

FUTURE OF BANKING IN MAURITIUS AND ITS IMPLICATIONS FOR MRA



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In this issue...

Future of Banking in Mauritius and its implications for MRA

The Governor of the Bank of Mauritius, shares his insights

Page 3

MRA Internal Audit Division

Celebrating the Internal Audit Awareness Month

Page 6

WCO East and Southern Africa RTC Heads Meeting

Mr. D. Magen Maunikum, elected Chairperson

Page 7

Financial Assistance Schemes

Page 8

Study Tour

Benchmark Visit of Tanzania Revenue Authority

Page 8

WCO Regional Workshop on e-Commerce

Enhancing customs efficiency in the digital era

Page 9

Interview
*Mr. Naden Vencatachellum
Section Head, CMS/IT, Customs*

The e-Commerce workshop facilitated a knowledge-sharing platform for Customs administrations and private sector stakeholders

Page 7

Border Protection

MRA seizes significant amounts of drugs valued at over Rs. 119.5 M

Page 15

MRA in the Media

Radio/ TV Programmes

Page 15

DID YOU KNOW?

e-Tax Account

Page 16

EDITORIAL NOTE

Dear esteemed readers,

During the month of May, MRA had the privilege of welcoming Mr. Harvesh Kumar Seegolam, Governor of the Bank of Mauritius, who delivered an insightful talk on the future of banking in Mauritius and its implications for MRA. We seized the opportunity to express our gratitude to him for his valuable insights and look forward to future collaborations.

Moreover, we assure all stakeholders and the public that through our concerted efforts and strategic partnerships with key enforcement agencies such as the Financial Crimes Commission (FCC), the Financial Intelligence Unit (FIU), and the Bank of Mauritius (BOM), we will ensure fiscal compliance and transparency, thereby safeguarding the integrity of our tax system and upholding the highest standards of corporate governance.

As we mark International Internal Audit Awareness Month, it is essential to recognize the significant contributions made by internal auditors globally. Internal auditors play a crucial role in promoting good governance and risk management, thus ensuring the smooth operation of organizations.

At the Mauritius Revenue Authority (MRA), we have celebrated this event by raising awareness about the importance of internal audit through a multi-channel approach, including social media posts, tweets, emails, and articles in our newsletter.

In line with its vision to be a world-class Revenue Authority, MRA has transitioned from traditional communication methods to an electronic platform, the e-tax account. This innovative initiative aims to enhance communication between MRA and taxpayers in real-time.

Finally, on a positive note, we would also like to extend our warm congratulations to Mr. D. Magen Maunikum, Director of Human Resources and Training Department (HRTD) at MRA, who has been elected Chairperson of the World Customs Organization (WCO) East and Southern Africa Regional Training Centre Heads Meeting. This achievement is a source of pride not only for him, but also for the country and the entire MRA community.

Editorial team

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Future of Banking in Mauritius and its implications for MRA

THE GOVERNOR OF THE BANK OF MAURITIUS, SHARES HIS INSIGHTS

On 17 May 2024, Mr. Harvesh Seegolam, G.C.S.K, Governor of the Bank of Mauritius, delivered a talk on 'The Future of Banking in Mauritius and Some Potential Implications for the MRA' at the Head-Office of the Mauritius Revenue Authority (MRA) in Port-Louis. The event was graced by the presence of the MRA Management Team and Section Heads.

The Governor of the Bank of Mauritius applauded the sustained collaboration between these two institutions. His address highlighted the evolving landscape of banking in Mauritius and its potential impact on tax administration and revenue collection. On this score, Mr. Seegolam emphasized the necessity for adaptive strategies to confront future challenges effectively.

The insightful discourse offered by Mr. Seegolam provided attendees with valuable insights into the changing dynamics of the banking sector and its implications for the MRA's operational frameworks.



Mr. Harvesh Kumar Seegolam, G.C.S.K, Governor of the Bank of Mauritius

had the great privilege and honour to welcome the Governor of the Bank of Mauritius, Mr. H. K. Seegolam, G.C.S.K.

In a nutshell, the Governor has provided the contours of the Future of Banking in Mauritius and some of the tax implications of these foreseeable measures. The Governor shed some lights of the different "pillars" that the Bank of Mauritius is threading upon in improving the preconditions for financial stability and economic resilience.

According to the Governor, the Bank of Mauritius shall accelerate the move to a cash-lite society and improve the adoption of digital payments. Digital transactions shall provide the users with a safe and transparent platform, while at the same time helping to mitigate fraudulent activities. The initiative shall also build on the move towards an advanced digital financial infrastructure.

The Governor also commented on the Mauritius Investment Corporation Ltd (MIC), which during the COVID-19 pandemic has contributed in maintaining the financial stability of the banking system, successfully prevented potential failures of systemically important domestic companies, shielding the domestic economic architecture and safeguarding thousands of Mauritian families. Without those dexterous and perspicacious measures adopted by the Bank of Mauritius, the economic impact of the COVID-19 pandemic could have been more damaging and irreversible.



Mr. Sameer Dulmeer
Team Leader
Research, Policy and Planning Dept.
Mauritius Revenue Authority

Our editorial team met Mr. Sameer Dulmeer, Team Leader at the Research, Policy and Planning Dept. at MRA to share his views on the talk, and also, on potential future collaboration between MRA and the Bank of Mauritius.

Sir, could you please provide a summary of the key points discussed during the talk on 'the future of banking in Mauritius and some potential implications for MRA'?

As you are aware, the HRTD has implemented a very insightful initiative under the "Eminent Speaker Series" where prominent professionals are invited to conduct an interactive session on specifically selected topics with MRA senior management to enhance their skills and capacity. It was in that perspective that MRA

MRA, as a tax collector, has also benefited from the measures undertaken by the Bank of Mauritius in salvaging the economy. MRA has witnessed growth in revenues of 26% and 21% during the last two financial years compared to negative growths of 5% during the two COVID-19 affected years.

Support from the MIC to the hotel sector has ensured that hotels were readily operational in the post COVID-19 era and could take advantage of the craze for international tourism that followed. Tax collections from our hotel sector in FY 2022/23 were Rs 9.3 billion, that is, 25% more than in the pre-pandemic financial year 2018/19.

In what ways do you think the Mauritius Revenue Authority and the Bank of Mauritius can collaborate more effectively in the future?

The Mauritius Revenue Authority and the Bank of Mauritius have always shared a very special and strong bond for years to achieve a common goal of improving the life of the people. This relationship was further strengthened with the signature of a Memorandum of Understanding between these two institutions on 31 December 2009.

It is worth highlighting that the MRA has introduced the direct debit system as a means to facilitate taxpayers to effect payment electronically. Under this system, taxpayers are prompted to enter their bank details in order to give a one-off instruction to debit their bank account. This electronic payment facility would not have been possible without the helping hand of the Bank of Mauritius. In fact, it is the Bank of Mauritius through its platform which captures and treats payment instructions and sends payment instructions to commercial banks. On receiving payment feedback from the commercial banks, the Central Bank sends the payment feedback to the MRA. Just to give you an idea, in the last financial year, tax collections through such bank transfer exceeded Rs. 13.5 billion. I must add that the direct debit facility supports mainly small taxpayers as large ones pay taxes through the Mauritius Network Services (MNS).



On another note, as our Director-General has pointed out in his vote of thanks to the Governor, it was the Bank of Mauritius that has recommended the MRA to require certain taxpayers, such as those in the global business, to pay their taxes in foreign currencies, that is; in Euros, Dollars or Rand.

During the FY 2022/23, revenue collected in Foreign Currencies and equivalent in Mauritian rupees amounted to Rs 14.3 billion. The sizeable tax receipts in foreign currency are indeed assisting Government in the management of the country. These two institutions have always collaborated together in bringing out the best for this country and for its people.

To conclude, how do you see the future of banking in Mauritius impacting the work and objectives of the Mauritius Revenue Authority, and what steps do you think should be taken to adapt to these changes?

As you know, the only thing which is permanent in life is "change". So, we have no other choice than to adapt and be up to date at all times or perish.

Therefore, building a sustainable future is key to our livelihood, especially for us in Mauritius a small island state which is vulnerable to the vagaries of nature. This is where the Bank of Mauritius and the MRA are working together to put in place the appropriate regulatory frameworks and ecosystem to enhance the resilience of our economy while at the same time incorporating a sustainable environment-friendly legacy for the future generation.

I shall conclude with this famous saying by Halford E. Luccock, who stated that "No one can whistle a symphony. It takes a whole orchestra to play it."

Therefore, I strongly believe that it is only through the collaboration of each and every one that we can achieve our set goals and objectives.



Mr. M. Sudhamo Lal, G.O.S.K, C.S.K, Director-General, MRA, remits a token of appreciation to Mr. Harvesh Seegolam, G.C.S.K, Governor of the Bank of Mauritius



MRA Internal Audit Division

CELEBRATING THE INTERNAL AUDIT AWARENESS MONTH



May is the Internal Audit Awareness Month. As is the tradition every year, MRA seizes this moment to let our stakeholders know what we stand for. Throughout Facebook posts, tweets, emails and articles, we raised awareness of the Internal Audit function and showed how it helps our organization succeed.

No celebration is complete without a heartfelt thanks to our stakeholders. So, thank you for your invaluable support and cooperation. Your commitment and engagement have been crucial to our success in promoting transparency and excellence. We look forward to our continued partnership in strengthening our organization.

Celebrating the Internal Audit Awareness month is our way to make sure that our role is well understood by all our stakeholders. We provide assurance to the Board and Management, which ultimately trickles down to employees and even the public at large.

At its core, internal auditing involves identifying the risks that could prevent an organization from achieving its goals, assessing the effectiveness of controls in mitigating the risks and proactively recommending improvements to help reduce the risks

In layman's term, Internal Auditors can save their organization considerable resources and protect their reputation by, for example, identifying operational inefficiencies, wasteful spending, employee theft, fraud, and cases of noncompliance with laws or regulations.

We keep an eye on the corporate climate and perform a variety of activities such as assessing risks, evaluating existing controls, analysing opportunities, suggesting improvements, promoting ethics, ensuring accuracy of records and financial statements, drawing the attention of Senior Management and the Board on critical issues, detecting wasteful spending, raising red flags, recommending stronger controls, monitoring compliance with rules and regulations, and much more!

Over the years, besides continuously auditing numerous processes, the Division has led key projects at MRA, contributing to its reputation as a modern and efficient tax administration. Amongst others, the Division championed several projects. namely:

Key Projects and Achievements:

- Implementation of Data Analytics: At the Division and subsequently promoting data analytics across MRA.
- Enterprise Risk Management (ERM): Integrated ERM into MRA's corporate strategy, operations, and culture.
- ISO Certification & Recertification: Achieved and maintained ISO 9001:2015 certification since 2012, enhancing MRA Quality Management System, improving internal control maturity for better Customer Service
- Internal Audit Management Software: Implementation of Teammate/Electronic Audit working paper for the Internal Audit Division in line with MRA's paperless initiative.
- Institute of Internal Auditors Quality Assurance: Internal Audit has been QAIP Certified, acknowledging the Division's conformity with the International Standards for the Professional Practice of Internal Auditing.
- Corporate Governance Assessment: Continuously taken various initiatives to enhance MRA's Corporate Governance posture. Participated in the National Committee on Corporate Governance (NCCG) Scorecard Assessment, thus reflecting our commitment to governance.
- In house IT Security Audits: Developed capacity and embarked on IT Security Audits in recognition of the ever-increasing cyber threats across the business landscape.
- Advisory for Teammate Plus Implementation: Assisting Compliance departments in adopting Teammate Plus.

Ultimately, we recognize that operating in environments with competing priorities can make it difficult for everyone to understand our Division's roles fully. Celebrating Internal Audit Awareness Month provides an ideal platform to promote our purpose and reflect on how we serve.

Thank you for celebrating the Internal Audit Awareness Month with us!

WCO East and Southern Africa RTC Heads Meeting

MR. D. MAGEN MAUNIKUM, ELECTED CHAIRPERSON

The WCO ESA Regional Training Centres Heads (RTC) Meeting was held in Namibia on 16 and 17 May 2024. Mr. D. Magen Maunikum, Director, Human Resources and Training (HRTD) at MRA, who attended the above meeting, has been elected as the Chairperson of the ESA RTC Heads, for the year 2024/25.

In his new role, Mr. Maunikum will chair the RTC Heads Meeting, oversee the implementation of the ESA Regional Strategy 2022-2025, and ensure it brings maximum benefit to the members of the ESA Region.

This strategy focuses on deepening regional integration through trade facilitation, revenue collection, societal protection, and enhancing human capital development and integrity. It is to be noted that the MRA Training Academy has been accredited by the WCO since 2013, as a WCO Regional Training Centre for the ESA Region.

Since his appointment as Director, HRTD, Mr. Maunikum has brought in several transformations in the HR functions. In the field of Training and Development, he has encouraged the democratization of training to ensure that training opportunities are given to everyone in MRA. He is also promoting the regionalization of training in the ESA Region. He has also supported new learning methods such as e-Learning, Virtual Learning, Leadership Training and much more.

His leadership philosophy is rooted in creating an inclusive and technologically advanced training environment that meets the diverse needs of the workforce, thereby enhancing overall organizational efficiency and effectiveness.

We wish the Director of HRTD all the best in his new endeavours!



**World Customs Organization
East and Southern Africa
Regional Office for Capacity Building**



Mr. D. Magen Maunikum
Director,
Human Resources and Training Department

Bio Data

Mr. D. Magen Maunikum has around twenty-six years of experience in the field of Human Resource Management and Training. He joined MRA as Team Leader in the Human Resources & Training Department in January 2007 and was subsequently appointed as Assistant Director in December 2013.

Prior to joining MRA, he has been working in the Public Service since 1997. He served as Senior Human Resource Analyst at the Ministry of Education and Human Resources and as Assistant Secretary at the Prime Minister's Office.

Mr. D. Magen Maunikum has also delivered lectures at local universities and acted as Resource Person/Facilitator at different training centres/institutions as well as acted as panellist in various talks/forums

Mr. Maunikum is also the Head of the World Customs Organisation East and Southern Africa Regional Training Centre (WCO ESA RTC) - Mauritius since December 2020. He is also a WCO Accredited Customs Modernization Advisor, specialized in Human Resource Management and Development.

FINANCIAL ASSISTANCE SCHEMES

Since 2017 till date, MRA has been entrusted with the responsibility of implementing several financial assistance schemes.

The first financial assistance scheme entrusted by the Government was the Negative Income Tax (NIT) in 2017.

Over the past two years, MRA has implemented various financial assistance schemes, including the CSG Child

Allowance Scheme, the Housing Loan Relief Scheme, the Independence Allowance Scheme, and the Special Allowance/Guaranteed Minimum Income.

These schemes aim to support vulnerable segments of the population, including low-income earners, families with children, and individuals / businesses in need.

For the month of April, the following sums were paid out:

Scheme	Targeted beneficiary	Amount disbursed (Rs.)
CSG income allowance	303,204 4 individuals	479.05M
Subsidy to bakeries	57 entities were paid	2.33M
Home Loan Relief Scheme	31,740 individuals	63.53M
CSG Child Allowance	30,880 children	73.78M
Independence Allowance	1,768 youth	35.36M
Prime à l'Emploi	1,892 employers	111.16M
Financial Support to Business Operators following increase in price of Diesel	252 business operators	4.14M
Financial Assistance to Households: Power Cuts for 12 Consecutive Hours During the Passage of Cyclone Belal	3,493 CEB subscribers	6.99M
Minimum Wage Allowance 2024	2,565 employers	72.22M
Salary Compensation 2024	3,168 employers	134.70M

Study Tour

BENCHMARK VISIT OF TANZANIA REVENUE AUTHORITY

MRA hosted a benchmarking visit from the Tanzania Revenue Authority (TRA) from Monday, May 20 to Friday, May 24, 2024.

The delegation was headed by Mr. Emmanuel Masalu, Deputy Rector, renowned for his expertise in planning and administration. He was accompanied by Mr. Salvatory Tehingisa, Principal Tax Management Officer, and Mr. Dathan Mafuru, Legal Counsel.

The primary aim of this benchmarking visit was to learn from the Mauritian experience regarding the establishment and operation of tax academies, with a focus on learning about the best practices and innovative approaches adopted by MRA.

The delegates had the opportunity to interact closely with MRA officials, including senior management and subject-matter experts, gaining valuable insights into the strategic planning, curriculum development, and delivery mechanisms employed by MRA's tax academies.

Through this collaborative initiative, the TRA sought to leverage the insights gained from the MRA's tax academy model to enhance their own capacity-building efforts and strengthen their institutional framework.

The delegations expressed their appreciation for the warm hospitality extended by MRA and underscored their commitment to continued collaboration and knowledge-sharing endeavours.



WCO Regional Workshop on e-Commerce

ENHANCING CUSTOMS EFFICIENCY IN THE DIGITAL ERA



The Mauritius Revenue Authority (MRA) launched a World Customs Organisation (WCO) Regional Workshop on e-Commerce for the Eastern and Southern Africa (ESA) region on Tuesday 28 May 2024. The workshop, spanning from 28 to 30 May 2024 at the Integrated Customs Clearance Centre (ICCC) in Plaine Magnien, saw the participations of officers from the Eastern and Southern African countries, including MRA officers.

The event, organized with the financial support of the Customs Cooperation Fund of China (CCF/China), aimed at addressing the challenges and opportunities presented by the rapid growth of cross-border e-Commerce. It was graced by the Acting Director-General of MRA, Mr. Dhanraj Ramdin as Chief Guest, in the presence of H.E.M. ZHU Liying, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China, as Guest of Honour, as well as the Director of the Customs Department at the MRA, Mr. Vivekanand Ramburun and Mrs. Vyara Filipova, Senior Technical Officer at the World Customs Organisation.

Mr. D. Ramdin expressed his deep appreciation to the Government of the People's Republic of China for funding this significant workshop. He also thanked the WCO for choosing Mauritius as the host country, and for providing accredited experts to facilitate the workshop.



Mr. Dhanraj Ramdin, Acting Director-General, MRA

Mr. Ramdin emphasized e-Commerce's transformative impact on global trade, particularly accelerated by the COVID-19 pandemic. He pursued that this surge in cross-border trade of physical goods has revolutionized business and consumer interactions, offering broader choices and advanced shipping, payment, and delivery options. e-Commerce has significantly boosted the global economy by driving new consumption trends, creating jobs, and fostering innovative trade methods with the account-based system, as recommended by WCO called 'Framework of Standards on Cross-border e-Commerce', that may be implemented by MRA for conducting international business.

Customs Challenges

Mr. Ramdin highlighted the challenges posed by the exponential increase in small e-Commerce consignments for Customs authorities worldwide. Customs officers with traditional customs processing methods, are struggling to cope with the sheer volume of transactions, he said. Managing this trend effectively requires international standards and best practices, emphasizing quality information, risk management, innovative revenue collection, and enhanced cooperation among stakeholders, Mr. Ramdin added.



Global e-Commerce: Insights from the Guest of Honour, H.E. M. Zhu

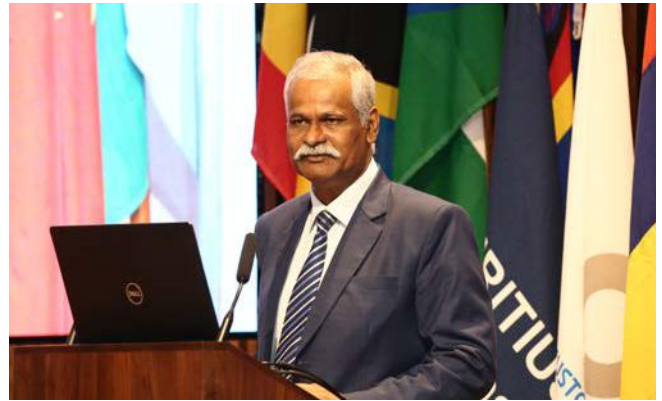
H.E. M. Zhu praised Mauritius for its role in fostering trade between Asia and Africa, highlighting recent agreements that ease trade between China and African nations. Looking forward to the Forum on China-Africa Cooperation Summit, he affirmed China's commitment to working closely with Mauritius Customs and commended the organisation of the workshop. Underlining online commerce, Mr. Zhu noted technology's impact on global trade, with China leading efforts to streamline cross-border transactions. Advocating for fair regulations to inspire trust in online transactions, he emphasized China's willingness to collaborate with other nations to ensure equitable access to online trade. The workshop is seen as an opportunity for customs agencies to collaborate, reflecting China's dedication to enhancing global cooperation in online trade, he added.



H.E.M. ZHU Liying, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China

Strategic initiatives and secure practices in Mauritian trade and e-commerce

Mr. Ramburun, Director, Customs Department at MRA, highlighted trade's vital role in the global economy and the growing impact of technology and e-Commerce in the 21st century. He outlined Mauritius Customs' strategic efforts to reduce duties, facilitate e-Commerce, and streamline trade processes, enhancing economic development despite Mauritius' small size. He stressed the importance of secure trade practices and reaffirmed Mauritius Customs' commitment to supporting businesses through advanced information and guidance, urging proactive collaboration for secure transactions.



Mr. Ramburun appealed to stakeholders to optimise the importation process of small commodities through advanced data.

Facilitating Global e-Commerce: Objectives and Collaboration

Mrs. Vyara Filipova, Senior Technical Officer at WCO, acknowledged the importance of coordinating with host countries to facilitate e-Commerce effectively, noting that Mauritius, currently serving as the vice-chair of the East African Region (EAR), plays a significant role in these efforts.

Mrs. Filipova extended her thanks to the Chinese Ambassador for his support and contributions. She outlined the primary objectives of the workshop, beginning with the dissemination of information on WCO initiatives aimed at securing global trade. She expressed her appreciation to Mauritius for hosting the event and to China for their generous donations, emphasizing the collaborative spirit necessary for advancing global e-Commerce and securing international trade practices.



Interview

“MRA’s workshop facilitated a knowledge-sharing platform for customs administrations and private sector stakeholders”



*Mr. Naden Vencatachellum
Section Head,
Customs Management Systems/IT*

In the following interview, Mr. Naden Vencatachellum, Section Head, Customs Management Systems/IT at the Customs Department of MRA, discussed how the rapid growth of e-commerce has revolutionized the way businesses and consumers interact and conduct business. This development offers Micro, Small and Medium Enterprises (MSMEs) the opportunity to access international markets more easily and competitively.

According to Mr. Vencatachellum, it is essential for Customs administrations to collaborate closely with stakeholders in the e-commerce supply chain to efficiently manage the influx of small, low-value shipments. This involves expediting the clearance of non-risky e-commerce packages while focusing on identifying and addressing any high-risk items, he concluded.

The Mauritius Revenue Authority (MRA) hosted a World Customs Organization (WCO) Regional Workshop on e-Commerce for Eastern and Southern Africa (ESA). As the moderator of this workshop, what are your feelings and key takeaways from the discussions during the e-commerce workshop, and how might these insights enhance customs operations in Mauritius?

To start with, I would like to thank the WCO for giving me the opportunity to act as a facilitator and moderator for the workshop. I am also grateful to our Director-General, Mr. Sudhamo Lal, and the Director of

Customs, Mr. Vivekanand Ramburun, for allowing me to represent the WCO as an accredited expert during the workshop.

This much awaited event was warmly welcomed by the East and Southern Africa (ESA) region, with twenty-one members (out of twenty-three) nominating participants. Under the guidance of the WCO, the workshop offered a unique information exchange platform by regrouping the Customs administrations of the region and relevant actors from the private sector, such as the express carriers and Universal Postal Union.

The e-commerce exponential growth has revolutionized the way businesses and consumers interact and conduct business. It offers unique opportunities to micro, small and medium enterprises (MSMEs) in terms of wider access to international markets, at a competitive price. While cross-border e-commerce brings significant economic and social development opportunities for the region in terms of new trade models, innovation, job creation, it also presents several challenges to Customs administrations to effectively balance controls and legitimate trade facilitation measures.

So, it is paramount that Customs administrations, in partnership with the stakeholders in the e-commerce supply chain, are well-prepared and equipped to handle the significant influx of low-value, small-sized consignments by ensuring the expeditious clearance of non-risky e-commerce consignments while targeting the risky ones. To that end, the WCO developed a set of tools, including the 'Framework



of Standards on Cross-border e-commerce' and a comprehensive e-commerce package. The Framework of Standards on Cross-border e-commerce provides overarching guidance for Customs administrations and relevant stakeholders in meeting their collective and individual goals and objectives in a trusted, safe and secure environment.

Consequently, the workshop had as objectives to raise awareness in the ESA region of the WCO tools and initiatives, aimed at facilitating and securing cross-border e-commerce and to provide a forum for the sharing of information on challenges and good practices, thus promoting regional cooperation.

We provided detailed explanations of the 16 standards of the WCO Framework of Standards and the tools available to support their implementation, namely the tools forming part of the E-Commerce Package and the Immediate Release Guidelines. Focus was placed on the submission of advanced electronic data and risk management, along with efficient revenue collection in the e-commerce environment and the challenges faced by members in that regard, notably those related to Customs valuation.

The constant interaction between the participants spurred interesting discussions in many areas, ranging from risk management, information exchange, revenue collection, partnership to safety and security in the e-commerce supply chain. The participants responded with highly positive feedback, in that they now have a clear roadmap of what needs to be done in order to support the growth of e-commerce in a safe and sustainable manner, and how they should approach the phased implementation of the framework. Beyond doubt, the workshop has met, or even exceeded, its set objectives.

With the legislation framework that supports advance submission of information to Customs already in place, bolstered by the adoption of the WCO Immediate Release Guidelines and leveraging on technologies such as Non-Intrusive-Detection, Mauritius is among the most advanced members in the region in terms of implementation of the e-commerce framework of standards.

Nonetheless, the insights obtained from this workshop can help Mauritius to further improve certain areas, such as the enhancement of our risk management capabilities, adoption of other revenue collection models such as vendor-collection or intermediary-collection and developing an Authorised Economic Operator (AEO) programme for the trusted actors in the e-commerce supply chain.

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In the e-commerce field, utilizing transformative technologies can enhance business operations

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There are numerous challenges posed by the increase in e-Commerce consignments for the Customs Department. How do Customs address these challenges?

The advent of internet-based technologies has resulted in a rapid rise of Business-to-Consumer (B2C) and Consumer-to-Consumer (C2C) business models, which, in turn, have triggered an upsurge in the volume of e-commerce transactions. This exponential growth in low value, small-sized e-commerce consignments

is having a profound impact on the operations of Customs administrations, in terms of the allocation of adequate resources, timely risk management and expeditious clearance of low-risk consignments.

Fortunately, the WCO e-commerce package comprises a series of useful tools, such as the e-commerce Framework of Standards and the Immediate Release Guidelines, which Customs administration can apply to ensure the legitimate movement of e-commerce trade with minimum interventions.

The framework draws on the following 8 major principles: Advance Electronic Data and Risk Management, Facilitation and Simplification, Fair and Efficient Revenue Collection, Safety and Security, Partnerships, Public Awareness, Outreach and Capacity Building, Measurement and Analysis, Leveraging Transformative Technologies. The ensuing 16 standards elaborate on the actions that should be taken for the proper handling and management of cross-border e-commerce. The Key Performance Indicators for each of the 16 standards allow any Customs administration to accurately assess its level of compliance with the standards and to develop a roadmap for their implementation.

The key to addressing the pressing challenges is to ensure that advance information on the e-commerce shipments is captured at a very early stage (much before the goods arrive in the country of destination) and that the Customs administration has an effective risk management system in place so that risky consignments can be identified at the onset. Data analytics techniques should be applied so that hidden trends and patterns are uncovered, and timely actions taken. Nonetheless, capturing advance information at source (point of sale) is somewhat challenging and requires a robust legal framework, with signed Memoranda of Understanding, and an effective partnership mechanism.

To help alleviate the burden on Customs operations posed by the high influx of low value consignments, it is paramount that these consignments are categorized such that different Customs clearance procedures are applied. This ensures that the low-risk consignments are cleared outright while the risky ones are subject to more stringent Customs control. The procedures to be adopted for each category of e-commerce consignments are clearly spelt out in the Immediate Release Guidelines.

Could you please elaborate on the recent strategic initiatives undertaken by customs authorities to expedite e-commerce transactions, and enhance trade procedures in a bid to enhance economic progress?

During the workshop, many participating Customs

administrations vowed to review their current processes and adopt simplified clearance procedures with respect to e-commerce shipments. One WCO tool that assists in that endeavour is the Immediate Release Guidelines. Customs administrations are increasingly adopting the guidelines and are developing simplified procedures for low-risk consignments.



It helps to classify e-commerce goods into 4 distinct categories and applies different clearance procedures for each of them. To further expedite the release of e-commerce goods without compromising on customs controls, Customs administrations are increasingly shifting their focus from control at the borders to Post Clearance Audit (PCA).

In a bid to expedite the clearance of e-commerce consignments, many member countries have introduced the de-minimis value. This is a threshold value, in terms of the value of the goods or duties / taxes leviable on the goods, below which no payment of duties and taxes is required. It ensures that low value consignments below the de-minimis threshold are released outright without the need for any payment processing.

In the same vein, to alleviate the stress posed by assessing and collecting duties at the entry points, Customs administrations are setting up account-based systems with their stakeholders, where the collection of duties and taxes are done at a later time, as defined in their legislations.

Vendor-collection and Intermediary collection models are increasingly being used as they allow duties and taxes to be collected by the vendors or suppliers and intermediaries (such as express carriers) respectively and then remitted to the Customs administrations on a periodic basis.

Partnerships, such as Customs and Customs or Customs and the private sector, are being privileged nowadays. Expeditious clearance of e-commerce goods can only take place if information about the

shipment is received and processed on time. This, in turn, requires close collaboration and the setting up of partnership between all the actors in the e-commerce supply chain.

With the vast amount of data being generated in the e-commerce field, the adoption of transformative technologies, such as data analytics, big data analytics, NII, Artificial Intelligence / Machine Learning, blockchain, can really help to perform any analysis and / or assist in the expedite clearance of the e-commerce consignment. Blockchain, for example, allows all the actors in the supply chain (including Customs) to have a full visibility of the e-commerce transaction details, thereby promoting expeditious clearance of low-risk consignments.

The exchange of information holds significant importance in customs administration. From your perspective, how does the sharing of information among customs authorities help in effectively managing e-commerce shipments across international borders?

Under the Partnerships principle, the WCO e-Commerce Framework of Standards dedicates one standard (#13) for International Customs cooperation. This emphasizes the importance for Customs administrations to cooperate and exchange information amongst themselves to ensure that clearance of e-commerce shipments is not unduly delayed.

Expeditious clearance of legitimate low-risk e-commerce consignments warrants information of good quality is received and processed in advance by the Customs administration, thereby allowing the timely detection of fraud such as undervaluation.

Given the legal and operational challenge requiring private actors in foreign countries to exchange information with a local Customs administration, it is easier for Customs administrations to exchange information among themselves through agreement or arrangements, such as Customs Co-operation and Mutual Administrative Assistance in Customs Matters (CCMAA).

An example of this cooperation is the use of Smart and Secure Trade Lanes (SSTL), as smart (high-quality) data is sent from Customs (country of export) to Customs (country of import). This smart data, together with the secured (sealed) shipments, result in a more trustful supply chain.

Sir, to conclude, can you please share any closing remarks for our readers?

Though e-commerce has been around for more than a decade, its growing significance today cannot be ignored and, more than ever, requires special attention from each and every country.

The unprecedented outbreak of the Covid-19 pandemic urged businesses to fundamentally review their models, eventually leading to exponential growth in cross-border electronic commerce. This new trend is now widely accepted as a growing business model and, to ensure sustainable economic growth, governments have the delicate task of striking the right balance between promoting e-commerce trade and protecting the local industries.

Customs administration, in partnership with the stakeholders in the e-commerce supply chain, is called upon to play a pivotal role in the proper management and handling of these e-commerce consignments.



WCO REGIONAL WORKSHOP ON e-COMMERCE

28 May 2024

**Integrated Customs Clearance Centre (ICCC)
Le Chaland Road, Plaine Magnien,
Mauritius**

Border Protection

MRA SEIZES SIGNIFICANT AMOUNTS OF DRUGS VALUED AT OVER RS. 119.5M

The Mauritius Revenue Authority (MRA) has successfully intercepted and seized significant quantities of illegal drugs during the month of May 2024, further reinforcing its commitment to combatting drug trafficking in Mauritius. The total value of the seized drugs amounts to over Rs. 119.5 million.

- On the 14th of May 2024, MRA Officers at Plaisance Air Transport Services Ltd (PATS) targeted a consignment, a musical keyboard, for scanning and examination, leading to the discovery of 903g of Haschich worth around Rs. 4.5 million.

- On the 16th of May 2024, a substantial seizure of 3.1 kg of dangerous drugs with a market value exceeding Rs. 15 million was conducted at SSR International Airport.

- The largest seizure of the month occurred on the 20th of May 2024 at SSR International Airport, where 6.6 kg of Cocaine worth around Rs. 100 million was confiscated.

MRA urges members of the public to remain vigilant and report any suspected drug cases or illicit activities to the MRA through the [MRA Stop Drug Platform](#) or by calling the Hotline **8958**.



MRA in the Media

RADIO/ TV PROGRAMMES

This month, MRA covered several important financial topics through TV interventions, and news reports across Mauritius and Rodrigues. 22 'one-minute radio programmes were also broadcast.

Topics are as follows:

- Payment of National Minimum Wage & Salary Compensation 2024
- Amount of monthly Financial Assistance
- Employers eligible for Financial assistance
- e-Tax account
- Income Tax Return for company
- The due dates for the submission of company's return

A studio-based TV Programme (in Creole) entitled **"Financial Assistance to Business Operators and Employees"** was broadcast on Monday 20 May 2024 on MBC 2 and SENN Kreol. Mrs. Bavinta Lingiah-Sunassee, and Mrs. Mokshada Devi Beegan-Gangaram, Team Leaders, Operational Services Department at MRA, provided comprehensive insights into various aspects of the Financial Assistance Scheme, offering valuable information to the audience.



TV Programme in Rodrigues

MRA, in collaboration with the Mauritius Broadcasting Corporation of Rodrigues (MBC Rodrigues), has produced two informative TV programmes.

The first, entitled "MRA Customs: Boosting-Up Border Protection and Trade Facilitation," was broadcast on Tuesday, April 23, 2024. The second, "Financial Assistance to Business Operators and Employees," aired on Monday, May 20, 2024.

These programmes aim at educating the public on the MRA's efforts in enhancing border security and providing financial assistance to businesses and employees.





DID YOU KNOW?

INTERESTING FACT

e-Tax Account

The Mauritius Revenue Authority (MRA) introduces a new system of communication called the “e-tax account” and same is available through the MRA Taxpayer Portal on www.mra.mu

In addition to the existing facilities available on the MRA Taxpayer Portal such as electronic submission of returns, statements, and payment of tax, this new system of communication is expected to improve and enhance interaction with MRA by making provision for taxpayers to:

- electronically receive and respond to MRA’s correspondences through the taxpayer portal; and

- view the history of correspondences exchanged with MRA.

When MRA sends a correspondence through this system, the taxpayer will be notified via SMS on their mobile phone and/or an email to the address they have previously provided to MRA.

Taxpayers will have to log in on the taxpayer portal using their User Id (National ID (NID) or Non- Citizen Identity Card Number (NCID) or Tax Account Number (TAN) and Password to access their respective e-tax account.





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