



Tax Arrears Settlement Scheme

November 2020

Objective

The scheme is designed for taxpayers and/or employers having outstanding tax arrears as at **31 October 2020**. Where the tax arrears are settled on or before **31 December 2021**, the taxpayer will benefit from 100 percent waiver of penalties and interest included in the tax arrears in respect of Income Tax Act, Value Added Tax Act and Gambling Regulatory Authority Act.

The scheme also provides 80% reduction on surcharges on Training Levy under the Human Resource Development Act provided the outstanding Training Levy along with the balance of surcharges is paid on or before **31 March 2022**.

Scope

The scheme will cover tax arrears, that is tax, penalty and interest, arising under an assessment issued or a return submitted on or before **31 October 2020** under the Income Tax Act, Value Added Tax Act and Gambling Regulatory Authority Act. The scheme also covers arrears consisting of Training Levy surcharges payable under the Human Resource Development Act. The surcharges will be reduced by 80%.

Taxpayers having assessments pending before the Assessment Review Committee (ARC), the Supreme Court or Judicial Committee of the Privy Council and who wish to take advantage of the scheme, may do so by withdrawing the case before these institutions.

Procedures

To benefit from the full waiver of penalties and interest and reduction of surcharges on Training Levy, the taxpayer and/or employer is required to make an application for the waiver to the Director-General on or before **30 June 2021**.

The **Application Form** to join the scheme is annexed to this guide.

Eligibility

The scheme is applicable to all taxpayers and/or employers with tax arrears, outstanding as at **31 October 2020** under an assessment issued or return submitted on or before 31 October 2020.

Persons not eligible for the scheme (Section 28 (17)(b) of the MRA Act)

The scheme is not applicable to any person:

- (i) who has been convicted on or after 01 July 2001 of an offence;
- (ii) against whom there are any pending or contemplated civil or criminal proceedings; or
- (iii) who is the subject matter of an enquiry,

relating to trafficking in dangerous drugs, arms trafficking, or an offence related to terrorism under the Prevention of Terrorism Act, money laundering under the Financial Intelligence and Anti Money Laundering Act or corruption under the prevention of Corruption Act.



Tax Arrears Settlement Scheme (TASS) 2020

Application Form

(to be submitted on or before 30 June 2021)

To the Director-General, MRA

1. I,..... bearing NIC Numberacting in my own name / as representative of Company/Societe/Succession*..... bearing TAN/BRN..... hereby make an application to join the above-mentioned scheme and to avail of:

- (i) waiver of all penalties, interest on assessments or returns; and/or
- (ii) 80% reduction of surcharge on levy.

2. I also undertake to:

- (i) enter into an agreement for the payment of the balance of tax due of Rs , in monthly instalments;
- (ii) pay the total tax due on or before 31 December 2021; and
- (iii) pay the balance of Training Levy due and/or balance of surcharge of Rs....., in monthly instalments, and settle the total amount due and 20% of the surcharge on or before 31 March 2022.

3. I declare that:

- (i) I/the company/the Societe/the Succession have/has not been convicted of an offence;
- (ii) there are no pending or contemplated civil or criminal proceedings against me/the company/the Societe/the Succession; and
- (iii) I/ the company/the Societe/the Succession am/is not the subject matter of an enquiry, relating to trafficking in dangerous drugs, arms trafficking, or an offence related to terrorism under Prevention of Terrorism Act, money laundering under the Financial Intelligence and Anti-Money Laundering Act or corruption under the Prevention of Corruption Act.

4. It is understood that this application shall lapse if the above conditions are not complied with.

5. I hereby confirm that I am duly authorized by the taxpayer to make this application and enter into an agreement with the MRA for payment of tax and/or Training Levy and/or surcharge*.

Signature:

Date:

Tel No:

Address/Email Address:

**Delete, if not applicable.*