



CUSTOMS DEPARTMENT

NOTICE TO ECONOMIC OPERATORS

DEFERRED PAYMENT OF VAT AT IMPORTATION ON CAPITAL GOODS

ECONOMIC OPERATORS ARE HEREBY INFORMED THAT A **VAT DEFERRED PAYMENT SCHEME (VDPS)** IS BEING INTRODUCED WHEREBY A **VAT-REGISTERED PERSON** WILL BENEFIT DEFERRED PAYMENT ON VAT AT IMPORTATION ON **CAPITAL GOODS**, BEING PLANT AND MACHINERY, PROVIDED THAT THE FOLLOWING CONDITIONS ARE COMPLIED WITH:

- (A) THE **VAT-REGISTERED PERSON** SHOULD BE DULY REGISTERED WITH MRA CUSTOMS UNDER **VDPS** BY MAKING AN APPLICATION ON THE APPROVED FORM “MRA/CUS/TFCC/REG/VDPS” WHICH IS DOWNLOADABLE FROM THE MRA WEBSITE: WWW.MRA.MU/INDEX.PHP/DOWNLOAD-CENTRE/CUSTOMS-FORMS TOGETHER WITH THE REQUIRED DOCUMENTS;
- (B) THE DUTY-PAID VALUE OF THE CAPITAL GOODS IS ONE MILLION RUPEES OR MORE ON A CONSIGNMENT BASIS;
- (C) THE CAPITAL GOODS ARE TO BE USED IN THE COURSE OF, OR FOR THE FURTHERANCE OF, THE VAT REGISTERED PERSON’S BUSINESS;
- (D) THE VAT REGISTERED PERSON IS COMPLIANT WITH HIS TAX OBLIGATIONS UNDER THE REVENUE LAWS;
- (E) THE VAT REGISTERED PERSON IS NOT UNDER BANKRUPTCY, LIQUIDATION OR RECEIVERSHIP;
- (F) A SECURITY, BY BOND, UNDER SECTIONS 39 AND 42 OF THE CUSTOMS ACT, IS FURNISHED TO COVER THE DEFERRED VAT PAYABLE; AND
- (G) PROPER BOOKS AND RECORDS ARE KEPT.

THIS MEASURE SHALL COME INTO OPERATION ON **01 OCTOBER 2018**.

FOR THE PROPER IMPLEMENTATION OF THIS SCHEME, THE UNDERMENTIONED CODE AND CPCs HAVE BEEN CREATED FOR THE PROCESSING OF BILL OF ENTRY–

(A) **NEW TAX CODE 88** HAS BEEN CREATED IN CMS IN ORDER TO INDICATE THE AMOUNT OF VAT DEFERRED; AND

(B) NEW CUSTOMS PROCEDURE CODES (CPCs) HAVE BEEN CREATED FOR THE CLEARANCE OF CAPITAL GOODS AS PER THE TABLE BELOW:

S/N	CPC	DESCRIPTION
1	40VDS	DIRECT IMPORTATION OF CAPITAL GOODS UNDER SECTION 9B OF THE CUSTOMS ACT – DUTY AND EXCISE DUTY PAYABLE, VAT DEFERRED
2	47VDS	EX-WAREHOUSING OF CAPITAL GOODS UNDER SECTION 9B OF THE CUSTOMS ACT – DUTY AND EXCISE DUTY PAYABLE, VAT DEFERRED
3	49VDS	IMPORT OF CAPITAL GOODS FROM FREEPORT UNDER SECTION 9B OF THE CUSTOMS ACT – DUTY AND EXCISE DUTY PAYABLE, VAT DEFERRED

(C) A GUIDELINE IN RELATION TO THE PROCESSING OF BILL OF ENTRY HAS BEEN DEVISED FOR THE PROPER IMPLEMENTATION OF THE SCHEME AND IS POSTED ON THE MRA WEBSITE ON THE FOLLOWING LINK: WWW.MRA.MU/INDEX.PHP/MEDIA-CENTRE/PUBLICATIONS/CUSTOMS.

YOU ARE ADVISED TO LIAISE WITH MNS FOR UPDATE OF YOUR FRONT END SYSTEM.

MRA CUSTOMS

27TH SEPTEMBER 2018