

Year of Assessment 2015 (Income for the period 1 January 2014 to 31 December 2014)
NOTES - How to fill in your return (I.T. Form 6)

Note 1

GENERAL INFORMATION ON SOCIÉTÉ

A société includes -

- (a) a société formed under any enactment in Mauritius;
- (b) a société commerciale;
- (c) a société de fait or a société en participation;
- (d) a limited partnership;
- (e) a joint venture; or
- (f) a société or partnership formed under the law of a foreign country.

"Resident" in relation to a société means a société which has its seat or siège in Mauritius and includes a société which has at least one associate or associé or gérant resident in Mauritius.

A "société commerciale" is required to submit a return whether or not it has derived any income during the income year ended 31 December 2014. Other resident sociétés should submit a return only where they have derived any income during that income year.

Note 2

MAIN BUSINESS ACTIVITY

Please consult "List of Activities" available under "Media Centre" on MRA website before entering appropriate sector, type and detail of activity.

Note 3

TRADING AND PROFIT AND LOSS ACCOUNT

The details of 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 in the return should be included in item 3.40 'other expenses'.

Note 4

INTEREST INCOME (Item 3.5 of section 3)

Interest earned by a société as from 1 January 2010 on savings and fixed deposit accounts maintained with a bank or non-bank deposit taking institution, Government securities and Bank of Mauritius Bills are exempt.

However, all interests earned during period 1 July 2006 to 31 December 2009, which were paid to the société in year 2014 are taxable.

Note 5

COMPUTATION OF NET 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 on page 3 to arrive at the net income for tax purposes.

Income to be expressed in Mauritian Rupees

Any amount of income derived or expenditure incurred and remitted during an income year in a currency other than Mauritian rupees should be converted in Mauritian rupees at the exchange rate in force as at the date of remittance. Where any such amount is not remitted during the income year it should be converted at the exchange rate in force at the end of that income year.

General Rule for deduction of expenses

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

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.

Expenditure incurred in the production of exempt income

- (a) Expenditure or loss exclusively incurred in the production of exempt income is not allowable.
- (b) 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:

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

- (c) 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 receivable

Dividends receivable from a resident company are exempt from tax. However, the expenses incurred to produce such exempt income should be added back in **Item 4.2 of Page 3**. Dividends receivable from outside Mauritius are taxable.

Annual Allowance

(A) Depreciation, being a provision, is not an allowable expenditure. A société may instead, claim deduction in respect of annual allowance on capital expenditure at the prescribed rates, as follows:-

Capital expenditure incurred on

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

		Rate as a % of	
Base Value		Cost	
-		5%	
-		5%	
30%		-	
100%	or	100%	
20%		-	
-		100%	
25%		-	
50%		-	
20%		-	
35%		-	
25%		-	
25%		-	
15%		-	
25%		-	
-		5%	

Where a société, carrying on business other than tour operator or car rental, has incurred 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 the base value, limited to three million rupees in the aggregate. Base value means cost less any amount allowed by way of annual allowance.

(B) Accelerated annual allowance on capital expenditure incurred during the income years 2013 and 2014 may be claimed on the items listed below, as follows:-

Capital expenditure incurred on

1. Industrial premises dedicated to manufacturing
2. Plant or machinery costing 50,000 rupees or less
3. Electronic and high precision machinery (including computer hardware and software)
4. Plant and machinery (excluding passenger car) by a manufacturing company
5. Green technology equipment
6. Scientific research
7. Landscaping and other earth works for embellishment purposes
8. Renovation works undertaken by hotels, restaurants and retail outlets

		Rate as a % of	
Base Value		Cost	
30%		-	
-		100%	
-		50%	
-		50%	
-		50%	
-		50%	
-		50%	
-		33%	

Where annual allowance has been claimed under paragraph (A), no allowance should be claimed under paragraph (B). It is to be noted that no annual allowance is allowable unless proper books of accounts and records are kept.

Note 6 - Section 5**CALCULATION OF TAX****• Item 5.6 - Corporate Social Responsibility (CSR)**

Every "société commerciale" or any other resident société deriving income is required to set up a CSR Fund equivalent to 2% of its chargeable income for the preceding year to implement an approved programme or to finance an approved NGO. For the purpose of calculating the chargeable income, the net income of the société is deemed to be its chargeable income.

Where a société has not spent the whole or part of the amount of the CSR Fund, it may carry forward to the year of assessment 2016 the amount unspent up to a maximum of 20% of the amount provided, **subject to the approval of the CSR Committee**. The balance remaining, if any, shall be remitted to MRA at the time the return is submitted.

Where the amount spent out of the CSR Fund exceeds the amount provided under the Fund, the excess to the extent of 20% of the amount provided, may be carried forward and offset in equal instalments against any amount provided to be spent under the Fund in respect of the 5 succeeding years.

For more information, consult Statement of Practice on CSR (SP 11/12) available under Media Centre, Publications on MRA website.

CSR is not applicable to:

- (i) a GBL I company;
- (ii) a bank, in respect of income derived from non-residents or GBL corporations;
- (iii) an IRS company;
- (iv) a non-resident société, a foundation, a trust or a trustee of a unit trust scheme.

• **Item 5.9 - Tax deduction at source (TDS)**

Enter at section 5.9 the amount deducted at source as TDS in the year 2014 on the société's income as per **Statement of Income Received**.

The TAN of the payer should be inserted where the TDS has been deducted on income derived by the société directly. However, where the société is entitled to deduct its share of TDS on income derived by another société, the TAN of that société should be inserted.

• **Item 5.13 - Penalty for late submission of return**

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.

• **Item 5.14 - Penalty for late payment of tax**

A penalty of 5 per cent of the amount of tax is payable on the amount of tax remaining unpaid.

Note 7 - Section 6

ANNUAL STATEMENT OF SHARE OF NET INCOME/LOSS

Details in respect of all associates should be provided at section 6.

- (a) The income of an associate from a resident société is deemed to be the share to which he would have been entitled in the income of the société if the income had been wholly distributed among the associates.
- (b) For the purposes of calculating the net income/loss of an associate from a société, the associate is deemed -
 - (i) to have derived that part of the gross income of the société; and
 - (ii) to have incurred that part of the allowable deductions of the société which bears the same proportion to the gross income or allowable deductions of the société as his share in the income/loss of the société bears to the income/loss of the société.
- (c) Where tax has been deducted at source from any income derived by a société, the amount of tax deducted at source may be offset against any CSR amount payable by the société. The remaining amount of TDS at line 5.11 may be claimed as a credit by each associate in the proportion of his share of income/loss in the société.

Note 8

A statement must be given by the société to each associate not later than 31 March 2015 showing the share of net income/loss accruing to that associate and his share of TDS. The statement must be made in the approved form "Statement by société to associate" available under "Downloadable forms" on MRA website.