

GUIDELINES FOR THE REGISTRATION OF A DEVELOPER UNDER THE NATIONAL REGENERATION PROGRAMME (NRP)

Based on the provisions of regulation 20A of the Economic Development Board (Smart City Scheme) Regulations 2015.



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Preface

These guidelines are specifically targeted to Developers who want to acquire land and develop a component of a Smart City project under the National Regeneration Programme (NRP). The NRP provides for restoration, consolidation and improvement of the built fabric of towns and large villages with respect to public and private buildings and infrastructures in a specific area approved under an area regeneration plan (ARP). This initiative by Government is expected to attract new investments and further grow the construction and related service(s) sector.

Based on the provisions of the Economic Development Board (Smart City Scheme) Regulations 2015 (as amended), these guidelines are designed to provide information and assist decision-making. They are neither intended to replace the provisions of the laws and should not be construed as one nor should they be interpreted as prescribing an exclusive course of management.

Whilst care has been taken to ensure that the information provided herein is accurate and correct at the time of publication, users of this publication are advised to seek guidance from the Economic Development Board in case of uncertainty or ambiguity encountered in reading. The Economic Development Board shall, in no circumstances whatsoever, be held liable to any person arising from use of information contained herein.

This publication aims to:

- 1) define procedures required to be followed by developers in line with requirements under the Economic Development Board (Smart City Scheme) Regulations 2015;
- 2) provide a comprehensive and user-friendly guide and reference document to assist developers to submit projects under the NRP;
- 3) avoid any misunderstanding in the interpretation, application or implementation of agreed procedures, rulings and regulations and ensure that the implementation of all NRP projects are always in pursuance of and are consistent with the Regulations.

More specifically, this set of guidelines will:

- 4) facilitate the submission and processing of applications for new projects through a clear, streamlined and more transparent project development, evaluation, approval and implementation process; and
- 5) ensure the application of the provisions of the Economic Development (Smart City Scheme) Regulations 2015.

Guidelines issued under regulation 20 of the Economic Development Board (Smart City Scheme) Regulations 2015.

April 2024

Economic Development Board

Definition of the National Regeneration Programme Developer

The National Regeneration Programme (NRP) developer means any person approved by the Board to carry out any improvement works in a special development area and holding a registration certificate

Application for Registration as NRP Developer

1. No person shall be an NRP Developer unless that person is a company and holds a registration certificate to carry out works within a special development area.
2. A person intending to carry out works in a special development area, including works in the public realm, shall make an application to the Economic Development Board for a registration certificate as NRP Developer and approval for the works project
3. Every application shall be accompanied by:
 - (a) the information and particulars of works relating to the project;
 - (b) an implementation plan relating to the project together with full details, including a timeframe for its completion;
 - (c) a brief on how the project fits within the approved area regeneration plan; and
 - (d) such other particulars of information and documents as may be specified in the guidelines.
 - (e) A non-refundable fee of MUR 50,000 paid by mode of a cheque drawn in favor of the Economic Development Board or by bank transfer in the account of EDB .
4. The Economic Development Board shall, on receipt of an application:
 - (a) instruct the Smart City Scheme (SCS) Technical Committee to examine the project and, where necessary, request the applicant to make such modifications as may be required; and
 - (b) on the recommendation of the SCS Technical Committee and on being satisfied that the project meets the requirements of these regulations, approve the project on such terms and conditions as it may determine.
5. Where the project is approved, the Chief Executive Officer shall issue a letter of registration to the applicant on such terms and conditions as the Board may determine.

6. Where the Chief Executive Officer is satisfied that the terms and conditions of the letter of registration have been complied with, he shall issue the applicant with a registration certificate. The registration certificate shall be valid for a period of 2 years or in line with the area regeneration plan and the project shall be completed within the period.

Incentives to NRP Developer

An NRP developer issued with a registration certificate will be provided the following incentives:

1. fully recover VAT paid on buildings and capital goods for a period not exceeding 2 years from date of registration certificate
2. where an NRP developer submits a return under the VAT Act and the excess amount includes input tax on buildings and capital goods, the company may, in that return, make a claim to the Director-General of the MRA for a repayment of the amount of input tax allowable in respect of the buildings and capital goods
3. by way of a deduction from its income tax otherwise payable in respect of the year of investment and for each of the 2 subsequent income years, a tax credit of an amount equal to 5 per cent of the value of capital expenditure as may be approved by the EDB and subject to the approval of the Ministry of Finance and Economic Development –
 - a. the tax credit shall be granted in respect of capital expenditure incurred in 2 succeeding income years as from the date of the registration certificate;
 - b. where the deduction in respect of an income year exceeds the amount of income tax otherwise payable for that income year, the excess may be carried forward to the following income year;
 - c. no deduction in respect of a capital expenditure can be carried forward beyond a period of 10 consecutive income years following the income year in which the capital expenditure was incurred.
4. Where an NRP developer imports any dutiable goods, other than furniture, to be used in infrastructure works and construction of buildings, no customs duty shall be paid on those goods
5. Where an NRP developer imports furniture in such condition that it would require further processing resulting into value addition of at least 20% of the c.i.f value at import, no customs duty shall be paid on the furniture

6. Where an NRP developer has incurred capital expenditure on approved renovation and embellishment works in the public realm, a deduction of the capital expenditure so incurred will be allowed from its gross income in the income year in which expenditure is incurred
7. Income derived by an NRP developer from an activity relating to smart parking is exempt from income tax under the Income Tax Act provided the period of exemption does not exceed 5 years starting from the income year in which the company starts its operations.
8. Income derived by an NRP developer from an activity relating to rental of new space for cultural purposes or to artists is exempt from income tax under the Income Tax Act provided the period of exemption does not exceed 2 years starting from the income year in which the company starts its operations.