18. THE WAY FORWARD

As part of the revised guidelines issued by the Ministry of Finance and Economic Development, all Ministries including Parastatal Bodies are required to report on the trend and challenges that the organisation may have to undergo while meeting the future direction of the organisation. Accordingly, a SWOT analysis has been designed – as set out hereunder – which best highlights the trends and challenges being faced by the MRA.

Regarding the way forward of the MRA, a summary of the strategic direction elaborating all future projects that the MRA intends to implement in achieving its strategic objectives have also been covered.

18.1. STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS

18.1.1. Strengths

- A robust, secured and updated IT platform (i.e. The Taxpayer Portal) which enables taxpayers to file their tax returns and pay taxes online, thereby minimising compliance costs
- Embracing technology to widen the range of e-services to both internal and external stakeholders (e.g. Mobile Apps for e-filing of joint returns & MRA Portal for verifying refund status; e-Auction sales, e-Objection, online currency declaration, online tracking system, SMS alert, e-Recruitment, Leave Attendance System & Online payslip etc.)
- A well-defined and flattened organisational structure which has ebbed in more organisational efficiency and wiped off the bad reputation often associated with public institution (such as poor service, bottlenecks, complacency, bureaucracy and red-tapism)
- A very good public image and public perception of the organisation (as per the regular surveys conducted by the MRA)
- Good networking with other government agencies in the exchange of information and efficient data sharing by using TAN and BRN identifications of taxpayers
- Diversified organisation with a well-experienced workforce across the organisation and versatile in various tax types
- Internationally-recognized organisation which has won many awards on the local & international scenes
- Top six rating in the World Bank Ease of Paying Taxes out of some 200 countries
- Re-inforced legal team with recruitment of three Legal Counsels and one Attorney to expedite MRA’s legal matters
- Wide network of third party information, including from 44 foreign tax agencies, to checkmate tax evasion
- Strong partnership with external stakeholders to obtain feedback and enhance quality of service

18.1.2. Weaknesses

- Lack of data analytics for improving tax case and container selection
- The ITAS and CMS are not yet integrated on the same IT platform. Therefore, limited efficiency gain and synergy between tax and Customs
- High number of tax assessments being appealed against leading to soaring number of non-collectible debts each year
• Lack of succession planning in place for the transfer of knowledge and know-how from experienced retiring staff to new ones
• Difficulties to liquidate collectible revenue debts
• Prosecution of taxpayers not yielding desired results, particularly, as a disincentive to tax evasion
• Difficulties to ‘get in touch’ with the MRA as per results of the Taxpayer Satisfaction Survey 2018
• Need to strike the right balance between control and trade facilitation impacts on any extension in cargo scanning at Ports

18.1.3. Opportunities

• The impending “Information Highway” project for sharing of information among public sector agencies provides an avenue of opportunities for the MRA to buckle up compliance rate and tackle fiscal evasion
• The NPF/NSF which have been chaperoned by the MRA shall provide more potential synergies in the revenue collections for the government
• Good interactions with international organisations and with fellow tax administrations for greater cooperation, networking and increase in professional relatives
• SME Partnership Programme to path the way for a new collaboration with SMEs and their enhanced tax compliance
• Implementation of Electronic Fiscal Device with the aim of improving compliance and raising additional revenue
• Capacity building through our affiliation with ATAF, CATA, OECD, IMF, WCO, SADC, etc.
• Automation of the Debt Recovery Module for proper monitoring of debt and expeditious recovery actions
• Setting up of a Data Analytics Unit for enhancing organisational output
• Development of the Integrated Governmental Clearance Centre (IGCC) Building at the Airport aiming at increasing the volume of air cargo and updating services to all stakeholders in a one-stop-shop
• Conducting Board Assessment to obtain feedback on enhancing Board’s contribution and providing better strategic direction
• New conditions set out for submitting Bills of Entry within 5 days of landing will improve dwell time for cargo
• Recruitment of young, dynamic, highly skilled and qualified officers, both at Customs and Tax Compliance, undertaken recently will improve long term efficiency
• Third Party Information from financial institutions, including on funds held overseas by Mauritians, will widen the scope for unveiling tax evasion
• The completion of the Single Window Project will further expedite cargo clearance time

18.1.4. Threats

• Increasing use of advanced technology and sophisticated schemes by unscrupulous persons to beat the tax authority and Customs surveillance
• High dependency on IT support for core business processes both at Customs and tax operations. Any malware (or ransom ware) attack may seriously threaten the daily conduct of business at the MRA
• Increasing pressures on the tax base every year, especially during budgetary consultations, from the taxpayers/Trade Unions/NGOs for more tax exemptions and concessions
• Budgetary constraints for implementation of planned modernization projects
• Resistance to change impacting on institutional flexibility which is a pre-requisite for continuous improvement in efficiency
• Some experienced Management Team members proceeding on retirement shortly
• New techniques being used to launder money and bring drugs into the country
• MRA Officers becoming tempted by corrupt practices for personal gains. Hence, need for continuous vigilance
• Impact of digitisation and automation – continuous upgrading of the skills of our staff is required to cope with them
• Online activities, especially with non-residents, replacing some traditional domestic transactions and impacting on our tax base

18.2. STRATEGIC DIRECTION

As a Revenue Administration responsible for collecting approximately 90% of all tax revenues in Mauritius, the MRA pledges to optimise revenue collection to support funding of key Government programmes. Therefore, the MRA will strive to meet its collection targets of Rs 95.2 billion in FY 2019/20 for the Consolidated Fund, the most important of all government accounts.

Beyond collecting taxes, MRA handles the administrative collection of social contributions and disbursement of allowances in support of inclusive growth in the Republic of Mauritius. Therefore, an additional Rs 9 billion is expected to be generated in respect of Social Security Contributions, Lotto Fund, Responsible Gambling and Capacity Building Fund and the National Corporate Social Responsibility (CSR) Foundation.

<table>
<thead>
<tr>
<th>Table 41: Budgeted Collections for FY 2019/20 (Rs m)</th>
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<tbody>
<tr>
<td>Type of Revenue</td>
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<tr>
<td>Corporate Tax</td>
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<tr>
<td>Personal Income Tax</td>
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<tr>
<td>Tax Deducted at source</td>
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<tr>
<td>Value-Added Tax</td>
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<tr>
<td>Customs Duties</td>
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<tr>
<td>Excise duties</td>
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<tr>
<td>Taxes on Gambling</td>
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<tr>
<td>Environment Protection Fees</td>
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<tr>
<td>Passenger Fee</td>
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<tr>
<td>Special Levy on Banks</td>
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<tr>
<td>Special Levy on Telecommunication</td>
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<tr>
<td>Advertising Structure Fee</td>
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<tr>
<td>Miscellaneous</td>
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<tr>
<td>Total to Consolidated fund</td>
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</tbody>
</table>

In FY2019/20, the MRA will pursue its objective of raising maximum revenue for Government to finance its socio-economic objectives whilst providing a quality service to its taxpayers and protecting our borders.
In order to attain these objectives, the organisation will continue the implementation of its 2018-20 Corporate Plan (which is available for download from the MRA’s website www.mra.mu), and which sets out the strategic direction of the MRA.

As the MRA embarks on a new financial year, it intends to implement a few projects and priorities with a view to increasing its efficiency. Some of these projects are as follows:

- **One-time Password** for taxpayers to generate their own password and file tax returns
- **SMS notification** to taxpayers once the MRA has effected their income tax refund
- **Referral of Cases to Integrity Reporting Services Agency** on unexplained wealth
- **ESAAMLG Report on Money Laundering**: MRA will report to ICAC tax evasion cases which are considered to be a predicate offence for money laundering
- **Transparency in Tax Audit**: To promote transparency in the tax audit process:
  - a “Tax Audit Framework” will be posted on the website
  - a flyer on the “Rights and responsibilities of taxpayers in the course of a tax audit” will be issued to taxpayers where a business audit is being initiated
- **New Client Relationship Management System**: Our operators will be able to log every action between a taxpayer and the MRA (correspondence, phone calls, returns filed) to provide a better service
- **Integrated Governmental Clearance Centre (IGCC)** at the Airport. Construction due to start in this financial year. A one-stop-shop for cargo clearances at the Airport to reduce cargo dwell time
- **A rainwater harvesting system** with total tank capacity of 18,000 Litres has been installed at Custom House Mer Rouge last year
- **Full Body X-Ray Scanner** at SSRIA & **Wireless body worn camera** for the examination of consignments by Customs Officers
- **A new refund scheme on waste tyres**, whether exported or recycled, shall be implemented as from 1 October 2019
- **Data Analytics for Customs Risk Management**