



Income Tax

(The Income Tax Act 1995)

Year of assessment 2006 - 2007

(Income for the year 1 July 2005 to 30 June 2006)

RETURN OF INCOME - BANKS

This return duly filled in should be submitted to the Director-General, Mauritius Revenue Authority by every bank, whether or not it has a chargeable income. The latest date for submission of the return and for payment of tax, if any, is –

- **30 September 2006** where the bank has an approved return date; and
- **31 January 2007** where the bank closes its accounts on 30 June.

The bank's Income Statement and Balance Sheet should be provided based on the formats given on pages 2 and 5 of the return.

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

1	Full Name of bank		<input type="checkbox"/>
2	Address of Registered office		<input type="checkbox"/>
3	Address of principal place of business		<input type="checkbox"/>
4	Email address Closing date of accounts (Use DD.MMM) <input type="text"/>		<input type="checkbox"/>
5	Has there been more than 20% change in the ownership of the shares of the bank during the income year? <i>(If above is yes, state the percentage change in shareholding</i>)	Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>
6	Did the bank derive income from banking transactions with non-residents or corporations holding a Global Business Licence. (See Note 2) <i>(If above is yes, state the currency in which the accounts are prepared. Currency:.....)</i>	<input type="checkbox"/>	<input type="checkbox"/>
7	Did the bank have any expenditure or loss that is not directly attributable to either its income derived from Mauritius or its foreign source income? <i>(If above is yes, please forward, together with the return of income, a certificate from a qualified auditor certifying that such expenditure or loss has been apportioned in a fair and reasonable manner)</i>	<input type="checkbox"/>	<input type="checkbox"/>
8	Did the bank have any transaction with related companies and/or related individuals during the income year? <i>(If above is yes, were all these transactions based on an arm's length price?)</i>	<input type="checkbox"/>	<input type="checkbox"/>
9	Did the bank make any distribution by way of shares in lieu of dividends during the year?	<input type="checkbox"/>	<input type="checkbox"/>
10	Did the bank have its place of central management and control in Mauritius?	<input type="checkbox"/>	<input type="checkbox"/>
11	Name of accountant/firm of accountant	<input type="checkbox"/>	<input type="checkbox"/>
12	Have the accounts been audited?	<input type="checkbox"/>	<input type="checkbox"/>
13	Did the auditors qualify their report or express any reservation?	<input type="checkbox"/>	<input type="checkbox"/>
14	Name of auditor	<input type="checkbox"/>	<input type="checkbox"/>

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 the tax payable in accordance with this return.

Signature Name.....

Date Capacity in which acting.....

FOR OFFICE USE

Tax payable		Exam		Char. Income		
Penalty		Edited by		Revised Tax		
Tax paid				Officer	Code	
Receipt No.				Asst No	Vetted on	
Date	Cashier			Supervisor	Code	

If the bank derived foreign source income, please translate the figures for Segment B into Mauritian Rupees (See Note 3)

INCOME STATEMENT

		TOTAL	SEGMENT A	SEGMENT B
1	INTEREST INCOME (See Note 4)			
1.1	Loans			
1.2	Securities			
1.3	Placements and loans to banks			
1.4	Others			
1.5	Total lines 1.1 to 1.4 ➤			
2	NON INTEREST INCOME AND GAINS (See Note 4)			
2.1	Fees and commissions			
2.2	Profits arising from dealings in foreign currencies			
2.3	Dividend income			
2.4	Net gain on disposal of financial instruments			
2.5	Net gain on fair valuation of financial instruments			
2.6	Other			
2.7	Total lines 2.1 to 2.6 ➤			
3	TOTAL INCOME (lines 1.5 & 2.7)			
4	INTEREST EXPENSE (refer to SCHEDULE A)			
4.1	Directly attributable			
4.2	Not directly attributable			
4.3	Total lines 4.1 to 4.2 ➤			
5	NON INTEREST EXPENSE (refer to SCHEDULE B)			
5.1	Directly attributable			
5.2	Not directly attributable			
5.3	Total lines 5.1 to 5.2 ➤			
6	TOTAL EXPENSES (Lines 4.3 & 5.3)			
7	NET PROFIT/LOSS PER ACCOUNTS (line 3 minus Line 6)			

8 SCHEDULE A - INTEREST EXPENSES (See Note 5)

		Total (A)	Disallowed (B)	Directly attributable to		Not directly attributable (E) = (A-B-C-D)	Apportioned between	
				Segment A (C)	Segment B (D)		Segment A	Segment B
8.1	Deposits							
8.2	Deposits and borrowings							
8.3	Interest on subordinated debt							
8.4	Other							
8.5	Total interest expenses ➤							

9 SCHEDULE B - NON INTEREST EXPENSES (See Note 5)

		Total (A)	Disallowed (B)	Directly attributable to		Not directly attributable (E) = (A-B-C-D)	Apportioned between	
				Segment A (C)	Segment B (D)		Segment A	Segment B
9.1	Wages and salaries							
9.2	Other staff costs							
9.3	Directors' emoluments							
9.4	Commissions and discounts							
9.5	Entertainment expense, gifts and donations							
9.6	Advertising and promotional expenses							
9.7	Overseas travelling expenses							
9.8	Legal and professional fees							
9.9	Management fees							
9.10	Bank charges							
9.11	Loss on foreign currency exchange							
9.12	Electricity, water and telephone charges							
9.13	Rent, rates and taxes							
9.14	Licences and insurance							
9.15	Motor vehicle expenses							
9.16	Repairs and maintenance							
9.17	Depreciation							
9.18	Bad debts and provision for doubtful debts							
9.19	Provision for credit impairment loss							
9.20	Loss on disposal of assets							
9.21	Other expenses							
9.22	Total non interest expenses ➤							

COMPUTATION OF CHARGEABLE INCOME (See Note 6)

		Segment A	Segment B
1	Net Profit or Loss per Income Statement		
	Add: Unauthorised deductions		
2	Expenditure incurred in the production of exempt income (<i>Schedule C</i>)		
3	Depreciation charged in accounts		
4	Transfer to provisions and reserves		
5	Entertainment expenses, gifts and other non allowable contribution or donations		
6	Expenditure / loss recoverable under a contract of insurance or indemnity		
7	Income tax or foreign tax		
8	Penalties and fines		
9	Other non allowable expenditure or loss		
10	Income not included in Income Statement		
11	TOTAL ➤		
12	Deduct: Dividends receivable from resident companies		
13	Other exempt income		
14	Annual allowance (<i>Attach schedule based on format given in Note 11 (a)</i>)		
15	Investment allowance (<i>Attach schedule based on format given in Note 11 (b)</i>)		
16	Other authorised items		
17	PROFIT/(LOSS) AS ADJUSTED FOR TAX PURPOSES ➤		
18	Deduct: Loss brought forward from previous year		
19	Chargeable income/Loss carried forward ➤		

CALCULATION OF TAX (See Note 7)

		CHARGEABLE INCOME	RATE	TAX
1	Segment A		25%	
2	Segment B		25%	
3	Total			
4	TOTAL TAX (SEGMENT A + SEGMENT B) ➤			
	TAX CREDIT			
5	Deduct: Investment tax credit			➤
6	Balance (<i>Should not be less than 15% of total chargeable income</i>)			➤
7	Deduct: Special tax credit (<i>See Note 7</i>)			➤
8	Normal tax payable (A)			➤
9	Alternative Minimum Tax (<i>Schedule D</i>) (B)			➤
10	Tax Payable (higher of A and B)			➤
11	Deduct: Foreign/Presumed tax credit			➤
12	BALANCE AFTER TAX CREDIT ➤			
13	TOTAL TAX ➤			
14	Penalties			
15	Late submission		_____	
16	Late payment		_____	
17	Total penalty ➤			
18	TAX PAYABLE ➤			

SCHEDULE C - EXPENDITURE INCURRED IN THE PRODUCTION OF EXEMPT INCOME (See Note 8)

		Segment A		Segment B	
		Taxable	Exempt	Taxable	Exempt
1	Gross interest receivable				
2	Dividends				
3	Rent				
4	Royalties				
5	Other income				
6	Total income ➤				
7	Expenditure incurred in the production of both taxable and exempt income				
8	Portion of the above attributable to exempt income				
9	Add: Expenditure incurred exclusively in the production of exempt income				
10	Total expenditure incurred in the production of exempt income ➤				

SCHEDULE D - CALCULATION OF ALTERNATIVE MINIMUM TAX (See Note 9)

I Calculation of "book profit"		Segment A	Segment B
Net profit/loss as per line 7 on Page 2			
Add			
Expenditure attributable to the production of dividend, profits or gains from the sale/revaluation of fixed assets/securities			
Loss on disposal/revaluation of fixed assets/securities			
Less			
Dividends receivable from resident companies			
Profits/gains on sale/revaluation of fixed assets/securities			
Book profit			
Total book profit (Segment A + Segment B)			

2 Calculation of Alternative Minimum Tax				
	Amount	Rate	Rs	
Book profit (as calculated above)	_____	5%	_____	(X)
Dividends and amount distributed by way of shares in lieu of dividends	_____	10%	_____	(Y)
Alternative Minimum Tax (lesser of (X) and (Y))			➤ Rs _____	(B)

SCHEDULE E - TRANSACTIONS WITH RELATED COMPANIES AND INDIVIDUALS (See Note 10)

Full name of company/individual

Relationship

	Rs.		Rs.
Sales to	<input type="text"/>	Purchases from	<input type="text"/>
Loan to	<input type="text"/>	Loan from	<input type="text"/>
Commission payable to	<input type="text"/>	Commission receivable from	<input type="text"/>
Management fees payable to	<input type="text"/>	Management fees receivable from	<input type="text"/>
Other fees/amount payable to	<input type="text"/>	Other fees/amount receivable from	<input type="text"/>
Salary/allowances etc.	<input type="text"/>	Benefits in kind	<input type="text"/>
Opening balance of loan account	<input type="text"/>	Closing balance of loan account	<input type="text"/>
Opening balance of current account	<input type="text"/>	Closing balance of current account	<input type="text"/>

Note: For more than one related company/individual, please attach schedules using the same format.

Format for BALANCE SHEET

		Segment A	Segment B	Total
	ASSETS			
	Cash Resources			
1	Cash and balances with central banks			
2	Balances with banks and interbank loans			
3	Balances with other financial institutions			
4			
	Securities, placements and other investments			
5	Investment securities :			
	-Held to maturity			
	-Available for sale			
	-at fair value with gain or loss in income statement			
6	Trading securities			
7	Placements			
8	Other investments			
9				
	Loans			
10	Retail and personal			
11	Credit cards			
12	Business			
13	Governments			
14	Banks in Mauritius			
15	Entities outside Mauritius			
16	Assets purchased under resale agreements			
17				
18	Allowance for credit impairment losses			
19				
	Others			
20	Intangible assets			
21	Property and equipment			
22	Derivative assets used for hedging			
23	Other			
24				
	Total Assets			
	LIABILITIES, EQUITY AND RESERVES			
	Deposits			
25	Personal			
26	Business			
27	Governments			
28	Banks			
29				
	Borrowings			
30	Central banks			
31	Banks in Mauritius			
32	Banks abroad			
33	Other financial institutions			
34	Subordinated loans			
35				
	Other			
36	Securities sold under repurchase agreement			
37	Current tax			
38	Deferred tax			
39	Retirement benefit obligations			
40	Other liabilities and provisions			
41				
	Total liabilities			
42	Shareholders equity			
	-Capital			
	-Ordinary			
	-Preference			
	-Reserves			
43	Total equity and reserves			
44	Total equity, reserves and liabilities			

Note 11(a)		Format for ANNUAL ALLOWANCE								
		Cost b/f *(See Note 12)		Base value b/f **(See Note 12)		Additions during the year				
		Segment A	Segment B	Segment A	Segment B	Segment A	Segment B			
Plant and Machinery	Costing Rs. 10,000 or less									
	Furniture and fittings									
	Motor vehicles									
	Electronic and high precision machinery or equipment, computer hardware and peripherals and computer software									
	Other									
TOTAL										
		DISPOSALS/TRANSFERS DURING THE YEAR								
		Original cost		Base value **(See Note 12)		Disposal proceeds/Base value of assets transferred				
		Segment A	Segment B	Segment A	Segment B	Segment A	Segment B			
Plant and Machinery	Costing Rs. 10,000 or less									
	Furniture and fittings									
	Motor vehicles									
	Electronic and high precision machinery or equipment, computer hardware and peripherals and computer software									
	Other									
TOTAL										
Plant and Machinery		Rate	Annual allowance		Balancing allowance/(charge) on disposal		Total allowances			
			Segment A	Segment B	Segment A	Segment B	Segment A	Segment B		
			Costing Rs. 10,000 or less	100%						
			Furniture and fittings	10%						
			Motor vehicles	20%						
			Electronic and high precision machinery or equipment, computer hardware and peripherals and computer software	33.33%						
			Other	20%						
TOTAL										
Note 11(b)		Format for INVESTMENT ALLOWANCE								
New Plant and Machinery		Rate	Additions at cost		Investment allowance					
			Segment A	Segment B	Segment A	Segment B				
			Costing Rs. 10,000 or less	25%						
			Furniture and fittings	25%						
			New bus, 30 seats or more, and motor vehicles excluding road vehicles	25%						
			Electronic and high precision machinery or equipment, computer hardware and peripherals	25%						
			Other	25%						
Total Investment Allowance						Segment A	Segment B			
Note 11(c)		Format for MOVEMENT IN LAND & BUILDING AND PLANT & EQUIPMENT								
Description		Land & Building			Plant & Equipment					
1	Cost / revaluation at beginning of year									
2	Add: Additions at cost									
3	Revaluation									
4	Less: Disposal at cost / revaluation									
5	Cost / revaluation at end of year									
6	Accumulated depreciation at beginning of year									
7	Add: Depreciation for the year									
8	Less: Depreciation on disposals									
9	Accumulated depreciation at end of year									
10	Net book value at end of year									
Note 12 - Annual Allowance Schedule (See format above)										
* Cost b/f should exclude cost of assets where annual allowance of 100% has already been claimed.										
** Base value means cost less annual allowance already claimed.										

**NOTES FOR COMPLETION OF ANNUAL RETURN OF INCOME OF A COMPANY ENGAGED IN
BANKING BUSINESS
YEAR OF ASSESSMENT 2006-2007**

These notes are intended to assist in the completion of the return. If further information is required please contact the Mauritius Revenue Authority (MRA), Efram Court, Ground Floor, Cnr Mgr Gonin & Sir V. Naz Streets, Port Louis, Tel 207-6000.

Note 1 - Declaration

This section should be completed after filling in all sections on pages 2 to 6. Regarding payment, cheque should be crossed and made payable to the *Director-General, MRA*. Full name and tax account number of the company should be written on the verso of the cheque.

Note 2 - Segments A & B

Transactions relating to local source income (Segment A) should be entered in the Segment A column, while transactions relating to non-residents and corporations holding a global business licence (Segment B) should be entered in the Segment B column.

Note 3 - Conversion of Segment B Income

A bank carrying on transactions with non-residents and with corporations holding a global business licence shall convert all the figures of Segment B using the rate of exchange in force as at the date on which the return is submitted to the Director General.

Note 4 - Income Statement

For items 1.1 to 2.6, the gross amount receivable should be declared.

Note 5 - Interest and non-interest expense

The amount of expenses not allowable for Income Tax purposes should be entered in the column "Disallowed" against the corresponding item of expense.

Note 6 - Computation of Chargeable Income

• **Dividends payable**

Dividends payable are not deductible in computing the chargeable income of a company.

• **Dividends receivable and other exempt income**

Dividends receivable from a resident company are exempt from tax. However, where a company's income includes exempt income, the expenses incurred to produce such exempt income should be added back in Item 2 of Page 3.

• **Item 16 - Other authorised items**

The following deductions are also allowable :

- Contributions made to a road fund;
- Donations to charitable institutions (maximum Rs 400,000);
- Contributions made to any sports club, Sports Federation, Multisport Organisation, the Trust Fund for Excellence in Sports established under the Finance and Audit (Trust Fund for Excellence in Sports) Regulations 2002 or any sport training centre set up by Government. The maximum deduction is Rs 1,000,000;
- Contributions made to the National Solidarity Fund and the Prime Minister's Children's Fund;
- 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 over and above the amount already claimed in accounts;
- Contributions to employees' share scheme;
- Contributions made towards the provision of national ambulance services;
- Expenditure incurred in the setting up of social infrastructure approved by the Minister;
- 1/3 of the investment made in start-up companies in an income year and the balance in two succeeding income years.

Note 7 - Calculation of tax

Income Tax Rate

The rate of tax applicable is 25% for both segments. Where a bank carries on transactions with non-residents or with corporations holding a global business licence (Segment B), it shall be entitled to claim a presumed tax credit equal to

80% of the tax in segment B where written evidence is not presented to the Director General showing the amount of foreign tax charged on its segment B income.

• **Item 5 - Investment tax credit**

Section 69 of the *Income Tax Act 1995* provide for tax credits in respect of investments made in tax incentive companies (credit for 3rd year only), companies listed on the Stock Exchange, an equity fund or an authorised mutual fund.

Note : Section 72 of the *Income Tax Act 1995* limits the aggregate amount of tax credits to such an amount that would not reduce the tax payable after such tax credits to less than 15 per cent of the chargeable income of the company. The balance at Item 6 of the Calculation of Tax on page 3 should therefore be equal to or greater than 15 per cent of the chargeable income.

• **Item 7 - Special tax credit**

Sec. 69A of the *Income Tax Act 1995* provides for a special tax credit in respect of investment in a company set up for the purpose of operating a spinning, weaving or dyeing factory.

• **Items 15 and 16 - Penalty**

Penalty is provided under the law for late submission of return and late payment of tax.

- **Late submission of return**, a penalty of Rs. 5,000 per month or part of the month is payable until the time the return is submitted. The total penalty payable is restricted to Rs. 50,000.
- **Late payment of tax**, a penalty at the rate of 2 per cent of the amount of tax is payable for each month or part of the month during which the tax remains unpaid. The penalty payable is limited to the amount of income tax remaining unpaid.

Note 8 - 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:

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

Note - 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.

Note 9 - Alternative Minimum Tax

This is applicable where a company's "normal tax payable" is less than 5% of its book profit. It is not applicable to a company 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".

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

Note 10 - Transactions with related companies and individuals

If the company had any transaction with any related companies and individuals which was not based on an arm's length price during the income year, please complete the section *Transactions with related companies and individuals* on Page 4. Where there are such transactions with more than one related company/individual, please attach schedules using the same format.

- Related companies and individuals mean:

- (i) "Holding company", "subsidiary company" and "related company" as defined in the *Companies Act 2001*.
- (ii) Directors of the company and the directors of its "holding company".
- (iii) A person (i.e. a company or an individual) owning or able to exercise control over 20 per cent or more of the voting rights of the company, whether directly or through nominees.
- (iv) An entity managing or managed by the company under a management contract.
- (v) Family members or members of the same household of any individual mentioned in (ii) & (iii) above.

Note 11 - Additional documents to be submitted

Please submit schedules of annual & investment allowances and a statement of movement in Land & Buildings and Plant & Equipment in the formats given in Note 11(a) to 11(c).