



Tax Arrears Settlement Scheme

August 2019

Objective

The scheme is designed for small and medium enterprises (SMEs) having outstanding tax arrears as at 10 June 2019. Where the tax arrears are settled on or before 31 March 2020, the SME will benefit from 100 percent waiver of penalties and interest included in the tax arrears.

Scope

The scheme will cover tax arrears, i.e, tax, penalty and interest, arising under an assessment issued or a return submitted on or before 30 June 2018 under the Income Tax Act and Value Added Tax Act. However, the scheme will not include cases pending before the Assessment Review Committee (ARC) or the Supreme Court or Judicial Committee of the Privy Council as at 10 June 2019.

Procedures

To benefit from the full waiver of penalties and interest, the SME is required to make an application for the waiver to the Director-General on or before 31 January 2020. The 'Application Form' to join the scheme is available on MRA's website: www.mra.mu

Eligibility

The scheme is applicable only to SMEs. For that purpose, an SME is a business entity with an annual turnover not exceeding 50 million rupees for the year of assessment 2017/2018. However, an SME does not include the providers of services as listed below:

- Accountant/Accounting firm
- Architect
- Attorney/Solicitor
- Barrister
- Engineer
- Land surveyor
- Legal consultant
- Medical service provider
- Project manager in the construction industry
- Property valuer
- Quantity surveyor
- Tax adviser or his representative



Persons not eligible for the scheme

The scheme is not applicable to any person:

- who has been convicted on or after 1 July 2001 of an offence;
- against whom there are any pending or contemplated civil or criminal proceedings; or
- who is the subject matter of an enquiry,

relating to trafficking in dangerous drugs, arms trafficking, or an offence related to terrorism under the Prevention of Terrorism Act, money laundering under the Financial Intelligence and Anti-Money Laundering Act or corruption under the prevention of Corruption Act.