

VAT

GUIDE ON

SIMPLIFIED

VAT REGISTRATION

This guide is meant for persons whose turnover of taxable supplies exceeds or is likely to exceed Rs. 3 M and holders of a Pleasure Craft Licence.

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information purpose only.

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## 1. Introduction

The Value Added Tax (VAT) Act has been amended as follows:

- the VAT registration threshold has been reduced from Rs. 6 Million to **Rs. 3 Million**; and
- holders of a Pleasure Craft Licence issued by the Tourism Authority for a boat over 12 metres which is used for commercial purposes are required to be compulsorily registered for VAT, irrespective of their turnover.

The above amendments will take effect as from **01 October 2025** and persons in business who fall into the above categories are requested to submit their application for VAT registration by 30 September 2025.

## 2. Purpose of this Guide

This guide is intended for persons in business having an **annual turnover of less than Rs. 6 Million** who are registered for VAT and are likely to be registered as listed below:

SN	Business Activity
1	Food preparations in market stalls (including dhol puri seller)
2	General retailer in stores - foodstuff predominant
3	General retailer in stores - Non foodstuff predominant
4	A restaurant, a fast food, a café, a caterer and other prepared food selling businesses
5	Victualler
6	Construction contractor
7	Electric/Plumbing contractor
8	Landscaping & gardening contractor
9	Repair of motor vehicles and motorcycles, including car mechanic
10	Haberdashers operating in a market (haberdasher means dealers in small sewing items, such as buttons, zips, needles and pins)
11	Multi-purpose halls, including wedding halls, theatres and cinema halls
12	Leisure parks, amusement centres, including aquariums
13	Fitness centres and Professional Sports
14	Horse racing bookmakers (outlets), casinos and gaming houses
15	Rental of tents
16	Artists
17	Beautician
18	Holder of a Pleasure Craft Licence
19	Others (which have not been classified as per above descriptions)

Table 1 - List of Business Activities

### 3. How should the concerned persons in business register for VAT?

A person in business can register for VAT by:

- i. Submitting an online registration on MRA website;
- ii. Submitting a manual form for Application for VAT Registration which is available on MRA website; or
- iii. Applying to be VAT registered at the time of registering the business with the [Corporate and Business Registration Integrated System \(CBRIS\)](#).

Applicants are encouraged to use the online registration facility to ease their registration process.

#### a. Simplified Online VAT Registration

A simplified online VAT registration facility has been designed for persons in business who are required to be VAT registered as per **Table 1**. They may access the MRA website on [www.mra.mu](http://www.mra.mu) to submit their registration electronically.

The applicant will have to insert his **Username** (NID/NCID, TAN or BRN) and **Password** to login. Once the required details in the form have been filled, the applicant submits his application and he will receive an acknowledgement ID.

In case of forgotten password for individuals or companies, the applicant will be able to retrieve his password through the password management system by providing the NID/NCID of applicant/ director of company and mobile number.

#### b. Manual VAT registration Form

Alternatively, applicants can download a VAT registration Form on MRA website: [www.mra.mu](http://www.mra.mu)

Once the VAT registration Form has been completed, applicants can submit same to MRA:

- via email at [registration@mra.mu](mailto:registration@mra.mu);
- through **registered post**; or
- **calling in person** and depositing same at MRA's Head Office situated at Efram Court, Mgr Gonin Street, Port Louis.

#### c. Upon registration at the Corporate and Business Registration Department

A person in business willing to be registered for VAT can make an application in this respect when applying for registration as a business through the CBRIS.

#### 4. What happens after the application has been submitted at the MRA?

Once the application has been submitted, MRA will register the person in business by allocating a VAT Registration Number which is same as his Tax Account Number. A Certificate of Registration and a distinctive mark will also be issued to him.

The VAT registered person shall display the aforementioned documents at each of his business premises in a conspicuous place.

#### 5. When to start to charge VAT?

As mentioned above, once registered a Certificate of Registration is issued to the applicant and the effective date the applicant has been registered for VAT is mentioned therein. The registered person should compulsorily charge VAT on all taxable supplies made by him and issue VAT invoices on or after his effective date of registration.

#### 6. VAT Invoice

According to **Section 20(2) of the VAT Act**, the key components of a VAT Invoice are:

- a. the words "VAT INVOICE" should be displayed in a prominent place;
- b. the name, business address, VAT Registration Number and business registration number of the VAT registered person should be displayed;
- c. a serial number and the date of issue of the VAT invoice;
- d. the quantity and description of the goods or the description of the services;
- e. the value of the supply, indicating whether the value is subject to VAT or not;
- f. where the value of the supply is subject to VAT
  - i. the value of the supply;
  - ii. the amount of VAT chargeable and the rate applied;
- g. where the value of the supply is expressed in a currency other than Mauritius currency, the rate of exchange with regard to the value of the supply should be mentioned;
- h. where the purchaser is a registered person, the name, business address, business registration number and the VAT Registration Number of the purchaser.
- i. where the purchaser is a person in business, the name, business address and business registration number of the person.

## 7. What happens if a person in business does not register?

A person who ought to be registered and fails to do so, he shall commit an offence and on conviction by a court be liable to three times the amount of tax involved and to imprisonment for a term not exceeding 8 years.

## 8. What is 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 goods into Mauritius, irrespective of whether the importer is a taxable person or not. The standard rate of VAT is 15%.

## 9. Types of Supplies

Persons in business are informed that for VAT purposes, whenever a good or service is being sold in the business, the transaction shall be classified as follows:

- a. **Exempt Supplies (no VAT applicable)**
- b. **Zero-Rated Supplies (i.e VAT to be charged at 0%); or**
- c. **Standard Rated Supplies (i.e VAT to be charged at 15%)**

**Important: Zero-Rated Supplies and Standard Rated Supplies are both taxable supplies.**

### 9.1 What is an exempt supply?

An exempt supply is a supply of goods or services which are specifically exempted from the payment of VAT. A person who makes only exempt supplies cannot register for VAT. The list of exempt supplies is available in the First Schedule to the VAT Act.

### 9.2 What is a zero-rated supply?

A zero-rated supply is a taxable supply where the VAT rate of is 0%. Generally, goods which are exported are zero-rated. In addition, certain goods and services which are supplied on the local market are zero-rated. A list of zero-rated supplies is available in the Fifth Schedule to the VAT Act.

### 9.3 What is a standard rated supply?

Based on the definitions of an exempt supply and a zero-rates supply, a standard-rated supply is any taxable supply of goods or services which is not specifically exempted (First Schedule) or zero-rated (Fifth Schedule). These are the supplies subject to VAT at the standard VAT rate of 15%.

## 10. Time of Supply

The VAT registered person is required to charge VAT on taxable supply of goods and services made by him to his clients. The date the supply of goods or services made by the VAT registered person shall be the time of supply. For any supply of goods or services in Mauritius, the time of supply is deemed to be the earlier of:

- a. The time an invoice or a VAT invoice in respect of that supply is issued by the supplier; or
- b. The time payment for that supply is received by him.

## 11. The VAT mechanism

A VAT registered person charges VAT on its sales (output VAT) and pays VAT on its purchases (input VAT). The difference between **output VAT** and **input VAT** determines whether the business must pay VAT to the MRA or can claim a refund/carry forward any excess.

- Where the VAT charged (**Output VAT**) exceeds the VAT paid (**Input VAT**), the excess VAT charged is to be remitted to the MRA.
- Where the VAT paid (**Input VAT**) exceeds the VAT charged (**Output VAT**), the VAT registered person may carry forward the excess VAT paid to offset against future output VAT in his following VAT return or claim a refund/repayment.

## 12. Illustrations

The VAT mechanism is being illustrated below:

### Basic Illustration 1 -

**VAT on Sales (Output VAT) is higher than VAT paid on purchases (Input VAT)**

Particulars	Amount (Rs)	VAT @ 15% (Rs)
Sales (taxable supplies at standard rate)	200,000	30,000
Purchases	100,000	15,000
<b>VAT Payable to MRA</b>		<b>15,000</b>

## Basic Illustration 2 -

VAT on Sales (Output VAT) is lower than VAT paid on purchases (Input VAT)

Particulars	Amount (Rs)	VAT @ 15% (Rs)
Sales (taxable supplies at standard rate)	100,000	15,000
Purchases	150,000	22,500
<b>Excess Input VAT (Carry Forward / Claim a Refund)</b>		<b>7,500</b>

## Illustration 3 -

VAT on Sales (Output VAT) is higher than VAT paid on purchases (Input VAT) but amount payable is reduced by excess brought forward from previous month

Particulars	VAT (Rs)
Output VAT (Sales: 500,000 × 15%)	75,000
Input VAT (Purchases: 400,000 × 15%)	60,000
Net VAT payable	15,000
Less: Excess brought forward from previous month	(10,000)
<b>VAT due and payable to the MRA</b>	<b>5,000</b>

### Note:

In the above case, the VAT payable for the month is Rs. 15,000 but since there is an excess which is being carried forward from previous period amounting to Rs. 10,000, the actual VAT payable for the month is reduced from Rs. 15,000 to Rs. 5,000. Finally, when the VAT registered person submits his return to the MRA, he pays only Rs. 5,000.

## 13. Input Tax Allowable

It is important to note that for VAT purposes not all VAT paid by the VAT registered person is allowable i.e there are restrictions on the amount of input tax (VAT paid) being claimed. Section 21 of the VAT Act set out the limitations and VAT registered persons are kindly requested to consult the aforesaid section for further clarifications.

## 14. Input Tax on stock prior to registration

When a person in business becomes VAT registered, they can claim back input VAT in their first VAT return for:

- Trading stocks (goods held for resale), and
- Capital goods (plant, machinery, or equipment of a capital nature) that he already holds immediately before the date of registration.

However, the above stock and capital goods:

- must be duly certified by a qualified auditor; and
- were purchased within 3 months prior to the date of his registration

## 15. Submission of VAT returns

VAT registered person should submit a quarterly return or monthly return and declare all taxable supplies made by him and claim input tax allowable to him.

## 16. How to determine who should submit returns monthly or quarterly?

A VAT registered person making an annual turnover of taxable supplies not exceeding Rs. 10 million are normally required to submit VAT return on a quarterly basis. However, he may opt to submit monthly VAT returns instead of a quarterly VAT return.

Below are the taxable periods that cover each quarter for a VAT return:

- **Quarter ended 31 March: From 1 January to 31 March**
- **Quarter ended 30 June: From 1 April to 30 June**
- **Quarter ended 30 September: From 1 July to 30 September**
- **Quarter ended 31 December: From 1 October to 31 December**

Where a person registers for VAT on 01 October 2025, his first taxable quarter will be December 2025 covering period 01 October 2025 to 31 December 2025.



## 17. What is the due date for submission of returns?

A return has to be submitted within 20 days from the end of the month or quarter 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 working day.

For example, if a person is required to submit his VAT return for taxable quarter December 2025, he should submit the return by 20th January 2026.

However, where a registered person submits both his VAT return and make payment electronically, the time for submission of the return and payment of tax on or before the end of the following month.

For example, a person has up to 31st January 2026 if he submits his VAT return for taxable quarter ended December 2025 and effect corresponding payment electronically.



## 18. Record Keeping

Every business person must keep proper written records (either on paper or electronically) in English or French for all business transactions. If the person import or export goods, he must keep copies of his Customs declarations (electronic or paper), chronologically.

Every record should be kept for a period of at least 5 years after the completion of the transaction to which it relates.

## 19. Simplified Record-Keeping

*Given the nature of the persons in business as per Table 1, the MRA will issue a simplified guide on record-keeping on its website shortly.*

## 20. What happens if a VAT registered persons fails to submit a return?

A VAT registered person is liable to the following penalties and interest:

### a. Penalty for non-submission of return

Rs. 2,000 for every month or part of the month up to a maximum of Rs. 20,000 until the return is submitted.

Where the registered person is a small enterprise (turnover does not exceed Rs. 10 million), the maximum penalty shall not exceed Rs. 5,000.

### b. Penalty for late payment of tax

A penalty of 10% on the amount of tax payable is applicable if payment is effected after the due date. Where the registered person is a small enterprise, the penalty for late payment is 2%.

### c. Interest

Interest of 1% per month on the unpaid tax from the date the tax remained unpaid to the date of payment.

**Note: The amount of interest and penalties is capped at 100% of the tax due.**

## 21. Assistance

A dedicated SME Help Desk has been set-up at the seat of MRA's head office, Eham Court, Port Louis, for persons in business regarding their registration process or any other related assistance.

They may also send an email at **registration@mra.mu** or contact MRA on **207 6000** during regular working days from **08h45** to **16h30**.

Persons in business may also seek assistance from MRA by using the **e-Appointment** facility available on MRA website.

Furthermore, the MRA encourages persons in business and VAT registered persons to consult MRA website for additional information.



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