

## CSG not applicable to non-citizen employees who are not tax resident

### Background

Amendments have been made to the Contribution Sociale Généralisée (“CSG”) Regulations 2020 to exclude a non-citizen employee who is non-resident under the Income Tax Act 1995 (“ITA”), from CSG. The amendment shall be deemed to have come into operation on **1<sup>st</sup> September 2020**.

### KPMG Views

- Such amendment is welcomed as the non-citizens would not have any benefit from such a contribution. We expect employers to identify the employees who are impacted by this amendment as they may be eligible for refund.
- No CSG shall be payable to the Mauritius Revenue Authority (“MRA”) in April 2021 for employees who are non-citizen and non-tax resident. It is therefore important for employers to immediately review their CSG calculation and remit the correct amount of CSG in April 2021.
- We would expect employers to monitor the tax status of their non-citizens employees as they would become subject to CSG only when they become tax resident.

For any assistance with respect to CSG calculation, seeking refund from MRA or determining tax status of your non-citizen employees, KPMG shall be pleased to assist. You may refer to our [tax alert](#) issued in September 2020 for more information on CSG.

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This document is based on our interpretation of the current tax laws and international tax principles. These laws and principles are subject to change occasioned by future legislative amendments and court decisions. You are therefore cautioned to keep abreast of such developments and are most welcome to consult us for this purpose.

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