

Mauritius Revenue Authority

Value Added Tax Guide

Leaflet No.6

Submission of returns and payment of VAT

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1. Foreword

The purpose of this leaflet is to help VAT registered persons understand their legal obligations regarding the submission of VAT returns and payment of tax. The provisions of the law on interest and penalty as well as the steps that have to be taken to avoid such charges are also explained. This leaflet is for information only. For the legal provisions, you may consult the Value Added Tax Legislation.

The law relating to VAT is contained in the Value Added Tax Act and the value added tax regulations 1998 as subsequently amended, and are available on the website of the MRA.

Further information may be obtained from,

Taxpayer Education and Communication Department

Mauritius Revenue Authority

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Submission of VAT returns and payment of VAT

1. Submission of VAT returns

A VAT registered person whose annual turnover of taxable supplies exceeds Rs 10 million has to submit monthly VAT returns.

Where the annual turnover does not exceed Rs 10 million, he has to submit quarterly returns. The quarters end on 31 March, 30 June, 30 September and 31 December.

However, where the annual turnover of taxable supplies does not exceed Rs 10 million, a registered person may by irrevocable notice in writing to the Director General elect to submit his returns monthly.

2. Due date for submission of returns

A non-electronic (manual) return has to be submitted within 20 days from the end of the month or quarter to which it relates where the return is submitted electronically the due date is extended to one month from the end of the taxable period to which it relates.

Where the last day for the submission of a VAT return falls on a Saturday, Sunday or public holiday, the VAT return may be submitted on the following day that is not a Saturday, Sunday or public holiday.

The return has to reach the Mauritius Revenue Authority by the due date. Where the return is sent by post, the date of the postmark is not considered as the date on which the return is submitted.

3. Payable, Excess and NIL returns

Where the output tax exceeds the input tax, the difference representing VAT payable has to be paid at the time the return is submitted.

Where the input tax exceeds the output tax, the excess amount is carried forward to the next return, unless the VAT registered person is eligible to a claim for repayment.

Where neither supplies nor purchases have been made during a taxable period, a Nil return has to be submitted.

4. Mode of submission of VAT returns

4.1A VAT registered person may submit returns either

- On the approved form (VAT3)
- or
- Electronically in the approved format.

4.2 Obligation to submit electronic return

A VAT registered person who is required to submit PAYE returns electronically, that is an entity which has 50 or more employees is required to submit VAT returns electronically.

In order to submit electronic returns, the VAT registered person has to apply for the approval of his computer system on a form obtainable at the Service Counter of the MRA or downloadable from MRA's website. Upon approval, he has to submit electronic returns as from the taxable period mentioned in the letter of notification.

Where a registered person submits his return electronically, he must submit a summary of taxable supplies made to persons, other than a final consumer.

5. Payment of VAT

In the case of non-electronic return, payments may be made by cash or by cheque.

For an electronic return, instructions have to be given to the bank at the time the return is sent, for the electronic transfer of the appropriate amount by the due date.

6. VAT registered persons in Rodrigues.

VAT registered persons in Rodrigues should pay their tax into the bank account in the name of the Director General Mauritius Revenue Authority with the State Bank of Mauritius Ltd in Port Mathurin, Rodrigues. The original of the paying in slip has to be forwarded to the MRA together with the return (VAT3). An advance copy of the return and the paying in slip should be sent by fax on or before the due date.

7. Penalty and interest

7.1 Penalty for failure to join electronic system

Any registered person who is required to submit his return and make any payment of tax due electronically but fails to join the electronic system shall be liable to a penalty of Rs 5000 for every month or part of a month up to the taxable period immediately preceding the taxable period in respect of which the return is submitted electronically up to a maximum penalty of Rs 50 000.

7.2 Penalty for non-submission of return by due date.

A VAT registered person who submits his return after the due date has to pay a penalty Rs 2000 rupees for every month or part of the month until the return for that taxable period is submitted, subject to a maximum penalty of Rs 20 000.

7.3 Penalty for late payment of tax

Where a person fails to pay tax on the due date, he has to pay, in addition to the tax a penalty of 5 per cent of the tax.

7.4 Interest on unpaid tax

Interest at the rate of 1 per cent per month or part of the month is payable on any tax unpaid from the date the tax remained unpaid up to the date of payment.

7.5 Invalid or dishonoured cheque

In the case of an invalid cheque or a cheque which is subsequently dishonoured, penalty and interest are likewise payable.

7.6 How to avoid any penalty and interest

In order to avoid these additional charges, a VAT registered person should take necessary steps to ensure that-

- a. The following particulars are properly indicated on his VAT return-
 - His own VAT Registration Number

- Name and
- Taxable period
- b. The return reaches the MRA on or before the last day on which it is required to be submitted, unless this day falls on a public holiday, Saturday or Sunday, in which case the return may be submitted on the next working day.
- c. Any payable return is accompanied by the appropriate payment.
- d. Any return submitted on the last day and accompanied by a payment reaches the cash office on the same day by 3.30 pm at latest.
- e. In case of payment by cheque:
 - Is not stale or post dated
 - Is drawn in favour of the Director General, MRA and crossed “Account payee only”;
 - Is duly signed by the appropriate signatory/ies
 - Is properly drawn (e.g Amount in words and amount in figures do not differ etc)
 - Bears full signature of drawer in case of alterations
- f. Any excess/nil return submitted on the last day reaches the MRA on the same day by 4.30 pm, at latest.

8. Submission of awarded returns

The attention of all taxpayers is drawn to the fact that the VAT act does not provide for the submission of “amended” VAT returns.

Any input and/or output which have not been declared in the relevant period to which it relates must be made by way of adjustment at line 11 of the VAT return. A statement showing the details therein must be attached to the return sent to the MRA.