vehicles import regulations
- Other measures implemented for promoting import of cleaner vehicles
- Recommendations and way forward

# **Policy objectives for imposing taxes on motor vehicles**

- Government revenue: to finance Government expenditure including maintenance of existing roads and new road infrastructure projects
- Transport objectives: to control vehicle fleet and monitor traffic congestion in the country
- Redistributing income: a progressive tax in relation to cylinder capacity – higher income group buy cars with higher engine cc
- Environmental objectives: to promote fuel economy and to reduce harmful emissions like CO<sub>2</sub> emission

# Motor vehicle related taxes

3 broad categories, namely:-

- ❑ **Taxes on acquisition:** i.e. taxes on purchase of a motor vehicle (excise duty, registration duty)
- ❑ **Taxes on ownership:** i.e. taxes in connection with possession or ownership of a vehicles (Road motor vehicle licence)
- ❑ **Taxes on motoring:** taxes related to the use of a vehicle (excise duty on Mogas and Gasoil, MID levy on Mogas and Gasoil)

# **1. Taxes on acquisition**

Excise duty on motor vehicles is imposed at the time of imports and the rates depend on:-

- ❑ the type of motor vehicle (cars, motorcycles, buses, goods vehicles );
- ❑ engine size i.e. the cylinder capacity (excise rates for cars of more than 2,000 cc is 100% of the value of import compared to 50% for those of less than 1,600 cc);
- ❑ the use of the motor vehicle (private cars compared to commercial vehicles);
- ❑ Ad valorem (%) and on the value of import ( Price of the car and the Exchange Rate).

# 1. Taxes on acquisition – Rates of excise duty

Taxes on acquisition e.g. motor cars (including SUV, Jeep type). Rates of excise duty as follow:

Type of motor car and cylinder capacity (c.c.)	Current	New (w.e.f Budget 2016/2017)
<b>Conventional motor cars:</b>		
Up to 550 c.c.	15%	0%
551 - 1,000 c.c.	55%	45%
1,001 - 1,600 c.c.	55%	50%
1,601 - 2,000 c.c.	75%	75% (no change)
Above 2,000 c.c.	100%	100% (no change)
<b>Hybrid motor cars:</b>		
Up to 1,600 c.c.	55%	25%
1,600 - 2,000 c.c.	75%	45%
Above 2,000 c.c.	100%	70%
<b>Electric cars:</b>		
Up to 180 Kw	25%	0%
Above 180 Kw	25%	25% (no change)

# 1. Taxes on acquisition – Rates of excise duty (ctd)

## **Excise Duty Concession and Exemptions:**

- ☐ Civil servants 0%, 30% of the rates;
- ☐ Embassies 0%;
- ☐ Taxis 20% of the rates;
- ☐ Returning residents 15%; and
- ☐ Handicapped persons – specially designed cars 15%.

**Note:** same rates are applicable for NEW and IMPORTED SECOND HAND VEHICLES

- ☐ Motor cycles
  - Up to 300 cc      0%
  - 301 to 450 cc    45%
  - Above 450cc     100%
- ☐ Double space cabin vehicles      20%
- ☐ Buses
  - Private transport 10%
  - Public transport 0%



# **1. Taxes on acquisition – Registration fee**

- ☐ Registration fee payable on first entry into Mauritius or any subsequent transfer of ownership
- ☐ Specific rates (i.e Rupee (Rs) amount)
- ☐ New/imported second hand vehicle: the type of vehicle, engine size, whilst for subsequent transfers, the age of the vehicle is also taken into account.
- ☐ Payable at the Registrar General Office.
- ☐ Registration duty payable in the case of hybrid /electric vehicle is reduced by half.

# Registration duty on motor vehicles or trailers

	First Registrati on in Mauritius	Life of motor vehicle or trailer from the date of its original registration in or outside Mauritius when new to the date of its transfer										
		Not exceedi ng one year	Exceedin g one year but not exceedin g 2 years	Exceedin g 2 years but not exceedin g 3 years	Exceedin g 3 years but not exceedin g 4 years	Exceedin g 4 years but not exceedin g 5 years	Exceedin g 5 years but not exceedin g 6 years	Exceedin g 6 years but not exceedin g 7 years	Exceedin g 7 years but not exceedin g 8 years	Exceedin g 8 years but not exceedin g 9 years	Exceedin g 9 years but not exceedin g 10 years	Exceedin g 10 years
Motor cycles of an engine capacity not exceeding 50 cc	2,000	1,600	1,400	1,200	1,100	1,000	900	800	700	600	500	400
Motor cycles of an engine capacity exceeding 50 cc but not exceeding 250 cc	5,000	4,000	3,500	3,000	2,750	2,500	2,250	2,000	1,750	1,500	1,250	1,000
Motor cycles of an engine capacity exceeding 250 cc	6,500	5,200	4,500	3,900	3,600	3,300	3,000	2,600	2,300	2,000	1,600	1,300
Buses, public service vehicles (taxi), ambulances, hearses, lorries, trailers and other goods vehicles	32,500	26,000	22,800	19,500	17,900	16,300	14,700	13,000	11,400	9,800	8,200	6,500
Trucks of pickup type with double space cabin with or without cargo bed (double cab vehicles)	52,000	41,600	36,400	31,200	28,600	26,000	23,400	20,800	18,200	15,600	13,000	10,400
Passenger motor vehicles of an engine capacity –												
Not exceeding 1,000 cc	16,300	13,000	11,400	9,800	9,000	8,200	7,300	6,500	5,700	4,900	4,000	3,300
From 1,001 cc to 1,250 cc	32,500	26,000	22,800	19,500	17,900	16,300	14,700	13,000	11,400	9,800	8,200	6,500
From 1,251 cc to 1,500 cc	52,000	41,600	36,400	31,200	28,600	26,000	23,400	20,800	18,200	15,600	13,000	10,400
From 1,501 cc to 1,600 cc	65,000	52,000	45,500	39,000	35,800	32,500	29,300	26,000	22,800	19,500	16,300	13,000
From 1,601 cc to 1,750 cc	78,000	62,400	54,600	46,800	42,900	39,000	35,100	31,200	27,300	23,400	19,500	15,600
From 1,751 cc to 2,000 cc	117,000	93,600	81,900	70,200	64,400	58,500	52,700	46,800	41,000	35,100	29,300	23,400
From 2,001 cc to 2,500 cc	156,000	124,800	109,200	93,600	85,800	78,000	70,200	62,400	54,600	46,800	39,000	31,200
Exceeding 2,500 cc	195,000	156,000	136,500	117,000	107,300	97,500	87,800	78,000	68,300	58,500	48,800	39,000

# Registration duty on electric motor vehicles

	First Registration in Mauritius	Life of motor vehicle or trailer from the date of its original registration in or outside Mauritius when new to the date of its transfer										
		Not exceeding one year	Exceeding one year but not exceeding 2 years	Exceeding 2 years but not exceeding 3 years	Exceeding 3 years but not exceeding 4 years	Exceeding 4 years but not exceeding 5 years	Exceeding 5 years but not exceeding 6 years	Exceeding 6 years but not exceeding 7 years	Exceeding 7 years but not exceeding 8 years	Exceeding 8 years but not exceeding 9 years	Exceeding 9 years but not exceeding 10 years	Exceeding 10 years
Motor cycles of a power rating capacity not exceeding 1.5 kw	1,000	800	700	600	550	500	450	400	350	300	250	200
Motor cycles of a power rating capacity exceeding 1.5 kw but not exceeding 7.5 kw	2,500	2,000	1,750	1,500	1,375	1,250	1,125	1,000	875	750	625	500
Motor cycles of a power rating capacity exceeding 7.5 kw	3,300	2,600	2,300	2,000	1,800	1,600	1,500	1,300	1,100	1,000	800	700
Buses, public service vehicles (taxi), ambulances, hearses, lorries, trailers and other goods vehicles	16,300	13,000	11,400	9,800	9,000	8,100	7,300	6,500	5,700	4,900	4,100	3,300
Trucks of pickup type with double space cabin with or without cargo bed (double cab vehicles)	26,000	20,800	18,200	15,600	14,300	13,000	11,700	10,400	9,100	7,800	6,500	5,200
Passenger motor vehicles of an engine capacity –												
Not exceeding 27.5 kw	8,100	6,500	5,700	4,900	4,500	4,100	3,600	3,300	2,900	2,500	2,000	1,600
From 27.6 kw to 40.0 kw	16,300	13,000	11,400	9,800	9,000	8,100	7,300	6,500	5,700	4,900	4,100	3,300
From 40.1 kw to 52.5 kw	26,000	20,800	18,200	15,600	14,300	13,000	11,700	10,400	9,100	7,800	6,500	5,200
From 52.6 kw to 57.5 kw	32,500	26,000	22,800	19,500	17,900	16,300	14,600	13,000	11,400	9,800	8,100	6,500
From 57.6 kw to 65.0 kw	39,000	31,200	27,300	23,400	21,500	19,500	17,600	15,600	13,700	11,700	9,800	7,800
From 65.1 to 77.5 kw	58,500	46,800	41,000	35,100	32,200	29,300	26,300	23,400	20,500	17,600	14,600	11,700
From 77.6 kw to 102.5 kw	78,000	62,400	54,600	46,800	42,900	39,000	35,100	31,200	27,300	23,400	19,500	15,600
Exceeding 102.5 kw	97,500	78,000	68,300	58,500	53,600	48,800	43,900	39,000	34,100	29,300	24,400	19,500

# **1. Taxes on acquisition – Value Added Tax**

- ❑ Value Added Tax (VAT) is a tax on consumption, like all other goods, motor vehicles are taxed at 15% on the final price.

## **2. Taxes on Ownership – Road Motor Vehicle Licence**

- ❑ Paid on a year basis by the owner of the vehicle
- ❑ Collected by the National Transport Authority
- ❑ Based on the type of the vehicle, engine size, weight (for goods vehicle), seating capacity (public vehicles)
- ❑ Examples
  - Motor cars : Rs 3,500 to Rs 13,000 and Rs 4,500 to Rs 15,000 if in a company name
  - Auto cycle: Nil
  - Motorcycle Rs 600 to Rs 1,000
  - Public buses: Rs 3,000 – Rs 4,500
  - Goods vehicles : Rs 3,000 to Rs 18,000
  - 50% reduction for hybrid and electric vehicles and if the vehicles are used in Island of Rodrigues.

### 3. Taxes on Motoring – Taxes on fuel

- ❑ Excise duty on:

Mogas = Rs 10.80 per litre

Gasoil = Rs 3.30 per litre

- ❑ The Maurice Ile Durable (MID) Levy was introduced in June 2008 at the rate of 15 cents per kg of coal, 15 cents per kg of liquefied petroleum gas (LPG), and 15 cents per liter of other petroleum products (mogas, diesel, fuel oil, jet fuel). The rates have been doubled to 30 cents in Nov 2010.

- ❑ Objective of the MID levy: to finance MID projects

- ❑ Our MID levy is very close to a **carbon tax** (as indicated by report: Options for Environmental Tax Reform in Mauritius, International Monetary Fund, Feb 2011)

# Vehicle import regulations

Nearly 50% of vehicles registered annually are new. Second hand motor vehicles import are governed by regulations laid by the Ministry of Commerce. Additionally, certifications are required from exporter countries. The criterion for import of second hand vehicles are as follow:

Type of vehicle	Age Criterion	
	Lower limit	Upper limit
Second hand motor cars (sports utility vehicles, crossover and jeep type motor vehicles)	18 months	4 years
Dual purpose vehicles (2x4, 4x4 double cab truck)	18 months	4 years
Vans	First registration	5 years
Motor buses	First registration	8 years
Goods vehicles (lorries including double cab heavy duty lorries and trucks)	First registration	8 years

## Vehicle import regulations (ctd)

➤ **Certificates required for import of second hand vehicles:**

- 1) Auction sheet by auctioneer (Grade of vehicle shall not be below 3.5 on a scale of 1 to 5)
- 2) Pre-shipment inspection certificate authenticated by inspection agency of export country

➤ **Additional certificates/information presently under consideration:**

- 1) Compliance certificate with current emission standards
- 2) Road worthiness certificate
- 3) Complete history of vehicle service and repairs
- 4) Deregistration certificate from official vehicle registration body of exporter country
- 5) Export certificate from official vehicle registration body
- 6) Vehicle identification number (chassis number)



# Other measures implemented for promoting import of cleaner vehicles

- Introduction of **unleaded petrol (ULP)** since September 2002.
- Introduction of **Low Sulphur Content Diesel** in a phase wise  
5000 ppm ➡ 2500 ➡ 500 ➡ 50 ➡ **What next?** 10 ppm under consideration
- **Age restriction for bus** (16 years for individual bus operators / up to 18 years for National Transport Corporation buses)
- **Incentives to renew taxi fleet** (100% duty remission every 4 years)
- From **2009 to 2015**, the number of **hybrid and electric vehicles** has increased from **43 to 2412** and from **0 to 19** respectively.
- Since 2014, a Bus Replacement Scheme has been put in place providing a subsidy of **Rs 1 Million plus VAT exemption** per bus for incentivizing bus operators to replace their old buses with EURO type semi low floor buses.
- With the **reduction of excise duty** as announced in Budget 2016/2017, it is anticipated that sales of motor vehicle in the segment 1000-1600 cc, hybrid and electric vehicles would have a further market preference.

# **International commitments for promoting import of cleaner vehicles**

➤ **Implementation of the Global Fuel Economy Initiative (GFEI) Phase 2 since April 2015. Under GFEI, number of issues are being looked into:**

1. Other financial incentives to promote the purchase of environment friendly vehicles;
2. Preparation of a vehicle labelling legislation for public awareness for informed decision while purchasing their vehicles;
3. An assessment study on the socio-economic impacts of policies on low and no emissions vehicles including two wheelers;
4. Traffic control measures e.g. traffic congestion, parking spaces, non-motorised transport, park and ride etc..

# Recommendations and way forward

- For existing vehicle fleet **inspection and maintenance** to reduce emissions.
- Capture correct **vehicle data on imports** (electronically and key parameters included).
- **Best practices around the world** will help sell policy recommendations to decision makers.
- **Vehicle labelling** first key step to raise awareness among vehicle users in terms of fuel economy and efficiency.
- **Ownership, Commitment** and **Collaboration** of various stakeholders will enable adoption of best practices on fuel economy improvement and promoting Cleaner, More Energy Efficient Vehicles.





# Thank you for your attention!!



**Contact us @**

Ministry of Environment, Sustainable  
Development, and Disaster and Beach Management  
Port Louis, Republic of Mauritius.

[www.environment.govmu.org](http://www.environment.govmu.org)