# CORPORATE PLAN
## 2014 - 2016

Moving **strategically** towards sustainable **growth**

MAURITIUS
REVENUE
AUTHORITY

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Moving **strategically** towards sustainable **growth**

# Chairperson's Foreword

*" In the modern era of maximising stakeholder value and satisfaction benchmarks at all levels, the transformation process is a continuum along which the MRA is committed to the modernisation of its processes and of its strategic paradigms, and to be sensitive in real time to the expectations and requirements of its stakeholders. "*

Moving **strategically** towards sustainable **growth**

The launch of a new strategic cycle embodied in the Corporate Planning process constitutes a landmark for an organisation, especially an institution as crucial for the country and the economy as the MRA. The MRA Board bears an overarching responsibility for the operational performance and strategic management of the MRA, and fully assumes its vital role in shaping its future orientation. The 2014-16 Corporate Plan articulates the MRA's strategic vision and direction.

The cornerstone of the MRA's revenue administration strategic planning process and policymaking philosophy is the aspiration and expectation of its stakeholders. The launch of the 2014-16 Corporate Plan of the MRA heralds a new era in tax revenue administration in terms of catering for the needs of stakeholders through a higher degree of efficiency and customer satisfaction benchmark. The priority remains focused on increased rigour in promoting a culture of tax compliance and infusing a sound tax culture across the Mauritian landscape, whilst deepening a culture of corporate governance at the MRA. Revenue Collection remains a pillar in public sector investment programme management in a Welfare State context within a framework of sustainable economic development.
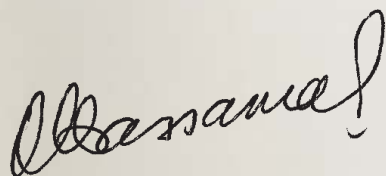
The MRA has undergone a substantial positive transformation since its inception year of 2006, whereby daunting challenges relating to the unification process of all the revenue departments were successfully addressed. Furthermore, the MRA engineered the perfect blend of the right mix of technological advances with its human resource pool of skills & expertise to generate efficiency gains, in a win-win formula for the organisation and its stakeholders.

In the modern era of maximising stakeholder value and satisfaction benchmarks at all levels, the transformation process is a continuum along which the MRA is committed to the modernisation of its processes and of its strategic paradigms, and to be sensitive in real time to the expectations and requirements of its stakeholders.

The key challenge for the MRA is to retain and consolidate its proactive approach, whilst highlighting new initiatives and projects that inject a multiplier effect on productivity ratios and enhance quality assurance of MRA service offerings. The 2014-16 Corporate Planning process is a beacon for steering the MRA towards a scenario where strategic challenges are successfully addressed, whilst ensuring that MRA continues to serve as a Revenue Authority model for its foreign counterparts, and thrives as one of the leading-edge modernized national institution in terms of public sector reform.

I wish to point out that launching a third Revenue Administration Corporate Plan in an eight-year span is a highly commendable achievement. It demonstrates the utmost professionalism of the entire staff and the Management Team of the MRA in their dedicated endeavour to move the organisation forward. I remain very optimistic that the strategic ideas and insight embodied within the 2014-16 Corporate Plan shall be invigorated by every single staff member of the MRA family.

As the MRA Chairperson, I reassure the entire staff of the full commitment and support of the MRA Board as they embark on the crucial implementation phases of the corporate planning strategies and initiatives that will shape the MRA's future against all odds.

**Vasdev Hassamal**
Chairperson

❝ The MRA strives to be a proactive organisation with a strategic focus into future economic scenarios so as to align our strategic direction in order to deliver optimal value for its stakeholders. ❞

The Mauritius Revenue Authority has positively reached its eighth year of operation. The MRA has, during this relatively short time span, established itself firmly in the hearts and minds of the citizens of our country. It is an organisation with a crucial role in the economic life of Mauritius, as it pledges to optimise revenue collection which funds our sustainable economic development underpinned by a welfare state system of public services. The MRA strives to be a proactive organisation with a strategic focus into future economic scenarios so as to align our strategic direction in order to deliver optimal value for its stakeholders.

The 2014-16 MRA Corporate Plan is firmly rooted in a philosophy of modernisation. It captures the MRA's foresight, its strategic intent and commitment to fully meet its statutory obligations and its duty towards the nation over the forthcoming corporate planning cycle, and beyond, in response to the challenges and opportunities reflected in an economic scenario of global financial turmoil and global economic uncertainty. Our corporate planning culture is not restricted to the strategic thinking, planning and optimisation of strategies. It also encompasses the scientific and judicious implementation of corporate planning strategies, in an increasingly volatile business environment globally, to secure a maximum level of desired outcomes over the corporate planning horizon.

The MRA 2011-13 Corporate Plan proposed a series of key projects. Most of the planned strategic initiatives have successfully been implemented. May I, in a spirit of transparency and accountability, highlight a snapshot of such projects:

- introducing login and default password for e-filers and secured electronic payment solution (e.g mobile payment, direct debit);
- setting up of three dedicated Units - Risk Management, High Net Worth Individual & Non-Filers Units - to rank tax compliance risk, tackle non-filers and increase audit efficiency;
- conducting joint tax-customs investigations to make optimum use of information from the tax and Customs databases and the different skills & expertise of MRA Officers;
- recruiting additional staff to increase the ratio of taxpayers being subject to tax audit;
- setting up a Flying Squad to carry out unannounced visits to business premises suspected of not complying with revenue legislations;
- reorienting our approach for tackling debts with greater focus on tax debts exceeding Rs 500,000;
- introducing a debt management module in Customs to better track debts at the level of the Customs department;
- training frontline employees to provide a better quality of service;
- making the Integrated Tax Administration Solution fully operational;
- conducting the integrity perception and Customs Stakeholders' Satisfaction surveys to receive stakeholder feedback for enhancing service delivery;
- signing MOUs with 11 different institutions to facilitate exchange of information and administration of taxes;
- starting the implementation of the electronic Document Record Management System in phases;
- becoming an ISO Certified organization;
- promulgated risk management across the MRA through the Enterprise risk Management project;
- introducing WCO e-learning schemes for our staff, updating the HR Manual, coming up with various health/nutrition and safety programmes;
- reviewing our Performance Appraisal System to *interalia* attach weights to the KPIs;
- extending IT services to MRA's Rodrigues Branch, upgrading MRA's intranet, enhancing the Human Resources Management Information System;
- bolstering our K9 Unit in Customs to reinforce our capacity to track entry of illegal goods; and
- implemented a number of projects at the level of the Customs Department such as paperless Customs, e-payment, Cargo Community System, Risk Management Section, Single Window, excise stamps on alcoholic products, authorized economic operator concept and held the Customs Stakeholders' Forum on a regular basis.

The MRA 2011-13 Corporate Plan laid down the framework to secure the MRA's significant progress towards improving the effectiveness and efficiency of tax administration, facilitating taxpayers, traders and businesses. Three years later, I may confidently report that the MRA has made giant strides in re-engineering our business processes and enabling our management information systems to support the corporate planning commitments undertaken during the 2011-13 strategic cycle in terms of providing an easier, quicker and more effective service to our stakeholders.

However, to tread along the path of prosperity does not warrant focusing into the rear-view mirror in a comfort zone. In view of the global economic uncertainties and financial turmoil afflicting decision makers worldwide since the subprime crisis of 2008, the MRA's new Corporate Plan crafted efficient and effective corporate strategies and initiatives that we intend to implement during the corporate planning cycle period 2014-16. This strategic intent shall further usher the MRA into the next stage of its modernisation and development process.

Planning without action is futile. The MRA will lay the appropriate strategic and operational framework for the full implementation of the strategies articulated in this 2014-16 Corporate Plan. I have utmost confidence in the cooperation, assistance and support of all our stakeholders in making this new Corporate Plan of the MRA a reality in the years to come. I have an unequivocal confidence in the professionalism and determination of my MRA Staff and my Management Team to drive this Plan to its fruitful outcome. We shall, with the support from our stakeholders, endeavour to further facilitate trade and businesses in Mauritius, and raise the required level of revenue to make Mauritius a pleasant environment to live, work, and enjoy, by international standards.

It is indeed a great privilege for me to commend this 2014-16 MRA Corporate Plan to all our stakeholders.

**Sudhamo Lal**
Director-General

A sound strategy starts
with a clear vision
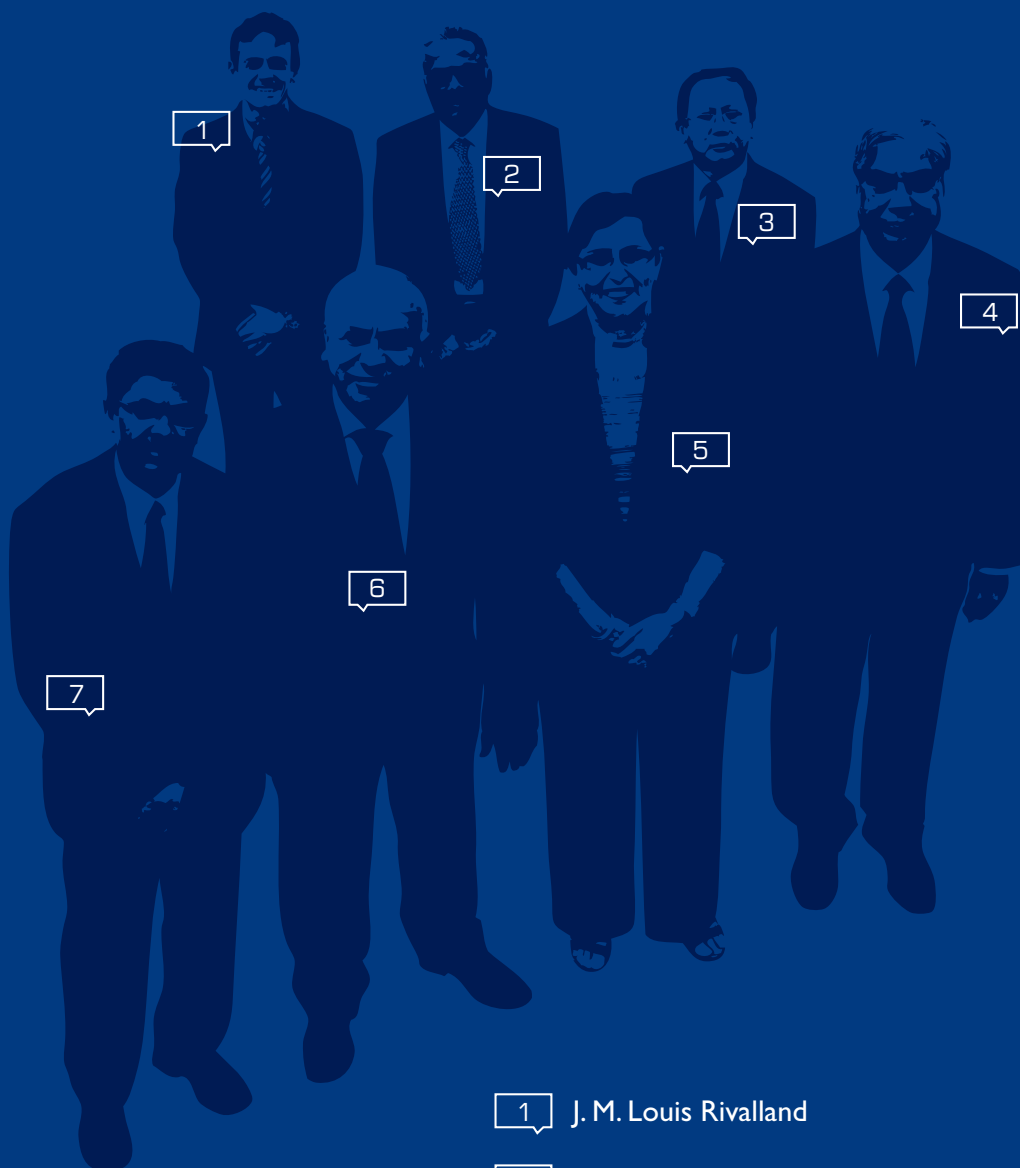
1   J. M. Louis Rivalland

2   Jagnaden Padiaty Coopamah

3   Patrick Yip Wang Wing

4   Sudhamo Lal

5   Mrs Aisha C. Timol G.O.S.K

6   Vasdev Hassamal

7   Dheeren Kumar Dabee G.O.S.K, SC

## Management Team
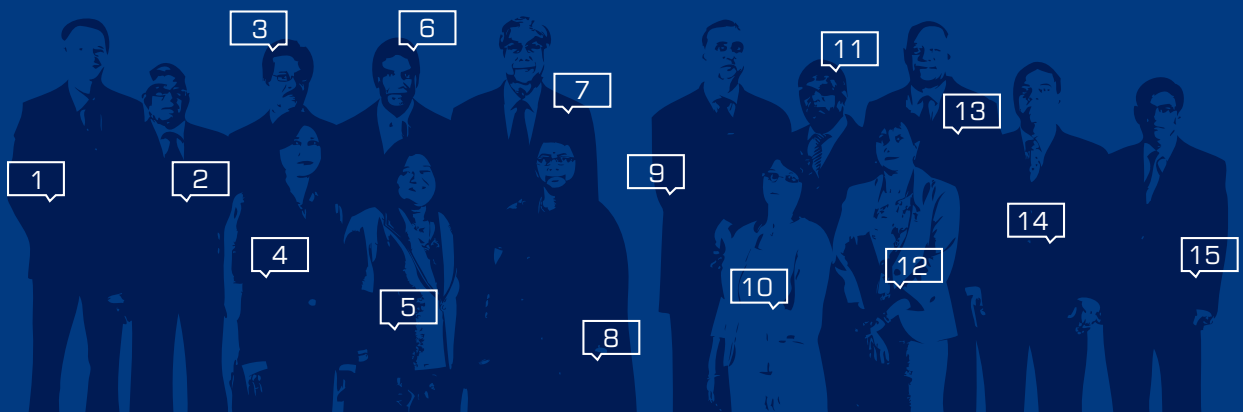
| 1 | James Lenaghan | 9 | Sadek Ruhmaly |
|---|---|---|---|
| 2 | Ishwarduth Beesoon | 10 | Champawatee Gunnoo |
| 3 | Naimduth Bissessur | 11 | Mustupha Mosafeer |
| 4 | Nily Bunwaree | 12 | Sumita Devi Mooroogen |
| 5 | Sharda Devi Dindoyal | 13 | Michel Mario Hannelas |
| 6 | Vijay Kumar Ramnundun | 14 | Soobhash Sonah |
| 7 | Sudhamo Lal | 15 | Dhanraj Ramdin |
| 8 | Vaydavadee Ramdin | | |

Moving **strategically** towards sustainable **growth**

# 1. MRA's Vision, Mission & Core Values

## Our Vision

To be a world class Revenue Authority respected for its professionalism, efficiency, fairness, integrity and its contribution to our economic and social development.

## Our Mission

To continually reform and modernise Revenue Administration in order to manage and operate an effective and efficient Revenue organisation comprising of highly motivated and skilled staff.

## Our Core Values

### Integrity

MRA upholds the highest standards of integrity and honesty so as to gain the respect and confidence of taxpayers, stakeholders and the public at large.

### Responsiveness

MRA endeavours to provide a prompt, efficient, effective and quality service to taxpayers, stakeholders and the public at large in an effort to exceed their expectations.

### Fairness

MRA is committed to apply revenue laws impartially and objectively and treat everyone in an equitable manner.

### Transparency and Accountability

MRA efforts are geared towards the development of the Authority in a manner which promotes a transparent and accountable administration.

Transforming the vision into action
requires the total buy-in of stakeholders

# 1.1 Organisational Structure

**MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT**

**MRA BOARD**

**DIRECTOR-GENERAL**

**MANAGEMENT TEAM**

| Director<br>Customs | Director<br>Finance & Administration | Director<br>Fiscal Investigations | Director<br>Human Resources & Training |
|---|---|---|---|
| Director<br>Information Systems | Director<br>Internal Affairs | Director<br>Internal Audit | Director<br>Large Taxpayers |
| Director<br>Legal Services | Director<br>Medium & Small Taxpayers | Director<br>Objections, Appeals &<br>Dispute Resolution | Director<br>Operational Services |
| | Director<br>Research, Policy &<br>Planning | Director<br>Taxpayer Education &<br>Communication | |

**Key Development Vectors**

| Ocean Economy | Tourism | ICT |

# 2. MRA's Stakeholders & the Economic Landscape

MRA's stakeholders are the cornerstone of our corporate strategic philosophy and the economic and business scenarios that shall have an incidence on their growth and development potential during our Corporate Planning Cycle 2014-16 as illustrated in the selected domestic and international indicators tabled below.

### Table 1: Selected economic indicators: 2010-2014

| | 2010 | 2011 [1] | 2012 [1] | 2013 [1] | 2014 [2] |
|---|---|---|---|---|---|
| Real GDP growth rate (%): | +4.2 | +3.6 | +3.4 | +3.2 | +3.8 |
| Gross Domestic Fixed Capital Formation (GDFCF) growth (%) | -0.7 | +1.4 | -0.8 | -3.5 | +1.2 |
| GDFCF as a % of GDP at market prices | 24.9 | 24.0 | 23.0 | 21.2 | 21.5 |
| Inflation rate (%) | 2.9 | 6.5 | 3.9 | 3.6 | 4.5 |
| Ratio of Budget Deficit to GDP | 3.2 | 3.2 | 1.8 | 3.7 | 3.2 |
| Unemployment rate | 7.8 | 7.8 | 8.0 | 8.3 | 8.7 |
| Real GDP growth rate of Euro zone (%) | 1.8 | 1.5 | -0.6 | -0.4 | 1.1 |
| SEMDEX | 1,967.45 | 1,888.38 | 1,732.06 | 2,095.69 | |

Sources: Statistics Mauritius/BOM/MOFED/SEM/World Bank
1: Revised
2: Forecast

The macroeconomic fundamentals for Mauritius suggest cautious optimism amidst concerns over global economic uncertainty, volatility in financial markets indices, Eurozone sluggish growth projections, recessionary and deflationary downside risks in G8 Economies.

### Table 2 : Selected indicators for trade transactions

| | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|
| Total Exports (f.o.b) Rsm | 61,990 | 62,358 | 67,371 | 88,148 |
| Total imports (c.i.f) Rsm | 134,882 | 147,815 | 160,996 | 165,661 |
| Exports Price Index (Base year 2007=100) | 93.7 | 97.2 | 103.9 | 108.7 |
| Imports Price Index (Base year 2007=100) | 110.6 | 117.6 | 124.6 | 122.8 |
| Mauritius Exchange Rate Index (MERI1)- December end with base year 2007 | 96.18 | 91.61 | 95.34 | 94.26 |
| Current Account Balance (Rsm ) | -30,986 | -44,630 | -25,059 | -36,187 |
| Overall Balance of Payments (Rsm) | +6, 177 | +5,247 | +6,041 | +16,580 |
| Gross Official International Reserves (Rsm) | 79,044 | 81,474 | 92,988 | 105,009 |

Sources: Statistics Mauritius/BOM
Note : MERI 1 is based on the currency distribution of merchandise trade

## 2. MRA's Stakeholders & the Economic Landscape

The international trade exchange depicts sustained buoyancy in imports and a widening current account deficit with a relatively stable Mauritian Rupee Exchange Rate Index. Domestic consumption is a dynamic factor and our International Reserves are firmly set on a sustained growth path.

### Table 3 : Selected Indicators for Banking activities

|  | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|
| Financial and insurance activities real growth rate (%) | +4.5 | +5.6 | +5.7 | +5.4 |
| Key Repo rate | 4.75 | 5.40 | 4.90 | 4.65 |
| Banks Total Assets (Rsm) | 863,467.40 | 882,961.90 | 968,120.20 | 1,033,251.71 |
| Banks Liabilities of which deposits (Rsm) | 632,797.20 | 612,657.00 | 692,056.90 | 737,961.26 |
| Banks :Sectorwise distribution of Credit to the Private Sector(Rsm) of which : | 209,569.50 | 227,043.9 | 256,025.1 | 271,247.5 |
| *Agriculture & Fishing* | 14,468.10 | 16,126.1 | 18,064.1 | 18,963.3 |
| *Manufacturing* | 17,889.40 | 18,200.2 | 18,851.4 | 19,259.8 |
| *Tourism* | 40,380.40 | 43,029.9 | 44,805.7 | 48,756.1 |
| *Transport* | 1,930.00 | 3,505.6 | 4,421.6 | 5,073.7 |
| *Construction* | 46,352.50 | 54,835.5 | 67,646.3 | 75,124.1 |
| *Traders* | 24,070.50 | 28,681.6 | 31,270.5 | 28,886.4 |
| *Information Communication & Technology* | 1,071.30 | 1,073.6 | 1,340.4 | 1,252.3 |
| *Financial and Business Services* | 23,371.20 | 24,033.8 | 25,463.1 | 26,834.6 |
| *Infrastructure* | 4,596.00 | 5,008.9 | 4,939.7 | 4,470.4 |
| *Statutory and Para-Statal Bodies* | 8,957.20 | 3,878.3 | 6,478.7 | 5,796.5 |
| *Freeport Enterprise Certificate Holders* | 513.2 | 450.1 | 488.9 | 437.7 |
| *Personal & Professional* | 20,356.00 | 21,909.5 | 24,990.8 | 30,323.4 |
| *Education* | 1,107.30 | 1,145.0 | 1,309.2 | 1,348.2 |
| *Media, Entertainment and Recreational Activities* | 748.8 | 844.1 | 891.0 | 754.4 |
| *Other Customers* | 3,757.30 | 4,321.7 | 5,063.7 | 3,966.5 |

*Sources: Statistics Mauritius/BOM*

Assets and Liabilities of our Banking Sector exhibit solid resilience in terms of the global risks associated with toxic balance sheets assets. Sectorwise distribution of credit to private sector shows a positive correlation with the growth projections in key activity vectors, namely: Financial and Business Services, Tourism, Trading, Transport, Agriculture and Fishing and Professional segments. The key Repo Rate is in line with upside risk factors, and inflation targeting is fine-tuned with growth strategies and public debt management parameters.

## 3. Review of MRA's Corporate Plan 2011-2013

The aim of this chapter is to highlight the achievements of the MRA in respect of the key projects and initiatives that were mentioned in the second Corporate Plan which covered the period 2011 to 2013. The Plan comprised of five main goals and the achievements will be analysed in terms of each specified goal.

### 3.1 Promoting voluntary compliance

Promoting voluntary compliance remains one of the key objectives of all revenue administrations. In the 2011-13 Corporate Plan, the strategies laid down to achieve the same included analysing revenue, registering new taxpayers, tracking down non registered persons and updating the register, strengthening auditing system, combating tax evasion through in-depth investigations, strengthening partnership with tax practitioners, using prosecution as a deterrent and implementing a new debt management strategy. The table below summarises the key achievements in respect of initiatives/projects to promote voluntary compliance over the 3-year Corporate Plan period.

**Table 4 : Promoting Voluntary Compliance: Achievements 2011-2013**

| KPIs | Targets | Achievements |
|---|---|---|
| Actual Revenue Collections | 2011 - Rs 52.6bn<br>2012 - Rs 58.0bn<br>2013 - Rs 64.7bn | 2011 - Rs 53.0bn<br>2012 - Rs 57.9bn<br>2013 - Rs 61.7bn |
| Number of new taxpayers registered as a result of third party matching of information | 2011 - 1,000<br>2012 - 2,000<br>2013 - 3,000 | 2011 - 2,373<br>2012 - 2,836<br>2013 - 4,500 |
| Total audits effected | 2011 - LTD 250<br>      MSTD 3,500<br>2012 - LTD 250<br>      MSTD 3,800<br>2013 - LTD 260<br>      MSTD 4,000 | 2011 - LTD 348<br>      MSTD 4,477<br>2012 - LTD 562<br>      MSTD 4,855<br>2013 - LTD 612<br>      MSTD 5,077 |
| Total assessments raised | 2011 - LTD 350<br>      MSTD 2,400<br>2012 - LTD 360<br>      MSTD 2,800<br>2013 - LTD 370<br>      MSTD 3,000 | 2011 - LTD 243<br>      MSTD 2,527<br>2012 - LTD 408<br>      MSTD 2,620<br>2013 - LTD 313<br>      MSTD 4,477 |
| Number of investigations completed | 2011 - 80<br>2012 - 85<br>2013 - 90 | 2011 - 92<br>2012 - 105<br>2013 - 169 |
| Number of operators visited by flying squad | 2011 - 75<br>2012 - 75<br>2013 - 75 | 2011 - 20<br>2012 - 44<br>2013 - 75 |
| % reduction in Book Balance of debt at the start of the year | 2011 - 11%<br>2012 - 12%<br>2013 - 13% | 2011 - 10%<br>2012 - 19%<br>2013 - 11% |
| Number of CORs raised | 2011 - 400<br>2012 - 375<br>2013 - 350 | 2011 - 566<br>2012 - 627<br>2013 - 1,073 |

Early & Continuous achievements
are fuel for sustainable growth

# 3. Review of MRA's Corporate Plan 2011-2013

Some other projects implemented during the period under review to improve tax compliance included:

- setting up of three dedicated Units to rank tax compliance risk, tackle non-filers and increase audit efficiency, namely :
  - Tax Risk Management Unit
  - High Net Worth Individual Unit
  - Non-Filers Unit

- setting up a Flying Squad to carry out unannounced visits to business premises suspected of not complying with revenue legislations;
- reorienting our approach for tackling debts with greater focus on tax debts exceeding Rs 500,000; and
- introducing a debt management module in Customs to better track debts at the level of the Customs Department.

## 3.2 Providing Quality Services

MRA always aims at providing a professional and quality service to its taxpayers and stakeholders. Over the last three years, the initiatives that the MRA has adopted in providing a high quality service include speedy processing of taxpayer claims, constantly providing for education of taxpayers, reducing compliance cost by making use of IT and developing a customer feedback strategy.

Some achievements in respect of these above-mentioned initiatives are summarised in the table below.

### Table 5 : Providing Quality Services: Achievements 2011-2013

| KPIs | Targets | Achievements |
|---|---|---|
| Maximum number of days for issuing Fast Track VAT Repayments | 2011 - 7 days<br>2012 - 7 days<br>2013 - 7 days | 2011 - 7 days<br>2012 - 7 days<br>2013 - 7 days |
| Maximum time taken to issue Tax Residence Certificates | 2011 - 7 days<br>2012 - 7 days<br>2013 - 7 days | 2011 - 7 days<br>2012 - 7 days<br>2013 - 7 days |
| Number of educational seminars conducted | 2011 - 25<br>2012 - 30<br>2013 - 30 | 2011 - 33<br>2012 - 36<br>2013 - 36 |
| Number of explanatory leaflets / tax bulletins published and distributed | 2011 - 12<br>2012 - 15<br>2013 - 20 | 2011 - 9<br>2012 - 15<br>2013 - 21 |
| Taxation syllabus in school | Implementation in 2011 | 2011 - Work initiated. Discussions with Ministry of Education: ongoing. |
| Percentage of individuals filing return | 2011 - 88%<br>2012 - 90%<br>2013 - 92% | 2011 - 64%<br>2012 - 82 %<br>2013 - 90% |
| Number of subscribers on mailing service | 2011 - 10,000<br>2012 - 15,000<br>2013 - 20,000 | 2011 - 12,221<br>2012 - 8,396<br>2013 - 10,707 |
| Touch pad telephone in operational area | Implementation in June 2012 | Completed in 2012 |

Some other projects implemented during the period under review to improve delivery of services to taxpayers and our stakeholders included:
*   introducing login and default password for e-filers and secured electronic payment solution (e.g mobile payment, direct debit);
*   training frontline employees to provide a better quality of service;
*   introducing electronic billboard at MRA Headquarters to display tax messages;
*   providing for taxpayer responses through touch pads telephone in operational areas; and
*   conducting the integrity perception and customs stakeholders' satisfaction surveys to receive stakeholder feedback for enhancing service delivery.

### 3.3 Developing People, Processes and Technology

MRA's commitment to developing its people, processes and technology was emphasised through a wide range of initiatives centered around training & self-development, improvement in business processes and modernisation of its IT systems. A summary of the achievements in respect of some key measures are highlighted in the table below.

#### Table 6 : Developing People, Processes and Technology: Achievements 2011 - 2013

| KPIs | Targets | Achievements |
|---|---|---|
| Setting up of full-fledged training academy and recruitment of Principal | 2012 - June | 2012 - Training academy set up and recruitment of Principal completed |
| Number of Training Days provided (man days) | 2011 - 4,000<br>2012 - 4,500<br>2013 - 5,000 | 2011 - 5,698<br>2012 - 13,270<br>2013 - 24,227 |
| Number of e-learning schemes introduced | 2011 - 1<br>2012 - 2 | 2011 - Completed<br>2012 - Completed |
| Implement ISO 9001:2008 | 2011 - In process<br>2012 - To be completed | 2011 - work in progress<br>2012 - Completed<br>2013 - Maintenance & sustainability of Certification |
| Reviewing the Performance Appraisal System | 2011 - January | 2011 - Completed |
| Making ITAS fully operational | 2011 - Partial: 75% (April 2011)<br><br>2012 - 100% operational | 2011 - Personal ITAX went live on 15 March 2011 & Corporate Tax on 15 April 2011<br>2013 - 86% completed |
| Enhancement of Taxpayer Online Service (TPOS) | 2011 - 50%<br>2012 - 75%<br>2013 - 100% | 2011 - Work Initiated<br>2012 - Work in progress<br>2013 - 85% completed |
| Set up & Operate an Electronic Document Record Management System | 2011 - 60%<br>2012 - 80%<br>2013 - 100% | 2011 - Work Initiated<br>2012 - Work in progress<br>2013 - 90% completed |
| Extrapolation of MRA IS platform for mobile-enabled applications | 2012 - 30%<br>2013 - 100% | 2012 - Work Initiated<br>2013 - Work completed |
| Professional services to revamp MRA's web site / intranet | 2011 - 50%<br>2012 - 100% | 2011 - Completed |

# 3. Review of MRA's Corporate Plan 2011-2013

Some other projects implemented during the period under review to develop people, processes and technology included:

- preparation of Learning and Development plan;
- conduct of social events, health and nutrition programmes for the welfare of staff;
- computerisation of the Airport Passenger Terminal;
- bar coding of fixed assets register;
- extension of IT services to MRA's Rodrigues Branch;
- extrapolation of MRA IS platform for mobile-enabled applications and
- revamping of the MRA's website.
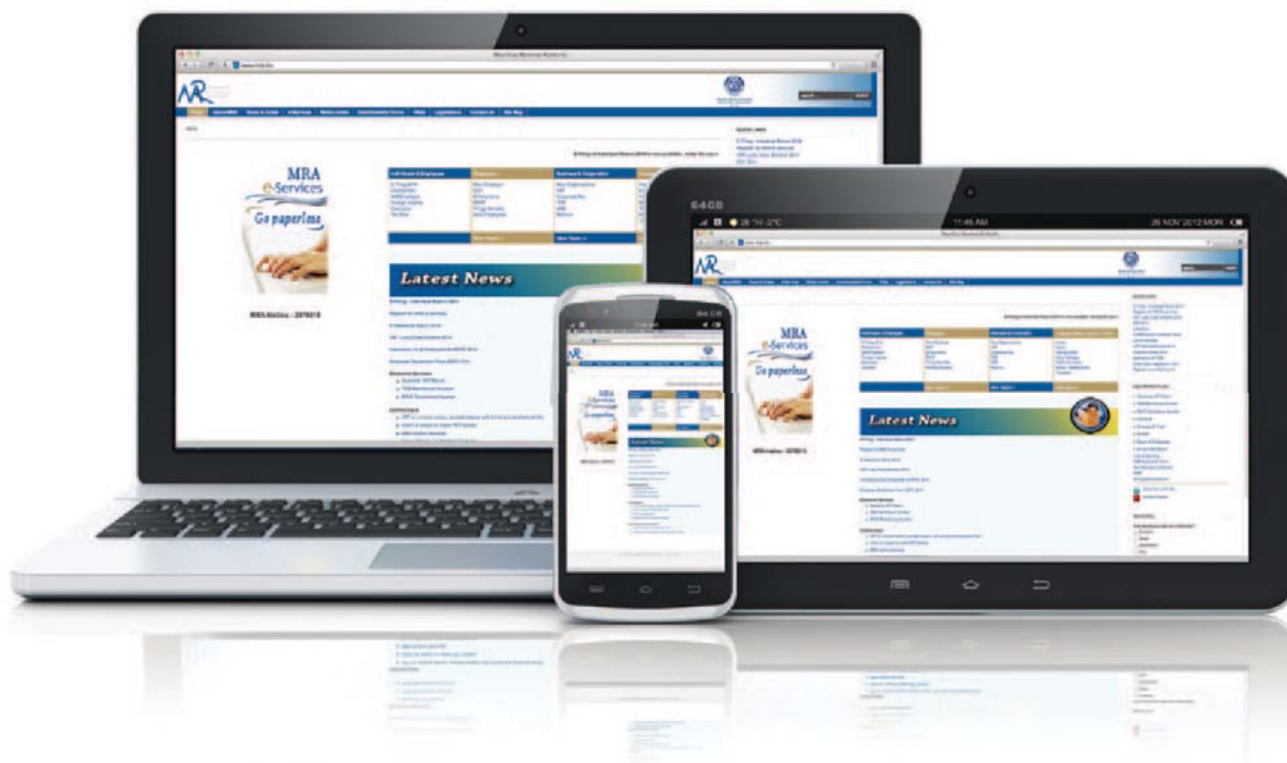
## 3. Review of MRA's Corporate Plan 2011-2013

### 3.4 Facilitating Trade and Ensuring Border and Society Protection

The measures that the MRA has adopted over the past 3 years in ensuring trade facilitation and border and society protection includes intensifying the simplification of procedures, reducing border waiting time for both cargo & people, strengthening Customs-Business relationships, measuring traders/stakeholders satisfaction and reinforcing control & border security mechanisms.

Our achievements in respect of this goal are indicated in the table below:

**Table 7 : Facilitating Trade and Ensuring Border and Society Protection:  Achievements 2011-2013**

| KPIs | Targets | Achievements |
|---|---|---|
| Dwell-Time for Cargo (Green Channels) | 2011 - 3hrs<br>2012 - 3hrs<br>2013 - 2.5hrs | 2011 - 2hrs<br>2012 - 34 mins<br>2013 - 46 mins |
| Export Clearance Time | 2011 - Sea: 4 mins<br>        Air: 36 mins<br>2012 - Sea: 4 mins<br>        Air: 30mins<br>2013 - Sea: 3 mins<br>        Air: 25 mins | 2011 - Sea: 7 mins<br>        Air: 40 mins<br>2012 - Sea: 3 mins<br>        Air: 14 mins<br>2013 - Sea: 2 mins<br>        Air:  6 mins |
| % of declarations subjected to physical examination | 2011 - 12.5%<br>2012 - 12%<br>2013 - 10% | 2011 - 19%<br>2012 - 11.7%<br>2013 - 7% |
| Number of offences detected using K9 unit in Customs | 2011 - 10<br>2012 - 10<br>2013 - 10 | 2011 - 3<br>2012 - 10<br>2013 - 33 |

Corporate Plan 2014-2016

Some other projects implemented during the period under review to facilitate trade and protect the borders included:
- setting-up of a full-fledge Risk Management Section at Customs;
- implementing the HS 2012 version;
- implementing the On-Line Tracking system (OTS) & removal of officers from Freeport;
- introducing paperless customs declaration and web-based SADC certificate of origin;
- implementing the n-CEN, Cargo Community and Single Window projects in phases;
- introducing Tax Stamps on Spirits, Liquor & Alcoholic Beverages; and
- implementing the Authorised Economic Operator Programme.

Mauritius Revenue Authority

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### 3.5 Strengthening Good Governance and Improving Corporate Image

The strategic initiatives used by the MRA in strengthening Good Governance and Improving Corporate Image over the second Corporate Plan period were aimed at enhancing the principles of good governance among staff within the organisation, ensuring information sharing and networking, maintaining both quality & assurance and integrity and good corporate image within the organisation.

A summary of the achievements in respect of some selected KPIs are as below:

### Table 8 : Strengthening Good Governance and Improving Corporate Image: Achievements of 2011-2013

| KPIs | Targets | Achievements |
|---|---|---|
| Preparation of Annual Report | 2011 - 1<br>2012 - 1<br>2013 - 1 | 2011 - 1<br>2012 - 1<br>2013 - 1 |
| Preparation of 3-year Audit Action Plan | 2011 - April | 2011 - Completed |
| Number of system audits throughout the MRA | 2011 - 8<br>2012 - 8<br>2013 - 8 | 2011 - 3 completed & 4 in progress<br>2012 - 8 completed & 5 in progress<br>2013 - 9 completed & 1 in progress |
| Transaction audits in main areas | 2011 - 12<br>2012 - 15<br>2013 - 15 | 2011 - 11 completed & 4 in progress<br>2012 - 11 completed & 5 in progress<br>2013 - 12 Completed & 3 in progress |
| Process & Verify DOAs | 2011 - 350<br>2012 - 700<br>2013 - 800 | 2011 - 82<br>2012 - 145<br>2013 - 220 |
| Number of full-fledged investigations | 2011 - 40<br>2012 - 50<br>2013 - 50 | 2011 - 23<br>2012 - 29<br>2013 - 24 |
| Number of cases where disciplinary action recommended | 2011 - 5<br>2012 - 5<br>2013 - 5 | 2011 - 18<br>2012 - 17<br>2013 - 18 |
| Publishing of an approved integrity policy statement | 2011 - To be initiated<br>2012 - To be completed<br>2013 - Nil | 2011 - Work initiated<br>2012 - Work in progress<br>2013 - Completed |

**Staying focused on primary goals over time**
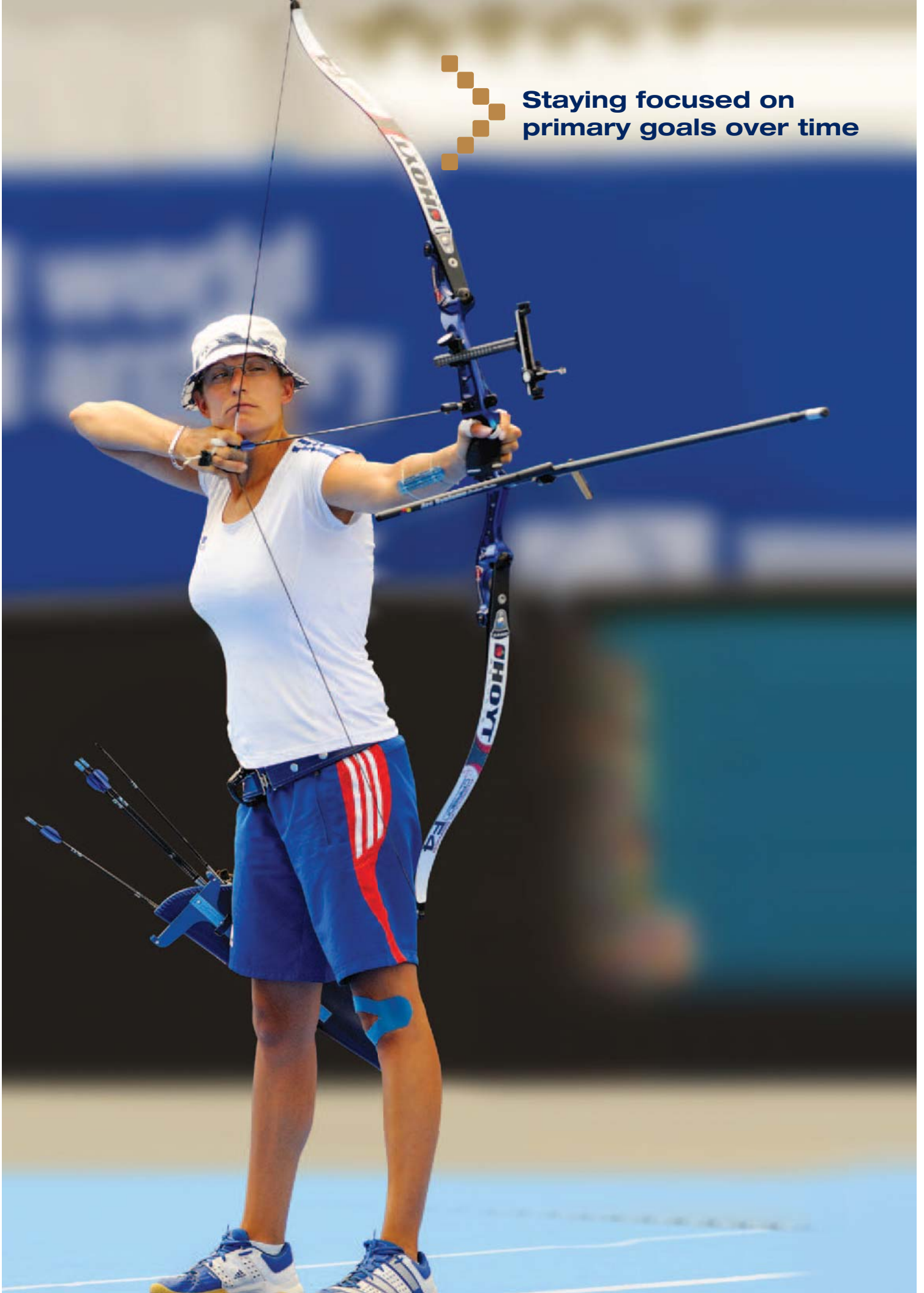
# 4. Goal 1: Promoting Tax Compliance

In Mauritius, we do note that most of the taxpayers pay their fair share of taxes. Conversely, some taxpayers display an apparent aversion in meeting their tax obligations and this constitutes a risk for the MRA in terms of a possible growth in tax non-compliance. MRA's 2014-16 Corporate Plan will trigger a set of measures over the corporate planning cycle of three years, to improve the level of tax compliance whilst preserving the integrity of our tax system. These proposed measures will position the MRA in the league of modern Revenue Administration.

## 4.1 Facilitating SMEs and improving their tax compliance

During the 2014 to 2016 period, MRA will implement stringent measures to significantly enhance the tax compliance level of Small and Medium Enterprises.

MRA's Strategic Approach shall include:
- the simplification of record-keeping requirements for specified categories of taxpayers, including SMEs, by prescribing the type of records to be maintained, and the procedures to be respected;
- the production of VCDs to illustrate to self-employed taxpayers the manner in which their tax return forms must be duly filled;
- the customisation of a simplified record keeping software for SMEs that shall be available free of charge
  to MRAs stakeholders in the SME Sector; and
- the setting up of a dedicated SME Unit within the MRA to provide sustained professional support to SMEs- for instance, providing logistical support to SMEs with respect to the installation and use the customised software to record their daily transactions, educating SMEs on record keeping and more stringent tax compliance requirements.

## 4.2 Conducting educational campaign for large taxpayers

Recent cases of tax turmoil such as SABMiller, Amazon.com, are a wakeup call for companies to adopt a tax planning approach in their corporate social responsibility agenda. This issue ranked high on the agenda of International Tax forums and Tax Administrations. The MRA will embark on a targeted educational campaign to sensitise our stakeholders pertaining to issues relating to how information on important tax practices form an integral part of the overall corporate social responsibility programmes of a company.

### 4.3 Tracking non-filers

The tracking of non-filers and stop-filers is a key component of our strategy to widen the tax base and boost our tax yield. MRA initial strategy in 2013 with the creation of the Non-Filers Unit was geared towards reviewing the taxpayer register to get an accurate picture of taxpayers required to file return. This exercise will be completed in 2014.

Over the 2014 to 2016 period, the MRA will aim at:
• implementing a comprehensive timely approach to identify non-filers after every tax filing season;
• undertake field visits and issue default assessment on person failing to comply with reminders; and
• enhance enforcement through greater use of  penalties and prosecution within the ambit of our revenue laws.

### 4.4 Extending the network of third party information

Our comprehensive network of third party information is a vital pre-requisite for tax cases selection process for audit in our determination to improve tax audit efficiency. The success of MRA's pre-filing of income tax returns in 2013 stemmed from the availability and reliability of third party data.  Over the 2014-16 Corporate Planning period MRA will intensify and improve the quality, sources and penetration level of third party information.  Such avenues as the availability of information from the Mauritius Credit Information Bureau, Stock Exchange of Mauritius and Central Depository System will be explored.  MRA shall collaborate fully and extensively with the Registrar of Businesses to boost the degree of data sharing on the trading sector, including the Business Registration Number of both the seller and the buyer – as per the provisions of the Business Registration Act - so as to facilitate the cross matching of the Registrar of Businesses data sets with the MRA tax return inputs.

### 4.5 Establishing of risk rating system for taxpayers

MRA had set up a Tax Risk Management Unit (TRMU), with specific focus on a systematic identification, assessment, and ranking of tax compliance risks in the four main areas of registration, return filing, submission of accurate tax declarations and timely payment of tax. In order to sketch a risk profile for each taxpayer, the performance of each taxpayer for each tax type has to be evaluated. Given the specificity of each tax type is different, the tax risks shall mirror the profiling.

MRA plans to work on a risk rating points system that will provide information from taxpayer audits in a format suitable for computer analysis. A specific form shall be designed to capture records of particulars of each visit, thus enabling a computerised analysis of the tax audits findings.

### 4.6 Creating "Sector Specialists" within Compliance Departments

The MRA's Corporate Strategy shall be considerably enhanced through the recognition of the pre-audit process requirements for the expertise of sector specialists within compliance departments, with a holistic strategic vision of broadening the range of skills, knowledge and competencies of Compliance Audit Officers.

# 4. Goal 1: Promoting Tax Compliance

MRA has set up a Special Measures Unit, (SMU), in January 2014, to lay emphasis on a sector specialisation approach that is critical to field audits. The SMU shall assign designated sector specialists to focused audits in highly specific economic sectors, such as hospitality, restaurant, export-oriented and construction. The strategic aim is to gather, through strategic business intelligence and data mining processes, a rigorous understanding of the business activities and practices within these sectors of the economy. These SMU sector specialists shall be required to prepare specialised sectorial business notes on these sectors, and proactively suggest enhanced auditing techniques.

The pre-audit phase business intelligence acquired shall be readily available to MRA so as to significantly enhance and impact upon the audit competency and effectiveness levels.
The SMU process emphasises the core need for economic/business sector specialists on the premise that this initiative shall enable the MRA to:
• construct thorough industry knowledge via a sound and rigorous understanding of the diverse operational and strategic aspects of business activity, prior to the tax audit phase;
• reinforce MRA's soundness in its business relationship with professionals from this sector;
• enable the tax case officers to refocus on industry based tax audit processes;
• create an enabling business environment that is more conducive to an enhanced customer service delivery via a highly focused taxpayer service; and
• establish scientific business and economic trends in tax compliance so as to enhance the evaluation of tax audit assessments.

## 4.7 Centralisation of the investigation function
The fiscal investigations process conducted by a  joint Fiscal Investigation Department (FID) team into cases which have involved both domestic taxes and customs duties, has proven to be an effective means to combat tax evasion. In order to further streamline procedures, the MRA would be centralizing the investigation function within the FID. This will involve bringing together investigative expertise of customs officers posted at MRA Customs Department to that of investigation officers of the FID for a collaborative tax investigation cases.

## 4.8 Developing a Taxpayer Compliance Plan in MSTD
During the 2014 to 2016 period, the MRA will endeavour to develop a Taxpayer Compliance Plan for medium and small taxpayers.  The Plan will:
• be structured towards taxpayers operating in different sectors/segments;
• summarise for each taxpayer segment the economic, revenue and business environment (e.g. the number of taxpayers, nature of entities, total tax contribution, number of persons employed and structural features);
• address the major risks in each of the taxes administered per segment;
• outline the headline compliance issues and the specific risks for each taxpayer segment and describe how the revenue agency intends to respond to these issues and risks; and
• record the number and type of different service and control initiatives planned to be undertaken in the coming year within each taxpayer segment.

It is envisaged to have a regular reporting against these commitments to ensure that the planned activities are carried out and build confidence in the administration of the tax system.
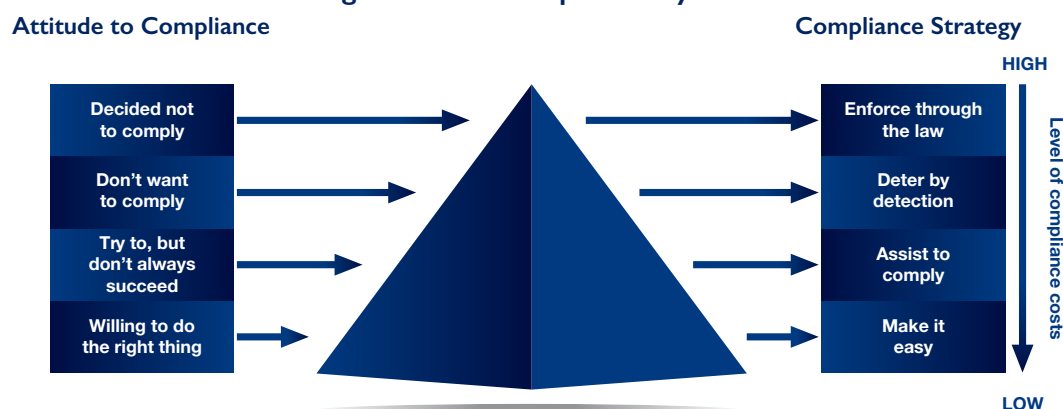
# 4. Goal 1: Promoting Tax Compliance

## 4.9 Tax Compliance Strategy

Our future tax compliance strategy will be based on the tax compliance pyramid [Figure 1 below]. For those taxpayers who are willing to comply in line with due process, MRA will facilitate their compliance process. In cases of non-compliance by taxpayers, MRA will have no alternative other than resort to the full use of the provisions of the law to ensure due diligence and including prosecution action. MRA is contemplating to suggest Government in the new Revenue Administration Bill a review of the penalty system to tackle recurrent non-compliance behavior, through the imposition of stiffer penalties on those taxpayers who are repeated tax offenders.

### Figure 1: Tax Compliance Pyramid



**Attitude to Compliance**

- Decided not to comply
- Don't want to comply
- Try to, but don't always succeed
- Willing to do the right thing

**Compliance Strategy**

- Enforce through the law
- Deter by detection
- Assist to comply
- Make it easy

HIGH — Level of compliance costs — LOW

## 4.10 Conducting integrated audits across compliance departments

In terms of efficiency and incidence on tax yields, MRA proposed approach to integrated audits into tax cases involving importers, shall cover Customs, Income Tax and VAT across the holistic supply chain. This integrated tax audit approach measure seeks to smooth the interaction with taxpayers during field audits, and enhance increase efficiency gains. The implication shall be focused on using the expertise of Customs officers to both the MSTD and LTD, in an effort to carry out field visits with an integrated team of officers knowledgeable in a mix of tax types and customs duties.

## 4.11 Ensuring tax compliance by high net worth individuals

High Net Worth Individuals (HNWIs) constitute a small but significant segment of our taxpaying population and impact significantly on our revenue level. They conduct complex business transactions and employ highly qualified tax planning experts who manage their tax strategies. Since April 2013, the MRA has set up a High Net Worth Individual Unit (HNWIU) to scrutinise tax compliance of wealthy individuals, and guide this segment of taxpayers in their tax dealings with the Revenue Authority. The MRA HNWI Unit future initiatives aim at:

- requiring all high net worth individuals to submit a statement of assets and liabilities together with their tax return as is the case in India;
- ensuring that the reporting requirements include the reporting of assets located abroad;
- gathering information on people and entities connected to HNWI such as their account preparers, tax advisors, family business structure either through the design of a questionnaire or as an annexure to the tax return;
- improve our database of HNWIs from various sources of third party information;
- create a special desk for HNWIs; and
- contemplate the cooperative approach in the dealing with HNWIs taking into consideration their specific characteristics.

Moving **strategically** towards sustainable **growth**

### 4.12  Intensify our surveillance on the gambling sector

MRA is targeting a greater compliance in the gambling sector. MRA has set up team of tax auditors with specific focus on tax matters relating to bookmakers and gaming operators. MRA strategic objective in this business activity will be directed towards:

• further inspections at gambling sites, including night visits;
• pilot testing of Electronic Fiscal Devices ;
• greater focus on betting for football matches; and
• using the MOU signed with GRA for exchange of information.

### 4.13 Instilling a "claiming  a  receipt" culture

MRA initiated during the second half of 2013, a sustained communication campaign to create awareness among the Mauritian population about the necessity to claim a receipt for all purchases of goods and services. MRA will launch in early 2014 two new initiatives in line with the "claiming a receipt culture":

(a)  VAT registered persons will be sensitised about the need to issue a receipt for all sales of goods and services, particularly to non-registered persons. The education campaign shall incorporate a core component on the legal obligations of VAT registered persons to issue a receipt under the VAT Act of 1998;  much emphasis shall be laid on penalties incurred in  cases  of  failure  to  comply  with  this legal requirement.

(b) Enforcement action through field/surprise visits by MRA mobile teams, and verification during the normal tax audits exercise so as to ensure that traders abide by their legal obligation.

### 4.14 VAT Lucky Draw Scheme (VLDS)

MRA shall aim to maximise the efficiency of injecting the "claiming a receipt culture" into the Mauritian collective consciousness and business practices, and intends to couple this initiative with a VAT Lucky Draw Scheme.

The VAT Lucky Draw Scheme has two key objectives:
(a)  To motivate the public to claim the receipt with lottery prizes.
(b)  To improve MRA's third party information database with enhanced data on receipts issued by traders to facilitate cross-verification during the tax audit of taxpayers.

Under the VAT Lucky Draw Scheme, the public shall be encouraged to send particulars of their VAT receipts to the MRA, either through the MRA website, or via Short Message Service (SMS) and submitting relevant details of the receipts such as the date of purchase, VAT registered number of the trader and VAT paid. A VAT Lucky Draw will take place on a quarterly basis, and 10 prizes worth Rs. 200 000 will be offered for each quarter draw.

# Promoting a VAT Receipt Culture

Claiming a VAT Receipt
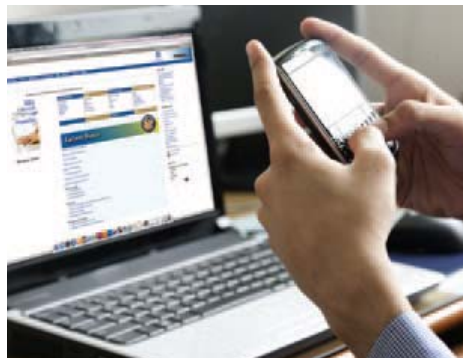
Sending information
to the MRA - SMS or via website

Be a Patriot & a Winner

# 4. Goal 1: Promoting Tax Compliance

## 4.15 Regulation of Tax Agents

Tax agents play a significant role in the tax system by preparing/filing tax returns on behalf of taxpayers, and provide taxpayers' representation in their dealing with both MRA and the Assessment Review Committee. MRA considers it essential for tax agents to have the required level of technical knowledge in taxation, and appropriate business and professional experience so as to provide a dedicated quality service to taxpayers. MRA can thereby attach greater reliability on tax returns prepared by qualified tax agents. In this perspective, MRA will consider the regulation of these agents and laying down relevant provisions in the Mauritius Revenue Administration Bill, in relation to the registration process, the skills, qualifications and experience of these agents and the duration/cancellation of their registration.

## 4.16 Strengthening our links with other tax jurisdictions

The globalisation process of the World Economy and the World Financial System implies that revenue authorities operate without physical territorial borders. MRA recognises the urgency in the tracking of international financial flows, and transactions carried out by taxpayers, with a view to ascertaining payment of applicable taxes. The challenge for the MRA will pertain to the identification of potential sources of evasion and identify the agencies that can provide reliable information for the conduct of taxpayer audit.

The MRA Corporate strategy in this arena revolves around three initiatives:
- to work in collaboration with other tax jurisdictions and agencies having access to information that can be shared for tax purposes;
- to extend its tax treaty networks, and agreements for exchange of information; and
- to enhance the skills and expertise of MRA Staff in identifying and understanding complex issues on cross-border transactions, through intensified training and technical assistance.

The MRA's International Taxation Unit is strategically focused in the broadening of the Mauritius Tax Treaty Network. Negotiating tax treaties with other jurisdictions requires a wide range of skills. The MRA believes in capacity building and succession planning. During the 2014-16 Corporate Planning phase, a pool of skills will be concentrated within the International Taxation Unit. A full-fledged training programme on tax treaty negotiation shall be offered to the ITU officers.

# 4. Goal 1: Promoting Tax Compliance

## Table 9: Promoting Tax Compliance: Strategic Initiatives & KPIs

| Objectives | Strategic Initiatives | Key Performance Indicators |
|---|---|---|
| **Promoting Tax Compliance** | Facilitating SMEs | • Simplified Record Keeping Requirements for SMEs<br>• VCDs to assist SMEs in filing tax returns<br>• Simplified record keeping software for SMEs<br>• Dedicated SME Unit set up within MSTD<br>• No. of SMES benefiting from MRA assistance |
| | Conducting educational campaign or large taxpayers | • No. of campaigns for large taxpayers |
| | Tracking non-filers | • No. of cases of non-filers identified |
| | | • No of default assessments issued on non-filers |
| | | • No of cases of non-filers prosecuted |
| | Extending the network of third party information | • % increase in number of new agencies providing third party data |
| | Regulating tax agents | • No. of tax agents registered with MRA |
| | Establishing of risk rating system for taxpayers | • Risk Rating System established |
| | Creating sector specialists within compliance departments | • Sector specialist cells set up within MSTD |
| | Conducting integrated audits across compliance departments | • No. of joint investigations completed |
| | Ensuring tax compliance by HNWIs | • No. of new HNWIs registered |
| | Intensifying surveillance on the gambling sector | • Electronic Fiscal Devices tested for potential implementation |
| | | • No. of audits on operators offering bets on football matches |
| | | • No. of night visits effected |
| | Tax Compliance Strategy | • New penalty system for repeated offences |
| | Instilling the tax receipt culture | • No. of sensitization campaigns held<br>• No. of field visits to verify issuance of VAT receipts |
| | Operation of VAT Draw Lucky Scheme | • No of taxpayers sending VAT receipts through sms or MRA website<br>• No. of VAT lucky draws effected |

Moving **strategically** towards sustainable **growth**

# 5. Goal 2: Promoting Taxpayer Education, Communication & Facilitation

The coming into operation of the MRA in 2006 constituted a historical watershed in our economic history whereby public perception of tax administration evolved positively and yielded a steady improvement in taxpayer services. The second tier of MRA's transformation process is focused on instilling a "tax culture" into the working population and the business community by changing the taxpayers' mindset and attitudes to taxation. This paradigm shift in taxpayers' attitude from "an obligation to pay" to a "willingness to pay" shall require the MRA to fine-tune its portfolio of strategies to initiate a three-pronged approach:

(a)    Education Strategy
(b)    Communication Strategy
(c)    Facilitation Strategy

## 5.1 Our Education Strategy

Taxpayer education focuses on establishing the rationale to MRA's stakeholders as to why taxes should be paid, to clarify the tax payment methods, and to demystify taxation as a concept via popularising tax discussions in business and economic opinion debates. MRA's education strategy will target a significant boost in taxpayers' compliance level and instil a taxpayer culture whereby tax compliance and law abiding posture are considered as a positive social value. MRA taxpayer education initiatives over the next three years shall include:

### (a) Taxpayer education at schools

Long term cultural shift in attitudes and behaviours towards taxation is compromised in the absence of sensitisation across the younger generation. A drive to inculcate the responsible and ethical attitude to the next generation of taxpayers is planned via a set of initiatives including basic awareness programmes such as colourful videos, short films, pictures and posters. At the primary education level, the aim will be to generate overall awareness about tax and demonstrate how public goods and essential services are funded by the Government and the rationale behind the necessity for every citizen's contribution through payment of taxes. A "train the teachers programme" in tax education will also be developed in collaboration with the relevant authorities for primary school teachers. At the secondary and tertiary education levels, the objective will mainly focus on raising students' awareness to taxpayers' rights and obligations, and implications of tax evasion with respect to hampering Government's developmental programmes, whilst promoting attractive career prospects in tax administration.

### (b) Education sessions for our key stakeholders

MRA's priority being weighted onto educating existing taxpayers, we will target the emerging taxpayer groups, namely SMEs, women entrepreneurs, self-employed, informal businesses. MRA shall train these targeted groups on the basics of taxation for start-ups such as registration, record keeping, filing of returns, payment of taxes, the working of the VAT mechanism, refunds, their rights and obligations, the consequence of failing to comply with the tax laws and the tax appeal process. Dedicated information sessions for MRA's more specialised taxpayers and professionals shall be organised upon request from, and in collaboration with, their respective associations.

### (c) Introducing tax chat on the radio and television

MRA plans to devise, in conjunction with the mass media, communication campaigns addressing tax issues, namely domestic taxes, customs and excise, administrative procedures. Taxpayers will be encouraged to raise queries, concerns, and provide feedback either live, by e-mail or through the MRA's website.

**Educating Our Stakeholders**



Meeting with
Customs Stakeholders



Empowering
Women Entrepreneurs



Briefing session with the MCCI
on Finance Act

# 5. Goal 2: Promoting Taxpayer Education, Communication & Facilitation

## (d) Issuance of Public Notices and Customs Bulletins

Public notices will be published on the MRA's website using simple vocabulary with the view to educate the general public on Customs procedures relating to the clearance of goods for import and export and passengers. Furthermore, Customs bulletins will be issued on an ad-hoc basis and will contain key information pertaining to decisions, rulings, regulatory proposals and other information of interest to the trading community, such as Customs-related decisions issued by the Courts of Mauritius.

## (e) Establishing a Taxpayer Council

MRA's philosophy revolves around the provision of an open platform to civil society as a catalyst for key issues in taxation, and thus enabling interactive flows to capture the MRA Stakeholders' views, concerns and appreciations. The Council shall comprise representatives of taxpayer association, consumer protection, business associations, SME associations, NGOs and five members of the general public, and it shall convene one or two times annually to address comprehensively the tax issues highlighted.

## (f) National Taxpayers Day/Week

MRA will introduce a taxpayers' week to include a wide range of activities such as tax seminars, workshops, public debates, and, media campaign. These activities will culminate into a National Taxpayers Day where awards and certificates will be presented to persons and companies recognised for their commendable efforts to comply with the tax laws.

## (g) Producing an MRA anthem

MRA will conceptualise the production of an anthem around the following core theme: Revenue Collection and Administration is a highly patriotic service to the nation. The anthem shall be disseminated nationwide at functions, seminars and workshops, such that taxpayers and stakeholders would be sensitised to the fact that their tax contributions are not only vital for core welfare services such as hospitals, schools and old age pensions, but constitutes an ethical form of patriotic duty.

## 5.2 Our Communication Strategy

MRA's communication strategy overall objective revolves around ensuring that every taxpayer is an informed person, optimally educated and sensitised about his obligations and rights with easy access to tax information. The MRA is fully conversant with the coming of age of the digital economy and its incidence on data sharing and communications with businesses and trading communities, taxpayers, stakeholders and the general public. The MRA is already at the forefront of the Information and Communications Technology role in organisational efficiency and its communications strategy over the 2014 to 2016 corporate planning cycle shall revolve around the following core platforms:

## (a) Social Media Technologies

Social media technologies are the latest internet medium, and they provide greater scope to enhance open interactive behaviours between the MRA and its stakeholders. MRA is already ICT friendly with twitter interface, and shall extend our communication strategy to include: social networks such as Facebook (an adapted and customised version) for live dialogue and proximity enhancement in customer care standards; You Tube for effective sharing of video materials on taxation, tax education and tax culture; mobile communication technologies such as smart phone applications to facilitate tax filing and sharing of tax information.

### (b) Website Management

MRA's website will experience frequent updates and upgrades to cater for heightened customer care delivery. In order to meet stringent expectations from MRA's stakeholders, we plan to introduce inter-active fields on our webpage as well as regular polls on-line on specific issues relating to taxpayer delivery services to gauge taxpayer satisfaction about a particular service. Furthermore, MRA shall introduce a window on our website to facilitate access for any member of the general public to register a report on-line with full guarantees of confidentiality.

### (c) Taxpayer Mailing List

MRA's key stakeholders and taxpayers will be updated continuously on the latest tax administration developments, and on important filing dates through our mailing service. MRA aims at boosting significantly the number of registered persons on the taxpayers mailing service from 37,422 in 2013 to 50,000 by the end of 2015.

### (d) Pillars of communication: Press and the media

MRA shall, in parallel continue its communication campaigns through traditional modes such as press releases, press conferences, radio and television programmes, whilst at the same time intensify the internet platforms, to operate in tandem with a digital economic age.

### (e) Customer Feedback

Customer feedback is a pre-requisite to quality assurance, and requires regular communications with taxpayers and key stakeholders. MRA plans to undertake customer survey programmes whereby, factors including the quality of service being provided, the major sources of customer complaints, and taxpayers' attitude to compliance and compliance motivators, shall be scientifically analysed and fed into MRA's operational strategies. These customer surveys will provide the MRA, *interalia*, with invaluable taxpayer information to develop its communication instruments for positively influencing taxpayers' behaviour. More importantly, the customer survey feedbacks on stakeholders' habits and attitudes to taxation serves to reinforce the MRA's core focus on the promotion of a nationwide tax culture whilst acknowledging areas of customer satisfaction, and the highlighted areas for total customer care quality assurance.

### 5.3 Our Facilitation Strategy

Taxpayer and stakeholder facilitation is core component in the MRA's strategic intent to promote a tax culture in Mauritius. In order to enhance taxpayers' voluntary compliance, its stakeholders need to be empowered through quality education whilst benefiting from a standard of excellence in MRA quality assurance. MRA must ensure that the tax compliance cost is reasonable as a necessary inducement for taxpayers. The key facets of MRA's taxpayer and stakeholder facilitation strategy are:

### (a) Reducing the cost of compliance

The main compliance costs for a taxpayer relate to time and money incurred in undertaking the following process:
- applying for registration as a taxpayer
- completing the tax return forms
- effecting payment of tax
- obtaining an income tax refund or a VAT repayment
- disputing and appealing a tax decision
- obtaining a tax ruling

# 5. Goal 2: Promoting Taxpayer Education, Communication & Facilitation

In terms of taxpayer registration, MRA will ensure that, in the near future, the time limit for registering a taxpayer is maintained at only 3 days, in line with international best practices. The filing of income tax returns for individual taxpayers is already being facilitated under the Free Income Tax Assistance (FITA) Scheme islandwide during the filing season. In 2014, MRA will implement a simplified income tax return for corporate businesses with a turnover of up to Rs 10 million, to simplify record keeping requirements for such business category. MRA will publish the necessary record keeping requirements guidelines to be complied with.

Tax payments modes have been diversified in recent years to include direct debit, mobile payment, ATM and Internet banking. MRA plans to further enhance taxpayers facilities to effect payments via credit and debit cards. In cases where income tax refunds or VAT repayments arise, MRA will ensure that these tax refunds are effected expeditiously and well ahead of the statutory deadlines set out in the tax legislations.

With respect to income and VAT taxation rulings, MRA will aim to issue tax refunds within 30 days, and, refund within two days for tariffs rulings. MRA will also ensure that objections to tax assessments are determined within 4 months as prescribed by the current legislations.

### (b) Providing clarity to taxpayers

Taxpayers have a legitimate expectation to be informed, assisted and provided with certainty on issues relating to ambiguous or complex tax issues. To provide the necessary clarity to taxpayers, the MRA intends to:
- streamline the administration of various taxes with the proposed implementation of the Revenue Administration Act
- introduce additional Statements of Practice to provide clarity on VAT treatment of sector specific issues as well as income tax issues

The MRA plans to review the income tax and VAT legislations in an attempt to plug any existing loopholes and simplify these Acts.

### (c) Client Relationship Managers

MRA shall appoint client relationship managers within the Large Taxpayers Department (LTD) and Medium and Small Taxpayers Department (MSTD)with a key role of addressing taxpayers' queries in relation to a number of compliance requirements such as registration, filing, payment, due dates. CRMs will be the taxpayers' first point of contact for MRA assistance, and act as liaison officers for complex technical issues raised by taxpayers.

### (d) Tax Guides, Pamphlets and FAQs

MRA will produce tax guides, pamphlets and FAQs on a wide range of tax issues to smooth the flow of tax compliance. MRA's existing publications will be kept up-to-date, distributed and posted on websites, so as to be easily accessible to taxpayers. Tax rulings and FAQs will be compiled in a compendium sorted by subject and made available to taxpayers.

### (e) Taxpayer On-line Services (TPOS)

The MRA shall launch the Taxpayer On-line Services (TPOS) during the Corporate Plan period 2014-16. TPOS is a taxpayer portal through the internet to enable interactive queries and transactions. It will enable taxpayers to update their tax profile information, file their tax returns, make payments, review tax payment and refund position and view information such as tax publications, communiqués, tax messages, bulletins via the internet. It is expected that TPOS will significantly enhance the current customer tax administration experience by providing an

additional communication channel through which quick and up-to date information and services that can be obtained without making a call or a hop at the customer service counters of the MRA.

*(f) Provide advance valuation & origin rulings to Authorised Economic Operators (AEO) and Qualified TradeNet Users (QTU)* - A major source of dispute between Customs officials and traders is related to the treatment attributed to the goods for Customs purposes – determination of the value, classification of goods, and determination of rules of origin.  MRA already provides advance classification opinions, and will introduce advance valuation and origin rulings to Authorised Economic Operators (AEO) and Qualified Trade Net Users (QTU). This trade facilitation measure will greatly benefit  traders who participate in our customs compliance programmes.

**Table 10: Promoting Taxpayer Education, Communication & Facilitation:
Strategic Initiatives & KPIs**

| Objectives | Strategic Initiatives | Key Performance Indicators |
|---|---|---|
| **Promoting Taxpayer Education, Communication & Facilitation** | Promoting Taxpayer Education | • No. of educational sessions conducted at schools<br>• No. of educational sessions to different stakeholders<br>• No. of tax chat held on radio and television<br>• No. of public notes & Customs Bulletins issued<br>• Establishing Taxpayer Council<br>• Celebrating National Taxpayers' day /week<br>• Producing an MRA anthem |
| | Promoting Communication | • Promoting social media technologies<br>• No. of time MRA's website is updated<br>• No. of subscribers to MRA Taxpayer Mailing Services<br>• No. of press briefings issued, including radio and TV interviews/ interventions/awareness programmes<br>• No. of newsletter / news bulletin issued<br>• Conducting a survey on MRA's communication strategy |
| | Promoting Facilitation | • Percentage of returns filed electronically to total no. of returns<br>• Introducing  payment by credit card<br>• Percentage of advisory visits to large taxpayers at their request<br>• Conducting a Taxpayers' Need Assessment<br>• Publishing  Statements of Practice on<br>• Income Tax & VAT<br>• Publishing  Technical Journal in LTD<br>• Introducing a Client Relationship Managers in LTD & MSTD<br>• Implementing  Taxpayer On-line Service (TPOS)<br>• Providing  advance valuation & origin rulings to AEO & QTU<br>• No. of Tax Ruling issued<br>• Revenue Administration Bill finalised |

# 6. Goal 3: Developing People, Processes & Technology

It is a common occurrence in the corporate world to apply technology to solve complex challenges. In reality, however, the "technology-first" approach is only a temporary solution in a dynamic real time globalised economic environment. Organisations can achieve their corporate mission more cost effectively through a more efficient deployment and utilisation of their human capital and the management information processes, prior to investing in technology to achieve a level of total factor productivity that impacts on all quality standards ratios.

The MRA shall, for the period 2014 to 2016, continue to focus on the "people, processes and technology" triangle in our drive to promote and facilitate change at all levels of the organisation. The MRA efforts to continuously improve its organisational culture will rest on three key strategies:
(a) Our People's Strategy
(b) Our Business Process Strategy
(c) Our Information Technology Strategy

## 6.1 Our People's Strategy

Our people are at the core of our tax administration strategy and they are the key driver that ensures that our mandate is carried out efficiently and effectively. In devising the MRA human resource development strategy, our emphasis will be centered around:
- ensuring that we have the right people to deliver at present and in the near future;
- identifying the skills that our employees need to excel in their positions; and
- defining the requirements of our people to get their job done better, faster and accurately.

*(a) Retaining high calibre staff* - The MRA fully recognises the contribution of its existing staff in maintaining its reputation as a creditable and performance based organisation. We shall spare no efforts to retain our high calibre staff by promoting staff engagement and commitment through a series of initiatives such as:
- the conduct of Employee Satisfaction/Engagement Survey at regular intervals to identify any sources of dissatisfaction and attend to the same;
- the design and implementation of Employee Assistance Programme; and
- the formulation and implementation of an MRA Equal Opportunity Policy to ensure that all employees are treated with fairness and equity

*(b) Employer of choice & e-recruitment* - Over the recent years, MRA has emerged as an "employer of choice" and is attracting high calibre staff. Our future initiatives will aim at strengthening our reputation as an "employer of choice" by inter-alia reviewing and updating the job descriptions for greater congruence with labour market realities. We will build further into our corporate image as an employer of choice through briefing/talks on career and employment opportunities, implementation of innovative human resources policies, and increasing our visibility through participation in excellence awards for managing human resources such as the HR Award for best HR practices. We shall also improve the degree of efficiency and level of effectiveness of our recruitment process by providing e-recruitment services.

Building Team Spirit

*(c) Sustaining employee development* - Our aim will be to improve accessibility and quality of our training programmes. We will come up with a series of new initiatives such as mentoring programme, leadership framework for future leaders, recording of induction programme and sharing the same online, training on grooming and social intelligence skills. To keep pace with the e-learning trend, we shall encourage application for joining the e-learning platform for the Customs and Tax Departments. International organisations will be given incentives to mount training programmes in Mauritius for countries in the region provided that additional seats are given to staff from the host country. A new platform will be devised to enable our staff attending training courses/workshop/mission overseas to better share international best practices to a larger audience. We will also identify eminent speakers to conduct monthly lectures for the MRA management team and supervisory staff on a wide range of topics to enhance their skills and capacity in managing human resources.

*(d) Enhancing the performance and productivity of staff* - The existing performance management system will be reviewed in line with the future orientation of the organisation. An innovative recognition scheme will be put in place to reward excellent performance as well as innovative ideas for improving internal efficiency and customer service. We will also introduce personal improvement/development plans.

(e) Further initiatives in the areas of human resource management, empowerment and health & safety aspects that will be given special attention over the next three years will include:

- **Promotion of teamwork & team building**
  The spirit of camaraderie, sportsmanship and friendship at the MRA will be promoted through the creation of additional social/culture/ sports clubs. We will consider organising a family day for the benefits of MRA staff and their families;

- **Sharing of information with staff**
  We intend to enhance our internal communication by sharing information with our staff on news and events pertaining to the MRA in a timely manner for their personal consumption and for dissemination to our external stakeholders. Pertinent HR information, staff circulars, brochures as well as latest updates of the HR Manual will be provided on a single forum on the intranet;

- **Succession planning**
  We will manage high-potential candidates at an early stage by providing them with the right developmental opportunities. This will include developing succession plans for key critical roles within the organisation so that we have a strong number of skilled people to take up these posts when required; and

- **Health and safety**
  In our endeavour to further promote a safe and healthy working environment at the MRA, we will carry out several new initiatives such as risk assessment exercise, health survey, "safety days" to sensitise staff on health and safety issues and develop and implement a personal protective equipment policy.

# 6. Goal 3: Developing People, Processes & Technology

## 6.2 Improving Our Business Processes

Business processes are important mechanism for organisational success. Without efficient processes, there is a greater risk of making mistakes, losing customers and incurring avoidable costs. Business processes are invisible, and are therefore intangible, particularly when objectives are unmet. The MRA aims at improving the efficiency of its internal processes and ensuring regularity in our operations. Some of the planned improvements in our business processes over the 2014 to 2016 period are as follows:

*(a) Automation of tax audits* - Mobility of services on laptop tablets are common usage with reliability and affordability characteristics. MRA plans to equip its tax officers conducting field audits with such facilities to improve inspection. Other services on the enterprise mobile platform shall be deployed as the technology is marketed so as to enhance the modernisation of the ICT infrastructure, and thereby promoting excellence in taxpayer services.

*(b) Use of Barcode* - MRA has introduced barcode to track its fixed assets within the organization. In the coming years, this tool will be used in other areas such as correspondence and returns with the objective to automate data collection, improve efficiency and reduce overheads.

*(c) Allowing taxpayers to submit documents electronically in the course of audits* - MRA plans a re-engineering of the Tax Audit Function in order to match the challenge of auditing sophisticated system now in place in business and shall in its course of actions promote submission of documents by taxpayers in soft copies.

*(d) Submission of Notice of objection electronically* - Taxpayers will be allowed to lodge their notice of objection against assessment either by filling in the objection form or by submitting an electronic notice. If a notice of objection is filed via e-services, the taxpayer will receive an instant acknowledgement as opposed to a time period of 28 days for filling a form manually.

*(e) Automation of inventory system, transport and file request* - A computerised inventory management system will be put in place allowing automatic generation of all kinds of documents, from purchase orders and checks to invoices and account statements. Similarly, an automated transport system will be set up which shall be our transport dispatcher which will intelligently assign staff transport request while monitoring and balancing workloads to avoid bottleneck situations.

*(f) Automation of performance management system* - As a forward-thinking organization, MRA shall incorporate innovative technologies to help improve our performance management processes through the substitution of manual procedures with automating the current paper-based performance management system.

# 6. Goal 3: Developing People, Processes & Technology

## 6.3 Modernising our Information Systems

It is the responsibility of the MRA, through its dedicated Information Systems Department, to stay abreast of new technologies and come forward with innovative approaches. In addressing current and future trends in the adoption of information technology to ensure optimum tax revenue administration is an on-going initiative and a key component of the overall strategic plan of the MRA annually.

MRA will be required to implement some very challenging IT geared projects in the 2014 to 2016 period, with a view to track evasion in different areas. Concurrently, we will continue to use IT as an enabling taxpayer facilitation mechanism as part of our strategy to promote voluntary compliance. In this perspective, the following projects will be implemented:

*(a) Implementation of electronic fiscal device (EFD)* - We expect to complete the pilot testing of electronic fiscal devices for horse racing bookmakers in 2014 and based on the success attained, extend this device to other operators/traders, in particular VAT registered persons. The objective of the EFD is to capture in real time, or if not practical, within a few hours the amount of transactions being effected by an operator/trader through an electronic link with the MRA system;

*(b) Taxpayer Online Services* - MRA is committed to implementing a taxpayer portal that will enable taxpayers to carry out interactive queries and transactions with the organization. Work has already been initiated in this project and the MRA intends to move forward smoothly in order to mitigate potential teething problems whilst at the same time ensuring that the security safeguards are in place;

*(c) The use of smart phones to provide information to travellers* - People seldom know the various customs regulations regarding cash, animals, and goods. MRA aims to empower them on these regulations so that they can pass through Customs untroubled. Accordingly, MRA intends to provide access to travellers, from their smart phones, to the various customs regulations formalities. Customs administrators in France and Holland have been proposing an application, branded the "OK app" to be downloaded on smart phones, that informs travellers what they are not allowed to take with them as they enter a new jurisdiction;

*(d) Archiving and Purging* - MRA is storing more and more data in its production systems every year and comes along the concern of how to manage the massive amounts of data collected. With this growing data volume, increasing costs of infrastructure and performance issues crop up. It is therefore imperative to adopt archival and purging strategies, which both will protect the data and make it available for later retrieval and at the same lower infrastructure costs. This will imply using the basic SAP archiving and purging functionality and acquisition of storage for the archived data in order to keep pace with the increasing rate of activity.

*(e) Web-based technology including video conference technology* - There are many officers who work at remote places such as Airport, Port, Custom House and Freeport but who need regular interactions. The MRA has also hired new premises in another building in Port Louis to cater for recruitment of additional staff. With a view to reducing costs and improve efficiency, MRA intends to make good use of the advance technology such as video conferencing for meeting, training, interventions, etc.

*(f) Undertake a myriad of small operational projects* - In order to ensure that our normal operations continue smoothly, MRA needs to incur expenses on certain items such as acquisition of SAP and Oracle licences for new recruits, extending storage capacity to handle continual growth and digital history, acquisition of ICT equipment and software to replace ageing server room, user IT equipment etc. We will also work towards network and security enhancement to remain effective and efficient in the long run, adapt to changes in the internal organisation and the external environment. Some other IT oriented projects which the MRA intends to launch in the coming years include:

- Setting up a **Public Key Infrastructure** to enhance security of taxpayers to securely and privately exchange data with the MRA;
- Enhancing the service delivery with SAP **Customer Relationship Management** Project that will interalia display data so that officers at helpdesk or hotline can view the most current information on any taxpayer account at any time; and
- Integration of the **Tax Revenue Management System** (ITAS) and the **Customs Management System** for greater organisational efficiency.

### Table 11: Developing People, Processes & Technology: Strategic Initiatives & KPIs

| Objectives | Strategic initiatives | Key Performance Indicators |
|---|---|---|
| **Developing People, Processes & Technology** | **Our People's Strategy** | • No. of Employee Satisfaction/Engagement Survey conducted<br>• MRA Equal Opportunity Policy finalised<br>• No. of initiatives to promote MRA as an employer of choice<br>• E-Recruitment facility provided to applicants<br>• No. of initiatives for sustaining employee development<br>• No. of initiatives to enhance the performance and productivity of staff<br>• No. of teamwork & team building initiatives implemented<br>• No. of informative HR circulars posted on intranet<br>• No. of initiatives for promoting a health and safety working environment |
| | **Improving our business processes** | • Laptops provided to field auditors<br>• No. of areas where barcode system was implemented<br>• E-objection facility provided to taxpayers<br>• Inventory system, transport and file request automated<br>• Performance management system automated |
| | **Modernising our Information Systems** | • Pilot testing and implementation of electronic fiscal device<br>• Tax Payer Online Services implemented<br>• Information to travellers provided through their smart phones<br>• Video conferencing with different MRA sites implemented<br>• Public Key Infrastructure project implemented<br>• Customer Relationship Management Project implemented<br>• Progress achieved in integrating ITAS and CMS |

## 7. Goal 4: Facilitating Trade and Ensuring Border & Society Protection

Customs Operations evolve in a dynamic and highly complex environment. The challenge for MRA Customs is to cater for the stringent and growing expectations of its stakeholders in the arena of cost minimisation of business processes, based on focused trade facilitation initiatives to smoothen the supply chain, without compromising the rigorous enforcement of Customs laws at borders to achieve holistic efficiency levels.

Trade Facilitation and Border Control both constitute core pillars for the MRA, and rate amongst its key strategic objectives. For the 2014 to 2016 Corporate Planning phase, the MRA shall thoroughly reappraise its business approach, in terms of people, processes and technologies that are required to be optimised so as to meet our medium term strategic goals for our Customs operations in the arena of trade facilitation and border security.

### 7.1 TRADE FACILITATION

Globalisation implies borderless trade patterns that are directly correlated with the pace of economic development for an insular economy as Mauritius. MRA Customs constitutes the major border agency. Its vital strategic position in the international supply chain has vital ramifications for the efficiency levels in the processing of international trade movements.

## 7. Goal 4: Facilitating Trade and Ensuring Border & Society Protection

**MRA will launch an array of trade facilitation initiatives, namely:**

*(a) Lower Frequency of physical examination of goods (Red status)*

MRA's target is to achieve a lower proportion of the overall physical examination of goods to 5% by 2016. This is a necessary but not sufficient condition for trade facilitation in a framework of border security- A key requirement is the stringent level of targeting via more effective use of Non-Intrusive Inspection (NII) technologies, weighbridge and dog detectors to counter smuggling and risk of tax/duty evasion.

*(b) Automatic clearance of Green Channel declaration at Seaport.*

In line with MRA's e-Customs strategy, declarations assigned Green status will be automatically cleared after a dwell time of 30 minutes, notwithstanding any required actions initiated by MRA Customs within that time interval. MRA's declaration processing system at Port and Airport will thus be fully and comprehensively aligned.

*(c) Implementing IATA E-freight.*

MRA is planning to comprehensively implement the International Air Transport Association (IATA) e-Freight project for inbound and outbound cargo. MRA is targeting the goal of receiving, electronically in advance, trade documents such as airway bills, invoices and packing lists so as to smooth expedited Customs clearance.

Moving **strategically** towards sustainable **growth**

### (d) Courier and Postal Manifests CMS Module.
In line with the recommendations of the Universal Postal Union, a new Customs Management System (CMS) module encompassing courier and postal manifests will be implemented so as to attain:
(i)   Enhanced visibility
(ii)  Smoothing of risk management checks
(iii) Enhanced throughput of Customs clearance processes.

MRA implementation of this project will significantly improve the statistical data quality pertaining to courier and postal consignments.

### (e) Reduction of Automatic Shipment allowed time for Transhipment.
Transhipment declarations are normally assigned a low risk status. MRA proposes to lower the transhipments clearance time by one hour, from three to two hours during 2014, to one hour in 2015, and finally to half an hour in 2016. MRA's objective is to accelerate a lower threshold of transactions costs with a corresponding multiplier effect on the local, regional and global flow of transhipment trade.

### (f) Deferred Payment Scheme.
Subject to approval by the relevant authorities, MRA proposes to initiate a deferred payment facility for duly authorised traders, so as to defer Customs duties and taxes payments by a 2 to 6 weeks period.

### (g) Implementation of the Single Window and Cargo Community System.
MRA, in collaboration with the Ministry of Finance and Economic Development (MoFED), will be implementing a Single Window OGA (Other Government Agency) for the electronic submission and approval of agency import/export permits, required for Customs clearance. The project will be run on a phased approach with the end-state process being to encompass all the relevant OGA's. Similarly, the implementation of MaCCS (Mauritius Cargo Community Services) for air cargo manifests will reduce Customs clearance bottlenecks and the workload of the jerquing section by allowing the real-time processing of amendments and house manifests. It will also facilitate the application of risk management especially for drugs. We expect the project to further reduce cargo dwell-times for the benefit of all stakeholders and have a positive impact on ease of doing business index.

### (h) Implement a myriad of small initiatives to further facilitate trade such as:
(i) The creation of a dedicated counter in the Red Channel with simplified procedures for Customs clearance of small quantities of merchandise carried in passenger baggage;

(ii) The increased efficiency of the export clearance process at Air Mauritius Cargo Shed and Ground to Air Cargo Shed, through an electronic notification to Ground Handlers;

(iii) The introduction of a Duty officer system at the airport to better assist importers, exporters and freight forwarders with their Customs clearance issues;

(iv) The implementation of a system of flat rate assessment to travellers goods of a non-commercial nature in line with Chapter 1 of Specific Annex J of the Revised Kyoto Convention (RKC) to improve passenger clearance times; and
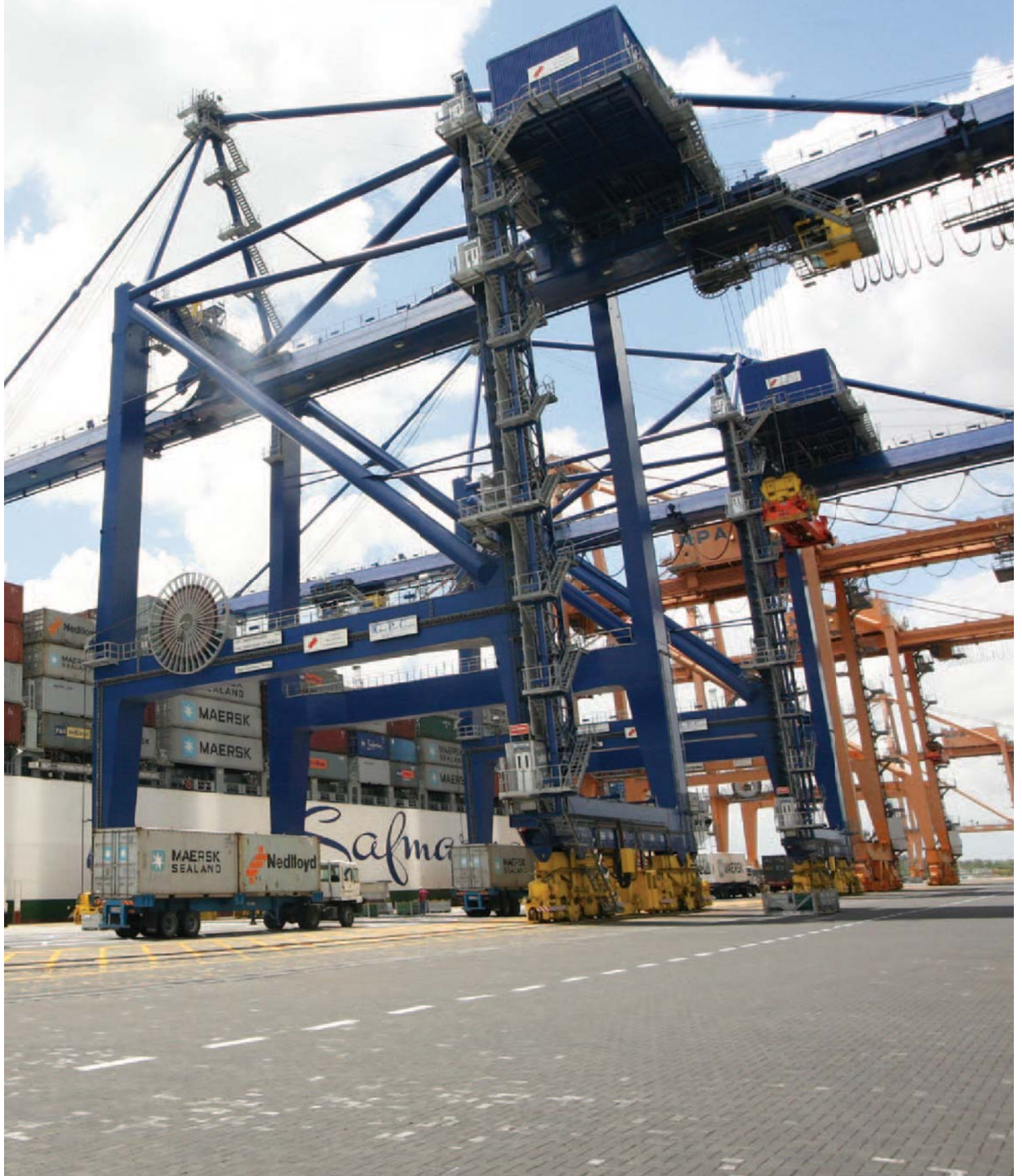
(v) To further streamline the Customs escort process time by encouraging the use of guarantees and bonded vehicles. Roving teams of the Surveillance and Enforcement Section who work on a 24/7 basis will exercise control through risk based intervention to check goods that are in transit.

(vi) The implementation of the Web Based Customs Declarations. In line with Single Window project, and in view of further promoting trade facilitation, MRA shall implement a web-based Customs declaration portal. The portal will enable online submission of Customs declarations and related electronic trade documents for expedited Customs clearance.

## 7.2 ENHANCED CONTROL AND GREATER OPERATIONAL EFFICIENCY

To further enhance the trade facilitation process, MRA shall focus on consolidation of control procedures and increasing operational efficiency through optimum use of our resources, via greater use of ICT tools and equipment, and benchmarked auditing techniques. MRA plans to implement the following initiatives during the 2014 to 2016 Corporate Planning phase:

### (a) Enhancing passenger control.

MRA's target is to finalise and implement the Border Management System, including Advance Passenger Information (API) / Passenger Name Record (PNR) information with other agencies, such as Passport Immigration Office (PIO), Anti-Drug and Smuggling Unit (ADSU), Civil Aviation Authority. MRA will enhance its partnership with other law enforcement agencies, such as National Coast Guards (NCG), ADSU, and PIO to address border risks and vulnerabilities, via joint operations and intelligence sharing. Moreover, the MRA shall also implement a Passenger Assessment and Clearance System (PACS). Through this system, Customs will be able to capture Passenger information electronically from passports for risk management purposes and eliminate the manual process for computation and payment of duties and taxes.

### (b) Consolidation and Improvement of Risk Management.

MRA shall intensify its risk management strategies by developing new risk assessment models for the scientific profiling of travellers and cargo, via the following initiatives:
• Procurement of data mining and statistical tools for analysis and enhancement of management reports; and,
• Procurement and installation of a new container scanner and weighbridge in the port.

MRA will further consolidate risk management procedures at courier services through the setting up a database of high risk importers based on previous offences, non-compliance and information. Goods will be selected for examination purpose through the matching of this database with the pre-alert Manifest. The use of shared intelligence for risk assessment purposes will enhance Customs control at the courier services via improved security Customs clearance of parcel packages and couriers.

### (c) Combating counterfeits.

MRA shall pay special attention to threats of counterfeit cigarettes via close collaboration with right holders and authorised distributors. The use of WCO Software, Interface Public Members (IPM), by MRA Customs and by right holders will be strongly promoted through IPM training and access provided to all frontline officers.
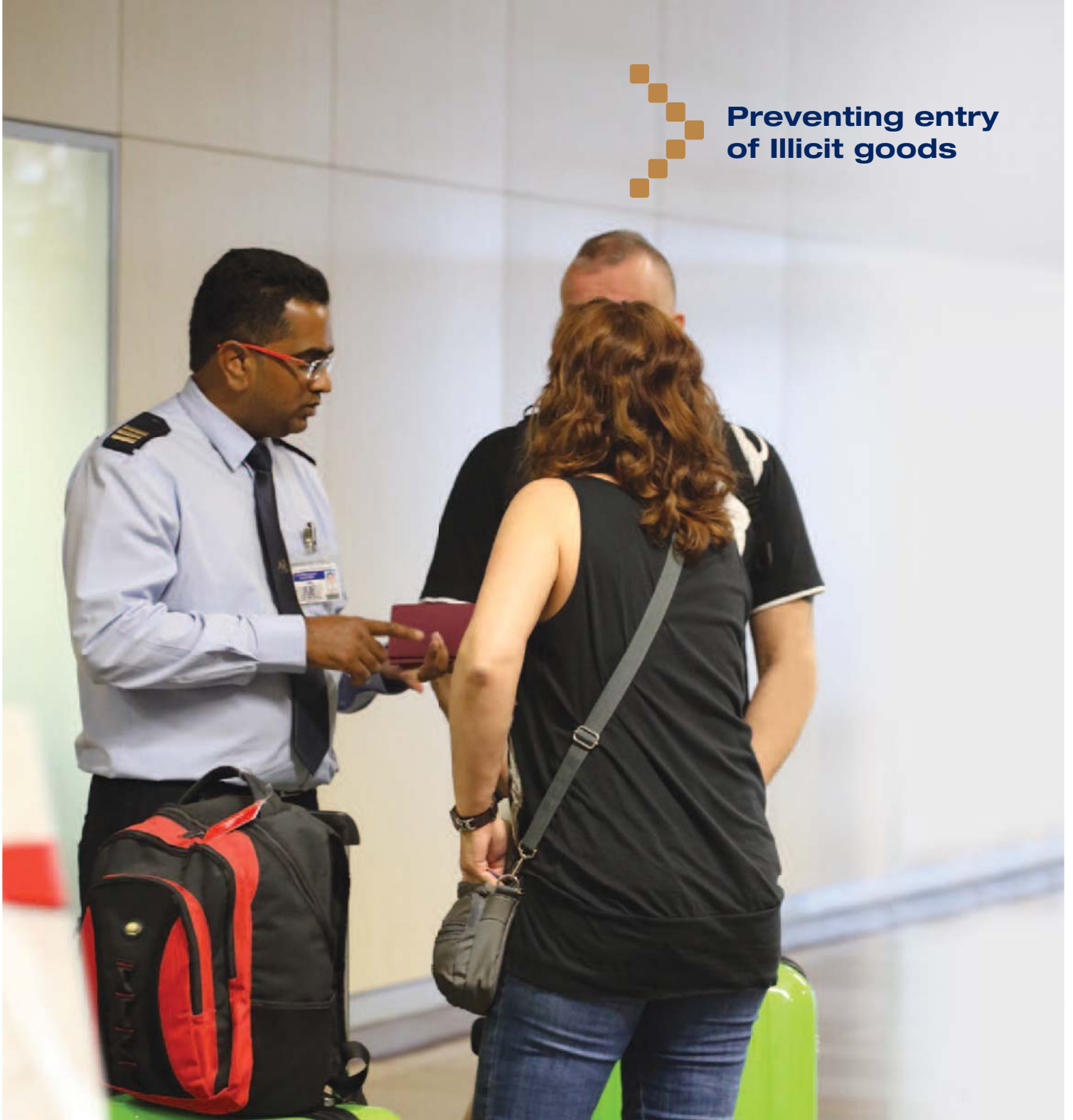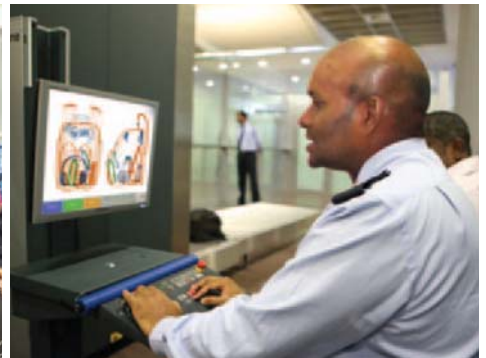
Sniffer dog at work

Physical verification of luggage

Interpretation of scanned images

**(d) Other projects to reinforce control will include:**

**(i) Expansion of the K9 Unit.** A fully operational and independent K9 unit will be set up at the airport through the construction of kennels and a distressing camp for K9 Unit, procurement of additional sniffer dogs, and training of dogs and handlers;

**(ii) Tracing and Tracking System.** Mobile communication devices supported by a tracking system will be provided to Customs Enforcement Units to monitor container movements;

**(iii) Maximisation of intelligence networks** through an intensive use of the Customs networks available worldwide (nCEN, CEN, RILO), either to retrieve or input data which will enable risk analysts to identify new trends and threats;

**(iv) Improvement of enforcement tools at Rodrigues** to cater for increase in the passenger and cargo traffic (port and airport) and the risk of non-compliance to border laws. MRA is considering the installation of small X-ray scanner at Sir Gaetan Duval Airport Terminal and in the Port at Port Mathurin.

**(e) Using IT for greater operational efficiency.**
MRA IT strategy for enhancing Customs operational efficiency rests on four main pillars:

**(i) CMS Enhancements** will include, *inter-alia* modules covering Cusdec location, risk management, carbon dioxide automatic computation, and extra attendance payments;

**(ii) CMS/ITAS Flow of information for selected services.** A feasibility study to establish the seamless integration of selected services between CMS and the Integrated Tax Accounting System (ITAS) will be undertaken. This project shall ensure the automatic information exchange with improved audit and risk management capabilities.

**(iii) E-ATA Carnet.** The temporary admission of goods under the "Admission Temporaire/Temporary Admission" (ATA) Convention are monitored manually by MRA Customs. In collaboration with the Mauritius Chamber of Commerce and Industry (MCCI), MRA envisages to implement the electronic version of ATA carnet project in a bid to enhance control mechanism of temporarily admitted goods.

**(iv) WCO Data Model Version 3.0.** The design of Customs Management System (CMS) and stand-alone applications data elements shall be aligned with the latest recommended international standard of World Customs Organisation (WCO) Data Model version 3.0. This will result in an efficient exchange of information across Customs administrations and other government agencies.

**(v) E-Auction sales system.** MRA will develop a portal for e-auctions/tenders whereby Customs will display the schedules of auctions and the list of goods to be e-auctioned. This portal will cater for e-auctions and will encompass an Auto Bid facility. Bidders will also be able to submit an e-tender once only for any single lot. Successful bidders will be notified by e-mail.

*(vi) Stock Management System.* A new stock management system to enhance MRA warehousing controls will be introduced. This project will cover the operations of Bonded Warehouses, Freeport Zones, Duty Free Shops, Deferred Duty Tax Scheme (DDTS) Shops, Customs Approved Store Rooms (CASR), Freight Stations (Unstuffing of Goods) and Excise Stations.

*(vii) Dwell-Time Application.* MRA Customs shall design a Dwell-Time application to provide management with increased visibility of clearance process at MRA Customs, with collateral operational efficiency improvements via the real-time identification of bottlenecks in the Customs clearance.

**Table 12: Facilitating Trade and Ensuring Border & Society Protection: Strategic Initiatives & KPIs**

| Objectives | Strategic initiatives | Key Performance Indicators |
|---|---|---|
| Facilitating Trade and Ensuring Border & Society Protection | Trade Facilitation | • Reduce overall Customs physical examination of goods ( Red status)<br>• Automatic clearance of Green Channel declaration<br>• Implementing IATA E-freight<br>• Courier and Postal manifests CMS module<br>• Reduction of automatic shipment allowed for transhipment<br>• Deferred payment scheme<br>• Single Window and Cargo Community System on-going implementation<br>• Dedicated counter in the Red channel<br>• Electronic notification to Ground Handlers<br>• Duty Officer system at the airport<br>• Flat rate system to travellers goods<br>• Minimise/eliminate Customs escort<br>• Web-based Customs Declarations |
| | Enhance Control and Greater Operational Efficiency | • Enhancing passenger control<br>• Consolidation and improvement of Risk Management<br>• Combating counterfeits<br>• Expansion of the K9 Unit<br>• Tracing and tracking system<br>• Maximisation of intelligence networks<br>• Improve enforcement tools at Rodrigues<br>• CMS enhancements<br>• E-ATA Carnet<br>• WCO Data Model version 3.0<br>• E-Auction sales system<br>• Stock Management System<br>• Dwell-Time application |

# 8. Goal 5: Strengthening Good Governance and Improving Corporate Image

Good governance is a core pillar on which rests the organisational efficiency and performance. In public sector and para-statal organisations, good corporate governance is of critical importance, and with more ramifications than for private sector organisations. The MRA fully subscribes to the ethos embodied in the Code of Corporate Governance of Mauritius as applied to para-statal institutions, being "social institutions" held accountable to the wider community at large, with Government as the "owner" and the population as principal "stakeholders".

The MRA rests on four key strategic pillars of corporate governance: fairness, accountability, responsibility and transparency. We endeavour to implement an organisational culture that reflects the best practices of corporate governance in tax administration.

## 8.1 Enhancing principles of good governance within the MRA

MRA, being a forward looking organisation, needs to focus on continuous improvement strategies to attain a degree of effectiveness and efficiency so as to achieve our vision of becoming a World Class Revenue Authority. The MRA shall endeavour to improve its Governance framework via the following initiatives over the 2014 to 2016 period:

### (a) Revisit our Taxpayer's Charter

Since our Charter was first issued in 2006, our ways of conducting business has witnessed some radical changes. For instance, we are steering more towards digital avenues by embracing latest state-of-the-art technologies. In order to encapsulate such advancements, meet new emerging obligations in line with international best practices, the MRA shall review its Taxpayer's Charter, and thus ensure that the new Charter reflects the anticipated change in taxpayer culture triggered by the MRA's sustained promotional campaign over the next three years. The new MRA Taxpayer's Charter shall lay great emphasis on the sensitisation of every taxpayer in Mauritius to the need to claim a receipt for every purchase, and report to the MRA, any taxpayer who fails to pay the correct amount of tax and thereby depriving other citizens from essential welfare services funded by the State.

### (b) Maintaining Quality and Assurance

There is increasing consensus that effective internal control is seen as instrumental to amplify the degree of trust in organisations. MRA's initiatives gearing in this direction are:

### (i) Enhancement of Internal Control at Departmental Level

In order to be more efficient in achieving MRA's set objectives, we shall aim at ensuring that control is embedded at the organisational departmental level itself. Our trained Section Heads and Team Leaders shall be attributed the responsibility of assessing the efficiency levels of internal control systems in their respective Departments/Sections. In this respect, the performance evaluation of our Section Heads and Team Leaders shall be redesigned to include a KPI on handling of internal control issues within their respective section/department.

# 8. Goal 5: Strengthening Good Governance and Improving Corporate Image

## (ii) Maintenance of ISO Certification

MRA shall consolidate its quality management system in an effort to foster the continuous development of operational excellence. On-going training sessions shall be intensified to ensure that adherence to processes and procedures is fully imbedded in our working methodology so as to ensure accreditation conformity.

## (c) Risk Management

Over the last two years, MRA has recorded significant progress in designing, implementing and monitoring the Enterprise Risk Management Project. As MRA staff, across the hierarchy, internalise the concept of risks at departmental and organisational level, they are expected to be in a better position to mitigate these risks. Over the next three years, MRA shall empower and motivate its staff to be conversant in identifying potential risks arising from a volatile economic environment and thus be fully equipped to efficiently manage existing and new risks.

## (d) Ethics/Integrity

MRA ranks as a high priority its corporate values around maintaining the highest standards of integrity, esteem, transparency and professionalism in the organisation. Our aim is to ensure that all our activities are managed diligently and ethically. MRA shall promote, over the next three years, the implementation of the following initiatives, in a bid to enhance further its internal systems, ethics and integrity of its officers and stakeholders:

- conducting an independent audit on MRA's integrity framework;
- strengthening our Integrity Training Modules for newly recruited staff;
- interacting with other anti-corruption committees to share corruption prevention experiences;
- raising awareness among stakeholders on the MRA integrity improvement program;
- creating and maintaining a Directory of disciplinary proceedings; and
- conducting regular Integrity perception Surveys.

## (e) Sustainable development for green environment

MRA has a strong commitment towards minimising its environmental footprint, and shall focus on the adoption of effective measures to foster a green environment culture. MRA shall integrate environmental concerns into its decision-making processes, and shall make effective and efficient maximum use of environmentally-responsible products.

In the area of sustainable procurement, MRA shall jointly collaborate with its suppliers to procure energy saving equipment and low-carbon fleet of vehicles. This initiative shall be consolidated further through on-going educational sessions to sensitise and inculcate a green-culture within our working methods to further reduce our paper consumption via documents printing as an exception, rather than the norm.

**Prevention of Malpractice Manual**

Integrity

Responsiveness

Fairness

Transparency & Accountability

*Commitment Beyond Revenue*

World-Class Service
Empowering economic and social development

**TAXPAYER CHARTER**

World-Class Service
Empowering economic and social development

**TAXPAYER CHARTER**

**Code of Conduct and Ethics**

**QUALITY POLICY STATEMENT**

Our mission is to continually reform and modernise tax administration in order to manage and operate an effective and efficient revenue raising organisation comprising of highly motivated and skilled staff.

We shall strive to continually improve the effectiveness of our Quality Management System and to comply with applicable requirements.

We are determined to:

○ Providing a quality and efficient service;

○ Assisting and communicating clearly with all stakeholders;

○ Being just and fair; and

○ Raising standards and being accountable.

We are committed to fostering a caring environment that encourages our people to cooperate in achieving our vision, mission, values, objectives and goals.

Commitment Beyond Revenue

Integrity | Responsiveness | Fairness | Transparency & Accountability

**INTEGRITY POLICY STATEMENT**

The MRA shall through this policy statement articulate its stance on integrity, corruption and bribery, and explain the ethical and moral standards expected from our stakeholders.

# 8. Goal 5: Strengthening Good Governance and Improving Corporate Image

MRA's e-filing and e-payment strategies for individual income tax return have resulted in substantial paper and energy savings, both for the MRA and its taxpayers. We have achieved considerable success by achieving a 90% e-filing rate for individual income tax returns - a peak rate with marginal prospects of significant increase into the near future. In the medium term, the MRA aims for similar e-filing rates by companies for corporate taxation. The percentage of e-filing for VAT is relatively low in contrast to other taxes. The MRA shall focus its resources in boosting significantly the VAT e-filing rate.

## 8.2 Enhancing MRA's corporate image

Some taxpayers and stakeholders view the MRA as a revenue mining mechanism for the Government or a ruthless enforcement agency for tracking people who do not pay their fair share of taxes. Another perception relates to the MRA having a psychological impact only during the income tax filing season, where there is extensive use of the media to sensitise people about e-filing, e-payment, FITA Centres, etc. Hence, MRA plans to intensify its commitment to sensitise and educate its stakeholders and the wider public regarding the multiple roles of a Revenue Administration in the economic system of a modern society.

MRA holds the view that through the due recognition of the rights and obligations of the taxpayer as a valued stakeholder of the Revenue Administration, we shall promote a healthier taxpayer culture in Mauritius. The MRA plans for a range of activities during the corporate planning phase of 2014 to 2016:

### (a) Celebration of a National Taxpayers' Day
The MRA will anchor the "National Tax Day" celebration with the hosting of various activities to sensitise, educate and inform taxpayers about important issues during a whole week.

The week-long activities will include the following:
- seminar on the role of the MRA in trade and business facilitation;
- seminar on fiscal issues by an eminent personality;
- essay competition for secondary and tertiary students on tax matters;
- food distribution / donation to an orphanage;
- patronage / financing of a project in a ZEP School;
- participation in gala events; and
- remittance of prizes to the most compliant taxpayer, VAT lucky draw winners.

### (b) Health Promotion
It is customary for the MRA to organise health briefings for its employees. We shall perpetuate this tradition in the medium term by inviting health specialists from Government and private sector to boost awareness levels of MRA employees about their health issues, including vital screening sessions on non-communicable diseases – a high risk factor across the population.

### (c) Fleet Rehabilitation with Corporate Colour and Signage
The MRA shall rehabilitate all its fleet of vehicles painted with the same colour, signage and logo. Our mini-buses will also be equipped with electronic signage to display vital but short messages.

### (d) Training for our drivers

The MRA shall provide appropriate training to our drivers to sensitise them on how best to perform their duties as their behaviour, especially on the roads, reflect - in some way - the public perception of the MRA.

### (e) Uniform for MRA staff

The MRA shall hold discussions with MRA trade union representatives about the introduction of a uniform as dress code for MRA Officers, excluding Customs Officers where uniforms are an accepted norm. It is expected that a culture of Uniforms as dress code shall enhance our corporate identity and instil a sense of corporate belonging and an image of professionalism.

### (f) Sponsorship of Events

The MRA will consider the sponsorship of some events (e.g. brain trust, debates or elocution) organised for students by tertiary institutions such as Open University of Mauritius which aims at creating tax awareness among the student population.

**Table 13: Strengthening Good Governance and Improving Corporate Image:
Strategic Initiatives & KPIs**

| Objectives | Strategic Initiatives | Key Performance Indicators |
|---|---|---|
| **Strengthening Good Governance and Improving Corporate Image** | Enhancing principles of good governance within the MRA | • New Taxpayer's Charter designed<br>• Specific internal control function performed by Section Heads and Team Leaders<br>• No. of initiatives to maintain ISO Certification<br>• No. of meetings to monitor progress on Enterprise Risk Management project<br>• No. of initiatives for promoting ethics & integrity<br>• No. of "green" initiatives<br>• No. of initiatives to promote 'Health & Safety' environment |
| | Enhancing MRA's Corporate | • National Taxpayers' Day / week organised<br>• Fleet Rehabilitated with Corporate Colour & Signage<br>• No. of training programmes for MRA drivers<br>• No. of tax awareness events sponsored by the MRA |

# List of tables

Moving **strategically** towards sustainable **growth**

Contemplate the accomplished Vision

# Glossary

| | | | | |
|---|---|---|---|---|
| ADSU | Anti-Drug and Smuggling Unit | | ITAX | Income Tax |
| AEO | Authorised Economic Operators | | KPIs | Key Performance Indicators |
| APS | Advance Passenger System | | LTD | Large Taxpayers Department |
| ATA | Admission Temporaire/ Temporary Admission | | MaCCS | Mauritius Cargo Community Services |
| ATM | Automatic Teller Machine | | MCCI | Mauritius Chambers of Commerce and Industry |
| BOM | Bank of Mauritius | | MERI | Mauritius Exchange Rate Index |
| CASR | Customs Approved Store Rooms | | MOFED | Ministry of Finance and |
| CIF | Cost Insurance and Freight | | | Economic Development |
| CMS | Customs Management System | | MOU | Memorandum of Understanding |
| COR | Customs Offence Report | | MRA | Mauritius Revenue Authority |
| CRM | Client Relationship Managers | | MSTD | Medium Small Taxpayers Department |
| DDTS | Deferred Duty Tax Scheme | | n-CEN | National Customs Enforcement |
| DOA | Declaration of Asset | | | Network |
| EFD | Electronic Fiscal Device | | NCG | National Coast Guards |
| FAQs | Frequently Asked Questions | | NGOs | Non Governmental Organisations |
| FID | Fiscal Investigations Department | | OGA | Other Government Agency |
| FITA | Free Income Tax Assistance | | OTS | On Line Tracking System |
| FOB | Free on Board | | PIO | Passport Immigration Office |
| G8 | Group of 8 | | PNR | Passenger Name Record |
| GDFCF | Gross Domestic Fixed Capital Formation | | QTU | Qualified Tradenet Users |
| | | | RKC | Revised Kyoto Convention |
| GDP | Gross Domestic Product | | SADC | Southern African Development |
| GRA | Gambling Regulatory Authority | | | Community |
| HNWI | High Net Worth Individuals | | SAP | Systems Applications & Products |
| HNWIU | High Net Worth Individual Unit | | SEM | Stock Exchange of Mauritius |
| HR | Human Resource | | SMEs | Small and Medium Enterprises |
| HS 2012 | Harmonised System Version 2012 | | SMS | Short Message Service |
| IATA | International Air Transport Association | | SMU | Special Measures Unit |
| ICT | Information Communication Technology | | TPOS | Taxpayer Online Service |
| IMF | International Monetary Fund | | TRMU | Tax Risk Management Unit |
| IPM | Interface Public Members | | US | United States |
| ISO | International Organisation for Standardisation | | VAT | Value Added Tax |
| | | | VCDs | Video Compact Discs |
| IT | Information Technology | | VLDS | VAT Lucky Draw Scheme |
| ITAS | Integrated Tax Administration Solution | | WCO | World Customs Organisation |
| | | | ZEP | Zones D'Education Prioritaires |

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