

OCTOBER  
2022

**MRA COLLECTS  
Rs. 112.6 BILLION**

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# EDITORIAL NOTE

Dear Readers,

With a steady and positive economic recovery, MRA has collected a total of Rs. 122.6 billion, out of which Rs. 106.5 billion was remitted to the Consolidated Fund for the Financial Year 2021/22. The remaining amount was remitted to other appropriate funds.

MRA is moving forward with the implementation of a new project i.e e-Invoicing. No doubt, this innovative project will be beneficial to all businesses.

This month also marked the deadline for the e-Filing Season 2022 and it is worth acknowledging the efforts made by taxpayers on the returns. The MRA received 233,283 returns electronically by midnight, Monday 17 October 2022 and this represents an 11% increase as compared to last year's figure. As for the amount of tax payable declared on the returns it was 16% more than that of previous Financial Year.

MRA is thankful to all taxpayers who completed their civic responsibility of submitting their returns within the prescribed delay.

We wish you a pleasant reading.

*Editorial team*

## Disclaimer

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## Annual Press Conference 2022:

# MRA COLLECTS A TOTAL OF Rs. 112.6 BILLION

The Annual Press Conference of the MRA was held on Thursday 13 October 2022 at the Head Office of the MRA, Efram Court, Port Louis. Mr. Sudhamo Lal, the Director-General of the Mauritius Revenue Authority (MRA), made a presentation to members of the media in the presence of the Management Team.



He indicated that the MRA has collected a total of Rs. 112.6 billion, of which Rs. 106.5 billion was remitted to the Consolidated Fund for the Financial Year 2021/22. This 26% growth in revenue collections is a record in the history of MRA.

Figure 1 below shows the trend in MRA Revenue Collections.

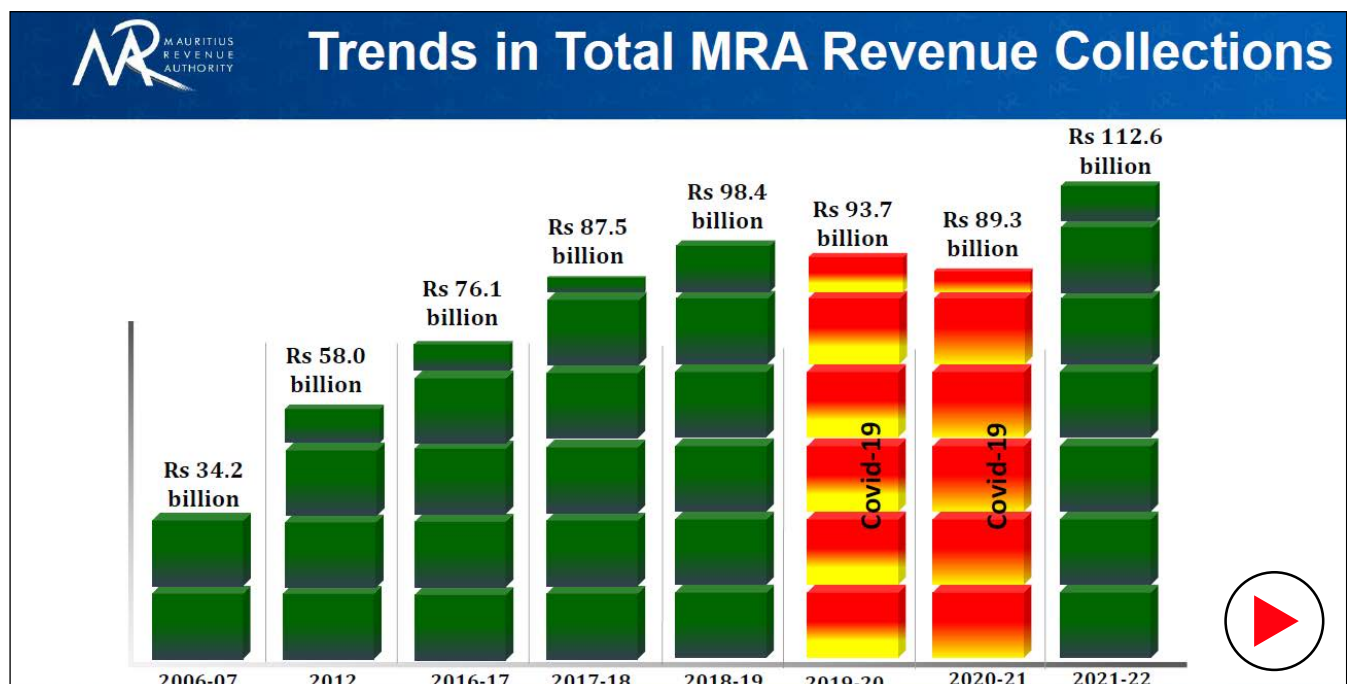


Figure 1: The trend in MRA Revenue Collections

### MRA collects Rs. 6.1 billion as Agency Taxes

During the Financial Year 2021/22, MRA collected Rs. 6.1 billion as Agency Taxes.

In addition to the taxes and duties which MRA collects for the Consolidated Fund, the organization has also been entrusted with the responsibility of collecting other taxes/contributions.

Figure 2 below illustrates the various Agency Tax Collections.

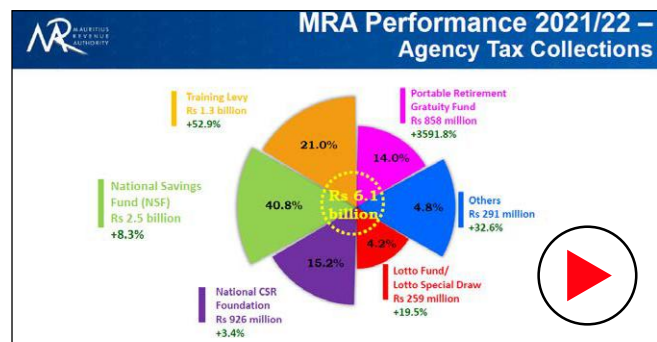


Figure 2: Agency Tax Collections



## Overview of Taxes

The taxes administered by MRA are based on a self-assessment system. Under this system, individuals who are liable to pay relevant tax or duty have to submit their declarations at the end of specified periods and pay the tax (if any). If the Director-General is not satisfied with the declaration or if he believes that a person who is liable for tax, has not submitted a declaration, the case is selected for audit or investigation. Appropriate action is taken in accordance with the relevant legislation.

### A surge in the Value Added Tax

Value Added Tax (VAT) is a tax on goods and services. It is chargeable for all taxable supplies of goods and services made in Mauritius by a taxable person in the course or furtherance of any business carried on by him.

VAT is also payable on the importation of goods into Mauritius, irrespective of whether the importer is a taxable person or not. The rate of VAT is 15% on the value of taxable supplies other than zero-rated supplies.

During the Annual Press Conference, Mr. Lal stated that *"the net Value Added Tax (VAT) collection was Rs 38.266 billion, and it grew by 33.9%"*. There is a surge in VAT due to the opening of the borders with the accommodation and food service activities, registering a growth of 320.3% or Rs. 2.4 billion of additional receipts.

### A rise in Personal Income Tax

The Personal Income Tax collections (PIT) of Rs. 14 billion has known a growth of 21%. Moreover, the Solidarity Levy receipts collected from Annual Returns and through the Pay As You Earn (PAYE) system was Rs 2.4 billion.

### An increase in the Corporate Income Tax

The Corporate Tax collection was Rs. 16.5 billion, i.e. 40% more than the preceding year's collections.

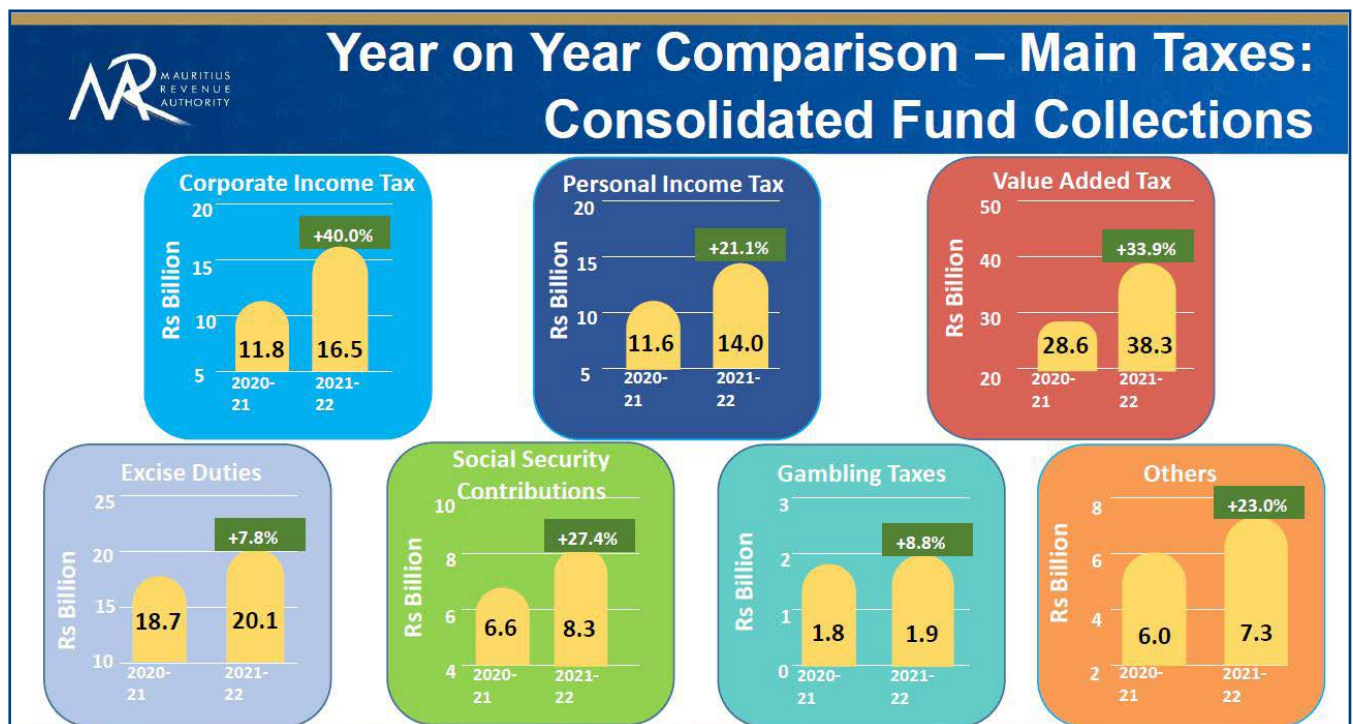


Figure 3: Year on year comparison of the main taxes

## MRA optimises revenue collection

As the body responsible for collecting approximately 90% of all tax revenues in Mauritius, the MRA has played its role effectively and this is demonstrated by the tax receipts.

As displayed in Figure 4, the tourism sector receipts rose to Rs. 4.487 million with the opening of the borders in October 2021.

From November 2021 to June 2022, a major recovery was observed in large hotels which paid 77% of their normal pre-pandemic VAT collections.

## MRA raises some Rs. 6.7 billion of tax assessments

Tax audit and the issue of tax assessment forms an integral part of MRA's compliance function. For some years now, the Mauritius Revenue Authority has adopted a risk-based approach in the selection of tax cases for tax audit purposes and this method ensures that the audit coverage encompasses all the economic sectors.

Figure 5 shows that MRA raised some Rs. 6.7 billion of tax assessments for the Financial Year 2021/22.

The table underneath provides an in-depth insight of the tax yield from assessments of various business activities.

Business Activities	Amount Assessed (Rsm)
Financial/Insurance	2,323
Trading	1,313
Real Estate	460
Construction	408
Professional/Science/Technical	375
Accommodation/Food services	196
Manufacturing	193
Administrative & Support	171
ICT	105
Transport & Storage	76
Miscellaneous	951

MRA Performance 2021/22 – Tourism Sector Receipts			
Type of Tax	2018-19 Normal Year Rs M	2020-21 Full year Border Closure Rs M	2021-22 Border Closure from Jul-Sep 2021 Rs M
	A	B	C
Value Added Tax (Gross)	4,982	831	3,248
Corporate Income Tax	217	-16	17
Personal Income Tax (employees in tourism subject to PAYE)	297	277	392
Passenger Fee	1,602	24	592
Environment Protection Fee	332	14	238
<b>TOTAL</b>	<b>7,430</b>	<b>1,131</b>	<b>4,487</b>

☐ VAT collections from tourism sector during 8 months\* in FY 2021/22, were Rs 3,248 million  
☐ 8 months VAT receipts in FY 2021/22 was 65% of VAT receipts in the same period in FY 2018/19 (pre-pandemic normal)  
 \* 1 month lag in payment

Figure 4: Tourism Sector Receipts

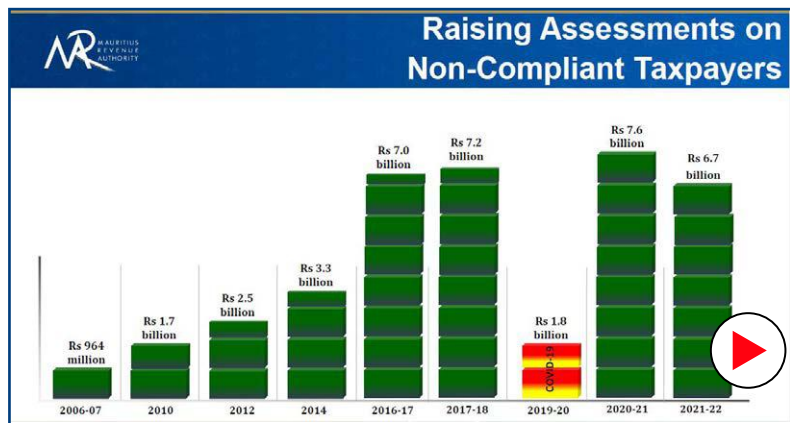


Figure 5: MRA raised some Rs 6.7 billion of tax assessments

## MRA has put in place a system to track Non-Filers of Tax Returns

As part of its strategy to ensure that every taxpayer pays his fair share of taxes, MRA has put in place a system to track Non-Filers of Tax Returns.

How does it work? The automated IT system draws a list of all taxpayers who have failed to submit their tax returns. An automated letter/reminder is sent to all of them. If there is no response, the MRA Non-Filers Unit takes over the case and enforcement actions are initiated.

If there is still no response, MRA uses third party information available to the taxpayers and issues an automated assessment to the taxpayer. The taxpayer has 28 days to respond to the assessment notice, after which the tax claimed becomes collectible.

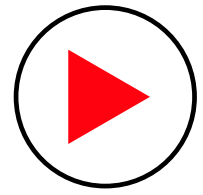


**Full Video  
MRA Press Conference 2022**



## Innovation:

# MRA LAUNCHES THE e-INVOICING PROJECT



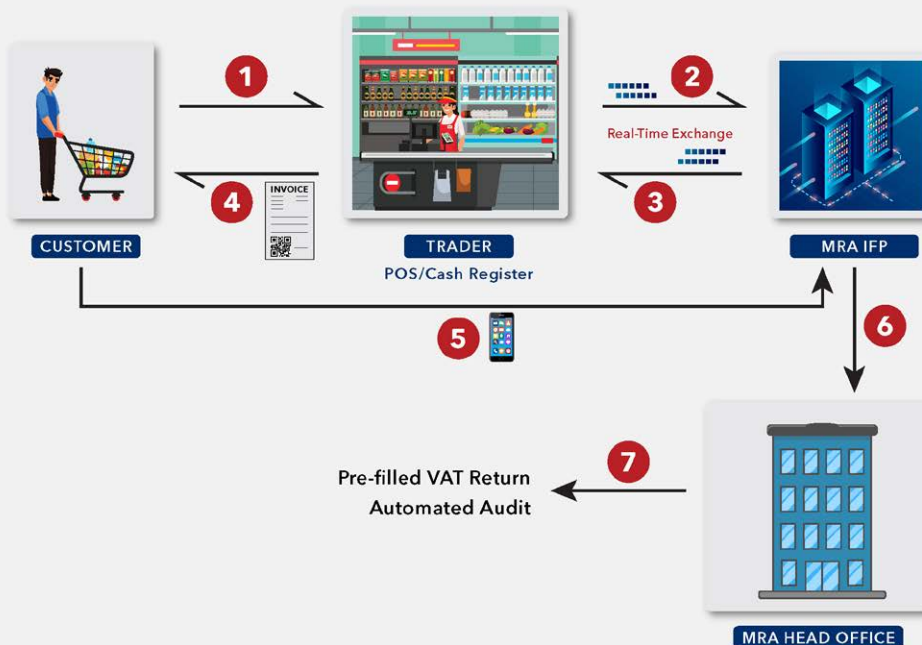
Given the growing relevance of e-Invoicing in today's world, the Mauritius Revenue Authority (MRA) embarked on a new chapter to adapt and reinvent itself in the tax landscape.

It is with this objective that the MRA has launched the e-Invoicing project. In fact, e-Invoicing is a process of generating invoices and associated documents in electronic file format which allows the transfer of billing information between the seller, the tax authority and the buyer. It comprises the Electronic Billing System (EBS) and the Invoice Fiscalisation Platform (IFP).

Following the amendment to the Value Added Tax Act, businesses are required to connect electronically to the MRA's system for registering all invoices, including debit notes and credit notes. The project will be implemented in phases, starting with large taxpayers and then moving on to medium and small taxpayers.

This pioneering project has various advantages for the business community, such as enhancing the automated processing of invoices, fast-tracking VAT refunds, pre-filled VAT returns, as well as promoting a friendly environment by implementing paperless e-storage of invoices.

## MRA e-INVOICING SYSTEM



e-Invoicing is important in helping organisations to promote voluntary compliance and ensure fair competition among businesses. In order to use this new service efficiently, businesses will have to acquire equipment and software that is compliant with the e-invoicing system.

When a customer makes a purchase in a shop and checks out, the cashier processes the purchase, but before the invoice is issued, the invoice details are sent seamlessly by the Electronic Billing System (EBS) to the MRA Invoice Fiscalisation Platform (IFP) for fiscalisation. The invoice fiscal data is sent back by IFP to the Point of Sale (POS). The cashier prints and remits the fiscalised invoice with a QR code to the customer.

Thanks to this innovative project, the customer will be able to check whether the invoice has been fiscalised on MRA IFP simply by scanning the QR Code using a smartphone.

- 1 CUSTOMER effects purchase in a shop and checks out.
- 2 The CASHIER processes the purchase. Before the invoice is issued, the RAW INVOICE DETAILS are sent by the CASHIER to MRA (IFP) for FISCALISATION.
- 3 INVOICE FISCAL DATA from MRA IFP are sent back to the POS (Point Of Sale).
- 4 CASHIER prints and remits FISCALISED INVOICE with QR CODE to CUSTOMER.
- 5 CUSTOMER can check whether the invoice has been FISCALISED ON MRA IFP by SCANNING THE QR CODE using his smart phone.
- 6 FISCALISED INVOICE DATA are communicated to MRA SYSTEMS.
- 7 MRA PRE-FILLS TRADER'S VAT RETURNS and carries out AUTOMATED TAX COMPLIANCE CHECKS.

# MRA REINFORCES ITS TEAM OF CUSTOMS OFFICERS

The MRA reinforces its personnel with the enlistment of 71 Trainee Customs Officers. A launching ceremony was held on Monday 10 October 2022 in the presence of Mr. Sudhamo Lal, Director-General of the MRA, Mr. Vivekanand Ramburun, Director, Customs and Mr. Dhoojanaden Maunikum, Director, Human resources and Training Department.

In his keynote address, Mr. Lal commended the Trainee Customs Officers for having been successful in the highly competitive examination, followed by the rigorous interview and selection process. The present batch of Trainee Customs Officers recruited comprises more females (53 %) than males (47%). *"MRA is sending a strong signal about gender equality and diversity and being an equal-opportunity employer of choice"*, he said.

Mr. V. Ramburun congratulated the Trainee Customs Officers wholeheartedly, and wished them plenty of success in their career. He emphasized the crucial role played by Customs, namely, the fiscal function, which consists of collecting and protecting government revenue in the form of customs duty, excise duty, Value Added Tax (VAT) and other taxes, trade facilitation, and protection of society.

The Director of Customs further explained that *"Customs has an important mandate to ensure the security and protection of the country against transnational crimes and acts of terrorism"*. It has the prime responsibility to free the country from the scourge of drugs and narcotics with a zero-tolerance policy, he said.

Mr. D. Maunikum, Director of Human resources and Training Department, applauded the Trainee Customs Officers for their enlistment in the Customs Department and explained the rigorous selection process. He encouraged *"the trainees to have integrity high on their agenda and be passionate about what they will be doing during their one-year traineeship"*. He concluded that *"the Trainee Customs Officers should develop a positive attitude towards their work, their supervisors, their colleagues, and the MRA"*.





## Taxpayer Satisfaction Survey Draw 2022:

# 93% OF RESPONDENTS TRUST THE MRA

The sixth edition of the Taxpayer Satisfaction Survey (TSS) Draw 2022 was organized on Friday 28 October 2022 at the Head Office of the Mauritius Revenue Authority (MRA), Port-Louis in the presence of Mr. Kritananda Naghee Reddy, MRA Board Member, Mr. Sudhamo Lal, Director-General of the MRA, and members of the Management Team.

The draws were effected under the supervision of representatives of the Gambling Regulatory Authority (GRA).

In his address, Mr. Lal stated that *"the Taxpayer Satisfaction Survey is one of the tools that allow the MRA to collect data from taxpayers in view of sensing their needs and expectations."*

The TSS measures progress in service delivery and allows the organization to take corrective actions on shortcomings reported by respondents. The MRA received seven thousand comments/suggestions from taxpayers, and this valuable feedback will be taken on board when developing the annual operational plan.

93% of respondents expressed their trust in MRA as a tax administrator, and 90% of them indicated that MRA staff have high levels of integrity and ethical standards.

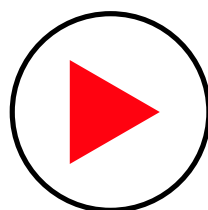
Mr. Lal further stressed that 90% of respondents believe that the MRA enforces the tax laws fairly and impartially. 92% of respondents were of the view that the MRA has helped them understand their tax obligations.

Out of the 19,921 individual taxpayers who participated in the Annual Taxpayer Satisfaction Survey, three winners were drawn.

The first prize, i.e. a cash prize of Rs. 25,000 went to Mr. Bhoobun Navic Kumar. Mr. Bhugaloo Ubaid Ullah won the second prize of Rs. 15,000 and Mr. Kistnen Logambal received the third prize worth Rs. 10,000.

Mr. Lal thanked all taxpayers who completed their civic responsibility of submitting their returns within the prescribed delay.

Mr. Lal also underlined that MRA has already refunded some 70,000 taxpayers for an amount of Rs. 537 million, representing a 22% increase, as compared to the previous year.





## e-Filing Season 2022:

# 233,283 TAXPAYERS SUBMITTED THEIR RETURNS WITHIN THE DEADLINE

The Individual Income Tax Returns for e-Filing Season 2022 started on 25 August 2022 and the deadline was midnight, Monday 17 October 2022.

The MRA received 233,283 returns by the deadline and this represents an 11% increase as compared to last year's figure. The amount of tax declared on the returns was 16% greater than the previous year.

### Digitalization of MRA services

Gone is the time when postmen used to drop thick envelopes at the home of every taxpayer. Tons of papers that were traditionally sent to the Head Office of MRA, are now replaced by seamless and secured electronic payment of tax and penalty. 100 % of the returns have thus been filed electronically through the website of MRA: **[www.mra.mu](http://www.mra.mu)**

Payments due have been effected, in most cases, through online Direct Debit facilities. Refunds are credited directly to the taxpayers' respective bank accounts.

Taxpayers who have not been able to file their returns by the deadline, can still do so. However, they will be liable to pay a penalty of Rs. 2,000 per month, up to a maximum of Rs. 20,000.

In the case of a small enterprise with an annual turnover not exceeding Rs. 10 million, or an individual who is not in business, the maximum penalty is Rs. 5,000. Interests will also be charged on any amount due.

### MRA officers attended 1598 requests for e-Appointment

In line with its effective communication strategies, MRA has replaced the traditional Free Income Tax Assistance (FITA), which was formerly carried out by MRA officers in 19 FITA Centres across Mauritius, including one in Rodrigues, with the e-Appointment Facility (WhatsApp video call).

The e-Appointment proved fruitful in assisting taxpayers to file their income tax returns.

For example, MRA officers attended to 1598 requests for assistance through WhatsApp video calls.

#### ► e-Appointment

Assistance for filing of individual income tax return



## 92 RADIO INTERVENTIONS MADE BY MRA OFFICIALS

MRA has recourse to effective tools and platforms to interact with its stakeholders. These include: Twitter, Facebook, Taxpayer Mailing List, website, attending queries via mail and telephone, short explanatory videos uploaded on MRA's YouTube channel, communiques and Press Releases, Radio/TV programmes, and daily one-minute radio programmes.

For the month of October 2022, the Taxpayer Education and Communication Department (TECD) has produced twenty "One-minute radio programmes" which were produced and broadcast during prime time on MBC Radio.

The selected topics are based on the latest happenings at the Mauritius Revenue Authority, which include e-filing, Prime à l'Emploi Scheme, TASS etc.

Moreover, MRA officials made ninety-two radio interventions with a view of sharing pertinent information to listeners.



# MRA SENSITIZES 50 MEMBERS OF MEXA

In line with its educational strategy, the Mauritius Revenue Authority organized an interactive session for the benefit of members of the Mauritius Export Association (MEXA).

The session was dispensed by Mr. Mahmad Oozeer, Director, Operational Services Department (OSD) on 13 October 2022 at Currimjee Building, Port-Louis.

Around 50 participants availed themselves of this educational session and the main topics that were discussed comprised the National Minimum Wage, Portable Retirement Gratuity Fund (PRGF), Pay As You Earn (PAYE), National Savings Fund (NSF), Contribution Sociale Généralisée (CSG), levy, Negative Income Tax, Return of Employees (ROE) and Employee Declaration Form (EDF) among others.



## Confidentiality and Data Safeguard assessment: ON-SITE VISIT BY THE GLOBAL FORUM SECRETARIAT

Experts from the Global Forum Secretariat visited the MRA on 11 and 12 October 2022. The purpose of the on-site visit was to verify the findings of the draft report on Confidentiality and Data Safeguard for Mauritius.

Based on virtual assessments in 2021, the draft report concluded that Mauritius is an appropriate partner with respect to the Automatic Exchange of Information (AEOI) Standard. AEOI is an effective tool to ensure a clean and transparent jurisdiction. This is important for Mauritius as it helps in consolidating its position as a sound and regulated financial centre which complies with international standards.

Various presentations on confidentiality and data safeguard were made by officers of the Large Taxpayers Department and other concerned departments of the MRA.

The visit culminated with a debriefing session between the assessment team of the Organization for Economic Cooperation and Development (OECD) and the MRA team. The Assessment team was satisfied with the overall presentations and information provided to them and the draft report on Confidentiality and Data Safeguard will be updated to take into account the findings of the On-Site Visit.





# A STUDY VISIT TO BRING TOGETHER A SPECTRUM OF POLICYMAKERS

Four delegates from the Nigeria Governors' Forum (NGF) visited the Mauritius Revenue Authority from 17 October to 21 October 2022.

The visit was in line with the NGF's approach to organized tax reform implementation in Nigeria, particularly on the intersection of tax, technology, and taxpayers. The objective of the study visit was to bring together a spectrum of policymakers, tax specialists, and practitioners to share experiences on the digitalization of tax administration.

The study tour culminated with a debriefing session with the management team of the MRA.



## MRA MEETS ACCOUNTING FIRMS

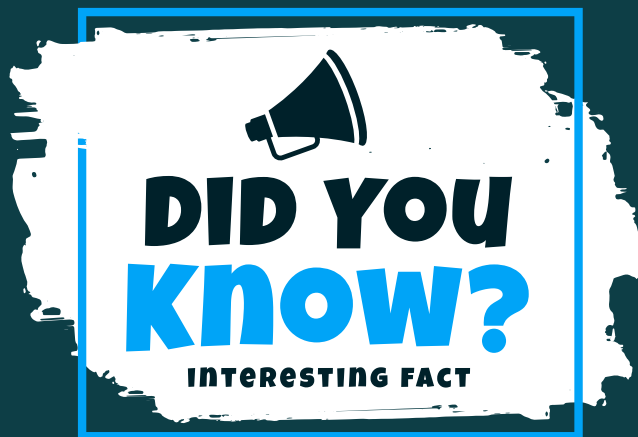
The MRA meets the Accounting Firms on an annual basis with a view to get onboard their views and opinions with regard to tax administration.

A fruitful meeting took place this month. The main areas which were discussed comprised the time taken to determine objection cases, customer service improvements, transfer pricing, refund, among others.

The meeting was also an opportunity to receive feedback from the representatives in order to help MRA improve its services.

The MRA thanked the representatives of the accounting firms for their presence and views, and reiterated its commitment to provide services which are in line with its vision to be a world class Revenue Authority.





## ALLOWANCES FOR PASSENGERS ARRIVING FROM RODRIGUES TO MAURITIUS

There are various allowances to which a passenger is eligible upon arriving from abroad. It is pointed out that the passenger must be 18 years or above, to be eligible for alcohol and tobacco allowances.

The passenger is allowed to import tobacco, spirit, wine, ale or beer in the following quantity. The passenger can choose only one from the following options:

Option	Tobacco (including cigars and cigarettes) not exceeding	Spirits not exceeding	Wine, ale or beer not exceeding
A	250g	2L	6L
B	250g	5L	NIL
C	250g	NIL	10L

The above allowance is valid up to 31 December 2022. Duty, excise duty and Value Added Tax is payable for any quantity imported or purchased in excess of the above allowance.

Passengers entering the Island of Rodrigues from the Island of Mauritius can purchase goods under this measure in a duty-free shop situated in the airport or the port on the Island of Rodrigues.

For passengers arriving from or leaving the Island of Rodrigues to Mauritius, Value Added Tax will be payable on the goods.

The allowance for the passengers arriving from Rodrigues Island is as follows.

**Table 1 - Duty Free Allowance for Passengers arriving from Rodrigues to Mauritius:**

Passport Holder	Age	Value (not exceeding)
Mauritian / Non-Mauritian	12 years and above	Rs 20,000
Mauritian / Non-Mauritian	Less than 12 years	Rs 10,000

## ALLOWANCES FOR PASSENGERS ON INTERNATIONAL FLIGHTS

There are many allowances to which a passenger is eligible upon arriving from abroad. It is pointed out that the passenger must be 18 years or above, to be eligible for alcohol and tobacco allowances.

The passenger is allowed to import tobacco, spirit, wine, ale or beer in the following quantity. The passenger can choose only one from the following options:

Option	Tobacco (including cigars and cigarettes) not exceeding	Spirits not exceeding	Wine, ale or beer not exceeding
A	250g	2L	6L
B	250g	5L	NIL
C	250g	NIL	10L

**Table 2 - Duty Free Allowance for passengers on International Flights:**

Passport Holder	Age	Value (not exceeding)
Mauritian	12 years and above	Rs 30,000
Mauritian	Less than 12 years	Rs 15,000
Non-Mauritian	No age limit	Rs 15,000

The goods must be accompanied by the passenger through the Customs arrival processes and it should be for the personal use, or intended as gifts.

To conclude, the goods must not be used for the passenger's business or profession and it should not be imported for other persons at their request.

For further information, our readers can visit the website of MRA on [www.mra.mu](http://www.mra.mu)







Ehram Court, Cnr Mgr. Gonin & Sir Virgil Naz Streets, Port Louis, Mauritius  
T: +230 207 6000 | F: +230 211 8099 | E: [headoffice@mra.mu](mailto:headoffice@mra.mu) | W: [www.mra.mu](http://www.mra.mu)

