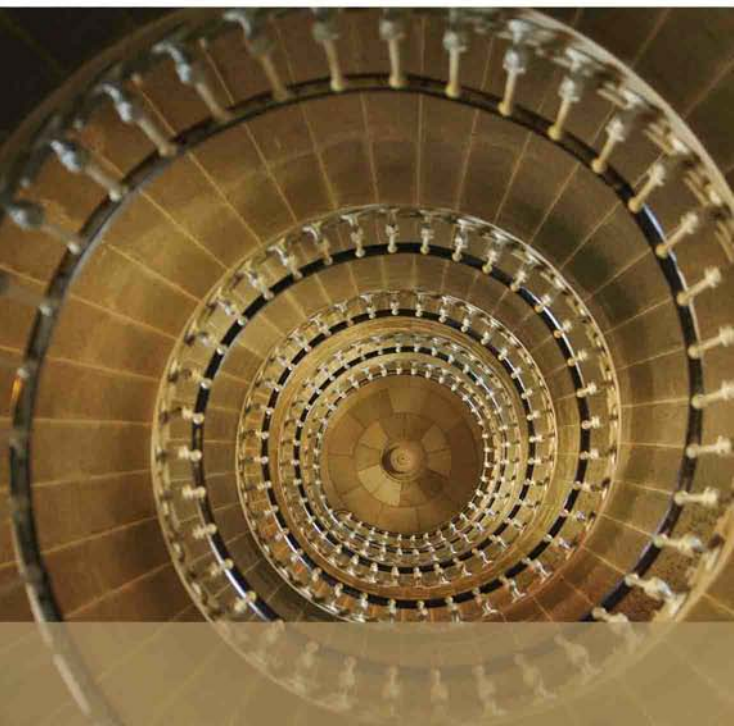




**Voluntary
Disclosure
Income / under-declared VAT
Arrangement**

VDIA 2013



1. Operation

VDIA will come in operation for a period of nine months from 1st January 2013 to 30th September 2013.

2. Objective

The objective of VDIA is to provide an incentive to persons who have not declared or under-declared income or VAT in the past to come forward with a voluntary disclosure to regularize their situation. Under VDIA, declarants will be granted full waiver of penalties. They will also benefit from full waiver of interests accruing up to 30th September 2013 on the tax declared.

3. Scope

VDIA will cover:

3.1 Non-declaration and under-declaration of income by individuals for any income year up to and including income year ended 31st December 2011;

3.2 Non-declaration and under-declaration of income by companies for any year of assessment up to and including year of assessment 2012; and

3.3 Non-declaration and under-declaration of VAT for any taxable period up to and including taxable period ended 30th September 2012.

4. Procedure

4.1 Any person wishing to avail himself of VDIA will have to file a declaration on a Voluntary Disclosure of Income / VAT Arrangement Form (VDIA form 1*).

4.2 Where the declarant is an individual, he will have to file a statement of assets and liabilities (as per VDIA form 2*) as at 31st December 2011. In case the declarant is a company, a revised statement of financial position will have to be submitted.

4.3 Where a person whose case was, as at 30th September 2012, under objection or appeal before the Assessment Review Committee (ARC), the Supreme Court or the Judicial Committee of the Privy Council, wishes to avail himself of the incentives under VDIA, he will have to withdraw his objection or appeal and include the income tax/ VAT liability assessed or determined, as the case may be, in the disclosure along with the declaration for any subsequent years.

5. Computation of Tax (VDIA form 3 & 4*)

5.1 Income Tax

The declarant will have to compute the tax at the rate of 15% on the undeclared income disclosed and in accordance with the provisions of the Income Tax Act in force in respect of the year for which the income is declared.

5.2 VAT

The declarant will have to compute the output tax on the taxable supplies disclosed by applying the VAT rate in force for each taxable period covered in the disclosure. Moreover, he will be entitled to take credit for input tax for the whole period of the disclosure provided the claim is supported by proper VAT invoices or Customs declarations.

6. Payment of Tax

The tax payable under VDIA will have to be paid on or before 30th September 2013.

Where the declarant satisfies the Director-General that he is unable to settle the tax payable by 30th September 2013, he will have to enter into an agreement with the Director-General for the payment of the tax due. Any outstanding balance of tax due as at 30th September 2013, will carry interest at the rate of 1% per month.

7. Refund of Tax

No amount of tax, including interest paid under VDIA shall be refundable under any circumstances.

8. Immunity from penalties and prosecution

The declarant will not be liable to any penalty or prosecution under the Income Tax Act or Value Added Tax Act to the extent it relates to the amount declared under VDIA. Moreover, no interest will be charged on the tax paid by 30th September 2013.

9. Amendment to declaration

Any amendment made to a declaration under VDIA after 30th September 2013, shall not benefit from any waiver of penalty and interest and any immunity from prosecution.

10. Withdrawal of benefit

Where a declarant fails to comply with any condition, including payment of tax imposed under VDIA, the benefits granted under VDIA will be withdrawn.

11. Persons not covered by VDIA

11.1 Persons who have been convicted on or after 1st July 2001 of an offence relating to trafficking of dangerous drugs, terrorism, money laundering or corruption; or

11.2 Persons against whom any civil or criminal proceedings are pending or contemplated or in relation to whom an enquiry is being conducted in respect of any act mentioned at the above paragraph;

are not eligible to the incentives provided under VDIA.

***NOTE**

All the VDIA forms may be downloaded from the MRA Website:

<http://www.mra.mu>





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