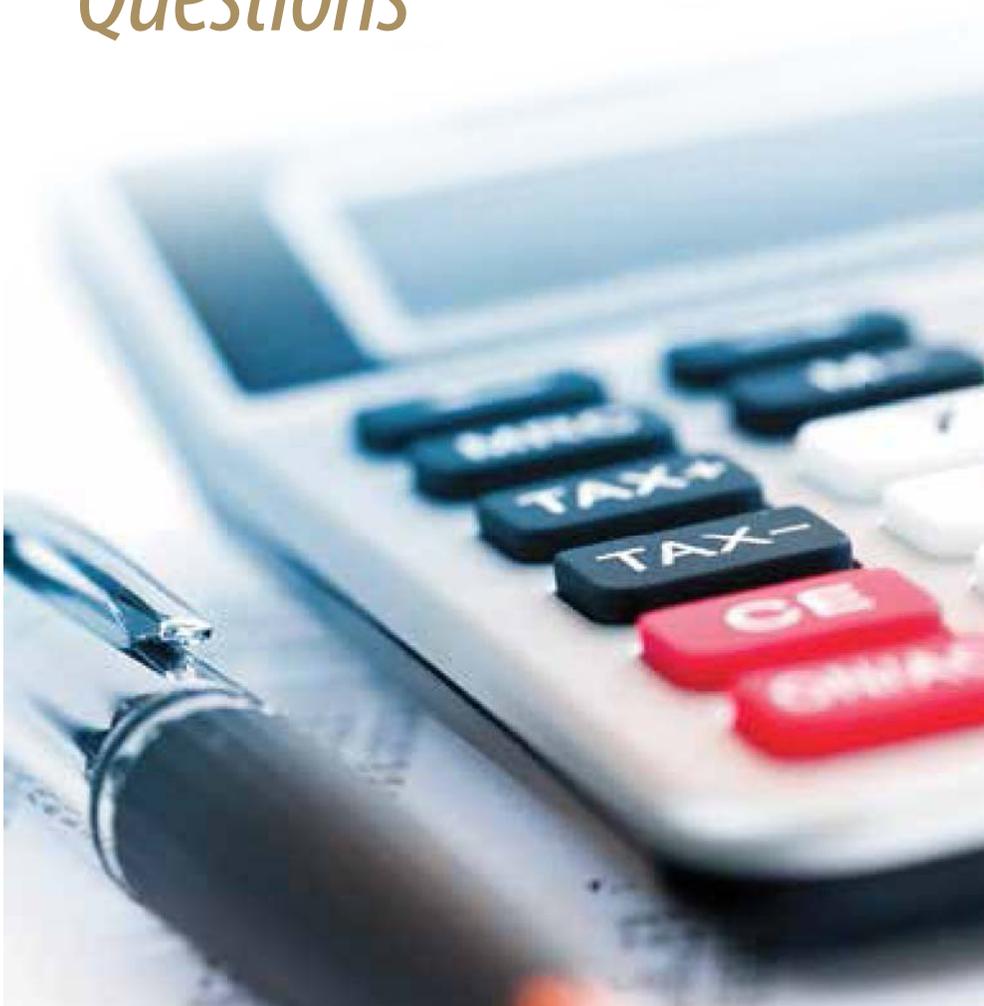


VAT **FAQs**

*Frequently
Asked
Questions*





Value Added Tax

Value Added Tax (VAT) is a tax on goods and services. It is chargeable on all taxable supplies of goods and services made in Mauritius by a taxable person in the course or furtherance of any business carried on by him. VAT is also payable on the importation of taxable goods into Mauritius, irrespective of whether the importer is a taxable person or not. The rate of VAT is 15 per cent, with effect from 1 July 2002 on taxable supplies other than zero-rated supplies.

What is a taxable supply?

A taxable supply is a supply of goods in Mauritius, or a supply of services which are performed or utilised in Mauritius and which is subject to VAT. A taxable supply includes a supply which is zero-rated, but it does not include an exempt supply.

What is an exempt supply?

An exempt supply is a supply of goods or services which are specifically exempted from the payment of VAT (See 1st Schedule to the VAT Act). A person who makes only exempt supplies cannot register for VAT.

What is a zero-rated supply?

A zero rated supply is a taxable supply, the VAT rate of which is zero compared to a standard rated supply which is taxable at 15 %. In general, all goods or services which are exported are zero-rated. In addition, certain goods and services which are supplied on the local market are zero-rated. (See 5th Schedule to the VAT Act).



Who is required to be registered for VAT?

A person has to apply for compulsory registration in any of the following circumstances :

- (a) If in the course or furtherance of his business his annual turnover of taxable supplies exceeds or is likely to exceed 4 million rupees
- (b) His annual turnover does not exceed 4 million rupees, but he is engaged in any of the businesses and professions mentioned in the 10th Schedule to the VAT Act.

Can a person who is not engaged in any of the specified businesses/professions and whose annual turnover of taxable supplies does not exceed Rs 4 million be registered for VAT?

Yes. The person may apply for voluntary registration. He will be registered if he satisfies the Director-General that:

- (a) he currently keeps and maintains a proper record of his business;
- (b) he has been discharging his obligations under the revenue laws.

How can a person apply for VAT registration?

A person can apply for VAT registration by completing the "Application for VAT registration" form which is available at the following offices:

Mauritius Island - MRA Head-quarters, Efram Court, Cnr Mgr Gonin & Sir Virgil Naz Streets, Port Louis.

Rodrigues Island - Clayderlex Building, Port Mathurin.
Registration forms may also be downloaded from the MRA website www.mra.mu

What documents are required to be submitted for VAT registration?

In addition to the VAT registration form, individual applicants should bring their NID and their Business Registration Card.

How does the VAT system works?

Once a person is registered for VAT, he charges VAT on all the taxable supplies made to his customers. This is his output tax. Similarly, the VAT registered person will be claimed VAT on the taxable goods and services supplied to him by his VAT registered suppliers. This is his input tax.

A VAT registered person submits a monthly return when his annual turnover of taxable supplies exceeds Rs 10 million or he elects to do so even if his annual turnover is below Rs 10 million. In other cases the registered person is required to submit a quarterly return.

The VAT registered person fills in a VAT return in which he subtracts the input tax allowable from the output tax and pays the balance to the Mauritius Revenue Authority. If the input tax allowable is more than the output tax, the excess amount may be carried forward as a credit to his next return or may be repaid in certain circumstances.

Who is a taxable person?

A taxable person is a person who is required to be registered for VAT and includes a registered person who has registered voluntarily.

Failure to apply for registration.

If a taxable person does not apply for registration, he is liable to pay a penalty of Rs 5,000 for every month or part of a month up to a maximum of Rs 50,000. He will also have to account for VAT on his taxable supplies, although he has not charged VAT thereon. He will have to pay for Penalties and Interest as from the date he was required to be registered.



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