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MAURITIUS REVENUE AUTHORITY

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# **STAKEHOLDER MANUAL**

# **EXCISE**

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## **1 INTRODUCTION**

- 1.1 The Excise Section is responsible for the protection and collection of excise duty, monitoring and control and delivery of locally manufactured excisable goods including plastic carrier bags and plastic pet bottles effective since July 2006.

## **2 EXCISE DECLARATIONS**

### **2.1 Warehousing declarations**

- 2.1.1 Electronic warehousing excise declarations shall be processed for all excisable products manufactured and deposited in the excise warehouse, wherever applicable.

### **2.2 Ex-warehousing declarations**

- 2.2.1 Electronic ex-warehousing excise declarations shall be processed for all excisable products and removed from the factory for the following purposes:

- (a) Home consumption;
- (b) Direct export;
- (c) Export as ship's store;
- (d) Duty free to Embassies, Duty Free Shop and Freeport;
- (e) Bond;
- (f) For the manufacture of fortified country liquor, fortified fruit wine, perfume spirits and spirit vinegar;
- (g) For the manufacture of denatured alcohol;
- (h) Transfer to another Excise Station;
- (i) Manufacture of medicinal and experimental purposes;
- (j) For laboratory purposes and aquaculture;
- (k) For sale for export under customs supervision/bank guarantee; and
- (l) For other purposes as approved by the Director General.

## **3 WAREHOUSING/EX-WAREHOUSING EXCISE DECLARATIONS**

### **3.1 Submission of excise declarations**

- 3.1.1 The manufacturer/agent shall submit an electronic excise declaration to the Excise

Office. The declaration shall contain the following information:

- (a) HS code of the goods ;
- (b) Quantity of goods ;
- (c) Rate of duty of that particular good (if applicable);
- (d) Amount of duty payable (for ex-warehousing where applicable);
- (e) Duty Tax code;
- (f) Alcoholic strength (if appropriate);
- (g) Tax basis;
- (h) Capacity;
- (i) Operator code; and
- (j) Excise Procedure Code.

## **4 EXCISE DUTIES**

### **4.1 Payment of excise duty**

4.1.1 The excise duty shall be payable to the Director-General at the time specified in the First Schedule paragraph (6) (a) & (b) as follows:

- (a) In respect of removals for each of the month from July to May, not later than seven days after the end of the month; and
- (b) In respect of removals for the month of June, not later than the last day of that month.

4.1.2 Duty shall be paid on above 2 % any excess of deficit allowable under this Act.

### **4.2 Surcharge for late payment**

4.2.1 A surcharge of 5% of the excise duty unpaid shall be claimed for late payment.

4.2.2 An interest at the rate of 12% shall accrue on unpaid excise duty as from due date a tax code '72' shall be applicable for late payment.

### **4.3 Procedure for payment**

4.3.1 The manufacturer shall send payment instruction electronically when sending ex-warehousing declarations wherever duty is payable.

#### **4.4 Payment under protest**

4.4.1 Where a manufacturer of excisable goods disagrees with the amount of excise duty payable, he shall pay to the Director-General the amount claimed and may within 28 days lodge written representations with the Clerk to the Assessment Review Committee. (refer to Section 19 of the MRA Act 2004).

#### **4.5 Short payment**

4.5.1 Claim for any excise duty short paid shall be made before three (3) years from the date on which excise duty was short paid.

### **5 PART I, PART II and PART III LICENCES**

#### **5.1 Part I Licence**

5.1.1 No person shall carry on any business mentioned in column 3 of the Second Schedule of the Act unless he is the holder of a licence that effect.

5.1.2 Type of Part I licences are as follows:

- (a) Bottler of liquor;
- (b) Brewer;
- (c) Distiller-Bottler;
- (d) Manufacturer of alcoholic products;
- (e) Manufacturer of cigarettes and other tobacco products;
- (f) Manufacturer of country liquor, fruit wine, fortified country liquor, fortified fruit wine and vinegar;
- (g) Manufacturer of essential oils and essences;
- (h) Manufacturer of medicinal tinctures and drugs;
- (i) Manufacturer of motor cycles;
- (j) Manufacturer of motor vehicles;
- (k) Manufacturer of perfumed spirits and cosmetics;
- (l) Manufacturer of wine, fortified wine and vinegar;
- (m) Manufacturer of spirit cooler;
- (n) Bottler of water;

- (o) Manufacturer of plastic carrier bags;
- (p) Manufacturer of island recipe rum;
- (q) Manufacturer of soft drinks; and
- (r) Wholesale dealer in liquor and alcoholic products.

## **5.2 Issuance of Part I Licences**

- 5.2.1 The applicant shall submit at the Excise Office an application to the Director - General for the issue of a Part I Licence on the prescribed form.
- 5.2.2 Relevant documents such as copy of NID, copy of site plan and copy of location plan shall be annexed.
- 5.2.3 A site visit shall be effected by Team Leader.
- 5.2.4 The prescribed conditions in relation to the premises shall be fulfilled.
- 5.2.5 Clearance from the Commissioner of Police shall be obtained. Upon approval, the applicant may call at the office for payment of the licence fee.
- 5.2.6 The applicant shall pay the licence fee as specified in the Second Schedule of the Excise Act 1994.
- 5.2.7 A payment receipt shall be issued to applicant together with the licence.
- 5.2.8 Where the prescribed conditions have not been fulfilled and a negative report results from the site visit, the applicant shall be informed accordingly and no fresh application shall be considered within six (6) months from the date of refusal or rejection of the application.
- 5.2.9 The applicant shall take remedial action before another site visit is effected.
- 5.2.10 Where the findings are favourable, a report shall be made and application shall be approved on submission of a security or bank guarantee. Clearance is sought from the Commissioner of Police prior to the issue of any licence.

## **5.3 Validity of licence**

- 5.3.1 A licence shall be valid in respect of the factory or licensed premises specified in it and it shall expire on 31 December of the current year.

## **5.4 Renewal of Part I Licences**

- 5.4.1 Licensee shall be informed in writing that his licence is due to expire.
- 5.4.2 He shall make a request for renewal of the appropriate licence before expiry on the prescribed form.

- 5.4.3 He shall bring along their expired licence and a fresh bond.
- 5.4.4 They shall pay the prescribed fee at the Cashier's Office.
- 5.4.5 Any licence renewed more than fourteen (14) days after the date of its expiry shall attract a surcharge of 50%.
- 5.4.6 A copy of the payment receipt together with the licence shall be issued to the applicant.
- 5.4.7 The applicant shall produce the payment receipt and the licence at the Excise Office where a copy of the licence shall be kept.
- 5.4.8 Type of Part II Licences are as follows:
- (a) Retailer of liquor and alcoholic products (Cooperative Store);
  - (b) Wholesale dealer in liquor and alcoholic products (Cooperative Store);
  - (c) Retailer of liquor and alcoholic products (On & Off);
  - (d) Retailer of liquor and alcoholic products (Off);
  - (e) Retailer of beer, shandy, cider, perry, spirit cooler and other alcoholic beverages;
  - (f) Commission agent (liquor);
  - (g) Retailer of liquor;
  - (h) Shipchandler (liquor and alcoholic products);
  - (i) Retailer of liquor and alcoholic products (Hotel);
  - (j) Retailer of liquor and alcoholic products (Boarding House);
  - (k) Retailer of liquor and alcoholic products (Restaurant);
  - (l) Theatre or cinema (liquor) Retailer;
  - (m) Airport refreshment room (Retailer of liquor and alcoholic products);
  - (n) Retailer of liquor and alcoholic products (Private Club);
  - (o) Night club (liquor) Retailer; and
  - (p) Retailer of liquor and alcoholic products (Gaming House) - To be issued to holder of a licence of Gaming House under the Gaming Act.

## **5.5 Issuance of Part II Licence**

- 5.5.1 The applicant shall make an application to the Director-General as per Fifth Schedule of the Excise Regulations 1994.
- 5.5.2 Notice of application shall be published by the applicant in the Government Gazette within seven (7) days from the date of the application and in two daily newspapers.
- 5.5.3 Notice of every application shall be posted in a conspicuous place at or near the premises in respect of which the licence is applied for.
- 5.5.4 Where there is no objection, the licensing authority shall issue the licence after authorisation from the Commissioner of Police is sought.

## **5.6 Renewal of Part II Licence**

- 5.6.1 Before a Part II Licence is renewed, any authorised person may object to its renewal by written notice to the licensing authority.
- 5.6.2 No notice of objection shall be entertained unless it is sent to the licensing authority within twenty one (21) days before the expiry of the licence.
- 5.6.3 No application for renewal of a licence shall be entertained unless the application is made not more than two (2) months after the expiry of the licence.

## **5.7 Transfer of Part I & Part II Licence**

- 5.7.1 Applicant shall make his application to the Director-General as per Fifth Schedule of the Excise Regulations 1994. Applicant shall produce a bond as per Section 3(b).
- 5.7.2 Types of Part III Licences are as follows:

- (a) Retailer of liquor and alcoholic products (Occasional); and
- (b) Retailer of liquor and alcoholic products (Restaurant) (Extension).

## **5.8 Issuance of Part III Licences (Occasional Licences)**

- 5.8.1 The applicant shall submit an application to the Director-General for the issue of a Part III Licence on the prescribed form at the Excise Office. (refer to Sixth Schedule of the Excise Regulations 1994).
- 5.8.2 The form shall be approved by the Commissioner of Police and duly stamped.
- 5.8.3 Applicant shall sign a form on which nature of licence, place and date of operation, and amount to be paid are stated.
- 5.8.4 The form shall be handed to the applicant and he shall proceed to the Cashier's Office to effect payment.

5.8.5 A payment receipt together with the Occasional Licence to operate shall be issued to the applicant.

## **6 OBLIGATIONS OF LICENSEE**

6.1 A signboard bearing the name and surname of the licensee and the nature of his trade or business shall be displayed in a conspicuous place at the licensed premises or factory.

6.2 A notice bearing the words as per Section 15 of the Excise Act 1994 shall be displayed.

6.3 A licensee shall not sell any liquor, alcoholic products, beer, spirit cooler, fruit wine, fortified fruit wine, wine or fortified wine to, or allow such goods to be consumed at his licensed premises by any person under the age of 18 years.

6.4 A licensee shall comply with such other obligations as may be prescribed.

6.5 Any licensee who does not comply with 6.1, 6.2 and 6.3 shall commit an offence and shall, on conviction, be liable to a fine not exceeding Rs 50,000 and to imprisonment to a term not exceeding two (2) years. (Amended by [Finance Act 2006])

## **7 SECURITIES/BANK GUARANTEES**

7.1 Bank guarantee/security shall be required for the following reasons:

- (a) For covering excise duty on excisable goods stored at the manufacturer's premises;
- (b) For exportation of excisable goods on which duty has not been paid – to ensure that the goods are exported as directed; and
- (c) For Possession of water still duly registered.

7.2 For the purposes of 7.1 (a), the manufacturer shall furnish a security/bank guarantee in such amount as the Director-General may require.

7.3 For the purpose of 7.1 (b), the manufacturer shall be ordered to furnish a bank guarantee in such amount as the Director-General may deem fit.

7.4 A bank guarantee for the sum of Rs 10,000 per still shall be required.

7.5 All stakeholders shall receive a notice for renewal of their bank guarantee prior to their expiry.

## **8 CUSTOMS OFFENCES AND PENALTIES**

8.1 Any person who does not comply with the provisions of the Act shall commit an offence.

8.2 Any person who commits an offence shall on conviction, be liable to pay a penalty and any excise duty, customs duty and VAT due, licence fee, if any.

## **9 SUSPENSION AND CANCELLATION OF LICENCE**

9.1 In case a licensee is convicted for an offence, his licence may be suspended or cancelled by the court.

9.2 Any person who commits an offence shall on conviction, be liable to pay a penalty and any excise duty, customs duty and VAT due and the licence fee, if any.

## **10 COMPOUNDING**

10.1 Any offence committed shall be informed in writing to the offender.

10.2 Offences shall be compounded by the Director- General where offender agrees to pay any excise duty unpaid and the penalty to which he is liable. Offender shall do so in writing.

10.3 Any agreement shall be considered to be final and conclusive.

## **11 CUSTOMS CONTROL**

### **11.1 Miscellaneous**

11.1.1 The manufacture and removal/transfer of excisable goods such as perfumed spirits and denatured alcohol shall be under Customs supervision.

11.1.2 The weighing of tobacco leaves at Tobacco Board shall be supervised by a Customs Officer.

11.1.3 The transfer and the fixing of a still shall be under the Customs supervision.

11.1.4 The placement and replacement of a seal on a still shall be done by a Customs Officer.

11.1.5 Molasses shall not be removed from one place to another without a permit authorizing the transfer.

11.1.6 Applicant shall submit an application letter to the Director-General stating the purpose for which molasses shall be used and the quantity required.

11.1.7 Livestock breeders in possession of a letter certifying that they are eligible to buy a certain quantity of molasses and the purpose shall obtain a permit for the removal of molasses.

11.1.8 Check-visits shall be carried out at the premises of the manufacturers of plastic carrier bags and plastic pet bottles. Stock Book of material used, finished product and any waste occurred during production shall be verified by Team Leader

Excise/Customs Officer and any discrepancy shall be accounted for.

## **11.2 Purchase/Receipt of excise stamps**

- 11.2.1 Manufacturers or importers shall purchase excise stamps solely from the MRA Finance and Administration Department.
- 11.2.2 Any intended purchase of excise stamps by manufacturers or importers shall be made to the Director-General MRA on an application form available at the Excise Section.
- 11.2.3 Manufacturers or importers shall submit their applications to the Excise Section sixty days prior to the importation or manufacture of cigarettes.
- 11.2.4 Upon approval of the request by the Team Leader Excise, manufacturers or importers shall effect payment at MRA Finance and Administration and thereafter take delivery.
- 11.2.5 Manufacturers or importers shall, upon receipt, cause the excise stamps to be affixed on their respective cigarette brands.

## **11.3 Enforcement/control**

- 11.3.1 Obligation
- 11.3.1.1 Importers or manufacturers shall report any Excise stamps spoiled or damaged to Customs.
- 11.3.1.2 Every manufacturer or importer shall keep a daily record of excise stamps with a summary at the end of each month ,on computer or otherwise, showing:
- (a) The date of issue, the quality and serial numbers;
  - (b) The date on which damaged or spoiled excise are forwarded to be affixed on cigarette packs, the quantity and serial numbers;
  - (c) The date on which damaged or spoiled excise stamps are returned to the Director General, the quantity and serial numbers; and
  - (d) The remaining excise stamps, their quantity and serial numbers.
- 11.3.1.3 Importers or manufacturers shall report any excise stamps damaged or lost to customs and action shall be undertaken to log and invalidate the numbers in the excise stamps tracing database.
- 11.3.1.4 Importers and manufacturers of cigarettes shall at the end of each month submit a monthly return showing the quantity purchased, quantity used, quantity spoiled or damaged and quantity remaining.
- 11.3.1.5 Manufacturers or importer shall return to the MRA all excise stamps spoiled or damaged prior to next order.

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## **12 REQUEST FOR EXTRA ATTENDANCE OF OFFICERS**

- 12.1 The agent shall make a request for extra attendance of Customs Officer(s) for specific works to be carried out by the operator such as supervision, accompaniment of alcohol from distillery to another factory or of excisable goods from a factory to place of shipment on Form No. 1. The request shall be made 48 hours before the requirement.
- 12.2 Request shall be approved by Team Leader and a payment form shall be issued to agent.
- 12.3 The agent shall proceed to the Cashier's Office of Finance Section with the approved request.
- 12.4 A payment receipt shall be issued to agent.

## **13 REFUND OF EXCISE DUTY**

- 13.1 Any excise duty paid in excess shall be refunded where the Director-General is satisfied that the person making an application for refund of excise duty is entitled to the refund. Any claim of refund after three (3) years shall not be entertained.
- 13.2 Claimant shall receive a written notice if the Director-General is not satisfied that same is entitled to a refund.
- 13.3 Where claimant disagrees with the decision of Director-General, he may lodge representations with the Clerk to the Assessment Review Committee, in accordance with Section 19 of the MRA Act 2004.