



FAQs

Frequently Asked Questions

VAT Refund Scheme *on Residential Building or Apartment*



1. *What this scheme is about?*
2. *Who can apply for a refund of VAT under this scheme?*
3. *What are the other conditions to be met to be able to apply for the refund?*
4. *If the floor area of the residential building, or house or apartment exceeds 1,800 square feet (167 square metres), can an application still be made for refund of VAT on the first 1,800 square feet?*
5. *If the cost of construction of the residential building or house or the purchase Price of the apartment exceeds 3 million rupees, can an application still be made for the refund of VAT.*
6. *What is the maximum amount of VAT that an applicant can claim for the construction of a residential building or the purchase of a residential apartment or house?*
7. *How and when to apply for a refund of VAT under the scheme?*
8. *Can a claim for refund be made in respect of any amount of VAT paid during a quarter?*
9. *What documents should be submitted with the first application for refund under the scheme?*
10. *What is a proper VAT invoice?*
11. *How much time does it take for an application for refund to be approved by the MRA?*
12. *How to calculate the deemed VAT that can be claimed for refund upon the purchase of a residential apartment or house from a property developer?*
13. *Where can the application be made?*
14. *How to submit the documents in respect of the application for VAT refund?*

1. *What this scheme is about?*

Under this scheme, a person may apply for a refund of VAT on the construction of a residential building or the purchase of a residential apartment or house from a property developer.

2. *Who can apply for a refund of VAT under this scheme?*

Any person who is a citizen of Mauritius of 18 years of age or over, and whose annual net income for income tax purposes and that of his spouse does not, in the aggregate, exceed 1 million rupees.

3. *What are the other conditions to be met to be able to apply for the refund?*

- i. The construction of the residential building, house or residential apartment must be started and completed in the years 2014 to 2024 and in the period of 6 months ending 30 June 2025;
- ii. The applicant or his spouse must be the owner or co-owner of the residential building or residential apartment being constructed/purchased;
- iii. The floor area of the residential building, or house or apartment, as specified in the approved building and land use permit under the Local Government Act, must not exceed 1,800 square feet. In case of purchase from a property developer, the floor area of the residential apartment or house specified in the title deed must not exceed 1,800 square feet;
- iv. The cost of construction of the residential building or house or the purchase price of the residential apartment shall not exceed 3 million rupees
- v. The claim for refund shall not be in relation to an immovable property on:
 - a. Pas Geometriques;
 - b. Real Estate under the Investment Promotion (Real Estate Development Scheme) Regulations 2007;
 - c. Property Development under the Investment Promotion (Property Development Scheme) Regulations 2015;
 - d. Invest Hotel under the Investment Promotion (Invest Hotel Scheme) Regulations 2015;
 - e. Smart City under the Investment Promotion (Smart City Scheme) Regulations 2015.
- vi. The refund is applicable on the construction or acquisition of a first residence only.

4. *If the floor area of the residential building, or house or apartment exceeds 1,800 square feet, can an application still be made for the refund of VAT on the first 1,800 square feet (167 square metres)?*

No. An application for refund of VAT would be entertained only where the total floor area of the residential building, or house or apartment does not exceed 1,800 square feet (167 square metres).

5. *If the cost of construction of the residential building or house or the purchase price of the apartment exceeds 3 million rupees, can an application still be made?*

No. An application for refund of VAT would be entertained only where the cost of construction of the building or house or the purchase price of the apartment does not exceed 3 million rupees.

6. *What is the maximum amount of VAT that an applicant can claim for the construction of a residential building or the purchase of a residential apartment or house?*

Any refund of VAT to the applicant and his spouse must not in the aggregate, exceed 300,000 rupees or the amount of VAT paid, whichever is the lower.

7. *How and when to apply for a refund of VAT under the scheme?*

Application for refund of VAT must be made electronically on the website of MRA: www.mra.mu within 30 days from the end of every quarter in respect of which the VAT has been paid.

An application will not be entertained where it is made more than 12 months from the date of the VAT invoice or receipt.

8. *Can a claim for refund be made in respect of any amount of VAT paid during a quarter?*

An application must be made only if the amount of VAT refundable in respect of a quarter exceeds 25,000 rupees. If the amount of VAT refundable does not exceed 25,000 rupees in respect of a quarter, it may be claimed in the subsequent quarter provided the total amount of VAT claimed in the application exceeds 25,000 rupees.

This threshold of 25,000 rupees would not apply;

- i. in respect of a final application; or
- ii. if the amount of VAT paid during a quarter and the three preceding quarters does not exceed 25,000 rupees.

9. *What documents should be submitted with an application for refund under the scheme?*

The following documents have to be submitted to the MRA for verification in hard copy for **1st application** only:

- a. In case of purchase of a house/apartment from a property developer:
 - Original receipt of payment issued under Section 19(2) (c) & details of the Transcription Volume of the property
- b. In case of construction with a building contractor:
 - Building and Land Use Permit on the Applicant's Name;
 - Construction plan; and
 - Original proper VAT invoices issued under Section 20 of the VAT Act; showing the name and National Identity Card number of the applicant.
- c. Evidence of income, e.g:
 - payslip for employee;
 - income statements for self employed; and
- d. Contract/Agreement with the Building Contractor/Property Developer (with the BRN or NID of contractor, builder, property developer).

For subsequent applications, only original VAT invoices must be submitted in hardcopy for verification.

10. *What is a proper VAT invoice?*

A proper VAT invoice shall primarily include the following information:

- i. The words "VAT INVOICE";
- ii. The name, business address, VAT Registration Number and Business Registration Number;
- iii. Serial number and date of issue;
- iv. The quantity/ description of goods/services;
- v. Value of the sale and the amount of VAT charged, and
- vi. The full name and National Identity Card number of the purchaser.

11. How much time does it take for an application for refund to be approved by the MRA?

The MRA will proceed with the refund within 30 days from the date of receipt of all documents in support of the application for VAT refund, provided all conditions are satisfied.

12. How to calculate the deemed VAT that can be claimed for refund upon the purchase of a residential apartment or house from a property developer?

The deemed VAT can be calculated as follows:

Purchase Price x 0.104

What about payment by instalment?

Where the payment is made by instalment, the amount to be claimed in a particular quarter is to be calculated as follows-

Amount paid x 0.104,

provided the total amount claimed does not exceed purchase price x 0.104

13. Where can the application for VAT refund be made?

Applications must be made electronically on the MRA website: **www.mra.mu**

14. How to submit the documents in respect of the application for VAT refund?

- The documents along with the acknowledgement ID of the online application can be submitted in person at post room of the MRA head office.
- Alternatively, same can be sent via registered post at the following address:

**Mauritius Revenue Authority,
Ehram Court,
Cnr Sir Virgil Naz & Mgr Gonin Streets,
Port Louis**

- The required documents to be submitted can be viewed online by clicking **[here](#)**.





Ehram Court, Cnr Mgr. Gonin & Sir Virgil Naz Streets, Port Louis, Mauritius
T: +230 207 6000 | **F:** +230 211 8099 | **E:** headoffice@mra.mu | **W:** www.mra.mu

