

Submission of VAT Returns and Payment of VAT



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Foreword

The purpose of this leaflet is to help VAT registered persons understand their legal obligations regarding the submission of VAT returns and the payment of the corresponding tax. The provisions of the law on interest and penalty as well as the steps that have to be taken to avoid such charges are also explained.

This leaflet is for information only.

For the legal provisions, you may consult the Value Added Tax Legislation. The law relating to VAT is contained in the Value Added Tax Act and the Value Added Tax Regulations 1998 as subsequently amended, and are available on the website of the MRA.

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Submission of VAT returns

Every VAT registered person shall, after the end of every taxable period, submit electronically to the Director-General of the Mauritius Revenue Authority (MRA), a return in respect of that period.

A VAT registered person has to submit his returns electronically in the approved format.

A VAT registered person whose annual turnover of taxable supplies exceeds Rs. 10 million has to submit monthly VAT returns. The taxable period in relation to him is a one month period or part of it.

Where the annual turnover does not exceed Rs. 10 million, the VAT registered person has to submit quarterly returns. The quarters end on 31 March, 30 June, 30 September and 31 December. The taxable period in relation to him is a quarterly period or part of it.

However, where the annual turnover of taxable supplies does not exceed Rs.10 million, a VAT registered person may, by irrevocable notice in writing to the Director-General, elect the taxable period in relation to him to be a one month period or part of it and submit monthly returns.

VAT returns

Every registered person shall, after the end of every taxable period, within such time as may be prescribed, submit electronically to the Director-General in respect of that period a return, in such manner and in such form as may be approved by the Director-General.

Vat Payable, Vat in Excess and Nil returns

Where the output tax exceeds the input tax, the difference representing the amount of tax payable shall be paid electronically to the Director-General at the time the return is submitted.

Where the input tax exceeds the output tax, the excess amount is carried forward to the next return, unless the VAT registered person is eligible to a claim for repayment.

Where neither supplies nor purchases have been made during a taxable period, a Nil VAT return has to be submitted.

Though a VAT registered person has no trading activities or has ceased trading activities, he has to submit a NIL VAT return until he is notified by the Director-General that he has been deregistered for VAT.

Mode of submission of VAT returns

A VAT registered person has to submit his returns electronically in the approved format.

Every VAT registered person who is required to submit a return every month shall, at the time of submitting his return, also submit electronically, a list of taxable supplies made to any person, other than supplies by retail, showing the invoice number and value of supply in such format as the Director-General may determine.

Payment of VAT

In the case of tax payable, the amount shall be paid electronically to the Director-General at the time the return is submitted.

No cash or cheque payment will be entertained at the MRA cash counter. Any payment required or authorised for an electronic return submitted through the MNS or MRA website, instructions have to be given to the bank at the time the return is sent.

The claim for repayment is incorporated in the VAT return.

Note:

Newly VAT registered persons should fill-in and submit a **PLACH Direct Debit Mandate** which can be downloaded from [MRA website](#).

VAT registered persons in Rodrigues

VAT Registered persons in Rodrigues can submit their VAT return and effect the respective payment electronically through MRA website: www.mra.mu

MRA recommends VAT Registered persons in Rodrigues to avail themselves of the Direct Debit payment facility to pay the VAT.

Penalty and interest

Penalty for failure to join electronic system

Any VAT registered person who is required to submit his return and make any payment of tax due electronically but fails to join the electronic system shall be liable to a penalty of Rs 5000 for every month or part of a month up to the taxable period immediately preceding the taxable period in respect of which the return is submitted electronically up to a maximum penalty of Rs 100,000.

Penalty for non-submission of VAT returns by due date

A VAT registered person who submits his return after the due date has to pay a penalty of Rs. 2000 for every month or part of the month until the return for that taxable period is submitted, subject to a maximum penalty of Rs. 20,000.

Penalty for non-submission of VAT returns by due date and late payment for small enterprises

Where a VAT registered person is a small enterprise, the maximum penalty payable for non submission of VAT return shall not exceed Rs. 5,000.

The penalty for late payment shall be 2 per cent of the tax.

Penalty for late payment of tax

Where a VAT registered person fails to pay tax on the due date, he has to pay, in addition to the tax a penalty of 10% of the tax.

Interest on unpaid tax

Interest at the rate of 1 per cent per month or part of the month is payable on any tax unpaid from the date the tax remained unpaid up to the date of payment.

Invalid or dishonoured cheque

In the case of an invalid cheque or a cheque which is subsequently dishonoured, penalty and interest are likewise payable.

Submission of amended returns

The attention of all taxpayers is drawn to the fact that the VAT act does not provide for the submission of "amended" VAT returns.

Any input and/or output which have not been declared in the relevant period to which it relates must be made by way of adjustment on the VAT account of the electronic return. A statement showing the details therein must be attached to the return sent to the MRA.

