

MRA pioneers AEOI implementation

Under the aegis of the African Tax Administration Forum (ATAF), a delegation of tax professionals from the Rwanda Revenue Authority (RRA) is currently in Mauritius to learn from the Mauritian experience for the implementation of the Automatic Exchange Of Information (AEOI) in Rwanda. A few weeks back, the Mauritius Revenue Authority (MRA) received a similar delegation from the Uganda Revenue Authority (URA) with the same objective.



AEOI/CRS

The Automatic Exchange of Information, under the Common Reporting Standard (CRS), involves the systematic and periodic transmission of “bulk” taxpayer information by the source country to the residence country concerning various categories of income (e.g., account balance or value, dividends, interest, royalties, salaries, pensions, etc.)

AEOI offers multiple benefits by deterring non-compliance, enhancing voluntary adherence, and promoting complete disclosure. It improves tax revenues, and promotes fairness in tax payment. Moreover, it detects tax evasion, improves tax transparency, and ensures that taxpayers are accurately reporting their income and assets.

Automatic exchange also provides timely information on non-compliance where tax has been evaded either on an investment return or capital sums. It may also help in educating taxpayers about their reporting obligations, increase tax revenues and thus lead to fairness. In other words, it ensures that all taxpayers pay their fair share of tax in the right place at the right time.

Key players in CRS Information Exchange

The exchange of information under the CRS concerns financial institutions such as banks, custodian entities, specified insurance companies and investment entities. These financial

institutions hold financial accounts on behalf of individuals and entities and, as such, are required to exchange financial account information with their account holders.

Implementation of the AEOI by MRA

MRA implemented AEOI some five years back, thanks to a team of in-house IT professionals, a robust tax system and a proven legal framework. Today, financial information is being shared seamlessly with tax authorities in other jurisdictions.

A Synergy of MRA Team

The International Taxation Section (ITS) at MRA has been the main driver of the AEOI project. To this end, a dedicated unit was set up within the ITS of the Large Taxpayers Department of MRA with full-time officers working on the implementation of CRS. However, the AEOI project requires the collaboration of other departments across the



MRA. For instance, the Information Systems Department is responsible for the administration of the CRS portal, while the Tax Risk Management Unit is responsible for the analysis of the data received under CRS.

Information sharing

A CRS Guidance Note was published on MRA's website in April 2016. Moreover, a webpage has been dedicated to CRS on the MRA's website where all relevant guidance pertaining to CRS, including FAQs on CRS, prepared by MRA, can be found. MRA also publishes a list of reportable jurisdictions on a yearly basis.

Advantages of CRS Exchanges for Mauritius

Through CRS exchanges, Mauritius obtains financial account details of its tax residents from partner countries. No doubt, this provides better visibility on wealth and foreign assets held abroad by the tax residents of Mauritius. Consequently, it becomes easier to detect possible tax evasion and create an environment where there will be no place to hide illicit or undisclosed income.

Information received under the CRS has had a positive impact on tax compliance through the re-enforcement of our risk-based selection of files for tax audits and improved identification of

non-filers. Indeed, MRA has raised tax assessments based on information received under the CRS.

Moreover, the exchange of information under the CRS ensures tax transparency and further consolidates the reputation of our country on the international front. In fact, tax transparency acts as a major tool in combatting tax evasion, tax base erosion, banking secrecy and in identifying artificial arrangements under schemes of aggressive tax planning.

Mauritius as a benchmark

Mauritius is among the first African countries, after South Africa and Seychelles, to have implemented the CRS. The country has already undergone the various assessments by OECD as regards the implementation of CRS.

The first assessment is the legislative assessment, the aim of which is to ensure that Mauritius has the proper legal framework in place to exchange information under CRS. No recommendations were received for the first and second rounds of our legislative assessment, that is, there has been no adverse report.

The second assessment regards the confidentiality and data safeguard assessment to ensure that information exchanged under CRS is kept confidential and properly safeguarded. This involved the participation of several departments at MRA to enable the timely completion of questionnaires and to provide response to the queries raised by the Global Forum assessors. Following an on-site visit to Mauritius in October 2022, the assessors concluded that Mauritius is an appropriate partner for exchange under the CRS.

The third one pertains to the effectiveness of practice assessment. This assessment seeks to ensure that CRS is being implemented in practice effectively. This involves accurately carrying out due diligence procedures, collecting and reporting the necessary information for each Reportable Account.

Under the first round of assessment of effectiveness in practice assessment, Mauritius was assigned the “on-track” rating which is the highest rating. The second round of assessment is currently ongoing and an onsite visit by the OECD was conducted recently in January 2024.

Based on all the above, Mauritius is at a mature stage of implementation of CRS and is seen as a benchmark in the field of CRS implementation. Mauritius is very often invited to share its

experience on CRS on various international platforms: the Africa Initiatives, trainings organized by ATAF and the OECD as well.

This month itself, OECD launched a model manual for the conduct of CRS audits. This launching ceremony was attended by participants from more than 100 countries and Mauritius was invited by the OECD to make a presentation, along with 3 other countries, to share its experience on the implementation of CRS and the conduct of CRS audits.



Mauritius signed the Organisation for Economic Co-operation and Development (OECD) convention on mutual administrative assistance in tax matters in June 2015. This year, Mauritius will be carrying out its 7th reporting under CRS.

The Rwanda Revenue Authority (RRA) is committed to implementing the AEOI Standard and aims to start exchanges by September 2025. As part of their technical assistance program, they have chosen MRA for its successful portal implementation. In line with this commitment, MRA is hosting a Peer Country Learning Workshop and Automatic Exchange of Information – Technical Assistance Program spanning from 26th February 2024 to 29th February 2024, focusing on enhancing knowledge sharing and capacity building in the field of Automatic Exchange of Information. The workshop aims to facilitate knowledge sharing and capacity building in the area of Automatic Exchange of Information.

The delegation in Mauritius comprises Mr. Vedaste Habimana, Professional in Charge of Application Development, Mr. Remy Uwizera, Director in Charge of Applications Unit, Ms. Clothilde Uwineza, Principal Professional in Charge of Application Business Analysis and Documentation, , Ms. Ruth Uwimbabazi, Principal Technical officer in Charge of International Exchange of Information for Tax Purposes, and Mr. Amri Sued Iradukunda, Professional in Charge of Web Application Services and Performance Tuning from the Rwanda Revenue Authority.



The team also comprises Mr. Eugene Odhiambo Waluvengo, Tax and Customs Digitalisation Consultant, Ms Joy Waruguru Ndubai, Digital Transformation Lead, IT Tax Administration System for Africa Project, ATAF and Mr. Ziyaad Butler, Managing Director, Sovereign Border Solutions, are in Mauritius to seek the expertise of the Mauritius Revenue Authority.

As a trusted organisation in the global fight against tax evasion and money laundering, MRA is committed to upholding the highest standards of integrity and accountability. The successful implementation of AEOI further solidifies MRA's position as a leader in tax administration and underscores its pivotal role in promoting a fair and transparent tax environment in Africa.