



MAURITIUS REVENUE AUTHORITY

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***Circular No. 3 of 2006***

**To: All VAT registered persons**

**VAT RETURNS**

Further to amendments brought to the Value Added Tax Act by the Finance Act 2006, I wish to draw your attention to the following –

**(1) Submission of VAT returns**

With effect from 1 October 2006, every VAT registered person whose annual turnover of taxable supplies exceeds 10 million rupees, is **required to submit monthly VAT returns.**

VAT registered person whose annual turnover of taxable supplies exceeds 10 million rupees before 1 October 2006 is therefore required to –

- (a) notify this Office of the fact as soon as the limit is exceeded; and
- (b) submit monthly VAT returns as from the month of October 2006.

Should the annual turnover of taxable supplies of a VAT registered person exceed 10 million rupees after 1 October 2006, the person is required to –

- (a) notify the Director-General of the fact in writing, within 15 days of the date of the closing of his annual accounts; and
- (b) submit monthly VAT returns as from the month immediately following the quarter in which the notification is made.

**(2) Election to submit monthly return**

Any VAT registered person whose annual turnover of taxable supplies does not exceed 10 million rupees may, by irrevocable notice to the Director-General, elect to submit monthly VAT returns.

VAT registered persons who wish to avail themselves of this new provision are required to notify the Director-General of their election and submit monthly VAT returns as from the month immediately following the quarter in which the notification is made. VAT registered persons making such election should, however, note that once the election is made, they will have to continue to submit monthly VAT returns.

### **(3) Claim for Repayment**

Section 24 of the Act now provides that where a registered person submits a return under section 22 and the excess amount includes input tax amounting to more **than Rs 100,000 on capital goods**, he may, in that return make a claim to the Director-General for a repayment of the amount of input tax allowable in respect of those capital goods.

### **(4) Penalty and interest**

The law provides for the following, with effect from 1 October 2006 –

#### ***Penalty for failure to submit VAT return by due date***

Where, in respect of a taxable period, a registered person fails to submit a return on or before the last day on which the return is required to be submitted, he shall be liable to pay to the Director-General, in addition to any tax which may be payable, a penalty of 2,000 rupees for every month or part of the month until the return for that taxable period is submitted, provided that the total penalty payable shall not exceed 20,000 rupees.

#### ***Penalty for failure to pay tax by due date***

Where a taxable person fails to pay any tax due on or before the last day on which it is payable, he shall be liable to pay to the Director-General, in addition to the tax, a penalty of 5 per cent of the tax, excluding the penalty.

#### ***Interest on tax unpaid***

Interest at the rate of one per cent per month or part of the month shall be paid to the Director-General on any tax unpaid, excluding penalty, from the date the tax remained unpaid to the date of payment.

Any person wishing to have further information may contact-

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**Director-General**

**26 September 2006**