

## In this issue...

MRA Customs: Ready to meet new challenges

The initiatives taken by the MRA to combat Money Laundering and the Financing of Terrorism

Implementation of the Portable Retirement Gratuity Fund (PRGF)

The MRA reinforces the Recovery of Taxes

Educational sessions

The MRA welcomes officials from the UNODC

The MRA welcomes a delegation from the PREF-CEMAC mission



MRA's Whole Body Scanner in operation at the SSR International Airport. The aim is to carry out body scan of passengers suspected of corporeal concealment of drugs.

The installation of such a scanner was recommended in "The Commission of Inquiry on Drug Trafficking Report July 2018".

# MRA Customs: Ready to meet new challenges

To raise awareness on the role of MRA Customs and the readiness of the department to meet new challenges, the MRA produced in collaboration with the Mauritius Broadcasting Corporation (MBC) a studio-based 52 minute TV programme entitled: **MRA Customs: Ready to meet new challenges**, which was broadcast on Friday 25 February 2022 on MBC TV.

Mr. Jeewonlall Audit (Section Head, Trade Facilitation & Customs Operations Section), Mr. Rajendra Gupta Ramnarain (Section Head, Excise Section) and Mr. Dinathsing Mungla (Section Head, Custom Anti-Narcotics Section) participated in the programme.

The participants highlighted on the main objectives of MRA Customs, which mainly consist to collect revenue for the government, ensure national security and protect the society, while facilitating the legitimate movement of people and goods across the border. They also laid emphasis on the three basic functions of the MRA Customs, namely, the fiscal function, the security function and the economic function.



The fiscal function refers to the collection of revenue for the state. Around Rs 37 billion of revenue was collected by MRA customs in the form of customs duty, excise duty, VAT and other taxes under Customs Laws, during the last financial year.

Moreover, officers of the MRA Customs ensure the security and protection of the country against transnational crimes and acts of terrorism by preventing prohibited goods, money laundering, illicit chemical, biological, radioactive and nuclear goods from entering the country. Enforcement is applied to reduce the ability of terrorist groups to obtain precursor chemicals to make improvised explosive devices and to acquire light arms and weapons.





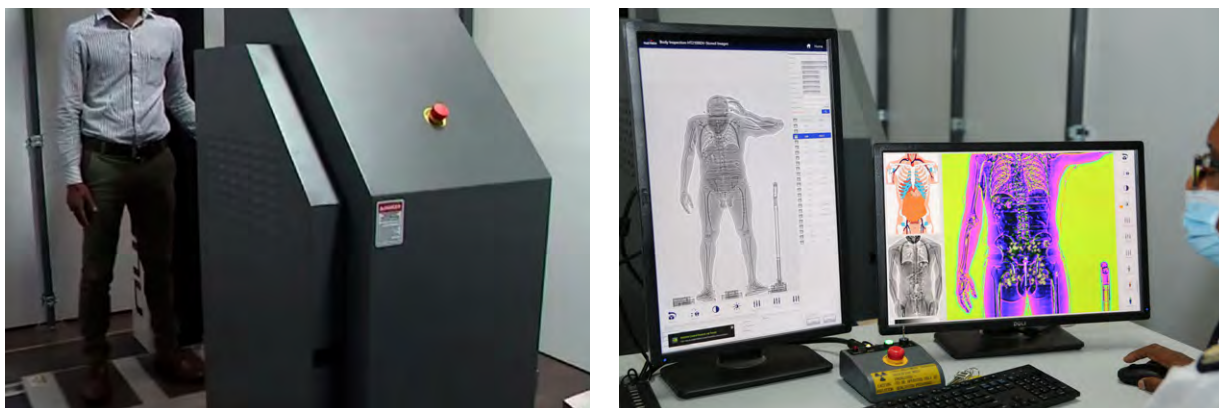
The economic function includes providing trade facilitation measures for legitimate trade across the border in order to boost up trade and promote foreign direct investment by reducing cost and dwell time, thereby ensuring fluidity and security to the business community in customs clearance. In that endeavour, the MRA has recently inaugurated the Integrated Custom Clearance Centre (ICCC) at Plaine Magnien, for the clearance of goods under one roof.



To accomplish its functions effectively and efficiently, MRA Customs resorts to several control methods and techniques namely Risk-Management and Intelligence, amongst others. This refers to the use of advanced electronic information, technology and intelligence available to customs to enhance the profiling and ability to focus on high-risk consignments and passengers. Furthermore, the MRA customs ensures compliance to customs laws through examination, query, post control audit and investigation with respect to all economic operators engaged in trade across the border.

Some of the electronic facilities provided by the MRA Customs include **e-Duty Free Certificate**, **e-Auction sale**, **e-Registration of Economic Operators**, **e-Courier** and **e-payment**, amongst others. MRA Customs has also launched two mobile applications namely **Customs@mu** and **Drug Free Moris** which has been very useful to stakeholders.

To protect the border, customs has made several acquisitions, the latest one being the body scanner. This device helps custom officers to scan the body of suspected passengers to detect drug concealment.



In a nutshell, the MRA Customs has no choice than to evolve to provide an effective and efficient service across the island. MRA Customs is always ready to meet new challenges ahead.

**The TV programme is available on the MRA YouTube Channel.**



# The initiatives taken by the MRA to combat Money Laundering and the Financing of Terrorism

The 2018 Mutual Evaluation Report from the Eastern Southern Africa Anti-Money Laundering Group (ESAAMLG) contains some recommendations for the MRA to assist in the national fight against money laundering. In order to ensure the effective implementation of these recommendations, the MRA has set up two dedicated Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Units, in tax and customs operations.



## AML/CFT Unit - Tax Operations



The AML/CFT Unit within the Fiscal Investigations Department of the MRA was set up in February 2020. It has developed a legal and operational framework for reporting and sharing information with authorities specialised in combatting money laundering and terrorist financing such as the Mauritius Police Force (MPF), the ICAC, the Financial Intelligence Unit (FIU), and the Integrity Reporting Services Agency (IRSA), amongst others.

In the pursuit of its investigations, the MRA ensures that tax evaders are assessed for tax and they may also be prosecuted for non-compliance with Revenue Laws. In line with the recommendations of the ESAAMLG Report, cases are also referred to ICAC for suspected money laundering offences, having tax evasion as a predicate offence.

Hereunder are some statistics on investigations, prosecution and referral of cases by the AML/CFT Unit in the Fiscal investigations Department during the period February 2020 to December 2021:

Cases	Number
No. Investigations completed	123
No. of on-going Investigations	111
No. of cases referred for prosecution	47
Amount involved in prosecution cases	Rs. 101M
No. of cases referred for money laundering investigations	24
No. of exchange of information with Police, ICAC, FIU & IRSA	280
No. of taxpayers who have been assessed to tax	59
Amount claimed from the 59 Taxpayers	Rs. 100M

Out of the 24 cases referred for money laundering investigations, 2 persons have been arrested for money laundering offences, in breach of The Financial Intelligence and Anti-Money Laundering Act (FIAMLA).



## AML/CFT Unit - Customs Operations

The Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Unit in Customs was set up in 2007 and forms part of the Customs Anti Narcotic Section (CANS). The Unit investigates into suspected cross border transportation of currency, BNI, precious stones and metals including gold, diamond and jewellery or any goods of high value including work of arts and also intercepts any person carrying currency or precious stones that are suspected to be related to money laundering or terrorist financing.



Following the investigation carried out, cases are referred to the ICAC and/or Police Counter Terrorism Unit for in depth investigations, if so warranted.

During the period 2016-2021, (see table below), the AML/CFT Unit in Customs has investigated into nearly 250 cases of cross border transportation of currencies. Eight cases were referred to Police and ten to ICAC for in depth investigations. Administrative sanctions have been applied into 245 cases.

Cases	Number
Customs Offence Report	249
Referred to ICAC	10
Referred to Police	8
Administrative Sanctions by MRA	245
On-going Preliminary Investigation	11

The MRA fully supports the collaborative mechanism that has been put in place between various Government agencies to fight money laundering and the financing of terrorism. The MRA also wishes to remind taxpayers that tax evasion is a predicate offence to money laundering and may have wide ranging consequences for those who engage in such a practice.

# Implementation of the Portable Retirement Gratuity Fund (PRGF)

Employers have the obligation to contribute to PRGF as from the month of January 2022. A self-employed individual may also contribute to PRGF on a monthly basis. Both the return and the payment in respect of PRGF for the current month are required to be made electronically on or before the end of the following month. The necessary facilities for the submission of the PRGF return and payment of the contribution are available on the MRA website: [www.mra.mu](http://www.mra.mu) as well as on the Mauritius Network Services (MNS) platform.

Employers are required to pay PRGF contributions at the rate of 4.5 % of the monthly remuneration of each worker. Small and Medium Enterprises (SMEs) are required to contribute to PRGF at a lower rate for the first three years starting from January 2022, the difference being financed by the Government from a seed capital earmarked for that purpose. The PRGF rate, applicable on monthly remuneration, is based on the annual turnover of the SME for the preceding year. The corresponding details are available on the MRA website.

Employers of the following categories of employees are not required to contribute to PRGF:

1. Public officers or local government officers;
2. Employees whose retirement benefits are payable under the Statutory Bodies Pension Funds Act or in accordance with a private pension scheme approved by the Financial Services Commission (FSC);
3. Migrant workers or non-citizens of Mauritius; and
4. Employees drawing a monthly basic wage or salary of more than Rs 200,000.



## The MRA reinforces the Recovery of Taxes

The MRA has embarked on a vast program of recovery of Arrears of Tax due with a view to provide the state with the required financial resources for the development of the country, especially, in the current situation, where the Covid-19 pandemic has adversely impacted on revenue. Most of the taxpayers honour their tax obligations to the MRA in a timely manner, however, there are some who still have outstanding arrears.

A taxpayer (individual or corporate) who is liable for taxation in Mauritius has the obligation to furnish tax returns and pay the appropriate taxes, if any, within the prescribed delay. In the case, where the taxpayer fails to submit tax returns, or pay the taxes due, or declare the correct amount of tax, the MRA will issue assessments to claim the correct amount of tax payable.

The taxpayer will be required to pay the outstanding tax, once any objection to the amount claimed has been resolved through the appropriate dispute resolution mechanism. Default in payment of the outstanding taxes will give rise to Arrears of Tax due. The legislative framework in place empowers the MRA to recover the arrears of tax due through a number of recovery actions including deductions from Salary/Wages; attachment orders of sums held by third parties and payable to the taxpayer; recovery of tax by distress and sale of the goods, chattels and effects of the taxpayer or of the person answerable for its payment; inscribed privilege on immoveable property; and recovery of tax by sale of immoveable property.

The MRA appeals to taxpayers having outstanding Arrears of Tax, in a spirit of responsibility and patriotism to the country, to come forward and settle the tax due. They will at the same time avoid the tax recovery actions.

## Educational sessions

Two virtual education sessions on **Portable Retirement Gratuity Fund (PRGF)** were carried out with the: **Mauritius Institute of Professional Accountant (MIPA)** and **IQEQ Company Ltd** on 11 and 15 February 2022. Salient features of the PRGF contribution were discussed.

One education session on the topic- **Severance Allowance, Gratuity and Pension** was carried out on 10 February 2022 at the **Federation of Progressive Union**.

Moreover, on 22 February 2022, a virtual session for the students of St Joseph College on the Importance of Taxation was carried out.



## The MRA welcomes officials from the UNODC



In the context of the framework of the European Union Programme on “**Port Security and Safety of Navigation**”, a team comprising 4 officials from the United Nations Office on Drugs and Crime (UNODC) undertook a visit from 12 to 19 February at the MRA Customs.

The UNODC team was composed of:

- Ms. Hélène Phan,
- Mr. Dirk De Langhe,
- Mr. Oswaldo Souza Dias Junior, and
- Mr. Kajetan Pradetto

The aim of the visit was to undertake a study on the possibility and need for the setting up of the Container Control Programme (CCP). The UNODC- World Custom Organisation (WCO) CCP is a joint cooperation programme to set up a Mauritius Port Control Unit with Customs and other law enforcement agencies to identify trans-national crimes and inspect such high risk shipments in the port with minimum disruption to legitimate trade.

The implementation programme comprised a cooperation agreement between UNODC and MRA followed by a technical needs assessment mission to evaluate the current situation in the port and offer recommendations for future activities in respect of the UNODC-WCO CCP.

The cooperation agreement between the UNODC and the beneficiary envisages cooperation for a minimum of three years during which UNODC will provide numerous training activities (both theoretical and practical) on topics of relevance to the country. This training may also comprise study visits by officers of the Mauritius Port Control Unit to other ports to familiarize them with working practices applied abroad and to strengthened port- to-port cooperation in fighting illicit trade.

The UNODC-WCO CCP will provide IT hardware, office tools, security equipment and will explore possibilities based on the assessment to provide appropriate software for cargo targeting for the Unit.



# The MRA welcomes a delegation from the PREF-CEMAC mission

On Thursday 24 February 2022, the MRA welcomed delegates from the **Programme des Reformes Economiques et Financieres (PREF)** of the **Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC)** to discuss tax and business facilitation initiatives implemented by the MRA.

The meeting was chaired by the Director-General of the MRA, Mr. Sudhamo Lal. Mr. Mahmad Oozeer, Director, Operational Services Dept., Mr. Dhanraj Ramdin, Director, Medium & Small Taxpayers Dept. and Mr. Roshan Oree, Assistant Director, Research, Policy & Planning Dept. attended the meeting. Two Lead Professionals, Doing Business Reforms Implementation & Monitoring, Mr. Yudeeshen Narayanan and Mr. Zubayr Rajabalee participated in the meeting.



The aim of the PREF-CEMAC Mission is to help members draw inspiration from Mauritius' rich and profound experience in the field of improvement of the business climate.

The Economic Development Board (EDB) acted as facilitator of the PREF-CEMAC Mission in Mauritius from the 22 February 2022 to 01 March 2022.

The delegation comprised:

- Prof. Justine TCHUNKAM DIFFO, Head of Delegation and principal expert, and
- Mr. CHASSEM TCHATCHUM Nacisse Palissy, "Expert consultant of PREF-CEMAC"