



2020

# *Expeditious Dispute Resolution Tax Scheme*

## EXPEDITIOUS DISPUTE RESOLUTION TAX SCHEME

An **Expeditious Dispute Resolution Tax Scheme (EDRTS)** Panel consisting of 3 officers of the MRA has been set up since 24 July 2017 under the Expeditious Dispute Resolution Tax Scheme (EDRTS) to review assessments raised for any period up to 30 June 2016 for income tax, VAT and Gaming Tax.

As from 25 July 2019 the scheme has been extended to cover assessments/claims raised for EPF and duties and taxes under Customs Act.

**The Scheme is operational up to 31 August 2020\*.**



## OBJECTIVE

The objective of EDRTS is to enable a person who has been assessed to tax under Section 129 or 129A of the Income Tax Act, Section 37 of the Value Added Tax Act, Section 119 of the Gambling Regulatory Authority Act, Section 69 of the Environment Protection Act or duties and taxes under sections 15 and 24A of the Customs Act to apply for a review of the assessments/claims.

## CONDITIONS APPLICABLE FOR REVIEW

- Assessments/claims must have been raised prior to 01 July 2016.
- Tax claimed under the assessments/claims should not in aggregate, exceed Rs10 million.
- Application for review should be received before 31 August 2020.
- The applicant has not objected to the assessments/claims or has lodged representations at ARC or appealed to the Supreme Court or to the Judicial Committee of the Privy Council and his representations/appeal are/is still pending.
- Tax should be due under the assessment/s as at date of application.

- Assessments/claims has not been reviewed under any previous scheme under the Revenue Laws.
- The applicant has to file an affidavit, in the form prescribed by MRA, that he voluntarily foregoes his rights to initiate any proceedings before any Court following the decision of the Panel. (**Prescribed form of affidavit is available at MRA Counter or can be downloaded under "Downloadable forms" from MRA'S Website [www.mra.mu](http://www.mra.mu)**)
- The applicant must not have been convicted of an offence or should not be the subject matter of an enquiry relating to trafficking of dangerous drugs under the Dangerous Drugs Act, terrorism under the Prevention of Terrorism Act, money laundering under the Financial Intelligence and Anti Money Laundering Act, or corruption under the Prevention of Corruption Act. There should also be no pending or contemplated civil or criminal proceedings against him.

## DETERMINATION BY PANEL

- a. The applicant will be informed within one month of receipt of his application whether his application for review has been referred to EDRTS Panel.
- b. If the applicant agrees to the tax as assessed/ revised at objection stage, he will benefit from **full waiver** of penalties and interest provided he settles the tax due within one month as from the date of determination of his case by the Panel.
- c. If the taxpayer opts for his case to be reviewed by the Panel, he may be requested to produce documents or particulars relevant to the review. The Panel may maintain or review the assessment. If the taxpayer reaches an agreement on items in dispute, 75% penalties and interest applicable on the revised tax payable will be waived provided he settles the tax liability within one month as from the date of settlement of his case.
- d. (i) If the taxpayer agrees to the Panel's decision, he will have to sign an agreement which will embody the terms and conditions for the settlement of his tax liability.  
 (ii) The agreement is final and conclusive on both the MRA and the Applicant.  
 (iii) If the Applicant has lodged representations at the ARC, or has appealed to the Supreme Court or Judicial Committee of the Privy Council, he will have to withdraw his representations or appeal, as the case may be.

- e. The EDRTS Panel has to make a determination within **6 months** from the date an application for review has been referred to it.
- f. All waivers of penalties and interest will lapse if the terms and conditions of payment are not complied with.
- g. If the taxpayer does not agree to the Panel's decision and he has lodged representations at the ARC, or has appealed to the Supreme Court or the Judicial Committee of the Privy Council, he will have to proceed with his representations or appeal, as the case may be.

\* The new deadline of 31 August 2020 came into effect following the enactment of THE COVID-19 (MISCELLANEOUS PROVISIONS) ACT 2020

## SUPPORT SERVICES

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