

In this issue...

Inauguration of the
Integrated Customs
Clearance Centre &
Celebration of the
International Customs Day

MRA: Positioned to meet
New Challenges

WCO Certificate of Merit
2022

MRA Customs finds
newborn baby dumped in
aircraft's bin

An insight of the Large
Taxpayer Department

MRA Seizures

MRA Campaigns



Inauguration of the Integrated Customs Clearance Centre & Celebration of the International Customs Day

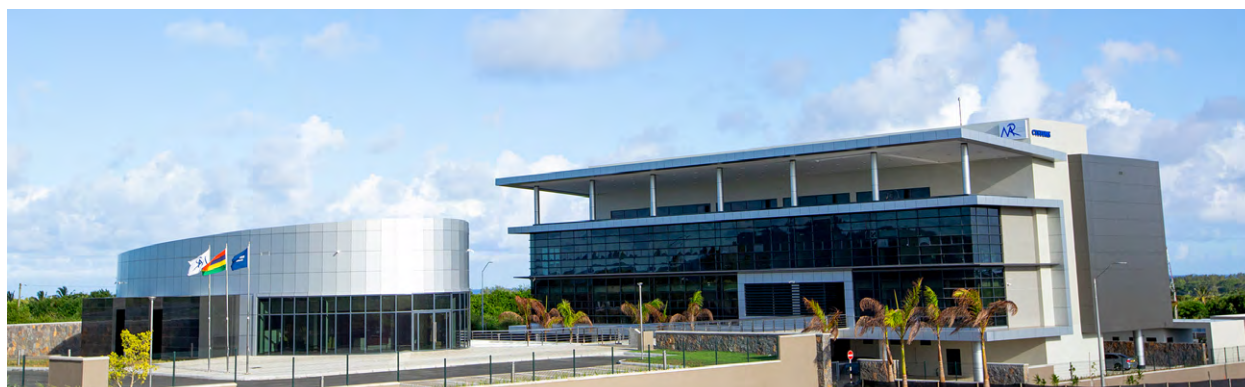
ICCC: A one-stop in the airport region for the clearance of air cargo

The Mauritius Revenue Authority (MRA) celebrated the International Customs Day (ICD) on Wednesday 26 January 2022. This year, the World Customs Organisation (WCO) retained the theme “Scaling up Customs Digital Transformation by Embracing a Data Culture and Building a Data Ecosystem” in view of encouraging the Customs community to operate in a fully digital environment by creating an operating model that captures and exploits data from across the trade ecosystem. This event also marked the inauguration of the Integrated Customs Clearance Centre (ICCC) at Le Chaland Road, Plaine Magnien, by the Prime Minister, Honourable Pravind Kumar Jugnauth.



The ICCC is a one-stop-shop for the clearance of air cargo. This modern building, located in the vicinity of the SSR International Airport, will house, along with the customs services, several clearance agencies under one roof, namely:

| | |
|----|--------------------------------------------------------------------------------------------------------------------------------------|
| 1. | The Dangerous Chemicals Control Board Ministry of Health & Wellness |
| 2. | The National Agricultural Products Regulatory Office and Pesticides Regulatory Office Ministry of Agro Industry and Food Security |
| 3. | The National Plant Protection Office Ministry of Agro Industry and Food Security |
| 4. | The Veterinary Service Division Ministry of Agro Industry and Food Security |
| 5. | The Government Pharmacist Ministry of Health & Wellness |
| 6. | The Ministry of Blue Economy, Marine Resources, Fisheries and Shipping |
| 7. | The Ministry of Commerce and Consumer Protection |
| 8. | The Public Health and Food Safety Office Ministry of Health & Wellness |





The main objectives of the ICCC are to facilitate trade, reduce cargo dwell time and help in the combat against drug trafficking and money laundering. This new concept is in line with the recommendations of the World Customs Organization's (WCO) for a Coordinated Border Management (CBM).

The ICCC comprises the following:

- a modern office space for better interaction between government authorities and stakeholders;
- a detention cell (to be used by Customs Anti-Narcotics Section);
- a sniffer dogs (K-9) compound;
- a CCTV control room;
- a Conference Centre equipped with multimedia facilities, and
- a canteen/cafeteria and other welfare amenities.

It is to be recalled that the laying of the foundation stone of the Integrated Customs Clearance Centre (ICCC) was done on the occasion of the International Customs Day on Sunday 26 January, 2020 by the Hon. Pravind Kumar Jugnauth.



- **The Prime Minister reiterates his full support to the MRA**

In his opening address, the Prime Minister commended the role of MRA Customs and Customs administrations worldwide, which like other essential government services, have operated 24/7 during the COVID-19 pandemic and national confinements. "Customs Officers had to take timely and decisive measures to ensure supply chain and business continuity", he added.

The Prime Minister reiterated his unwavering support to the MRA. He congratulated the MRA for the unprecedented seizures of different types of drugs and psychotropic substances worth more than Rs 5 Billion during the past 5 years.



- **Highlights by the Director General of MRA**

In his address, Mr Lal, Director-General of the MRA, highlighted the efforts of the MRA in the ranking of Mauritius to the 5th position worldwide in the last World Bank Ease of Paying Taxes Index. He added: "During the COVID-19 lockdown, the MRA assisted directly or indirectly around 450,000 employees and self-employed persons. In the tourism sector, the financial support to some 43,000 persons has continued until December 2021. In terms of the schemes which are still on-going, I would like to mention that the MRA is effecting some 42,000 monthly payments under the Negative Income Tax whilst some 850 SMEs are being refunded salary compensation every month so that around 18,000 employees can benefit from higher salaries".



- **The Director of the Customs Department presents two new Customs projects for 2022**

Mr. Ramburun, Director, Customs Department, presented 2 new Customs projects. The first one being the e-Duty free certificate which is an online platform to expedite the application of duty remission on motor vehicles for eligible persons and the second project is the e-Courier platform that will enable Courier operators and members of the public to submit simplified declarations and effect payment online to clear consignments.



MRA: Positioned to meet New Challenges

Fifteen years in the institutional life of an organisation is a great milestone. To mark its 15th anniversary, the MRA published a commemorative magazine entitled "MRA: Positioned to Meet Challenges Ahead". The magazine was launched by the Prime Minister, Hon Pravind Kumar Jugnauth, on January 26, 2022, during the inauguration of the Integrated Customs Clearance Centre (ICCC), and the celebration of the International Customs Day, (ICD). This commemorative magazine portrays the 15 years of operation of the MRA through a collection of articles, photos and events, and highlights the preparedness of the MRA to meet new challenges.

Since its inception on 1st July 2006, the MRA has kept its promise to pursue the rise in revenue collection. As at now the MRA has remitted more than a trillion rupees to the National Treasury. Over the years, the prime role of revenue collection has been twinned with the assistance to the government in the redistribution of wealth.

The MRA started with the payment of Negative Income Tax and Special Allowance to those earning a basic salary below the minimum wage. Following the advent of the pandemic, the Government of Mauritius took a series of financial measures to help the neediest. The MRA implemented the Government Wage Assistance Scheme (GWAS) to allow corporates to pay the basic salary of their employees during the lockdowns. MRA also paid the Self-Employed Assistance Scheme (SEAS) to allow the informal sector to survive during the time when businesses were closed. The tourism and connected sectors are still benefiting from the Government Wage Assistance and the Self-Employed Assistance Schemes.

In addition, the MRA was entrusted the responsibility to effect payment of subsidy on a monthly basis on essential goods to traders. This measure has allowed the end users of essential goods to benefit from the price subsidy.

After 15 years of operations, the MRA is now in a position to move to the next stage in the transformation of its revenue administration process, and endeavours to achieve this by doing more with less.

The mantra at the MRA is threefold. Inspired by the The Three Box Solution, a concept put forward by Professor Vijay Govindarajan, MRA's strategies are:

1. To manage the present effectively,
2. To forget the past selectively, and
3. To create the future today through breakthrough innovations.



The vision at the MRA is to transform the Mauritian tax administration into an efficient, effective and world class revenue administration.

MRA: Positioned to Meet Challenges Ahead also showcases the digital transformation initiatives taken by the organisation during the last 15 years to consolidate a paperless and cashless organization.

Over these 15 years, the MRA has successfully been able to establish an e-culture within the organization. The MRA is now a paperless organization and this became possible through better automation and simplification of processes and procedures. e-Filing rate amongst individual taxpayers is 99.8%, and 99.7% amongst corporate taxpayers. 99.8% of VAT returns also are being filed electronically.

At the Customs Department, the **Coordinated Border Management** concept has been introduced to enhance trade facilitation and border protection. Body-worn cameras, whole body scanners, a drug loo, and a centralized monitoring system with CCTV cameras placed at strategic points offer a better control.

The MRA Customs will soon adopt the Intelligent Based Anti-narcotics Anti-money laundering strategies for better border protection. To enhance trade facilitation, the Customs Department will make use of the Blockchain enabled bill of lading and the Integrated Single Window.

To meet its strategic communication objectives, the MRA has recourse to effective tools and platforms to interact with its stakeholders. These include:

1. Twitter,
2. Facebook,
3. Taxpayer mailing list,
4. Website,
5. Daily one minute radio programmes,
6. Attending queries via mail and telephone,
7. Short explanatory videos uploaded on MRA website,
8. Radio/TV programmes, and
9. Communiques & press releases.



To maintain its position as a world class tax administration and the MRA has put in place the best hardware and software solutions available on the market to cater for the increasing needs of all the stakeholders. Moreover, the organization will tap on information and technology for the benefit of its stakeholders by implementing machine learning and artificial intelligence. The MRA is also working on the implementation of an e-invoicing project, which, in a nutshell, is the e-reporting of all sales invoices by businesses, in real time, to the tax authority.

To cope with the ongoing pandemic, MRA introduced the Work from Home concept so as not to disrupt business continuity within the organization the MRA ensured the health and safety of its staff and stakeholders by maintaining strict sanitary protocols.



The MRA is ever ready to meet the challenges ahead. The solid foundation that was laid in 2006 will continue to help the MRA to sail in higher seas. The role of the Organisation will be pertinent in the consolidation of the Mauritian economy during the next decade. The MRA will have a new, high performing business model adapted to the dynamic environment. The dedicated MRA team is committed to pursue with the same zeal and enthusiasm their commitment to take the Organisation to new heights.

Along with the magazine, a nine-minute video, produced in-house, showcases MRA's achievements over the years and its preparedness to face the challenges ahead. The Prime Minister, Hon Pravind kumar Jugnauth, and the guests attending the inauguration of the ICCC had the opportunity to watch the video.

The magazine can be accessed on MRA Website by browsing: MRA Magazine - 15 Years

The Video can be watched on MRA YouTube Channel by searching:

MRA: Positioned to meet challenges ahead.

WCO Certificate of Merit 2022

In the context of the celebrations of the ICD 2022, seventeen nominees from the MRA and its stakeholders were awarded a WCO Certificate of Merit for their outstanding contribution to the MRA. The event was held at the ICCC after the inauguration ceremony on 26 January 2022. Below is the list of the awardees:

| SN | Name | Post | Section/Department |
|----------------------------------------------------------|-----------------------------------------------|--------------------|----------------------|
| INTERNAL AWARDEES OF THE WCO CERTIFICATE OF MERIT | | | |
| 1. | MAUNIKUM, Mr. Dhoojanaden | Director | HRTD |
| 2. | HURNAM, Mr. Ootam | Assistant Director | FAD |
| 3. | GAUNPOT, Mr. Maheswar | Section Head | Assessment |
| 4. | MOONIEN, Mr. Vel | Technical Officer | Airport PTO |
| 5. | GOKHOO LAH, Mr. Mitreshwarnath | Technical Officer | SES |
| 6. | NARAINEN, Mrs. Maria Magali Kathline | Technical Officer | Excise |
| 7. | RAMOO, Mr. Hans | Customs Officer II | CANS |
| 8. | JULHA, Mr. Kishan | Customs Officer II | Airport PTO |
| 9. | KANEERAM, Mr. Gawtum | Customs Officer II | Airport PTO |
| 10. | MOOTHEEVEEREN, Mr. Ganessen | Customs Officer I | CMS/IT |
| 11. | SHAMACHURN, Mr. Arrmaan | Customs Officer I | TFCC |
| 12. | BEEHAREE, Mr. Kaviraj | Customs Officer I | CANS |
| 13. | LUTCHMANEN, Mr. Selven | Customs Officer I | CANS |
| EXTERNAL AWARDEES OF THE WCO CERTIFICATE OF MERIT | | | |
| 14. | GOBIN, Mrs. Joelle Manuella Gérarde Benjamine | Cabin Crew | Air Mauritius |
| 15. | MAGHO, Mr. Eshan | Police Constable | ADSU |
| 16. | RUSSIE, Mr. Robert Laval Désiré | Inspector | National Coast Guard |



MRA Customs saves newborn baby dumped in aircraft's bin

On Saturday 1st January 2022, MRA Customs made an unexpected discovery in the toilet of Air Mauritius flight ex- MK 289 of Madagascar. During a rummage exercise: a new born baby covered with tissue paper was found inside the toilet bin.

On the New Year day, the flight MK 289 landed at the SSR International Airport (SSRIA) at around 19h49. Following the disembarkation of all passengers, a team of Customs officers (including an ADSU officer) led by Customs Anti-Narcotics Section (CANS) boarded the aircraft, which was targeted as high risk for drugs, for a rummage exercise.

At around 20h10, during the operation, the officers were unable to open a jammed cabinet containing a bin in toilet L62. The assistance of a lady flight crew member was sought to open the cabinet. While conducting the search, the muffled sound of a crying baby was heard. Upon further examination, one Customs Officer found toilet papers soaked with blood and after careful removal of the stained papers, a new born baby was found in a crouched position. Fortunately the baby was still breathing!

Following this discovery, the Police and the resident medical staff of SSRIA were informed accordingly and the baby was handed over to the doctor who immediately conveyed him to the Jawaharlal Nehru Hospital at Rose Belle.

Now, the challenge was to identify the mother of the child. All airport authorities jointly decided on a strategy to stop passengers from leaving the airport and to separate male from female passengers. Customs Officers started a profiling exercise and a Malagasy passenger was identified and questioned after blood stains were found on her clothes. Suspicion was raised when the passenger resisted a body search by Customs. The passenger was referred to the Police and, upon further medical examination by a doctor, it was confirmed that the passenger had given birth to the baby found in the toilet.

MRA Customs is thankful to all airport authorities which were involved in the above life-saving operation. The miraculous baby is in good health at the Jawaharlal Nehru Hospital. The first day of the year 2022 will always be remembered as an exceptional day for the airport authorities and MRA Customs.



An insight of the Large Taxpayer Department

The origins of the Large Taxpayer Department (LTD) around the world can be traced back to the early 1950s, when several countries in the Organisation for Economic Cooperation and Development (OECD) introduced special tax audit operations for large corporations. Progressively, in the early 1980s, the International Monetary Fund (IMF) recommended to its members facing revenue crises to strengthen their tax administrations by establishing LTDs to improve large taxpayers' compliance. Depending on the revenue authority, taxpayers are usually categorized as "large" upon exceeding a certain turnover threshold, and at times, based on specific types of businesses. Various studies have shown that establishing a LTD helps secure tax revenue since, in most countries, this segment of taxpayers accounts for a large percentage of total tax collection.

In line with the global trend, Mauritius followed suit in 2001 by establishing, under the aegis of the Ministry of Finance, a LTD which became operational in January 2002. The establishment of the LTD at that time was also part of a strategy to ultimately merge the income tax and VAT administrations which would provide opportunities for cost savings or real efficiency gains. Later in October 2004, as part of its tax administration reform, the Government set up the MRA as an agent of the State responsible for the administration of revenue laws and collection of taxes. The former income tax, VAT and large taxpayers departments were, therefore, integrated under a single organisational structure and the MRA started its operations on 1 July 2006 integrating also the Customs and Excise Department as the Customs Department. As part of the MRA's structure, entities holding a Global Business Licence, as well as taxpayers with an annual turnover exceeding the threshold of Rs100 million (recently increased to Rs150 million) fall under the purview of the LTD.



From left to right: Mr. Deoraj Juggoo, Section Head, Mr. Krishna Rambaksh, Section Head, Mr. Faisal Oozeerally, Director and Mrs. Anju Goburdhone, Section Head.

The LTD accomplishes its goal through (i) strengthening the audit function, (ii) reducing the potential for corruption by automating and restructuring control systems, (iii) changing attitudes of tax officials towards taxpayers; and (v) simplifying and reducing paper handling through appropriate use of information technology. The business operations of large taxpayers are complex, and they often have non arm's length transactions with foreign parent corporation or have branches abroad. They resort to legal tax avoidance and aggressive tax planning more often than other taxpayers and use transactions between branches to make monitoring difficult. In order to increase compliance by large taxpayers while at the same time providing them with better services, the MRA's management has always tried to post to the LTD experienced and well-trained staff who can understand complicated tax laws and the complex operations of large enterprises.

Though over the years, the majority of large taxpayers have become compliant with revenue laws, tax disagreements still arise mostly due to differences in the interpretation of the law. The LTD has, therefore, endeavored to adopt a collaborative and cooperative approach towards its taxpayers and assists the latter in understanding their obligations through the issuance of Statements of Practice and Guidelines.

Through this approach and its compliance audits, the LTD has contributed significantly towards better tax compliance by the large entities.

Besides the audit section, the LTD also consists of the Refund and Repayment Section. This Section has, throughout the years, demonstrated a constant level of improvement in its work procedures to ensure that refunds are made promptly for the benefit of taxpayers. Essentially, under the fast track system, VAT repayment to compliant taxpayers is effected within 7 days only. Moreover, last year the Section smoothly implemented the measures for expediting income tax refunds from 6 months to 60 days. During the sanitary lockdown period, it demonstrated its resilience by successfully approving and effecting refunds and repayment remotely from home.

Since the release of the ground-breaking Base Erosion and Profit Shifting (BEPS) final reports by the OECD in 2015, a full-fledged International Taxation Section (ITS) was created and became an integral part of the LTD. Mauritius joined the OECD/G20 Inclusive Framework in 2017 to participate in BEPS-related work on an equal footing with other OECD and G20 countries. Having committed to the 4 minimum standards on harmful tax practices, treaty abuse, country-by-country reporting and improving dispute resolution mechanisms, Mauritius is frequently assessed by the OECD on the implementation of its BEPS commitments, particularly regarding exchange of information and harmful tax regimes.



Over the years, the ITS has participated in several capacity building programmes delivered by the OECD, the African Tax Administration Forum (ATAF) and the Commonwealth Association of Tax Administrators (CATA). The LTD also represents the MRA in various transnational meetings, participates in peer review groups and is often invited to deliver presentations on its implementation of AEOI (Automatic Exchange of Information). The ITS is responsible to ensure that the MRA, and eventually Mauritius, adheres to international best practices in taxation. Indeed, despite the limited resources, Mauritius has been meeting the OECD's expectations in the various assessments conducted till date. Today, through its proven track-record, the MRA is recognized as a trusted and compliant revenue authority on the global front.

The year 2021 has witnessed a breakthrough in the international taxation landscape, with over 130 countries, including Mauritius, agreeing on a 2-pillar solution to address the tax challenges arising from the digitalization of the economy. It will certainly be challenging for Mauritius to work within the tight timelines set out by the OECD to implement the 2-pillar solution by 2023. Alongside these pressing commitments, another major challenge is the implications of new technologies such as the block chain technology for tax policies and tax administration. We are nonetheless committed to adapt ourselves, invest in capacity building and collaborate with stakeholders to face the upcoming challenges.



Mr. Faisal Oozeerally,
Director,
Large Taxpayer Department

MRA Seizures

The MRA is committed to the fight against drugs and illicit trade. In year 2021, the MRA intercepted drugs worth more than Rs 332 M. During the month of January 2022, the MRA made the following seizures:

| Date of seizures | Drug/illicit good | Quantity | Worth (Rs) |
|------------------|--------------------------------|-------------|------------|
| 09/01/2022 | Cannabis | 1.79 grams | 1,074 |
| 15/01/2022 | Heroin | 1,240 grams | 18,600,00 |
| 19/01/2022 | 1 riffle & 100 pointed pellets | - | - |

On Saturday, 15 January 2022, the MRA Customs seized 1.24 kilograms of heroin worth around Rs 18.6 M at the SSR International Airport. It is the major drug seizure for the month. A passenger, arriving from Dubai, was intercepted by CANS officers while leaving through the Red Channel. His luggage was scanned and the image showed a concealment in his trolley bag. The luggage's inner lining was cut open and found to contain a rectangular parcel containing a certain amount of a powder suspected to be dangerous drug. K9 Sniffer dog "Otto" reacted positively to the substance and the field test revealed that the powder was heroin. The exhibit was securely handed over to ADSU for further enquiry.

Furthermore, MRA Customs seized 1.79 grams of cannabis worth around Rs 1,074, on Sunday, 09 January 2022 at SSR International Airport. This seizure was the result of a search operation made by MRA CANS officers in the locker of a ramp agent at SSR International Airport. The cannabis and ramp agent was handed over to ADSU for further enquiry.

It is to be noted that the importation of rifles is restricted under the Firearms Act 2006. In the same vein, the MRA seized one rifle and 100 pointed pellets from an incoming male passenger at SSR International Airport on Wednesday, 19 January 2022. The passenger, arriving from Paris, was intercepted by MRA Customs Officers. Upon examination of his luggage, a rifle make 'Norica' Calibre 4.5/.177 and one pack containing 100 pointed pellets were found. The case was then referred to Airport Police for further enquiry.

Members of the public are reminded that they may report suspected drug cases/ illicit activities to the MRA through the MRA Stop Drug Platform (www.mra.mu) or by calling on the Hotline 8958.



1.24 kg Cannabis



1.79 g Heroin



1 riffle & 100 pointed pellets



MRA Campaigns

• Government Wage Assistance Scheme (GWAS) & Self-Employed Assistance Scheme (SEAS) extended in Rodrigues

The Government Wage Assistance Scheme (GWAS) and the Self-Employed Assistance Scheme (SEAS) were extended for the month of January 2022 in Rodrigues only. The MRA issued a communiqué on the 24th of January, 2022 to inform employers and self-employed individuals of the measures for the payment of the financial assistance. The communiqué was tweeted on MRA Twitter Account and posted on MRA Facebook page. Various interventions on private and public radios were also made.

- ▶ Self-Employed Assistance Scheme
- ▶ Government Wage Assistance Scheme



• Portable Retirement Gratuity Fund (PRGF)

Following the enactment of the Workers' Rights (Portable Retirement Gratuity Fund) (Amendment) Regulations 2020, employers are required to submit, as from the month of January 2022, a monthly PRGF return and effect payment in respect of PRGF contributions to the Director-General of the MRA. Both the return and the payment are required to be made electronically, through the website of the MRA: www.mra.mu on or before the end of the following month.

In this context, an extensive campaign was carried-out to sensitize employers on the obligation to contribute to PRGF. Several one-minute radio programmes were broadcast daily on PRGF to inform employers about the submission of the PRGF return for the month of January 2022 and the payment of the contribution due are required to be made on or before 28 February 2022. Moreover, various interventions on private and public radios were made on PRGF.

The PRGF is a fund which is established under the Workers' Rights Act 2019 for the purpose of providing for the payment of a gratuity as follows:

- to a worker, on his retirement;
- to the legal heirs of a worker, on the death of the worker;
- to a self-employed who has contributed to the PRGF, on his retirement;
- to the legal heirs of a self-employed who has contributed to the Portable Retirement Gratuity Fund, on the death of the self-employed.

The Fund is administered by the Ministry of Social Security. Contributions to the PRGF are applicable as from 01 January 2020. However, due to the Covid-19 pandemic, the obligation to make monthly contributions to the fund was postponed to January 2022.

For more information on PRGF, stakeholders may consult the PRGF Guide which is accessible on MRA Website: www.mra.mu

