PRIVATE & CONFIDENTIAL	Please quote your **TAX ACCOUNT No.** in all communications addressed to the **Mauritius Revenue Authority, Ehram Court, Cnr Mgr Gonin & Sir Virgil Naz Streets, Port Louis**	I.T. Form 3A

TAN:

INCOME TAX

(The Income Tax Act)

Year of assessment 2012

ANNUAL RETURN - TRUST

Applicable to a trust recognised under the laws of Mauritius and a collective investment scheme

No accounts should be submitted with the return
All items from the trust's Trading & Profit & Loss account and Balance Sheet should be given in the return on pages 2 & 3 inside

This return duly filled in together with payment of tax, if any, should reach MRA not later than six months from the end of the month in which the trust's accounting year ends. Where the trust's accounting year ends on 30 June 2012, the return and payment of tax, if any, should reach MRA by 27 December 2012 at latest.

Please read the *"Notes for completion of annual return"* before filling in this form.

1	Full name of trust	
2	Address of registered office	
3	Address of principal place of business	
4	Address for correspondence	
5	Email Address	
6	Main business activity	
7	Does the trust hold a Category 1 Global Business Licence?	Yes ☐ No ☐
8	Currency in which returns is submitted	M U R
9	Closing date of accounts	*(Use DD.MM.YY)*
10	Was trust in operation during the year?	Yes ☐ No ☐
11	State – (i) place of setting-up of trust	
	(ii) place of central management and control	
12	Has the trust deposited a declaration of non-residence to the MRA?	Yes ☐ No ☐
13	Full Name of Contact Person	
14	Number of employees including exempt employees as at closing date of accounts	Male ☐ Female ☐

Declaration *(See Note 1)*

I, ...

(a) hereby declare that the income, deductions, tax credits and other particulars in this return are true, correct and complete; and

(b) hereby *tender the sum* of Rs .... being *tax payable* in accordance with this return.

(c) hereby *apply for a refund* of Rs.................................. being the *tax paid in excess* in accordance with this return.

Daytime phone number

Signature ....

Name ....

Date ....

Capacity in which acting ....

TRADING AND PROFIT AND LOSS ACCOUNT *(See Note 2)*

		Rs		Rs
1	Turnover or Gross amount receivable	....	1	
2	**Less:** Cost of sales	....	2	
3	**Gross Profit/Loss**	....	3	
4	**Add:** Dividends	....	4	
5	Interest	....	5	
6	Rent	....	6	
7	Royalties	....	7	
8	Profit on disposal of assets	....	8	
9	Profit on sale of securities	....	9	
10	Other income / items credited to profit and loss account	....	10	
11	**Total lines 3 to 10** ➢		11	....
	Deduct: Expenses per Profit and Loss account			
12	Wages and salaries	....	12	
13	Other staff costs	....	13	
14	Directors' emoluments	....	14	
15	Commissions and discounts	....	15	
16	Entertainment expenses, gifts and donations	....	16	
17	Stationery and consumables	....	17	
18	Information systems and computer expenses	....	18	
19	Security and cleaning services	....	19	
20	Advertising and promotional expenses	....	20	
21	Overseas travelling expenses	....	21	
22	Overseas marketing and promotional expenses	....	22	
23	Legal and professional fees	....	23	
24	Management fees	....	24	
25	Interest	....	25	
26	Bank charges	....	26	
27	Loss on foreign currency exchange	....	27	
28	Electricity, water and telephone charges	....	28	
29	Rent	....	29	
30	Rates and taxes	....	30	
31	Royalties	....	31	
32	Licences	....	32	
33	Insurance	....	33	
34	Motor vehicle expenses	....	34	
35	Repairs and maintenance	....	35	
36	Depreciation	....	36	
37	Bad debts and provision for doubtful debts	....	37	
38	Loss on disposal of assets	....	38	
39	Loss on revaluation of assets	....	39	
40	Other expenses	....	40	
41	**Total lines 12 to 40** ➢		41	....
42	**Net Profit or Loss per Profit and Loss Account *(Transfer to page 4)*** ➢		42	....

BALANCE SHEET *(See Note 3)*

			Rs
	ASSETS EMPLOYED		
	Non-current assets		
1	Land and building	1	....
2	Plant and equipment	2	....
3	Investment properties	3	....
4	Intangible assets	4	....
5	Investments in subsidiary companies	5	....
6	Investments in associated companies	6	....
7	Other investments	7	....
8	Non-current receivables	8	....
9	Deferred tax assets	9	....
10	Other	10	....
11	**Total non-current assets**	11	....
	Current assets		
12	Stock of raw materials and unfinished goods	12	....
13	Stock of finished goods	13	....
14	Other stocks	14	....
15	Construction contract work in progress	15	....
16	Trade and other receivables	16	....
17	Marketable securities	17	....
18	Cash in hand and at bank	18	....
19	Other	19	....
20	**Total current assets**	20	....
	Current liabilities		
21	Trade and other payables	21	....
22	Current tax liabilities	22	....
23	Borrowings	23	....
24	Provisions for liabilities and charges	24	....
25	Proposed dividends	25	....
26	Other	26	....
27	**Total current liabilities**	27	....
28	**Net current assets**	28	....
29	**TOTAL** ➢	29	....
	FINANCED BY		
	Capital and reserves		
30	Share capital	30	....
31	Share premium	31	....
32	Revaluation and other reserves	32	....
33	Retained earnings / loss c/f	33	....
34	Others	34	....
35	**Shareholders' interest**	35	....
	Non-current liabilities		
36	Borrowings	36	....
37	Deferred tax liabilities	37	....
38	Others	38	....
39	**Total non current liabilities**	39	....
40	**TOTAL** ➢	40	....

COMPUTATION OF CHARGEABLE INCOME *(See note 4)*

		Rs		Rs
1	**Net profit or loss per Profit and Loss account** *(Transfer from page 2)*		1	
	Add: Unauthorised deductions			
2	Expenditure incurred in the production of exempt income		2	
3	Transfers to provisions and reserves		3	
4	Expenditure/loss recoverable under a contract of insurance or indemnity		4	
5	Income tax or foreign tax		5	
6	Penalties and fines		6	
7	Depreciation		7	
8	Loss on disposal/revaluation of fixed assets including securities		8	
9	Other non allowable expenditure or loss		9	
10	**Add:** Income not included in Profit and Loss account		10	
11	**TOTAL** ➢		11	
12	**Deduct:** Dividends receivable from resident companies		12	
13	Other exempt income		13	
14	Annual allowance		14	
15	Investment allowance		15	
16	Gain on disposal/revaluation of fixed assets including securities		16	
17	Overseas marketing and promotional expenses		17	
18	Disabled employee deduction		18	
19	Other deductible items		19	
20	**PROFIT/(LOSS) AS ADJUSTED FOR TAX PURPOSES** ➢		20	
21	**Deduct:** Losses brought forward from previous year ➢		21	
22	**Chargeable income/loss carried forward** ➢		22	

CALCULATION OF TAX *(See note 5)*

23	**Tax - 15 % on chargeable income**			23	
	TAX CREDIT				
24	**Deduct:** Special tax credit			24	
25	Normal tax payable (**A**)			25	
26	Alternative Minimum Tax (**B**)			26	
27	Tax payable (higher of **A** and **B**)			27	
	GAINS FROM IMMOVABLE PROPERTY				
28	Sale/transfer value of immovable property			28	
29	**Deduct:** Cost of acquisition including registration duty			29	
30	Capital expenditure incurred			30	
31	Land transfer tax			31	
32	Other cost incurred in connection with sale or transfer			32	
33	Costs incurred under the Sugar Industry Efficiency Act			33	
34	**Total (lines 29 to 33)**			34	
35	Gains from immovable property (line 28 less line 34)			35	
36	Gains from immovable property through transfer of shares			36	
37	Tax on gains (10% of lines 35 + 36) ➢			37	
38	**TOTAL TAX** (lines 27 + 37) ➢			38	
39	**Deduct:** Foreign tax credit ➢			39	
40	**Balance after foreign tax credit** ➢			40	
41	**Deduct:** Tax Deducted at Source (TDS) ➢			41	

TAN of Payer	TAN of Payee	Amount of tax deducted: Rent	Royalties	Contract	Services	Total
Total						

42	**Deduct:** TDS credits for interest ➢	42	
43	**Deduct:** Tax paid under APS ➢	43	
44	**TAX PAYABLE** ➢	44	
45	Interest on unpaid tax ➢	45	
46	**Penalty:** LSR ____ LPT ____ FSRE ____ **Total penalty** ➢	46	
47	**TAX PAYABLE/(TAX PAID IN EXCESS)** ➢	47	

NOTES FOR COMPLETION OF ANNUAL RETURN OF INCOME OF A TRUST
YEAR OF ASSESSMENT 2012

These notes are intended to assist in the completion of the return. If further information is required please contact the Mauritius Revenue Authority (MRA), Ehram Court, Ground Floor, Cnr Mgr Gonin & Sir V. Naz Streets, Port Louis, Tel 207-6010. Website: http://www.mra.mu

Every trustee of a trust is deemed to be the agent of the trust. This form must be filled in by the trustee and returned to the Director General, Mauritius Revenue Authority within the time limit, whether or not the trust has a chargeable income.

However, a trust satisfying the conditions specified under *section 46(2)* of the *Income Tax Act 1995* and which has deposited with the Director General, Mauritius Revenue Authority a declaration of non-residence under *section 46(3)* of the Act within 3 months after the expiry of the income year is exempt from tax in respect of that income year.

Note 1 **Declaration**

This section should be completed after filling in all items on pages 1 to 4.

Regarding payment, cheque should be crossed and made payable to the *Director-General, MRA*. Full name and tax account number of the trust should be written on the verso of the cheque.

Note 2 ***Trading and Profit and Loss Account***

The trust's Trading and profit & loss a/c should be given on page 2. No accounts should be attached. Any item of expenditure in the Trading & profit & loss a/c not indicated on the return should be included in item 40 'other expenses'.

Note 3 ***Balance Sheet***

The details of Balance Sheets items should be given at page 3.

Note 4 ***Computation of Chargeable Income***

The profit as per the profit & loss a/c is not the taxable profit as not all items of income are taxable nor are all items of expenses deductible for tax purposes. The net profit/loss as per Profit and Loss a/c needs to be adjusted to arrive at the chargeable income.

Income to be expressed in Mauritian Rupees

All transactions should be expressed in Mauritius currency at the rate in force at the date the amount is remitted, or where there is no remittance, the rate in force at the end of the income year. However, where a trust holding a GBL 1 Licence prepares its financial statements in either US dollars, Euros, GB pound sterlings, Singapore dollars, South African rands, Swiss francs or such other foreign currency as may be approved by the MRA, it should submit its return and pay tax in that currency.

General Rule for deduction of expenses

Any expenditure or loss to the extent to which it is exclusively incurred in the production of the gross income of the business is deductible from the gross income.

Unauthorised deductions

The following items of expenditure are specifically prohibited by Section 26 of the Income Tax Act -

(a) any investment, expenditure or loss to the extent to which it is capital or of a capital nature;
(b) any expenditure or loss to the extent to which it is incurred in the production of income which is exempt income;
(c) any reserve or provision of any kind;
(d) any expenditure or loss recoverable under a contract of insurance or of indemnity;
(e) any expenditure incurred in providing business entertainment or any gift;
(f) income tax or foreign tax;
(g) any expenditure or loss to the extent to which it is of a private or domestic nature.

- ***Item 2 - Expenditure incurred in the production of exempt income***

(1) Expenditure or loss exclusively incurred in the production of exempt income is not allowable.

(2) Where expenditure or loss is incurred in the production of both gross income and exempt income, that part of the expenditure or loss attributable to the production of exempt income shall be calculated using the following formula:

$$\frac{\text{exempt income} \times \text{expenditure or loss}}{\text{total gross income (including exempt income)}}$$

(3) Where the proportion of exempt income to total gross income in the above formula is 10 per cent or less, no part of the expenditure or loss as determined above shall be disallowed.

- **Dividends payable**

  Dividends payable are not deductible in the computation of chargeable income.

- ***Item 12 - Dividends receivable***

  Dividends receivable from a resident company are exempt from tax. However, where a trust's income includes exempt income, the expenses incurred to produce such exempt income should be added back in (Item 2 of Page 4). Dividends receivable from outside Mauritius are taxable.

- ***Item 14 - Annual allowance***

  Depreciation, being a provision, is not an allowable expenditure. A trust may instead, claim deduction in respect of annual allowance on capital expenditure at the prescribed rates.

Capital expenditure incurred on	**Rate as a % of** Base Value	Cost
1. Industrial premises excluding hotels	-	5%
2. Commercial premises	-	5%
3. Hotels	30%	-
4. Plant or Machinery –		
(a) costing or having a base value of 30,000 rupees or less	100%	100%
(b) costing more than 30,000 rupees –		
(i) ships or aircrafts	20%	-
(ii) aircrafts and aircraft simulators leased by a company engaged in aircraft leasing	-	100%
(iii) motor vehicles	25%	-
(iv) electronic and high precision machinery or equipment, computer hardware and peripherals and computer software	50%	-
(v) furniture and fittings	20%	-
(vi) other	35%	-
5. Improvement on agricultural land for agricultural purposes	25%	-
6. Scientific research	25%	-
7. Golf courses	15%	-
8. Acquisition or improvement of any other item of a capital nature which is subject to depreciation under the normal accounting principles	-	5%

Where a trust, not carrying on the business of tour operator or car rental, incurs capital expenditure on or after 1 January 2011 on a motor car costing more than three million rupees, the annual allowance shall be 25% of three million rupees.

- ***Item 15 - Investment allowance***

  Investment allowance may be claimed by a trust which incurs capital expenditure in the island of Rodrigues for the construction of industrial premises or for the acquisition of new plant and machinery for certain activities.

- ***Item 17 - Overseas marketing and promotional expenses***

  Where, on or before 31 December 2011, a trust engaged in tourism or export activities incurred expenditure on overseas marketing and promotional expenses, it is entitled to a further deduction of the expenditure so incurred over and above the amount already claimed in accounts.

- ***Item 19 - Other deductible items***

  A further deduction of the amount incurred on emoluments of a disabled person or emoluments or training costs of an employee employed in any business set up in the island of Rodrigues is allowable over and above the amount already claimed in accounts.

- ***Item 20 - Profit/(Loss) as adjusted for tax purposes***

  (i) Section 59 of the Income Tax Act provides for the carry forward of losses to be set-off against net income of the following 5 income years.

  (ii) The time limit of 5 years is not applicable for the carry forward of the loss attributable to annual allowances in respect of capital expenditure incurred during the income year.

  (iii) However, the time limit of 5 years will apply to losses attributable to annual allowance in the case of a trust which has opted to claim annual allowance at the rates prevailing on 30 June 2006.

- ***Item 21 - Loss brought forward from previous year***

  (i) Any unrelieved loss as at 30 June 2006 (including loss attributable to capital allowances) may be carried forward for a maximum period of 5 years.

  (ii) The time limit of 5 years is not applicable for the carry forward of any amount of loss that is attributable to annual allowance claimed in respect of capital expenditure incurred on or after 1 July 2006.

Note 5 ***Calculation of tax***

Income Tax Rate

The rate of tax applicable to all trusts is 15%.

- ***Item 24 - Special tax credit***

  Section 161A of the Income Tax Act provides for a special tax credit in respect of investment made by a trust in a company set up for the purpose of operating a spinning factory, and in a company engaged in weaving, dyeing and knitting of fabrics.

- **Item 26 - *Alternative Minimum Tax***

This is applicable where a trust's "*normal tax payable*" is less than 7.5% of its book profit. It is not applicable to:

- a trust which is exempt from tax; or
- where 10% of the aggregate amount of any dividend declared and any amount distributed by way of shares in lieu of dividend do not exceed the "*normal tax payable*".
- a trust holding a category 1 Gobal Business Licence under the Financial Services Act.

"*Normal tax payable*" is the tax payable arrived at by multiplying the chargeable income of the trust by the applicable tax rate and after allowing for any tax credit except credit in respect of foreign tax.

Book Profit is the accounting profit reduced by-

(i) dividends receivable from resident companies;
(ii) profits on disposal or revaluation of fixed assets; and
(iii) profits or gains from sale or revaluation of securities,
where such items are credited to profit and loss a/c

and increased by -

(i) expenditure attributable to the production of dividend, profits or gains from the sale/revaluation of fixed assets/securities;
(ii) loss on disposal or revaluation of fixed assets; and
(iii) loss from sale or revaluation of securities,
where such items are credited to profit and loss a/c.

- ***Item 37 - Gains from sale/transfer of immovable property***

  Trusts are liable to a tax at the rate of 10% on gains derived from immovable property sold or transferred on or before 4 November 2011. For additional information on the tax on gains, please refer to the "Guide on the taxation of Gains" available on MRA website.

  Loss incurred on sale/transfer of an immovable property in an income year, otherwise than during the course of a business, cannot be set off against any other income derived in that income year. Furthermore, the loss cannot be carried forward and set off against future gains or profits.

- ***Item 41 - Tax deducted at source (TDS)***

  Any tax deducted at source should be accompanied by a **'Statement of Income Received'** given by the payer in the prescribed format.

  A trust should take credit of TDS in accordance with the statement of Income received provided by the payer for the income year immediately preceding the due date for the submission of the relevant annual return.

  Attach additional sheet(s) if necessary to give the required details.

- ***Item 43 - Tax paid under APS***

  Relates to amounts already paid under Advance Payment System for year of assessment 2012.

- ***Item 45 - Interest on unpaid tax***

  The law provides for payment of interest at the rate of 1 per cent per month or part of the month during which the tax remains unpaid.

- ***Item 46 - Penalty***

  Penalty is provided under the law for late submission of return, late payment of tax and failure to submit return electronically.

- **Late submission of return(LSR)**, a penalty of Rs 2000 per month or part of the month is payable until the time the return is submitted. The total penalty is restricted to Rs 20,000.
- **Late payment of tax(LPT)**, a penalty of 5 per cent of the amount of tax is payable on the amount of tax remaining unpaid.
- **Failure to submit return electronically (FSRE)**, a penalty of 20 per cent of the tax (not exceeding Rs 100,000) or Rs 5,000 where no tax liability is declared in the return, is payable where after a written notice is given to a person by the *Director-General*, he fails to justify the failure to submit his return electronically.