



MINISTRY OF FINANCE
Government Centre, Port Louis, Mauritius

Circular No. 1 of 2026

02 February 2026

My Ref: CF/60/20/6 V6

From: Financial Secretary

To: Supervising Officers-in-Charge of Ministries/Departments and Accounting Officers

Revised Formula for Valuation of Official Cars
for sale to Retiring Officers

The purpose of this Circular is to inform you of the revised formula to be applied for the valuation of official cars to be sold to eligible officers upon retirement.

2. The objective of reviewing the existing formula as provided for in Circular No. 7 of 2016 is to provide a more accurate, equitable, and market-aligned valuation framework that:

- (i) ensures:
 - (a) better protection of public finances by reducing the loss that was being incurred by Government with the prevailing formula;
 - (b) a fair, transparent and reasonable basis for valuation; and
- (ii) encourages retiring officers to retain the official car assigned to them during their term of service, in lieu of opting for a new duty-free car.

3. Under the revised formula, the selling price of a car shall be determined as follows:

<u>Purchase Price (including VAT)</u>	-	A
<u>Less:</u> 10% Initial Depreciation	-	(B)
Balance (A – B)		<hr/> C
<u>Less:</u> Depreciation applied on Balance (18 % annually using the reducing balance method over 5 years)	-	(D)
Selling Price (C – D)	-	<hr/> E

4. The initial depreciation rate is being reduced from 15% to 10% which is closer to market practice. In addition, the annual depreciation rate is being reduced to 18% instead of 25% based on a depreciation period of 5 years instead of 4 years. As illustrated at Annex 1, based on an original purchase price (inclusive of VAT) of Rs 2 million, the computed selling price of a vehicle aged sixty (60) months would amount to Rs 667,332.

5. The implementation of the revised formula for the valuation of official cars is **effective for eligible officers retiring as from the date of this circular**.

6. Supervising Officers of Ministries/Departments are kindly requested to bring the contents of this Circular Letter to the attention of Chief Executives of Parastatal Bodies falling under their purview.

A. Acharuz
Financial Secretary

- Copy to:
- (i) Secretary to Cabinet and Head of the Civil Service
 - (ii) Director of Audit
 - (iii) Accountant-General
 - (iv) Director, Financial Operations
 - (v) Officer-in-Charge of Finance Section in Ministries/Departments

Computation of the Selling Price of an official car over a 5-year period and with original purchase price (including VAT) of Rs 2 million.

Purchase Price (including VAT)	Rs	2,000,000	A
Less Initial Depreciation - 10%	Rs	200,000	B
Balance after 10% Initial Depreciation - (A - B)	Rs	1,800,000	C
Useful life	years	5	
Depreciation Rate	%	18%	

Age of Car in Month	Percentage Depreciation 18 % annually	Cumulative Depreciation D	Depreciated Value E
		Rs	Rs
1	1.5%	27,000	1,773,000
2	1.5%	54,000	1,746,000
3	1.5%	81,000	1,719,000
4	1.5%	108,000	1,692,000
5	1.5%	135,000	1,665,000
6	1.5%	162,000	1,638,000
7	1.5%	189,000	1,611,000
8	1.5%	216,000	1,584,000
9	1.5%	243,000	1,557,000
10	1.5%	270,000	1,530,000
11	1.5%	297,000	1,503,000
12	1.5%	324,000	1,476,000
13	1.5%	346,140	1,453,860
14	1.5%	368,280	1,431,720
15	1.5%	390,420	1,409,580
16	1.5%	412,560	1,387,440
17	1.5%	434,700	1,365,300
18	1.5%	456,840	1,343,160
19	1.5%	478,980	1,321,020
20	1.5%	501,120	1,298,880
21	1.5%	523,260	1,276,740
22	1.5%	545,400	1,254,600
23	1.5%	567,540	1,232,460
24	1.5%	589,680	1,210,320
25	1.5%	607,835	1,192,165
26	1.5%	625,990	1,174,010
27	1.5%	644,144	1,155,856
28	1.5%	662,299	1,137,701
29	1.5%	680,454	1,119,546
30	1.5%	698,609	1,101,391
31	1.5%	716,764	1,083,236
32	1.5%	734,918	1,065,082
33	1.5%	753,073	1,046,927
34	1.5%	771,228	1,028,772
35	1.5%	789,383	1,010,617
36	1.5%	807,538	992,462
37	1.5%	822,425	977,575
38	1.5%	837,311	962,689
39	1.5%	852,198	947,802
40	1.5%	867,085	932,915
41	1.5%	881,972	918,028
42	1.5%	896,859	903,141

Age of Car in Month	Percentage Depreciation 18 % <i>annually</i>	Cumulative Depreciation D	Depreciated Value E
		Rs	Rs
43	1.5%	911,746	888,254
44	1.5%	926,633	873,367
45	1.5%	941,520	858,480
46	1.5%	956,407	843,593
47	1.5%	971,294	828,706
48	1.5%	986,181	813,819
49	1.5%	998,388	801,612
50	1.5%	1,010,595	789,405
51	1.5%	1,022,803	777,197
52	1.5%	1,035,010	764,990
53	1.5%	1,047,217	752,783
54	1.5%	1,059,425	740,575
55	1.5%	1,071,632	728,368
56	1.5%	1,083,839	716,161
57	1.5%	1,096,046	703,954
58	1.5%	1,108,254	691,746
59	1.5%	1,120,461	679,539
60	1.5%	1,132,668	667,332