



**Income Tax**

(The Income Tax Act 1995)

**Year of assessment 2007 - 2008**

(Income for the year 1 July 2006 to 30 June 2007)

**RETURN OF INCOME - BANKS**

This return duly filled in should be submitted to the Director-General, Mauritius Revenue Authority by every bank, whether or not it has a chargeable income. The latest date for submission of the return and for payment of tax, if any, is –

- **30 September 2007** where the bank has an approved return date; or
- **31 January 2008** where the bank closes its accounts on 30 June.

The bank's Income Statement and Balance Sheet should be provided based on the formats given on pages 2 and 5 of the return.

Please read the "Notes for completion of annual return" before filling in this form.

1	Full Name of bank .....	<input type="checkbox"/>
2	Address of Registered office .....	<input type="checkbox"/>
3	Address of principal place of business .....	<input type="checkbox"/>
4	Email address ..... Closing date of accounts <small>(Use DD.MMM)</small> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="checkbox"/>
5	Has there been more than 20% change in the ownership of the shares of the bank during the income year? <small>(If above is yes, state the percentage change in shareholding .....</small>	Yes <input type="checkbox"/> No <input type="checkbox"/>
6	Did the bank derive income from banking transactions with non-residents or corporations holding a Global Business Licence. (See Note 2) <small>(If above is yes, state the currency in which the accounts are prepared. Currency:.....)</small>	<input type="checkbox"/> <input type="checkbox"/>
7	Did the bank have any expenditure or loss that is not directly attributable to either its income derived from Mauritius or its foreign source income? <small>(If above is yes, please forward, together with the return of income, a certificate from a qualified auditor certifying that such expenditure or loss has been apportioned in a fair and reasonable manner)</small>	<input type="checkbox"/> <input type="checkbox"/>
8	Did the bank have any transaction with related companies and/or related individuals during the income year? <small>(If above is yes, were all these transactions based on an arm's length price?)</small>	<input type="checkbox"/> <input type="checkbox"/>
9	Did the bank make any distribution by way of shares in lieu of dividends during the year?	<input type="checkbox"/> <input type="checkbox"/>
10	Did the bank have its place of central management and control in Mauritius?	<input type="checkbox"/> <input type="checkbox"/>
11	Name of accountant/Firm of accountants .....	
12	Have the accounts been audited?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
13	Did the auditors qualify their report or express any reservation?	<input type="checkbox"/> <input type="checkbox"/>
14	Name of auditor .....	

**Declaration** (See Note 1)

I, .....

(a) hereby declare that the income, deductions, tax credits and other particulars in this return are true, correct and complete; and

(b) hereby tender the sum of Rs. .... being the tax payable in accordance with this return.

Signature .....

Date ..... Capacity in which acting .....

**FOR OFFICE USE**

Tax payable		Exam		Char. Income			
Penalty		Edited by		Revised Tax			
Tax paid				Officer		Code	
Receipt No.				Asst No		Vetted on	
Date		Cashier		Supervisor		Code	

If the bank derived foreign source income, please translate the figures for Segment B into Mauritian Rupees (See Note 3)

### INCOME STATEMENT

		TOTAL	SEGMENT A	SEGMENT B
<b>1</b>	<b>INTEREST INCOME</b> (See Note 4)			
1.1	Loans			
1.2	Securities			
1.3	Placements and loans to banks			
1.4	Others			
1.5	Total lines 1.1 to 1.4 ➤			
<b>2</b>	<b>NON INTEREST INCOME AND GAINS</b> (See Note 4)			
2.1	Fees and commissions			
2.2	Profits arising from dealings in foreign currencies			
2.3	Dividend income			
2.4	Net gain on disposal of financial instruments			
2.5	Net gain on fair valuation of financial instruments			
2.6	Other			
2.7	Total lines 2.1 to 2.6 ➤			
<b>3</b>	<b>TOTAL INCOME</b> (lines 1.5 & 2.7)			
<b>4</b>	<b>INTEREST EXPENSE</b> (refer to Schedule A)			
4.1	Directly attributable			
4.2	Not directly attributable			
4.3	Total lines 4.1 to 4.2 ➤			
<b>5</b>	<b>NON INTEREST EXPENSE</b> (refer to Schedule B)			
5.1	Directly attributable			
5.2	Not directly attributable			
5.3	Total lines 5.1 to 5.2 ➤			
<b>6</b>	<b>TOTAL EXPENSES</b> (Lines 4.3 & 5.3)			
<b>7</b>	<b>NET PROFIT/LOSS PER ACCOUNT</b> (line 3 minus Line 6)			

### 8 SCHEDULE A - INTEREST EXPENSES (See Note 5)

		Total (A)	Disallowed (B)	Directly attributable to		Not directly attributable (E) = (A-B-C-D)	Apportioned between	
				Segment A (C)	Segment B (D)		Segment A	Segment B
8.1	Deposits							
8.2	Deposits and borrowings							
8.3	Interest on subordinated debt							
8.4	Other							
8.5	<b>Total interest expenses</b> ➤							

### 9 SCHEDULE B - NON INTEREST EXPENSES (See Note 5)

		Total (A)	Disallowed (B)	Directly attributable to		Not directly attributable (E) = (A-B-C-D)	Apportioned between	
				Segment A (C)	Segment B (D)		Segment A	Segment B
9.1	Wages and salaries							
9.2	Other staff costs							
9.3	Directors' emoluments							
9.4	Commissions and discounts							
9.5	Entertainment expense, gifts and donations							
9.6	Advertising and promotional expenses							
9.7	Overseas travelling expenses							
9.8	Legal and professional fees							
9.9	Management fees							
9.10	Bank charges							
9.11	Loss on foreign currency exchange							
9.12	Electricity, water and telephone charges							
9.13	Rent, rates and taxes							
9.14	Licences and insurance							
9.15	Motor vehicle expenses							
9.16	Repairs and maintenance							
9.17	Depreciation							
9.18	Bad debts and provision for doubtful debts							
9.19	Provision for credit impairment loss							
9.20	Loss on disposal of assets							
9.21	Other expenses							
9.22	<b>Total non interest expenses</b> ➤							

**COMPUTATION OF CHARGEABLE INCOME ( See Note 6)**

		Segment A	Segment B
1	Net Profit or Loss per Income Statement		
	<b>Add: Unauthorised deductions</b>		
2	Expenditure incurred in the production of exempt income (Schedule C)		
3	Depreciation charged in accounts		
4	Transfer to provisions and reserves		
5	Entertainment expenses, gifts and other non allowable contributions or donations		
6	Expenditure / loss recoverable under a contract of insurance or indemnity		
7	Income tax or foreign tax		
8	Penalties and fines		
9	Other non allowable expenditure or loss		
10	<b>Add:</b> Income not included in Income Statement		
11	<b>TOTAL</b> ➤		
12	<b>Deduct:</b> Dividends receivable from resident companies		
13	Other exempt income		
14	Annual allowance (Attach schedule based on format given in Note 11 (a))		
15	Other authorised items		
16	<b>PROFIT/(LOSS) AS ADJUSTED FOR TAX PURPOSES</b> ➤		
17	<b>Deduct:</b> Loss brought forward from previous year ..... ➤		
	Loss attributable to annual allowance in respect of capital expenditure incurred during the income year forming the basis of the year of assessment 2007-08. Note 11(a) (See also Note 6) .....		
18	<b>Chargeable income/Loss carried forward</b> ..... ➤		

**CALCULATION OF TAX (See Note 7)**

		CHARGEABLE INCOME	RATE	TAX					
1	Segment A		22.5%						
2	Segment B		22.5%						
3	<b>Total</b>								
4	<b>TOTAL TAX (SEGMENT A + SEGMENT B)</b> ➤								
	<b>TAX CREDIT</b>								
5	<b>Deduct:</b> Investment tax credit .....			➤					
6	Balance (should not be less than 15% of total chargeable income) .....			➤					
7	<b>Deduct:</b> Special tax credit (See Note 7) .....			➤					
8	Normal tax payable (A) .....			➤					
9	Alternative Minimum Tax (Schedule D) (B) .....			➤					
10	Tax Payable (higher of A and B) .....			➤					
11	<b>Deduct:</b> Foreign tax credit .....			➤					
12	<b>BALANCE AFTER TAX CREDIT</b> ➤								
13	National Residential Property Tax (NRPT) (see Note 7)								
	Address Town/Village	Tick as appropriate Apartment, flat or tenement	Any other residential property	Area (sq. mt.)	Tax Rate (per sq. mt.)	No. of months of ownership during the year	NRPT	Less tax paid under Local Govt. Act	NRPT payable
13.1									
13.2									
13.3									
13.4	<b>Total NRPT</b> ➤								
14	<b>TOTAL</b> ➤								
15	<b>Deduct:</b> Tax Deducted at Source (TDS) (Attach schedule, see also Note 7) .....								➤
16	<b>BALANCE</b> ➤								
17	Interest on unpaid tax (see Note 7) .....								➤
18	<b>Add:</b> Special levy	1.7 % on book profit (A)	Rs _____						
		0.5 % on operating income (B)	Rs _____						
	<b>Enter 30% of total (A+B)</b> ➤								
19	<b>Penalty:</b> (see Note 7)								
20	LSR _____	LPT _____	FSRE _____	<b>Total penalty</b>					➤
21	<b>TAX PAYABLE</b>								➤



Format for **BALANCE SHEET**

	<b>ASSETS</b>	<b>Segment A</b>	<b>Segment B</b>	<b>Total</b>
	<b>Cash Resources</b>			
1	Cash and balances with central banks .....			
2	Balances with banks and interbank loans .....			
3	Balances with other financial institutions .....			
4				
	<b>Securities, placements and other investments</b>			
5	Investment securities :			
	-held to maturity .....			
	-available for sale .....			
	-at fair value with gain or loss in income statement .....			
6	Trading securities .....			
7	Placements .....			
8	Other investments .....			
9				
	<b>Loans</b>			
10	Retail and personal .....			
11	Credit cards .....			
12	Business .....			
13	Governments .....			
14	Banks in Mauritius .....			
15	Entities outside Mauritius .....			
16	Assets purchased under resale agreements .....			
17				
18	Allowance for credit impairment losses .....			
19				
	<b>Others</b>			
20	Intangible assets .....			
21	Property and equipment .....			
22	Derivative assets used for hedging .....			
23	Other .....			
24				
	<b>Total Assets</b> .....			
	<b>LIABILITIES, EQUITY AND RESERVES</b>			
	<b>Deposits</b>			
25	Personal .....			
26	Business .....			
27	Governments .....			
28	Banks .....			
29				
	<b>Borrowings</b>			
30	Central banks .....			
31	Banks in Mauritius .....			
32	Banks abroad .....			
33	Other financial institutions .....			
34	Subordinated loans .....			
35				
	<b>Other</b>			
36	Securities sold under repurchase agreement .....			
37	Current tax .....			
38	Deferred tax .....			
39	Retirement benefit obligations .....			
40	Other liabilities and provisions .....			
41				
	<b>Total liabilities</b> .....			
42	<b>Shareholders equity</b>			
	-Capital .....			
	-Ordinary .....			
	-Preference .....			
	-Reserves .....			
43	<b>Total equity and reserves</b> .....			
44	<b>Total equity, reserves and liabilities</b>			

**Note 11(a)**

**Format for ANNUAL ALLOWANCE**

Plant and Machinery	Cost b/f *(See Note 12)		Base value b/f **(See Note 12)		Additions during the year		DISPOSALS/TRANSFERS DURING THE YEAR					
							Original cost		Base value **(See Note 12)		Disposal proceeds/Base value of assets transferred	
	Segment A	Segment B	Segment A	Segment B	Segment A	Segment B	Segment A	Segment B	Segment A	Segment B	Segment A	Segment B
Costing Rs. 30,000 or less												
Furniture and fittings												
Motor vehicles												
Electronic and high precision machinery or equipment, computer hardware and peripherals and computer software												
Other												
<b>TOTAL</b>												
	Rate		Annual allowance				Balancing allowance/(charge) on disposal				Total allowances	
	Base value**	Cost*	Segment A		Segment B		Segment A		Segment B		Segment A	Segment B
	1	2	3		4		5		6		7	8
			A+	B#	A+	B#	A+		A+		col 3 + col 5	col 4 + col 6
Costing Rs. 30,000 or less		100%										
Furniture and fittings	20%											
Motor vehicles	25%											
Electronic and high precision machinery or equipment, computer hardware and peripherals and computer software	50%											
Other	35%											
<b>TOTAL</b>												

**Note 11(b)**

**Format for MOVEMENT IN LAND & BUILDING AND PLANT & EQUIPMENT**

Description		Land & Building	Plant & Equipment
1	Cost / revaluation at beginning of year		
2	<b>Add:</b> Additions at cost		
3	Revaluation		
4	<b>Less:</b> Disposal at cost / revaluation		
5	Cost / revaluation at end of year		
6	Accumulated depreciation at beginning of year		
7	<b>Add:</b> Depreciation for the year		
8	<b>Less:</b> Depreciation on disposals		
9	Accumulated depreciation at end of year		
10	<b>Net book value at end of year</b>		

**Note 12**

\* Cost b/f should exclude cost of assets where annual allowance of 100% has already been claimed.

\*\* Base value means cost less annual allowance already claimed.

† Column A should be used for annual allowance on capital expenditure incurred during an income year forming the basis of a year of assessment prior to year of assessment 2007-08.

# Column B should be used for annual allowance on capital expenditure incurred during the income year forming the basis of the year of assessment 2007-08.

## NOTES FOR COMPLETION OF ANNUAL RETURN OF INCOME OF A COMPANY ENGAGED IN BANKING BUSINESS

### YEAR OF ASSESSMENT 2007-2008

These notes are intended to assist in the completion of the return. If further information is required please contact the Mauritius Revenue Authority (MRA), Efram Court, Ground Floor, Cnr Mgr Gonin & Sir V. Naz Streets, Port Louis, Tel 207-6000.

#### **Note 1** Declaration

This section should be completed after filling in all sections on pages 2 to 6. Regarding payment, cheque should be crossed and made payable to the Director-General, MRA. Full name and tax account number of the company should be written on the verso of the cheque.

#### **Note 2** Segments A & B

Transactions relating to local source income (Segment A) should be entered in the Segment A column, while transactions with non-residents and corporations holding a Global Business Licence (Segment B) should be entered in the Segment B column.

#### **Note 3** Conversion of Segment B Income

A bank carrying on transactions with non-residents and with corporations holding a Global Business Licence should convert all the figures of Segment B using the rate of exchange in force as at the date on which the return is submitted to the Director-General.

#### **Note 4** Income Statement

For items 1.1 to 2.6, the gross amount receivable should be declared.

#### **Note 5** Interest and non-interest expense

The amount of expenses not allowable for Income Tax purposes should be entered in the column "Disallowed" against the corresponding item of expense.

#### **Note 6** Computation of Chargeable Income

- **Dividends payable**

Dividends payable are not deductible in computing the chargeable income of a company.

- **Dividends receivable and other exempt income**

Dividends receivable from a resident company are exempt from tax. However, where a company's income includes exempt income, the expenses incurred to produce such exempt income should be added back in Item 2 of Page 3.

- **Item 15 - Other authorised items**

The following deduction is also allowable :

- A further deduction of the amount incurred on emoluments of a disabled person or emoluments or training costs of an employee employed in any business set up in the island of Rodrigues over and above the amount already claimed in accounts;

- **Item 16 - Profit/(Loss) as Adjusted for Tax Purposes**

- (i) Section 59 of the Income Tax Act provides for the carry forward of losses to be set-off against net income of the following 5 income years.
- (ii) The time limit of 5 years is not applicable for the carry forward of the loss attributable to annual allowances in respect of capital expenditure incurred during the income year forming the basis for the year of assessment 2007-08.

- **Item 17 - Loss brought forward from previous year**

Any unrelieved loss as at 30 June 2006 (including loss attributable to capital allowances) may be carried forward for a maximum period of 5 years.

#### **Note 7** Calculation of tax

##### **Income Tax Rate**

The rate of tax applicable is 22.5% for both segments. Where a bank carries on transactions with non-residents or with corporations holding a Global Business Licence (Segment B), it is entitled to claim a presumed tax credit equal to 80% of the tax in segment B where written evidence is not presented to the Director-General showing the amount of foreign tax charged on its segment B income.

- **Item 5 - Investment tax credit**

Section 161A of the Income Tax Act 1995 provide for tax credits in respect of investments made in companies listed on the Stock Exchange, an equity fund or an authorised mutual fund.

It also limits the aggregate amount of tax credits to such an amount that would not reduce the tax payable after such tax credits to less than 15 per cent of the chargeable income of the company. The balance at Item 6 of the Calculation of Tax on page 3 should therefore be equal to or greater than 15 per cent of the chargeable income.

• ***Item 7 - Special tax credit***

Sec. 161A of the Income Tax Act 1995 provides for a special tax credit in respect of investment in a company set up for the purpose of operating a spinning, weaving or dyeing and knitting of fabrics.

• ***Item 13 - National Residential Property Tax (NRPT)***

National Residential Property Tax is payable by every owner of any residential property (excluding bare land) owned at any time during the year. NRPT should be calculated on a pro-rata basis if the property is acquired, sold or transferred during the year.

• ***Item 15 - Tax deducted at source***

Any tax deducted at source should be accompanied by a 'statement of tax deducted' providing particulars of income tax deductions as per format given in Schedule F.

• ***Item 17 - Interest on unpaid tax***

The law provides for payment of interest at the rate of 1 per cent per month or part of the month during which the tax remains unpaid.

• ***Item 19 - Penalty***

Penalty is provided under the law for late submission of return and late payment of tax and failure to submit return electronically.

- **Late submission of return (LSR)**, 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.
- **Late payment of tax (LPT)**, a penalty of 5 per cent of the amount of tax is payable on the amount of tax remaining unpaid.
- **Failure to submit return electronically (FSRE)**, a penalty of 20 per cent of the tax (not exceeding Rs 100,000) or Rs 5,000 where no tax liability is declared in the return, is payable where, subject to a written notice given by the Director-General a person fails to justify the failure to submit his return electronically.

**Note 8** ***Expenditure incurred in the production of exempt income***

- (1) Expenditure or loss exclusively incurred in the production of exempt income is not allowable.
- (2) 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:
 
$$\frac{\text{exempt income} \times \text{expenditure or loss}}{\text{total gross income (including exempt income)}}$$
- (3) 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.

**Note 9** ***Alternative Minimum Tax***

This is applicable where a company's "normal tax payable" is less than 7.5% of its book profit. It is not applicable to a company which is exempt from tax or where 10% of the aggregate amount of any dividend declared and any amount distributed by way of shares in lieu of dividend do not exceed the "normal tax payable".

"Normal tax payable" is the tax payable arrived at by multiplying the chargeable income of the company by the applicable tax rate and after allowing for any tax credit except credit in respect of foreign tax.

**Note 10** ***Transactions with related companies and individuals***

If the company had any transaction with any related companies and individuals which was not based on an arm's length price during the income year, please complete the section *Transactions with related companies and individuals* on Page 4. Where there are such transactions with more than one related company/individual, please attach schedules using the same format.

- Related companies and individuals mean:
  - (i) "Holding company", "subsidiary company" and "related company" as defined in the *Companies Act 2001*.
  - (ii) Directors of the company and the directors of its "holding company".
  - (iii) A person (i.e. a company or an individual) owning or able to exercise control over 20 per cent or more of the voting rights of the company, whether directly or through nominees.
  - (iv) An entity managing or managed by the company under a management contract.
  - (v) Family members or members of the same household of any individual mentioned in (ii) & (iii) above.

**Note 11** ***Additional documents to be submitted***

Please submit schedules of annual & investment allowances and a statement of movement in Land & Buildings and Plant & Equipment in the formats given in Note 11(a) to 11(b).