



Mauritius Revenue Authority
MS ISO 9001:2008 certified
RF 121

ANNUAL REPORT 2015

Partners in Progress and Prosperity...



... Commitment Beyond Revenue

Growing with the MRA



"Growth is never by mere chance. It is the result of forces working together"

James Cash Penney



TAXPAYER'S CHARTER





CHAIRPERSON'S FOREWORD



5

It is with a sense of accomplishment that I present, on behalf of the MRA Board, the Annual Report of the MRA for the year ended 31 December 2015.

The MRA is a key player in the Government's Agenda to position Mauritius as a modern and dynamic economic space for global players and as a business platform for international investors. The inclusive approach to socioeconomic development, as set out in the Government's 2015-2019 Programme, has implications for further enhancing the MRA's role in the collection of taxes and duties whilst ensuring that our ability to fund development programs are not diluted by tax evasion and non-compliant behaviour.

The MRA has attained almost a decade of impressive achievement in terms of revenue collections, electronic filing and payment of taxes. There has been a more than doubling of revenue collections from Rs 34.2 billion in 2006/07 to Rs 67.8 billion in 2015, the e-filing of individual income tax returns has reached an impressive 97% in 2015 whilst e-payment now represents 73% of total tax collections. The MRA Board which was reconstituted under my chairmanship in March 2015 has given its full support, collaboration and strategic direction to pursue the good work and ensure that the MRA sustains its image as a leader in public sector reform and modernisation in the country.

Going forward, it is imperative for the MRA to further enhance its e-tax strategy coupled with international benchmarking of its systems and processes and a culture of productivity and efficiency to further improve on revenue collection targets and tax compliance. This entails innovative management approach to reconcile quality of service delivery with rigorous administrative and

CHAIRPERSON'S FOREWORD

technical skills in a framework of corporate governance and transparency whereby the needs and expectations of all stakeholders are attended to in a spirit of nation-building and in enhancing the international image of both the MRA and the country. This shall further consolidate the MRA as a service-oriented organisation to assist our stakeholders to fulfil their tax and customs obligations.

The year under review posed new challenges for our Revenue Administration in terms of new tax measures that were introduced in the first Budget of this Government. I am pleased to note that, with the dedication and commitment of the Management Team of the MRA and its staff, the implementation of the tax measures, in particular, emphasis on tax facilitation measures pertaining to SMEs, which are viewed as the engine of growth for the economy in its next phase of our economic development.

One of the key drivers for government policy on growth and sustainable development is innovation. The Prime Minister's Vision 2030 has laid considerable emphasis on innovation as a key pillar to transform our economic model and thrust the Nation into a world class league of high performing economies. It is noteworthy that the MRA has consolidated its status as an innovative organisation which serves as a public sector model for other ministries and para-statal organisations in Mauritius. The range of e-tax platforms and e-customs projects to further entrench our ease of doing business focus is very laudable. This contributes significantly to the international ranking of Mauritius at the 13th position in terms of the Ease of Paying Taxes Indicator for a second year running. Under my Chairmanship, I wish to assure the MRA Management and staff of my full support to further meet the challenges of revenue administration through innovative strategies and projects that will rank the MRA as a reference organisation worldwide.

Finally, I wish to thank the Director-General, the Board Members, the Management Team, and all our dedicated employees for the outstanding performance of the MRA as we celebrate a watershed of its Tenth Anniversary. Let me also seize the opportunity to congratulate the Director-General for two laudable achievements; first his nomination in November 2015 as Chairman of CATA and second for bagging the ATAF Innovation Award 2015 in Togo. These accolades crown his eleven years of dedicated effort to position the MRA into a world class organisation. I remain fully confident that through the commitment of all MRA staff and the innovative and inspired decisions of the Management Team and the Board Members, we shall make the MRA an even smarter revenue organisation in this part of the World.



S. Seebaluck, G.O.S.K

Chairperson

DIRECTOR-GENERAL'S REVIEW



It is with a great sense of pride that I present our ninth Annual Report for 2015 – a transition phase with a New Economic Agenda of Vision 2030 that sets the foundations for a high income economy status for Mauritius. This heralds wide-ranging developments in terms of fostering a conducive macro environment to boost Foreign Direct Investment, as well as creating the right framework for business facilitation measures in the domestic economy coupled with trade facilitation measures on the international scene.

During the year 2015, the MRA has pursued the consolidation of its longstanding commitment to an on-going modernisation and reform of the administration and collection of taxes, coupled with facilitating business and trade. On the international scene, we set the tone as a credible tax administration agency through our peer collaborative work with IMF, OECD, CATA, WCO and ATAF. Our technical contribution to international tax revenue publications by the IMF, OECD, and ATAF heralds a new threshold for the MRA as we benchmark our standards of expertise to international norms.

DIRECTOR-GENERAL'S REVIEW

At the MRA, we constantly review systems and processes within an innovative approach to achieve measurable efficiency gains. MRA's Third Corporate Plan 2014-2016 highlighted five strategic goals and the achievements of the MRA during 2015 may be viewed against the parameters and indicators of each of the five strategic goals, namely:

- Promoting Tax Compliance
- Promoting Taxpayer Education, Communication and Facilitation
- Developing People, Process and Technology
- Facilitating Trade and Ensuring Border Protection
- Strengthening Good Governance and Improving Corporate Image

Promoting voluntary compliance is a core objective for all revenue organisations. During 2015, efforts were made to expand the tax base through registration of new taxpayers, including compulsory registration on the basis of third party matching of information. 64,204 new taxpayers were registered with 57,860 under the individual taxpayers category, and 5,838 new companies. We have also registered 1,774 new VAT taxpayers whilst 245 new taxpayers were registered under the Agency Taxes namely Environment Protection Fee, Passenger Fee, and Advertising structure Fee.

When taxpayers fail to meet their tax compliance obligations, the MRA has recourse to enforcement actions mainly tax assessments. During the year under review, 4,929 assessment notices were issued for a total amount of Rs 5,548 million, up from Rs 3,278 million in 2014. The MRA also completed 142 fiscal investigations during the year for an amount of Rs 835.5 million. As a result, tax yield per fiscal investigation rose from Rs 2.97 million in 2014 to Rs 5.88 in 2015.

Recently, the MRA has embarked on three major initiatives to promote tax compliance and enhance risk management in tax administration

through the introduction of the VAT Lucky Draw Scheme, the setting up of a High Net Worth Individual (HNWI) Unit and a Non-Filers Unit. The VAT Lucky Draw Scheme (VLDS) which is more than one year old now has enabled the MRA to collect some 64,000 VAT invoices in 2015. The High Net Worth Individual Unit and Non-Filers Unit are now properly staffed and are fully operational. Indeed, our actions and their results demonstrate MRA's endeavour to track tax evaders and take them to task in a spirit of fairness and transparency towards our compliant taxpayers.

A wide range of tangible outcomes and key realisations during the year under review, bears testimony to our successful initiatives to improve access to tax information, facilitating tax filing of returns, voluntary compliance and payment of taxes, namely:

- raising some Rs 68 billion of revenue representing a 6% increase over the preceding year
- matching last years unprecedented debt collection of Rs 1.9 billion in spite of the reduction in downpayment on objection to assessments from 30 % to 10% as from May 2015
- effecting 132,288 income tax refunds for an amount of Rs 512 million in respect of two fiscal years
- repaying 6,516 VAT refund claims for an amount of Rs 5,267 million which represents 16% of the gross VAT collections
- processing 2,485 objections to the tax assessments within the statutory period of 4 months for an amount of Rs 5,726 million
- publication of Technical Journal and Compendium of Mauritian Tax Audits: Industry Standard & Business Note
- issuing 7,544 tax residence certificates
- successfully implementing the

DIRECTOR-GENERAL'S REVIEW

automatic exchange of information under FATCA through the registration of some 2,431 financial institutions and submission of 3,329 FATCA Reports to IRS

- prosecuting taxpayers involved in various offences under Revenue Laws for an amount of Rs 57 million and in respect of 79 cases
- ensuring that Mauritius remains among the top achievers in the Paying Taxes indicator of the World Bank with a 13th global ranking
- implementation of the Taxpayer Portal which provides various online services to taxpayers
- deferred payment facilities at imports to SMEs and VAT compliant taxpayers
- development of a Warehouse Management System for bonded warehouses.

The MRA maintains a continuous reform and modernisation agenda with a view to maintain and upgrade the quality of its services to various stakeholders. In this respect, the implementation of key projects is critical and during the year 2015, there were a number of such projects that were under implementation. They include:

- introduction of electronic fiscal devices in restaurant sector
- simplified tax system and bookkeeping requirements for SMEs
- replacement of existing scanner at the port by a new updated X-Ray scanner
- acquisition of Fast Interception Patrol Boat for regular patrol at strategic points in the Port Area
- phased implementation of record management system in various sectors/units with a view to a paperless organisation

- development of an integrated e-auction sales bidding system for seized and abandoned goods at Customs. Phases 1 & 2 already completed
- conduct of an integrity perception survey to gauge public perception about integrity management within the MRA
- setting up of an Online complaint Management System to better handle complaints received from the public and improve existing systems and process
- publication of a leaflet on "Taxation of Non-Residents", Guidance Note on CSR and Advanced Income Tax Manual

In the recent Budget Speech, the foundation was laid for Mauritius to propel itself towards its next phase of development that will be driven through innovation. The MRA fully adheres to the innovation agenda of the Government and will ensure that every year it comes up with innovative ideas, projects and initiatives that will enhance its internal efficiency, promote the ease of doing business for its various stakeholders and raise optimal revenue for Government. The MRA Family, that is, the MRA Board, the MRA Management Team and all MRA Officers have given me their unflinching support to meet the various challenges that we have been facing over the last nine years. We shall, together, rise to meet the challenges of 2016 and beyond.



Sudhamo Lal
Director-General

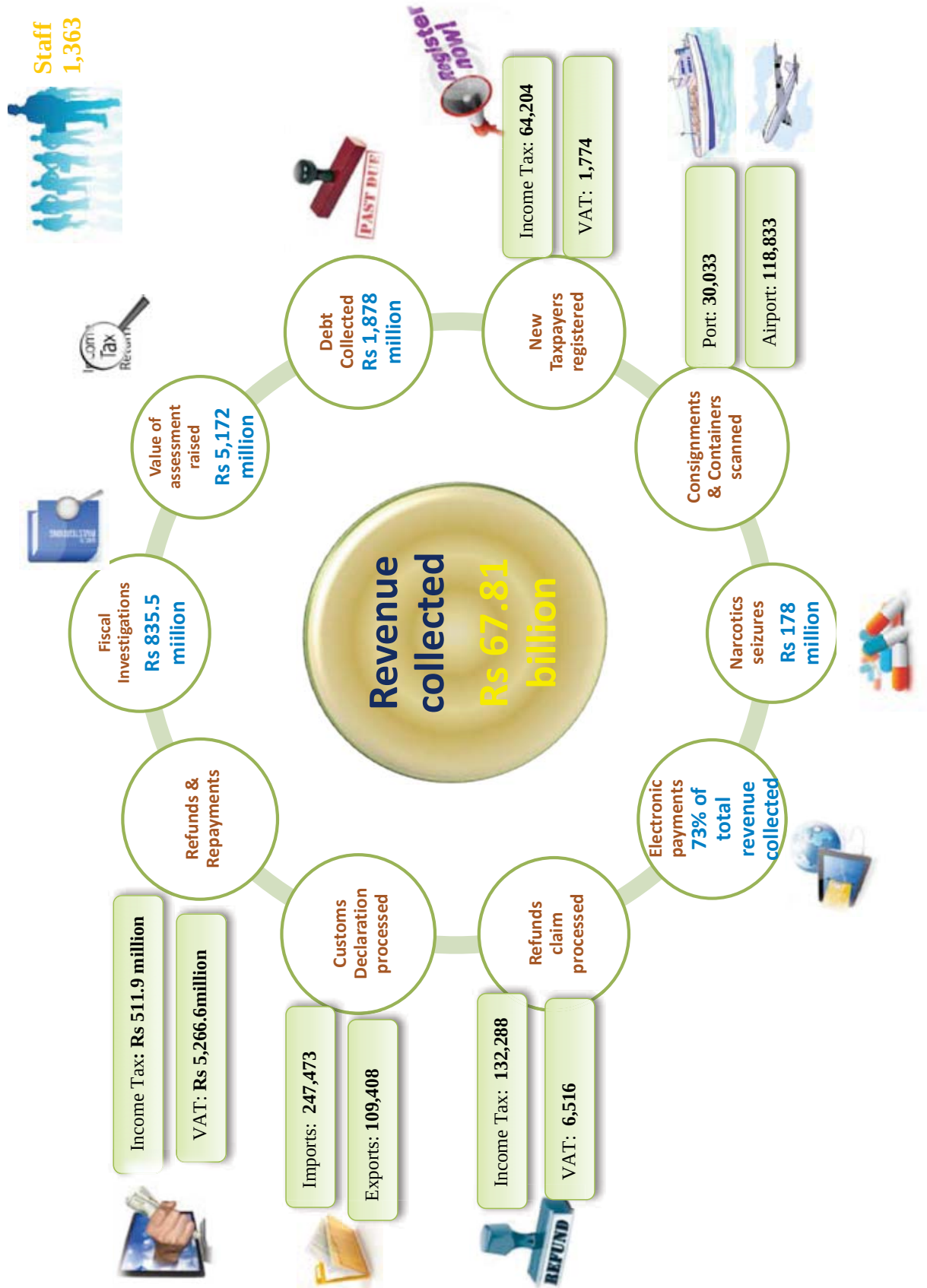




1.

THE MRA AT A
GLANCE IN 2015

THE MRA AT A GLANCE IN 2015





2.



OUR ROLE

OUR ROLE

The Mauritius Revenue Authority (MRA) is a body corporate, set up to manage an effective and efficient revenue-raising system. It administers and collects taxes due in Mauritius within an integrated organisational structure.

The MRA is an agent of State and, as such, the Ministry of Finance and Economic Development continues to have overall responsibility for the organisation and monitors its performance.

The MRA is responsible for collecting approximately 90% of all tax revenues and for enforcing tax laws in Mauritius.

It manages and collects:

- Corporate Tax
- Personal Income Tax
- Tax Deduction at Source (TDS)
- Value-Added Tax (VAT)
- Customs Duties
- Excise Duties
- Gambling taxes
- Issue/Renewal of licences & Tax Residence Certificates (TRCs)
- Passenger Fees
- Passenger Solidarity Fees
- Special Levy on Banks
- Environment Protection Fees
- Corporate Social Responsibility (CSR) levies
- Special Levy on Telecommunications Companies
- Advertising Structure Fee

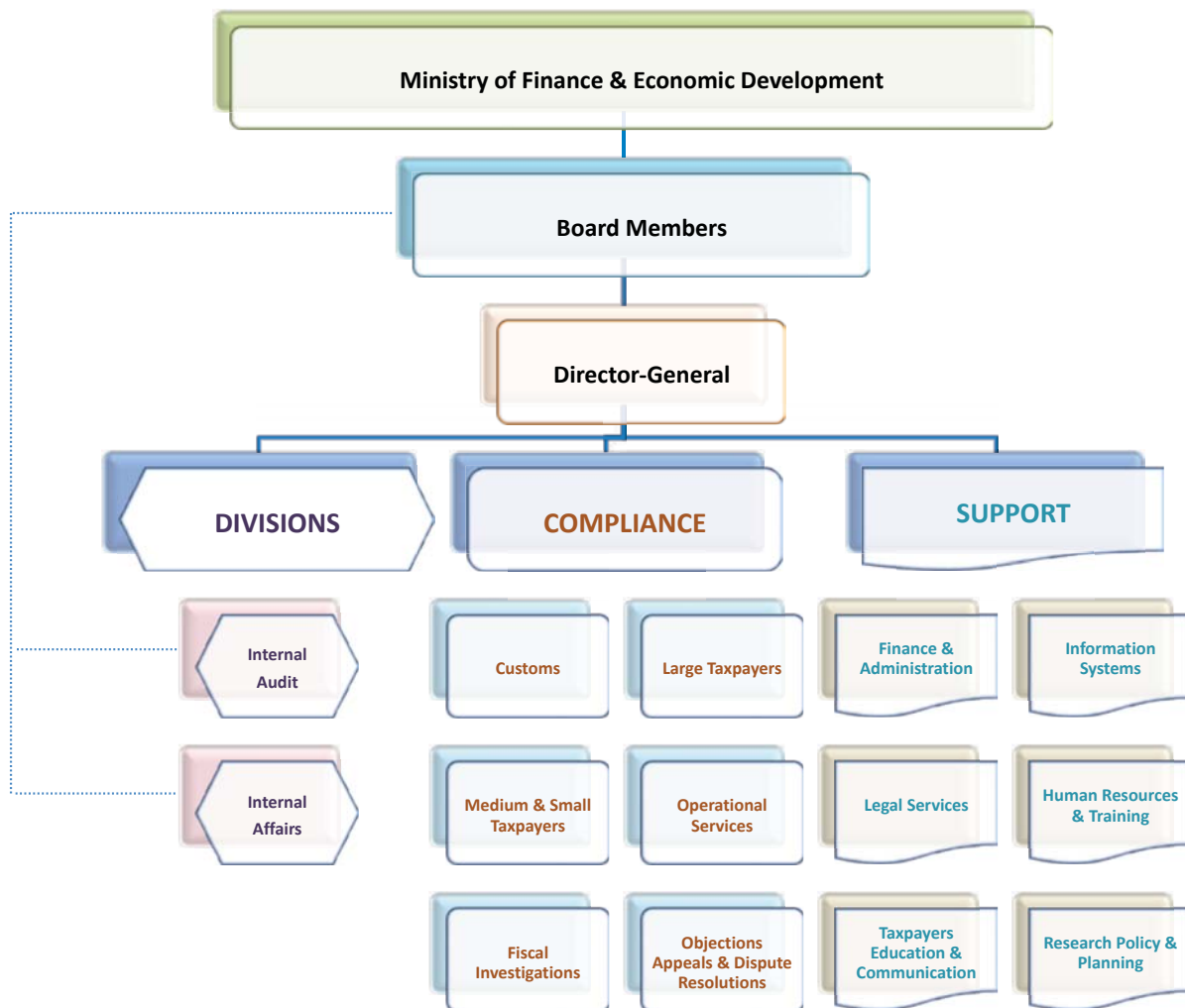


3.



ORGANISATIONAL STRUCTURE

ORGANISATIONAL STRUCTURE



Partners in Progress and Prosperity... ...Caring for the environment



*"Green Customs Day" – Planting of a tree by
Her Excellency the President of the Republic of Mauritius*



"Green Customs Day" – Tree planting by Customs Officers



4.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The MRA views corporate governance as a core pillar to ascertain that corporate values pertaining to accountability, fairness, transparency, integrity and professional behaviour are reflected in all its processes and business practice. It is the responsibility of the Board to ensure that the MRA fully complies with the Code of Corporate Governance for Mauritius as issued by the National Committee on Corporate Governance under the Financial Reporting Act 2004 (the 'Code'). The Board also ensures that the organisation maintains the highest standards of corporate governance and aims to be a model of good corporate governance.

The MRA started its operation in July 2006, under the Mauritius Revenue Authority Act 2004, and is responsible for collecting approximately 90% of all tax revenues and for enforcing tax laws in Mauritius. Bearing in mind, the importance of good governance, the MRA has embedded the principles of the Code in both its strategy and day to day operations.

MRA's Corporate Governance Structure hinges on the following pillars:

- The MRA Act which lays down specific criteria for the appointment of the Chairperson & Board members and requires disclosures in cases of conflict of interest, etc.;
- The MRA Board;
- Board sub-committees set up to closely scrutinise the organisation's policy regarding corporate governance, auditing, risk management and procurement;
- Risk management framework with clear responsibility for risk identification, assessment and monitoring;
- Auditing and accounting framework with particular emphasis on the role of internal and external audit;

- Integrated sustainability initiatives pertaining to ethics, environment, health & safety and corporate social responsibility;
- Standard operating procedures for all MRA processes through the ISO9001:2008 project, thus enhancing transparency and accountability;
- Systematic computerisation of all MRA functions with emphasis on e-filing both for tax and customs purposes;
- Continuously educating and communicating with its stakeholders together with standing meetings with main stakeholders; and,
- Accountability for results through the Performance Management System being monitored on a monthly basis and published on an annual basis in the Annual Report.

As stipulated by the Code of Corporate Governance, this chapter elaborates the main areas of MRA's corporate governance framework which includes the Board, Board Committees, Risk Management, Internal Control, Internal Audit, Auditing and Accounting, Quality Management System and the Integrated Sustainability Reporting.

4.1. THE MRA ACT

Sound corporate governance practices are already laid down in the MRA Act. Section 5 of the MRA Act 2004 provides that:

- (i) The Chairperson shall be a person who has not been, or is not, actively engaged in any political activity;
- (ii) The Chairperson of the Board is appointed by the President, after consultation with the Prime Minister and the leader of the Opposition, for a period of not less than three years and on such terms and conditions as the

President thinks fit;

- (iii) Board members are appointed by the Minister of Finance and Economic Development for a period of not less than three years;
- (iv) The Director-General shall not have the right to vote; and,
- (v) Where a member of the Board, or a close relative of his, has a direct or indirect interest in any matter which is, or is to be, raised at a meeting of the Board, he shall, as soon as he is aware of the fact, notify the Secretary of the Board. The Board shall then determine that the member shall not be present or shall not vote while the matter is being considered.

Furthermore, Section 6 (6) of the MRA Act stipulates that the Board shall not have access to any information concerning the liability or otherwise of any person to tax.

Section 12 of the MRA Act also provides that the Head of the Internal Affairs and Internal Audit Divisions shall report on, and be directly accountable to the Board for the execution of the duties assigned to them.

4.2. THE BOARD

During the year 2015, the MRA was headed by a Board, comprising six members under the chairmanship of Mr S. Seebaluck, G.O.S.K, Secretary to Cabinet and Head of Civil Service, with 4 non-executive Directors and one executive Director. Besides, being accountable and responsible for the performance and affairs of the organisation, the Board also manages and administers the MRA. The members of the Board are as follows:

- Mr. S. Seebaluck, G.O.S.K, Chairperson
- Mrs. S. D. Jugmohun, O.S.K
- Mr. M. Oozeer

- Mr. K.N. Reddy
- Mr. P. Yip Wang Wing
- Mr. M. S. Lal, Director-General

The profile of each Board Members and the Director-General can be found in **Section 4.9** of this Report.

Functions of the Board

The roles and functions of the Board include:

- giving strategic direction and providing leadership;
- overseeing the implementation of strategies, policies and plans;
- giving guidance and maintaining effective control over the Authority;
- selecting and recruiting competent staff to form part of the Management Team;
- laying down the terms and conditions of service of officers of the Management Team;
- approving the annual budget of the Authority for submission to the Ministry of Finance and Economic Development;
- putting in place an effective internal control systems; and,
- ensuring that risk management strategies are developed and implemented effectively.

4.2.1. Board Committees

The MRA's Board has established the following three Board Committees to help in effective performance of its duties and responsibilities:

1. Audit & Oversight/Risk Management Committee;
2. Corporate Governance Committee;
3. Tender Committee.

CORPORATE GOVERNANCE

The main responsibilities of each of the sub committees are given below:

Committee	Key Responsibilities
Audit & Oversight/ Risk Management Committee Members: Mr. P. Yip Wang Wing (Chair) Mr. K.N.Reddy Ms C. Fijac, Ag. Secretary	The main functions of the Committee are as follows: • overseeing the Internal Audit & Internal Affairs Divisions; • reviewing any significant matters raised by the external auditors; • reviewing, designing, implementing and maintaining MRA's internal control systems; • overseeing the management of risk, integrity & ethics within the MRA. During the year under review, the Committee has met 7 times and has <i>inter-alia</i>, • reviewed all internal audit reports; • approved the Annual Internal Audit Plan & Internal Audit Annual Report; • ensured the implementation of the Audit Recommendations and proposals for enhancement of the Internal Control System; • reviewed progress made in respect of Risk Management; • discussed issues raised by the external auditors; and • reviewed reports submitted by the Internal Affairs Division.
Corporate Governance Committee Members: Mr. S. Seebaluck, G.O.S.K. Mrs. S.D. Jugmohun, O.S.K. Ms C. Fijac, Ag. Secretary	The main functions of the Committee are as follows: • ensuring that procedures are established to comply with regulatory requirements; • enhancing the effectiveness of corporate governance within the MRA; and • monitoring of performance and succession planning. During the year under review, the Committee has met twice. The issues discussed were as follows: • Compliance with Corporate Governance requirements for MRA's Annual Report 2014; • Initiatives taken and progress made with respect to the assessment of IT Governance; and • Evaluation of Board committee and its sub-committees.
Tender Committee Members: Mr. M.Oozeer Director-General Director, Finance and Administration	The Committee is made up of a Central Tender Committee (CTC) and a Departmental Tender Committee (DTC). Any procurement above Rs 1 million and up to Rs 5 million is approved by the DTC, and for procurement in excess of Rs 5 million the approval of the CTC is sought. Besides, the 4 meetings held for CTC, during the year 2015, 16 meetings were also held at the DTC.

CORPORATE GOVERNANCE

4.2.2. Board and Committee Membership Meeting

The Board meetings are held on a monthly basis and in addition special meetings can be held at any time as determined by the needs of the business. During the year 2015, eleven Board meetings were convened and held. The Acting Secretary is accountable for organising these meetings and sending the agenda together with the relevant documents for all Board and subcommittee meetings prior to these meetings. Following the re-composition of the MRA Board in March 2015, an induction pack, including all relevant information on the MRA, was provided to all Board Members.

Table 1 shows attendance of Board Members at Board meetings & Committees, Board Members' fees and the duration of appointment of Board Members.

4.3. IT GOVERNANCE

Given the major role IT plays in organisations and its associated risks, IT Governance has become an integral part of Corporate Governance and is on the agenda of many organisations.

In fact, following an audit of Corporate Governance at the MRA in 2014, IT Governance was among the few areas identified which warranted an assessment of its status and the need for further improvement.

Therefore in 2015, the Internal Audit Division has been assigned the task to conduct the assessment in collaboration with the Information Systems Department.

Research works in terms of available International guidelines from organisations such as IT Governance Institute (ITGI), Information Systems Audit and Control Association (ISACA), the Institute of Internal Auditors (IIA) and ISO authorities have been completed. A checklist is being finalised for conducting the assessment.

Table 1: Attendance of the Board, Board Committees, Fees & Duration of Appointment for Year 2015

	Board of Directors	Board Committees			Fees & Duration of Appointment		
		AO/RMC*	CGC**	TC***	Monthly Board Fees (Rs)	Date of last Appointment	Duration of office
Number of meetings	11	7	2	4			
Meetings attended:							
Mr. S. Seebaluck, G.O.S.K, Chairperson	10		2		70,000	March 2015	3 years
Mrs. S. D. Jugmohun, O.S.K	11		1		25,000	March 2015	3 years
Mr. M. Oozeer	7			4	25,000	March 2015	3 years
Mr. K. N. Reddy	11	7			25,000	March 2015	3 years
Mr. P. Yip Wang Wing	11	7			25,000	n/a	n/a
Mr. M. S. Lal, Director-General	11			4	25,000	n/a	n/a

*AO/RMC: Audit & Oversight/Risk Management Committee
***TC: Tender Committee n/a: not applicable

**CGC: Corporate Governance Committee

4.4. RISK MANAGEMENT

The Enterprise Risk Management Framework, operational since 2012, is now an essential strategic tool to ensure that MRA achieves its objectives. Risk Management is now embedded in both MRA's operations and the organisation's culture.

The MRA Board has the ultimate responsibility for risk management. This responsibility is then cascaded to line-management for day-to-day management and to sections, units and processes. All departments have their risk registers and reports which are regularly reviewed and updated by the process owners.

Auditing of risk management across the MRA is done on a regular basis by Internal Audit Division. This exercise provides assurance on the effectiveness of the Risk Management Framework. It also enables the identification and upgrading of risks and desired controls. Various interactions and working sessions are held with departmental Risk Officers and process owners to enhance the existing structure.

The MRA also has in place a Risk Monitoring Committee chaired by the Director-General with its members being the Management Team. The objective of the Committee is to ensure that risk management is functioning as per set policies and that all key risks are identified, measured and actions taken accordingly. The Committee met 3 times in 2015. Result of audits is also discussed at the level of the Audit and Oversight/Risk Management Committee.

One major initiative in 2015 has been a peer review of the Risk Management Framework by the Consultant who assisted on the project. The review consisted of:

- Assessing the progress achieved in respect of risk registers and reports and ownership of risks at departmental level;
- Assessing internal audits performed

and the outcome of the Risk Monitoring Committee & Audit Committee;

- Training and working sessions with departmental representatives for incorporating Impact Criteria in the framework.

The conclusion of the peer review is that the MRA Risk Management Framework has reached a good standard and that risk management is now embedded in the organisation's culture. Further training has been provided to MRA officers for improving the Impact criteria and for enhancement of reporting of risks status from inherent to residual risk.

The 14 top risks identified and being constantly managed and monitored at Board and management level are as follows:

1. Risk of not achieving revenue targets

The MRA is the main revenue agent of the Government and plays a major role in protecting fiscal solvency. Achieving expectations in terms of budgetary provisions with respect to revenue collection remains a priority challenge for the MRA and therefore needs constant monitoring.

2. Risk of illicit drug trafficking

Drug trafficking, illegal arms importation and terrorism present major risks to national security. Through border control, the MRA has a vital responsibility to protect society from these transnational crimes. The MRA is constantly enhancing its operations by the extensive use of Information Technology, increased control and security mechanisms.

3. Risk of poor governance

Effective governance is a key element in monitoring the effectiveness of any organisation. At the MRA, every

effort is deployed to take on board the recommended structures, practices and principles of good corporate governance.

4. Integrity Risk

Projecting a positive corporate image is essential for a large revenue collection agency like the MRA. The positive perception of stakeholders as well as the need for inspiring trust and confidence remains one of the MRA's priorities. MRA manages integrity risk through a dedicated Internal Affairs Division.

5. Risk of non-targeting high-risk taxpayers/importers

A proper risk-based methodology ensures that high-risk taxpayers/importers are targeted for compliance audits/investigations. The MRA has put in place specific risk management units both in Tax and Customs departments with emphasis on the use of third party information / intelligence to mitigate the risk of non-compliant taxpayers / importers evading the tax net.

6. IT Risk

Driving a modernisation programme through the enhanced usage of information technology inevitably exposes the organisation to IT risks such as loss, leakage or damage of data which may severely disrupt operations.

7. Risk of not achieving voluntary compliance

Increasing the voluntary compliance rate is a major MRA objective. Without regular monitoring and review of strategy, the MRA runs the risk of not narrowing the tax gap.

8. HR Risk

The success of our organisation is primarily dependent on the quality of our staff. In handling some 1,400 staff, inevitably HR issues may arise. To counter risk factors, employees are provided with a wide range of support and logistics mechanisms.

9. Risk of information leakage

Maintaining the confidentiality of taxpayers' affairs and information is one of the major expectations of taxpayers. Any failure would affect the organisation's reputation and might entail legal action.

10. Risk related to staff security

The nature of the MRA's operational activities often exposes staff to the threat of moral or physical assault. If not adequately managed, this risk may severely impact on organisational performance.

11. Risk of not maintaining the Quality Management System

The MRA, being ISO certified, has to continue to make efforts in meeting and exceeding customer expectation. Furthermore, apart from complying with stated procedures, systems have to be in place for continual improvement and to comply with all ISO requirements. The MRA, therefore, should always be on the alert with respect to its quality management system.

12. Risk of Poor Communication

Operating a self-assessment system, coupled with an on-going modernisation programme, warrants concerted taxpayer education and effective communication with our

stakeholders. The risk management framework flags MRA communication as a strategic issue, which needs to be constantly improved.

13. Risk of events which may affect business continuity

There are many events that can prevent the organisation from continuing its normal operations. The MRA has identified events for which it is prepared and has put systems in place to enable continued service.

14. Risk of non-compliance to statutory requirements

The MRA Act and Statutory Bodies (Account & Audit) Act lays down the statutory requirement in respect of submission of statements to assess the efficiency of the organisation, submission of an Annual Report including the financial statements within 4 months of the end of the financial year to the Director of Audit. Given the existence of various constraints which may hamper the achievement of these statutory obligations, MRA has recognised same as a risk that should be managed.

Directors' responsibility for the Internal Control System

Directors of the Board are responsible for designing, implementing and maintaining internal systems relevant to the Authority's functions including controls relevant to the preparation and presentation of the financial statements.

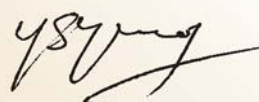
Such systems should ensure that all functions are in line with best practices, that all transactions are authorised and recorded and that any material weaknesses or irregularities are detected and rectified within a reasonable time-frame. The Authority has an Internal Audit function which assists the Board and Management in effectively discharging its responsibilities. Controls are reviewed on an on-going basis by Internal Audit using a cycle-based risk approach.

The Audit and Oversight/Risk Management Committee reviews all internal audit reports and Management is advised through the Director-General of remedial action to be taken. The Committee is also kept informed of progress on the implementation of audit recommendations either through feedback reports from Management or follow-up exercises carried out by Internal Audit.

The Board is apprised of all deliberations and decisions taken by the Audit and Oversight/Risk Management Committee.



.....
S. SEEBALUCK, G.O.S.K
Chairman MRA Board



.....
P. YIP WANG WING
Chairman Audit & Oversight/Risk
Management Committee

4.5. AUDITING AND ACCOUNTING

The Board is responsible for maintaining adequate accounting records and preparing the financial statements in accordance with International Public Sector Accounting Standards (IPSAS), for each financial year. These statements include the board's report, balance sheet, statement of income, statement of changes in net assets/equity and cash flow statement which reflect a true and fair picture of the financial position of the MRA.

With regards to MRA's Financial Statements for the year ending 31 December 2015, the Director-General shall not later than 3 months after the end of every financial year submit the annual report to the Board for approval. After approval by the Board, the Director-General must, not later than 30 April 2016, submit the Annual Report, including the financial statements, to the National Audit Office.

After having audited the statements, the Director of Audit, must within 6 months of the date of receipt of the Annual Report, submit the Annual Report and the Audit Report to the Board. On receipt of the Annual Report including the audited financial statements and the audit report, the Board shall, not later than one month from the date of receipt, furnish to the Minister of Finance and Economic Development such reports and financial statements.

4.6. INTERNAL AUDIT

The Internal Audit Division is responsible for providing independent and objective assurance to the Board and Management on the adequacy and effectiveness of the MRA risk management, internal control and governance systems.

The Division is headed by a Director and comprises a team of 16 staff with a broad range of professional qualifications and experience to fulfil the required core competencies needed for the Division. Functionally, the Division reports to the Audit and Oversight/Risk Management Committee and administratively to the Director-General.

Background

A risk-based approach is adopted by the Internal Audit Division whereby its resources, is focussed on high risk areas. It also provides regular assurance on continued effectiveness of control with respect to core MRA activities on a rotational basis. Whilst keeping its independence, the Division also ensures that a participatory approach is adopted, whereby Senior Management is invited to contribute to the yearly Action Plan by suggesting main areas of concern. The Annual Action Plan is approved by the Audit Committee.

With respect to control, the Division conducts system audits to assess adequacy of control in the various systems to enable MRA achieve its objectives and properly manage its risks. Transaction audits are then constantly carried out to provide assurance on the effectiveness of those controls. Where there have been recommendations for improvements, follow-up exercises are performed to ascertain implementation of those recommendations.

Achievements

The major achievements of Internal Audit for the year 2015 were as follows:

- **System of Control** - The Division has completed 7 system audits, 10 transaction audits and 7 follow-up exercises. Some core areas audited during the year were: Fiscal Investigation, Debt Management, Valuation of Second Hand Vehicles, Overtime, Customs Control over Duty Free shops (downtown), the Objection and Appeal system, Fixed Assets Management and Tax Audit of Companies.

Apart from providing assurance on the functioning of the control system, Internal Audit has made some 100 recommendations for further improvement of systems. Through these audit assignments, the Division ensures

that operations are conducted according to the highest standards of best practices.

- **Governance** - Following a full audit of the MRA Governance structures and practices, IT Governance was identified as an area for further upgrading. In 2015, Internal Audit has started working in collaboration with the Information Systems Department for assessing the level of IT Governance at the MRA and the need for further improvement. Work is currently in progress.
- **Risk Management** - With respect to the Enterprise Risk Management, the Division initiated and coordinated a peer review exercise which was carried out by the Consultant who assisted the MRA on this project. The objectives of the review were to assess progress made by MRA and to train MRA staff for further improvement with respect to Impact Criteria.
- **Modernisation of the Division** – In line with MRA modernisation programme, Internal Audit has moved from manual to electronic working papers following the successful implementation of the Teammate Audit Management Software. All audit assignments are now being performed and managed on this system, resulting in increased efficiencies in all aspects of the internal audit function.

4.6.1. Quality Management System (QMS)

In June 2015, MRA was recertified to ISO 9001 for another period of 3 years and the certificate validity has been extended till July 2018. The recertification audit exercise was conducted by the Mauritius Standards Bureau (MSB) and covered all MRA's sites. This milestone confirms that MRA has an effective Quality Management System (QMS) and its continuing capability for maintaining the ISO 9001 certification for another term.

In our quest to continually improve the quality of service delivery, an audit of the customer complaints process has been completed and appropriate recommendations are being implemented. In the same track, departmental quality objectives have been defined to monitor the level of service provision to stakeholders.

The QMS team has also been performing internal audits to ensure compliance to the standard operating procedures and for the continual improvement and streamlining of these procedures.

4.7. INTEGRATED SUSTAINABILITY REPORTING

4.7.1. Ethics

One of the prime objectives of the Internal Affairs Division is to maintain the highest ethical standards and professionalism at the MRA. The MRA, through the Internal Affairs Division, is continuously encouraging all its staff and stakeholders to ensure that their duties are carried out with due diligence, honesty, integrity and transparency which are essential to the MRA and accordingly complying with the Core Values of the organisation.

Three codes, namely, the 'Code of Conduct and Ethics', the 'Prevention of Malpractice Manual' and the 'Disciplinary Code', have been developed, to be used as a guidance to promote good governance, transparency and integrity amongst all employees within the organisation.

Besides maintaining and managing integrity within the MRA, the Division has, during the year under review, achieved the following:

- Verified 73 Declaration Of Assets (DOAs) and reports produced;
- Initiated investigation in 54 complaints/allegations and completed 32 investigations;
- Recommended 3 cases for disciplinary action;
- Conducted 15 training programmes on Code of Conduct & Ethics;
- Conducted a workshop on 'Role of Integrity in Enhancement of Compliance'
- Conducted a workshop on 'Corruption Risk Mapping' in collaboration with WCO;
- Initiated the automation of Declaration of Assets (DOAs) verification system, Online Complaint Management System; and Integrity Perception Survey.

4.7.2. Environment

The MRA is committed to protecting and improving the environment through a clean environmental policy and compliance to the applicable environmental laws, regulations and standards. Besides, operating in an environmental responsible way, emphasis is placed on the use of energy efficient equipment and environmental friendly materials. MRA is committed to continuously promote and inculcate green habits and behaviours amongst its staff. The MRA has initiated a series of eco-friendly initiatives, some of which are on-going projects while some are new developments made during the year 2015. These are as follows:

- Promoting its e-filing strategy to encourage more taxpayers to file their returns electronically. In October 2015, 97% of individual taxpayers filed their returns electronically;
- Continuing to encourage taxpayers to make e-payment through various means;
- Implementing the Record Management System (RMS) on a phased approach so as to reduce paper consumption;
- Implementing paperless Customs strategy;
- Recycling of office paper;
- Implementing of GPS so as to reduce both fuel consumption and CO2 emissions on track;
- Using LED fog lights instead of CFL lamps and halogens;
- Planting of trees; and
- In collaboration with the National Productivity and Competitiveness Council (NPCC), MRA is adopting the Green Productivity concept so as to reduce the use of energy consumption, waste minimisation and recycling as well as fuel efficiency.

4.7.3. Health and Safety

The MRA firmly believes that the health and safety of its employees is a prerequisite obligation. The MRA is committed to providing and maintaining a healthy, safe and secured working environment for its staff as well as for its stakeholders visiting its premises. During the year 2015, the MRA has continued its effort to create an ideal environment for promoting a good working relationship across the whole organisation. In addition, in line with the requirements of the Occupational Safety & Health Act 2005, Safety & Health Committees currently being chaired by the Director, Human Resources & Training meets every 2 months to maintain safe working conditions and to improve health & safety standards of the organisation. In 2015, the MRA:

- Renewed the yearly Medical Scheme membership of staff and their family members and its insurance policy (previously with SICOM), under the Group Personal Accident (GPA) Scheme with Mauritius Union Insurance. The GPA provides protection to MRA employees and/or their families in the event of disability or death resulting from an accident;
- Conducted 3 Fire Drills at Custom House, Eham Court and Belfort Tower respectively;
- Conducted 5 Safety and Health Committees to discuss safety and health arising out of work;
- Provided the following First Aid and other facilities to staff members:
 - Staff working in outposts were provided with Personal Protective Equipment (PPE);
 - A refresher first aid course was conducted with the assistance of St-John Ambulance;



Protecting the environment: Planting of a tree on the occasion of the international Customs Day.

- Ergonomic chairs were provided to Customs Officers working in Custom outposts; and,
- Processing of GPA accident claims.
- Issued communiqué to staff on 'Healthy Eating with respect to Blood Pressure, & Seasonal Flu';
- Conducted awareness campaigns on:
 - Fire Fighting;
 - The use of Dosimeters;
 - The use of BP Monitors;
 - The Use of Wheel Chair + Stretcher;
 - The Prevention of Diabetes;
 - The safe use of Visual Display Unit (VDU's) and manual handling; and
 - Fire Wardens in their roles and responsibilities.

4.7.4. Corporate Social Responsibility

The MRA recognises the need to be socially committed and supportive towards the community. Accordingly, the MRA is continuously investing in Corporate Social Responsibility (CSR) programmes and projects in Mauritius to reflect our commitment to creating sustainable value for social and economic well-being of both the welfare of its employees and for that of the society. For the year under review, the following CSR activities were held:

CORPORATE GOVERNANCE

- Organised its yearly blood collection, in collaboration with the Ministry of Health and Quality of Life and the Blood Donors Association. Staff, stakeholders and members of the public were invited to donate their blood and 903 pints of blood were collected from 1,122 volunteers;
- Collaborated with the University of Mauritius (UOM) for training placement of 31 students;
- Cash Donations made to 3 orphanages: Foyer Pere Laval, Soeurs Missionnaires De la Charite, and Ashram Gayasingh;
- MRA officers participated in a fund raising activity in order to help needy children of Centre D'Eveil de Tranquebar and Crèche St Anne. Lunch was offered and distributed to children of 3 & 4 years of Centre D'Eveil de Tranquebar and equipment such as sleeping cot, toys, rocking chair and other items were offered to babies of the St Anne Nursery; and,
- The MRA also offered lunch to children of a Children's Shelter at Pointe aux Sables.



The Director-General remitting donation to a representative of an orphanage



Blood donation by MRA staff



Lunch to children at Pointe-aux-Sables shelter

4.8. RELATED PARTY TRANSACTIONS

The Authority regards the Government of Mauritius as its controlling party and has disclosed at Note 17 to the Financial Statements the Related Party Transactions for the period under review in accordance with IPSAS 20(Related Party Disclosures).The related party transactions for the MRA for the year 2015 include:

1. Grants (capital & revenue) of Rs 1,455,971,318 from Government;
2. Fees paid to Board Members for an amount of Rs 2,330,000;
3. Payment to key management personnel for an amount of Rs 51,000,997.

As per provisions of the Act constituting the Authority, the Board members represent the interest of Stakeholders. However, the Board considers that such representation does not trigger any other related party transactions that would require any further disclosure.

4.9. BOARD MEMBERS' PROFILES



Mr Sateaved SEEBALUCK, G.O.S.K.
Chairperson

Appointment

Appointed as Chairperson of the MRA Board in March 2015

Committee member/chairman

Chairman of the Corporate Governance Committee

Skills and previous experience

He holds a BA (Hons) Economics from the University of Delhi and a Diploma in Public Administration and Management from the University of Mauritius. He joined the Civil Service in January 1976 as Economist at the Ministry of Economic Planning and Development and shortly after joined the Administrative Cadre at the Ministry of Finance. He was promoted to the position of Principal Assistant Secretary in 1990 and in 2000 he was appointed Permanent Secretary. He is presently the Secretary to the Cabinet and Head of the Civil Service. He served various Ministries and has been Chairman and Director of many Boards and Statutory Committees during his career.

Current external appointments

- Director and Acting Chairperson Mauritius Telecom Ltd
- Director, Air Mauritius



Mr Patrick YIP WANG WING
Board Member

Appointment

Appointed as Board member in November 2004

Committee member/chairman

Chairman of the Audit & Oversight committee

Skills and previous experience

He is currently Deputy Financial Secretary at the Ministry of Finance and Economic Development where he has been closely associated with fiscal and public policies and preparation of the National Budget. After studying in Dijon, France for a *Maitrise en Econométrie* and a *Diplôme D'Études Approfondies (DEA) en Politique et Analyse Economique*, he first worked in the private sector for a few years before joining the Civil Service in 1986 as an Economist, becoming the Director for Fiscal Policies in 2001.

Current external appointments

- Board Director at SICOM group of companies
- Board Member at Statistics Mauritius

CORPORATE GOVERNANCE



Mrs Shakuntala Devi JUGMOHUN, O.S.K.
Board Member

Appointment

Appointed as Board Member in March 2015

Committee member/chairman

Member of the Corporate Governance Committee

Skills and previous experience

She holds a Master in Business Administration and is currently Special Adviser to the Minister of Finance and Economic Development. She has extensive work experience in the Public Sector where she was actively involved in the reform of the Mauritius Financial Services Sector, the setting up of the Unified Revenue Board, Mauritius Revenue Authority & Tax Appeal Tribunal and the development of the Freeport Sector. She has also participated in the negotiations of several tax treaties and investment promotion agreements. Mrs Jugmohun has also served as Secretary, Unified Revenue Board, Director Taxpayer Services Department at the Mauritius Revenue Authority and Vice-Chairperson, State Property Development.

Current external appointments

- Chairperson of the State Property Development Company Ltd
- Member, Board of Investment



Mr Mohamad OOZEER
Board Member

Appointment

Appointed as Board Member in March 2015

Committee member/chairman

Chairman of the Central Tender Committee

Skills and previous experience

He had a long career in tax administration and has wide experience in the preparation of tax and other legislation. He has been an Adviser to the Ministry of Finance and Economic Development since his retirement from the public service in 1995.

Current external appointments

- Mauritius Network Services Ltd
- Maurinet Investment Ltd

CORPORATE GOVERNANCE



Mr Kritananda Naghee REDDY
Board Member

Appointment

Appointed as Board Member in March 2015

Committee member/chairman

Member of the Audit & Oversight committee

Skills and previous experience

He has worked as Principal Accountant at the Ministry of Finance. He has studied law and on completion of his Bar Vocation Course, joined the Attorney General's Office as State Counsel. He is currently Acting Principal State Counsel and in that capacity is advising ministries, conducting litigation before the Courts, handling tax cases before the ARC and the Supreme Court.

His formal qualifications include an MBA, LLB and LLM (international tax and insurance law).

Current external appointments

- SIC Management Services Co Ltd



Mr Sudhamo LAL
Board Member

Appointment

Appointed as Director-General in May 2005

Committee member/chairman

Member of the Central Tender Committee

Skills and previous experience

He has previously worked in direct tax administration in Pakistan, progressing from Commissioner of Income Tax and Wealth Tax and Director-General (Withholding taxes), to Member (Tax Policy and Administration) in the Central Board of Revenue, Islamabad. In this role he was responsible for leading US\$150 million World Bank funded tax administration reform programme. He has frequently interacted with European Union, Asian Development Bank, IMF and other international finance institutions. He is also the former President of The Commonwealth Association of Tax Administrators which has members in 47 countries. His formal qualifications include a first degree in Law and a postgraduate degree in Agri-Economics and Soil Science. He has also undergone training in Public Administration, National Management, Tax Fraud Administration and Revenue Forecasting.

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4.10. MANAGEMENT TEAM'S PROFILES



Name
Sudhamo Lal
Director-General of the MRA since May 2005

Experience
(See Board Members' Profiles)

Date of Appointment on Management Team
15 May 2005

Qualifications
(See Board Members' Profiles)

Contact Details
Tel: 207 5941
Fax: 207 6041
Email: sudhamo.lal@mra.mu



Name
Ishwarduth Beesoon
Department
Director, Fiscal Investigations

Experience
He joined the Public service in 1972 and later the VAT Department in 1984 as Assistant Finance Officer. He served as Senior Finance Officer, Investigating officer and acting Deputy Commissioner. He joined the MRA as Section Head in July 2006. He became Director, Fiscal Investigations in April 2013.

Date of Appointment on Management Team
8 April 2013

Qualifications
Fellow Member of the Chartered Association of Certified Accountants

Contact Details
Tel: 207 5914
Fax: 207 6016
Email: ishwar.beesoon@mra.mu



Name
Nily Bunwaree
Department
Director, Finance & Administration

Experience
She joined a Manufacturing Company in the private sector as Finance Manager. Worked as Financial Controller in a large conglomerate from 1992 to 2011. Also worked on a number of projects in the shipping and aviation fields. Joined MRA as Director, Finance & Administration in January 2013.

Date of Appointment on Management Team
3 January 2013

Qualifications
Fellow Member of the Chartered Association of Certified Accountants. Also holds an MBA from the University of Birmingham

Contact Details
Tel: 207 5922
Fax: 207 6022
Email: nily.bunwaree@mra.mu



Name
Champawatee Gunnoo
Department
Director, Medium and Small Taxpayers

Experience
She joined the Public service in 1975 and later the Income Tax Department as Inspector of Taxes in 1975. She was posted at the VAT Department in 1988 where she served in the capacity of Senior Investigation Officer, Deputy Commissioner and Commissioner. Joined MRA as Director, Fiscal Investigations up to April 2013 and is now Director, Medium and Small Taxpayers.

Date of Appointment on Management Team
1 July 2006

Qualifications
Fellow Member of the Chartered Association of Certified Accountants

Contact Details
Tel: 207 5959
Fax: 210 3472
Email: champa.gunnoo@mra.mu

CORPORATE GOVERNANCE



Name
Michel Mario Hannelas

Department
Director, Large Taxpayers

Experience
He joined the Public service in 1974 and later joined as Inspector of Taxes in the Income Tax Department. He climbed the corporate ladder and served as Chief Investigating Officer, Deputy Commissioner of Income Tax and Commissioner of Large Taxpayer. He joined the MRA on 01 July 2006 as Director, Medium & Small Taxpayers. He is presently Director, Large Taxpayers and also responsible for all International Tax matters. In addition, he is a member of the Mauritian Team for Tax Treaty negotiations.

Date of Appointment on Management Team
1 July 2006

Qualifications
Fellow Member of the Chartered Association of Certified Accountants. Also holds a Post Graduate degree in Tax Administration from the University of Paris Dauphine, France

Contact Details
Tel: 207 5904
Fax: 207 6053
Email: mario.hannelas@mra.mu



Name
Sumita Devi Moorooogen

Department
Director, Internal Audit

Experience
Worked in the private sector before joining the National Audit Office in 1985. She held various positions there and was Assistant Director of Audit from 1995 to 2003. From 2003 to 2006, she was Assistant Director at the ICAC and responsible for corruption prevention and system enhancement. She joined the MRA as Director, Internal Audit in June 2006. Was a member of the Audit Review panel of the Financial Reporting Council from December 2008 to December 2012 and is presently an active member of Institute of International Auditors, Mauritius.

Date of Appointment on Management Team
14 June 2006

Qualifications
Fellow Member of the Chartered Association of Certified Accountants. Also holds an MBA in Finance & Administration from University of Wales & Manchester

Contact Details
Tel: 207 5942
Fax: 207 6042
Email: sumita.moorooogen@mra.mu



Name
Soopayah Narrainen

Department
Director, Internal Affairs

Experience
He joined the Income Tax Department as Inspector of Taxes in 1975 and climbed the corporate ladder as Principal Inspector, Chief Inspector and Assistant Commissioner of Taxes. He joined the MRA as Section Head on 01 July 2006 in the Compliance Department. Appointed Director, Internal Affairs in June 2014.

Date of Appointment on Management Team
1 June 2014

Qualifications
DESS (Paris Dauphine). Also holds an MBA, University of Technology, Mauritius

Contact Details
Tel: 207 5012
Fax: 216 0097
Email: soopayah.narrainen@mra.mu



Name
Dhanraj Ramdin

Department
Director, Operational Services

Experience
He joined the Public service in 1978 and later joined the Income Tax Department as Inspector of Taxes in 1983. He served there in the capacity of Senior Investigating officer, Chief Investigating Officer and Deputy Commissioner of Income Tax. In 2006, he joined the MRA as the Director of Operational Services Department.

Date of Appointment on Management Team
1 March 2006

Qualifications
Fellow Member of the Chartered Association of Certified Accountants. Also holds a Post Graduate Degree in Tax Administration from University of Paris-Dauphine, France

Contact Details
Tel: 207 5948
Tax 207 6048
Email: dhanraj.ramdin@mra.mu

CORPORATE GOVERNANCE



Name

Vaydavadee Ramdin

Department

Director, Objections, Appeals & Dispute Resolution

Experience

She joined the Public service in 1980 and later joined the Income Tax Department in 1983 as Inspector of Taxes. She climbed the Corporate ladder and served as Senior Investigating Officer, Chief Investigating Officer and Deputy Commissioner. She joined MRA in 2006 as Section Head in the Large Taxpayers' Department (LTD). She is the Director of Objections, Appeals & Dispute Resolution (OADR) since the creation of the Department in 2012.

Date of Appointment on Management Team

2 April 2012

Qualifications

Fellow Member of the Chartered Association of Certified Accountants

Contact Details

Tel: 207 5000

Fax: 207 5050

Email: vayda.ramdin@mra.mu



Name

Vijay Kumar Ramnundun

Department

Director, Human Resources & Training

Experience

He joined the Public service in 1973. He served as Human Resource Executive at the Central Electricity Board, HR Manager at the Central Water Authority and Assistant Manager (HR) at the Mauritius Institute of Training & Development (previously known as IVTB). He joined the MRA as Director of Human Resources and Training in February 2007.

Date of Appointment on Management Team

2 February 2007

Qualifications

MSc in HR Management from the University of Surrey, UK

Contact Details

Tel: 202 0502

Fax: 216 4317

Email: vijay.ramnundun@mra.mu



Name

Soobhash Sonah

Department

Director, Information Systems

Experience

Prior to joining the MRA he held the post of Technical Leader and Senior Consultant in Canada. He also held the post of Manager - Information Systems in the public utilities sector and at University of Mauritius. He joined the MRA as Director, Information System in 2008.

Date of Appointment on Management Team

13 October 2008

Qualifications

BSc (Hons) in Mathematics and Computer Science & an MSC in Computer Science. Also holds an MBA, University of Mauritius

Contact Details

Tel: 207 6077

Fax: 207 6063

E-mail: soobhash.sonah@mra.mu

CORPORATE GOVERNANCE



Name
Mustupha Mosafeer

Department
Technical Adviser to DG,
DG's Office

Experience
He joined the Income Tax Department as Inspector of Taxes in 1971 and climbed the Corporate Ladder as Chief Investigating Officer, Deputy Commissioner of Tax and Commissioner of Income Tax. He joined MRA as Director of Large Taxpayers Department on 01 July 2006 and was appointed Technical Advisor to DG in 2013. He has spearheaded more than 60 tax treaty negotiations and represented Mauritius at OECD level.

Date of Appointment on Management Team
28 May 2015

Qualifications
Fellow Member of the Chartered Association of Certified Accountants. Also holds a Diplome d'Etudes Supérieures Spécialisées d'Administration Fiscale. (Masters) – Université de Paris Dauphine, France

Contact Details
Tel: 52522555
Fax: 2076041
Email: mustupha.mosafeer@mra.mu



Name
Sadek Ruhmaly

Department
Assistant Director,
Research, Policy and Planning

Experience
He served as Director Consulting Services- Ernst & Young; Consultant- KPMG Consulting; Planning Officer and Manager, Jet Fuel-Air Mauritius; Managing Director -Global Strategy Group London; Senior Advisor- IPA Energy Group - London. He joined the MRA as Assistant Director in January 2014.

Date of Appointment on Management Team
28 May 2015

Qualifications
BA (Hons) Economics. Also holds an M.Sc. from University of Surrey, UK

Contact Details
Tel: 2075924
E-mail: sadek.ruhmaly@mra.mu



Name
Ludovic Thanay

Department
Assistant Director,
Taxpayer Education & communication

Experience
He served as Anchor-person/Journalist/Special correspondent at the Mauritius Broadcasting Corporation (MBC) and in this capacity he worked as Newscaster/News Editor and produced regular TV/Radio programmes. He joined the MRA as Team Leader in 2007 and became Assistant Director in December 2013.

Date of Appointment on Management Team
28 May 2015

Qualifications
BSc (Hons) in Communication Studies & MBA (University of Technology, Mauritius)

Contact Details
Tel: 207 5933
Fax: 207 6033
E-mail: ludovic.thanay@mra.mu



Name
Ahmed Richard Bhurtun

Department
Legal Counsel
Legal Services

Experience
He worked as Junior Counsel at BLC Chambers. He also served as Legal Adviser of the Independent Commission Against Corruption, where he advised on all matters relating to corruption and money laundering and prosecuted cases before the Court. He joined the MRA as Legal Counsel in 2012.

Date of Appointment on Management Team
28 May 2015

Qualifications
LLB & LLM in Corporate, Commercial and Taxation Law, University of New South Wales, Australia

Contact Details
Tel: 202 0500
Fax: 216 4198
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Commitment Beyond Revenue... ...Caring for the society



Annual Blood Donation at the MRA



*Donation by MRA Staff
to an orphanage*





5.

REVENUE
COLLECTIONS

REVENUE COLLECTIONS

5.1. REVENUE COLLECTIONS

In 2015, the MRA's revenue collections were to the tune of Rs 67,813 million, 6% more than 2014 collections of Rs 63,980 million. Following the amendment to the Finance and Audit Act, the Budget estimates covered the period January-July 2015 and the new fiscal year July 2015-June 2016. Hence, there were no budgetary estimates for the calendar year 2015. Table 1 indicates the contribution by tax type and compares actual performance 2015 to 2014 collections. As in preceding years, Personal Income Tax, Corporate Tax, Value Added Tax and Excise Duties remain the largest sources of tax revenue and comprise about 90% of total tax revenue collections.

TAX	2014 Actual Collections ¹	2015 Actual Collections ¹	% of Actual 2015 over Actual 2014	Weights (%)
Corporate Tax (CT)	8,993	9,802	9%	14%
Personal Income Tax (PIT)	7,050	7,615	8%	11%
Tax Deduction At Source (TDS)	1,068	1,189	11%	2%
Value-Added Tax (VAT)	25,989	28,025	8%	41%
Customs	1,240	1,302	5%	2%
Excise	14,427	14,833	3%	22%
Taxes on Gambling	2,115	1,864	-12%	3%
Environment Prot. Fees	160	391	144%	1%
Passenger Fee	1,213	1,173	-3%	2%
Special Levy on banks	772	748	-3%	1%
Special Levy on Telecom	358	333	-7%	0%
CSR	149	127	-15%	0%
Levy on Messaging Services	85	46	-46%	0%
Advertising Structure Fee	67	63	-6%	0%
Miscellaneous ²	294	302	3%	0%
Total	63,980	67,813	6%	100%

¹ MRA figures are on a collection basis and may vary from figures reported by the Accountant-General which are on a cash basis

² Includes collections from Licences, Customs & Excise Fees and Fines, Passenger Solidarity Fee, Processing Fee, Tax Residency Certificates and tax rulings and Revenue from Excise Stamps.

5.2. DIRECT TAXES

5.2.1. Corporate Tax

During the year 2015, corporate tax collections grew by 9% to reach Rs 9,802 million. Collections from the global business sector continued to grow in 2015 with an increase of 25% over 2014. However, there was a fall in receipts from the banking and 'other financial' sectors. Out of the total Corporate tax collections, Rs 5,773 million were received by way of advance tax under the Advance Payment System. Additional amount of Rs 826 million represented collections of tax arrears from Corporate taxpayers.

5.2.2. Personal Income Tax

Receipts under Personal Income Tax (PIT) amounting to Rs 7,615 million grew by 8% and were slightly higher than the corresponding

rise of 7% in Pay As You Earn (PAYE) receipts. Following the change in fiscal year, there were two filing seasons in 2015; firstly during March/April 2015 in respect of income year 2014 and secondly, in September/October 2015 for the first six months of the income year 2015. As a result of these two exceptional events, there was:

- a surge of 59% in self-assessment receipts from Rs 710 million to Rs 1,127 million;
- an increase of 90% in refunds claimed from Rs 269 million to Rs 512 million; and,
- only 2 CPS statements submitted for an amount of Rs 96 million as compared to 3 for an amount of Rs 200 million in 2014.

REVENUE COLLECTIONS

CHART 1 : CORPORATE TAX (RS M)

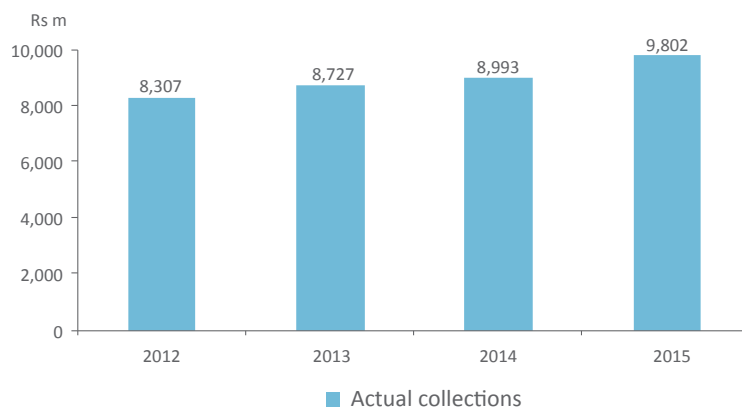


CHART 2 : PERSONAL INCOME TAX (RS M)

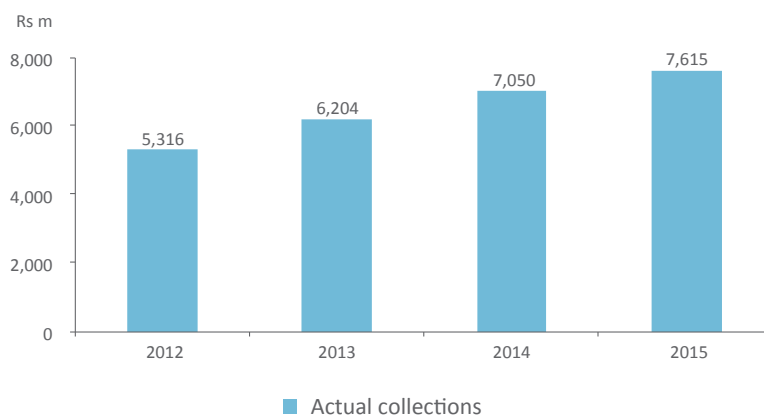
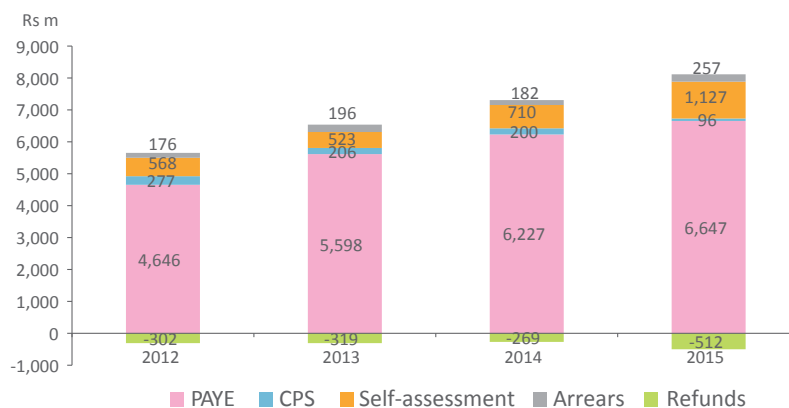
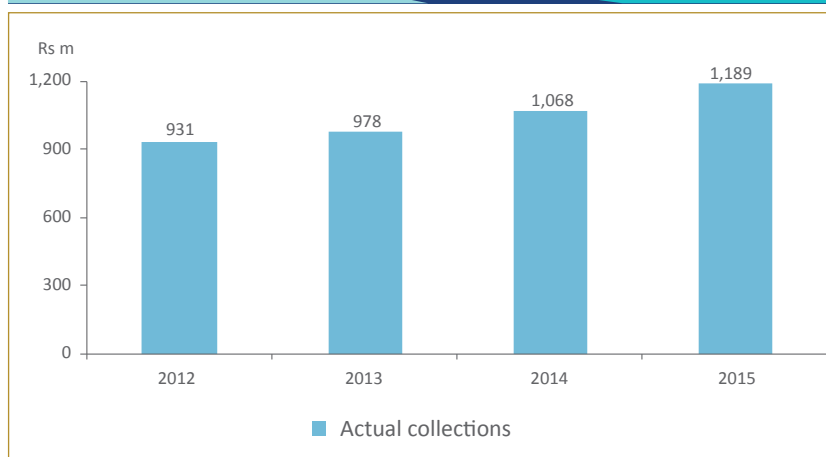


CHART 3 : PERSONAL INCOME TAX BY ITEMS (RS M)



REVENUE COLLECTIONS

CHART 4 : TAX DEDUCTED AT SOURCE (RS M)



5.2.3. Tax Deducted At Source

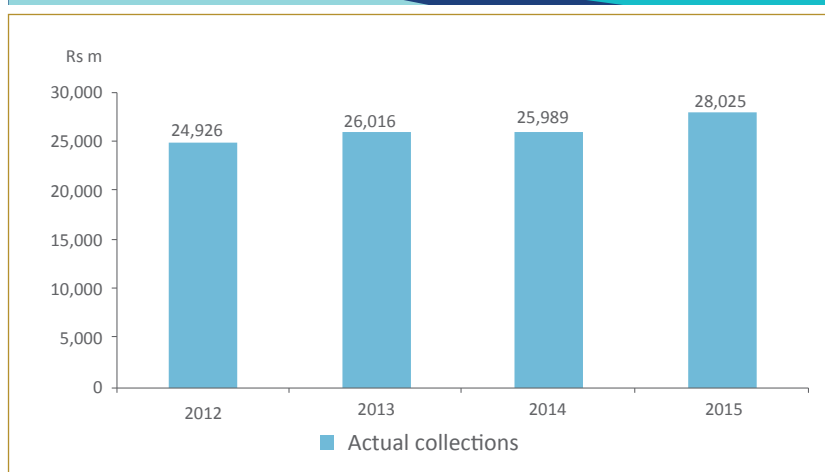
TDS collections in 2015 amounted to Rs 1,189 million i.e. a 11% increase over last year the most significant growth noted over last 4 years. However, as from July 2015, companies with a turnover of less than Rs 6 million no longer have to deduct TDS on specified payments which may entail a lower than expected growth in coming years.

5.3. INDIRECT TAXES

5.3.1. Value-Added Tax

Net VAT collections in 2015 accounting for 41% of total tax revenue, were to the tune of Rs 28,025 million and represented an 8% growth over the corresponding amount in 2014. The rise in net VAT collections was principally on account of growth in gross VAT at office of 3% and lower repayment in 2015. On the other hand, VAT at imports more or less remained stagnant for the third year running with a fall 0.28% in 2015.

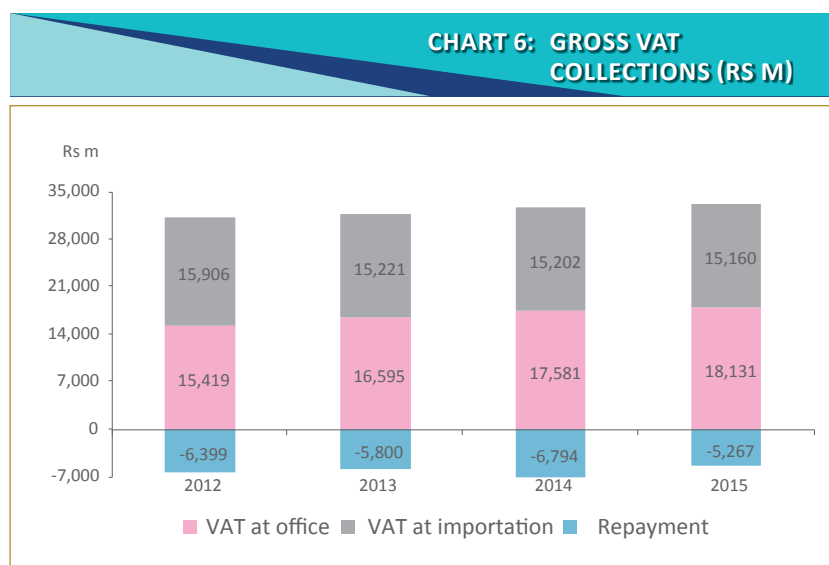
CHART 5 : NET VALUE-ADDED TAX (RS M)



REVENUE COLLECTIONS

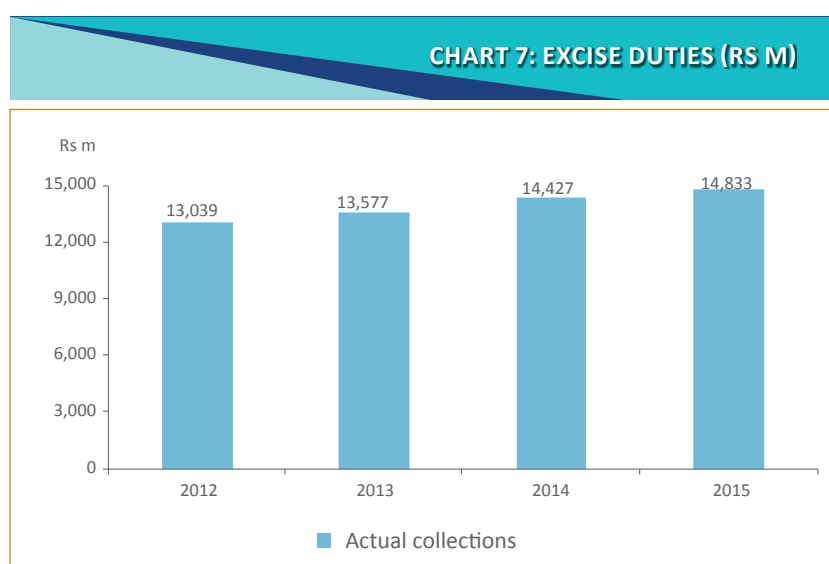
Receipts under VAT at importation in 2015 of Rs 15,160 million were slightly less than corresponding amount in 2014 as a result of decline in collections from the trading as well as the telecommunications and textile sector.

On the other hand, VAT at office collections were up by about Rs 0.5 billion, mainly sourced from the upsurge in the hotel and real estate activities sectors which was however partially offset by lower collections within the construction sector.



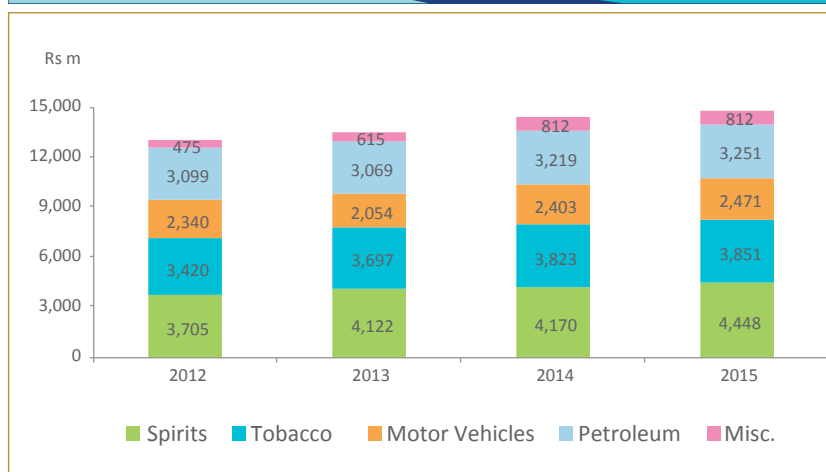
5.3.2. Excise collections

Excise duty collections grew by 3% from Rs 14,427 million to Rs 14,883 million, driven mainly by rise in excise duty on alcoholic drinks. It is to be noted that in the March 2015 budget, as opposed to the trend of late years, rates of excise duty on spirits and tobacco remained unchanged. During the year under review, consumption of alcoholic drinks rose by 7% while receipts from tobacco were up by 1%.



REVENUE COLLECTIONS

CHART 8: EXCISE DUTIES BY ITEMS (RS M)

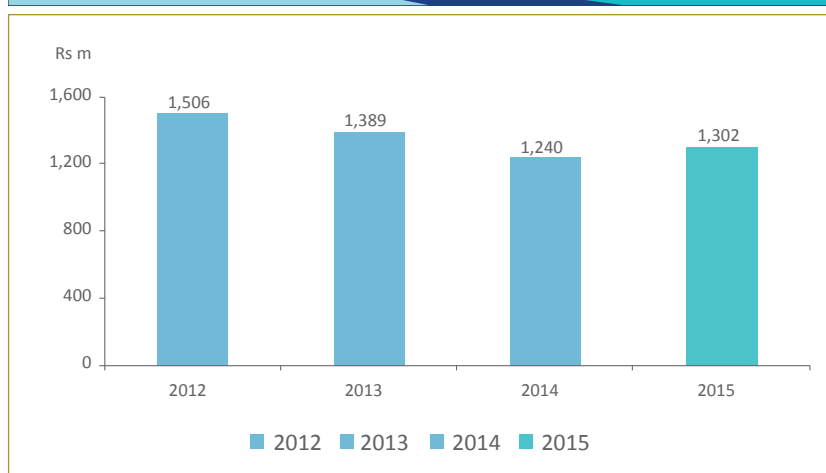


Excise duties from Motor Vehicles increased by 3% in 2015 while collections under petroleum products were up by 2%.

5.3.3. Customs Duties

MRA collected Rs 1,302 million from Customs duties in 2015, up by 5% as compared to 2014. It is worth observing that receipts have been on the downtrend since last 3 years following a stagnation/reduction in the value of dutiable imports together with the gradual elimination of Customs duties on specific items as well as sensitive goods originating from SADC countries.

CHART 9: CUSTOMS DUTIES (RS M)



5.3.4. Gambling taxes

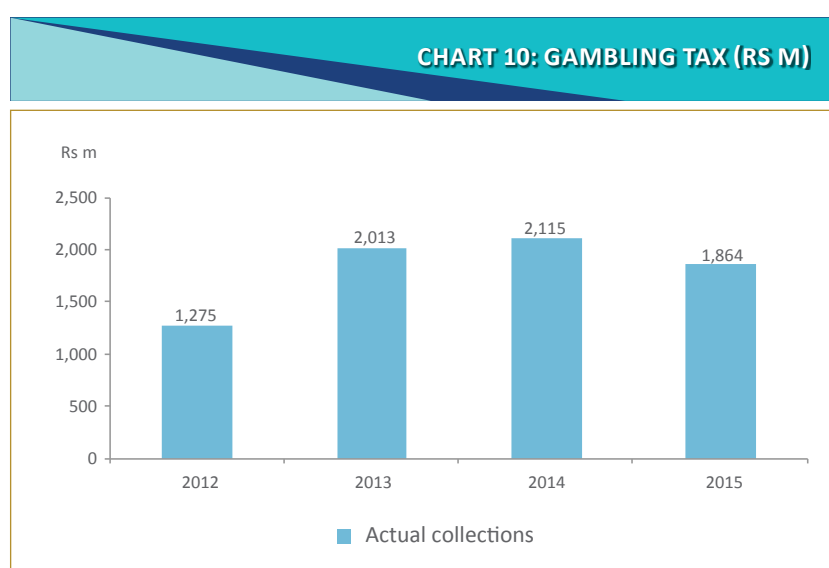
Collections under Gambling taxes amounted to Rs 1,864 million in 2015 representing a fall of 12% over last year (Rs 2,115 million). The drop was mainly due to fall in receipts from lottery (loto) from Rs 652 million in 2014 to Rs 436 million in 2015. During the year under review, a policy decision was taken to cease the Instant-Win Scratch Games operated by lototech resulting in a fall of proceeds under this item.

REVENUE COLLECTIONS

Table 3: Gambling taxes (Rs m)		
Type of Gambling	Actual collection (Rs m)	
	2014	2015
Lottery	652	436
Taxes from Casinos and gaming houses	529	591
Taxes from Betting	934	837
<i>o/w Tax on Horse Racing</i>	612	483
<i>o/w Pool betting duty</i>	6	6
<i>o/w Betting Tax on Foreign Football</i>	316	348
Total	2,115	1,864

Regarding betting taxes, total receipts were lower by 12% when compared to the preceding year. It is worth noting that two main betting operators (bookmakers) ceased operations in 2015.

Taxes from Casinos and gaming houses grew by 12% to reach Rs 591 million in 2015.



5.3.5. Other fees and levies

Collections from passenger fees were to the tune of Rs 1,173 million, 3% below the preceding year resulting from a major refund effected to an airline operator in 2015.

Receipts under the Special levy on banks reached Rs 748 million but were down by 3% when compared to 2014. Similarly, the Special Levy on telecommunications amounted to Rs 333 million i.e. 7% less than corresponding

amount in 2014.

Collections under Environment Protection Fee (EPF) were to the tune of Rs 391 million more than twice amount recorded in 2014. The surge was on account of EPF from hotels, guest house or tourist residence being, from 2015, payable on a monthly basis while, in 2014, it was levied only on profitable hotels and remitted 4 months after the accounting year end.

Levy on messaging services were down by 46%.

REVENUE COLLECTIONS

Introduced in the Finance Act 2011 at the rate of 10 cents per message (SMS and MMS), the levy on messaging services was abolished with effect from July 2015.

Receipts under the Advertising Structure fee in 2015 amounted to Rs 63 million slightly less than Rs 67 million collected in 2014.

Table 4: Type of Fee/Levy and payments made (Rs m)				
Fees/levies	Actual Collections (Rs m)			
	2012	2013	2014	2015
Passenger Fee	1,206	1,219	1,213	1,173
Passenger Solidarity Fee	50	51	53	58
Special Levy on banks	482	473	772	748
Special Levy on Telecommunication	397	438	358	333
Corporate Social Responsibility Levy	130	125	149	127
Environment Protection Fee	145	130	159	391
Levy on Messaging Services	92	99	85	46
Advertising Structure Fee	62	68	67	63
Tax residence Certificate & Tax rulings		51	64	74
Total	2,564	2,654	2,920	3,013

Partners in Progress and Prosperity... ...Caring for its stakeholders



Destruction of fake products – Safeguarding the interest of Rightholders



E-Services



Assisting taxpayers to file their returns



Regular meetings with stakeholders





6.

PROVIDING QUALITY
SERVICES TO OUR
STAKEHOLDERS

PROVIDING QUALITY SERVICES TO OUR STAKEHOLDERS

In a self-assessment tax system, the role of the Tax Authority is to promote, consolidate and optimise voluntary compliance with tax laws. Two avenues serve to achieve this goal, namely through enforcement actions, or through an effective education and sensitization programme.

Current wisdom revolves around the worldwide practice in tax administrations to incorporate educational and sensitization programmes in their strategic portfolio. This approach serves to consolidate the traditional enforcement actions to nurture voluntary compliance achieve that yields a targeted higher level of compliance amongst taxpayers.

The education strategy of the MRA, therefore, goes beyond merely assisting taxpayers to meet their tax compliance requirements. Recent efforts of the MRA were geared towards enhancing compliance level by developing a more positive attitude among the population towards taxation.

6.1. EDUCATION

The MRA's education strategy, therefore, sets out to address the need to foster among citizens a more positive attitude towards taxation. The education programmes and initiatives

aimed at emphasizing the social value of tax and encouraging the citizens to perceive their tax payments as contributions towards the common good and the welfare of their less fortunate fellow citizens.

6.1.1. Tax Education for students

Following the introduction of Tax Education at Schools in 2014 for students of secondary and tertiary level, the MRA extended this initiative in 2015 sensitizing around 1,500 students in some 18 educational institutions over the island on the "Importance of Taxation in our Daily Life". The objectives of the tax education at school campaign are to discuss with students about their role as a citizen as well as the social contract that exists between themselves and the society. Hereunder is the list of institutions where such educational campaigns were held during the year.

During the interaction with the students, the MRA displays a video on tax culture as well as another one on good tax habits. The students are also presented with a tax youth pack which includes pins, stickers, bookmarks, CDs and other relevant documentation. The MRA is working on a cartoon to be shown to students in 2016.

Table 5: Educational sessions conducted in schools

Belle Rose SSS	Lady S. Ramgoolam SSS	Quartier Militaire SSS (Girls)
Droopnath Ramphul SSS	Le Bocage	Queen Elizabeth College (QEC)
Dunputh Lallah SSS	Mahatma Gandhi Secondary School (Boys & Girls)	Rajcoomar Gujadhur SSS (Girls)
Floréal SSS (Boys)	Mauritius College	Sir Abdool Raman Osman State College
France Boyer de la Giroday SSS (Girls)	MGSS Nouvelle France	Sodnac SSS
Gaetan Raynal State College	MGSS Solferino	Universal College

6.1.2. Sensitizing the professionals and the business communities

Conscious of the need for professionals and the business communities at large to keep abreast of the latest developments in tax related issues, the MRA has conducted a series of education

sessions and workshops with its stakeholders, as detailed below:-

- Juristconsult
- Mauritius Export Association (MEXA)
- Mauritius Employers Federation (MEF)

PROVIDING QUALITY SERVICES TO OUR STAKEHOLDERS

- Chinese Chamber of Commerce and Industry
- Rodrigues Chamber of Commerce & Industry
- VAT Registered Persons in Rodrigues
- Small and Medium Enterprises Development Authority (SMEDA)
- National Women Entrepreneur Council (NWECC):-
 - Saint Croix
 - Camp Caval
 - Flacq
 - Goodlands
 - Paillotte
 - Rose-Hill
 - St Pierre
 - Phoenix

6.1.3. VAT Lucky Draw Scheme

The VAT Lucky Draw Scheme (VLDS) was launched in 2014. The VLDS is part of a broader initiative that aims at establishing a tax culture in Mauritius by encouraging the nationals to adopt the habit of claiming a receipt for every transaction and compelling VAT registered persons to fulfil their legal obligations of issuing a proper receipt for every transaction.

During 2015, the MRA extended its sensitization activities by reaching for both consumers and VAT registered persons in shopping malls and centres, namely;

- Bagatelle Mall,
- Coeur De Ville – Flacq,
- Jumbo Riche Terre,
- Jumbo Phoenix,
- Trianon Shopping Park,
- Coeur De Ville Grand Baie; and,
- Shopping Centres in Port Mathurin.

6.1.4. Study tours from foreign delegations

Many revenue organisations in Africa consider

the MRA as a lead revenue authority model in the region and regularly send their officials to the MRA for study tours. During these tours, the delegates have the opportunity to learn the Mauritian model of revenue administration, the various projects initiated over the years for ease of doing business, for improving internal efficiency and facilitating taxpayers.

Besides being exposed to the legal frameworks that exist at the MRA, the foreign delegations also learnt about the operations of the different MRA's departments through formal presentations and interactions with the staff. Table 6 provides a list of those foreign delegations which visited the MRA during the year.

Table 6: Educational/study tours by foreign delegations

Dates	Delegations
11 February 2015	Senegal
30 March 2015	Uganda
13 May 2015	Ghana
1 - 2 June 2015	Burundi
17 - 21 August 2015	Togo
4 - 6 August 2015	Swaziland
26 November 2015	Benin

In addition to these study tours, many other delegations from Reunion Island, Sudan, Madagascar, China, Spain, Malawi and Madagascar also visited the MRA with a view of reinforcing regional and bilateral cooperation.

6.2. CUSTOMER CARE

Every organisation is now facing the common challenge of how to service its customers better. The public sector organisations are no exception since they are under increasing pressure to improve the quality and delivery of their services to match the customers' expectations.

Likewise, the MRA has always been on the forefront in finding better ways of improving the efficiency and effectiveness of its service delivery.

PROVIDING QUALITY SERVICES TO OUR STAKEHOLDERS



An MRA officer assisting a taxpayer in a FITA Centre

6.2.1. Providing assistance to taxpayers in fulfilling their obligations

Following changes in the Finance Act 2015, the fiscal year which was previously based on the calendar year (that is; January to December) has now been changed to a fiscal year commencing on 1st July and ending on 30th June. Therefore, individual taxpayers had to file two returns during the year 2015.

Consequently, MRA organized two Free Income Tax Assistance (FITA) campaigns in 18 centres around Mauritius during the last week-end of March and September. A similar campaign was also held in Rodrigues. The main objective of these FITA campaigns was to assist principally those taxpayers who find difficulties in filling their income tax returns or who do not have internet access to do so. In order to provide a better service to taxpayers, MRA also provided payment facilities by cash, cheque and credit / debit Card in all those FITA Centres. Around 15,000 taxpayers have availed themselves of all the services which were provided during the FITA Campaigns.

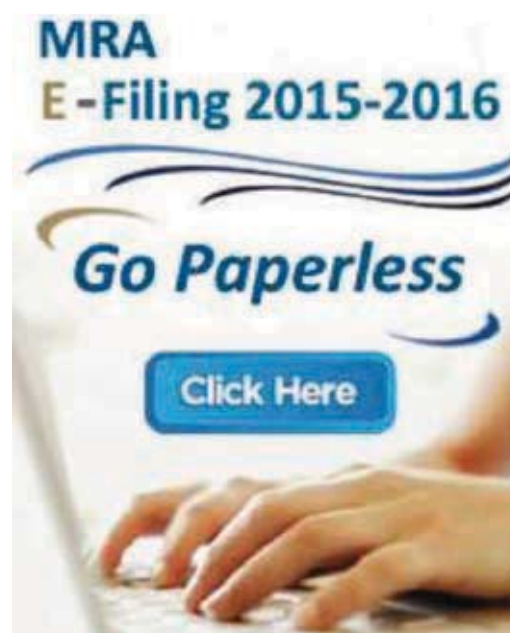
6.2.2. E-services

(a) E-filing and e-payment facilities

At the end of the deadline for filing of returns and payment of individual income tax, some 97 % of taxpayers had sent an electronic return.

Every taxpayer who submitted an electronic return within the due dates automatically participated in the lucky draw which rewards 20 taxpayers with prizes worth Rs 210,000 every year.

Furthermore, over the years, more and more taxpayers are opting to settle their taxes via e-payment facilities. Chart 11 shows the percentage of total MRA collections which were received electronically.



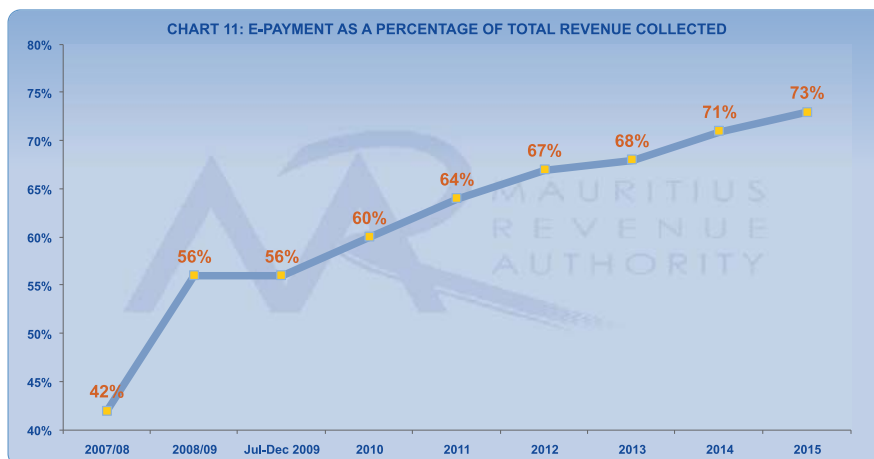
(b) Enhanced electronic filing services

In its quest for simplifying the submission of individual income tax returns, the MRA further enhanced its web-based interactive electronic form (wizard driven). The wizard-driven version is accessible from mobile devices, smartphones, tablets, laptops and computers, thereby providing taxpayers with wide arrays and options to file his/her returns.

(c) Payment facilities

During the year 2015, the MRA offered to the taxpayers another facility to effect their payment of taxes through the use of the MCB Juice. The latter is an additional facility over and above existing payment options which are cash, cheque, credit cards, direct debit, internet banking, ATM and SMS (Orange money).

PROVIDING QUALITY SERVICES TO OUR STAKEHOLDERS



Mauritius Revenue Authority

Annual Income Tax Return - Individual
Year of Assessment 2015-2016

MRA strongly recommends that you use your TAN and password to file your return. When using password your income tax form will be pre-filled and you will benefit from other facilities. Information supplied in the pre-filled form is limited to information actually available at the MRA. The taxpayer has the right and duty to add, modify or delete any or all figures. Pre-filled return is a service provided by MRA only to facilitate the taxpayer. Kindly note that the responsibility to make a correct and complete return remains on the taxpayer at all times.

Please enter your Tax Account Number (TAN)

TAN (8 digits):

Password: (case sensitive)

[login](#) [Forgot Password](#) [Change Password](#)

[File return without using password](#)

For information:

- In case you have forgotten your password, please enter your TAN and then click on **Forgot Password**
- In case you wish to change your password, please enter your TAN and then click on **Change Password**
- After final submission of your individual income Tax return, it is possible to retry payment via Credit Card or Mobile phones by inserting your TAN and Password and clicking on **Login**.
- After final submission of your individual income Tax return, it is possible to receive a copy of your income Tax return for the Year of Assessment 2015-2016 through email by inserting your TAN and Password and clicking on **Login**.
- Field marked with * are mandatory.

Mauritius Revenue Authority © 2015

The e-filing webpage

6.3. COMMUNICATION

In order to sensitize, inform and better educate taxpayers about their rights and obligations, it is essential to have a good communication strategy. Through its communication strategy, the MRA aims at ensuring that every taxpayer is an informed person, optimally educated, well aware of his/her responsibilities, rights

and benefits from a hassle-free access to useful information.

6.3.1. Effective use of the media

Like in the prior years, the MRA has laid much emphasis on visual and printed media. For instance, during 2015, various communiqués and press releases on tax matters were issued through varied ways, as detailed in Table 7.

PROVIDING QUALITY SERVICES TO OUR STAKEHOLDERS

Table 7: Number of communiqués issued

Communiqués	Number
TV spots	142
Radio spots	51
Press	70
Government Gazette	44
Others - Press briefs	580

6.3.2. Website

The website is a valuable medium through which the MRA communicates on a regular basis to its stakeholders. Frequent updates are made to the website so that the visitor is provided with timely and relevant information. During the year, the website was updated 789 times and around 980,000 visits were recorded.

6.3.3. Intranet

The MRA intranets are very useful and powerful internal communication tools which are used to keep all MRA's staff abreast of all the latest developments and changes in the revenue laws. All these help the staff to perform their duties in the most efficient manner.

6.3.4. Twitter

The MRA has been using twitter to disseminate pertinent information and latest updates in a timely manner to the taxpaying public. In 2015, there were 617 followers on MRA's twitter account and this number is expected to further increase in the years to come. The MRA's twitter account is accessible by clicking on the following link http://twitter.com/MRA_services.

6.3.5. MRA YouTube Channel

The MRA has started operating a YouTube Channel to enhance communication with its stakeholders. Around 121 videos have been posted on this account and 7,084 likes have been received for these videos. The objective is to use this account as a platform to share educational videos for the benefit of taxpayers. In future, the MRA will develop videos on specific tax related issues, namely PAYE, TDS, APS, CPS, Income Tax and VAT, among others.

6.3.6. Taxpayer mailing service

The Taxpayer Mailing Service is another very essential communication tool which the MRA utilizes to provide subscribers with latest information and publications free of charge. In 2015, the number of subscribers to that facility has reached a total of 80,436.

6.3.7. E-newsletter

The monthly e-newsletter is a further communication tool which provides staff and members of the public alike with recent information about the various activities, events and happenings which took place within the organization.

6.3.8. Other means of communication

(a) Press conference

In the spirit of providing to the public all pertinent issues regarding fiscal matters and divulge the organisational performance and strategic objectives for the year, the Director-General and his Management Team hold regular meetings with the press. In 2015, the MRA met the press on 3 occasions.

(b) Publication of the Annual Report

At the end of every financial year, in line with the relevant statutory provisions, the MRA disseminate the achievements of the organisation through the publication of the Annual Report. The report is first laid on the table of the National Assembly and is made available to the public through the MRA's website.

7.

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

Tax compliance is viewed in a context whereby a taxpayer seeks to pay the right amount of tax in the right jurisdiction at the right time. In attempting to measure compliance, it is important to consider what is to be measured - evasion, avoidance, compliance or non-compliance.

Defining compliance is broad conceptually. Is it [i] compliance according to the tax authority's, or, the taxpayer's Interpretation of the law, and its application to the facts? Or, [ii] Is it from another more neutral perspective?

In considering definitions of compliance, it is convenient to divide compliance into two key categories:-

- Administrative compliance – complying with the administrative rules of lodging and paying on time, what some would include within their definitions of compliance with reporting requirements, procedural compliance or regulatory compliance;
- Technical compliance – taxes calculated in accordance with the technical requirements of the tax laws or taxpayers pay their share of tax in accordance with the provisions of the tax laws.

Obviously, measuring technical compliance must begin with determining the correct amount of tax payable. Given the prevailing ambiguity in the interpretation and application of the tax laws, determining what the correct amount of tax is can differ widely, depending in

part on the background, biases and skill levels of the person(s) endeavouring to do so.

We shall now report comprehensively, through a set of measures and indicators, on the outcomes from the various work streams in relation to tax compliance and the outcome thereof such as returns processing, audits, debt collection, international taxation amongst others, undertaken by the MRA during the year 2015.

7.1. COST OF REVENUE COLLECTION

Box 1

Cost of Revenue collection

The ratio is computed to gauge the efficiency of a revenue administration by comparing the administrative expenditure incurred in a financial year with the total revenue collected. The trends of this ratio for the MRA over the period 2011 to 2015 is provided in Table 8.

7.2. MONITORING OF TAXPAYERS' COMPLIANCE

7.2.1. Registration of Taxpayers

The MRA aims to maintain an efficient and an up-to-date taxpayer registration system. All persons having a tax obligation must register themselves with the MRA and pay their fair share of taxes. The Tables below highlight the number of taxpayers on register under various tax heads as at end of 2015.

Table 8: Cost of collection ratio, 2011-2015

Year	2011	2012	2013	2014	2015
Tax collections (Rsm)	53,010	57,965	61,740	63,980	67,813
Cost of collection (%)	1.77	1.77	1.83	2.18	2.60

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

Income Tax

As at end of the year 2015, there were 299,421 taxpayers registered for income tax purposes. There were 64,204 new taxpayers registered during the year under the head of income tax, dominated by individuals and companies at 90% and 9% respectively.

Table 9: Register of Taxpayers – Income Tax, year-end 2015

Category of taxpayers	Number on register at start of the year 2015	New registration	Deregistration	Number on register at end of the year 2015
Income Tax	247,593	64,204	12,376	299,421
Individuals	180,263	57,860	5,245	232,878
Companies	59,004	5,838	6,340	58,502
Sociétés	5,950	408	783	5,575
Successions	2,263	70	4	2,329
Trusts	111	28	4	135
Unit Trusts	2	0	0	2
PAYE – Employers	19,176	1,208	1,186	19,198

Value Added Tax

As regards VAT, the number of VAT payers on register as at the end of 2015 was 8.4% lower from the year 2014. This is explained mostly on account of the number of deregistration exceeding new registration following the increase in the VAT registration threshold from Rs 4 million to Rs 6 million in 2015.

Table 10: VAT Register year-end 2015

Category of taxpayers	Number on register at start of the year 2015	New registration	Deregistration	Number on register at end of the year 2015
Monthly				
Companies	5,378	480	317	5,541
Individuals	242	30	33	239
Quarterly				
Companies	10,746	1,053	2,272	9,527
Individuals	2,510	211	733	1,988
TOTAL	18,876	1,774	3,355	17,295

Agency Tax

The number of taxpayers administered by the MRA in 2015 under the head of Agent Taxes is shown in Table 11.

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

Table 11: Register of Taxpayers-Agency Tax, year-end 2015

Agency Tax	Number on register at start of the year 2015	New registration	Deregistration	Number on register at end of the year 2015
Environment Protection Fee	218	118	5	331
Passenger Fee	20	1	1	20
Advertising Structure Fee	2,271	126	177	2,220
TOTAL	2,509	245	183	2,571

Gambling

As at 31 December 2015, there were 79 licensees under Gambling. The number in the previous year was 88. Table 12 provides a breakdown of the number of licensees.

Table 12: Register of Taxpayers-Gambling, year-end 2015

Category of taxpayers	Number on register at start of the year 2015	New registration	Deregistration	Number on register at end of the year 2015
Casino	4	0	0	4
Gaming House A	20	0	0	20
Bookmaker – Horse racing	46	1	8	39
Totalisator	2	0	0	2
Horse racing organiser	3	0	2	1
Bookmaker – Any event	7	0	0	7
National lottery	1	0	0	1
Sweepstake organiser	3	0	0	3
Local pool promoter	1	0	0	1
Agent of foreign pool promoter	1	0	0	1
TOTAL	88	1	10	79

7.2.2. Return filing compliance

Personal Income Tax

Table 13: Return filing compliance by individuals, Years of Assessment 2015 and 2015/16

	Year of Assessment 2015			Year of Assessment 2015/2016		
	Employees	Self-employed	Total	Employees	Self-employed	Total
Returns expected	151,779	66,298	218,077	162,683	70,195	232,878
Returns received	109,206	48,173	157,379	106,347	44,599	150,946
Filing compliance rate	72%	73%	72%	65%	64%	65%
Returns filed on time	106,908	42,132	149,040	104,215	43,181	147,396

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

Value Added Tax

Table 14: Return filing compliance by VAT payers in 2015			
Details	Year 2015		
	Monthly	Quarterly	Total
Returns expected	66,293	44,707	111,000
Returns received	63,083	38,869	101,952
Filing compliance rate	95%	87%	92%
Returns filed on-time	61,488	37,188	98,676

Corporate Income Tax

Table 15: Return filing compliance by Corporate taxpayers, 2015	
Details	Year 2015
Returns expected	58,502
Returns received	37,510
Filing compliance rate	64%
Returns-filed on time	34,605

Gambling Tax

Table 16: Return filing compliance of gambling, 2015			
Details	Returns expected	Returns received	Filing compliance rate
Casino	40	38	95%
Gaming House A	240	240	100%
Bookmaker - Horse racing	1,365	1,360	99%
Totalisator	70	70	100%
Horse racing organiser	35	35	100%
Bookmaker – Any event	363	359	99%
National lottery	4	4	100%
Sweepstake organiser	105	105	100%
Local pool promoter	52	52	100%
Agent of foreign pool promoter	52	52	100%
TOTAL	2,326	2,315	99.5%

7.3. AUDITS AND INVESTIGATIONS PERFORMANCE

7.3.1 Staffing level for tax audit function

In 2015, 209 officers were assigned to the audit of taxpayers' files as shown in Table 17.

Table 17: Staffs allocation for tax audit purposes, 2015				
Details	Large Taxpayers	Medium and Small taxpayers	Fiscal Investigation	Total
Total staffs	62	207	56	325
Number of officers in tax audit	25	138	46	209

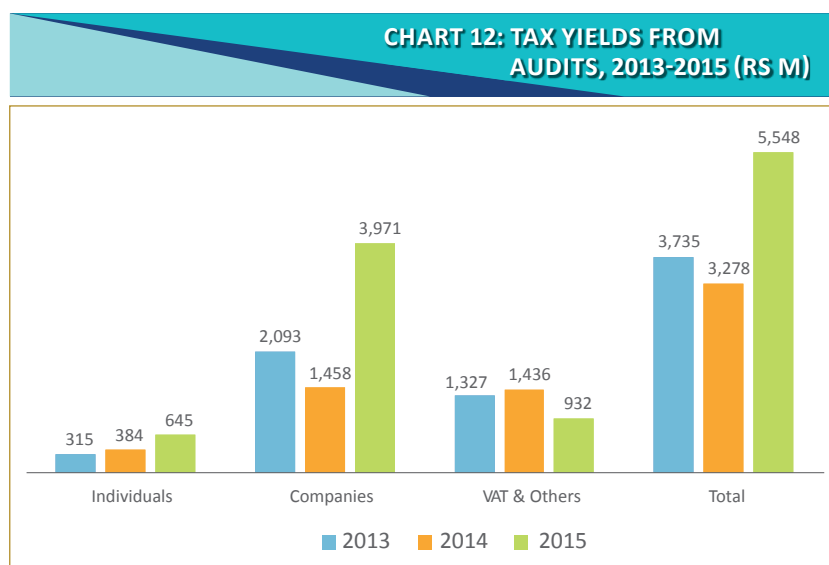
MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

7.3.2. Monitoring of Non-filers

To step up filing enforcement efforts, a Non-Filing Unit is in operation since 2013. In 2015, 93 non-filers were selected for audit out of which 37 were completed. The tax yield following these audits amounted to Rs 15.2 million.

7.3.3. Tax yield from assessment

Every year, the MRA's compliance departments carry out both field and desk audits to detect any non-compliance with our revenue legislations. These audits also aim at deterring non-compliance. During the year 2015, 209 officers were involved in tax audit function and they undertook 933 field and 3,428 desk audits. This culminated into the issue of 4,929 notices of assessment with a total tax yield of Rs 5,548 million.



7.3.4. Tax yield per investigation

The Fiscal Investigation Department conducts tax investigations on businesses and individuals with a view to combat fiscal evasion. In 2015, 142 investigations covering a spectrum of activities were completed with a total tax yield of Rs 835.5 million. This gives a tax yield per investigation of Rs 5.88m, much higher than the Rs 2.97m recorded in 2014. The department also undertook 475 intelligence visits, following which, 360 cases were referred for registration and audit purposes.

Table 18: Status of Fiscal Investigation for the year 2015

Description	Customs and Excise duties		Income Tax		VAT		TOTAL	
	Corporates	Individuals	Corporates	Individuals	Corporates	Individuals	Corporates	Individuals
No. of investigations at start of the year	0	19	73	58	50	6	123	83
Investigations initiated during the year	3	1	72	136	65	15	140	152
Investigation completed	1	8	67	85	65	12	133	105
No. of investigation at end of the year	2	12	78	109	50	9	130	130
Tax yield from investigation completed (Rsm)	2.8	14.6	400.8	235.3	113.5	68.5	517.1	318.4

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

7.3.5. Audit of High Net Worth Individuals (HNWIs)

The MRA gives particular attention to HNWIs through its HNWI Unit in Medium and Small Taxpayers Department. A number of HNWIs were under the radar during 2015 and the achievements are laid down in Table 19.

Table 19: Status of HNWIs taxpayers as at end of year 2015	
Details	Year 2015
Number of HNWIs in Tax Register	230
Number of new high net worth taxpayers registered during the year	61
Number of high net worth taxpayers selected for audit	13
Tax yield from 3 completed audits	Rs 17.9 million

7.3.6 Monitoring of taxpayers' compliance in Rodrigues

The MRA Rodrigues performed similar functions as its Mauritian counterpart and its achievements for the year 2015 is provided in Table 20.

Table 20: Activities of MRA Rodrigues in 2015	
Activities	Year 2015
New taxpayers registered	
Income tax	292
VAT	7
Employers (PAYE)	8
Revenue collected during the year	
Income tax	Rs 18.7m
VAT	Rs 28.1m
PAYE	Rs 21.8m
Assessments issued-Number	
Income tax	63
VAT	5
Assessments issued-Amount	
Income tax	Rs 3.0m
VAT	Rs 3.8m

7.4. PROSECUTION

Taxpayers involved in serious tax offences are subject to prosecution in Court through the MRA's Legal Services Department. As seen from Table 21, 79 cases with total taxes amounting to Rs 57.1 million were lodged before the Court for prosecution during the year 2015.

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

Table 21: Status of prosecution cases at year end 2015

By Types of offences under respective acts	No of cases under prosecution at start of the year	Amount of tax involved (Rs)	No of cases lodged during the year	Amount of tax involved (Rs)	No of cases where court decisions given	Amount of tax involved (Rs)	Fine imposed (Rs)	No of cases under prosecution at end of the year	Amount of tax involved (Rs)
Value Added Tax	18	27,400,849	16	44,330,671	8	6,218,131	6,705,796	26	65,513,389
Income Tax	13	28,317,355	2	8,335,346	2	1,540,999	8,100	13	35,111,702
Gambling Act	2	8,060,955	0	0	0	0	0	2	8,060,955
Customs	14	3,742,994	26	4,014,854	21	4,604,463	240,416	19	3,153,385
Excise	15	9,999,620	35	399,792	41	9,999,620	243,000	9	399,792
Total	62	77,521,773	79	57,080,663	72	22,363,213	7,189,212	69	112,239,223

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

Table 22: Status of legal proceedings by different taxes, year-end 2015

Different Taxes	No of cases pending at start of the year 2015				No of cases lodged during the year 2015				No of cases Convicted		No of cases pending at year end 2015			
	Police		Court		Police(Received)		Court		Total	Police		Court		
	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount
	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount
Customs and Excise duties	90	17,953,297	29	13,742,614	93	4,243,505	61	4,414,646	50	483,416	44	17,342,633	28	3,553,177
Value Added Tax	22	82,790,777	18	27,400,849	8	3,885,697	16	44,330,671	6	6,705,796	12	30,568,424	26	65,513,389
Income Tax	2	8,335,346	13	28,317,355			2	8,335,346	1	8,100			13	35,111,702
Gambling			2	8,060,955									2	8,060,955
Total	114	109,079,420	62	77,521,773	101	8,129,202	79	57,080,663	57	7,197,312	56	47,911,057	69	112,239,223

Table 23: Status of legal proceedings by category of taxpayers, year-end 2015

Category of taxpayers	No of cases pending at start of the year 2015				No of cases lodged during the year 2015				No of cases Convicted		No of cases pending at year end 2015			
	Police		Court		Police(Received)		Court		Total		Police		Court	
	No	Amount (Rs)	No	Amount (Rs)	No	Amount (Rs)	No	Amount (Rsm)	No	Fine (Rs)	No	Amount (Rs)	No	Amount (Rs)
Company	84	101,392,446	54	45,477,339	55	4,406,490	62	50,798,826	49	7,041,407	42	43,001,091	53	74,487,713
Individual	30	7,686,974	8	32,044,434	46	3,722,712	17	6,281,837	8	155,905	14	4,909,966	16	37,751,510
Total	114	109,079,420	62	77,521,773	101	8,129,202	79	57,080,663	57	7,197,312	56	47,911,057	69	112,239,223

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

7.5. STATUS OF REFUNDS AND REPAYMENTS

7.5.1. Income Tax Refunds

The Finance and Audit (Amendment) Act 2015 brought a change to the government financial year which ends on 30th June instead of 31st December. With the income year now running from 1st July to 30th June, individual taxpayers, exceptionally in 2015 had submitted two income tax returns. The first one was submitted by 31st March 2015 or 15th April 2015 if done electronically. The second one was submitted by 30th September/15th October 2015 and covered the 6-months period January to June 2015. The total number of individuals having claimed a refund in 2015 is shown in Table 24.

Table 24: Income tax refunds in 2015

Details	January to December 2015
Number of applications for refunds received	133,240
Number of refunds effected	132,288
Amount refunded	Rs 511.9m

7.5.2. VAT Repayments

VAT repayments are made to VAT registered persons in respect of VAT paid on capital goods or zero-rated supplies. The MRA has put in

place a system for expeditious VAT refund in order to facilitate trade and businesses. In 2015, 6,115 claims for repayment of VAT were received and the MRA processed 6,516 claims, including those outstanding from the previous year mainly on account of missing information from taxpayers. The amount of VAT repaid to VAT payers totalled Rs 5,266.6 m and this represented 16% of gross VAT collection.

VAT Refund on residential building or apartment

During the year, the MRA also refunded a sum of Rs 558,660 to 6 persons having constructed residential building or purchased an apartment under the above scheme.

7.6. DEBT COLLECTION INDICATORS

7.6.1. Arrears collection status by tax types – Years 2014 and 2015

The arrears collection function is undertaken by the Debt Management Unit within the MRA's Operational Services Department. There are 30 officers attached to the Unit for enforcing recovery measures and in 2015 total arrears collection amounted to Rs 1,878m. This is 1.6% lower of the Rs 1,909m collected in 2014 and may be explained by the reduction in the tax payment to be effected prior to objection from 30% to 10% in May 2015.

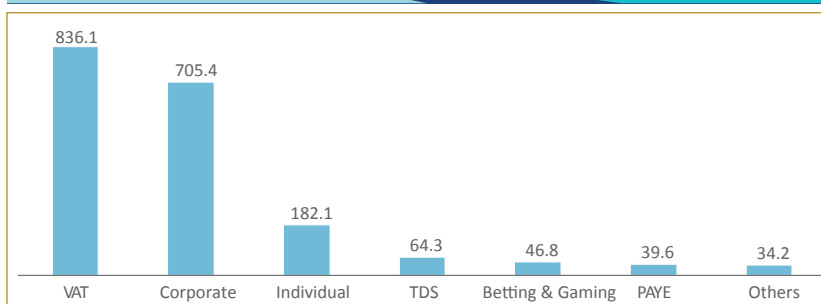
**Table 25: Ratio of VAT repayment to gross VAT collection:
A comparison to some selected countries**

		OECD Countries*			Non-OECD Countries*		
Countries	Mauritius	Australia	United Kingdom	Canada	South Africa	Malta	Indonesia
VAT repayment / Gross VAT collection (%)	16.0%	54.0%	42.0%	54.2%	39.2%	16.7%	9.3%

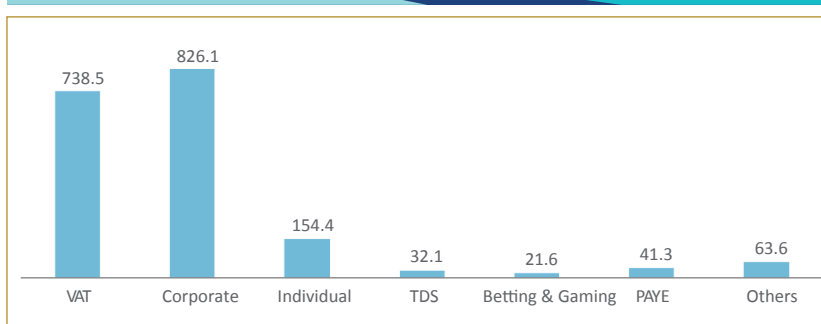
*Source: OECD Tax Administration 2015

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

**CHART 13: 2014 ARREARS
COLLECTIONS, (RS M)**



**CHART 14: 2015 ARREARS
COLLECTION, (RS M)**



The amount of arrears collected includes both payments made by taxpayers spontaneously and recovery efforts undertaken by the MRA. Table 26 provides an insight of recovery actions against taxpayers in 2015 for settlement of outstanding tax debts.

Table 26: Recovery actions in 2015

Details	Number	Amount (Rs)
Final claims	5,847	3,226,455,918
Agreements	746	372,264,535
Attachment order (Salary)	17	7,813,064
Attachment order	1,015	915,153,054
Distress warrants	24	43,125,199
Inscription	329	1,273,189,757
Renewal of inscription	92	142,991,055
Objection to departure	23	58,352,073
Prior notice contrainte	21	66,728,769

7.6.2. Collectible debt to tax revenue collection ratio

A key indicator used for assessing tax debt collection performance is collectible (undisputed) tax debt as share of net revenue collections. A number of jurisdictions have started applying this measure in their management information system to measure their debt collection performance over time. As seen from Table 27 our stock of year-end collectible debt to tax collections was 8.5% in 2015, i.e. 1% higher than in 2014.

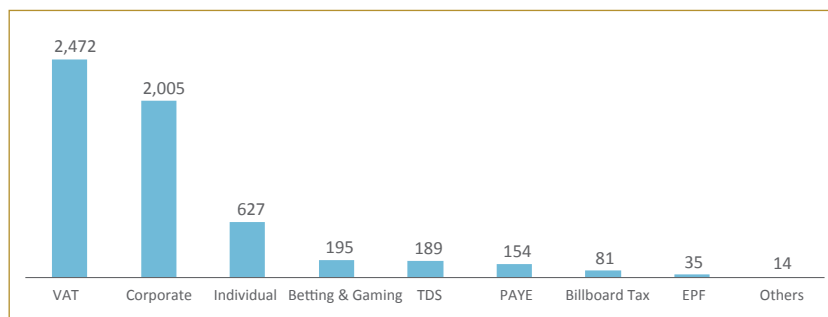
MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

Table 27: Ratios of collectible debt to total collections, 2013-2015

	Year 2013	Year 2014	Year 2015
Collectible debt at year end (Rsm)	4,794	4,815	5,772
Total tax collections (Rsm)	61,740	63,980	67,813
Year-end collectible debt/Total collections (%)	7.8	7.5	8.5

The collectible tax debt of Rs 5,772m distributed by types of taxes is in Chart 15.

CHART 15: STOCK OF COLLECTIBLE DEBTS, YEAR END 2015 (RS M)



7.6.3. Age of tax debts

With the passage of time, taxes which remained unpaid become difficult to collect for a revenue administration. The main tax debts handled by

the MRA by age of debt is provided in Table 28. At the end of December 2015, 69% of debts were more than 12 months old while less than 11% were 3 months old.

Table 28: Age analysis of main taxes, year-end 2015

Age of debts	VAT		Income tax				TDS & PAYE	
	No. of debtors	Amount (Rsm)	Individual		Corporate		No. of debtors	Amount (Rsm)
			No. of debtors	Amount (Rsm)	No. of debtors	Amount (Rsm)		
Less than 3 months	1,260	162.0	1,934	56.4	980	358.2	647	25.4
3 to 6 months	1,290	204.3	333	24.4	742	157.6	944	25.0
6 to 12 months	1,993	198.3	3,140	50.8	1,639	375.0	1,366	49.5
More than 12 months	6,995	1,907.0	13,737	495.1	8,600	1,114.0	6,454	243.2
Total	11,538	2,471.6	19,144	626.7	11,961	2,004.8	9,411	343.1

Note: An additional amount of Rs 326m of collectible debt not included above relates to other taxes administered by the MRA, that is, Rum and Liquor, Advertising Structure Fee and others.

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

7.6.4. Write-off s of tax debts

Tax debts are written off where the debts are found to have become unenforceable for a number of reasons. For the year under review, no debts were written off pertaining to taxes administered by the MRA.

7.7. OBJECTIONS AND APPEALS

A taxpayer who is aggrieved by a tax assessment issued by the MRA may lodge a notice of objection by paying a 10% down payment within the regulatory time limit. On 1st July 2015, the MRA introduced the E-Objection facility, thus allowing taxpayers to lodge an objection electronically through the MRA's website <http://www.mra.mu>. Once an objection is received, the MRA has to give a notice of determination within 4 months of the date on which the objection is lodged. During the year 2015, the Objections, Appeals and Dispute Resolutions Department completed the processing of 2,485 objections out of a total 2,875 cases and the amount determined was Rs 5,726 million as shown in Table 29.

A taxpayer who still feels aggrieved by a determination of the MRA may lodge written representations with the Clerk to the Assessment Review Committee (ARC). In 2015, 1,415 cases with total tax liability of Rs 5,064 million were lodged at the ARC and for the year under review the ARC gave its decision on 594 cases with taxes amounting to Rs 1,397 million.

As regards to appeal to Supreme Court and Privy Council, there were 101 cases with tax liabilities of Rs 196.1 million as at end of the of the year 2015.

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Table 29: Status of objections by different taxes and category of taxpayers as at 31.12.2015

Description	Gambling				Income Tax				VAT				Other Taxes			
	Corporates		Individuals		Corporates		Individuals		Corporates		Individuals		Corporates		Individuals	
	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)
Objection at start of the year	5	1.1	0	0	114	198.3	235	63.1	48	223.8	16	45.5	9	13.7	3	1.2
Cases lodged	14	247.6	22	123.8	773	3,909.3	1,216	633.0	218	746.9	71	143.6	97	136.8	34	17.5
Cases determined	10	89.5	0	0	763	3,966.0	1,312	573.3	228	812.4	73	137.7	68	129.0	31	17.5
Objection at year end	9	159.2	22	123.8	124	141.6	139	122.8	38	158.3	14	51.4	38	21.5	6	1.2

Table 30: Status of representations made to ARC by different taxes and category of taxpayers as at 31.12.2015

Description	Gambling				Income Tax				VAT				Other Taxes					
	Corporates		Individuals		Corporates		Individuals		Corporates		Individuals		Corporates		Individuals			
	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)		
Cases pending at start of the year	33	240.9	33	176.4			698	3,221.3	791	247.7	194	1,308.8			127	108.7	19	5.9
Cases lodged	15	231.5	0	0			515	3,650.8	606	359.6	138	627.0	43	93.8	77	91.2	21	10.0
Cases determined	29	177.8	24	131.7			234	581.6	179	55.4	73	380.8	17	34.2	23	30.2	15	5.1
Cases pending at year end	19	294.6	9	44.7			979	6,290.5	1,218	551.9	259	1,555.0	60	149.3	181	169.7	25	10.8

Table 31: Status of appeals at Supreme Court and Privy Council by different taxes and category of taxpayers as at 31.12.2015

Description	Gambling				Income Tax				VAT				Other Taxes			
	Corporates		Individuals		Corporates		Individuals		Corporates		Individuals		Corporates		Individuals	
	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)	No	Amount (Rsm)
Cases pending at start of the year	0	0	5	7.2	11	147.6	84	24.8	8	23.5	3	1.3	0	0	0	0
Cases lodged	-	-	0	0	0	0	0	0	0	0	0	0	-	-	1	0.1
Cases determined	-	-	0	0	2	4.5	6	2.6	0	0	3	1.3	-	-	0	0
Cases pending at year end	0	0	5	7.2	9	143.1	78	22.2	8	23.5	0	0	0	0	1	0.1

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

7.7.1. Expeditious Dispute Resolution of Tax Scheme (EDRTS)

The EDRTS was operational for an additional year in 2015 and the number of taxpayers who availed of the Scheme is provided in Table 32.

Table 32: Status of EDRTS Cases as at end of the year 2015		
Details	No. of cases	Amount (Rs)
Applications received during the year	186	523.3
Cases rejected	27	71.1
Cases finalized	32	77.9
Cases outstanding at year end	127	374.3

7.8. INTERNATIONAL TAXATION

7.8.1. MRA aligning to global tax development: Reorganization of the International Taxation Unit

In 2015, the MRA's International Taxation Unit was reorganized and upgraded to a full-fledged section. As part of this reorganization, all companies holding Category 1 Global Business Licence were transferred from the Medium and Small Taxpayers Department to the Large Taxpayers Department. A dedicated team has also been set up to build capacity for negotiation of Double Taxation Avoidance Agreements (DTAAs) and Tax Exchange

Information Agreements (TIEAs), audit of global business companies, implementation of Foreign Account Tax Compliance Act and the Common Reporting Standard.

The achievements of the Unit in 2015 are provided in Table 33.

During the year the Unit also issued 7,544 Tax Residence Certificates (TRCs) and dealt with 164 non-resident cases for an aggregate tax yield of Rs 9.1 million

7.8.2. Foreign Account Tax Compliance Act (FATCA)

The automatic exchange of information under FATCA was successfully implemented by the MRA in 2015. For an effective implementation of FATCA, several meetings were held with various stakeholders such as banking institutions and representatives from the global business sector. In March 2015, the MRA issued its FATCA Guidance Notes to provide practical assistance to financial institutions, businesses, their advisers and officials dealing with the application of FATCA. With the support of the International Taxation Unit, financial institutions submitted their FATCA Reports through the MRA portal for onwards transmission to the Internal Revenue Service (IRS) by 30th September 2015. There were 2,431 Financial Institutions registered with the MRA for FATCA purposes and 3,329 FATCA reports were submitted.

Table 33: Activities of International Taxation Unit in 2015		
Details	January-December 2015	
	Number	Countries
Progress on DTAAs:		
Entered into force	2	Malta, South Africa (new)
Signed	1	Monaco
Being negotiated	2	Sudan, Spain
Progress on TIEAs:		
Signed	1	Austria
Being negotiated	1	Czech Republic
Entertaining request for information received from treaty countries	196	Belgium, China, France, India, Sweden, Uganda, United Kingdom and Zimbabwe
Request for information made to treaty countries	4	France, India, Italy and United Kingdom
Protocol signed	1	Botswana

MONITORING TAX COMPLIANCE: INITIATIVES AND OUTCOME

7.8.3. Common Reporting Standard (CRS)

In 2015, the MRA initiated the CRS implementation process by convening a Technical Committee with external stakeholders. To enable our stakeholders to implement the CRS, a draft version of the CRS Guidance Notes

was released in November 2015. Once finalized, the Guidance Notes will be posted on the MRA's website.

7.8.4. Mauritius Tax Treaty Network

At the end of 2015, Mauritius had 43 DTAA's in force with jurisdictions as shown hereunder.

EUROPE



ASIA

Bangladesh
China
India
Malaysia
Nepal
Pakistan
Singapore
Sri Lanka
Thailand



CARIBBEAN



MIDDLE EAST

Kuwait
Oman
State of Qatar
UAE



AFRICA

Botswana
Congo
Egypt
Lesotho
Madagascar
Mozambique
Rwanda
Namibia
Senegal
Seychelles
South Africa
Swaziland
Tunisia
Uganda
Zambia
Zimbabwe



THE PACIFIC



Commitment Beyond Revenue... ...Caring for the country's security



Customs Fast Interceptor Boat



*X-Ray scanning
of containers*

*Launching of the Customs Stop
Drug Platform*



8.

FACILITATING TRADE AND SECURING OUR BORDERS

FACILITATING TRADE AND SECURING OUR BORDERS

Customs has that formidable task in juggling between promoting hassle-free trade flows while at the same time applying stringent controls designed to protect the nationals from transnational crimes, illicit entry of narcotics and contraband goods.

These competing pressures make the implementation of various policies and strategies a complex and difficult task as trade facilitation is in permanent competition with trade enforcement and security. With a view to better cope with the new challenges and provide an efficient service to the business community, there are ten dedicated sections which fall beneath the MRA Customs, as illustrated hereunder.



During the year, the MRA Customs has implemented a series of measures and initiatives designed to ensure free-flow of legitimate goods while at the same time reinforcing border security.

FACILITATING TRADE AND SECURING OUR BORDERS

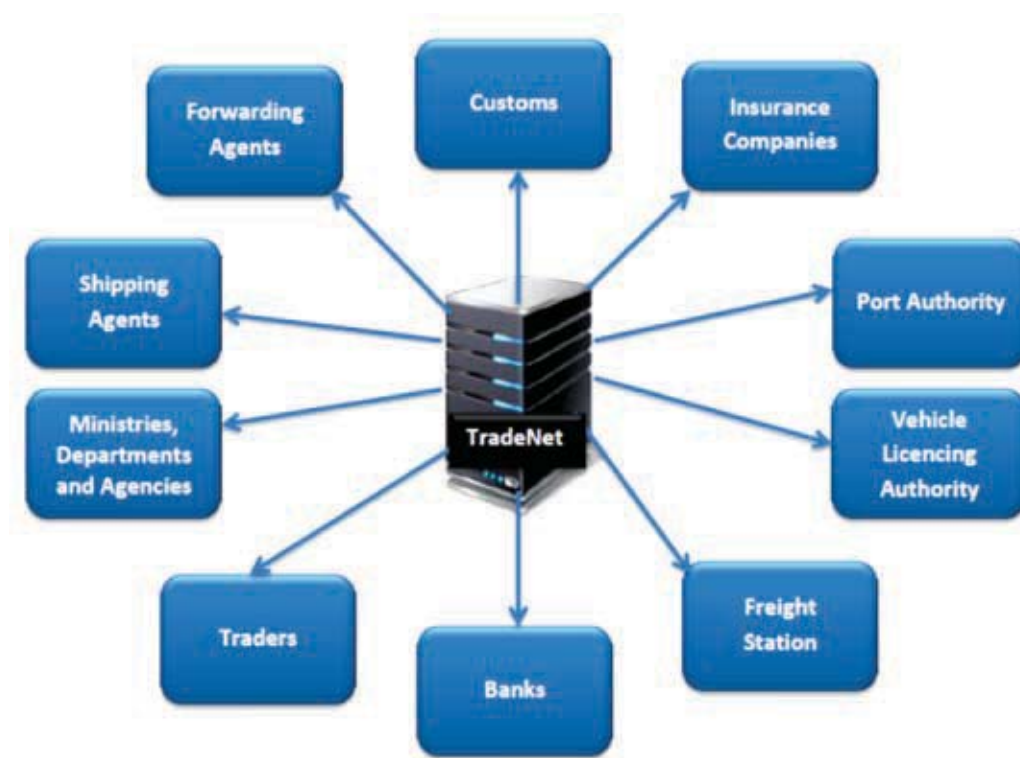
8.1. TRADE FACILITATION

In addition to the existing facilities being provided to the stakeholders, the MRA Customs came up with these following measures during the year under review.

8.1.1. National Single Window

The Mauritius Trade Link (Other Government Agencies – OGA Portal) is a single window

platform that aims to provide online, web-based facility to submit applications for import/export licenses and permits clearance from government agencies without replication of data entry. With this system in place, the application and payment for trade permit will be fully automated and traders will have the facility to track the progress of the application in real time.



The National Single Window project after all agencies are taken on board

FACILITATING TRADE AND SECURING OUR BORDERS



Launching of the Mauritius Trade Link by Hon. Vishnu Lutchmeenaraidoo, Minister of Finance and Economic Development and Hon. Ashit Gungah, Minister of Industry, Commerce and Consumer Protection

This project, which was initiated in 2015, was launched by the Minister of Finance and Economic Development on the 26th January 2016 on the occasion of International Customs Day 2016. Initially, the single window platform will concern the Ministry of Industry, Commerce and Cooperatives and then ten other agencies will be taken on board progressively.

8.1.2. Deferred Payment Scheme

The Deferred Payment Scheme became effective as from 01 July 2015. It is a measure that aims to provide a more conducive business environment and further facilitate trade in Mauritius. This scheme enables SMEs and VAT registered persons to defer the payment of the duty, excise duty and taxes on the goods cleared at importation.

The deferred payment facility is available to the following categories of importers provided that they are compliant with the revenue laws and subject to the provision of a security by bond:

- An SME registered under the Small and Medium Enterprises Development Authority Act; and,

- An importer who is VAT registered under the Value Added Tax Act.

Under this scheme, duty and taxes payable during any month, other than the month of June, can be paid up to 7 working days after the end of that month. For the month of June, duty and taxes deferred must be paid not later than 2 working days before end of that month.

The Deferred Payment Scheme provides a host of benefits, namely:-

- It enables importers to clear goods without paying duty and taxes at time of clearance;
- The scheme will allow Customs to accelerate the clearance of goods as it does not require payment to be made prior to initiation of clearance procedures; and,
- Under this scheme, importers can settle a month's charges with a single payment.

As at 31 December 2015, there were 24 applications under the scheme which were received at the MRA. Currently, 6 companies are successfully using the scheme while 13 applications have already been processed and their Security by Bond is being awaited before final approval is granted.

8.1.3. Warehouse Management System (WMS)

As preconized by the Revised Kyoto Convention (RKC) and international best practices, provision was made for the streamlining of the warehousing process of goods in view of facilitating trade, reducing cost and optimising the use of risk management. To this effect, the manual ledger system which records goods entering and leaving the warehouse was replaced by a computerised system known as the "Warehouse Management System (WMS)".

FACILITATING TRADE AND SECURING OUR BORDERS

The WMS was developed during the year 2015 by the Mauritius Network Services (MNS) and was finally implemented in February 2016. Awareness campaigns and training of MRA officers as well as stakeholders were carried out prior to its implementation.

8.1.4. Development of an e-Auction Sales System

Notable progress towards the setting up of an e-Auction Sales system was noted during the year. Through this initiative, the bidding and processing of bids will be carried out electronically and potential bidders will also be able to use e-tender forms for Auctions Sales by Public Tender.

It is to be noted that the Phase I of the project, which concerns the sending and registering of account of packages, is already in application as the 'Auctions Sales Module' in the Customs Management System as from July 2013 while Phase II, the billing and delivery module, went live in May 2015.

8.1.5. Web-based Customs Declarations

The Web-based Customs Declarations was officially launched by the Minister of Finance and Economic Development on the occasion of the International Customs Day on 26 January 2015. This portal enables online submission of Customs declarations and related electronic trade documents for expedited Customs clearance while payment of duties and taxes is effected electronically. The service is available on a 24/7 basis and can be used anywhere. As the system is web based there is no need for dedicated IT or communication hardware. Companies will be able to use this service

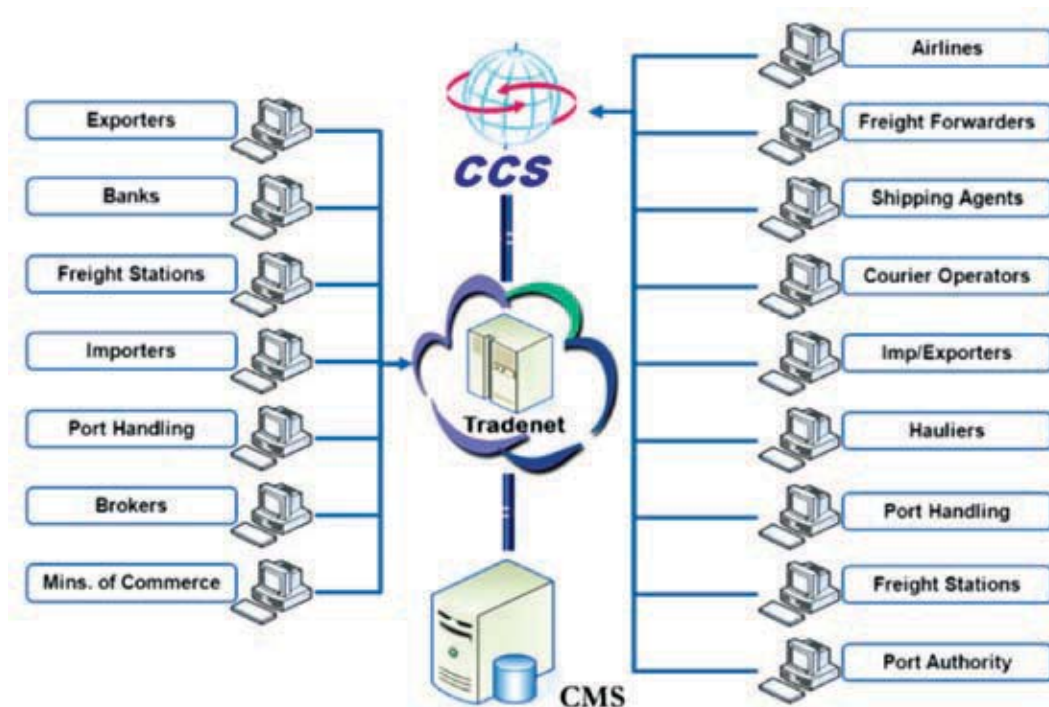
in the way that best suits their business requirements whether in the office or on the move. This initiative will drastically slash down the cost of doing business since businessmen will no longer require renting office premises for their operations and they will also save on transportation costs.

8.1.6. Cargo Community System

Given the extensive scope of the CCS project, a phased implementation approach has been adopted and the project has been split into several modules. Currently, the last four modules, namely Sea Export, Air Export, Air Transshipment and Air Import are being tackled. Customs has played a major role in the implementation of the CCS by drafting the requirements specifications for the various modules of the project and defining procedures, standards and best practices to be adopted by all stakeholders concerned for the movement and clearance of goods.

It is to be noted that the CCS is the electronic network system for the submission of advance cargo information at importation or exportation by any mode of commercial transportation. It is an integrated system operating in real time which aggregates, optimizes, synchronizes and secures supply chain processes for cargo stakeholders. It is managed by the Mauritius Cargo Community Services Ltd (MACCS), an organization incorporated in 2008 and appointed for that purpose by the Government of the Republic of Mauritius. Since the CCS operates on a web-based platform, it allows easy access to a wide range of data elements related to cargo movements to all logistic stakeholders.

FACILITATING TRADE AND SECURING OUR BORDERS



An overview of the Cargo Community System (CCS)

8.1.7. One-Stop Shop for SMEs (MyBiz)

As announced in the Budget Speech of 2015, a One-Stop-Shop for SMEs, managed by SMEDA, was launched on 14 December 2015. The SME One Stop Shop, also known as MyBiz, aims to provide under a single roof, all the

supports, financing and general information, as well as the delivery of all the permits and licenses that SMEs require to start and grow their businesses. Moreover, two officers from the MRA are permanently posted at MyBiz to provide Customs and tax related information to business enterprises.



A Customs Officer providing assistance to a potential entrepreneur

FACILITATING TRADE AND SECURING OUR BORDERS



Mobile X-ray container scanner

8.2. BORDER PROTECTION MEASURES

In its quest to further reinforce border security against global criminal networks that threaten national security through illegally transporting of people and goods, the following measures were initiated during the year.

8.2.1. New container scanner at the port

In 2015, the MRA procured a new container scanner from NucTech Ltd to replace the scanner currently being used at the port. The new scanner is expected to become fully operational by March 2016. Meanwhile, a temporary mobile scanner is being used to scan containers pending the coming into operation of the new one. It is to be noted that the existing container X-ray scanner, which has been operational since

February 2006, has almost reached its end of life span after 10 years of use.

8.2.2. Operationalization of the Fast Interception Patrol Boat

During the year 2015, the MRA initiated all the procedures towards the acquisition of a fast interception patrol boat and same will become fully operational in March 2016. Regular patrol at strategic points within the port area will enable Customs to efficiently carry out a better port surveillance and to intensify its fight against drug trafficking. Three skippers have been recruited in November 2015 and several capacity building programmes have been conducted for the benefit of Customs officers and personnel. For instance, a coxswain familiarization training, which was conducted by US navy on board “USS Bainbridge”, was attended by twelve officers.



The MRA Customs patrol boat

FACILITATING TRADE AND SECURING OUR BORDERS

8.3. BORDER PROTECTION

OUTCOMES

The enforcement actions that were conducted during the year resulted in very positive outcomes as elaborated hereunder.

8.3.1. Narcotics seizures

The MRA Customs has pursued its perpetual battle against the illicit entry of prohibited goods and narcotics. Table 34 shows the total narcotics seizures made during these last two years.

Table 34: Narcotics seizures				
Details	Year 2014		Year 2015	
	Weight / Quantity	Value (Rs)	Weight / Quantity	Value (Rs)
Heroin	11,846 g	177,689,250	10,704 g	160,559,100
Hashish	268 g	669,750	5,406 g	13,514,750
Cannabis	3,670 g	1,651,374	9,372 g	4,268,579
Cannabis Seeds	500 units	50,000	78 units	7,800
Psychotropic substances	6 units	300	-	-
Cocaine	6.5 g	98,550	-	-
Synthetic Cannabinoids	1,061 g	477,441	293 g	144,225
TOTAL		180,636,665		178,494,454

A notable improvement that can be noted is the decrease in the total street value of drugs seized during the year 2015 when compared to that of 2014. Hashish and Cannabis seizures, both in terms of quantities and values, were on the rise in 2015.

8.3.2. Seizures made by sniffer dogs

The sniffer dogs are of great importance to the MRA Customs Narcotics Sniffer Dog Section (K9 Unit) to detect any illegal entry of narcotics and prohibited substances. The performances of these Sniffer Dogs are shown in Table 35.

FACILITATING TRADE AND SECURING OUR BORDERS

Table 35: Narcotics seizures by sniffer dogs in 2015

Sniffer Dog	Narcotics	Number of seizures	Weight / Quantity	Street Value (Rs)
 Max	Cannabis Seeds	1	46 units	4,600
 Milo	Cannabis	2	274.9 g	123,705
	Synthetic Cannabinoids	2	178.9 g	80,505
	Heroin	1	500.76 g	7,511,400
 Seuntjie	Cannabis Oil	1	10 ml	
	Heroin	1	1,100 g	16,500,000
 Milan	Heroin	4	6,484.68 g	97,270,200
	Hashish	1	500 g	1,250,000
	Cannabis	1	3.74 g	1,683
	Cannabis Oil	1	10 ml	
 Cassidy	Cannabis	1	4,780 g	2,151,000
	Heroin	1	2,100 g	31,500,000
TOTAL		17		156,393,093

FACILITATING TRADE AND SECURING OUR BORDERS

The total seizures made by these sniffer dogs were remarkable. When put into perspective, they have seized 88% of the total market value of the narcotics during the year 2015.

8.3.3. Seizures of other contraband goods

In addition to the illicit drug seizures, the MRA Customs also acted promptly to combat other offences such as undeclared currency, counterfeited goods, offensive weapons and other infringements. These are provided in Table 36

Table 36: Contraband cases in 2015		
Details	Weight/Quantity	Value (Rs)
Currency – Undeclared	43 cases	56,654,524
Currency – Falsely declared	4 cases	117,473
IPR seizures	61 cases	1,160,421
Alcoholic Beverages	6 cases	40,615
Cigarettes	26 cases	745,463
Offensive weapons	8 weapons	N/A
Roll your own cigarette paper	46,550 sheets	31,316.51
Toy guns with projectiles	38 cases	30,985
Laser Pens/Pointers	30 cases	12,000
TOTAL		58,792,798

8.3.4. Excise Seizures

As per statutory requirements, all cigarettes and alcoholic products which are put to sale on the local market must have a proper excise stamp issued by the MRA. In order to ensure full compliance by the operators, there is an excise enforcement team which conducts regular visits and checks around the island. The outcome of these visits is shown in Table 37.

Table 37: Excise enforcement actions in 2015		
Details	Number of cases	Amount involved (Rs)
Cigarettes	8	113,071
Alcoholic products	4	132,296
TOTAL	12	245,367

8.3.5. Containers/Consignments scanned

The use of Non-Intrusive Inspection (NII) methods through x-ray scanning of containers at the port, airport and courier services are done with the twin of objectives of expediting cargo/consignment clearances and efficiently combating smuggling. The outcome is shown in Table 38.

Table 38: Scanning of containers / consignments in 2015			
Details	Port	Airport	TOTAL
Number of containers / consignments scanned	30,033	118,833	148,866
Number of suspect containers / consignments	172	2,116	2,288
Number of offences detected	30	544	574
Duties and taxes collected from the offences detected (Rs)	220,078	418,658	638,736

FACILITATING TRADE AND SECURING OUR BORDERS

The percentage of the total offences detected to the total scanning effected stood at 0.4%. For every four suspect containers/consignment one was found to be effectively in breach of the laws. Hence, the total sum of Rs 638,736 was ultimately collected as additional duties and taxes.

8.3.6. Post Control and Clearance Audits

The MRA Customs is increasingly adopting the international best practices though the extensive use of post-release control, risk management and the non-intrusive inspection methods. For instance, around 30% of the total Customs declarations are subjected to post control audit and some 12% of total Customs staff is involved in audit based control in reviewing Customs declarations, conducting audit at importers' premises, performing audit of excise operations and monitoring of exemptions. The performances of the PCCAs are shown in Table 39.

Table 39: Post Control and Clearance Audits (PCCAs) Year 2015	
Details	Number
Audits	128
<i>Number of audits conducted by PCCA</i>	128
Assessments	Rs 9,303,810
<i>Revenue assessed by PCCA</i>	Rs 9,303,810
Collections	Rs 37,867,387
<i>Revenue Collected by PCCA</i>	Rs 32,308,741
<i>Revenue Collected by PCRD</i>	Rs 5,558,646

It is to be noted that the amount of revenue collected from Post Control and Clearance Audits in 2015 has largely exceeded the amount raised due to the payment of Rs 20 million in April 2015 in respect of an assessment conducted by Customs some ten years ago.

8.3.7. Duties, taxes and penalties from CORs

Once an offence is being committed by any operator and detected by Customs, a Customs Offence Report (COR) is opened. For the year 2015, the duties, taxes and penalties arising from these CORs are shown in Table 40.

Table 40: Duties, taxes and penalties from CORs – Year 2015	
Details	Amount
Number of CORs raised	616
Assessed duties and taxes*	Rs 117,397,961
Assessed penalties	Rs 8,723,844
Duties and Taxes collected from CORs*	Rs 4,947,943
Penalties collected	Rs 8,579,230

*It must be stressed that 2 major cases have been raised with amount of duties and taxes assessed as follows:-

- One operator attempted to evade the payment of duty & taxes through the misuse of exemption. The total amount assessed was Rs 50,048,825 and the case has been referred to Legal Services Department (LSD); and,
- Another operator has unlawfully removed goods from bonded warehouse and same were not satisfactorily accounted for. The amount assessed totalled Rs 48,922,714 and the matter has been referred to Legal Services Department (LSD).

FACILITATING TRADE AND SECURING OUR BORDERS

8.3.8. Duty, excise duty and taxes, penalty and interest from claims

A debt management module, known as the Customs Debt Management System (CDMS), was introduced to better track debts at the level of the Customs Department. The claims, assessment and collections made during the year are shown in Table 41.

Table 41: Duty, excise duty and taxes, penalty and interest from claims for the year 2015	
Details	Number
Claims	456
<i>Number of claims raised</i>	456
Assessments	Rs 141,142,744
<i>Assessed duties and taxes</i>	Rs 123,385,250
<i>Assessed penalties</i>	Rs 17,665,373
<i>Assessed Interest</i>	Rs 92,121
Collections	84,380,069
<i>Duties and Taxes collected from Claims</i>	Rs 77,480,075
<i>Penalties collected</i>	Rs 751,600
<i>Interest Collected</i>	Rs 6,148,394

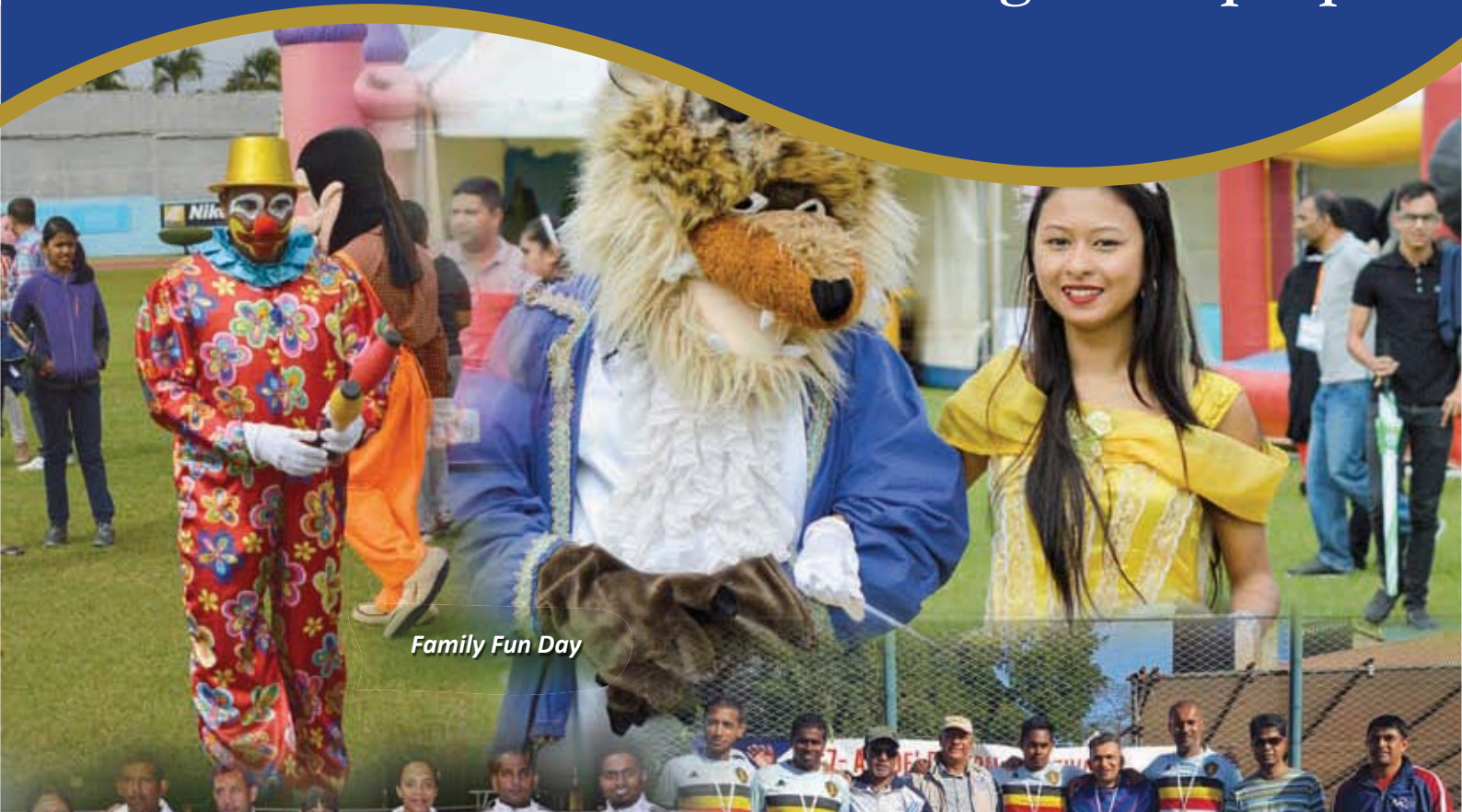
8.3.9. Auction sales

Auction sales are conducted at regular intervals by MRA Customs for the disposal of overlying, abandoned, unclaimed and uncleared goods.

Table 42: Number of auctions sales made during the year 2015 and amount recovered					
S/N	Type of sale	Date started	Date closed	Types of goods	Amount collected (Rs)
1	Sale by public tender	14.04.15	21.04.15	Kitchen utensils, cookers, ovens, glassware, mobile phones, jewellery, electronic items	1,648,777
2	Sale by public tender	18.08.15	25.08.15	Vehicles, timber, trolleys & scarves	2,815,799
3	Sale by public tender	06.10.15	13.10.15	Vehicles, prefabricated houses, rolls of metal sheet, metal baskets, imitation jewellery & watches	884,799
4	Sale by public tender	03.11.15	10.11.15	Vehicles, prefabricated houses, elevators & other general goods.	5,844,830
TOTAL					11,194,205

A final payment amounting to Rs 5,004,000 is expected to be received by end January 2016 for the sale of parts prefabricated houses offered for sale in Quotation 4 of 2015. Thus, the total sum for the 4 sales by Public Tender will amount to Rs 16,198, 205. Moreover, there was a sale conducted through public tender for 37 vehicles seized by the Asset Recovery Unit.

Partners in Progress and Prosperity... ...Caring for its people



Family Fun Day



Football Festival

*FMSC Badminton
Tournament*



Fun Run



9.

HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCE MANAGEMENT

An organisation may have the most sophisticated and the latest-of-the-art technology, updated system and processes but ultimately it is the human resources which provide the hands and brains to do the work of the organisation. Therefore, the effectiveness in achieving the organisation's objectives and its continued success depend largely on the people that comprise it.

9.1. HUMAN RESOURCE PROFILE

The sections which follow provide the profile

of the MRA's human resources, categorised in terms of its grading structure, age group and gender

9.1.1. Establishment

The personnel head count at the MRA as at 31 December 2015 was 1,363, representing 87.4% of the critical requirements of 1,560 staff. Likewise, in 2014 the number of staff members at the MRA was at 1,384. The grading structure of the workforce is portrayed in Table 43.

Table 43: Human Resource Structure

Grade	Job Title	In post as at	
		31 December 2014	31 December 2015
-	Director-General	1	1
-	Technical Advisor	1	1
7	Director	12	10
6	Assistant Director / Section Head	33	29
5	Team Leader	93	98
4	Technical Officer	243	243
3	Officer / Custom Officer II	404	445
2	Custom Officer I / Support Officer II	361	362
1	Support Officer I	177	174
-	Trainee Officer	59	-
Total		1,384	1,363

9.1.2. Age & gender profile

The MRA always strive to have a right blend of young dynamic officers and experienced

ones whilst maintaining an adequate female representative. The age groups and gender profiles of the human resources are provided in Chart 16.

CHART 16: HUMAN RESOURCE STRUCTURE AS AT 31 DECEMBER 2015



HUMAN RESOURCE MANAGEMENT

In 2015, the ratio of female to male staff was 1:1.86 and the highest proportion members (31%) were in the age group of 25 to 35 years. In 2010, the same proportion of staff was in the higher age group, that is, 35 to 45 years (31%). The recruitment of young and dynamic staff over these recent years has rejuvenated the staffing structure of the MRA.

9.2. STAFF TURNOVER

9.2.1. Recruitment

During the year under review, the MRA proceeded with the recruitment of personnel

to fill in the various vacant posts in the organisation.

For the year 2015, there were 9 advertisements which were issued, inviting for eligible and qualified potential applicants to apply online through the MRA's "E-Recruitment" portal. The MRA received 12,238 applications and after a rigorous screening procedure, some 2,211 candidates (representing 18% of the total applications received) were convened to attend a written assessment. Thereafter, 560 candidates were selected to attend an interview. Table 44 gives details of the two posts where a written assessment had to be conducted due to the large number of applicants.

Table 44: Written assessment conducted during the year 2015

Post	Date of written assessment	Number of applications received	Number of candidates convened
Trainee Customs Officer I	19 September 2015	3,590	619
Support Officer I	19 December 2015	4,098	1,592
Total		7,688	2,211

During the year 2015, a total of 37 posts were filled (both internally and externally) as further detailed in Table 45.

Table 45: Posts filled during the year 2015

Job Title	Number of posts filled
Support Officer I	1
Customs Officer I	1
Skipper	3
Customs Officer II	1
Technical Officer, Compliance	16
Technical Officer, IS	2
Team Leader, Compliance	9
Legal Counsel	1
Attorney at Law	1
Team Leader, ISD	1
Section Head, Compliance	1
Total	37

HUMAN RESOURCE MANAGEMENT

9.2.2. Retirements and resignations

During the course of the year, 14 staff members retired from the service of the organisation. The MRA thanks them for having loyally served the

organisation for so many years and wish them a pleasant and wonderful retirement. The list of officers is given in Table 46.

Table 46: Retirements during the year 2015

S/N	Employee	Department	Post Held	Retirement Date
1	JEETUN Purmesswur	Medium & Small Taxpayer	Technical Officer	2-Mar-15
2	OCHOOTOA Mahomed Rafik	Finance & Administration	Driver	5-Mar-15
3	HURRY Mahendrapersad	Customs	Team Leader	1-May-15
4	TAMANSING Oomadave	Finance & Administration	Driver	29-May-15
5	GOORIAH Dharmawattee (Mrs)	Operational Services	Team Leader	1-Jul-15
6	DOOKHITH Bye Rashid	Customs	Customs Officer II	29-Jul-15
7	BADURALLY-ADAM Noorjahan Bibi (Mrs)	Medium & Small Taxpayer	Technical Officer	2-Aug-15
8	MARIE Maurice Cyril Leopold	Operational Services	Team Leader	9-Aug-15
9	BHOROSAH Lallman	Customs	Team Leader	31-Aug-15
10	ISSUR Balmick	Medium & Small Taxpayer	Technical Officer	3-Sep-15
11	AULLYBUX Aboo Samad	Medium & Small Taxpayer	Technical Officer	18-Oct-15
12	RAMDENY Maneshwaree Mavintah (Mrs)	Medium & Small Taxpayer	Technical Officer	18-Nov-15
13	KARUPUDAYAN Sagadaven	Objections & Appeals and Disputes Resolution	Team Leader	7-Dec-15
14	BUNDHOOA Doorgaparsad	Finance & Administration	Office Attendant / Messenger	31-Dec-15

There were also 6 resignations registered during the course of the year.

The staff turnover ratio for the year 2015 was estimated at 0.44%, down from 0.79% in 2014.

9.3. STAFF DEVELOPMENT AND KNOWLEDGE MANAGEMENT

9.3.1. Training and development

Training and staff development is an indispensable function at the MRA. It allows employees to acquire new skills, sharpen their existing ones, help them to perform at their peak and ultimately increase their productivity.

The different types of training and development programmes which were held during the year are shown in Table 47.

Table 47: Training and development programmes

Training types	Number
Local Training	129
<i>In-House</i>	60
<i>External</i>	64
<i>Team Building</i>	3 batches
<i>Health & Nutrition</i>	2
Overseas	106
<i>Meeting/Workshops/ Training</i>	61
<i>Invited as Resource Person/ Facilitator</i>	12
<i>Missions</i>	30
<i>Scholarships</i>	3
Total	235

HUMAN RESOURCE MANAGEMENT

During the year 2015, some 8,592 man days were devoted towards providing staff members with the relevant training and development opportunities for an amount of Rs 6 million.

9.3.2. WCO Mauritius Regional Training Centre (RTC)

The Multilingual Regional Training Centre (MRTC), which is located at the Custom House, was inaugurated in November 2013. It is the only multilingual RTC in the world and is equipped with state-of-art facilities, including translation equipment, computer laboratory as well as an e-learning platform. The MRTC has a pool of WCO accredited experts/trainers in the fields of Customs Modernization, RKC, IPR, WCO Data Model, Single Window and National Customs Enforcement Network (nCEN). The following training activities were conducted at the Mauritius RTC in 2015:

- (a) **Training on Harmonised System for Commodity** – conducted in collaboration with the French Authorities, was attended by 28 participants, including one participant from Burundi.
- (b) **WCO Workshop on “Leadership and Management Development”** – attended by 20 Participants from the MRA.
- (c) **WCO Workshop on “nCEN Project Leaders”** – was facilitated by two representatives from WCO and Mr A. Caulty, WCO Accredited Expert in nCEN from MRA. The workshop was attended by 9 delegates from Botswana, Kenya, Namibia, Seychelles, Swaziland, Uganda, and Zimbabwe. The aim of the workshop was to present the latest nCEN developments and prepare a list of additional improvements which have been identified by each administration.
- (d) **Training by the U.S. Customs and**

Border Protection (USCBP) – The RTC Mauritius hosted the training on ‘International Seaport Interdiction Course II conducted by the USCBP. The training was sponsored by the US Authorities and was attended by 24 participants from member countries namely, Seychelles, Madagascar, Comoros and Mauritius. This course provided the skills and knowledge necessary to carry out the effective inspection, detection and interdiction of contraband and illegal aliens in the seaport environment. This course comprised both theoretical and practical/hands on sessions in a wide range of seaport-related enforcement topics.

9.3.3. Capacity building of Customs enforcement officers

The following training courses were provided to Customs Officers of the Surveillance & Enforcement Section:

- (a) **International Seaport Interdiction Course** – a team from the Department of Homeland Security, Customs and Border Protection Specialists of the United States of America conducted a one week International Seaport Interdiction Course II (ISIT II) from 14 to 17 September 2015 at the WCO Regional Training Centre (RTC), Custom House. 17 Officers from MRA Customs attended the training.

This interactive workshop has provided the skills and knowledge necessary to carry out the effective inspection, detection and interdiction of contraband or illegal aliens in the Seaport environment.

- (b) **Airport Interdiction Course** – three officers from MRA Customs attended the Airport Interdiction Course from 14 to 25 September 2015 in Botswana. The training was conducted by the

International Law Enforcement Academy. The course gave an overview of US Customs and Border Protection and included modules such as Air Cargo Interdiction, Behavioural Analysis Human smuggling and trafficking followed by practical sessions.

9.4. MEDICAL & GROUP PERSONAL ACCIDENT INSURANCE SCHEMES

(i) Membership status of staff and their families to Medical Scheme

The Medical Scheme provided to staff and their families was renewed with the National Insurance Company Ltd (*Former British American Insurance Co (Mtius) Ltd*) for a period of three years, from 01 November 2014 to 31 October 2017. As at December 2015, total membership in the scheme comprised staff (1,244), their spouses (270) and children (303).

(ii) Group Personal Accident

The Group Personal Accident Policy Scheme provides financial protection to MRA employees and/or their families in the event of disability or death resulting from an accident. The MRA renewed its insurance policy with the Mauritius Union Insurance during the year.

9.5. EMPLOYMENT RELATIONS

9.5.1. Meetings with union

A healthy and supportive work environment is a crucial factor in creating a robust employer-employee relationship. Going beyond the legal basis of employment relationships, the MRA promotes a decent and pleasant working environment which is conducive to higher productivity. During the year, 20 meetings were held between Management and the Mauritius

Revenue Authority Staff Association (MRASA).

9.5.2. Industrial Disputes/ Disciplinary Cases

The number of cases that have been processed in respect of industrial discipline / disciplinary procedures during the year 2015 were as follows:-

(i) Disciplinary cases:

- 4 cases processed;
- 6 staff reinstated; and,
- 2 letters of caution issued.

(ii) Industrial Disputes:

- 10 cases processed
 - (a) 2 cases at the level of the Equal Opportunity Commission;
 - (b) 6 cases at the level of the Supreme Court;
 - (c) 1 case at the level of Industrial Court; and,
 - (d) 1 case at the level of ICAC.

9.5.3. Errors and Omission Report following Salary Review 2014

Following the review of salary and conditions of service, which was implemented in 2014, an "Errors and Omission" committee was thereafter set up to look into all cases of genuine error and/or omission.

The services of BCA Consulting were enlisted to carry out the exercise and on the basis of the representations and proposals received from staff and the MRASA, the consultant submitted its recommendations to the Board for approval.

The main recommendations of the Errors and Omission Report 2015 were as follows:-

- Payment of unutilised Sick Leave – The refund of unutilised sick leave, after the bank maximum has been reached, will be at the rate of 1/22 of monthly salary per day,

HUMAN RESOURCE MANAGEMENT

- Deferred Duty Facilities – Officers reckoning an aggregate of 22 years' service or more and drawing a monthly salary of Rs 49,700 or more should be eligible, once, for 70% duty exemption on a car of engine capacity of up to 1400 c.c.; and,
- Car Loan Scheme – This scheme became operational in December 2015 whereby eligible employees who are entitled to duty deferred facilities are eligible under the foregoing arrangements to a car loan, of not more than 15 month's salary, at a determined rate of interest

refundable in not more than 84 monthly instalments, for the purchase of a vehicle/car of an appropriate engine capacity.

9.6. WELFARE ACTIVITIES

In addition to ensuring that adequate revenues are collected to finance Government expenditure, MRA staff also participate in welfare activities in particular the various competitions organised by the Fédération Mauricienne des Sports Corporatifs (FMSC). These are shown in Table 48.

Table 48: Sport events			
Events	Date held	Number of MRA participants	Outcome
External - FMSC			
Football League Championship	From April to July 2015	25	MRA ranked 7 th place
Table Tennis Competition	19 April 2015	6	3 Bronze Medals (Single Man, Single Lady and Double Ladies)
Cross Country	25 July 2015	2	MRA ranked 8 th place (3 Km men race)
Volleyball Premier League	From 7 to 26 September 2015	15	MRA ranked 7 th place
Badminton Championship	26 & 27 September 2015	20	• 3 Gold Medals + Trophies (Men's Singles Veteran; Women's Singles Veteran & Men's Doubles Veteran) • 3 Silver Medals + Trophies (Women's Doubles; Men's Doubles Veteran & Mixed Doubles) • 2 Bronze Medals + Trophies (Men's Singles Veteran)
Pool Tournament	4 October 2015	8	MRA qualified up to the 2nd round
Athletics Meet	November 2015	20	• 3 Gold Medals • 1 Silver Medal • 6 Bronze Medals <i>Note: Mr Harris Khelawon and Ms Isanie Larche, Customs Officers I won the Best Athletes Awards</i>
Swimming Competition	29 November 2015	10	• 4 Gold Medals • 7 Silver Medals • 3 Bronze Medals

HUMAN RESOURCE MANAGEMENT

Internal activities			
MRA 7-Aside Football Festival	31 October 2015	123	• Winning Team – Galacticos Team • 2nd Place Winner – Wonder Squad • 3rd Place Winner – Bulldozer FC
Domino Tournament	5 December 2015	75	• Winners – Mr C. Ramessur & Mr C. Lochun • 2nd Place – Mr S. Ramphull & Mr B. Dabidin • 3rd Place – Mr S. Raumessur & Mr K. Jeetun



Customs Officer Harris Khelawon

Winner of the Best Athlete Award in the FMSC athletics; winner of the 11 km Trail de Mare Longue mountain race; 3rd in the 25 km King Savers national race and 3rd in the 42 km Marathon International de l'Ile Maurice.

HUMAN RESOURCE MANAGEMENT

9.7. SAFETY AND HEALTH POLICY

In its philosophy of ensuring that its staff members are working in a safe and healthy environment, the MRA has incorporated in its Safety and Health Policy a range of procedures which are intended to eliminate, reduce or control risks. Some measures taken during the year included:-

(i) Training on Health and Safety issues

- (a) Training on Fire Fighting (theoretical + practical)
- (b) Training on the use of Dosimeters (PATS)
- (c) Training on the use of BP Monitors
- (d) Training on the Use of Wheel Chair + Stretcher
- (e) Sensitization sessions on the Prevention of Diabetes
- (f) Training on the safe use of Visual Display Unit (VDU's) and manual handling
- (g) Training provided to Fire Wardens in their roles and responsibilities

(ii) Sensitization and Awareness campaigns

- (a) Sensitization of staff members regarding Seasonal Flu
- (b) Awareness on Healthy Eating with respect to Blood Pressure

(iii) Fire drills

3 Fire Drills were conducted at Custom House, Eham Court and Belfort Tower

(iv) Safety and Health Committee

5 Safety and Health Committees were held in 2015 to discuss safety and health arising out of work.

(v) First Aid and other facilities provided to the staff members

- (a) Staff working in outposts were provided with Personal Protective Equipment (PPE)

- (b) A refresher first aid course was conducted with the assistance of St-John Ambulance.
- (c) Ergonomic chairs were provided to Customs Officers working in Customs outposts.

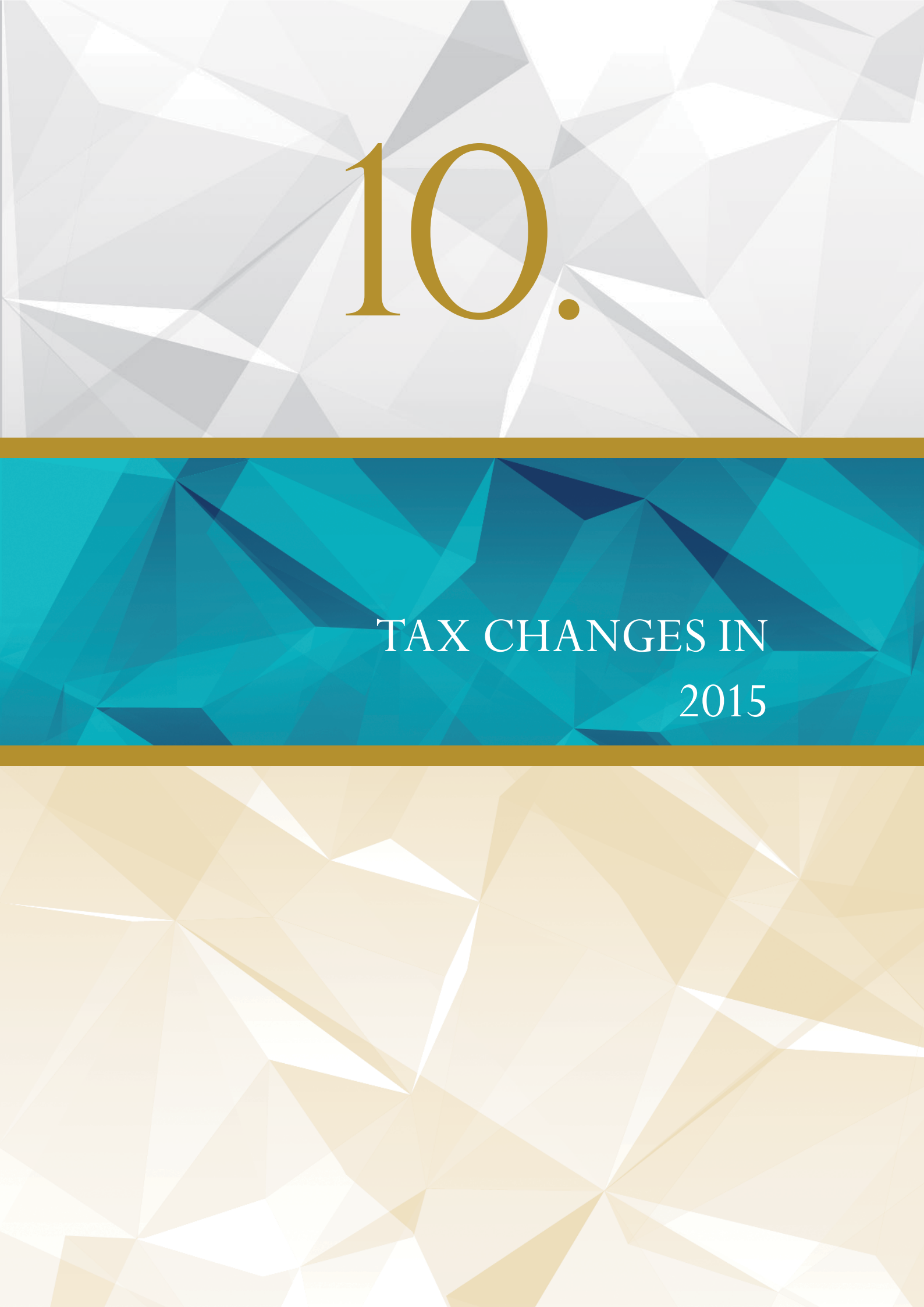
9.8. ACOLADES

The MRA was awarded the African Tax Administration Forum (ATAF) Innovation Award in the Revenue Collection category for the MRA VAT Lucky Draw Scheme Initiative, during the 2nd International Conference on Tax in Africa held in Lomé, Togo.



The DG receiving the ATAF innovation award for VLDS





10.

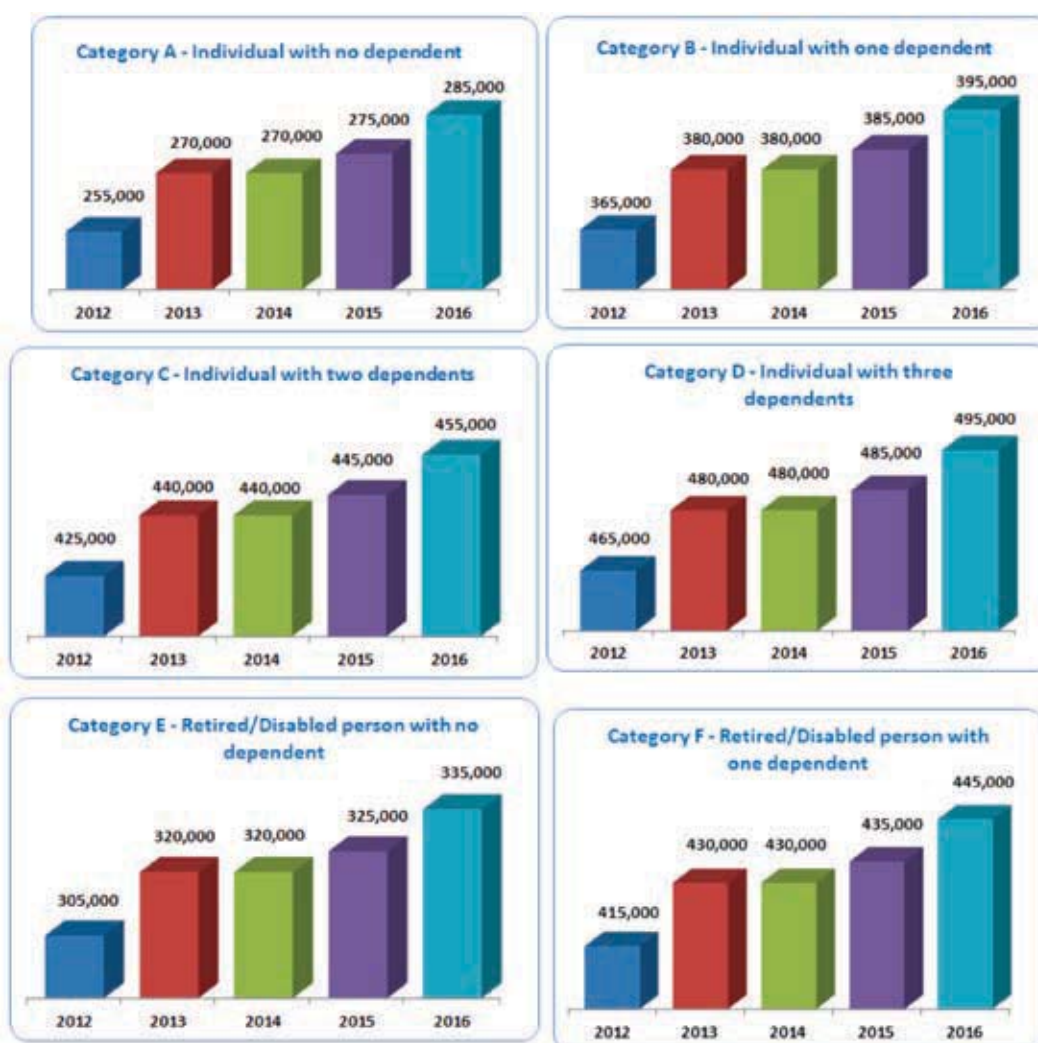
TAX CHANGES IN
2015

TAX CHANGES IN 2015

INCOME TAX : INDIVIDUALS

- Income Exemption threshold**

Increased by Rs 10,000 in the annual Income Exemption Threshold for each category of taxpayers as from 1 July 2015.



- Lump sum income**

The exemption threshold of Rs 1.5m on lump sum received as commutation on pension, retiring allowance or severance allowance increased to Rs 2m from 1st July 2015.

- Solar energy investment allowance**

The investment in solar energy unit, including photovoltaic kits and battery

for storage of electricity, may be claimed as relief, by way of deduction from net income of an individual.

- Tax exemption on donation of Basic Retirement Pension**

Exemption from tax of the amount of basic retirement pension donated in full by an individual to an approved charitable institution or an approved foundation.

TAX CHANGES IN 2015

- ***Additional deduction for dependent child***

The additional deduction in respect of children pursuing tertiary studies, whether in Mauritius or abroad increased to Rs 135,000 per dependent child and the deduction being allowable for the first six years of study.

- ***Interest relief***

The ceiling of Rs 120,000 on interest paid on secured housing loan and the 5-year time limit removed.

- ***Submission of income tax returns***

Tax return to be submitted annually on 30th September (manual) /15th October (electronic) covering income period 1st July to 30th June.

- Alignment of tax year with government's new financial year end of 30 June

- Filing of 2 personal income tax returns in 2015:

- By 31 March/15 April 2015 for year ended 31 December 2014

- By 30 September/15 October 2015 for 6 months ended 30 June 2015

- Thereafter, income tax returns to be filed annually by 30 September/15 October

- ***Diaspora (Returning citizens)***

Income tax exemption for a period of 10 years on all income including worldwide income for members of the Mauritian Diaspora.

INCOME TAX : COMPANIES

- ***Advance Payment System Statement (APS)***

Companies with turnover of less than Rs 10 million exempted from the submission of quarterly APS statement.

- ***Alternative Minimum Tax (AMT)***

The AMT has been abolished.

- ***Special Levy on Banks***

The Special Levy on banks extended up to June 2018.

- ***Solidarity Levy on Telephony Service Providers***

The Solidarity levy on telephony service providers extended up to June 2018.

- ***Corporate Social Responsibility (CSR)***

Every company having a CSR Fund henceforth required to carry out a CSR programme in accordance with its own CSR framework

Submission as an annex to its return of income a statement showing the amount of CSR spent and the details of CSR projects implemented by the company during the income year.

- ***Interest income***

Interest received by a non-resident company from debentures quoted on the Stock Exchange exempt from income tax

- ***Tax Deduction at Source (TDS)***

Companies with annual turnover not exceeding Rs 6 million not required to operate TDS.

- ***Large Companies Statement***

Companies with annual turnover exceeding Rs 100 million to submit every year to the MRA a Statement giving the details on payments made during the year in excess of Rs 100,000 for purchase of goods and services as well as other particulars.

- ***SMEs***

Small company registered under the Small and Medium Enterprises Development Authority Act, on or after 2 June 2015 exempted from payment

TAX CHANGES IN 2015

of corporate income tax and from the requirement to operate tax withholding under Tax Deduction at Source (TDS) for the first 8 years.

Introduction of a Simplified Income Tax System for enterprises with turnover not exceeding Rs 10 million for submission of tax return on 'cash basis'.

OTHER TAX MEASURES

- **Promotion of Green and Sustainable Development**

Accelerated annual allowances provision for Green Investment: landscaping and other earth works for embellishment purposes (50% straight line); and green technology equipment (50% straight line) reintroduced and made permanent.

- **Accelerated depreciation for Manufacturing**

Extension of accelerated annual allowances for 3 more years up to 30th June 2018 as follows:

Capital expenditure incurred on	Rate of annual allowance – Percentage of	
	Base Value	Cost
Industrial premises dedicated to manufacturing	30	
Plant or machinery costing Rs 50,000 or less	-	100
Electronic and high precision machinery (including computer hardware and software)	-	50
Plant and machinery (excluding passenger car) by a manufacturing company	-	50
Scientific research	-	50

- **Bio farming**
- 8-year tax holiday for those engaged in bio production.
- Exemption from various taxes and duties on importation of bio food inputs.

- **Payment on objection**

Reduction from 30% to 10% of the deposit required from a taxpayer for lodging an objection against a tax assessment.

- **Time limit for raising an assessment**

The statutory time limit for an assessment is being reduced from 4 years to 3 years.

- **Interest on late payment of taxes**

Interest rate on late payment of taxes reduced from 1% per month to 0.5% per month

- **SMEs**

For Small enterprise with annual turnover not exceeding Rs 10 million:

- penalty for late payment of taxes reduced from 5 per cent to 2 per cent.
- for late submission/non submission of Income Tax return, the maximum amount of penalty reduced from Rs 20,000 to Rs 5,000.

- **Expedition Dispute Resolution Tax Scheme (EDRTS)**

EDRTS extended for one additional year

VALUE ADDED TAX (VAT)

- **VAT registration threshold**

The compulsory VAT registration turnover threshold increased from Rs 4 million to Rs 6 million.

- **Levy on SMS**

The 10 cents levy per message on SMS and MMS abolished.

- ***VAT Refund Scheme on Residential Building/Apartment***

The existing VAT Refund Scheme on Residential Building extended to June 2018.

- ***VAT Annual accounting system***

Small enterprises with annual turnover not exceeding Rs 10 million may operate the VAT Cash Accounting System on either the cash or accrual basis.

- ***Petroleum Exploration***

Plant, machinery and equipment for exclusive use in the exploration and production of petroleum products exempted from VAT.

- ***Deep Ocean Water Applications***

VAT zero-rating of chilled deep sea-water to be used for the provision of air conditioning services.

- ***Diaspora (Returning citizens Scheme)***

VAT exemption on personal belongings of members of the Mauritian Diaspora.

- ***Agent importing second-hand cars***

Any person acting as agent in the importation of second-hand motor cars or other motor vehicles to be compulsorily registered for VAT purposes.

- ***VAT Withholding***

Public sector agencies to remit to MRA a percentage of VAT paid on contracts exceeding Rs 300,000.

- ***VAT repayment***

The time limit for repayment of VAT by the MRA shall run as from the date of submission of all invoices, documents and information requested.

- ***VAT on Health Services***

Exemption from VAT on construction of a purpose-built building for health

services also covers nursing homes under the Private Health Institutions Act.

- ***Credit for input tax***

A credit for input tax can now be claimed within a period of 36 months instead of 24 months.

CUSTOMS AND EXCISE

- Administrative penalty mechanism – penalty shall not exceed 50% of the amount of under payment of duty, excise duty and taxes and interest rate has been revised from 1% to 0.5%;
- MID levy shall be chargeable only on petroleum products meant for home consumption;
- For objection made after the time limit specified and where the Director-General refuses to consider same, obligation of the Director-General to give notice of the refusal to the person;
- No claim or refund of customs duty if amount is less than Rs250;
- abandoned goods which cannot be sold for a sufficient price and seized goods may be reserved for a Ministry, a Government Department, a statutory body, the Rodrigues Regional Assembly, foreign government or a charitable institution;
- For goods suspected to be counterfeit and where the right holder has not applied for border protection, the Director-General of MRA may on his own initiative suspend clearance of the goods for 3 working days and at the same time request the owner or the authorized user to initiate action against the importer;

TAX CHANGES IN 2015

- Small quantities of IPR infringing goods of a non-commercial nature, intended for personal use, sent in small consignments or contained in the luggage of a passenger, master or crew shall not be subject to suspension;
- Scanning of passenger travel documents is allowed under the Act and this will enable quick completion of Custom formalities;
- Trade facilitation measures for bonded warehouses – removal of locks, warrant is eliminated, management of stock electronically in a computer system (doing away with monthly return) ;
- MRA to carry out physical inspection of warehouse on a risk management basis;
- Deferred payment Scheme for SME and VAT registered person - the duty, excise duty and taxes on the goods cleared shall be paid –
 - (i) in the month of June, not later than 2 working days before the end of that month; and
 - (ii) in any other month, not later than 7 working days after the end of that month
- Trade facilitation measure to reduce financial burden on manufacturers of excisable goods - Security for ensuring payment on excisable goods manufactured in Mauritius, to be given by bond with one sufficient surety instead of bank guarantee;
- Align the definition of cordial with liqueur and also to differentiate with rum, local rum and agricultural rum for the correct taxation according to the process of manufacture and classification.
- In addition to waste PET bottles, any person who exports PET flakes or recycles waste PET bottles into reusable goods may make a claim for refund provided that the weight exceeds one thousand kilogrammes. Rate of refund is Rs 5 per kg;
- Issuance of “certificate of age” specifying the age of matured rum, matured agricultural rum or matured local rum, approved by the Director-General.
- Every member registered under the Diaspora Scheme shall be exempt from the payment:
 - (i) of excise duty under the Excise Act up to a maximum of 2 million rupees on a motor car; and
 - (ii) of Customs Duty under the Customs Tariff Act and value added tax under the Value Added Tax on his household and personal effects
- Under the Smart City Scheme a smart city company or smart city developer, shall not pay customs duty on dutiable goods imported to be used under the scheme except for furniture
- Customs duty on iron bars has been reduced to 10% as from 1 July 2015;
- Concessionary rate of excise duty on purchase of a motor car extended to parents of all disabled persons with impaired mobility of 60% or above;



11.



MAIN EVENTS IN
2015

MAIN EVENTS IN 2015



The MRA celebrated the International Customs Day on 26 January 2015. The celebrations were graced by the Honourable Seetannah Lutchmeenaraidoo, Minister of Finance and Economic Development

The E-Filing Campaign 2015 – The MRA extended its support to the taxpayers through the operation of 19 Free Income Tax Assistance (FITA) centres across the island (including Rodrigues).



The VAT Lucky Draw Scheme (VLDS) campaign for the year 2015 – Address by the Chairperson MRA Board.

MAIN EVENTS IN 2015

International Taxation: Lecture by Prof. P. Shome, an international expert in fiscal matters, for a lecture on 'Recent Developments in International Taxation'.



On the occasion of its 9th, the MRA organised a Blood Donation Campaign on Friday 24 July 2015 where 903 pints of blood were collected.

The MRA organized its Annual Press Conference on Wednesday 1 July 2015 at the MRA Head Office.





The MRA won the ATAF Innovation Award for Revenue Collection through community involvement with the VAT Lucky Draw Scheme initiative.

The Director General of the MRA was elected as the Chairman of the Commonwealth Association of Tax Administrators (CATA) during the 13th General Meeting held in Malaysia



The MRA organized its Annual End of Year Get-Together at the Swami Vivekananda International Convention Centre (SVICC) on Tuesday 15 December 2015.

12.

MRA FINANCIAL STATEMENTS

MRA FINANCIAL STATEMENTS

BOARD'S REPORT

The Board of the Mauritius Revenue Authority presents the audited financial statements of the Mauritius Revenue Authority for the year ended 31 December 2015.

Statement of Board's responsibilities in respect of the financial statements

It is the responsibility of the MRA to prepare and submit an annual report which includes the financial statements to the MRA Board for approval. After approval by the MRA Board, the Chief Executive Officer shall, not later than 30th April after the end of every financial year, submit the annual report to the auditor. On receipt of the annual report including the audited financial statements and the audit report, the MRA Board shall, not later than one month from the date of receipt, furnish to the Minister such reports and financial statements.

The audited statements and audit opinion are appended to this report.

While approving the financial statements, the Board ensures that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures explained in the financial statements;
- The financial statements have been prepared on the going concern basis.

The Board confirms that they have complied with the above requirements.

MRA is responsible for keeping proper accounting records for the purpose of recording all the transactions relating to its undertakings, funds, activities and property and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the MRA Board



Sateev Seebaluck, G.O.S.K
Chairperson

MRA FINANCIAL STATEMENTS

REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE MAURITIUS REVENUE AUTHORITY



REPORT OF THE
DIRECTOR OF AUDIT

On the Financial Statements
of the Mauritius Revenue Authority
as at 31 December 2015

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF THE

MAURITIUS REVENUE AUTHORITY

Report on the Financial Statements

I have audited the financial statements of the Mauritius Revenue Authority on pages 109 to 128*, which comprise the statement of financial position as at 31 December 2015 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and statement of comparison of budget for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and in compliance with the Mauritius Revenue Authority Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

MRA FINANCIAL STATEMENTS

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mauritius Revenue Authority as at 31 December 2015, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and comply with the Mauritius Revenue Authority Act.

Report on Other Legal and Regulatory Requirements

Management's Responsibility

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the laws and authorities which govern them.

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion on Compliance

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations I have required for the purpose of my audit.

In my opinion, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Statutory Bodies (Accounts and Audit) Act.

MRA FINANCIAL STATEMENTS

Public Procurement Act

The Mauritius Revenue Authority was responsible for the planning and conduct of its procurement. It was also responsible for defining and choosing the appropriate method of procurement and contract type in accordance with the provisions of the Act and relevant Regulations. My responsibility is to report on whether the provisions of Part V of the Act regarding the Bidding Process have been complied with.

In my opinion, the provisions of Part V of the Act have been complied with as far as it appears from my examinations of the relevant records.



K.C.TSE YUET CHEONG (MRS)
Director of Audit

National Audit Office
Level 14, Air Mauritius Centre
PORT LOUIS

31 October 2016

MRA FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	Notes	31 DECEMBER 2015 Rs	31 DECEMBER 2014 Rs
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	66,329,325	111,916,903
Receivables	8	9,379,242	9,439,440
Inventories	9	14,990,259	16,024,095
Prepayments	8	10,282,633	7,660,680
		<u>100,981,459</u>	<u>145,041,118</u>
Non-Current Assets			
Property, Plant and Equipment	5	460,330,652	471,925,275
Intangible Assets	6	35,747,290	40,022,868
		<u>496,077,942</u>	<u>511,948,143</u>
TOTAL ASSETS		<u>597,059,401</u>	<u>656,989,261</u>
LIABILITIES			
Current Liabilities			
Payables	10	61,797,059	66,772,298
Advance Receipts - Transfers	11	-	3,606,170
		<u>61,797,059</u>	<u>70,378,468</u>
Non-Current Liabilities			
Employee Benefits	18	342,620,718	101,277,772
		<u>342,620,718</u>	<u>101,277,772</u>
TOTAL LIABILITIES		<u>404,417,777</u>	<u>171,656,240</u>
NET ASSETS		<u>192,641,624</u>	<u>485,333,021</u>
NET ASSETS/ EQUITY			
Revaluation Surplus	20	41,166,501	28,962,946
General Fund		151,475,123	456,370,075
TOTAL NET ASSETS/ EQUITY		<u>192,641,624</u>	<u>485,333,021</u>

Approved by the Board on 31 March 2016



Chairman



Board Member

The Notes on pages 121 to 136 form part of the financial statements.

MRA FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Year Ended 31 December 2015 Rs	Year Ended 31 December 2014 Rs
Revenue			
Non-Exchange Transactions	13	1,459,595,818	1,359,431,816
Exchange Transactions	14	3,216,840	4,134,997
		1,462,812,658	1,363,566,813
Expenditure			
Administrative Expenses	15	1,765,165,902	1,392,428,943
Finance Cost	16	4,299,123	3,424,977
		1,769,465,025	1,395,853,920
		(306,652,367)	(32,287,107)
Gain/(Loss) on Disposal		(16,690)	139,076
Deficit for the period		(306,669,057)	(32,148,031)

STATEMENT OF CHANGES IN NET ASSETS/ EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Revaluation Surplus Rs	General Fund Rs	Total Rs
Balance at 1 January 2014	6,016,000	488,287,106	494,303,106
Change in net assets/ equity for the period			
Transfer to Accumulated Surplus/(Deficit)	(231,000)	231,000	-
Revaluation Surplus for the period	23,177,946	-	23,177,946
Net Surplus/(Deficit) for the period	-	(32,148,031)	(32,148,031)
Total recognised revenue and expense for the period	22,946,946	(31,917,031)	(8,970,085)
Balance at 31 December 2014	28,962,946	456,370,075	485,333,021
Balance at 1 January 2015	28,962,946	456,370,075	485,333,021
Change in net assets/ equity for the period			
Transfer to Accumulated Surplus/(Deficit)	(1,774,105)	1,774,105	-
Revaluation Surplus for the period	13,977,660	-	13,977,660
Net Surplus/(Deficit) for the period	-	(306,669,057)	(306,669,057)
Total recognised revenue and expense for the period	12,203,555	(304,894,952)	(292,691,397)
Balance at 31 December 2015	41,166,501	151,475,123	192,641,624

MRA FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	YEAR ENDED 31 DECEMBER 2015	YEAR ENDED 31 DECEMBER 2014
	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit)	(306,669,057)	(32,148,031)
Adjustments for :		
Depreciation and Amortisation	76,763,546	77,912,907
Capital Grant Recognised in Surplus/Deficit	(34,077,488)	(58,045,341)
Capital Grant Received (Note c)	30,471,318	61,651,511
Provision for Employee Benefits	241,342,946	17,384,388
(Gain)/Loss on Disposal	16,690	(139,076)
Liquidated Damages	(119,354)	(32,330)
Interest Income	-	(3,031,401)
Interest Received (Note d)	-	3,031,401
(Increase)/Decrease in Inventories	1,033,836	(2,435,838)
(Increase)/Decrease in Receivables	(2,561,755)	4,412,967
Increase/(Decrease) in Payables	(4,975,239)	4,736,293
Net Cash Flows from Operating Activities	1,225,443	73,297,450
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment (Note b)	(48,259,923)	(75,445,707)
Proceeds from Sale of Property, Plant and Equipment	1,446,902	935,196
Net Cash Flows from Investing Activities	(46,813,021)	(74,510,511)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash Flows from Financing Activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(45,587,578)	(1,213,061)
Cash & Cash Equivalents at Start	111,916,903	113,129,964
Cash & Cash Equivalents at End (Note a)	66,329,325	111,916,903

Notes to the Cash flow Statement

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and balance with bank and comprise the following statement of financial position amounts.

	2015 Rs	2014 Rs
Cash at bank	66,257,201	111,828,482
Cash in hand	72,124	88,421
	<u>66,329,325</u>	<u>111,916,903</u>

(b) Property, Plant and Equipment

The aggregate cost of acquisitions was Rs 48,379,277, out of which Rs 119,354 was retained for liquidated damages.

(c) Capital Grant

Capital grant of Rs 61,651,511 received in 2014 and included under financing activities has been reclassified under operating activities.

(d) Interest

Interest of Rs 3,031,401 received in 2014 and included under investing activities has been reclassified under operating activities.

MRA FINANCIAL STATEMENTS

STATEMENT OF COMPARISON OF BUDGET FOR THE YEAR ENDED 31 DECEMBER 2015

RECURRENT BUDGET						
	Budgeted Amounts			Actual Amount		Difference: Final Budget and Actual
	Original		Total	Final		
	Jan 15 to Jun 15 Rs	Jul 15 to Dec 15 Rs				
REVENUE	738,791,000	780,700,000	1,519,491,000	1,469,491,000	1,428,735,170	(40,755,830)
EXPENDITURE (excluding Depreciation & Amortisation)						
Staff Costs	623,591,000	670,600,000	1,294,191,000	1,244,191,000	1,240,548,185	3,642,815
Training of Staff	3,450,000	2,600,000	6,050,000	5,240,000	5,145,278	94,722
Board Members Fees and Expenses	1,200,000	1,200,000	2,400,000	2,400,000	2,330,000	70,000
Missions /Training Abroad	1,800,000	2,400,000	4,200,000	4,610,000	4,522,876	87,124
Professional Fees	3,500,000	4,600,000	8,100,000	6,820,000	6,360,541	459,459
Office Expenses & Services	18,200,000	21,500,000	39,700,000	40,500,000	40,248,920	251,080
Rent	20,300,000	18,800,000	39,100,000	39,100,000	38,993,016	106,984
Utilities	16,700,000	17,600,000	34,300,000	34,300,000	33,519,093	780,907
Motor Vehicles Expenses	8,900,000	6,800,000	15,700,000	15,300,000	14,282,632	1,017,368
Advertising and Publications	4,550,000	5,100,000	9,650,000	9,650,000	8,249,320	1,400,680
Materials, Supplies and Consumables	6,250,000	6,000,000	12,250,000	12,250,000	11,998,727	251,273
IT Expenses	20,300,000	11,100,000	31,400,000	31,400,000	30,499,625	900,375
Uniform	2,000,000	100,000	2,100,000	2,100,000	1,655,786	444,214
Conference	300,000	400,000	700,000	700,000	569,167	130,833
Contributions / Subscriptions	1,500,000	2,500,000	4,000,000	4,800,000	4,638,408	161,592
Service/Bank Charges	1,750,000	2,200,000	3,950,000	4,430,000	4,299,123	130,877
Tobacco & Alcohol Stamps	3,500,000	6,200,000	9,700,000	9,700,000	3,497,836	6,202,164
	737,791,000	779,700,000	1,517,491,000	1,467,491,000	1,451,358,533	16,132,467
Provision - Employee Benefits					241,342,946	(241,342,946)
Total Expenses	737,791,000	779,700,000	1,517,491,000	1,467,491,000	1,692,701,479	(225,210,479)
Budgeted/ Actual Surplus/(Deficit)	1,000,000	1,000,000	2,000,000	2,000,000	(263,966,309)	(265,966,309)
CAPITAL BUDGET						
	Budgeted Amounts			Actual Amount		Difference: Final Budget and Actual
	Original		Total	Final		
	Jan 15 to Jun 15 Rs	Jul 15 to Dec 15 Rs				
Capital Expenditure	25,500,000	7,800,000	33,300,000	33,300,000	31,540,638	1,759,362

Material differences are explained at **Note 19**.

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

1. Principal Activities

The Mauritius Revenue Authority (MRA), a body corporate, was established on 20 October 2004 to serve the purpose described in the Mauritius Revenue Authority Act 2004. It commenced operations on 1 July 2006 acting as agent of the State for the collection of revenue under the revenue laws and for matters incidental thereto.

Reporting Period

The financial statements for the current period have been prepared for the 12 months ended 31 December 2015 with comparative information for the 12 months ended 31 December 2014.

2. Adoption of International Public Sector Accounting Standards (IPSASs)

2.1 Standards Adopted

The Authority has adopted the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standards Board (IPSASB) as from the year 2011 in line with amendments made in the Statutory Bodies (Accounts and Audit) Act.

2.2 Standards Issued but not yet Effective

At the date of authorisation of the financial statements, the following IPSASs were in issue but effective as from 1 January 2017.

IPSAS 33 - First-time Adoption of Accrual Basis IPSASs.

IPSAS 34 - Separate Financial Statements.

IPSAS 35 - Consolidated Financial Statements.

IPSAS 36 - Investments in Associates and Joint Ventures.

IPSAS 37 - Joint Arrangements.

IPSAS 38 - Disclosure of Interests in Other Entities.

IPSAS 33 provides guidance and exemptions for entities that are transitioning to accrual basis IPSASs and will have no impact on MRA's financial statements as the latter already comply with the accrual basis of accounting.

IPSASs 34 to 38 establish requirements for how public sector entities, including Government, should account for their interests in other entities. These standards are not applicable to MRA and will therefore have no impact on the financial statements.

3. Accounting Policies

The principal accounting policies adopted by the Authority are as follows:

(a) Basis of Preparation

The financial statements comply with International Public Sector Accounting Standards (IPSASs) for the accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluation of assets.

The financial statements have been prepared on a going concern basis.

MRA FINANCIAL STATEMENTS

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

(b) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and depreciation is calculated to write off the cost or valuation of tangible fixed assets less any estimated residual value on a straight-line basis over their expected useful lives. Depreciation is charged on a pro-rata basis in the year of acquisition and none in the year of disposal.

The annual rates of depreciation are as follows:

Building	1.45%
Computer Equipment	20%
Furniture & Fittings	10% - 12.50%
Scanners	12.50%
Vehicles	10% - 20%
Equipment	5% - 25%

Capital Expenditure costing less than Rs 5,000 is expensed to the statement of financial performance.

(c) Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses. Computer software costs are recognised as intangible assets and amortised using the straight-line method over their useful lives, not exceeding a period of 5 year.

(d) Revaluation of Property, Plant and Equipment

Property, plant and equipment are revalued by internal or external valuers every 3 to 5 years. Increase in carrying amount of a class of assets is credited directly to revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same class of assets previously recognised in surplus or deficit.

If the carrying amount of a class of assets is decreased, the decrease is recognised in surplus or deficit. However the decrease is directly debited to revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that class of assets.

On retirement or disposal of a revalued asset, the whole revaluation surplus in respect of that asset is transferred directly to accumulated surplus or deficit.

(e) Inventories

Inventories consist of excise stamps, spare parts and consumables and are valued at cost. Cost comprises the purchase price, duties and taxes and is determined by the first-in, first-out (FIFO) method.

(f) Accounts Receivable

Accounts receivable are stated at original invoice amount less an estimate for doubtful receivables based on a review of all outstanding amounts at year end.

(g) Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and cash in hand.

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

(h) Accounts Payable

Accounts payable are stated at their fair value.

(i) Revenue recognition

(i) Exchange Transactions

Revenue from exchange transactions are measured at the fair value of the consideration received or receivable and recognised as follows:

- Interest on a time proportion basis that takes into account the effective yield on the asset.
- Charges for use of assets (other than cash and cash equivalents) as they are earned in accordance with terms of the relevant agreement.

(ii) Non-Exchange Transactions

Assets and revenue arising from transfer transactions are recognised in accordance with the requirements of IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers).

• Transfer Revenue

Assets and Revenue arising from transfer transactions are recognised in the period in which the transfer arrangement becomes binding and are measured at fair value at the date of recognition.

Monetary assets are measured at their nominal value.

Non-monetary assets are measured at their fair value which are determined by reference to observable market values or by independent appraisal by a member of the valuation profession.

Receivables are recognised when a binding transfer arrangement is in place but cash has not been received.

Where transfers are received prior to a transfer arrangement becoming binding, a liability is recognised for the advance receipt.

• Taxes

MRA is an agent of the Government for collection of revenue under the Revenue Laws and amounts collected do not represent economic benefits or service potential that flow to the entity and do not result in increase in assets or decrease in liabilities. Hence, taxes collected are excluded from revenue and are not reported in the financial statements.

However, following amendment to the MRA Act in December 2012, the MRA shall for the purpose of

- assessment of liability to, the collection of and accountability for tax; and
- the management, operation and enforcement of the Revenue Laws prepare statements duly signed by the Director General regarding the various taxes in respect of the financial year 2014 and 2015 and onwards.

(j) Excise Stamps

Fees collected from sale of excise stamps are treated as tax accruing to the Government and paid to the Consolidated Fund.

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

(k) Employee Benefits

• Retirement Benefits

MRA operates both a defined benefit pension plan and a defined contribution pension scheme.

(i) Retirement Benefits under Defined Benefit Pension Plan

The assets of the defined benefit pension plan are managed by the SICOM Ltd and the cost of providing the benefit is determined in accordance with actuarial review.

The present value of defined benefit obligations is recognised in the statement of financial position as a non-current liability or non-current asset after adjusting for fair value of plan assets, any unrecognised actuarial gains and losses and any unrecognised past service cost.

The current service cost and any unrecognised past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets.

A portion of the actuarial gains and losses is recognised as income or expense if the net cumulative unrecognised actuarial gains or losses at the end of the previous accounting period exceeded the greater of:

- 10% of the present value of the defined benefit obligation at that date: and
- 10% of the fair value of plan assets at that date.

The excess determined is spread over the expected average remaining working lives of employees in the plan, which was determined as 21 years as at 31 December 2015.

(ii) Public Pensions Defined Contribution Pension Scheme

A public pension defined contribution pension scheme has been set up with effect from 1 January 2013 following amendment to the Statutory Bodies Pension Funds Act 1978. New entrants in MRA as from 1 January 2013 shall join the scheme and contribute 6% of their salaries. MRA's contribution to the scheme shall be 12% of salaries paid to the new entrants and such contributions are charged to the Statement of Financial Performance in the period to which they relate.

(iii) State plan

For those employees holding a permanent and pensionable post, MRA contributes to the Family Protection Scheme managed by SICOM Ltd and the Civil Service FPS Board. It also contributes to National Pension Scheme for those working on contract basis. The contributions are expensed to the Statement of Financial Performance in the period in which they fall due.

• Leave

MRA employees are entitled to 21 days of sick leave per year and can accumulate their unutilised sick leave up to a maximum of 100 days in bank. Once the maximum is reached, they are entitled to encash up to 16 unutilised days of sick leave out of their annual entitlement. Sick leave accumulated in bank may either be cashed on retirement or taken as pre-retirement leave.

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

Liabilities for unutilised sick leave are recognised in surplus or deficit in the period in which they are earned and are measured at the amounts expected to be paid. Unutilised sick leave exceeding bank maximum is recognised in current liabilities whereas sick leave in bank is treated as a long term liability.

(l) Foreign Currency Translation

Transactions in foreign currencies are translated into the functional and presentation currency, Mauritian Rupee, at the date of transaction using the spot exchange rate.

Monetary assets and liabilities denominated in foreign currencies in the Statement of Financial Position are translated into Mauritian Rupees using the closing rate.

Exchange differences arising are recognised in surplus or deficit in the period in which they arise.

(m) Impairment

At each reporting date, the Authority reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. Accounting Judgements and key Sources of Estimation Uncertainty

The preparation of financial statements in accordance with IPSASs requires the Authority's management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

MRA FINANCIAL STATEMENTS

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

5. Property, Plant & Equipment

	Building Rs	Computer Equipment Rs	Furniture & Fittings Rs	Motor vehicles Rs	Equipment Rs	Total Rs
COST / VALUATION						
AT 1 JANUARY 2015	299,665,500	147,959,034	66,035,338	41,491,495	133,952,965	689,104,332
REVALUATION	-	-	-	(15,120,203)	-	(15,120,203)
ADDITIONS	-	19,535,211	2,426,249	4,593,708	12,002,335	38,557,503
DISPOSALS	-	(14,409,727)	-	(1,270,000)	(602,148)	(16,281,875)
AT 31 DECEMBER 2015	299,665,500	153,084,518	68,461,587	29,695,000	145,353,152	696,259,757
DEPRECIATION						
AT 1 JANUARY 2014	13,028,935	100,514,265	40,698,799	25,239,549	47,851,909	227,333,457
REVALUATION	-	-	-	(29,097,863)	-	(29,097,863)
CHARGE FOR THE PERIOD	4,342,978	18,297,535	6,730,612	6,007,744	27,287,325	62,666,194
DISPOSALS	-	(14,248,654)	-	-	(569,629)	(14,818,283)
AT 31 DECEMBER 2015	17,371,913	104,563,146	47,429,411	2,149,430	74,569,605	246,083,505
NET BOOK VALUE						
AT 31 DECEMBER 2015	282,293,587	48,521,372	21,032,176	27,545,570	70,783,547	450,176,252
Progress payments on Tangible Non-Current Assets						10,154,400
						460,330,652
AT 31 DECEMBER 2014	286,636,565	47,444,769	25,336,539	16,251,946	86,101,056	461,770,875
Progress payments on Tangible Non-Current Assets						10,154,400
						471,925,275

MRA FINANCIAL STATEMENTS

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

6. Intangible Assets

	Computer Software Rs
COST	
AT 1 JANUARY 2015	146,634,680
ADDITIONS	9,821,774
DISPOSALS / SCRAP	(1,060,945)
AT 31 DECEMBER 2015	155,395,509
AMORTISATION	
AT 1 JANUARY 2015	106,611,812
CHARGE FOR THE YEAR	14,097,352
DISPOSALS / SCRAP	(1,060,945)
AT 31 DECEMBER 2015	119,648,219
NET BOOK VALUE	
AT 31 DECEMBER 2015	35,747,290
AT 31 DECEMBER 2014	40,022,868

	31 December 2015 Rs	31 December 2014 Rs
7. Cash and Cash Equivalents		
Cash at Bank	66,257,201	111,828,482
Cash in Hand	72,124	88,421
Total	66,329,325	111,916,903

8 . Receivables and Prepayments

Receivables - Exchange Transactions	1,351,242	1,265,440
Deposit	8,028,000	8,174,000
	9,379,242	9,439,440
Prepayments	10,282,633	7,660,680
Total	19,661,875	17,100,120

MRA FINANCIAL STATEMENTS

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

	31 December 2015 Rs	31 December 2014 Rs
9. Inventories		
Consumables	7,218,860	9,405,930
Excise Stamps	6,714,414	4,295,967
Spare Parts	1,056,985	2,322,198
Total	14,990,259	16,024,095
10. Payables		
Trade Payables	13,670,095	30,121,563
Other Payables	16,347,413	19,073,204
Employee Benefits	29,706,610	11,781,874
Payable to GOM - Excise Stamps	2,064,963	5,787,679
Deposits	7,978	7,978
Total	61,797,059	66,772,298
11. Advance Receipts - Transfers		
At 1 January	3,606,170	-
Capital grant received during the period	30,471,318	61,651,511
	34,077,488	61,651,511
Transfer to Revenue	(34,077,488)	(58,045,341)
At 31 December	-	3,606,170
12. Excise Stamps		
Sales	45,383,000	27,437,000
Cost of Sales	(6,838,442)	(4,072,471)
	38,544,558	23,364,529
Loss on exchange	(509,736)	(35,716)
Liquidated Damages	318,914	89,186
Interest Net of Bank and Other Charges	43,566	240,924
Net Income	38,397,302	23,658,923
Amount accrued to GOM		
Payments made during the year	45,383,000	27,437,000
Balance payable 31 December	2,064,963	5,787,679

MRA FINANCIAL STATEMENTS

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

	31 December 2015 Rs	31 December 2014 Rs
13. Revenue from Non-Exchange Transactions		
Grants received for Capital Expenditure	30,471,318	61,651,511
Advance Receipts - Transfers	3,606,170	(3,606,170)
	34,077,488	58,045,341
Grants received for Revenue Expenditure	1,425,500,000	1,299,900,000
Legal Costs received	18,330	1,486,475
Total	1,459,595,818	1,359,431,816
14. Revenue from Exchange Transactions		
Interest	897,597	3,031,401
Liquidated Damages	357,879	44,748
Insurance - Group Personal Accident	48,538	515,174
Commission-Sale of Cars Seized under Ponzi Scheme	1,200,798	340,834
Encashment of Bond	617,975	173,090
Sundries	94,053	29,750
Total	3,216,840	4,134,997
15. Administrative Expenses		
Staff Costs	1,240,548,185	1,095,802,294
Provision- Employee Benefits	15,947,953	17,384,388
Provision - Leave	225,394,993	-
Training of Staff	5,145,278	5,359,790
Board Members Fees and Expenses	2,330,000	2,400,000
Missions / Training Abroad	4,522,876	3,381,983
Professional Fees	6,360,541	18,847,617
Office Expenses & Services	40,248,920	32,447,829
Rent	38,993,016	37,780,994
Utilities	33,519,093	31,878,560
Motor Vehicle Expenses	14,282,632	16,670,087
Advertising and Publications	8,249,320	8,166,251
Materials, Supplies and Consumables	11,998,727	9,361,747
Excise Stamps	3,497,836	-
IT Expenses	30,499,625	25,387,783
Uniform	1,655,786	5,256,908
Conference	569,167	909,595
Contributions / Subscriptions to Other Organizations	4,638,408	3,480,210
	1,688,402,356	1,314,516,036
Depreciation and Amortisation	76,763,546	77,912,907
	1,765,165,902	1,392,428,943

Note: Net Loss due to exchange rate difference for the year 2015 amounted to Rs 59,257.

MRA FINANCIAL STATEMENTS

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

	31 December 2015 Rs	31 December 2014 Rs
16. Finance Cost		
Bank Charges	4,299,123	3,424,977

17. Related Party Transactions

The Authority regards the Government of Mauritius as its controlling party and discloses the following for the period under review in accordance with IPSAS 20 (Related Party Disclosures).

	31 December 2015 Rs	31 December 2014 Rs
(i) Grants Received from Government		
Cash Grants for Capital Expenditure	30,471,318	61,651,511
Cash Grants for Revenue Expenditure	1,425,500,000	1,299,900,000
	<u>1,455,971,318</u>	<u>1,361,551,511</u>

(iii) Compensation to Key Management Personnel

Short term benefits:

Fees to Board Members	2,330,000	2,400,000
Management Personnel Compensation	51,000,977	51,932,020
Post-Employment Benefits Contribution	-	-
Termination Benefits	-	-
	<u>53,330,977</u>	<u>54,332,020</u>

As per provisions of the Act constituting the Authority, the Board members represent the interest of Stakeholders. However, the Board considers that such representation does not trigger any other related party transactions that would require any further disclosure.

	31 December 2015 Rs	31 December 2014 Rs
18. Employee Benefits		
Retirement Benefit Obligation	117,225,725	101,277,772
Sick Leave	225,394,993	-
Total	<u>342,620,718</u>	<u>101,277,772</u>

MRA FINANCIAL STATEMENTS

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

18. Employee Benefits (Cont'd)

(i) Defined Benefit Pension Plan

The defined benefit pension plan is funded by both the MRA and its employees and the assets of the plan are invested in funds managed by SICOM Ltd.

	31 December 2015 Rs	31 December 2014 Rs
Amounts Recognised in Statement of Financial Position at end of year:		
Present Value of Funded Obligation	2,594,922,431	2,093,966,927
(Fair Value of Plan Assets)	(1,543,542,506)	(1,464,091,726)
	1,051,379,925	629,875,201
Present Value of Unfunded Obligation	-	-
Unrecognised Actuarial Gain/(Loss)	(934,154,200)	(528,597,429)
Liability Recognised in Statement of Financial Position at end of year	117,225,725	101,277,772
Amounts Recognised in Statement of Financial Performance :		
Current Service Cost	85,953,944	70,621,937
Employee Contributions	(44,274,974)	(40,133,530)
Fund Expenses	2,656,536	2,419,839
Interest Cost	157,047,520	156,630,306
Expected Return on Plan Assets	(112,041,656)	(108,632,824)
Actuarial Loss/(Gain) Recognised	15,200,035	16,746,526
Past Service Cost Recognised	-	-
Total, included in Staff Costs	104,541,405	97,652,254
Movements in Liability Recognised in Statement of Financial Position:		
At start of year	101,277,772	83,893,384
Total Staff Cost as above	104,541,405	97,652,254
Contributions paid by Employer	(88,551,849)	(80,262,117)
Actuarial Reserves In	(41,603)	(5,749)
At end of year	117,225,725	101,277,772
Actual Return on Plan Assets:	19,914,181	75,398,242
Main Actuarial Assumptions at end of period:		
Discount Rate	7.50%	8.00%
Expected Rate of Return on Plan Assets	7.50%	8.00%
Future Salary Increases	5.00%	5.50%
Future Pension Increases	3.00%	3.50%

The overall expected rate of return on plan assets is determined by reference to market yields on bonds.

MRA FINANCIAL STATEMENTS

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

	31 December 2015 Rs	31 December 2014 Rs
18. Employee Benefits (Cont'd)		
Reconciliation of the Present Value of Defined Benefit Obligation		
Present Value of Obligation at start of year	2,093,966,927	1,957,878,820
Current Service Cost	85,953,944	70,621,937
Interest Cost	157,047,520	156,630,306
Benefits Paid	(70,617,861)	(55,202,000)
Liability (Gain)/Loss	328,571,901	(35,962,136)
Present Value of Obligation at end of year	2,594,922,431	2,093,966,927
Reconciliation of Fair Value of Plan Assets		
Fair Value of Plan Assets at start of year	1,464,091,726	1,326,520,517
Expected Return on Plan Assets	112,041,656	108,632,824
Employer Normal Contributions	88,551,849	80,262,117
Employee Contributions	44,274,974	40,133,530
Actuarial Reserves In	41603	5749
Benefits Paid + Other Outgo	(73,274,397)	(57,621,839)
Asset (Loss)/Gain	(92,184,905)	(33,841,172)
Fair Value of Plan Assets at end of year	1,543,542,506	1,464,091,726
Distribution of Plan Assets at end of year		
<u>Percentage of Assets at end of year</u>	2015	2014
Government Securities and Cash	58.10%	57.10%
Loans	4.30%	4.10%
Local Equities	15.90%	21.10%
Overseas Bonds and Equities	21.00%	17.00%
Property	0.70%	0.70%
Total	100%	100%
Additional Disclosure on Assets issued or used by the Reporting Entity		
<u>Percentage of Assets at end of year</u>	%	%
Assets held in the Entity's own Financial Instruments	0	0
Property occupied by the Entity	0	0
Other Assets used by the Entity	0	0
History of Obligations, Assets and Experience Adjustments		
Year ending	31 December 2015	31 December 2014
Currency	Rs	Rs
Fair Value of Plan Assets	1,543,542,506	1,464,091,726
Present Value of Defined Benefit Obligation	(2,594,922,431)	(2,093,966,927)
Surplus/(Deficit)	(1,051,379,925)	(629,875,201)
Asset Experience Gain/(Loss) during the period	(92,184,905)	(33,841,172)
Liability Experience Gain/(Loss) during the period	(328,571,901)	35,962,136
Period	2016	
Expected Employer Contributions	92,198,093	

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

18. Employee Benefits (Cont'd)

(ii) Public Pension Defined Contribution Pension Scheme

The contribution of the MRA to the defined contribution pension scheme for the year 2015 is Rs 7,864,756.

19. Comparison of Budget with Actual

Expenditure Budget

MRA presents its financial statements and expenditure budget on an accrual basis. Following change in financial year end from 31 December to 30 June, expenditure budgets were prepared for six months from 1 January 2015 to 30 June 2015 and twelve months from 1 July 2015 to 30 June 2016 respectively and were approved by the National Assembly as a one-line budget. However, the financial statements cover twelve months from 1 January 2015 to 31 December 2015.

For the purpose of presentation of budget information on a comparable basis, the approved budget for 2015/16 has been split into two periods ; six months from July 2015 to December 2015 and six months from January 2016 to June 2016, and the apportioned estimates for the period July 2015 to December 2015 has been added to the approved budget for January 2015 to June 2015.

The estimates for the six months from January 2016 to June 2016 will be carried over and added to 2016/17 budget. Following changes in the Statutory Bodies (Accounts and Audit) Act, the next financial statements will be prepared for 18 months ending 30 June 2017. Consequently, both budget and financial statement will be aligned to the same period.

(i) Recurrent Expenditure Budget

Actual expenditure includes a provision of Rs 15.9M in respect of retirement benefit obligation based on actuarial valuation of pension fund at 31 December 2015 and a provision of Rs 225.4M for sick leave. The difference between the final recurrent expenditure budget and actual (excluding provision for employee benefits) represent 1.1% of budgeted amount and major variances are explained as follows:

- **Salaries and Staff Costs**

The net savings of Rs 3.6M is mainly on account of vacancies not filled at 31 December 2015.

- **Advertising and Publications**

Due to change in financial year, communication strategy regarding VAT Lucky Draw Scheme (VDLS) was put on hold resulting in a saving of Rs 1.4M.

- **Motor Vehicules and Transport Expenses**

Savings of Rs 1M is mainly attributable to reduction in outsourced transport services and reduction in fuel cost.

- **Tobacco & Alcohol Stamps**

Purchases of stamps for the year 2015 was Rs 9.6M out of which Rs 3.5 M was sold and the balance held in stock.

MRA FINANCIAL STATEMENTS

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

19. Comparison of Budget with Actual (Cont'd)

(ii) Revenue

The difference of Rs 40.8 M in revenue is explained as follows:

	Rs'M
Decrease in Government Grants as a result of decrease in expenditure compared to budget	(16.1)
Government grant not drawn at 31 December 2015	(25.9)
Increase in other income	1.2
	<u>(40.8)</u>

Out of the undrawn grant of Rs 25.9M, Rs 20M was drawn in February 2016 for payment of sick leave. Other income increased by Rs 1,235,170 (Budget: Rs 2M) mainly on account of commission received on sale of cars seized under Ponzi Scheme and encashment of bond.

(iii) Capital Budget

Savings of some Rs 1.7M were made on capital expenditure related to purchase of vehicles (Rs 0.4M), IT projects (Rs 1.1M) and equipment & logistics (Rs 0.2M).

20. Revaluation of Assets

	31 December 2015 Rs	31 December 2014 Rs
Equipment	23,177,946	23,177,946
Motor Vehicles	17,988,555	5,785,000
	<u>41,166,501</u>	<u>28,962,946</u>

(i) Equipment

The whole class of X Ray scanners, forklifts and boat were revalued by an independent property valuer (NP Jeetun Chartered Valuation Surveyors) with effective date 31 December 2014 and resulted in a total surplus of Rs 23,177,946.

(ii) Motor Vehicles

The whole class of motor vehicles were revalued in August 2015 by an independent vehicle valuer (CAMEX Consultants) and resulted in a surplus of Rs 13,977,660. As at 31 December 2015, the balance in revaluation reserves was Rs 17,988,555, made up as follows.

	Rs
Balance 1 Jan 2015	5,785,000
Add surplus for the year	13,977,660
Less transfer to surplus / deficit	<u>(1,774,105)</u>
Balance 31 Dec 2015	<u>17,988,555</u>

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

21. Revaluation - Assumptions and Basis of Valuation

Assumptions:

In arriving at an opinion of the revalued amount, the valuer assumed that:

- Vehicles will be properly operated and maintained.
- Spare parts are available on local market and dealer assist services.
- In house technical service facilities are available.
- Supply and demand for vehicles on the market is stable.

Basis:

The revaluation was conducted using worldwide valuation criteria and based on physical inspection and assessment of vehicles.

22. Lease of Land

The New Custom House has been constructed on a portion of land of the extent of 1.51 hectares initially leased by the Mauritius Ports Authority (MPA) to MOFED. The leasehold rights over the land was subsequently transferred to the MRA effective as from 1 January 2012 up to 30 June 2023. The rental payable is as follows:

- (i) Rs 2,250,000 per annum for the period January 2012 to December 2016
- (ii) Rs 2,812,500 per annum for the period January 2017 to December 2021.
- (iii) Rs 3,515,625 per annum for the period January 2022 to June 2023.

The lease may be renewed at the option of the MRA for three further periods of 20 years on such terms and conditions (including revision of rent) as may be agreed between MPA and MRA.

23. Contingent Liability

(i) Claims

The MRA has some pending legal cases. However, it is not practical to give a prudent estimate of their financial effects, uncertainties relating to the amount or timing of any outflow.

(ii) Bank Guarantee

As at 31 December 2015, the Mauritius Revenue Authority has provided the following guarantees:

- Rs 2M in favour of MRA (Customs Department) to cover the payment of VAT on importation of a mobile scanner as required under Customs Act 1988.
- Rs 420,000 for VAT Lucky Draw Scheme and Efilling Draw in favour of Gambling Regulatory Authority to meet licensing conditions as lottery organiser under the GRA Act 2007.

MRA FINANCIAL STATEMENTS

NOTES TO ACCOUNTS - YEAR ENDED 31 DECEMBER 2015

24. Capital Commitments

MRA had capital commitments of Rs 114.1 M at 31 December 2015 but not recognised in the financial statements.

25. Controlling Party

The Authority regards the Government of Mauritius as its controlling party.

26. Risk

- (i) Except where stated elsewhere, the carrying amounts of the Authority's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.
- (ii) Currency risk arises from purchase of goods and services which are denominated in foreign currencies and exposure is minimised by negotiating favourable exchange rates with the bank.
- (iii) Except for cash held at bank in current accounts, the Authority does not have any investment in term deposits nor any loan commitments. Hence, it is not exposed to interest rate risk.
- (iv) The Authority's credit risk is primarily attributable to its receivables. Management reviews all outstanding amounts at year end to determine doubtful receivables
- (v) The Authority does not have significant liquidity risk. All funds come from the Government and cash is drawn on a monthly basis for recurrent expenditure and as and when required for capital expenditure. Forecast cash requirements are closely monitored and a target level of available cash is maintained to meet liquidity requirements.

27. Income Tax

The Authority is not liable to income tax.



13.

THE MRA'S
PERFORMANCE
IN 2015

THE MRA'S PERFORMANCE IN 2015

Objectives	Indicators	Achievements		
1. Promoting Tax Compliance	• Tax revenue collected	Tax		Rs million
		Corporate Tax		9,802
		Income Tax		7,615
		VAT		28,025
		Customs Duties		1,302
		Excise Duties		14,833
		Gambling		1,864
		TDS		1,189
		Passenger fees		1,173
		Others		2,010
		Total		67,813
	• Percentage of cases selected for audit	LTD		20%
		MSTD		
		Income Tax (Business)		1.4%
		VAT		3.29%
		PAYE		1.23%
	Gaming		29.84%	
	• No. of cases in which Investigations completed	142		
	• No. of cases in which assessments are agreed / compounded	49		
	• No. of joint investigations by FID & Customs	13		
	• Average additional tax demand created per fiscal investigation	Rs 5.88 million		
	• No. of operators visited by Flying Squad	124		
	• No. of cases recommended for prosecution	5		
	• No. of cases identified for investigation following department’s intelligence work	112		
	• Number of intelligence visits conducted	475		
	• Number of surprise visits conducted by the intelligence	53		
	• Assessments raised	Tax	No. of Assessments	Tax Yield (Rs million)
Income Tax		3,326	645	
Corporate Tax		881	3,971	
VAT & Others		722	932	
Total		4,929	5,548	
• Percentage of the no. of cases where business audit is completed within 5 months of its beginning to the total no. of audits	74.4% - MSTD			
• Percentage of the no. of cases where business audit is completed within 9 months of its beginning to the total no. of audits	98.9% - MSTD			

THE MRA'S PERFORMANCE IN 2015

Objectives	Indicators	Achievements
1. Promoting Tax Compliance (Cont'd)	• Arrears collected	Rs 1,878 million
	• Percentage of total amount of old collectible debt collected to total collectible debt at the start of the year	30.6%
	• Percentage reduction in book balance of old debt at the start of the year	14.3%
	• Number of visits for widening of tax base	72
	• Number of items of information placed on system	229,235
	• Number of sources from which information is to be collected	3, 333
	• Number of new taxpayers as a result of information matching	5,313
	• VAT Invoice & Lottery Scheme	
	➤ No. of VAT lucky draws effected ➤ No. of taxpayers sending VAT receipts through SMS or MRA website	4 31,243
2. Promoting Taxpayer Education, Communication & Facilitation	• Average no. of days for registering taxpayers	14 days
	• Number and amount of refunds – Income Tax	132,288 income tax refunds for the year 2015 were effected amounting to Rs 511.9m
	• Percentage of returns filed electronically to total no. of returns	LTD – 99% MSTD - Company above Rs10m – 99% - Company below Rs 10m – 78% - Individuals – 97%
	• Number of e-payment users at Customs	2, 150
	• Number of awareness raising campaigns organized	VAT Campaign – 46 activities E-filing – 163 activities EDF/PAYE/TDS – 4 activities Blood donation: 8 activities Total: 221
	• Number of educational seminars conducted	40
	• Number of taxpayer information leaflets/tax bulletins issued, published & distributed	16
	• Number of times MRA website is updated	789 times
	• Number of subscribers to MRA Taxpayer Mailing Service	33,097
	• Time within which tax payers calling at office are served (Average Serving Time)	3.28 minutes

THE MRA'S PERFORMANCE IN 2015

Objectives	Indicators	Achievements		
3. Facilitating Trade and Ensuring Border and Society Protection	• Percentage of import declarations selected for physical inspection	5 %		
	• Average dwell- time for cargo	Channels	Sea	Air
		Green	29 mins	3 mins
		Yellow	2 hrs	4 mins
		Red	12 hrs	4 hrs
	• Maximum time taken to issue a tariff ruling	2 days		
	• Exports clearance time	Air: 2 minutes ; Sea: 0.59 minutes		
	• Narcotics seizures	Narcotics	Weight/Qty	Value (Rs)
		Heroin	10,704 gms	160.5 m
		Hashish	5,406 gms	13.5 m
		Cannabis	9,372 gms	4.3 m
		Synthetic Cannabinoids	293 gms	0.144 m
		Cannabis seeds	78 units	0.0078 m
		TOTAL VALUE		178.5 m
	• Total number of post-clearance audits during the year	128		
	• Total number of Customs Offence Reports (CORs) raised	616		
	• Duties and taxes raised from CORs	Rs 117.4 million		
	• Duties & taxes collected from CORs	Rs 4.9 million		
	• Duties and taxes raised as a result of value upliftments	Rs 28.4 million		
	• Number of excise offences detected	12		
	• Number of control visits of excise operators	396		
4. Strengthening Good Governance and Improving Corporate Image	• Number of declaration of assets verified and reports produced	73		
	• Number of cases of complaints/allegations where enquiries initiated	54		
	• Number of investigations completed	32		
	• Number of cases where disciplinary action was recommended	3		
	• Conducting regular survey on Integrity perception	Work initiated in 2015 and is in progress		
	• Preparing & implementing Annual Audit Plan using a risk based methodology	Completed		
	• No. of system audits	7 system audits completed • Fiscal Investigation, • Debt Management, • Valuation of Second Hand Vehicles, • Overtime, • Customs Control over Duty Free shops (downtown), • Objection and Appeal system, • Fixed Assets Management and Tax Audit of Companies		

THE MRA'S PERFORMANCE IN 2015

Objectives	Indicators	Achievements
4. Strengthening Good Governance and Improving Corporate Image (Cont'd)	• No of Transaction audits in main areas of Revenue Systems	10 completed
	• IT Governance	Work initiated in 2015 and is in progress
	• Preparation of Annual Report 2014	Completed
5. Modernising IT	• Setting up a Taxpayer Portal	Launched on 26 January 2016
	• Automating Data Exchange with third parties	45% Completed
	• Migration to IPv6 network addressing scheme	45% Completed
	• Implementation of desktop virtualisation infrastructure	45% Completed
	• System, Security & Network upgrade	50% Completed
6. Developing Processes & Technology -	• Finalization of Performance Indicators and targets / benchmarks for different departments in MRA	Completed
	• Maintenance & Sustainability of ISO Certification ➤ Conducting training ➤ Monitoring the quality audits ➤ Attending & reporting on all meetings	All activities in respect of ISO projects completed during the year MRA has been recertified to ISO 9001 till July 2018
	• Enhancements of E-services	65% Completed
	• Enhancements to FINHRMS	30% Completed
	• Monitoring performance of different departments against set targets/ benchmarks	Monthly
	• Online Complaint Management System	System is under testing and is being fine-tuned based on end user feedback
	• Enabling online objections to assessments	Completed
	• No. of Internal Training Programmes conducted	60
7. Developing People	• % staff who completed Induction Training	100%
	• No. of Man Days provided	8,592
	• Updating training needs analysis based on Performance Appraisal exercise	Completed
	• Recruitment Plan / Staffing Requirements	Discussed on a monthly basis during Management Team Meeting
	• % of posts vacant against total posts	12.6%
	• Time Taken (months) to fill in vacancies after advertisement	More time is being taken to fill vacancies, at lower & middle level because of huge number of applications received. In 2015, 37 posts were filled
	• Rate of staff turnover	0.44%
	• No. of Health & Safety Committees held	5

THE MRA'S PERFORMANCE IN 2015

Objectives	Indicators	Achievements
7. Developing People (Cont'd)	• Conducting Performance Appraisal (PA) Exercise	PA exercise for period January to June 2015 completed
	• Corporate Social responsibility - Training placement for university students - Food distribution/donation to an orphanage - Patronage financing of a project in a ZEP school	31 • Cash donations made to 3 orphanages (Foyer Pere Laval, Soeurs Missionnaires de la Charite, Ashram Gayasingh), • Food distribution to Children's shelter at Pointe aux Sables, • Lunch distributed to children of Centre D'evail de Tranquebar Fund raising for one pre-primary school & a nursery
	• No. of health/nutrition promotion programme for whole workforce	3 sensitization sessions & 6 training on health & safety issues conducted
	• No. of social events & welfare initiatives conducted	8 sports activities held in collaboration with FMSC & 2 activities organised by HRTD
	• No. of informative HR circular communicated to staff & updates posted on the Intranet	17
	• MRA to become an Employer of Choice – Build Corporate Image through briefing/talks on career & employment opportunities (Career fair)	Contacts established with UoM & UTM, in the first instance. MRA will receive students resumption of classes in February 2016. ACCA Mauritius also been informed to apprise MRA on career fairs to be organized in near future

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ACCRONYMS

APS	Advance Payment System
ARC	Assessment Review Committee
ATAF	African Tax Administration Forum
CCS	Cargo Community System
CDMS	Customs Debt Management System
COR	Customs Offence Report
CPS	Current Payment System
CSR	Corporate Social Responsibility
DOA	Declaration Of Asset
DTAA	Double Taxation Avoidance Agreement
EDRTS	Expeditious Dispute Resolution of Tax Scheme
EPF	Environment Protection Fee
FATCA	Foreign Account Tax Compliance Act
FITA	Free Income Tax Assistance
GRA	Gambling Regulatory Authority
HNWI	High Net Worth Individual
LSD	Legal Services Department
LTD	Large Taxpayers Department
MACSS	Mauritius Cargo Community Services Ltd
MCB	Mauritius Commercial Bank
MOFED	Ministry of Finance and Economic Development
MRA	Mauritius Revenue Authority
MSTD	Medium and Small Taxpayers Department
NCEN	National Customs Enforcement Network
OECD	Organisation for Economic Co-operation and Development
OGA	Other Government Agencies
OSD	Operational Services Department
PATS	Plaisance Air Transport Services
PAYE	Pay As You Earn
PCCA	Post Control and Clearance Audit
PIT	Personal Income Tax
RKC	Revised Kyoto Convention
RTC	Regional Training Centre
SME	Small and Medium Enterprises
SMEDA	Small and Medium Enterprise Development Authority
TDS	Tax Deduction at Source
TIEA	Tax Exchange Information Agreement
TRC	Tax Residence Certificate
VAT	Value-Added Tax
VLDS	VAT Lucky Draw Scheme
WMS	Warehouse Management System

Celebrating 10 years of fruitful achievements

MRA Anthem: Join our hands to prosper

*This country is ours and to serve it is our pride
For we are called the agents, of the State*

*We promote compliance, and to serve you we will stride
For a new tax culture will, germinate*

*Fairness, Integrity, Responsiveness, Transparency
For with your Trust we strengthen the economy*

*We educate, facilitate with passion and dignity
Paving the way for a prosperous country, this is our duty*

*So together as a Family, let us join our hands and Happily,
in chorus state loud and clear,
our Motherland is so dear,
we will make her proud of us!*





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